

# Amol's Guide for Beginners.



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## 1. How to be creative, part 1 of x (Creativity – Character, Being)

May 20, 2014

People like to be creative. They admire others who are. They benefit hugely from the new ideas produced.

It's not the only thing but it is an important thing.

Being productive is another such thing. People work and talk a lot about how to be that. Getting Things Done movements and so forth.

They talk less about the personal habits and organizational approaches that generate creativity.

I have been noodling about this too. I'm going to read some books like Creativity Inc and re-read awesome books like Polya's How To Solve It.

But here are some straight facts that everyone agrees with that probably should be accounted for in any good theory.

1. Long runs and exercise lead to good ideas
2. Showers and baths too
3. And the middle of the night – sleep or just late nights up
4. Alcohol and drugs can also
5. And, meditation is often described this way — eg David Lynch
6. Conversation or discussion with other people
7. Unexpected inspiration in unfamiliar models or facts

Maybe that's boring (uncreative?).

But you rarely hear of someone say “I am working on a hard problem. Going to go for a run.” I mean you hear it in movies. Or maybe you hear it in real life but I don’t.

So I guess that my first assignment. Survey some people. Back soon.

## 2. How to get taste

By amol / May 11, 2012

PG first, as usual

<http://www.paulgraham.com/taste.html>

## 3. Modern stoicism. (Character -Being)

April 21, 2015

Tips for founders: suffer well.

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It helps to have superhuman energy and stamina. If you are not blessed with godlike genetics, then make it a point to get into the best shape possible. There will be jet lag, mental fatigue, bouts of hard partying, loneliness, pointless meetings, major setbacks, family drama, issues with the Significant Other you rarely see, dark nights of the soul, people who bore and annoy you, little sleep, less sleep than that. Keep your body sharp to keep your mind sharp. It pays off.

Learn to handle a level of stress that would break most people.

## 4. Seneca 11/30: On blushing and on role models (Life/Start-Up Advice -Being)

June 10, 2015

Seneca series continues. If you ever wondered what a moral education is, then this is your jam right here. People don’t teach this stuff anymore, though sometimes they end up learning it.

Seneca says to his young friend first of all: “people get nervous, they blush”. It’s normal. You can’t change it. Embrace it as a person being real. If you are blushing just recognize it as a normal human emotion. Some people more than others. If it’s you, accept it but don’t let it throw you off your game.

The other big point: have a role model. Pick a moral icon to understand and model yourself on and a standard by which you may judge and refine your own behavior. Maybe Cato or

someone like that. What would X do? It's an instructive process and fits well with the earlier advice of "don't read everything, read something deeply enough that you really have absorbed it's worldview". Many people think about self-improvement as a sort of directional "yeah that seems good" and not a benchmark to hold to and drive toward.

## **5. Write this email and get an interview at a startup the next day**

March 20, 2012

From: XXX

Subject: Passionate, highly technical XXX student for Peek software engineering position

To: Peek CTO

Dear Dan and the Peek team,

My name is XXX, and I am a XXX at XXX University with a very strong background in computer science. I received your job opportunity and contact information through the XXX mailing list, and I am very interested in either working and/or interning for Peek during the summer of 2012 and beyond.

As a programmer who strives to be someone who – as Joel Spolsky says – is “smart and gets things done,” I live and breathe the art and science of coding. I have experience prototyping, designing, developing, staging, and testing both desktop and web applications, using languages such as C, C++, PHP, Python, Java, and Javascript. Furthermore, I have substantial experience developing using the STL, nodeJS, jQuery, Django, Tweepy, REST APIs, and have explored the Android SDK as well as the iOS SDK. Having interned for a seed stage startup during the spring and summer of my freshman year, I have grown to love the environment, the collaboration, and the creativity it fosters.

I have attached my resumé to this email, which also includes a link to my GitHub in case you would like to see any work samples. When I program, I consider it not only a means of pursuing my passion, but also a means of fulfilling my responsibility to improve the quality of human life through technology. I feel that Peek embodies this paradigm, and I would love nothing more than to become a part of it. Thank you so much for taking the time to read this and if you have any questions or concerns please feel free to contact me by cell at XXX or by email at XXX. Have a great rest of the week!

## **6. Getting a job at a startup**

August 13, 2013

People often come to me and ask about job opportunities at startups. Many of them are switching from non-startup jobs into the area. These people have trouble.

There are a few easy ways.

1. Be an established expert in a field the startup seeks to attack. You are the buyer at CVS and these guys make vitamins. You will teach them to get into retail. Not actionable really, if you are in job X already.
2. Be a skilled engineer. You could learn to code.
3. Be a former startup founder who shelved their project. Founders learn everything. Self taught. Here you must invest a lot of time and your failed effort has to have some merit.
4. Volunteer at a startup. So overlooked! Go to a cool startup's CEO and say: "give me a project. I will kill it for free." Main cost of course is you need to be working for free for a while. It adds startups to your profile and the gig itself can become a job.

The formula. QED.

Things that dont work

- emailing your resume on the hopes that smart people are needed
- getting out to meetups and stuff
- meeting VCs as if they run the universe

## **7. Shorter Drucker: Know your strengths**

July 18, 2014

Picking back up some great chapters from the Effective Executive.

"Know your strengths" because in the knowledge economy the worker must manage themself. You will outlast your company/job by 3x.

At Knotable recently, we raised some topics on how "we"

- manage our to do lists
- work the items
- delegate tasks and manage the dev teams
- and shift macro modes between "awesome" cycles and "broken" cycles.

The messages from Drucker are — write down what you wish to achieve then evaluate how you did. Are you delivering? You can judge yourself.

From that identify what you do well or pretty well – do more of it. Find what you suck at and avoid it. Get it out of your life. Don't even risk to crash and burn there.

This isn't a choice about "content" but about "process". Which types of things are you good at?

Drucker sets it up as

- do you prefer reading or listening?
- to learn something do you do it by taking notes or writing out an approach or telling someone your ideas or just rehearsing/doing?
- teamwork or loner?
- crunch time or structured work plan?
- make decisions rapidly or advise on them with care and nuance?

This is me:

- read. Impatient to listen
- doing to learn. Prefer it to studying.
- teamwork. Delegation and coordination preferred to lengthy preparation.
- crunch time is fine with me. Don't like schedules.
- decide things.

Now this works for me but if you are different there is a way to make it work for you. It just means you need to find certain situations and avoid others — crashing servers require crunch time decisions. Planning a new product family requires solo study and patience.

## **8. The creative moment**

August 13, 2013

Things are easy to do when you want to do them. They happen fast.

