

Learning from Founders

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January 2007

(Foreword to Jessica Livingston's
Founders at Work.)

Apparently sprinters reach their highest speed right out of the blocks, and spend the rest of the race slowing down. The winners slow down the least. It's that way with most startups too. The earliest phase is usually the most productive. That's when they have the really big ideas. Imagine what Apple was like when 100% of its employees were either Steve Jobs or Steve Wozniak.

The striking thing about this phase is that it's completely different from most people's idea of what business is like. If you looked in people's heads (or stock photo collections) for images representing "business," you'd get images of people dressed up in suits, groups sitting around conference tables looking serious, Powerpoint presentations, people producing thick reports for one another to read. Early stage startups are the exact opposite of this. And yet they're probably the most productive part of the whole economy.

Why the disconnect? I think there's a general principle at work here: the less energy people expend on performance, the more they expend on appearances to compensate. More often than not the energy they expend on seeming impressive makes their actual performance worse. A few years ago I read an article in which a car magazine modified the "sports" model of some production car to get the fastest possible standing quarter mile. You know how they did it? They cut off all the crap the manufacturer had bolted onto the car to make it look fast.

Business is broken the same way that car was. The effort that goes into looking productive is not merely wasted, but actually makes organizations less productive. Suits, for example. Suits do not help people to think better. I bet most executives at big companies do their best thinking when they wake up on Sunday morning and go downstairs in their bathrobe to make a cup of coffee. That's when you have ideas. Just imagine what a company would be like if people could think that well at work. People do in startups, at least some of the time. (Half the time you're in a panic because your servers are on fire, but the other half you're thinking as deeply as most people only get to sitting alone on a Sunday morning.)

Ditto for most of the other differences between startups and what passes for productivity in big companies. And yet conventional ideas of professionalism have such an iron grip on our minds that even startup founders are affected by them. In our startup, when outsiders came to visit we tried hard to seem "professional." We'd clean up our offices, wear better clothes, try to arrange that a lot of people were there during conventional office hours. In fact, programming didn't get done by well-dressed people at clean desks during office hours. It got done by badly dressed people (I was notorious for programming wearing just a towel) in offices strewn with junk at 2 in the morning. But no visitor would understand that. Not even investors, who are supposed to be able to recognize real productivity when they see it. Even we were affected by the conventional wisdom. We thought of ourselves as impostors, succeeding despite being totally unprofessional. It was as if we'd created a Formula 1 car but felt sheepish because it didn't look like a car was supposed to look.

In the car world, there are at least some people who know that a high performance car looks like a Formula 1 racecar, not a sedan with giant rims and a fake spoiler bolted to the trunk. Why not in business? Probably because startups are so small. The really dramatic growth happens when a startup only has three or four people, so only three or four people see that, whereas tens of thousands see business as it's practiced by Boeing or Philip Morris.

This book can help fix that problem, by showing everyone what, till now, only a handful people got to see: what happens in the first

year of a startup. This is what real productivity looks like. This is the Formula 1 racecar. It looks weird, but it goes fast.

Of course, big companies won't be able to do everything these startups do. In big companies there's always going to be more politics, and less scope for individual decisions. But seeing what startups are really like will at least show other organizations what to aim for. The time may soon be coming when instead of startups trying to seem more corporate, corporations will try to seem more like startups. That would be a good thing.

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There can't be more than a couple thousand people who know first-hand what happens in the first month of a successful startup. Jessica Livingston got them to tell us.

So despite the interview format, this is really a how-to book. It is probably the single most valuable book a startup founder could read.

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