

# Before the Startup with Paul Graham (How to Start a Startup 2014: Lecture 3)

Y Combinator · Y Combinator · 2014-10 · [source](#)

---

that short like like long introductions are no good um Sam knows H all right ready everybody I'm not going to ask if the mic is working like in every talk so far um I'll just assume it's working I'm just no [ &nbsp;\_\_&nbsp;] all right well make it work somebody it works it works all right all right this is like some kind of class tradition um all right all right uh I wrote out my talk um 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 uh my 2-year-old today went asked what he was going to be after two said bat um the correct answer was three but a bat is so much more interesting um so even though my kids are little I already know what I would tell them about startups if they were in college um 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 xactly why it could be simply because xactly why it could be simply because xactly 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 um so part of learning to ski is learning to suppress that impulse ventually you get new habits but in the ventually you get new habits but in the ventually you get new habits but in the beginning there's this list of things you're trying to remember as you start down the hill you know like alternate feet make S turns do not drag the inside foot all this stuff um 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 going to give you today um 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 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 uh when you're about to make a mistake you may at least pause before making it when I was running y combinator we used to joke that um our function was to tell Founders things they would ignore um and it's really true batch after batch the YC Partners warn Founders about mistakes they are about to make and the founder ERS ignore them and they come back a year later and say I wish we'd listened um but that dude is in their cap table there's nothing they can do um why do founders persistently ignore the partner's advice well that's the thing about counterintuitive ideas

they contradict your intuitions so um they seem wrong so of course your first impulse to ignore is to ignore them and in fact that is not just the curse of Y combinator but to some extent our risone Det you don't need people to give you advice that doesn't surprise you right um if Founders existing intuitions gave them the right answers they wouldn't need us that's why there are a lot of ski nstructors and not many running instructors and not many running instructors right like that you don't see those two words together running instructor as much as you see ski nstructor um it's because skiing is instructor um it's because skiing is counterintuitive so sort of what um what YC is is like uh business ski nstructors except for going up slopes instructors except for going up slopes instead of down them um well ideally uh 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 trust their intuitions about people enough they meet someone who seems impressive but about whom they feel some misgivings um 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 subcase in business especially if you come from an engineering background as I believe you all do you think business is supposed to be this ort of slightly distasteful thing and sort of 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 um picking friends um this is one of those rare cases where it works to be self-indulgent work with people you genuinely like and respect and that you have known long enough to be sure because there's a lot of people who are ally good at seeming likable for a really good at seeming likable for a while um just wait till your interests are opposed and then you'll see all right um the second counterintuitive point is that uh and this will might come as a little bit of a disappointment um but what you need to succeed in a startup is not expertise in startups that makes this class different from ost other classes you take if you take most other classes you take if you take a French class at the end of it you will earn how to speak French if you do the 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 what you need to know to succeed in a startup 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 right 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 round right um and if you feel bad about that don't because I can tell you Mark Zuckerberg probably doesn't know the mechanics of raising an gel round either if he was even paying 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 startup 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 um 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 uh rent a nice Office in Soma and hire a bunch of their friends is gradually realize how how completely [ ] they are because while imitating all the outward forms of starting a startup 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 um and I did check with Sam whether it would be okay um he said he had done it several times I mean Ed the word uh we saw this happen so often no I mean people going through the often no I mean people going through the motions of starting a startup um that we made up a name for it playing house 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 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 educational system for being this 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 um the fakeness and I confess that I did this myself in college in fact here's a useful tip on getting good grades um 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 and 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 exam and look at the questions and see how many I got right essentially um it works in a lot of classes pecially CS classes I remember automa especially CS classes I remember automa Theory there's only a few things that make sense to ask about automa 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 figure out what the tricks are for this new game what are the xtracurricular activities of startups extracurricular activities of startups what are the things I have to do um they always want to know since since apparently the measure of success for a startup is fundraising another Noob mistake um they always want to know 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 rowing fast and then simply tell growing fast and then simply tell investors so um so then they ask okay what are the tricks for grilling fast right um and this is exacerbated by the xistence of this term growth hacks existence of this term growth hacks right whenever you hear anybody talk about growth hacks just mentally translate it in your mind into [ ] um 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 h so that's what you have to do that's growth hacks right there um so so so many of the conversations the YC Partners