When you first think of a thing — right this minute — is often the most excited you will ever feel about it.

The whole context is present. The logic, the references, the voice. Nothing to recall or conjure.

So when you think of a thing, do it. Save time. Might not be in the ideal order. So what.

This is a way to get lots done.

Plus the Structured Procrastination thing.

When to defer:

1. Things that take a long time always lose on this calculus. As they should.
2. One counterargument to "do it now" is "it might go away". Ignore and it will pass. Don't reply, don't troubleshoot, don't step in — somehow the need will be solved by others. Reasonable. OK so defer if it might go away.

Otherwise strike now!

## **9. As software eats the world, the engineering jobs eat the enterprise**

By amol / April 9, 2012

Marc Andreessen, whose companies and writings I admire, had a great post in the WSJ a few months ago about software eating the world. The point being that software-based companies are replacing everything inevitably — from information and media to HR to oil discovery to automotive. Every single business. Dry cleaning will be replaced/disrupted by software in loads of ways. Shoe polishing. Road building. You just have to think about it a bit.

A further observation for you: the look of the enterprise follows this. The jobs in a company change. Executives are learning to code, as are non-technical founders.

The designers at Peek and likely many other places are being supplanted by “designers” — or at least their duties are being reduced. The developers use design patterns, image/widget libraries, image editors, and make the designs themselves. We occasionally sprinkle on some pure design work at the front or the back of a project.

Product UI/UX is already sucked into the engineer job for many of our projects. A few years ago one heard about a revolution in product development, where “the product management department” was compressed into three person teams — a PM + 2 engineers — at places like Google. The PM made UI/UX choices but also just ran the project timeline and other marketing activities. Now you hear about companies like Foursquare that made their first product as just two technical cofounders designing + building. Lots of products inside Peek work this way.

Sales too. One of our three sales guys at Peek works half time actually building the product for his customer. His touch point is the product R&D team. He is a sales engineer.

And today I heard a new one: recruitengineers. Full-time engineering staff (this guy works for a Union Square + Spark backed startup in NYC) who spends about half his time being part of meetups and online communities...and spamming the people he meets with recruiting outreach. Recruiting engineers credibly requires being an engineer, apparently.

So: hackers, software engineers, designers, product engineers, sales engineers and recruitengineers. And CEOs who code.

No place for that business degree.

## **10. Pmarca on Hiring. Worth re-reading (updated link)**

May 15, 2012

How to hire the best people..

[http://pmarchive.com/how\\_to\\_hire\\_the\\_best\\_people.html](http://pmarchive.com/how_to_hire_the_best_people.html)

All true.

Hire for drive, curiosity and ethics. (+a genius ethics test). On process: use a concrete process.  
On firing: do it!

## 11. Peter Thiel's CS183: Startup – Class 5 Notes Essay

By amol / June 20, 2012

<http://blakemasters.tumblr.com/post/21437840885/peter-thiels-cs183-startup-class-5-notes-essay>

No one insight on how to build the team and culture. But themes

- smart people
- be super picky
- hire for their passion never by paying more
- coherent early team doesn't debate they just do. You want uniformity and role playing
- yeah debate the marketing and strategy stuff
- but it must be a team dynamic not a political party
- and... How to get people to leave Established Incumbents:

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Levchin: So the way to compete against the giants is not with money. Google will outbid you. They have oil derrick that spits out \$30bn in search revenue every year. To win, you need to tell a story about cogs. At Google, you're a cog. Whereas with me, you're an instrumental piece of this great thing that we'll build together. Articulate the vision. Don't even try to pay well. Meet people's cash flow needs. Pay them so they can cover their rent and go out every once in awhile. It's not about cash. It's about breaking through the wall of cynicism. It's about making 1% of this new thing way more exciting than a couple hundred grand and a cubicle at Google.

Stephen Cohen: We tend to massively underestimate the compounding returns of intelligence. As humans, we need to solve big problems. If you graduate Stanford at 22 and Google recruits you, you'll work a 9-to-5. It's probably more like an 11-to-3 in terms of hard work. They'll pay well. It's relaxing. But what they are actually doing is paying you to accept a much lower intellectual growth rate. When you recognize that intelligence is compounding, the cost of that missing long-term compounding is enormous. They're not giving you the best opportunity of your life. Then a scary thing can happen: You might realize one day that you've lost your competitive edge. You won't be the best anymore. You won't be able to fall in love with new stuff. Things are cushy where you are. You get complacent and stall. So, run your prospective engineering hires through that narrative. Then show them the alternative: working at your startup.

## 12. Killer interview questions for \*taste\*

January 21, 2013

As a startup founder you have to judge people often — hire them, partner with them — and nobody really trains you for this.

An awesome post by Pmarca mentions a great trick for diagnosing a key quality in hiring prospects. Integrity is so important, but it's super hard to filter for quickly. Andreessen has a great hack. The post doesn't appear to be online anymore, so here is a piece of it (thank you Pocket!):

Third and final criterion: ethics.

Ethics are hard to test for.

But watch for any whiff of less than stellar ethics in any candidate's background or references.

And avoid, avoid, avoid.

Unethical people are unethical by nature, and the odds of a metaphorical jailhouse conversion are quite low.

Priests, rabbis, and ministers should give people a second chance on ethics — not hiring managers at startups.

'Nuff said.

One way to test for an aspect of ethics — honesty — is to test for how someone reacts when they don't know something.

Pick a topic you know intimately and ask the candidate increasingly esoteric questions until they don't know the answer.

They'll either say they don't know, or they'll try to bullshit you.

Guess what. If they bullshit you during the hiring process, they'll bullshit you once they're onboard.

A candidate who is confident in his own capabilities and ethical — the kind you want — will say "I don't know" because they know that the rest of the interview will demonstrate their knowledge, and they know that you won't react well to being bullshitted — because they wouldn't react well either.

Awesome, right?

So I was hanging with a member of the web glitterati today (he name dropped Jay, as in Jay-Z) and we had a lovely conversation about product design that I think is YOUR roadmap for diagnosing great visual product designers for web/software. In no particular order. With answers.

What's great about Windows 8? The start screen with the colorful tiles that are superflat (cool new style that is very influential across UIs the last year or so), dynamic/active (unlike iOS icons), and really WIDE (screens are wide! use it! scroll/drag over)

What other Microsoft product is ballsy and innovative? Office was amazing when they blew away the iconic and ancient File menu bar up top. Ballsy!

What's lame about Mac OS X these days? The least original OS out there these days – all the old metaphors, nothing new.

