

Idea Generation

The most common question prospective startup founders ask is how to get ideas for startups. The second most common question is if you have any ideas for their startup.

But giving founders an idea almost always doesn't work. Having ideas is among the most important qualities for a startup founder to have—you will need to generate lots of new ideas in the course of running a startup.

YC once tried an experiment of funding seemingly good founders with no ideas. I think every company in this no-idea track failed. It turns out that good founders have lots of ideas about everything, so if you want to be a founder and can't get an idea for a company, you should probably work on getting good at idea generation first.

How do you do that?

It's important to be in the right kind of environment, and around the right kind of people. You want to be around people who have a good feel for the future, will entertain improbable plans, are optimistic, are smart in a creative way, and have a very high idea flux. These sorts of people tend to think without the constraints most people have, not have a lot of filters, and not care too much what other people think.

The best ideas are fragile; most people don't even start talking about them at all because they sound silly. Perhaps most of all, you want to be around people who don't make you feel stupid for mentioning a bad idea, and who certainly never feel stupid for doing so themselves.

Stay away from people who are world-weary and belittle your ambitions.

Unfortunately, this is most of the world. But they hold on to the past, and you want to live in the future.

You want to be able to project yourself 20 years into the future, and then think backwards from there. Trust yourself—20 years is a long time; it's ok if your ideas about it seem pretty radical.

Another way to do this is to think about the most important tectonic shifts happening right now. How is the world changing in fundamental ways? Can you identify a leading edge of change and an opportunity that it unlocks? The mobile phone explosion from 2008-2012 is the most recent significant example of this—we are overdue for another!

In such a tectonic shift, the world changes so fast that the big incumbents usually get beaten by fast-moving and focused startups. (By the way, it's useful to get good at differentiating between real trends and fake trends. A key differentiator is if the new platform is used a lot by a small number of people, or used a little by a lot of people.)

Any time you can think of something that is possible this year and wasn't possible last year, you should pay attention. You may have the seed of a great startup idea. This is especially true if next year will be too late.

When you can say "I am sure this is going to happen, I'm just not sure if we'll be the ones to do it", that's a good sign. Uber was like this for me—after the first time I used it, it was clear we weren't going to be calling cabs for that much longer, but I wasn't sure that Uber was going to win the space.

A good question to ask yourself early in the process of thinking about an idea is "could this be huge if it worked?" There are many good ideas in the world, but few of them have the inherent advantages that can make a startup massively successful. Most businesses don't generate a valuable

accumulating advantage as they scale. Think early about why an idea might have that property. It's obvious for Facebook or Airbnb, but it often exists in more subtle ways.

It's also important to think about what you're well-suited for. This is hard to do with pure introspection; ideally you can ask a mentor or some people you've worked with what you're particularly good at. I've come to believe that founder/company fit is as important as product/market fit.

Finally, a good test for an idea is if you can articulate why most people think it's a bad idea, but you understand what makes it good.

This is from my notes for a talk I gave at a YC event in China in 2018. Thanks to Eric Migicovsky for encouraging me to post it!

I wrote it when I thought mostly about startups; now I think mostly about AI development. I am struck by how much of it applies, particularly paragraphs 5-9.