

Things I will  
tell my kids if  
they become  
entrepreneurs



VICARE



ENTREPRENEURIAL.COM

Disclaimer:  
There is no playbook for startups

## Things I will tell my kids if they become entrepreneurs

Idea

Team

Fundraising

Execution

Market

Competition

Money & Risk

Success

Tools

IDEA

Somebody somewhere already had your idea.

Don't waste too much time thinking you're a genius

Your idea is 1% of success.

Google's key idea (pagerank) was published as a public paper in 1998

## Execution > idea

Jeff Bezos was not the only person trying to sell books on the internet.  
He just executed better and faster.

Team > idea

A great team will pivot out of a bad idea



Product > idea

How you implement an idea is more important than the idea itself

Startup = idea + execution + product + team + luck

Talk about your idea to as many people as possible

You will get feedback, challenges, referrals, unexpected connections

Great ideas have lonely childhoods.

The more disruptive your idea, the less people will understand it.

Good ideas can look terrible at the beginning

ex: Facebook was a social network for moneyless students

Copycats kill excitement

Don't worry too much about your company's name. You grow a name.  
What does Amazon, Google or Apple mean anyway.

IDEA

Where and when



Every new technology is an opportunity: look for gaps between how things have been done and how they can be done

Every asleep industry is an opportunity: do things incumbents can't or won't do because the economics don't make sense to them, or because technically they can't.

Every fringe user is an opportunity: go after those who are already behaving like everybody will behave in the future

## Crisis are full of opportunities

Necessity is the mother of invention (and entrepreneurship).  
Great startups are born all the time

IDEA

Vision vs feedback

"It's not the customer's job to know what they want"

Steve Jobs

"If I had asked people what they wanted,  
they would have said faster horses."

Henry Ford

## Finding balance in feedback vs vision

In absence of vision rely on feedback  
With a clear vision you can ignore feedback



Conscious feedback (survey) < unconscious feedback (data)

What people say they do < what people really do

## Friends & family might not give you truthful feedback

Beware of asking your friends whether they would pay for your service.  
They will all say yes, until you ask for their credit card number.

TEAM

## How many founders?

1 founder hard

2-3 co-founders best

4+ co-founders complicated

manager  $\neq$  leader

You need leaders and managers, and usually can't be both. Make sure you and your co-founders complement each other.

If you're not comfortable giving equity to someone, they shouldn't be a co-founder

Clarify everything (cap table, salaries) on day one, especially if you're working with friends

Define on day one what happens if a co-founder leaves



# TEAM

## CEO duties

No need to know everything.

Surround yourself with people who know what needs to be known.  
You are the head coach, not the star player.

Founders duties: vision, fundraising, evangelisation, hiring and managing

# TEAM Recruitment

Paul Graham: "People can become formidable, but it's hard to predict who"

Recruiting is one of the hardest thing there is.

First employees are as important as co-founders

Bad recruits can kill your project in the early days

Hire people who are better than you



Hire people who you would feel comfortable reporting to

Choose employees like you choose your friends

Go for attitude over experience

vice.com recruits people coming out of schools with no experience, because they have not been formatted by how things are done elsewhere, and will want to prove themselves

What you need to succeed in startups is not an expertise in startups.  
It's an expertise in clients

## Hire people who have options

Good people will always have multiple options on the table. Convince them that you provide the best way to spend their precious time. People with options are not dependent on you as an employer, and will be more truthful

Look for people with no ego getting in the way

Retaining is less expensive than recruiting

Have an extremely high bar, hire slowly



Use trial periods for what they are: trial periods

Fire people who are bad at their jobs, create politics, are negative

## Fire fast

You will always take too much time to fire your first employee

Beware when you become a trophy employer.

You will start attracting people who want to help themselves more than they want to help your project

Money is just one factor in employee motivation

Others: experience, meaning, impact, network, etc

## 4 things that lead to better performance:

**Fairness:** knowing that you're being paid a reasonable amount for your work so that money no longer becomes an issue.

**Autonomy:** controlling events in your work life by choosing what you want to do and when you want to do it.

**Mastery:** excelling at a craft that you enjoy and being recognized as a master by peers that you respect.

**Purpose:** feeling that what your work is helping other people and changing the world in a positive way.

<http://www.inc.com/geoffrey-james/the-true-secret-of-employee-motivation.html>

TEAM

Managing yourself

You are your most important ressource. Take care of yourself.



Behind every entrepreneur is a solid partner / family / assistant

Seek support from people who have been / are entrepreneurs

Your friends working at large companies won't be able to relate to what you will go through.

# FUNDRAISING

Never ask investors to sign NDAs

Sends a message you don't trust them. Don't send your pitch to people you don't trust in the first place

Raise only what you need, as late as possible

Be honest about your past. Good investor will say “if you’re smart, those mistakes you made won’t happen again with my money”

Dumb investor: money

Smart investor: money + network + visibility + experience

Fundraising is a milestone, not a success



**Be confident, not arrogant.**

When asked how he recognises good founders, this is what Y Combinator president Sam Altman says: "Good founders become more humble as they get more successful"

EXECUTION

Work hard

A startup CEO's challenge is to define what's  
the Most Important Thing (MIT)

You can't decide how long it's going to take

They say it's usually 10 years

Do every possible job, especially the client facing ones

The founder of Craigslist is still doing user support. Steve Jobs was famous for randomly answering clients' complains.

Focus is one of the most important thing there is

## Opportunistic $\neq$ strategic

You can either pursue every opportunity - in which case you're not really deciding where you're going - or have a clear strategy and reject opportunities that don't fit in. Opportunities will take you somewhere fast, strategy will take you somewhere far.



Employee effort  $\neq$  entrepreneur effort

Running 16h a day working for yourself is less tiring than  
spending 8h on a chair doing a job you hate

# EXECUTION

## Growth

Either you fail, or growth becomes your number one problem

"In many ways the startup journey is a downhill spiral of the CEOs quality of life by adding constraints - users, customers, investors, etc."

Noam Bardin, Founder, Waze

Let people control the ressources and priorities.  
Let them know how success is measured

Make people feel like they are in startups inside a larger organization

Recreate diversity inside teams (designers + writers + programmers)

Make sure people don't have to grow into leadership roles

Large companies are filled with specialists who got promoted to management positions while having no such skills.



MARKET

Peter Thiel: "You want to be the last mover, not the first"

Google is the last search engine. Facebook is the last social network (for now at least).

Find a small market inside which you can have a monopoly

Amazon started with books, expanded to commerce in general. Lending club started with peer to peer loans, now expands to lending in general.

Uber started with taxis, will expand to everything related to transportation.

There are more opportunities now than ever (finance, health, insurance, industry, transportation, logistics). The digital revolution is just starting.

Don't be ahead of your time.

Answer a simple question: "why now?"

COMPETITION

Competition means there is a market

Rejoice!

Worry about a competitor only when they have a superior product



Don't worry about competition from big companies  
They are not reactive, slow, and complicated.

“Google/Facebook/Amazon/Apple could do this in 5 minutes”

True. Just didn't happen with Airbnb, Uber, Zenefits, Dropbox, Snapchat, Square, Pinterest, Spotify, Jawbone, Box, Lending Club, Evernote, Eventbrite, etc

“Google/Facebook/Amazon/Apple will launch a similar service and kill you”

Google buzz (2010) to compete with Twitter (2006) = shut down

Google Knol (2008) vs Wikipedia (2001) = shut down

Google+ (2011) vs Facebook (2004) = partial shut down

Google keep (2013) vs Evernote (2008) = 10M vs 100M+ users

Facebook Slingshot (2014) vs Snapchat (2011) = sling-what?

Amazon Wallet (2014) vs Square (2009) = shut down

Even young companies can get complacent quickly  
(Skype should have been Whatsapp)

"No candle-maker has become a bulb manufacturer, no carriage-maker has become a car producer, and the post office did not invent the email."

Marc Giget

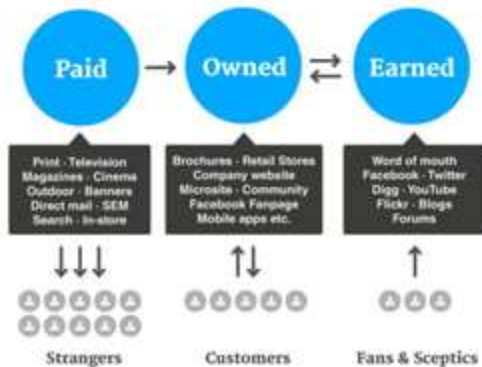
<http://perspectives.pictet.com/2013/06/19/interview-with-prof-marc-giget/>