Remember when Facebook apps were a taskbar at the bottom. What fatal weakness does it reveal in Zuck? His first computer was a Windows 95 whitebox and he couldn't imagine a fresher way to handle apps in the Facebook stream till Apple and Twitter showed him notifications and stream embeds.

Who was more important: Blogger or Movable Type or Live Journal? More users? Blogger. More cred among early digerati? MT. But Live Journal was the inventor of everything in the modern social web — both features like follows and friends and tech like memcache.

The answer is the “comments box”. What is the question? What is the ugliest most useless part of every blog or media page?

What makes things interesting to read online? Visually? Lists, bold, pictures, spaces, and how about good words edited by someone who knows how to write.

Don't like my answers? Well, maybe you don't. But if you use this as your filter for “who has good taste” my questions do lack the timeless panache of the Andreessen patter.

Here is the deeper and timeless one. For the interviewee: Pick a popular product (Facebook, OSX, the comment box) and have them go deep. Where did it come from? What's original? How is it better than this other one? What would you change? What behavior sucks? A person with taste has answers to these questions. There is no “yeah, it's just there”. It's the opposite of the Andreessen integrity question. You don't end up saying “I don't know.” You end up going on forever and ever and ever.

And what it reveals is that you have been thinking and using these products with great passion and interest, forming opinions and linkages for a long time. This is where great taste comes from. (It can be about other stuff too, like music or food, not just products.)

### **13. Lazy algorithms for winning, People Edition**

By amol / November 26, 2013

Here is a people hack that's very lazy. We use it for hiring engineers.

State your project. See who responds. Filter very lightly. Hire 30% of them. Start with a trial. Increase hours and difficulty. At any stage, any party terminates.

Negatives:

- you can only hire people who want to do trials or work freelance
- such people may be transient (eg not “career Googlers”)

Non-negatives:

- they will do annoying or poor work or damage your project — roll back in got
- they require tons of oversight — point them at your bug list/project cards
- you can't verify their work — use a continuous deployment dev environment
- their code quality – use them to check each others checkins Mechanical Turk style

Positives:

- zero management time hiring
- 85% lower cost
- ability to reduce cost structure immediately
- ability to hire quickly

The code as craft people obviously hate this. But too bad for them. Results matter not theory.

Note irony: their invention of devops/continuous deployment makes it all possible.

### **14. Founder-centric vs idea-centric**

April 21, 2012

Most VC investors are people centric. The idea matters but it could change, you won't.

So people-centric means it is an important part of how the pitch is assessed. Can you get this done? Are you creative, resourceful, unstoppable, smart, passionate, focused, and capable \*generally\* and on the subject at hand?

But consider another upshot. I bet you haven't thought of this before.

When you meet them and you are GOOD but your idea is BAD (also known as "not a great fit for our partnership right now but a great idea, wow I will be cheering for you from the sidelines") there is something special that founder-centric people will do.

Idea-centric people will just say "meh, don't love the idea. Bye"

Founder-centric will say: this person is smart. They might change their idea. But I can't tell them what to do because smart founders don't take orders. I will instead show I like them and I "get it" but some nonsense is stopping me from doing this deal. I will encourage them to come back to me later and send their friends to me.

They will make you think it was close and it kind of was because they liked YOU. But it wasn't going to happen.

Upshot: don't let the friendly sounds soothe you into thinking your idea is almost good enough.

## **15. Marc Andreessen - The Revenge of the Fat Guy**

May 22, 2012

<http://blog.pmarca.com/2010/03/20/the-revenge-of-the-fat-guy/>

## **16. Cdixon Blog - Some thoughts on when to raise money...**

June 5

<http://cdixon.org/2012/06/02/some-thoughts-on-when-to-raise-money-and-the-current-financing-environment/>

## **17. How much and when to raise and its relation to revenue**

July 28, 2013

You need money to run your business, from customers and investors.

Raise as much as you can reasonably get, any time you can get it.

The caveat being don't raise all that money for a plan or idea you don't want to do. Raise it for the right idea you want to achieve in the increment of money you raise.

At Virgin Mobile we existed on monthly transfers from Virgin for nearly 3 years. Then raised a ton (\$500mm). At Peek we raised \$10mm on day 1 which was too much I think, since it was enough to both develop a product platform and launch it, the latter being a bit too much too soon.

And this gives you a philosophy on pricing. Get customers to give you the other part of what you need. If you raise nothing in investment, you will have to get all you can from customers.

## **18. How much to raise**

By amol / September 19, 2013

Debate ensuing in my inbox:

- Raise as little as possible! You can raise more at milestones easily. Too much money correlates to failure. Here is Fred Wilson making that point [http://www.avc.com/a\\_vc/2013/09/maximizing-runway-can-minimize-success.html](http://www.avc.com/a_vc/2013/09/maximizing-runway-can-minimize-success.html)
- Protect equity above all! It never comes back! Etc.

The other view is:

- Companies die by running out of money
- Money lets you play ball. Look up Ben Horowitz re the Fat Man

But I can tell you the answer here very simply:  
Raise enough but not too much.

Know very clearly what milestones will be convincing to investors. Raise enough to get to those plus a bit of error room. That's it!

## **19. Checklist for making angel investments**

July 10, 2015

Big and growing market

Intro organic

First money/Less than 10mm price

Raise enough to last a year or two

People who are great

What it means —

This means no syndicates or angel clubs or cold inbounds.

Rarely pure newbies

Rarely hot deals

## **20. Venture vocabulary: “too early”**

September 25, 2015

Some investors have a theory of the universe, though not all.

The theory of the universe often has some main risk vectors.

- Is the product compelling?
- Are people using it?
- Are they paying?
- Can there be a lot of such paying people?

Commonly people vectorize a company’s traction on these questions as

- team
- product
- users
- revenue

Good team but...is the product good? Good product but...do users want it? Good user numbers but...can you get revenue. Usually the questions stack like that. If you have a lot of revenue nobody gives a crap about your team.

The definition of “too early” however varies by investor pretty randomly. You’d think this was stage oriented – if a firm does A rounds, then are you ready for an A round? No? Then too early.

You’d think this but it isn’t quite true. It’s more, “do I believe you can conquer your next step or not”. If the investor doesn’t believe you can conquer it, they want proof and you are therefore too early if you don’t have proof.

That’s how I process those words by the way.

## **21. The strategist**

April 3, 2013

People talk themselves into starting companies usually. It's kind of fun to daydream about and a thing that some very technical, smart people do is sit in their corporate jobs and get enamored with a strategic or theoretical insight.

