

10 lessons from a serial entrepreneur - Justin Kan, Atrium, YC, and Twitch

12-15 minutes



Dear readers,

The Serial Entrepreneur — investors want to back them, newbies want to learn from them, and people want to work on their teams. It turns out that, yes, being a repeat entrepreneur comes with big advantages, but there are difficulties too! And when you go through a tough experience like launching a new product, it's often the case that you want a “do over” on many aspects. Of course, you try to fix them in your next attempt. What does a serial entrepreneur want to do better on their second, or third, or fourth try?

Well, let's ask **Justin Kan**, who has started many, many companies and has a point of view. In fact, 10 points of view. As many of you know, Justin is a repeat entrepreneur who co-founded Kiko Software (a Web 2.0 calendar that pre-dated Google Calendar by 4 years); Justin.tv (a lifecasting platform); Twitch.tv (a live streaming platform for esports, music, and other creatives now part of Amazon); Socialcam. He was also a partner at YC, and will be a dad soon! (congrats Justin!)

His new company, Atrium, is one of my first investments at Andreessen Horowitz. It's a tech-enabled law firm serving startups — [learn more here](#).

Justin reflects on his journey and shares 10 + 1 lesson he's learned along the way.

Here's the video.

“It takes a lot of people with nothing to lose to discover [hit startups].”

I’ve written about how random consumer products seem to be — the past decade’s hits were: An app that lets you get into strangers’ cars. An app that lets you stay at random peoples’ houses. Disappearing photos. A site that doesn’t let you play video games, but you can watch other people play. Seriously? This is the [Dumb Idea Paradox](#).

Fundraising strategy: go big or stay lean?

Justin says:

“I’ve not convinced that raising a ton of money out of the gate is the right strategy. When you have a ton of money you spend a lot of money.”

Nearly 10 years ago, Ben Horowitz wrote [The Case for the Fat Startup](#) — the idea that sometimes you need to raise a boatload of money in order to get your company off the ground. In Atrium’s case, that’s exactly aligned, because the market wants a stable legal provider, and as an execution risk with clear competition, real capital has to go in to prove out the model.

Managing the stress of being a startup CEO (again!)

Justin says:

“I never really worked on self-improvement stuff outside of being a better programmer. But I never worked on anything to make myself smarter, or harder working, or alert more hours of the day. Everything was kind of accidental. If there was a problem in the company, I would be really emotionally avoidant to it.”

The topic of mental health within a startup community has turned into a big deal — for good reason. Doing a startup is one of the most stressful things you can do in the age of cushy, white-collar jobs, and there haven’t been great ways to cope. Justin talks about his newfound focus on self-improvement, working with coaches, and speaking with his peers.

Seeking out mentors, coaches, and peers for help

Justin says:

“The best part of Silicon Valley is that there are people here who’ve done it before, who are willing to help you.”

And:

“I learn from [Emmett, his Twitch co-founder, his brother who’s cofounder of Cruise, and his friend Steve who runs Reddit]. The problems are actually all the same: I don’t have the right alignment among my team and I don’t have the right executive team. And it’s always some variation of those things.”

I mention in the interview that IMHO this is one of the best things about the Bay Area — it’s a place focused on long-term relationships, and people help each other over the years. I met Justin over a decade ago and haven’t gotten the chance to work directly until now. And no matter where you are in the ecosystem there are always quite a few folks a step ahead, or a young up-and-comer who has a fresher take on things.

Intentionally designing a culture to avoid the pitfalls of “culture eating strategy”

Justin says:

“I had never asked myself, what is the kind of company I want to show up to work?”

There’s a saying that initially, a startup is about building a product that works — that’s the machine. But eventually you have to transition into building the machine that builds the machine — meaning company building, as opposed to product building. Culture is the core glue that holds everything together, and sometimes a startup idea is so strong that it works regardless of the culture. But it can be even more effective when it works.

Things he’s still doing in his latest startup—and things he’s doing very differently

Justin says:

“Iterating quickly. Speed. Being helpful in the community.”

There’s some things that worked out great in a startup that are worth repeating. This is true when you’ve seen some success, in particular. And there are some things that you want to change completely. Justin talks about the “YC ethos” of iterating quickly and leaning on speed. But as both a16z and his previous companies have done, he argues that it’s important to help the community.

Managing higher expectations

Justin says:

“It’s always a battle with the devil on your shoulder that says you’ll never be good enough. And the way to win that battle is to internalize the idea that whatever happens, you’re gonna be fine. You’re probably going to be the same — not happier or less happy”

When you read the academic research on happiness, one of the intriguing ideas is that people have a “set point” for their level of happiness, and in general it doesn’t change much. If you get that, then it helps level out the ups and downs of something stressful. This is important to startups, of course, but also to many other things in life!

What he’s reading and listening to

Justin says:

“I’m reading a lot, because I deleted all the entertainment apps off my phone including the browser and I locked it so I can’t install new apps because I was a total phone addict.”

He goes on to list:

- [The Untethered Soul](#)
- [Leadership and Self-Deception](#)
- [The 15 Commitments of Conscious Leadership](#)
- [Joe Rogan Experience](#)

Bonus: advice he’d give his 20-year old self

Justin says:

“Join Facebook. Self-improvement is a thing. Stop eating pizza. Things take time.”

I, on the other hand, would encourage my 20 year old self to eat more pizza. Hope you enjoy the interview!

PS. Get new updates/analysis on tech and startups

I write a high-quality, weekly newsletter covering what's happening in Silicon Valley, focused on startups, marketing, and mobile.

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10+1 Lessons from Serial Entrepreneur Justin Kan



I wanted to add a quick summary of some of his points, as they are super interesting, and share with all of you. And for the lazy who don't have time to watch a full interview, I added some notes below. Enjoy!

Thanks,
Andrew

The paradox of choice: choosing a focus

Justin says:

“Once you see some success ... The world opens up. They want you to be a VC, they want you to work on projects with them, you can start any company that you want, which is great... but it's a paradox of choice, and focus can be a huge problem”

This is the biggest, surprising thing about being a repeat entrepreneur, which is how easy it is to get pulled in a ton of directions. And also that you might not be as patient and let something develop, since your perceived opportunity cost is high. Justin ended up trying many different options — including as a partner of YC — and didn't feel like he was learning/growing and the feedback cycle is too slow. Justin ended up picking a new startup because it's the #1 vehicle for personal growth.

Tradeoffs between B2B versus B2C companies

Justin says:

“When we started Kiko, we had no skills. I never had a full-time job in my life ... We were not good. When you have nothing going for you except that you are willing to put in long hours, and blood sweat and tears, you should focus on market risk... Now as someone with abilities and skills, you should focus on execution risk”

I often spend my time in the intersection of pure consumer startups and also consumerized enterprise, and notice that there are huge differences. One of the biggest ones is that B2B startups have relatively stable go-to-market motions — you have sales, marketing, and sell into buyers that you understand. Because of this, it's mostly about execution and if the market size is big enough. Consumer is fascinating because the distribution channels are constantly changing — 15 years ago, SEO and email viral growth was the big thing. Then 10 years ago, it was mobile and Facebook platform. Right now you are seeing a lot that's just word of mouth or touching the [IRL channel](#).

Market risk vs execution risk

Justin says:

“When Justin.tv pivoted to Twitch, no one believed there was a market. Even Emmett was skeptical. The good part was that competition was low. ”

And also: