

Part 2

How to Evaluate Startup Ideas



**Startup Idea : Problem
Solution
Insight**

**Problem : Popular
Growing
Urgent
Expensive
Mandatory
Frequent**

SISP

Solution In Search of a Problem

Founders

1 of 10

Market

10% / year

Product

10X

Acquisition

\$0

Monopoly

Boolean

**How do I package up
my idea and present
them to an investor?**

Startup Application Form

Winter 2020

COMPANY**Company name:****Company url, if any:**
http://**If you have a demo, what's the url? For non-software, demo can be a video.**

(Please don't password protect it; just use an obscure url.)

http://**Describe your company in 50 characters or less.****What is your company going to make?****Contents**

1. Company
2. Contact
3. Founders
4. Category
5. Progress
6. Idea
7. Equity
8. Legal
9. Others
10. Curious

Elsewhere

- [How to Apply Successfully](#)
- [Frequently Asked Questions](#)
- [About Y Combinator](#)

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How to Apply to Y Combinator

Paul Graham · July 2009

Twice a year Y Combinator takes [applications](#) for funding. I thought it might help applicants if I explained what we look for when we read them.

Probably the biggest thing people don't understand about the process is the importance of expressing yourself clearly. Every year we get some applications that are obviously good, some that are obviously bad, and in the middle a huge number where we just can't tell. The idea seems kind of promising, but it's not explained well enough for us to understand it. The founders seem like they might be good, but we don't get a clear enough picture of them to say for sure.

I suspect for every group we invite to interviews, there are one or two more that are just as good but that we pass over because they don't manage to convey how good they are. If that's true, another way to say it is that, of groups good enough to make it to interviews, more than half blow the application.

If we get 1000 applications and have 10 days to read them, we have to read about 100 a day. That means a YC partner who reads your application will on average

Contents

1. [Introduction](#)
2. [Thoughtful User](#)
3. [Matter of Fact Answers](#)
4. [The Founders](#)
5. [Insight](#)
6. [Further Exploration](#)
7. [The Wildcard](#)
8. [Help Us Out](#)
9. [Example Application](#)
10. [Notes](#)

Elsewhere

- [Apply to Y Combinator](#)
- [Frequently Asked Questions](#)
- [Why Groups Aren't Invited](#)

“Of groups good enough to
make it to interviews,
more than half blow the
application.”

“Probably the biggest thing people don’t understand about the process is the importance of expressing yourself clearly.”

**Don't sell us.
We'll sell ourselves.**

Do I understand idea?

Am I excited by idea?

Do I like the team?

Just be CLEAR.

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Describe your company in 50 characters or less.

What is your company going to make?

CLEAR

A clear idea is the
foundation for
growth.



Y

Before anyone can
remember, they have
to understand.

**Here's how I make
things easy to
understand:**

How to Design a Better Pitch Deck

By [Kevin Hale](#)



Advice

Startups

November 15, 2015

The following is an adaption of a presentation I give to YC startups before we have them create their presentation slide decks for Demo Day.

Here's how to make a solid Demo Day slide deck. The thing to remember is that you already have everything you need to create a great presentation.

There are probably 100 reasons why your company is great, but people can only really remember a few of them after a short presentation or pitch. With each one of you, we sat down and figured out the 5 to 7 most important ideas people should know about your startup. These 5 to 7 points are the ones you want investors to remember.

As you experienced for yourselves from Prototype Day [1.](#), you'll be lucky if they can remember even 1 or 2 of those points in the context of 100 other companies also presenting alongside you.

If you just communicate your points clearly, you'll do better than 99% of startups. Because before anyone can remember, they have to understand. Here's how I make things easy to understand:

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August 5, 2019 | Biotech, Essay

[Learning Math for Machine](#)

I make it legible.

I make it simple.

I make it obvious.

I make it legible.

I make it simple.

I make it obvious.

**Legible slides are
ones that even old
people in the back
row with bad
eyesight can read.**

Legible ideas can be
understood by people
who know nothing
about your business.

Cofounders
Users
Investors
Employees
Shareholders

AVOID

Ambiguity
Complexity
Mystery
Ignorable

Conversational
No Jargon
No Preamble
Reproducible

**what are you making?
What is the problem?
Who is the customer?**

We are going to transform
the relations between
individuals and information.

Information is the lifeblood of the modern organization. The ability to channel information quickly and efficiently to those who need it is critical to a company's success. A company that achieves an edge in the efficient use of information will, all other things being equal, succeed.

**Airbnb is the first online
marketplace that lets
travelers book rooms with
locals, instead of hotels.**

**Dropbox synchronizes files
across your/your team's
computers.**

**Lumineye is building x-ray
vision for soldiers and first
responders.**

**Vahan is building LinkedIn
for the next billion
internet users.**

Should I use X for Y?

- **X is household name**
- **Does Y want X?**
- **Y should be a huge market**



Buffer for Slack

**Lead with what.
Not why or how.**

I read 1,000
applications
every batch.

**It's hard to focus
intently on over
1,000 applications
even if it's your job.**

**Have some empathy!
Help me help you.**

Make the time
I spend on your
idea efficient.

Please be CONCISE.

CONCISE

**what are you making?
What is the problem?
Who is the customer?**

Do I understand idea?

Am I excited by idea?

Do I like the team?

An online e-commerce
store

IT Security Services

A meritocratic decision
support system

**Learn and sharing
knowledge about Data
Science and Artificial
Intelligence.**

Our company will make low cost and low power consumption medical devices based on artificial intelligent and IoT suitable for sub-Saharan communities

Our company will make low cost and low power consumption medical devices based on artificial intelligent and IoT suitable for sub-Saharan communities

We create affordable
medical devices for
Sub-Saharan Africa.

The best way to help
investors evaluate
your idea is to be
CLEAR and **CONCISE**.

**Thanks!
Kevin Hale
Partner, Y Combinator**

 **@illikevests**