

Paul Graham - How to Start a Startup

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that's short like like long introductions are no good um Sam knows all right ready everybody I'm not gonna ask if the mic is working like in every talk so far um I'll just assume it's working I'm just no [] all right well make it work somebody all right this is like some kind of class tradition all right all right I wrote out my talk and afterwards in a couple days I will like turn it from a talk into an essay and put it online so you don't have to take notes just just listen um all right so one of the advantages of having kids is that when you have to give advice to people you can ask yourself what would I tell my own kids and actually you find this really focuses you um so even though my kids are little my two-year-old today when asked what he was going to be after to said a bat the correct answer was three but a bat is so much more interesting so even though my kids are little I already know what I would tell them about startups if they were in college and so that is what I'm going to tell you so you're literally getting what I would give my own kids um since most of you are young enough to be my own kids all right so startups are very counterintuitive and I'm not sure exactly why it could be simply because knowledge about them has not permeated our culture yet but whatever the reason this is an area where you cannot trust your intuitions all the time it's like skiing in that way any of you guys learn to ski as adults you know when you're skiing when you first try skiing and you want to slow down your first impulse is to lean back just like in everything else but lean back on skis and you fly down the hill out of control so as I learned so part of learning to ski is learning to suppress that impulse eventually you get new habits but in the beginning there's this list of things you're trying to remember as you start down the hills you know like alternate feet make ass turns do not drag the inside foot all this stuff well startups are as unnatural as skiing and there is a similar list of stuff you have to remember for startups and what I'm gonna give you today is the beginning of the list the list of the counterintuitive stuff you have to remember to like prevent your existing instincts from leading you astray the first thing on it is the fact I just mentioned that startups are so weird that if you follow your instincts they will lead you astray if you remember nothing more than that when you're about to make a mistake you may at least pause to make a mistake you may at least pause before making it when I was running Y Combinator we used to joke that our function was to tell founders things they would ignore and it's really true batch after batch the YC partners Warren founders about mistakes they are about to make and the founders ignore them and to make and the founders ignore them and they come back a year later and say I wish we'd listened but that dude is in their cap table there's nothing they can do come why two founders persistently ignore the partners advice well that's the thing about counterintuitive ideas they contradict your intuitions so they seem wrong so of course your first impulse to ignore them is to ignore them and in fact that is not just the curse of Y Combinator but to some extent our raison d'être you don't need people to give you advice that doesn't surprise

you right if founders existing intuitions gave them the right answers they wouldn't need us that's why there are a lot of ski instructors and not many running instructors right like that you don't see those two words together unning instructor as much as you see running instructor as much as you see ski instructor um it's because skiing is counter-intuitive says sort of what what YC is is like business ski instructors except for going up the slopes instead of down them um well ideally you can however trust your instincts about people you your life so far hasn't been much like starting a startup but all the interactions you've had with people are just like the interactions you have with people in the business world so in fact one of the big mistakes that founders make is not to entrust their intuitions about people enough they meet someone who seems impress but about whom they feel some misgivings and then later when things blow up they tell them they say you know I knew there was something wrong about that guy but I ignored it because he seemed so impressive um and there's this a specific sub case in business especially if you have come from an engineering background as I believe you all do you think business is supposed to be this ort of a slightly distasteful thing and sort of a slightly distasteful thing and so when you meet people who seem smart but somehow distasteful you think well okay this must be normal for business but it's not just like pick people the way you would pick people if you were picking friends um this is one of those rare cases where it works to be self-indulgent work with people you genuinely like in respect and that you have known long enough to be sure because there's a lot of people who are ally good at seeming likeable for a really good at seeming likeable for a while um just wait till your interests are opposed and then you'll see all right the second counterintuitive point is that and this will it might come as a little bit of a disappointment but what you need to succeed in a start-up is not expertise in startups that makes this class different from most other classes you take you take a French class at the nd of it you will learn how to speak end of it you will learn how to speak French if you do the work you may not sound exactly like a French person but pretty close right um this