Hard Startups

4-4 minutes

The most counterintuitive secret about startups is that it's often easier to succeed with a hard startup than an easy one. A hard startup requires a lot more money, time, coordination, or technological development than most startups. A good hard startup is one that will be valuable if it works (not all hard problems are worth solving!).

I remember when Instagram started to get really popular—it felt like you couldn't go a day without hearing about another photo sharing startup. That year, probably over 1,000 photo sharing startups were funded, while there were fewer than ten nuclear fusion startups in existence.

Easy startups are easy to start but hard to make successful. The most precious commodity in the startup ecosystem right now is talented people, and for the most part talented people want to work on something they find meaningful.

A startup eventually has to get a lot of people to join its quest. It's usually reasonably easy to get the first five or ten people to join—you can offer large equity grants and areas of responsibility. But eventually, what you have to recruit with are the mission of the company, the likelihood of massive success, and the quality of the people there. [1]

Few recruiting messages are as powerful (when true) as "the world needs this, it won't happen any time soon if we don't do it, and we are much less likely to succeed if you don't join."

There is a derivative of the Peter Principle at play here—your startup will rise to the level where it can no longer attract enough talented people. (This sometimes holds true for careers too—the limiting factor for many careers eventually becomes how many talented people you know and can get to work with you.)

An easy startup is a headwind; a hard startup is a tailwind. If people care about your success because you seem committed to doing something significant, it's a background force helping you with hiring, advice, partnerships, fundraising, etc.

Part of the magic of Silicon Valley is that people default to taking you seriously if you're willing to be serious—they've learned it's a very expensive mistake, in aggregate, not to. If you want to start a company working on a better way to build homes, gene editing, artificial general intelligence, a new education system, or carbon sequestration, you may actually be able to get it funded, even if you don't have a degree or much experience.

Let yourself become more ambitious—figure out the most interesting version of where what you're working on could go. Then talk about that big vision and work relentlessly towards it, but always have a reasonable next step. You don't want step one to be incorporating the company and step two to be going to Mars.

Be willing to make a very long-term commitment to what you're doing. Most people aren't, which is part of the reason they pick "easy" startups. In a world of compounding advantages where most people are operating on a 3 year timeframe and you're operating on a 10 year timeframe, you'll have a very large edge.

Thanks to Luke Miles for reviewing drafts of this.

[1] Another solution to this problem is to think about startups that can become quite successful with less than ten people. As compensation packages from the giant tech companies continue to increase, I suspect this will become a trend.