**Why are startups all the rage now, of all times?**
**Why SF Bay Area? How does it compare to other tech hubs around the world?**
**What does all the startup jargon mean, and how do you actually start a company?**
**How do you pitch excellently?**
**How do founders identify problems?**
**How do investors choose promising startups?**

how did silicon valley come to become so great?

in the early 20th century, some smart people started interesting businesses that were quantitatively taxing and intellectually demanding. the fact that it was far from all the action on the east coast and people could only get there via ship meant that it became an early hub for the telegraph and radio industries. this set precedence for excellence in technology, and really took off with HP in 1950s making the first commercial computers for the military during ww1. the SRI became one of the four nodes of the government's ARPAnet and this further compounded the effect. you had one group of smart people in the semiconductor industry that went out and each founded several companies that then drew smart people, and the exponential effect grew from there.

**when site is up and running, practise writing on these topics, combining insight and narrative:**

*is silicon valley the best place to start a company?*
*is looking for "culture fit" the best way to hire people?*
*groupthink & cult mentality in silicon valley— cult mentality of political correct, forces inclusivity and*
       *all bark and no bite*
*startup dreams not being pursued by engineers*
*the goal of coming to the valley to "start a company"*
*is silicon valley a meritocracy?*

"the egomaniac wants to talk about his vision and the common man wants to feel like a part of something bigger"

### What makes SFBA special? How does it compare to other tech hubs?

SF, in particular, really is startup heaven. It accounts for a third of all US VC investment. That's crazy. NYC comes in second place, then San Jose. Beijing and Shanghai can rival the SF Bay Area when it comes to large funding rounds. It seems to be ahead of the rest of the world because that's all it really does, people come here to live, breathe, eat tech and startups, whereas other cities have other things to cater for.

SV has 90% technical founders. Other tech hubs are the opposite. A good question to ask would be the question of how realistic working remotely is. You only really need access to talent, and technology has made interfacing of teams easier than ever. You could realistically be working by a pool in Bali, rewriting a research paper to spin out into a new compression algorithm, while your salesperson is makes polished cold calls from their underwear at their home in Toronto, and your designer in Munich is working at a library.

Aside from access to technical talent and funding, a big reason cited to move your startup over is the "infrastructure" or "support system". For example, a dude moved his company over from Austin, attended one of many hackathons put on in the city, and bumped into an investor who he spot pitched. The investor told him to apply for a certain incubator program, he did, and was accepted, and that gave him access to another event hosted by the investor's friend, where he launched the product in front of thousands of people. This fact that everyone of consequence in the Bay knows

everyone else, that there's so many opportunities to meet these people, is what makes it special. This then applies mostly to consumer facing products.

Let's compare SV to Europe when it comes to deep tech. Since the intellectual demands are higher, there are fewer people who can do it. So when one big deep tech company gets formed, all its employees are some of the only people in the world who have experience spinning research out into industry. DeepMind was one such company, much like how SV grew around HP.

Also, there have been important regulatory changes making R&D in a commercial context more viable in Europe than before, that were implemented around 20 years ago. At the time, investors would get Europeans to move over to the Valley, and that's starting to happen less and less. Now, the scope of tech in the problems it can solve (agriculture, disease, climate) is larger, and so deep tech has commensurately larger scope. Also, the ability to start a company *anywhere* has become easier now that things like AWS and Google Cloud are actually competing to get clients as opposed to the other way around.

Part of the reason that so many companies from Europe say yes to acquisition is that the capital infrastructure is simply not as developed as SV. They won't find it easy to get Series B, C, and more, all before IPO, whereas in the Valley access to large amounts of capital is much easier (think Facebook saying no to acquisition offers).

 The US also has good incentives to get companies to tackle big, important problems, on national scale by DARPA funding. The analog doesn't really exist in Europe, so TL;DR, deep tech is possible in Europe, and there's a lot of it, but is still isn't *quite* at Silicon Valley scale. Notably, SV also moves much faster—hiring, funding, deploying, scaling, everything.

Now, let's talk about Israel. It has an extremely high density of tech startup success. This is because there's a strong cultural emphasis on education, so there are lots of strong STEM universities, as well as the fact that everyone lives in a city, causing lots of people to meet each other. There's also a strong cultural incentive and reasonably high quality of life that causes most of these graduates to stay in Israel and keep their talent there as opposed to just flying out to SFBA. Finally, Israeli culture emphasises assertiveness because, historically, they've had to fight for their place in society, and so will be left behind if they're afraid of failure.

