

# Sequoia - Elements of Enduring Companies

*Team Sequoia*

2-3 minutes

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Starting a business is rough. Most startups fail. Your best chance to thrive is to find the right community, the right partners, and the right network of support from the very beginning. We love nothing more than meeting promising founders during their first days starting a company.

The tech giants of today started as one or two person ideas not long ago. We've met many young companies and noticed that startups with the following characteristics have the best shot of becoming enduring companies.

**Clarity of purpose** Summarize the company's business on the back of a business card.

**Large markets** Address existing markets poised for rapid growth or change. A market on the path to a \$1B potential allows for error and time for real margins to develop.

**Rich customers** Target customers who will move fast and pay a premium for a unique offering.

**Focus** Customers will only buy a simple product with a singular value proposition.

**Pain killers** Pick the one thing that is of burning importance to the customer, then delight them with a compelling solution.

**Think differently** Constantly challenge conventional wisdom. Take the contrarian route. Create novel solutions. Outwit the competition.

**Team DNA** A company's DNA is set in the first 90 days. Choose your first few hires wisely.

**Agility** Stealth and speed can beat slow incumbents.

**Resilience** Hone your ability to bounce back and keep trying.

**Frugality** Focus spending on what's critical. Spend only on the priorities and maximize profitability.

**Inferno** Start with only a little money. It forces discipline and focus. A huge market with customers yearning for a product developed by great engineers requires very little firepower.