have with the founders begin with the founders begin with the founders saying a sentence that begins with how saying a sentence that begins with how do I and the partner is answering with the sentence that begins with just right the sentence that begins with just right the 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 um giving the impression of productivity by sending emails late at night um or if you're smart enough changing the clock on your computer um because who's going to check the headers right um but I like an audience that I can tell jokes like that too and they laugh um over in the business school headers um okay God this thing is being recorded I just realized that all right from now on we are sticking Strictly To The Script um all right um but in startups that does not work there's 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 one to trick there's only users and all users care about um is that is whether your software does what they want right hey're like sharks sharks are like too they're like sharks 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 the dangerous thing is particularly for you guys the dangerous thing is that faking does work to some extent with investors you if you're really good at knowing what you're talking about you can fool in ERS for one maybe two rounds of funding but it's not in your interest to fund but it's not in your interest to I mean you're all doing this for Equity you're playing a confidence trick on 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 going to waste your time writing it down um so stop looking for the trick there are tricks in startups as there are in any domain but they are in order of magnitude less important 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 um though in a sense it's bad news that gaming the startup stops work 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 20 years mastering um it is something I find it very exciting uh something I find it very exciting uh that the that the that there even exist parts of the world where game 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 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 things to think about when you're planning your future um got that okay um how do you win at each type of 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 pagee has an enviable life but there are parts of it that are definitely unv viable 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 and 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 the strange side effect hat the difficulty of being a that the difficulty of being a successful startup founder is concealed from almost everyone who's done it people who win the 100 meters in the Olympics like they walk up to them and they're going like right like Larry pig 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 ycombinator has now funded several companies that could be called Big successes um 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 to having kids and that it's like a button you press that changes your life irrevocably um and while it is like honestly the best thing in the world having kids um if you take away one thing from this lecture remember that um uh there are a lot of things that are asier to do after you before you have asier to do after you before you have asier 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 um procedure um 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 contraceptives and yet they're starting up entrepreneurship programs and startup incubators left and right o be fair the universities have their 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 well not what are we doing here um yes and no as I explained they can teach you about startups but this is not what you need to know essentially what univers if you want to learn French universities can teach you Linguistics that's what this is 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 startup 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 startup in college if you start up startup 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 answer that one for you I'm talking to my own kids here do not start a startup in college uh 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 though starting a startup could be a good thing to do at some point 20 is not the optimal time to do it there are things that uh that you can't there 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 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 um 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 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 sank in Paris right um but he's never going to get to just like backpack around Thailand if that's still what people do um do people still backpack around Thailand Okay well there that's the first real sign of enthusiasm I've seen from this should have given this talk in Thailand um all right 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 uh 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 um there are advantages to Serendipity and uh 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 20 because you'll be more likely to succeed if you wait in the unlikely case that you're 20 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 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 20 so should you do it at any age I realize I've made starting a startup sound kind of hard if I haven't let me try again starting a startup is really hard H what if it's too hard what if you're not up to this challenge the the answer is the fifth counterintuitive point you can't 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 um and boy it's not every audience you could say that to you H 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 would guess I wrote predict in here and it came out as guess um that's a very informative Freudian slip um seriously it's easy to tell how smart people are in 10 minutes