This happened to me of course, but an even better example is this former Goldman banker and former BD head at a monster clean tech startup. Came to me pitching an idea that turned on buying energy from power companies at their wholesale rate and selling it at the retail rate, to owners of electric cars, in a virtual spot market.

I mean it was weird, impractical, lengthy to explain, but based on a really glaring "arbitrage opportunity" (warning! There are none!). Went nowhere.

Variants: – market inefficiencies – entrenched incumbent strategies – psychological or behavioral deficits/biases – basically any hocus pocus that says "other people don't know what I know"

My point is this: if there isn't an excellent compelling product idea linked to a customer problem, beware. The Adam Smith Invisible Hand will beat the crap out of you. Strategic insight won't help. So if your idea smells like this, dump it for something that requires real work.

## **22. Gates or Jobs**

April 5, 2013

The content though is one part in the air and one part thanks to Jason from Obvious (i.e. Twitter, Blogger, Google, Branch, etc)

Bill Gates used to listen to customers and design strategies to dominate markets. Steve Jobs made sublime products he wanted that showed the way to the future. Or that's the Dashism to summarize it.

There are two situations when Gatesism appeals to startups: a) things are not going so great. The product is out there but only some people like it. Solution: the product is really about this niche! We found our segment! Yay! (Wrong.) b) we have an idea but...have trouble justifying why YOU (anyone) really need it. Solution: define a segment that really needs it. Describe them. Quantify their hugeness. Yay! We found some early adopters – the next hipsters, makers, hackers, slackers, etc. (Also wrong.)

Look, you can make a a product for a certain group. But only you know how you got there. If you are shoehorning it won't work.

Real Gatesism though resembles P&G with soap. Soap exists. Now how to get everyone to buy it. Bundle it, free trial it, discount it, advertise it. Solid, powder, gel, and liquid. For faces, floors, clothes and other. Slice, dice, target, refine and fit.

When startups do this they are often taking an invention and trying to retrofit segmentation. The reason it's bad is the invention process is not the market fit process. You invent something that doesn't fit (too bad) then try to market your way out of the problem.

So that's the warning.

More on the Jobsism later. Jobsism is how you make great inventions.

## **23. Startup office space**

August 14, 2013

People often approach me about office space. They have some hangups and reasonable notions. 1. Long lease. They fear it. Who cares? Leases are liquid in NY or SF. You find someone else. Maybe you eat a month. I never have. Why? Good space, good location, good network. 2. Good space. You need it. Get it. It is: banks of desks in an open space with people crammed close to each other, plus small and large conf rooms and a cafe style area. 3. Cost of buildout. Divide by 60 months and pay the landlord extra per month. 4. Good location. Be somewhere people want to work and can get to easily from where they want to live. Short cut: where other startups already are. Not convenient for you? Move. Commitment, people. 5. Good network. If you are a startup founder and don't know 10 other founders plus add one weekly, you are insane. Fix it. This network will sublet from you. 6. Don't have any cash? Get a desk from someone who did the above. Then graduate. 7. "Don't want to move". A hangup. Times have changed. Moving a startup takes zero time. Just show up in the new place, have desks, chairs, internet and you are in business. Don't stay in a crappy office. 8. "There is no startup office space in area X". Absurd and foolish statement oft-repeated by wannabe Silicon Valley areas. Bedroom->living room->cafe->cowork/desk->sublet->lease->building->campus->chinese research park. That is the evolution of all startup real estate needs.

## **24. Outsourced HR, like TriNet**

August 19, 2013

I think TriNet sucks. Here is why. (Also in part because they market to me constantly and spam the lists I'm on.)

1. They charge something for small companies that is a lot, and per employee for larger companies that is also a lot. Approximately \$1,000/month and \$150/employee if I recall a recent pitch.

2. Now you have to make that money back somehow right? The main way you do this is: they save you on Health Insurance costs which are insane for small businesses. This is what they are if you buy for a family employee: \$1500/month or so; for a single: \$600. That's a lot.

3. But you should minimize this expense in early startup life another way: tell people to take Cobra from their old company. 18 months of big company plan. Also tell them to get their spouses insurance plan for their family. Give them money to do this.

4. So now where are we? You are paying them for Payroll processing. This costs \$30/month if you use Intuit's payroll stuff which is really good and works in all states and does all the taxes and also sells you Workers Comp insurance (important in NYS). Plus it links to your taxes and bank account and financial system (known as QuickbooksOnline, which you should basically use because everyone else does).

5. And oh by the way if you use these clowns and happen to be big enough that you need to do accounting of any kind (e.g., have an accountant) then you are insane to let your lazy controller off the hook of a task so basic as "run payroll" and "get health insurance" -> they are doing vendor payables and closing financials every month anyway.

6. OK so let's say you are super lazy. Well get a bookkeeper from Teaspiller (now called Intuit something) for \$250/month that does all of the above — all of it — in tiny startups. And maybe costs \$1,000/month when you are bigger (and does the accounting plus the HR).

End rant.

I realize some people love these operations. I don't. I prefer to DIY and know how they work. When you do things you learn things.

## **25. Baking a cake**

October 8, 2013

I met the legendary Pmarca recently and he dropped a lot of science.

One thing was: making a company is like baking a cake.

You can't add a key ingredient later.

This is the kind of wisdom, first of all, from someone who sees great deals. Amazing ideas, in amazing markets, with some great people and maybe even rolling traction.

The advice therefore is about how to get to greatness.

You have so much going for you.

But you won't get there if you are missing even one key thing. Awesome.

Lucky him.

But the advice is sound.

Samsung won't become a software company. Microsoft won't become a hardware company.  
(Long Apple?)

So back to you and me. How to build our companies. Visualize your future. Build for it. Have the people who will be the essence of each piece. Make it part of your strategy from early on.

This is the key. You can't bolt it on later.

## **26. Designing every aspect of a product Many startup...**

November 20, 2013

Designing every aspect of a product

Many startups don't give much thought to some parts of their product. They should.

How you first hear about the product is a feature

What you see that first time you visit. Is it the homepage? A shared bit?

The way you are handled when you abandon.

Are you remembered when you come back?

Signing up. What's the minimum? Can you get a little extra there?

Should you make them wait. Defer the signup actually.

Logging in of course.

And then the product.

## **27. Don't launch. Hire your customers.**

May 6, 2014

<http://also.roybahat.com/post/84933343626/picking-your-first-customers-the-gradient-of-influence>

## **28. Gems from “18 mistakes” by @paulg**

December 19, 2014

One of the classic Paul Graham essays, shorter:

In a sense there's just one mistake that kills startups: not making something users want.

We advise startups to set both low, initially: spend practically nothing, and make your initial goal simply to build a solid prototype.

