



# The idea maze

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The pop culture view of startups is that they're all about coming up with a great product idea. After the eureka moment, the outcome is preordained. This neglects the years of toil that entrepreneurs endure, and also the fact that the vast majority of startups change over time, often dramatically.

In response to this pop culture misconception, it has become popular in the startup community to say things like “execution is everything” and “ideas don't matter”.

But the reality is that **ideas do matter, just not in the narrow sense in which startup ideas are popularly defined**. Good startup ideas are well developed, multi-year plans that contemplate many possible paths according to how the world changes. Balaji Srinivasan calls this the idea maze:

*A good founder is capable of anticipating which turns lead to treasure and which lead to certain death. A bad founder is just running to the entrance of (say) the “movies/music/filessharing/P2P” maze or the “photosharing” maze without any sense for the history of the industry, the players in the maze, the casualties of the past, and the technologies that are likely to move walls and change assumptions.*

Imagine, for example, that you were thinking of starting Netflix back when it was founded in 1997. How would content providers, distribution channels, and competitors respond? How soon would technology develop to open a hidden door and let you distribute online instead of by mail? Or consider Dropbox in 2007. Dozens of cloud storage companies had been started before. What mistakes had they made? How would incumbents like Amazon and Google respond? How would new platforms like mobile affect you?

When you're starting out, it's impossible to completely map out the idea maze. But there are some places you can look for help:

1. History. If your idea has been tried before (and almost all good ideas have), you should figure out what the previous attempts did right and wrong. A lot of this knowledge exists only in the brains of practitioners, which is one of many reasons why “stealth mode” is a bad idea. The benefits of learning about the maze generally far outweigh the risks of having your idea stolen.
2. Analogy. You can also build the maze by analogy to similar businesses. If you are building a “peer economy” company it can be useful to look at what Airbnb did right. If you are building a marketplace you should understand eBay’s beginnings. Etc.
3. Theories. There are now decades of historical data on tech startups, and smart observers have sifted through to develop theories that generalize that data. Some of these theories come from academia (e.g. Clay Christensen) but increasingly they come from investors and entrepreneurs on blogs.
4. Direct experience. A lot of good startup founders figure out the maze through direct experience, often at work. The key here is to put yourself in interesting mazes and give yourself time to figure it out.

The metaphor of a maze also helps you think about competition. Competition from other startups is usually just a distraction. In all likelihood, they won’t take the same path, and the presence of others in your maze means you might be onto something. Your real competition – and what you should worry about – is the years you could waste going down the wrong path.

Balaji Srinivasan

Idea Maze

Product Strategy

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