class can teach you about startups but that is not what you need to know to succeed in a start-up is not expertise in startups what you need is expertise in your own users Mark Zuckerberg did not succeed in Facebook because he was an expert in startups he succeeded despite being a complete noob at startups I mean Facebook was first incorporated as a Florida LLC even you guys know better than that um he succeeded despite being a complete noob at startups because he understood his users very well most of you don't know the mechanics of raising an angel around right and if you feel bad about that don't because I can tell you Mark Zuckerberg probably doesn't know the mechanics of raising only an angel round either if he was even paying attention when Ron Conway wrote him the big check um he has probably forgotten about it by now in fact I worry it's not merely unnecessary for people to learn in detail about the mechanics of starting a start-up but possibly somewhat dangerous because another of the characteristic mistakes of young founders starting startups is to go through the motions of starting a startup they come up with some plausible sounding idea they raise funding at a nice valuation they rent a nice office in Soma hire a bunch of their friends and then the next step after ent a nice office in Soma and hire a rent a nice office in Soma and hire a bunch of their friends is gradually realize how completely [] they are because while imitating all the outward forms of starting a start-up

they have neglected the one thing that's actually essential which is to make something people want by the way that's the only use of that swear word except for the initial one that was involuntary and I did check with Sam whether it would be okay he said he had done it several times I mean use the word we saw this happen so often no I mean people going through the motions is starting a startup that we made up a starting a startup that we made up a name for it playing house eventually I realized why it was eventually I realized why it was happening the reason young founders go through the motions of starting a startup is because that is what they have been trained to do for their whole lives up to this point think about what it takes to get into think about what it takes to get into college xtracurricular activities check right extracurricular activities check right um even in college classes most of the work you do is as artificial as running laps and I am NOT attacking the ducational system for being this way educational system for being this way inevitably the work that you do to learn something is going to have some amount of fakeness to it and if you measure people's performance they will inevitably exploit the difference to the degree that what you're measuring is largely an artifact of the fakeness and I confess that I did this myself in college in fact here's a useful tip on getting good grades I found that in a lot of classes there might only be 20 or 30 ideas that actually had the right shape to make good exam questions and so the way I studied for exams in these classes was not to master the material in the class but to try and figure out what the exam questions would be in work out the answers in advance and like for me the test was not like what my answers would be on the exam for me the test was which of my exam questions would turn up on the exam right so I would I would get my grade instantly I would walk into the xam and look at the questions and see xam and look at the questions and see xam and look at the questions and see how many I got right essentially it works in a lot of classes especially CS classes I'm automatically there's only a few things that make sense to ask about automata theory um so it's not surprising that after being effectively trained for their whole lives to play such games young founders first impulse on starting a startup is to figure out what the tricks are for this new game what are the extracurricular activities have startups what are the things I have to do they always want to know since apparently the measure of success for a startup is fundraising another noob mistake they always want to know hat are the tricks for convincing what are the tricks for convincing investors and we have to tell them the best way to convince investors is to start a startup that's actually doing well meaning growing fast and then simply tell investors so um so then they ask okay what are the tricks for growing fast right and this is exacerbated by the existence of this term growth hacks right whenever you hear anybody talk about growth hacks just mentally translate it in your mind into [__] because what we tell them is the way to make your startup grow is to make something that users really love right and then tell them about it huh so that's what you have to do that's growth acks right there um so so many of the hacks right there um so so many of the conversations the YC partners have with e founders begin with the founders begin with the founders aying a sentence that begins with how saying a sentence that begins with how do I and the partner is answering with e sentence that begins with just right he sentence that begins with just right he sentence that begins with just right why do they make things so complicated the reason I realized after years of being puzzled by this is they're looking

for the trick they've been trained to look for the trick so this is the third thing the third counterintuitive thing to remember about startups starting a startup is where gaming the system stops working gaming the system may continue to work if you go to work for a big company depending on how broken the company is you may be able to succeed by sucking up to the right person giving the impression of productivity by sending emails late at night or if you're smart enough changing the clock on your computer because who's going to check the headers right but I like an audience that I can tell jokes like that to you and they left over in the business school headers okay god this thing is being recorded I just realized that all right from now on we are sticking strictly to the script all right but in startups that does not work there is no boss to trick there's no how can you trick people if there's no one to trick there's only users and all users care about um is that is whether your software does what hey want right they're like sharks they want right they're like sharks are like too stupid to fool you can't like wave a red flag at a shark and fool it it's like meat or no meat um so you have to have something people want and you only prosper to the extent that you do a dangerous thing is that you do a dangerous thing is particularly for you guys the dangerous thing is that faking does work to some extent with investors you if you're extent with investors you if you're extent with investors you if you're ally good at knowing what you're ally good at knowing what you're ally good at knowing what you're talking about you can fool investors for one maybe two rounds of funding but it's not in your interest to I mean you're all doing this for equity you're playing a confidence trick on yourself you're wasting your own time because the startup is doomed and all you're doing is you're just gonna waste your time writing it down um so stop looking for the trick there are tricks and startups as there are in any domain but they are an order of magnitude less important than solving the real problem someone than solving the real problem someone who knows zero about fundraising but has made something users really love will have an easier time raising money than someone who knows every trick in the book but has a flat usage graph though in a sense it's bad news that gaming the startup stops works gaming the system stops working now um in the sense that you're deprived of one of your most powerful weapons and after all something you have spent twenty years mastering it is something I find it very exciting the-the-the that there even exists parts of the world where gaming the system is not how you win I would have been really excited in college if I had explicitly realized that there are parts of the world where gaming the system matters less than others and some where it hardly matters at all but there are and this is one of the most important things to think about when you're planning your future um got that okay um how do you win at each type that okay um how do you win at each type of the work and what do you want to win by doing so um that brings us to our fourth counterintuitive point startups are all-consuming if you start a startup it will take over your life to a degree that you cannot imagine um and if it succeeds it will take over your life for a long time for several years at the very least maybe a decade maybe the rest of your working life so there's a real opportunity cost here it may seem to you that Larry Page has an envy of all life but there are parts of it that are definitely unenviable the way the world looks to him is that he started running as fast as he could at age 25 and he has not stopped to catch his breath since very day [] happens within the Google very day [] happens within the

Google very day [] happens within the Google Empire that only the emperor can deal with and he as the emperor has to deal with it if he goes on vacation for even a week a whole backlog of [] accumulates and he has to bear this uncomplainingly because number one as the company's daddy he can never show fear or weakness number two if you're a billionaire you get zero actually less than zero sympathy if you complain about having a difficult life which has this strange side effect that the difficulty of being a successful the difficulty of being a successful startup founder is concealed from almost everyone who's done it people who win the hundred meters in the Olympics like they walk up to them and they're going like right like Larry Page is doing that oo but you never get to see it um all too but you never get to see it um all right where are we Y Combinator has now funded several companies that could be called big successes and in every single case the founders say the same thing it never gets any easier the nature of the problems change so you may be you may be worrying about more glamorous problems like construction delays in your New London offices rather than the broken air conditioner in your studio apartment but the total volume of worry never decreases if anything it increases starting a successful startup is similar starting a successful startup is similar to having kids and that it's like a button you press that changes your life irrevocably and while it is like honestly the best thing in the world having kids if you take away one thing from this lecture remember that there are a lot of things that are easier to do after you before you have kids then after many of which will make you a better parent when you do have kids and so in rich countries most people delay pushing the button for a while and I'm sure you are all intimately familiar with that procedure yet when it comes to starting startups a lot of people seem to think they're supposed to start them in college are you crazy and what are the universities thinking they go out of their way to ensure that their students are well supplied with their students are well supplied with their students are well supplied with contraceptives and yet they're starting up entrepreneurship programs and startup incubators left and right to