What We Look for in Founders

October 2010  
  
(I wrote this for Forbes, who asked me to write something  
about the qualities we look for in founders. In print they had to cut  
the last item because they didn't have room.)1. DeterminationThis has turned out to be the most important quality in startup  
founders. We thought when we started Y Combinator that the most  
important quality would be intelligence. That's the myth in the  
Valley. And certainly you don't want founders to be stupid. But  
as long as you're over a certain threshold of intelligence, what  
matters most is determination. You're going to hit a lot of  
obstacles. You can't be the sort of person who gets demoralized  
easily.Bill Clerico and Rich Aberman of WePay   
are a good example. They're  
doing a finance startup, which means endless negotiations with big,  
bureaucratic companies. When you're starting a startup that depends  
on deals with big companies to exist, it often feels like they're  
trying to ignore you out of existence. But when Bill Clerico starts  
calling you, you may as well do what he asks, because he is not  
going away.  
2. FlexibilityYou do not however want the sort of determination implied by phrases  
like "don't give up on your dreams." The world of startups is so  
unpredictable that you need to be able to modify your dreams on the  
fly. The best metaphor I've found for the combination of determination  
and flexibility you need is a running back.   
He's determined to get  
downfield, but at any given moment he may need to go sideways or  
even backwards to get there.The current record holder for flexibility may be Daniel Gross of  
Greplin. He applied to YC with   
some bad ecommerce idea. We told  
him we'd fund him if he did something else. He thought for a second,  
and said ok. He then went through two more ideas before settling  
on Greplin. He'd only been working on it for a couple days when  
he presented to investors at Demo Day, but he got a lot of interest.  
He always seems to land on his feet.  
3. ImaginationIntelligence does matter a lot of course. It seems like the type  
that matters most is imagination. It's not so important to be able  
to solve predefined problems quickly as to be able to come up with  
surprising new ideas. In the startup world, most good ideas   
seem  
bad initially. If they were obviously good, someone would already  
be doing them. So you need the kind of intelligence that produces  
ideas with just the right level of craziness.Airbnb is that kind of idea.   
In fact, when we funded Airbnb, we  
thought it was too crazy. We couldn't believe large numbers of  
people would want to stay in other people's places. We funded them  
because we liked the founders so much. As soon as we heard they'd  
been supporting themselves by selling Obama and McCain branded  
breakfast cereal, they were in. And it turned out the idea was on  
the right side of crazy after all.  
4. NaughtinessThough the most successful founders are usually good people, they  
tend to have a piratical gleam in their eye. They're not Goody  
Two-Shoes type good. Morally, they care about getting the big  
questions right, but not about observing proprieties. That's why  
I'd use the word naughty rather than evil. They delight in   
breaking  
rules, but not rules that matter. This quality may be redundant  
though; it may be implied by imagination.Sam Altman of Loopt   
is one of the most successful alumni, so we  
asked him what question we could put on the Y Combinator application  
that would help us discover more people like him. He said to ask  
about a time when they'd hacked something to their advantage—hacked in the sense of beating the system, not breaking into  
computers. It has become one of the questions we pay most attention  
to when judging applications.  
5. FriendshipEmpirically it seems to be hard to start a startup with just   
one  
founder. Most of the big successes have two or three. And the  
relationship between the founders has to be strong. They must  
genuinely like one another, and work well together. Startups do  
to the relationship between the founders what a dog does to a sock:  
if it can be pulled apart, it will be.Emmett Shear and Justin Kan of Justin.tv   
are a good example of close  
friends who work well together. They've known each other since  
second grade. They can practically read one another's minds. I'm  
sure they argue, like all founders, but I have never once sensed  
any unresolved tension between them.Thanks to Jessica Livingston and Chris Steiner for reading drafts of this.  
  
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