Let's talk about Sweden. There seems to be a surprisingly large amount of cultural diversity, you'll find arabs and africans as well as Swedes where you might otherwise expect to find only white people. There is a large cultural emphasis on functional design and sustainability since such large swathes of the country are beautiful forests, and there is a culture of "Jante Law" which means breeding humility and perspective into Swedish children, which is why Edward, despite being world class, is so modest. Interesting to note the importance of culture in how a community turns out to be successful in business. There's tech cafes at the centre of Stockholm building robotic faces, and Spotify was founded because its founder had a unique lifelong experience at the intersection of tech and music—it was an individual success, not so much a cultural cause. Facebook opened up a data centre in north Sweden, and it's the most efficient one in the world because of Swedish emphasis on sustainability and functional design. Might be a great place to go and learn about UX and/or energy since they're looking into the implementation details of energy solutions and scaling of them as opposed to just research. But tech scene isn't actually comparable to Silicon Valley.

Let's talk about the UK's tech scene. When we think about how powerful it is (or isn't), it comes back to culture. In the UK, it's rude to be successful, and people working at tech companies will pop by to the local pub for lunch and then maybe a walk by the beach. That's a stark contrast to SV. ARM chips, hyper efficient chips that are built are ubiquitous in all of our devices, but isn't flashy or well known because it's not telling the world that it's "innovating", but is instead silently powering all of our devices. Raspberry Pi was founded by a Cambridge CS grad who wanted to encourage more British youth to apply for CS at Cambridge. So there's no shortage of intelligence, just of ambition and work ethic in the culture. A lot of the research coming out of Microsoft

Cambridge is fascinating, and Cambridge grads make for fantastic employees since they're smarter than most kids from HYPSM and don't have copious amounts of ambition. In other words, you can find SV-calibre talent in the UK if you look for it, but the culture and ecosystem is just not geared towards tech entrepreneurship.

Let's talk about Shenzhen as a hardware capital. 90% of electronic components originate in Shenzhen, a manufacturing economy. That's fucking mindblowing. People go there for hardware startups because access to parts and hardware expertise is so easy and cheap, so prototyping is 10x faster. Silicon Valley is less hardware focused because it kept moving up the stack—innovating the higher layers of abstraction people got used to using, until they started to get out of touch with gritty, hands-on innovation. Computational power would double by default, but now that it's slowing, people are having to revisit hardware to see why. The increasingly abstraction was reliant on and a product of hardware speed improvements. Open-source hardware is the default here, which is very much not the norm—cultural movement. There is a "no bullshit culture", where you don't expect companies who are being copied to sue over IP, but instead to just innovate faster. And so instead of large legal fees and bureaucracies over proprietary tech, you have a culture that forces innovation. Staying in Shenzhen breaks down the black box of hardware and forces a visceral appreciation of how everything (hardware or not) is made up of parts and systems, developing a systems mindset. Innovation there is not about creating something fresh, new, better, but taking something existing, and doing it in a new, faster, cheaper, way, accelerating product evolution very quickly, until it's almost unrecognizable. There are several technologies that came to prominence as "cutting-edge", even in the Valley, done years ago in Shenzhen. Many people are hesitant to allow the government to support "Shanzhai" (cheap hacking) culture because in doing so, it'll formalise it, and imbibe in it some red tape and gentrification, taking away what magic founded it in the first place.

### What does all the startup jargon mean, and how do you actually start a company? STARTUP FUNDING EXPLAINED

start by incorporating a company, which can cost anywhere form $20 to $10,000 depending where you incorporate and who you use for legal help (fees are expensive). in doing so, you issue 100,000 shares, and you get 40% each as two co-founders, and 20% goes to a family friend who gives you $50K as a seed investment.

then, a year later, you've gained some initial traction and are beta testing your product, but need money to make hires to grow and scale. you get series A of $1M from a VC and 500K from an angel by cold emailing, pulling connections, pitching at events, and more.

They agree on a "post-money" valuation of 6M. This number is one that you negotiate with investors, because the larger it is, the smaller portion of the company they own (and the more you keep). once their money enters the system, all of your shares are diluted proportionally. that means, for example, since they agreed to put in 1.5M at a 6M valuation, they get 25% of the company. So all of your shares' value as fractions of the company are scaled by 3/4 to make room for the extra 1/4.

after anywhere from 2 to 20 years, you exit. this means you succeeded. you decide to get acquired, which means investors liquidate, but the big company is paying for talent, so they need you to stay. to incentivise you to do so, they exchange your stock for their own stock, and give you all of it over time, so you have to stay to get your money's worth—and make sure you hit certain progress milestones, too.

**Things to keep in mind when negotiating the Shareholder's Agreement (SHA):**

- Individuals can insert an "anti-dilution" clause into their agreement for a given funding round (or forever). This means that you will get diluted *more* than you would before. This is how Eduardo Savarin got fucked at Facebook.