Startup funding is measured in time.

If you're trying to solve problems you don't understand, you're hosed.

The early adopters you need to impress are fairly tolerant. They don't expect a newly launched product to do everything; it just has to do something.

Launching too slowly has probably killed a hundred times more startups than launching too fast, but it is possible to launch too fast

The scary thing about platforms is that there are always some that seem to outsiders to be fine, responsible choices and yet, like Windows in the 90s, will destroy you if you choose them

So how do you pick good programmers if you're not a programmer? I don't think there's an answer.

Fortunately there's someone you can ask for advice: your users. If you're thinking about turning in some new direction and your users seem excited about it, it's probably a good bet.

So don't get too attached to your original plan, because it's probably wrong.

In some fields the way to succeed is to have a vision of what you want to achieve, and to hold true to it no matter what setbacks you encounter. Starting startups is not one of them.

The stick-to-your-vision approach works for something like winning an Olympic gold medal, where the problem is well-defined. Startups are more like science, where you need to follow the trail wherever it leads.

Starting a startup is too hard for one person. Even if you could do all the work yourself, you need colleagues to brainstorm with, to talk you out of stupid decisions, and to cheer you up when things go wrong

When you raise a lot of money, your company moves to the suburbs and has kids.

Apparently even Google got a lot of grief from their investors early on.

There's nothing like users for convincing acquirers.

If you're going to attract users, you'll probably have to get up from your computer and go find some.

Most disputes are not due to the situation but the people. Which means they're inevitable.

If startup failure were a disease, the CDC would be issuing bulletins warning people to avoid day jobs.

Most startups fail because they don't make something people want, and the reason most don't is that they don't try hard enough.

## **29. Great startups have strong problem statements**

April 20, 2013

Here is one:

There wasn't a place for people who wanted to write something more substantive than a tweet. Blogs, while better for long-form, required a certain savviness to get up-and-running. Successful ones required constant care and feeding and typically focussed on a single subject matter. New ones lacked an audience. He went on to say that people sometimes just have one thing to say about a subject, not something every day or week. This is what Medium would solve for. (source)

It's from Ev Williams and I think it means Medium is really promising.

Though maybe Odeo seemed promising too? Apple kind of head them off at the pass though.

## **30. Marketing is a promise, perhaps a dangerous one**

September 24, 2013

Brands are promises that products make to their customers. Old hat. We all new it. Coke is it. Apple thinks different. Etc.

A new exciting way to make promises on the web is to tell people exactly what spirit, vibe, community, mission and functionally detailed product they are buying into.

It's called crowdfunding e.g., Kickstarter or Indiegogo.

At first this was amazing to me (well it still is). You say some stuff, money pours in. Awesome!

Check [www.ouya.tv](http://www.ouya.tv) a juggernaut on Kickstarter that then raised 10s of millions more from VC. Awesome!

Look at this next case example however: Canary the home security pod

It's neat, fo' sho'. And they raised \$2 million!!!! Holy cow!!! From 10,000 people pledging \$200 each.

For those 10,000 they pledged...A fully working device. It's going to take a lot of the \$2 million to finish designing, setting up, producing, and getting the device distributed. More than they ever expected I promise you. So keeping that promise will be very challenging indeed.

Not so different from any startup really. You buy the product at Target or you sign up to something and you hope it works.

But beware the promises you make. The burden can be great.

## **31. How to do PR**

February 21, 2014

A friend asked how to do PR for HIS BIIIIIG LAAAAUUUUNCH!

My version:

Email the tech and media bloggers you know cover the space

Offer them live demos

Promise to tip them when you drop the news

Tell them where you will be demoing/launching

Have a vimeo waiting that's cool

Have screenshots that can be grabbed on your site

Have a blog post that drops at the right time for reporters who do not cover you in advance to crib from

Dangerous move. There were some very smart people on the CC.

I got gazumped by this better version from a really smart friend:

PR is an art.

1) Prepare the blog entry but don't publish until the day of the launch.

2) You definitely need a press release and put it in a newswire. I would recommend [www.prnewswire.com](http://www.prnewswire.com).

3) In addition, I would try to get an exclusive with one of the big ones that cover product launches: Techcrunch, Mashable, Gigaom, TheVerge, ReadWriteWeb, AllthingsD. You need to engage with them by telephone to share the vision, where the idea came from, etc. They will ask some screenshots, logo, and the press release (to have material). So have everything ready.

4) The rest of the traditional media outlets (WashingtonPost, BostonGlobe, NYTimes, USA Today, etc) can publish about the launch up to one week after the launch. So remember that the job is not done the day of the launch. You need to use the momentum.

5) The day of the launch, send a blast email to all your friends telling them how happy you are to launch XYZ and include a link to the press coverage (Techcrunch, etc) or blog entry (in case that no one has covered it) and ask everyone if they could help sharing in their social media channels (twitter, facebook, and linkedin)

If you engage with a PR consultant or agency, they will be able to pitch to more publishers in 3) and 4), and they already have the contacts of the right reporters. So basically they give you more channels to pitch. But this could be expensive (\$10K+/month, for a minimum engagement of 3 months). The advantage is that they have plenty of contacts and they can stay focused on pitching. It is like working with a recruiter (vs. trying to recruit yourself).

## **32. Authority vs Leadership**

April 20, 2013

In a crisis people want leadership. Especially a scary one like we just had.

The part of leadership they want is Authority. It provides coordination, direction, security.

It doesn't necessarily solve your problems, unless of course they are primarily about resisting intruders.

But we crave it.

A great insight from the leadership literature is that Authority is not all we expect from leadership.

We also expect help in solving our problems. Sometimes problems that require expertise or technical insight.

Sometimes problems that require adaptability, resiliency, personal and societal transformation.

Transformative change is hard to experience and be part of, and usually mere Authority doesn't make it happen.

And, like the Rodney King Riots or the 9/11 Attacks or the 2008 financial crisis or any great adversity and challenge, the short term emergency is where the "extraordinary powers" work. Security. But fixing the people and the system takes you into tougher terrain.

Most dangerously, in moments of emergency and stress we most crave "mere" law and order authority and least realize that what we need is nuanced, realistic, look-in-the-mirror leaders. It is how we got into Iraq.

That makes leading the right way hard.

Now replace riots with revenue shortfall or stock price pressure. That's the leadership problem for the CEO at say JC Penney or anywhere really.

Basically a snippet from Ronald Heifetz for you on a Saturday. More later.