Radical innovation rarely comes from incumbents

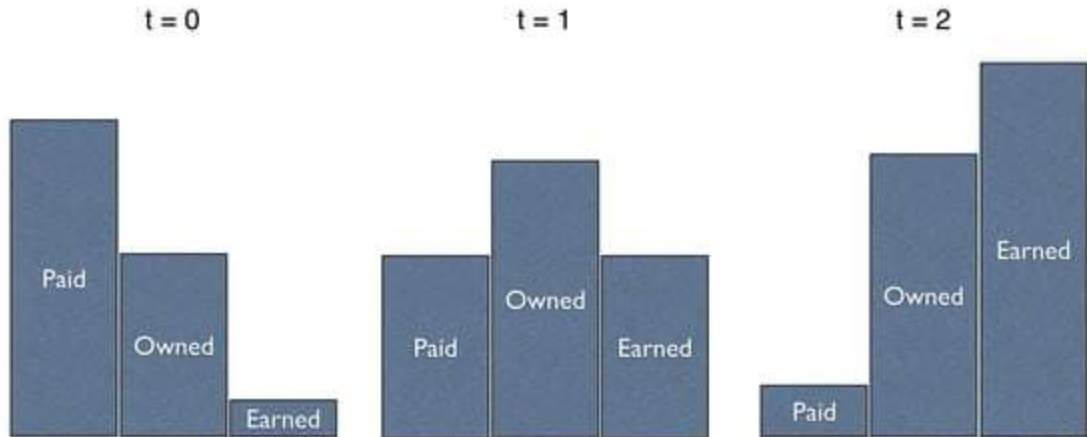
The real problem is standing out



## Build the right media mix

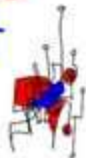


## Evolve your mix over time





advertising  
is the cost  
of being



**BORING**



high

gaspedal we teach them

# MONEY & RISKS

People who don't pay you will treat you like shit  
People who pay a lot will show a lot of respect

Don't disregard money.

Money is a form of validation.

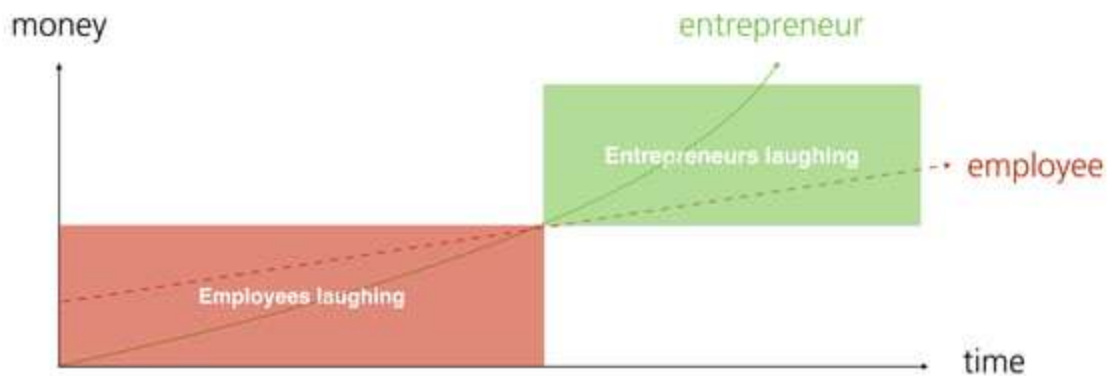
Money can't buy happiness.  
But it can buy freedom to pursue your projects

## Entrepreneurs have more job security than employees

The 85k employees company I was working for in 2001 shut down in one week because 20 guys had shredded some papers in Houston. As an entrepreneur, I can work on week-ends, call my contacts and ask for business. Employee does not control anything. Entrepreneur does.

21st century job security = network + reputation

## Employee vs (successful) entrepreneur - salary evolution





# SUCCESS & FAILURES

Success is multidimensional

Money

Fulfilment

Experience

Independence

Impact

Status

Network

Family

Legacy

Money is a consequence, never the objective

Zuckerberg could have sold Facebook 500 times. His motivation is not money.

Facebook has had countless offers: an unnamed investor offered \$10 million in June 2004, Friendster was interested in a purchase, Google offered to buy or partner in the summer of 2004, Viacom offered \$75 million in March 2005, Myspace wanted to buy in spring 2005, News Corp (Myspace's parent company) wanted to in January 2006, Viacom came back in 2005, NBC was also interested soon after, Viacom again made an offer of \$1.5 billion in 2006, Yahoo offered \$1 billion in June 2006, AOL also considered \$1 billion soon after, Yahoo came back again at the end of 2006, and finally Google offered \$15 billion in 2007.

<http://www.zdnet.com/article/mark-zuckerberg-was-planning-to-sell-facebook-in-july-2004/>

Media buzz is completely disconnected from success

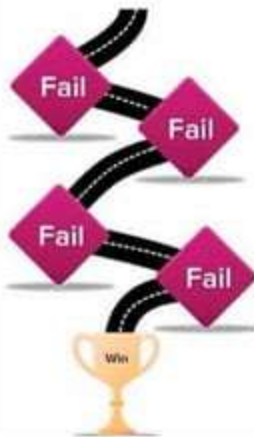
Journalists just don't have time to look at the real numbers.