- Shareholders elect the board, who elects the management of a company. While you'd think that ability to choose who is on the board is strictly proportional to amount of shares held, this isn't always the case. Things like how important someone is as an asset to the business or how charismatic/politically savvy they are, can also be important factors, so watch out.
- There are tag and drag along clauses which dictate how minority and majority shareholders influence power over the company in important situations, like selling shares at an exit. Pay attention to these.
- Another form of dilution is "share option pool dilution", where a pool of new shares to give employees as further incentive to work hard is created, and in this creation, dilutes everyone's options. This could be hidden in an employment contract, so watch out as the company would be replacing guaranteed cash (salary) with uncertain cash (equity), which could fuck over people who already own equity.

A company "tanks" or "fails" when it runs out of money. It's that simple. When it can no longer afford to pay its employees, it's done. So you have to be careful with how you spend your money, and ideally try and get as far as you can while keeping it a side hustle (staying a full-time student/ employee). Boostrapping is good if you can do it, but raising capital is much more efficient as you can theoretically burn through cash to quickly reach the top of the market—this is why raising capital, as a concept, was invented.

When pitching investors for a seed round, it's a given that you have a founding team. If you can't even convince a couple others that your idea is worth jumping on board for, it's clearly not very good. Beyond that, most that pitch will have traction.

## [Article] INSIDE SILICON VALLEY'S SECRETIVE, ORGIASTIC DARK SIDE

Lots of the Valley's technocrati have large, lavish, drug-fuelled orgies. Think Sam Altman, Musk, Thiel, engaging in large sexual acts while completely high off their mind. People of that calibre, intoxicated to the level of stupor of a 5 year old, giggling uncontrollably. They go to their huge mansions in Pac Heights, Atherton, or on a group retreat in Napa Valley or their lake houses at Tahoe. And at these retreats, you have lots of women who work in tech, all attractive, all in their 20s, who think of these invites to the events as the way to open the door for their own professional lives.

What's interesting is that this is all very much like Wall Street. The difference is, partners at Goldman owned the "sex and drugs" dynamic, and were open about not contributing much value. The scary part is, many of these tech founders got lucky with a dating app exit, or something of the like, and now they are genuinely, to the bone, convinced that they are God's gift to humanity, and that their products have "touched millions of lives for years to come". It's important to see that no matter how intelligent people are, humans are humans.

For women, this is a trick situation since they don't take part and are ridiculed, or they do and are then not taken seriously at work and only seen as pieces of meat, not just by those who attended the event, but also by those who didn't, but heard about it. Think about how I have all these obstacles to overcome if I want to succeed—women have the same, but also have to grapple with the added dimension of male advances and sexual obsession.

## [Article] Silicon Valley Drug Use

Whereas in LA, NYC or London, people take drugs to relax, lose their inhibitions, and have a good time, the kind of worker Silicon Valley attracts is an obsessive one. People will genuinely micro-dose LSD and take drugs because they believe it will boost their productivity by a small margin, or help them execute some aspect of their job, with which they are obsessed. And interestingly, most of these drugs to actually foster creativity or help you think in orthogonal ways, but at a large cost.

What I've found is that the quintessential PC Silicon Valley veteran will be open minded enough to try all sorts of things—with their bodies, families, work lives, and more—but not quite open minded enough to critically and judiciously evaluate their own belief system, which for them seems to be locked in place. Heroin, Coke, and nootropics (like LSD for creativity, Adderall for attention) are ubiquitous.

**[Thoughts] Billionaires are just normal people like me**

Seeing Ray Dalio and Evan Spiegal was fascinating. The concept of being a billionaire seems very obsolete and abstract—something removed from everyday life. But when I saw Ray Dalio speak, it became clear that most people who are financially successful at that scale were not entirely deliberate about doing it. There was a lot of luck involved. He was intelligent, articulate, but then again, so am I. He was special, though, in that he really focused on learning consciously from his mistakes. Similarly, with Evan Spiegal, he was just another guy answering questions sitting in a chair. He stuttered, made jokes, cringed, like anyone else—including myself being interviewed. He had the same bomber I might wear, and the same style of shoes, and would sit around and talk, just like me. He hits snooze some mornings, just like me, and spends too long on the shitter on his phone from time to time, just like me. Just a few years ago, he was a frat member at Kappa Sigma, where Eurotrash was thrown, dancing like an idiot and attempting to flirt with girls awkwardly. The only difference between them and me is that their bank statements have two more commas than mine. Otherwise, we're all just normal people.

But at the end of the day, you didn't come to Silicon Valley to flirt with girls, just like he would do silly and stupid things while at the frat, but at the end of the day, would get the work done. When he had the idea for Snap, he built it out, tested, iterated, pitched. He did what he came to Stanford to do, no messing around, no distraction, just solitude and execution. Remember this.

**[meetup] Gaining Traction as an early-stage company**

*prototyping and iteration*

You should literally go on the streets or go to places that your target customer (whether it's a business or a consumer) is and talk to them with your prototype. Before a guy built out his app to give tourists tours of the city by a local on foot, he drew up a paper sketch of how it would work logistically, went to Fisherman's Wharf, cold approached lots of people to get their thoughts before he built it out. With a literal paper poster. So don't be afraid to show people a shitty product just to get their thoughts.