be fair the universities have their hand forced here a lot of incoming students are interested in startups universities are at least de-facto supposed to prepare you for your career and so if you're interested in startups it seems like universities are supposed to teach you about startups and if they don't maybe they lose applicants to universities who do claim to do that so can universities teach you about startups one not what are we doing here yes and no as I explained they can teach you about startups but this is not what you need to know essentially what universe if you want to learn French universities can teach you linguistics that's what this this is a linguistics class right we're teaching you about how to learn languages and what you need to know is like how to learn a particular language um what you need to know are the needs of your own users you can't learn those until you actually start the company um and starting a company which means that starting a start-up is something and you can intrinsically only learn by doing it and you can't do that in college for the reason I just explained that startups take over your entire life if you start a start-up in college if you start up to start up as a student you can't start a startup as a student because if you start a startup you're not a student anymore you may be nominally a student but you won't even be that for much longer so given this dichotomy which of the two paths should you take be a real student and not start a startup or start a real startup and not be a student

well I can swer that one for you I'm talking to answer that one for you I'm talking to my own kids here do not start a start-up in college huh I hope I'm not disappointing anyone seriously honestly um starting a startup could be a component of a good life for a lot of ambitious people but this is just part of a much bigger problem that you're trying to solve how to have a good life right and those starting a start-up could be a good thing to do at some point 20 is not the optimal time to do it there are things that that you can't here are things you can do in your there are things you can do in your early 20s that you cannot do as well before or after like plunge deeply into projects on a whim that seem that like they'll have no payoff um or travel super cheaply with no sense of a deadline in fact those are really just isomorphic shapes in different domains for unambitious people this sort of thing can be the dreaded failure to launch but for the ambitious ones it's a really valuable sort of exploration and if you start a start-up at 20 and you're sufficiently successful you will never get to do it Mark Zuckerberg will never get to bum around a foreign country he can if he goes to a foreign country it's either as a de facto state visit or like he's hiding out incognito at the george the george sank in paris right um but he's never gonna get to just like backpack around thailand if that's still what people do people still backpack around thailand okay well it's there that's the first real sign of enthusiasm I've seen should have given this talk in Thailand alright he can do things that you can't do like charter jets to fly him to foreign countries really big jets um but success has taken a lot of the serendipity out of his life he Facebook is running him as much as he's running Facebook and while it can be really cool to be in the grip of some project you consider your life's work there are advantages to serendipity and among other things it gives you more options to choose your life's work from there's not even a trade-off here you're not sacrificing anything if you forego starting a start-up at twenty because you'll be more likely to succeed if you wait in the unlikely case that you're twenty like astronomically unlikely case that you're 20 and you have some side project that takes takes off like Facebook did then you face a choice of either running with it or not and maybe it's reasonable to run with it but usually the way startups take off is for the founders to make them take off and it's gratuitously stupid to do that at wenty so should you do it in any age I twenty so should you do it in any age I realized I've made starting a startup sound kind of hard if I haven't let me try again starting a startup is really hard what if it's too hard what if you're not up to this challenge the answer is the fifth counterintuitive point you can't ell your life so far has given you some tell your life so far has given you some idea what your prospects might be if you wanted to become a mathematician or a professional football player and boy it's not every audience you could say that to you but unless you have had a very strange life indeed you have not done much that's like starting a startup meaning starting a startup will change you a lot if it works out so what you're trying to estimate is not just what you are but what you could become and who can do that well not me for the last nine years it was my job to try and guess whether people wouldn't guess I wrote predict in here and it came out as guess um that's a very informative Freudian slip seriously it's easy to tell how smart people are in ten minutes you know hit a few tennis balls over the net and do they hit them back at you or into the net but the hard part was and the most important part was predicting how tough and ambitious they would become there may be no one at this point who has more xperience than me at doing this and I

