

Checklist Manifesto

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4-5 minutes

Over the last few weeks I have been able to spend time with a bunch of individual investors (aka “solo capitalists”) learning about their motivations, networks and different approaches to investing and sharing my experience as an investor. Some folks have been angel investing for a long time and outside capital represents a way to scale by putting more money behind a well practiced craft. Others I connected with had never self-identified as investors until recently and are investing in a meaningful way for the first time right now. They are ambitious and want to take on investing as a practice — learn from folks with more experience and do everything they can to be great investors.

In my experience, investing is simple, but extremely hard to do well. The truth is, you only need to do 4 things as an investor:

1. Access — Earn access the best opportunities
2. Pick — Decide which founders you can build successful partnerships with
3. Win — Win the opportunity to build those partnerships
4. Support — Deliver on your promises and support the founders you partner with

The other truth is to be great, you have to do each of these things extremely well AND in your own unique way.

All the individual investors I have spent time with are awesome operators with great networks and incredible company building experience to inform the advice they offer founders — so access and support come naturally. Picking and winning tend to be the areas where our conversations focus — and when it comes to picking, people seem to be looking for a formula or checklist approach to company selection. For many processes a checklist is a great tool— they can help you do a better job, be more efficient and make fewer mistakes. Investing is not a place for checklists.

Checklists work extremely well when outcomes are largely decided by your actions and there is a knowable correct process to follow — regardless of how odd or anomalous the situation seems — you can start at the top of your checklist and by the time you get to the bottom, you have done the best anyone could do. [Getting an airplane off the ground](#) is likely the most well known example of this, but you can apply a checklist to just about anything where you want to take a formulaic approach — including investing.

A checklist approach is the shortest path to competence but will leave mastery out of reach in an industry where the largest wins are by definition anomalous. In venture, the path to these successes is idiosyncratic and carved with the unique craftsmanship (and tremendous effort) of a given entrepreneur.

Understanding the market in general, the product in concept, the team on background or the business model in the abstract doesn’t matter. What matters is the granular specifics of the now: Current market dynamics and where and why the team sees unique opportunity; the way the product is crafted and the specific early indicators of user obsession and leveraged distribution; the way the team works together and how this dynamic creates a force multiplier for each member to do 10x more than their LinkedIn profile suggests; the nuanced alignment of price and willingness to pay that create efficient go to market and open up opportunities for margin expansion with scale.

When you take a checklist approach to investing, you never get to the first principles required to identify the largest outliers. **Your checklist includes the business concept you are looking for, but you don’t develop the tools of critical thinking that allow you to apply the concepts in new ways on your own** — and it is exactly this type of thinking that the best “pickers” apply to each partnership they form with a founder.