### **33. Tech/startup people who are "not that technical"**

August 5, 2013

I often meet managers in tech who say they are not \*that\* technical. As if they are pretty technical but not as technical as the bearded unix god optimizing their database performance. This is usually a euphemism for "I am not technical and will do whatever the unix god says". These folks are at a huge disadvantage: – they can't manage project timelines by judging dates or difficulty or individual performance – they can't critically evaluate tech architecture or strategy choices – they are vulnerable to getting BSed by the (human-readable AND BS-motivated) crowd These are bigger company problems. Plus another set of problems: – they can't manage junior people directly. They don't know what the junior guys or doing and can't direct them. So they need an expensive manager layer – they can't use the armies of low cost junior talent available via global outsourcing – they don't know how to chunk the work into rapid product iteration These are startup problems. So if you want to avoid being a useless

destruction-magnet PowerPoint weenie you should learn how to – use an IDE and build a sample project – use FTP, make an HTML page with JavaScript and CSS in it – make an iPhone app and publish it – use github – use a shell and use emacs or nano or some editor – use Amazon Web Services EC2 and host something there The whole “learn to code” submovement in tech is all about this sidebenefit I think. (Plus you make something, another nice byproduct.

## **34. Going slow, as a way of getting big fast**

August 26, 2013

Startup founders are usually in a big rush:

- raise money ASAP so we can quit our jobs and focus!
- build the MVP to get critical customer feedback as quickly and simply as possible
- hire NOW through all out war in meetups and recruiters
- and generally just “go big or go home”

The reason for the rush is competition, which is perceived to be imminent — because the idea is so good/valuable and the first mover will win. (Neither is true often.)

Here are some reasons to go slow, however:

1. Hire by serendipity, trial and then ramp up. Let the right fit show up, show it, and then learn on the job at a good pace.
2. You are free to fire when the fit isn't right.
3. Product ideas take time to form and test through detailed conversation. Those meetings are hard to schedule. Your team may be building the wrong stuff if you field your army all up front.
4. Creative/designy work is slow. Freelancers are flakey. But often good.
5. Inspired amazing ideas are hard to schedule. They just sort of appear.
6. Slow means fewer people, including less you. Maybe you the founder can keep your day job. Risk is going down as time is passing.
7. Slow means lower burn or maybe no burn. Maybe you can finance it yourself or through consulting.

Going slow. Not so bad.

## **35. Founder update emails**

February 5, 2014

You should send one monthly to your investors and advisors.

There is an established template that most people use. It should say

What happened this month

Some links / things to tell the world on our behalf

How you can help

Thanks for stuff folks have done

Money stuff – cash and burn

### **36. A great old post on how to be startup talent**

April 27, 2014

[http://www.drownout.com/blogdrwn/2011/12/managing\\_startup\\_talent\\_and\\_be.html](http://www.drownout.com/blogdrwn/2011/12/managing_startup_talent_and_be.html)

### **37. New Fortune Post: What I Wish They Taught Me...**

January 11, 2016

Fortune asked me to write about the things I wish someone taught me before starting a company. There is a long list; in fact, there will be a class taught by me at Columbia College about this starting in about 10 days! (The class, “Venturing to Change the World.”)

My post is about two things: a) you can in fact teach a lot of entrepreneurship’s core skills, and b) in particular a key element is how you handle people (hiring, firing, decisions, disagreements, consensus, vision, sales, etc.)

<http://fortune.com/2016/01/11/amol-sarva-why-businesses-fail/>

### **38. Spending the money**

November 8, 2013

When you raise money for your startup you think the point is to spend it. Wrong. The point is to get to the next fundraise.

Work backward from the last money you will ever raise — the IPO? The round where you get profitable and start returning profits?

Work backward to now. This round is usually not it. This round is how you set the table for the next one.

The first raise is so hard, especially for new founders, that it has an amazing feeling of freedom. Finally we don't starve any more. Finally someone believes in us. We can finally do the things we wanted to do!

Not so fast.

For the next stage the demands will be high. You don't know what to do yet. There will be bad news.

So the way to spend the money this time is to de-risk the story for next time. Peel the onion of risk. What can you accomplish this time — what one or two things — that will demonstrate readiness?

If you don't the answer ask. Many investors said you were "too early" this time. Call them. "Hey! We closed the round and have been doing great. Here are some updates. We are preparing for the next phase. What would you have to hear to invest in an X dollar round in one year?" X should be double of today's round at twice or three times the price.

What you hear is real. And will have some nuance judgments you need to make.

But when you decide the right answer you will know what to do in this round: spend only on the things that prove the next round's assumptions.

Ignore the rest.

### **39. How to Fail as a startup founder, true story**

May 4, 2012

Story of two founders:

Number 1, guy I know, a year ago quits his job on Wall St after 15 years and announces he is going to start a company that takes on LinkedIn and another great social/expertise startup using a simpler, modern attack. Very clever actually. Gets going. Starts pitching. Convinces a few guys to quit and work for nothing with him. Works on raising money. Year later, it's not built. Tech guy has to get a job. They soldier on.

But a few months before that, Number 2, guy I know who has started two companies previously, starts writing a simple web app that works on web and phone to basically

implement a variation of this. 3 months later releases it. Kind of works. Techcrunch. Tons of people ping him to invest. People sign up.

This is the difference between an a) technical founder, b) build-it-first product approach, and c) minimum viable product launch approach (that's Mr. 2) vs. a) finance guy, b) powerpoint first, c) better than the incumbents approach (that's Mr. 1).

## **40. Phone rings. "I fucked up" he says.**

August 5, 2014

[My batphone rings occasionally. It is awesome.]

"I fucked up. We are out of cash. Not much runway left. I gotta get our guys to put in more cash asap."

Now this can be a long conversation. In the event it was 30 min. Here is what we agreed as the To Do list:

#1 Cut your payroll. There are options for this. One is fire some people RIGHT NOW. Don't make it the last resort. Do it now. Another is go talk to them. Say "hey I need to cut costs yesterday and that means us. Can you go to zero or near it? Email me back tomorrow. I'll pay you back in options right away."

#2 Cut other costs. Stop paying bills. Go late on everything. Cancel everything.

#3 Get revenue. Take every possible maybe you are nursing and make it a yes and say yes and get it prepaid and do the work NOW. Ignore ideas like "distraction" or "we don't have a product". Fire people who say that.

#4 Shake loose any old money leads. Add on to your round now with folks you put on hold prior. Open a tranche on Angel List.

#5 Go to your core group and get some dosh to set up the next fundraising better. This is called a bridge. Not a gap.

#6 Raise from folks you haven't engaged deeply before. These are the "new" names and might add on or set up the new round.