experience than me at doing this and I can tell you how much an expert can know about that the answer is not much I learned from experience to keep a completely open mind about which startup in each batch which startups would turn out to be the stars the founders sometimes thought they knew some arrived sometimes thought they knew some arrived feeling confident that they would ace Y Combinator just as they had aced every one of the few easy artificial tests they had faced in life so far others arrived wondering what mistake can cause them to be admitted and hoping that no one would discover it but there is one who would discover it but there is little to no correlation between these attitudes and how things turn out I've read the same is true in the military that the swaggering recruits are no more likely to turn out to be really tough than the quiet ones to be really tough than the quiet ones and probably for the same reason that the tests are so different from the tests are so different from the tests in people's previous lives if you're absolutely terrified of starting a startup you probably shouldn't do it unless you're one of those people who gets off on doing things you're afraid of otherwise if you're merely unsure of whether you're gonna be able to do it the only way to find out is to try just the only way to find out is to try just the only way to find out is to try just not now so if you want to start up one day if you want to start a start up one day what do you do now in college there are only two things you need initially an idea and co-founders and the mode for getting them both is the same which leads to our sixth sixth and last counterintuitive point the way to get startup ideas is not to try to think of startup ideas I've written a whole essay on this and I'm not gonna repeat the whole thing here um but the short version is that if you make a conscious effort to try and think of start-up ideas you will I think of ideas that are not only bad but bad and plausible sounding meaning you and everybody else will be fooled by them and you'll waste a lot of time before realizing they're no good the way to come up with good startup ideas is to take a step back instead of trying to make a conscious effort to think of startup ideas turn your brain into the type that has start-up ideas unconsciously in fact so start-up ideas unconsciously in fact so unconsciously that you don't even realize at first that their startup ideas this is not only possible Yahoo Google Facebook and Apple all got started this way none of these companies were even supposed to be companies at first they were all just side projects the very best ideas almost have to start a side project because they're always such outliers that your conscious mind such outliers that your conscious mind would reject them as ideas for companies okay so how do you turn your mind into the kind that has start-up ideas unconsciously one learns a lot about things that matter to work on problems things that matter to work on problems that interest you three with people you like and respect that third part incidentally is how you get co-founders at the same time as the idea the first time I wrote that paragraph instead of time I wrote that paragraph instead of learn a lot about things that matter I wrote become good at some technology but that prescription though sufficient is too narrow what was special about Brian Chesky and Joe Gebbia from Airbnb was not that they were experts in technology with the Arts they were experts in design and perhaps even more importantly they were really good at organizing people and getting projects done um so you don't have to work on technology per se so long as you work on things that stretch you what kind of things are those now that is very hard to answer in the general case history is full of examples of young people who are

working on problems that no one else at the time thought were important and in particular that their parents didn't think they were important um on the other hand history is even fuller of k of examples of parents who thought their kids were wasting their time and who were right so how do you know if you're working on real stuff I mean when twitch TV switched from being justin TV to Swit twitch TV and they were gonna broadcast people playing video games I was like what but turned out to be a good business um well I know how I know real problems are interesting and I'm self-indulgent I like I'm always interested in working on interesting things even if no one else cares about them and I find it very hard to make myself work on boring things even if they're supposed to be important my life is full of case after case where I worked on things just cuz I was interested and they turned out to be useful later in some worldly way um Y Combinator itself is something I only did because it seemed interesting so I seem to have some sort of internal compass that helps me out but this is for you not me and I don't know what you have in your heads maybe if I think more about it I could come up with some heuristics for recognizing genuinely interesting ideas recognizing genuinely interesting ideas but for now all I can give you is the hopelessly question begging advice incidentally this is the actual meaning of the phrase begging the question the hopelessly question begging advice that if you're interested in genuinely interesting problems gratifying your interest energetically is the best way to prepare yourself for a startup and for that matter probably the best way to live but although I can't explain in the general case what counts is an interesting problem I can tell you about a large sub set of them if you think of technology as something that's spreading like a sort of fractal stain every point on the dge that's moving represents an edge that's moving represents an interesting problem steam engines not so much although maybe you never know so ne guaranteed way to turn your mind one guaranteed way to turn your mind into the type that start-up ideas Foreman