*first order thinking when public speaking*

Lots of people seem very nervous when speaking because they have prepared a lot and are trying to convey an enormous amount of nuance and detail with very few word, which is really hard. More importantly, the audience isn't actually listening close enough to pay enough attention to absorb second and third order details hidden in your speech. Instead, just focus on accurately conveying the first-order message, and that means you don't need to focus as much on remembering details or corollary points, just the main sentiment, and you can convey that as you would in normal, casual conversation.

*relationship building in R&D over time*

A lot of startups involves sales, relationship building, branding. Perhaps this is why so many engineers plan on starting a company "down the line" and perhaps by so many engineers see working at somewhere like Facebook to be their dream job, one that they want to slot into and work on for life. A great thing to do is to meet people who work in growth or R&D or innovation at a company. These are the people who are in charge of taking moonshots, of suggesting interesting, novel approaches and partnerships to their companies. In other words, they are the ones who have

the power to take a moonshot on your product, and will advocate for you within the company you're trying to get to adopt your product. This needs to happen organically before you launch your product, just like I get to know Cory, Ann, and investors in positions of power organically, not in a slimy way, long before I come up with a product.

*types of traction*

Conventional measures like users, conversion to paid, retention, GMV, revenue aside, traction takes many forms. LOIs from company executives, quitting your job to work full time and convincing your PhD advisor who is a famous professor to do is also traction, getting widespread media coverage by press that covers up-and-coming things in the industry is traction. You just need something to show investors that you're committed and other people care too, it's as simple as that.

## [meetup] Generating PR for your startup

It's the reporter's job to come up with the story. They will spend nights chewing on the substance you feed them, mulling over how they can weave a compelling narrative around it. Your job is not to spoon-feed them the press release, but to gently hand them high-quality raw ingredients, glistening with fascinating subject matter.

More concretely, this means short emails. 63 characters headlines. 100 character descriptions. In the same way that I hate the slimy tone of "Hey Tanishq, I saw that you did X" just to get me to pay attention, or that "I liked Y article you wrote" just to win me over, they hate that too. This should be intuitive. Yet, somehow, I've fallen victim to that very same mistake myself. Rookie error. Instead, give a short overview of what about your story is newsworthy, in a couple of sentences. No press release, no jargon. Just narrative. Simple and sweet, that'll catch their attention.

And also be conscious of your age. The fact that you've achieved all these things at the tender age of 18 is interesting, but not world-changing in and of itself. Instead, craft a vivid narrative around your story, your thoughts and opinions, compared to the realities of the world. And the fact that this content is coming from an 18 year old just makes it that much more interesting. That's the "gravy".

Journalists are people. Don't approach them looking to get yourself a feature. Approach them long before you have a story, talk to them about their thoughts and worldviews, understand where they're coming from, with no ulterior motives. Then meet them for coffee again. And again. Become friends. Cultivate these friendships. Stun them with the quality of your insights and maturity for your age. And then, when you do come up with a story, they'll have more than enough context in which to set it when they do end up writing about you.

Stories about failures can also be gripping. If you can construct a captivating narrative about huge failure, followed by enormous redemption, that's as interesting as a success story. And if you feel like you're in the middle of something that might later turn out to be interesting, document it. Have someone know you're documenting it, so you don't forget the juicy details that a reporter can use when writing their story.

## [meetup] StartX notes—Stanford

Not all Stanford students are good entrepreneurs. Not even remotely. And I say this not to shit on Stanford students, but I would imagine this to be true at any elite college of the sort. Most of them deliver lukewarm speeches about uninspired, forced products. It's hard to overstate the importance of masterful public speaking—the ability to inspire audiences and remove all the friction in how you speak well enough to get the audience to really focus on and think about the content, then you've done your job. Most can't.

Around a fifth of all founders are solo founders, and getting a co-founder or a few typically makes life a lot easier, in that you half the amount of work you need to do—and double the quality of the work that would have been done (since you get a co-founder in complementary areas). It also shows that someone else is invested in the idea, and it's not completely crazy—to investors. But they need to be crazy high calibre, as that defines the barrier to entry for the company.

VCs are very perceptive, and you can't con them. They have been doing what you're doing for weeks, for years. They come up with insightful thoughts like: "*the technical founder isn't as good as he claims to be, and the other two founders can't see that*". You cannot bullshit them, so talk simply, talk straight.

When working in deep tech/high tech, note that the deeper the tech (more niche/advanced), the less your charisma matters when pitching/presenting it. It's then more about the actual innovation/ substance, as opposed to consumer tech where half the differentiation is in how well your team can pitch the product and what makes it special.