

Who launches a successful startup?

Purpose of this article

- 1) To help you decide if you're the type of person who should launch a startup.
- 2) Outline what you should do in the first two weeks if you are thinking of launching a startup.
- 3) Recommend some learning you should undertake, to help you make your decision.

What is a startup?

- 1) A startup is a temporary organization designed to search out a repeatable and scalable business model. Lots of learning experiments are carried out. The focus is on getting some delighted cash paying customers.
- 2) A business model describes how a company creates value for itself while delivering products or services to customers. What are you building and for whom? What urgent problems and needs are you solving?

Week one

I recommend that you read the following two books. They are a fact-based portrayal of the challenges founders face, and what the characteristics are of successful founders. Movies, TV, books, and founders often paint a picture of how easy startup success is.

“The Hard Thing About Hard Things: Building a Business When There Are No Easy Answers” by Ben Horowitz.

- 1) Ben describes the incredibly tough challenges and experiences he went through in the process of his ultimately successful startup. He then became a successful venture capitalist. Most startups fail.
- 2) As you read the book, think about your own ability to deal with the challenges than Ben went through and that you would be going through. Not only do you need perseverance and ingenuity, you also need an emotional and mental support network.

“The founder's dilemmas – anticipating and avoiding the pitfalls that can sink a startup” by Noam Wasserman.

- 1) He was the Professor of Clinical Entrepreneurship at the University of Southern California and the director of USC's Founders Central Initiative. The book is based on his study of 10,000 founders from 3,500 startups.
- 2) As you are reading the book, think about whether you are the type of person who would succeed as a founder. You are more likely to make more money as an employee rather than launching your own company.

Week two

- 1) Are you driven by having a great idea OR are you driven by wanting to solve an urgent problem or need for a large number of people?
- 2) What's your ability to quickly learn new things and transform yourself?
- 3) Take the free video course “How to build a startup”

<https://www.udacity.com/course/how-to-build-a-startup--ep245>

Take detailed notes. There is little value in passively watching without taking notes.

Your next steps

You need to make a decision on whether or not to continue. This could take days or weeks, especially as you involve your life partner and support network. Some of the factors to consider include:

- 1) Do you recognize that you are launching a search for a business, which is much different from launching a business?
- 2) How will you, your life partner, family, and friends feel at the end of several years when your startup fails? Few startups succeed.
- 3) Are you passionate and driven to succeed?
- 4) Launching a startup to make a lot of money is the wrong reason.
- 5) Are you focused on solving a problem, meeting the need of a large number of people OR do you just want to build something?
- 6) Are you able to learn the problems and needs of a large number of people and then change your startups focus to meet those needs?
- 7) Do you have the cash (personally, from family and friends) to grow the startup until there is revenue. Few startups are able to raise cash without revenue. What would be the impact on you, your life partner, family, friends when your startup loses all the investment – which is the most likely outcome?
- 8) Do you have a co-founder with a different set of skills? Most startups have 2-4 co-founders to provide a range of skills and provide backup if a founder suddenly exits due to health or personal reasons.

Footnotes

¹ <https://s3-us-west-2.amazonaws.com/cbi-content/research-reports/The-20-Reasons-Startups-Fail.pdf>

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