unconsciously is to get yourself to the leading edge of some technology to to as Paul Buchheit put it live in the future and when you get there ideas that seem uncannily prescient to other people will seem obvious to you you may not realize they're startup ideas but you'll know there's something that ought o exist for example back at Harvard to exist for example back at Harvard back in the mid 90s a fellow grad student of my friends Robert and Trevor wrote his own voice over IP software um it wasn't meant to be a start-up he never tried to turn it into one he just wanted to talk to his girlfriend in Taiwan without paying for long-distance calls um and since he was an expert on etworks it seemed obvious to him that networks it seemed obvious to him that he thing to do was turn the sound into the thing to do was turn the sound into packets and ship him over the internet for free why didn't everybody do this well cuz they weren't good at writing that kind of software um he never did anything with this he never tried to turn it into his startup but that is how all the best startups tend to happen um so strangely enough the optimal thing to do in college if you want to be a successful startup founder is not some sort of new vocational version of college focused on entrepreneurship it's the classic version of college as education for its own sake if you want o start a startup what you should do in to start a startup what you should do in college is learn powerful things and if you have genuine intellectual curiosity that's what you'll naturally tend to do if you just follow your own inclinations the component of entrepreneurship can ever quite say that word with a never quite say that word

with a straight face um that really matters is domain expertise Larry Page is Larry Page because he was an expert on search and the way he became an expert on search was because he was genuinely interested in it not because of some ulterior motive at its best starting a startup is merely an ulterior motive for curiosity and you'll do it best if you introduce the ulterior motive at the end of the process so here is the ultimate advice for young would-be startup founders reduced to two words just learn all right how much time do we have left 18 minutes of questions good god do you guys have the questions you guys are in charge whatever you want to do feed him by the way what how can a non-technical founder most effectively contribute to a thorough ow can a non-technical founder most how can a non-technical founder most effectively contribute to his startup well if the startup is if the startup is working in some domain if it's not a pure technology startup but is working in some very specific domain like if it's uber right and and then and the non-technical founder was an expert in the limo business then actually the non-technical founder of probably doing most of the work recruiting drivers and oing whatever else doing whatever else uber has to do right and the technical founder would be just writing the iPhone app which is probably less well iPhone and Android app which is less than half of it if it's a purely technology startup the the non-technical founder does sales and brings coffee and cheeseburgers to the programmer okay no audience okay employed audience yes do you see any value in business quote for people who want to pursue a career do I see any value we probably won't have to get to the second question which I suppose is the answer your first question um okay so the question is is there any value in Business School if you're interested in entrepreneurship and if so what so basically no I mean it sounds undiplomatic but the the point is what Business School was designed for is to teach people management right and management is a problem that you only have in a press startup if you're sufficiently successful so really what you need to know early on to make a startup successful is developing products you'd be better off going to design school um if you want to go to some sort of school although frankly the way to learn how to do it is just to do it you know one of the things I got wrong early on is that I advised people who were interested in starting a startup to go work for some other company for a few years before starting their own but honestly the best way to learn how to start a startup is just to try and start it you may not be successful but you'll learn faster if you just do it so not really business chools are trying really hard to do schools are trying really hard to do this but honestly like they were they were designed to train the officer corps of large companies right which is what business seemed to be back when it was a choice of either the officer corps of large companies or Joe's shoe store and that then there was this new thing Apple which started out as small as Joe's shoe store and then like turns into this giant mega company um but they weren't designed for that world and like let hey're good at what they're good at what they're good at hey should just be do that and screw they should just be do that and screw this whole entrepreneurship thing just because it's cool yes well you have only when you're successful yes what about those first people has ever been you trying to manage ok so management is a problem only if you're successful what about hose first two or three people well those first two or three people well ideally you're successful before you even hire two or three people right um didn't didn't you say Sam that Airbnb took five months to hire their first employee so ideally you don't

