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THE HARDWARE RENAISSANCE

Want to start a startup? Get funded by Y Combinator.

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One advantage of Y Combinator's early, broad focus is that we see trends before most other people. And one of the most conspicuous trends in the last batch was the large number of hardware startups. Out of 84 companies, 7 were making hardware. On the whole they've done better than the companies that weren't.

They've faced resistance from investors of course. Investors have a deep-seated bias against hardware. But investors' opinions are a trailing indicator. The best founders are better at seeing the future than the best investors, because the best founders are making it.

There is no one single force driving this trend. Hardware <u>does</u> <u>well</u> on crowdfunding sites. The spread of <u>tablets</u> makes it possible to build new things <u>controlled by</u> and even <u>incorporating</u> them. <u>Electric motors</u> have improved. Wireless connectivity of various types can now be taken for granted. It's getting more straightforward to get things manufactured. Arduinos, 3D printing, laser cutters, and more accessible CNC milling are making hardware easier to prototype. Retailers are less of a bottleneck as customers increasingly buy online.

One question I can answer is why hardware is suddenly cool. It always was cool. Physical things are great. They just haven't been as great a way to start a <u>rapidly growing</u> business as software. But that rule may not be permanent. It's not even that old; it only dates from about 1990. Maybe the advantage of software will turn out to have been temporary. Hackers love to build hardware, and customers love to buy it. So if the ease of shipping hardware even approached the ease of shipping software, we'd see a lot more hardware startups.

It wouldn't be the first time something was a bad idea till it wasn't. And it wouldn't be the first time investors learned that lesson from founders.

So if you want to work on hardware, don't be deterred from doing it because you worry investors will discriminate against you. And in particular, don't be deterred from <u>applying</u> to Y Combinator with a hardware idea, because we're especially interested in hardware startups.

We know there's room for the <u>next Steve Jobs</u>. But there's almost certainly also room for the first <Your Name Here>.

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A Hardware Renaissance while "Software Eats the World"?