People always underestimate the role of luck

### What Most People Think



### What Successful People Know



Life is a marathon, not a sprint



The only way to last is to be ethical and respectful

Compromising with your values is dangerous

You won't be good when you go against what you like

Sometimes you win, sometimes you learn

Good decisions come from experience  
Experience comes from bad decisions

The point is the journey

# TOOLS

## The Business Model Canvas

### Management plan

Development Time

1

10

<b>Key Partners</b>  List of key partners and their roles.	<b>Key Activities</b>  List of key activities.	<b>Value Propositions</b>  List of value propositions.	<b>Customer Relationships</b>  List of customer relationships.	<b>Customer Segments</b>  List of customer segments.
<b>Key Resources</b>  List of key resources.			<b>Channels</b>  List of channels.	
<b>Cost Structure</b>  List of cost structure items.		<b>Revenue Streams</b>  List of revenue stream items.		

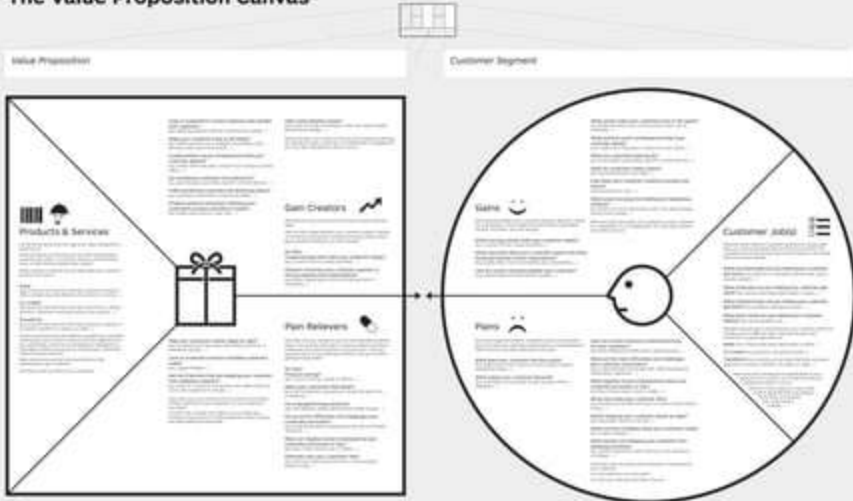
[www.benthamonline.org/journal/index.php/bfo](http://www.benthamonline.org/journal/index.php/bfo)

**Abstract**





## The Value Proposition Canvas



Source: Strategyzer, 2010  
Revised by Strategyzer, 2015

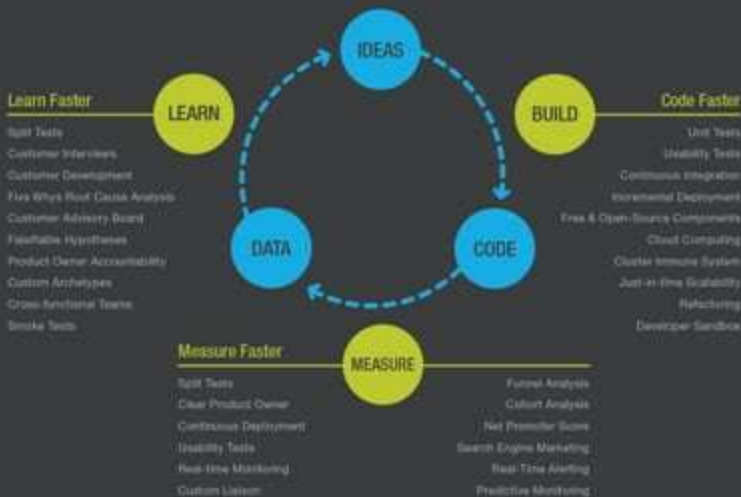
# The Iterative Testing Process



# THE LEAN STARTUP

Created by Eric Reis - [startuplessonslearned.blogspot.com](http://startuplessonslearned.blogspot.com)

Designed by  KISSmetrics



"The best way to predict the future is to invent it".

Alan Kay

Thank you:

Sam Altman, how to start a startup  
<http://startupclass.samaltman.com/>

Hugh MacLeod, cartoons drawn on the back of business cards  
<http://gapingvoid.com/>

Strategyzer, helping CEOs operate like surgeons  
<http://www.strategyzer.com>

# Get in touch

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