Design Patterns for Startups

**Goal:**

*To figure out a way to recognize patterns in successful ideas, and also to recognize how a complete product leverages the connections between those patterns to create a profitable loop of consumer transactions.*

**To want to be able to quickly evaluate an idea in terms of what’s already successful.**

We should accomplish these aims by:

-Profiling successful companies and ideas by breaking their features into elements

-Finding patterns between these elements

-Applying these elements to ideas and projects of my own construction

Section 1: Types of Ideas

As of now I have identified three types of ideas that eventually become web products. I may add or change this list as my thoughts develop.

*Purely social ideas*

These ideas are essentially a mirror of a real world interaction.

Examples:

Facebook, Twitter

Pros:

Can be developed into every day use products with mass appeal given the correct circumstances.

Cons:

Chicken and egg problem

Lack of an immediate business model

Notes:

The real world interaction that this is modeled after must be one that is performed on a frequent basis otherwise the site has a low engagement. For example, gossiping about friends, seeing what they are up to, and talking about them is a daily occurrence so a site that lets you do that (Facebook) has high engagement.

*Pragmatic ideas*

These ideas solve problems.

Examples:

Google, Airbnb, Dropbox

Pros:

Are generally utilities so they don’t suffer from a chicken and egg problem.

Many times come with a built in business model.

Cons:

Requires unique solutions.

Can be technologically challenging.

Need lots of marketing.

Requires customer service.

More vulnerable to a competitor because your solution must stay cutting edge.

Notes:

These ideas generally answer a question, and must fulfill a preexisting need. A question for Google might be: what’s the best way to find relevant sites online?

*Games*

These ideas create a fantasy interaction between the user and his computer (as well as possibly others).

Examples:

Zynga

Pros:

Very easy to monetize.

Can spread virally.

Cons:

High barrier to entry

Requires creation of sophisticated art and graphics

Hard to be different

There is a lot of competition

Notes:

None for the moment.

Section 2: Index of Elements

Free voyeurism – voyeurism without social cost

Social tagging – seeing when other people mention you

FOMO – fear of missing out

IP tracking – the ability to track your influence and/or popularity

Constant engagement by notifications

Mirror of real life interaction

Personal branding tool

Low barrier networking tool – make connections outside of your physical social network.

Low cost way to meet new, relevant and interesting people.

Solves different problems in connected markets

Spread by peer pressure

Social competition

Simple to learn, hard to master

Promise of enhanced existence

Social knowledgebase

Simple way to demonstrate awesomeness

Limited to component

Answers a question

Has an exclusive element

Section 3: Company Profiles

*Facebook*

Free voyeurism

Social tagging

FOMO

IP tracking

Constant engagement via notifications

Mirror of real life interaction

Spread by peer pressure

Has an exclusive element

Problems:

Chicken and egg – overcome by launching in a small environment in which the creator had a good reach.

*Twitter*

Social tagging

IP tracking

Mirror of real life interaction

FOMO

Constant engagement via notifications

Personal branding tool

Low barrier networking tool

Problems:

Chicken and egg – solved when they blew up at SXSW

No business model – mostly because their business team sucks

Lots of users that never visit

Low engagement for the average user

*Groupon*

Solves different problems in two connected markets

FOMO

Constant user engagement via notifications

Spread by peer pressure

Promise of enhanced existence

Limited time component

Problems:

Sometimes too good to be true

Sustainable business model?

Chicken and egg but to a lesser degree

*Zynga*

Fantasy interaction

FOMO

Constant user engagement via notifications

Spread by peer pressure (gifting etc)

Social competition

Free voyeurism (probably not an essential characteristic)

Simple to learn, hard to master

Promise of enhanced existence

Problems:

High barriers to entry

Lots of competition

Hard to be different

Art/graphics creation

*Quora*

FOMO

IP tracking

Social tagging

Constant user engagement via notifications

Mirror to a real life interaction

Personal branding tool

Low barrier networking tool

Promise of enhanced existence

Social knowledgebase

Problems:

Chicken and egg

Quality of responses

Business model

Small core group of power users

Low engagement for the average user

*Google*

Solution to a problem

Simple use case

Simple way to demonstrate awesomeness

Spread by peer pressure

Answers a question (how do you find the most relevant sites online)

Problems:

Solution has to be innovative and work well

Marketing

First mover advantage is big unless the solution is really unique because no one has any reason to switch

*Processes for Finding Ideas*

Don’t start with elements, evaluate with elements.

When you look at elements you can see how each company blends them differently and each fits into its own specific space. Impossible to see the spaces between: (via Hume).

Get inspired and then start “elementizing.”

Ask questions

Transplant examples from other parts of the world and from other industries