have even two or three people for quite a while when you do you can you can sort of the first hires in a start-up are almost like founders they should be motivated by the same things they can't be people you have to like manage right this is like that this is not like the office or something like that these are your these have to be your peers really um you shouldn't have to manage them much I'll never City never held the Quadra Pete all these questions so if someone has to manage no way they should be on the founding team in the case where you're doing something where you need some sort of super advanced technical thing and there's some boffin um if you know that word who some boffin um if you know that word who knows this thing and nothing else in the world including like how to wipe his mouth then it may be to your advantage to hire said boffin and wipe his mouth for him but as a general rule you want people who are um sort of self-motivated early on they should be just like founders yes questions in the far back do I think we're currently in a bubble okay so I'll give you two answers to this question one ask me questions that are useful to this audience because these people are here to learn how to start startups and I have in my head like more data about that than anybody else and you're asking me the kind of questions a reporter does because they can't think of anything interesting to ask but I will answer your question um there is a difference between prices merely being high and a bubble a bubble is a very specific form of prices being high where people knowingly pay high prices for something in the hope that they will be able to unload it later on they will be able to unload it later on some greater fool right and that's what happened in the late 90s like VCS knowingly invested in [] startups thinking that they would be able to take those things public and unload them on the retail investors before everything blew up and I was there for that um at the epicenter of it all and that is not what's happening today prices are high valuations are high but valuations being high does not mean a bubble every every commodity has prices that go up and down in some sort of sine wave definitely prices are high and so we tell people if you raise money don't think the next time you raise money it's gonna be so time you raise money it's gonna be so easy who knows maybe between now and then the Chinese economy will have exploded and there's another giant exploded and there's another giant disastrous recession who knows assume the worst but bubble no yes what they don't want to start one more they want to start like 20 and so you're trying to start like 20 and so you're trying to see the rise of these labs attempts where they're gonna try to launch a bunch of stuff like I do oh yeah yeah okay so there's this new thing where people start labs that are supposed to spin-off startups um it might work that's how Twitter started in fact I meant idea lab not idea that was another Freudian slip um because Twitter was not Twitter at first twitter was the side project side project at a company called IDEO that was supposed to be in the podcasting business you know like podcasting business - those words even grammatically fit together the answer turned out to be no as Evan discovered but like as a side project they spun off Twitter and boy was that a dog wagging tail so people are starting these things that are supposed to spin-off startups will it work quite possibly quite possibly if the right people do it um you can't do it yet though because you have to do it with your own money es far back female co-founders when yes far back female co-founders when you're pursuing funding well it probably is true that women have a harder time raising money right um I've noticed this

empirically and um jessica is just about to publish a bunch of interviews with to publish a bunch of interviews with female founders and a lot of them said that they thought they had had a hard time a harder time raising money - so what I would you remember I said like the way to raise money make your startup actually do well well that's just especially true in that case if you have any if you if you miss the ideal target from the VCS point of view in any respect the way to solve that problem is make the startup - you really well so in fact there was a point like a year or two ago when I tweeted this growth graph of this company and I didn't say who they were but I knew it would start people asking and it was actually a female founded startup that was having trouble raising money but their growth graph was stupendous and so I tweeted it knowing that would like all these VCS would start asking me who is that right and like growth graphs have no gender right so if they see the growth graph right so if they see the growth graph first let them fall in love with that right so do well which is good advice for startups generally yes what what what would you learn what would I learn in college mmm-hmm literary theory no just kidding um let's see um well you know honestly I think I see um well you know honestly I think I might try and study physics I feel that's the thing I feel like I missed for some reason like I was all excited when I was a kid computers were that thing maybe they still are right so I sort of got very excited about writing code and you can do things with you could do we could write real programs in your bedroom you can't like build real Linear Accelerator so maybe you can um so maybe physics I feel kind of always I haven't I sort of look like I noticed I sort of look longingly at physics um so maybe but I don't know if that's what am I saying I'm saying oh it's about to say I don't know if that's gonna be helpful starting a start-up and I've just told you to follow your curiosity who cares if it's helpful it'll turn out to be helpful questions okay so what are my recurring systems in my work and personal life