The outcome, not very long after, "Thank you. I am getting your tattoo."

## **41. What other startups are doing**

November 27, 2013

For a WSJ post.

//

Understanding what other startups are doing in your space is hugely valuable. It is information, not just competition.

The past efforts more than anything are experiments in user behavior and adoption. Use their lessons. Facebook was not at all the first social network, but it was deeply informed by the ideas and behaviors of the ones before. SixDegrees got too big too fast, as did Friendster. A nice problem to have! but for both of these it created huge cost and made thee adult users miserable. Facebook focused how they grew in the early days to targeted school-by-school launches.

Today's players in your space tell you things about the market for money and adoption also. Big in Sweden like Spotify? Could work in the US. Geography is one way to transpose, and product market is another. Ordering cabs works great from mobile like Uber, maybe delivery or public transit are adjacent possibilities.

Of course direct competition tells you a lot too. If they are experienced and funded and ahead of you in time, it means you are probably too late. Look at the core facts, not the "oh they are doing it wrong" critiques. The key in this situation is pragmatism (don't build a better search engine unless you are highly credible), and narrow the market definition till you have no direct giant competition. Mobile search, voice search, product search. Pick something where you can be the leader, and be great.

The best competition is no competition.

Pope Francis gives startup advice

By amol / November 27, 2013

"I prefer a Church which is bruised, hurting and dirty because it has been out on the streets, rather than a Church which is unhealthy from being confined and from clinging to its own security"

I would back this guy. A Marisa Mayer of the Church?

## **42. Do any startups do what we do?**

November 27, 2013

Huge huge huge mistake is to limit your competitive analysis of a market to "does anybody do what I do".

Competitive analysis is about "is my idea a good idea". Not "is it taken".

The query structure should be WHY don't they, did they try it, why not, what prevents them from doing it, and why don't we do what THEY do?

### **43. Red Oceans in venture.**

September 25, 2015

redocean

In startup land, folks worry about competition. In business strategy world there is a term that refers to this "red oceans" that are bloody with combat.

These are usually valuable markets, though perhaps not profitable ones, in the case of mature industries. In mature industries often there are a few players who have competed down the margins to make the market bloody yet not profitable. Maybe cars is one of these, or cereal. A few very large players make large profit dollars though low profit margins.

But many of the bloody markets in startup land are quite profitable — back when everyone was chasing Microsoft Windows or Office or Google/Yahoo/Altavista or chasing Facebook/Myspace/Friendster...the winner took all and made lots of profits for a long time. Like Apple right now in smartphones.

But your odds of winning are low.

So what about blue oceans?

redocean\_bikes

Startups in blue oceans face a different question. Let's say you don't have a better bike but you have a bike for people who don't ride bikes. You are a city bike share system or an electric-assist bike for women who are worried about getting sweaty or a bike for kids to go long distances or a bike you can ride indoors.

Well then people say you are working on something people don't want.

Would anybody want it? Why? Prove it...

### **44. Are startups pure alpha, as John Frankel says?**

February 9, 2012

Saw a talk by the investor John Frankel recently and while he is an impressive guy he made at least one odd statement.

“Startups are pure alpha”, he says, not correlated to each other and certainly not to Greek debt or the euro or so on.

What?

I remember a friend remarking in 2008 how closely all his hedge fund investments were correlated to the market. Where was the hedge?

Well it is not in startups.

Peek is definitely correlated. When we launched on September 12, 2008...Lehman failed that day and the RIP Good Times memo went around. Our retailer Target freaked out, our network T-Mobile tightened payment policies, our suppliers in China scrambled their inventory and factory requirements. Consumers were panicky. And most importantly VCs started drying up and have continued to dry up, which means less money to do stuff. Even Facebook had to do a down round in early 2009 (after the higher priced MSFT deal).

And today's Peek software sales are very linked to global mobile phone markets, which are in turn linked to growth in India and China.

If ads are your thing there is that market's spend growth. If ecommerce, consumer spending.

Great companies go nuclear and defy odds all the time. But the macro is odds and it makes the odds longer when the markets are blowing up.

And of course the stock market is where IPOs happen and that is a major feeder of liquidity for venture.

So I think venture is obviously pretty correlated to the Dow Jones Industrial Average. Which makes it beta.

## **45. The relation of Big Companies to Startups**

June 5, 2016

Startups are a way to address a certain kind of business opportunity, and they work with certain ingredients. They produce certain types of outcomes.

What opportunities?

– Startups find a product-market fit. So a tech and market where PMF is not happening is good for the startup

- If the product-market fit is already known you don't need a startup, you need an Engineering project to make the product you know already works. (Eg skunkworks)
- If you need new ideas to turn into PMF, you need Research (eg University)
- Large companies run big products across large customer markets, so once there is a startup-driven product that is scaling adoption, large companies can roll them out to huge size

#### Key ingredients

- Strong founders who are versatile not narrow, heavily invested and strong incentive on company's success
- Large and growing market space (not large and flat or small and growing)
- Product with defensible benefits that customers recognize
- Financing path – seed, venture, growth and later investor communities are available and interested in the space and company

#### Pitfalls for big companies

- Corporates don't motivate their startups "founders" adequately
- They protect them too much (can't fail)
- They limit them too much (dictate the answer rather than leave to the team to search/pivot to find a PMF)
- There is no external input early eg customers, investors, advisors, employees, partners
- There may be some large static markets that are not likely to change or adopt new tech quickly – bad for startups
- The place to start for startups is usually small and odd looking compared to the largest top-down opportunity

#### Startups create certain outcomes

- ~30% of VC Series A backed companies build a real business of interest and create more equity value than the investment amount. (Eg Intel Capital)
- Most do attract creative, autonomous leaders
- Most do use new tools well and build greenfield tech stacks faster
- Many of these outcomes are surplus benefits, i.e. benefits going to the ecosystem not just the owners of the startup. This is why incubators seem popular (Cap One Labs or Barclays Accelerator with Techstars)

## **46. Mistakes you can make in finding a technical co-founder, or your CTO**

December 13, 2011

Finding the CTO for your company is really, really hard.

I have had to do it every single time in starting 5 companies. Some of them got really big like Virgin Mobile USA or moderately big like Peek (so far) and some just got nowhere.

These guys make lots of money in 'non-startup' jobs and as engineering personalities are often less adventurous. And since it's \*your\* idea they are often less passionate/ smitten by the obvious rightness of your amazing invention. So it's hard.

