

What We Look for in Founders

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(I wrote this for Forbes, who asked me to write something about the qualities we look for in founders. In print they had to cut the last item because they didn't have room.)

1. Determination

This has turned out to be the most important quality in startup founders. We thought when we started Y Combinator that the most important quality would be intelligence. That's the myth in the Valley. And certainly you don't want founders to be stupid. But as long as you're over a certain threshold of intelligence, what matters most is determination. You're going to hit a lot of obstacles. You can't be the sort of person who gets demoralized easily.

Bill Clerico and Rich Aberman of WePay are a good example. They're doing a finance startup, which means endless negotiations with big, bureaucratic companies. When you're starting a startup that depends on deals with big companies to exist, it often feels like they're trying to ignore you out of existence. But when Bill Clerico starts calling you, you may as well do what he asks, because he is not going away.

2. Flexibility

You do not however want the sort of determination implied by phrases like "don't give up on your dreams." The world of startups is so

unpredictable that you need to be able to modify your dreams on the fly. The best metaphor I've found for the combination of determination and flexibility you need is a running back.

He's determined to get downfield, but at any given moment he may need to go sideways or even backwards to get there.

The current record holder for flexibility may be Daniel Gross of Greplin. He applied to YC with some bad ecommerce idea. We told him we'd fund him if he did something else. He thought for a second, and said ok. He then went through two more ideas before settling on Greplin. He'd only been working on it for a couple days when he presented to investors at Demo Day, but he got a lot of interest. He always seems to land on his feet.

3. Imagination

Intelligence does matter a lot of course. It seems like the type that matters most is imagination. It's not so important to be able to solve predefined problems quickly as to be able to come up with surprising new ideas. In the startup world, most good ideas seem bad initially. If they were obviously good, someone would already be doing them. So you need the kind of intelligence that produces ideas with just the right level of craziness.

Airbnb is that kind of idea.

In fact, when we funded Airbnb, we thought it was too crazy. We couldn't believe large numbers of people would want to stay in other people's places. We funded them because we liked the founders so much. As soon as we heard they'd been supporting themselves by selling Obama and McCain branded breakfast cereal, they were in. And it turned out the idea was on the right side of crazy after all.

4. Naughtiness

Though the most successful founders are usually good people, they tend to have a piratical gleam in their eye. They're not Goody

Two-Shoes type good. Morally, they care about getting the big questions right, but not about observing proprieties. That's why I'd use the word naughty rather than evil. They delight in breaking rules, but not rules that matter. This quality may be redundant though; it may be implied by imagination.

Sam Altman of Loopt is one of the most successful alumni, so we asked him what question we could put on the Y Combinator application that would help us discover more people like him. He said to ask about a time when they'd hacked something to their advantage—hacked in the sense of beating the system, not breaking into computers. It has become one of the questions we pay most attention to when judging applications.

5. Friendship

Empirically it seems to be hard to start a startup with just one founder. Most of the big successes have two or three. And the relationship between the founders has to be strong. They must genuinely like one another, and work well together. Startups do to the relationship between the founders what a dog does to a sock: if it can be pulled apart, it will be.

Emmett Shear and Justin Kan of Justin.tv are a good example of close friends who work well together. They've known each other since second grade. They can practically read one another's minds. I'm sure they argue, like all founders, but I have never once sensed any unresolved tension between them.

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