that make me efficient well having kids is a good way to be efficient because you have no time left efficient because you have no time left um so if you want to get anything done the amount of done you do per time is high so actually many parents many startup founders who have kids have made that point explicitly it causes you to focus because you have no choice ah let's see but that's not I wouldn't actually recommend having kids just to make you more so let's see you know I don't think I'm very efficient I have two ways of getting work done one is like during Y Combinator the way I worked on Y Combinator is I was forced to write like there were just an applic I had to set the application deadline and then people the application deadline and then people would apply and then there were all these applications that I had to respond to you by a certain time so I had to read them and I knew if I read them badly we would get bad startup so I tried really hard to read them well right so I set up this situation that forced me to work the other kind of work I do is like writing essays and I do that involuntarily I'm like walking down the street and the essay starts writing itself in my head and so really I either forced myself to work on less exciting things were the Y can't help working on exciting things and I don't I don't have any useful techniques for making myself efficient sorry if you work on things you like you don't have to force yourself to be efficient yes when is a good time to turn a side project into a startup you will know right it starts you use when you okay so the question is when do you turn a start-up into a side project into a real startup you will know that it's becoming a real startup when it takes over an alarming percentage

of your life right like when you find like my god I've just spent all day working on this thing that's supposed to be a side project I'm gonna supposed to be a side project I'm gonna fail all my classes what am I gonna do right um then maybe it's turning into a startup yes wait I already answered your question I should ask I should let somebody else asked I may get back to you yes but I feel like in a lot of cases it's just a little bit gray line where it's like do you have some users but maybe not its explosive no the chart isn't up to the right how what would you do what would you recommend doing in those situations I'm sitting here allocating time useless so how do you balance and and okay when a start-up is ort of growing but not much sort of growing but not much didn't you tell them they were supposed to read do things that don't scale you sir have not done the readings you are busted therefore because I wrote a whole ssay an answer to that question and essay an answer to that question and that is it do things that don't scale so just go read that because I can't remember everything I said but it's about exactly that problem yes back there should not go through incubation what kind of you mean you mean like a Chanel oh I see no I see Irvine what kind of startup should not go through YC definitely any that will fail and or if you'll succeed but you're an intolerable person that also Sam would probably sooner do without um short of that I think of any because a large percentage founders are often surprised by how large a percentage of the problems that startups have are the same regardless of what type of thing they're working on and those tend to be the kind of problems that YC helps with the most not the ones that are domain-specific so I can't is there can you think of a class of startups the YC wouldn't work for I can't I mean we had like fission and fusion startups in the last batch or the they had um yes you mentioned that it's good advice to learn a lot about something that matters yeah some good strategies to figure out what matters well if you think of okay so how do you figure out what matters if you think of technology is something that's spreading is a sort of fractal staying anything on the edge represents an interesting idea sounds familiar um so how do you figure out um like I said that was the problem you have correctly identified the thing where I didn't really answer the question or I gave this question begging answer I said like that I just like I'm interested in interesting things if you're interested in interesting things work on them and things will all work out right but how do you tell what is a real problem I don't know that's like important enough to write a whole essay about and I don't know the answer I probably should write something about hat but I don't know I don't know that but I don't know I don't know I figured out a technique for detecting whether you have a taste for genuinely interesting problems which is whether you find working on boring things intolerable right and there are known boring things like literary theory and working in middle management in some large company so if you could tolerate those things then you must not you must either have stupendous self discipline or you don't have a taste for genuinely interesting problems and vice versa yes okay one more question it better be good I know about snapchat we didn't fund them another question okay so if you hire people you like you might get a monoculture and how do you deal with the blind spots that are eyes um starting a start-up is something where many things will be going wrong you can't expect it o be perfect and the advantage is of to be perfect and the advantage is of hiring people that you know and like are far greater than the you know this small disadvantage of disadvantages of

having some monoculture you look at it empirically all the most successful startup someone just like hires all their pals out of college all right you guys thank you