Here is a mistake many people make, and I have made many times: hire somebody from the industry you are attempting to attack. Your dream candidate when making this mistake is 10-20 years of experience in the industry. A director or VP with experience managing millions of budget and dozens of staff. This person has delivered big projects over time. They have poise and can talk business with you like a real veteran. They think strategically. On paper they have managed all the technologies you need, know how business is done inside the beast you plan to slay, and on top of it can explain stuff in plain English.

I have hired such people many times already, and always regretted it. You hire a gray haired CTO with his entire team or some top lieutenants, the board loves it, the business partners are like "wow", and you feel safe. Mistake.

These guys in every case have been really hard to deal with. Their evident success inside big organizations has come from skills you don't want or need

- talk english = great at bullshitting ignorant business folks
- management experience = expertise at budgets and project plans
- loyalty = protecting their people from 'business guy' pressure
- experience/sobriety/Five 9s = clueless about new technologies
- senior = expensive
- accomplished = risk averse

Thought experiment: would you hire the marketing guy at this person's company to replace YOU? Of course not! That guy is a bozo! Commutes from an expensive house in Connecticut, plays golf, reads Fast Company for ideas, has a Twitter account with 4 posts... Well your amazing tech hire is probably the tech version of that guy. Watch out.

## **47. Startup founder vocabulary and titles**

August 21, 2013

Language expresses values and knowledge, like the old false story about 100 eskimo words for snow.

Here are the titles at your startup and what they mean about you:

CEO. Necessary for a startup and this is the leader. If none, big problem.

CTO. If there is a 50-50 cofounder type deal and one is technical OK. For a guy you hired in early, this is grade inflation but maybe necessary for a great guy. It is a problem because the technologies and products you focus on will change, and when you grow the scale issues are new. Who will solve those? I can't name the great founder CTOs who invented something at 22, and still occupy CTO slot years later, if there are any.

CFO. Insane. Startups do not need these until at least a Series A or maybe Series B. If you have one it is an expensive, self-important person who isn't driving the core business in a tech company.

CMO. Silly. There is presently no marketing magic in early stage companies so nobody merits this title.

CRO or revenue/sales titles. This is kind of okay and expresses the self-important puffery of sales guys. They also want lots of cash. So if you have one it is worrying but if there is revenue moving, ok!

Chairman. This is often the other founder who wont/cant be CEO. There is a moral hazard risk ("why doesnt he quit his day job?") so interrogate why — not qualified to be CEO or "too rich and lazy" are OK reasons I think.

In short there should be no Chief anything except CEO ideally and anything else needs a good explanation.

## **48. TL;dr of @paulg's Hiring is Obsolete**

December 11, 2014

A classic, but long.

Ultrashort: star undergrads should start companies. The trends of startups, tech, labor markets, investing favor it and so does the risk-reward math.

The argument step by step, but shorter:

Startups are cheaper now so more can try, like undergrads.

Some founders have it all but lack only energy or only intelligence, but the ones that lack only experience are interesting.

Their variance is huge — some are 10x their seniors.

But big companies can't correctly value and reward young stars, they use the law of averages.  
[This isn't true among elite orgs. -Amol]

Instead: be the boss, let customers value you, and thereby have measurable performance that big companies can pay to acquire.

They'll also value the new product development you do, because they can't do that well. Innovators dilemma, yes-men, limited internal R&D experiments, weaker incentives for success, and bloated insulation from the end-user all make big company product development bad.  
[Except at Apple? And Google? And Disney? And...?]

Big companies will increasingly buy startups for talent and product, as they overcome their not-invented-here pride.

Investors are ceding power to founders too, since their money is less needed; in the future the MBA will come in as COO more often than as CEO.

Animals sometimes don't leave through open cage doors. Blogging was like this: possible for years before it took off. Young stars should realize this.

Startups are riskier but over time return better, like stocks vs bonds. And young people have more time. And less downside to failure, with low living costs and a job market that values risk-takers. Math: risk-aversion makes it relatively less competitive, and the math suggests better overall returns, despite 90% failure rate, to founders.

Post-college is your first big choice. Why not choose the ultimate motor of the economy — the end-users — and make things for them? Not big companies that merely serve them.

Grad school is a pretty good deal though.

Experience only has one benefit — helping you see what people really want. Technical skill and thrift, the other two essentials of starting successful companies, are plentiful in the young. So skip experience and just accelerate your learning of what people want.

And finally, while parents say “you should work and get experience”, they know you won't listen.

The original:

<http://paulgraham.com/hiring.html>

## 49. The Ultimate Cheat Sheet For Starting And Running A Business

Aug 21<sup>st</sup>, 2013

<http://us5.campaign-archive1.com/?u=ca6ae38471d227b05e07a47e9&id=d14d5f1fb2>

## 50. Tidbits of Thiel's Zero to One

November 21, 2015

The book doesn't appear to be a simple rehash of the notes from his Stanford class "Startup".

### 1. The challenge of the future

It's making startups; that's how we make progress.

### 2. Party like it's 1999

The 1999 bubble left everyone believing in lean startup, incremental progress, don't paint grand visions. This is wrong.

### 3. All Happy Companies Are Different

Pick something you can win, and win it. Be different than everyone else.

### 4. The ideology of competition

Why compete when you can collude? X.com and Paypal merged to create Paypal the \$1bn+ champ. You should too. Find ways to avoid competing.

### 5. Last mover advantage

If you want to avoid the bruising of competition, then

- have unique tech
- network effects
- scale
- brand power
- start somewhere you can win
- then scale up by adjacencies
- don't challenge a huge player, sneak around them

### 6. You are not a lottery ticket

Don't believe the well-roundedness theory of modern life. Have a point of view and a plan to capture your vision. Be extremely focused on doing X, design and plan and execute. Some random philosophical musings in this chapter about "definite/indefinite" and "optimist/pessimist".

## 7. Follow the money

Venture capital works better when you make concentrated bets on a specific vision of the future; i.e., not spray and pray.

## 8. Secrets

What do you know that others don't? Find a secret. That's where value begins.

## 9. Foundations

Rules for founders: early days are super important, can't fix mistakes, make sure everyone is very committed.

## 10. Mechanics of mafia

Culture is about bringing weird people together.

## 11. If you build it...

Sales is very important you nerds. Not just product.

## 12. Man and machine

At Paypal they pioneered a "computer helps human" system to fix fraud. That became Palantir. People overlook this interesting idea. Don't.

## 13. Green

A checklist for opportunities

- engineering - can you make it?
- timing - now?
- monopoly? own a small market
- people - have them?
- distribution - how
- durability - can you defend
- secret - have one?

## 14. Founders paradox

Founders vary in type

## 15. Stagnation or singularity

What does the future hold? Probably an exponential progress curve.