you know hit a few tennis balls over the net and do they hit them back at you or into the net um but the hard part was and the most important part was predicting how tough and ambitious they would become um there may be no one at this point who has more 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 feeling confident that they would Ace y combinator just as they had aced everyone of the few easy artificial tests they had faced in life so far others arrived wondering what mistake had caused them to be admitted and hoping that no one would discover it um but there is little to no attit 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 and probably for the same reason that 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 um otherwise if you're merely unsure of whether you're going to be able to do it 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 startup one day what do you do now in college there are only two things you need initially an idea and co-founders and the mo forgetting them both is the same which leads to our sixth Sixth and last counterintuitive Point um 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 going to repeat the whole thing here um but the short version is that if you make a conscious effort to try and think of startup 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 startup ideas unconsciously in fact so unconsciously that you don't even realize at first hat there startup ideas this is not hat there startup ideas this is not hat there 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 as side projects because they're always 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 startup ideas unconsciously one learn a lot about things that matter two 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 learn a lot about things that matter I wrote become good at some technology but hat prescription though sufficient is that prescription though sufficient is too narrow what was special about Brian chesky and Joe gbia from Airbnb was not hat they were experts in technology that they were experts in technology they went to art school they were xperts in design and perhaps even more xperts in design and perhaps even more xperts 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 were working on problems that no one else at the time thought were important 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 CA 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 uh Justin.tv to Twitch TV and they were going to broadcast people playing video games I was like what but turned out to be a good business um well turned out to be a good business um well I know 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 because I was interested and they turned out to be useful later in some worldly way um why 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 uh 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 but for now all I can give you is the hopelessly question begging advice um 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 as an interesting problem I can tell you about a large subset of them if you think of Technology as something that's spreading like a sort of fractal stain every point on the edge that's moving represents an interesting problem steam engines not so much although maybe you never know um so one guaranteed way to turn your mind into the type that startup ideas form in unconsciously is to get yourself to the Leading Edge of some technology to to as Paul buite put it um live in the future and when you get there ideas that seem uncannily precient to other people will seem obvious to you you may not realize their startup ideas but you'll know there's something that ought to exist for example back at Harvard back in the mid90s a fellow Brad student of my friends Robert and Trevor wrote his own Voiceover IP software um it wasn't meant o be a startup he never tried to turn to be a startup 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 networks it seemed obvious to him that the thing to do was turn the sound into packets and ship them over the Internet for free why didn't everybody do this well because they weren't good at writing that kind of software um he never did anything with this he never tried to turn it into a startup but that is how all the best artups tend to happen um so strangely 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 is education for its own sake if you want to start a startup what you should do in college is learn powerful things and if 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 I 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 wouldbe startup Founders reduced to two words just learn all right how much time do we have left 18 minutes 18 minutes of questions good god um do you guys have the questions uh sure we'll start with uh two questions online or we can start with audience you guys are in charge whatever you want want to do uh okay um so to start with online questions uh the most voted question today was do I have to repeat them by the way how can a non-technical Founder most effectively contribute to a startup how can a non-technical Founder most effectively contribute to a startup um well if the startup is if the startup is working in some domain um if it's not a pure technology startup but is working in some very specific domain um like if it's Uber right and and the non-technical founder was an expert in the limo business then actually the non-technical founder are probably doing most of the work recruiting drivers and 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 um which is less than half of it um if it's a purely technology startup the the non-technical found ER does ales and brings coffee and sales and brings coffee and cheeseburgers to the programmer okay nice oh audience okay audience yes do you see um any value in business school for people who want to pursue ntrepreneur entrepreneurship do I see ntrepreneur entrepreneurship do I see ntrepreneur entrepreneurship do I see any value or if so what value I guess I'm hoping we probably won't have to get o the second to the second question which I suppose is the answer to your first 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 um so basically no I mean it sounds undiplomatic but the the point B what business school was designed for is to teach people management right and management is a problem that you only have in a startup if you're sufficiently successful um 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 uh 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 um Business Schools are trying really hard to do this but honestly like they were they were designed to train the officer Corp of large companies right which is what business seemed to be back when it was a choice of either the officer Corp of large companies or Joe's shoe store and and then 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 they're good at what they're good at they should just be do that and screw this whole ntrepreneurship thing just because it's entrepreneurship thing just because

it's cool yes you said management is a problem that you have only when you're successful so what about those first two or three people as a Founder that you're or three people as a Founder that you're trying to manage okay so management is a problem only if you're successful what about 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 um so ideally you don't have even two or three people for quite a even two or three people for quite a while uh when you do you can you can sort of the the first hires in a startup are almost like Founders they should be motivated by the same things they can't be people they can't be people you have to like manage right um this is like that this is not like the office or something like that these are your these have to your peers really um you shouldn't have to manage them much so is it just a big no no like someone has to be managed no way they can be on the uh well Never Say Never the qu I should repeat all these questions so if someone has to manage no way they should be on the founding team um in the case where you're doing something where you need some sort of super Advanced technical thing and there's some bofin um if you know that word who knows this thing and nothing else in the world including like how to wipe his mouth um then it may be to your advantage to hire said bofin and wipe his mouth for him um but uh as a general rule you want people who are um sort of selfmotivated early on they should be just like Founders yes questions in the far back do you think we're currently in a bubble do I think we're currently in a bubble um okay so I'll give you two answers to this question uh uh 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 um 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 in 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 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 um definitely prices are high uh and so we tell people if you raise money don't think the next time you raise money it's going to be so easy who knows maybe between now and then the Chinese conomy will have exploded and there's economy will have exploded and there's another giant disastrous recession who knows assume the worst um but bubble no yes I'm noticing a trend among um young people and successful entrepreneurs um where they don't want o start one more great company they to start one more great company they want to start like 20 and so you're starting to see the rise of these Labs attempts where they're going to try to launch a bunch of stuff I don't know a really Stellar example yet but like ideal like no like like like IDE lab like gar Camp's new one there's North 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 it I meant ideal lab not Ideo 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're like podcasting business do those words even grammatically fit together um the answer turned out to be no as Evan discovered um but like as a side project they spun off Twitter and boy was that uh dog wagging tail um 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 hough because you have to do it with ough because you have to do it with ough because you have to do it with your own money um yes far back I think so much um I hate to step into sort of a gendered pitfall but what advice do you have for female co-founders as you're pursuing funding 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 o 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 too um 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 VC's point of view in any respect the way to solve that problem is make the startup do really well um 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 um 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 were stupendous and so I tweeted it knowing that like all these VCS would start asking me who who is that right and like growth graphs have no gender ight so if they see the growth graph right so if they see the growth graph first let them fall in love with that right um so do well which is good advice for startups generally yes what would you learn in college right now what what would you learn in college right now what would I learn in college H literary Theory no just kidding um let's 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 the thing maybe they still are right so I sort of got very excited about writing code um and you could do things with you could do you could write real programs in your bedroom you can't like build real in your accelerators maybe you can um so maybe maybe physics I feel kind of I always I have I sort of look long I notice 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 I was about to say I don't know if that's going to be helpful starting a start up and I've just told you to follow your own curiosity so who cares if it's helpful it'll turn out to be helpful questions uh another question online uh what are your recurring systems in your work and personal life that make you efficient ah boy okay so what are my recurring systems in my work and personal life that make me fficient um well having kids is a good efficient um well having kids is a good way to be efficient because you have no time left um so if you want to get anything done um the amount of done you do per time is high hi um so uh actually many parents many startup Founders who have kids have made that point explicitly it causes you to focus um because you have no choice uh let's see but that's not I wouldn't actually recommend having kids just to make you more focused so uh

let's see um you know I don't think I'm very efficient I have two ways of getting work done one is like ycombinator the way I worked on YC combinator is I was forced to right like there there was an I had to set the application deadline and then people would apply and then there were all these applications that I had to respond to by a certain time so I had to read them and I knew if I read them badly we would get bad startups so I tried really hard to read them well right so I set up this situation that forced me to work um 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 um and so really I either force myself to work on less exciting things um or the I can't help working on um on exciting things and I don't I don't have any useful techniques for making myself efficient sorry um if you work on things you like you don't have to force yourself to be efficient yes I'm think it's a good time to turn a side project into a real startup when is a good time to turn a side project into a startup you will know right it starts you you when you okay so the question is when do you turn a startup 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 um 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 going to fail all my classes what am I going to 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 ask I may get back to you yes so I I know you talked a lot earlier about you'll know when you're started was doing extremely well but I feel like in a lot of cases there's a bit of a grey line where it's like you know you have some users but maybe not it's explosive go chart isn't up to the right how what would you do or what would you recommend oing in those situations considering doing in those situations considering you're allocating time and resources how do you balance and okay when to Startup is sort of growing but not much um didn't you tell them they were supposed to redo things that don't scale you sir have not done the readings and you are busted therefore because I wrote a whole ssay and answer to that question and essay and answer to that question and that is it do things that don't scale so just go read that um because I can't remember everything I said but it's about exactly that problem yes back there what kind of startups should not go through incubation in your opinion what kind of you mean do you mean incubation LC no yeah YC or what kind of startup should not go through YC um definitely any that will fail um and or if you'll succeed but you're an intolerable intolerable person um that also Sam would probably sooner do without um short of that I I cannot hink of any because a large percentage 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 he ones that are domain specific so I the ones that are domain specific so I can't is there do you can you think of a class of startups that YC wouldn't work for I can't I mean we had like fision and fusion startups in the last batch or they had um yes um you mentioned that it's good advice to learn a lot about something that matters what are some good strategies to figure out what matters well if you think of okay so how do you figure out what matters um if you think of Technology as something that's preading as a sort of fractal stain spreading as a sort of fractal stain 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 um 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 interesting things if you're interested in interesting things work on them and things will all work out right um 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 that but I don't know I don't know um I figured out a technique for detecting whether you have a taste for genuinely interesting problems um 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 um you don't have a self-discipline or um you don't have a taste for genuinely interesting problems um and vice versa yes one more question okay one more question it better be good I was just wondering how like Snapchat like makes money refs to do so Snapchat what do I know about Snapchat we didn't fund them can I have about another question all right go ahead talking about hiring people that like but it seems like that could lead to a monoculture and there a lot of benefits culture but how do you deal with the blind spots that arise okay so if you hire people you like you might get a monoculture and how do you deal with the blind spots that arise um starting a startup is something where many things will be going wrong you can't expect it to be perfect and the advantage is of of hiring people that you know and like are far greater than the you know the 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 [Applause]