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The Start of the Start: Entrepreneurial Opportunity Identification and Evaluation

Founding a company is notoriously difficult. In fact, 90% of startups fail[1]. Entrepreneurship is not for the faint of heart. So, why do so many founders continue down this path despite the hardship and the odds? More importantly, for those entrepreneurs who trudge on and start a venture of their own, how can they minimize their odds of failure and maximize their chances of success? After interviewing founders across industries and stages of entrepreneurship, broad patterns have emerged for effectively identifying and evaluating entrepreneurial opportunities.

While there are many external reasons why a venture is successful, such as economic conditions, market timing, technological readiness, and funding availability, the most common reasons are internal and related to the founding team[2]. In addition, one of the most important decisions cited as a contributing factor for venture failure is the lack of a market need for the product or service founders bring to life[3]. The decision of what product or service to offer, as well as what market needs to address, is the result of identifying and evaluating opportunities. In this note, we explore which identification and evaluation behaviors lead to finding a more successful opportunity.

Founder Decisions and Behaviors

Few founders will tell you that the company they scaled is the one they initially envisioned or founded. Pivoting is an almost inevitable part of the entrepreneurial journey, as painful and challenging as it is. The decision about whether to pivot can be the difference between a painful failure and a lucrative exit. But decisions are not sudden flashes of insight. They are the result of a long series of behaviors and interactions, including the networks, resources, and experiences during the initial stages of founding. For this reason, behaviors and decisions during the first phases of the journey can have a great impact on the chances of long-term success[4]. One founder of an investment management software talked about the moment when he pivoted from a platform for finding a cofounder to the product it is today.

> *We had built a founder-to-founder network, but evolved into what this business actually should be, which is a platform management software for incubators, accelerators, and angel groups. We realized that this was the solution needed for the real problem and pain point. We quickly pivoted, but, basically, we had to start over from scratch.*

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Understanding what separates successful founders from unsuccessful ones, at one time, often entailed studying personality "traits." However, more recent research has shown that there are very few, if any, fixed entrepreneurial "traits" that founders are born with that lead to long-term success[5]. Instead, the strongest evidence points to consistent but flexible behavioral patterns of founders as having the strongest influence on effective identification and evaluation of opportunities and, less directly, of ultimate venture success[6]. Founders need to know that their behaviors, and the people they talk to, the resources they gather, and the experiences they have leading up to and during the founding of a venture can help determine the outcome of their entrepreneurial efforts.

In this case, therefore, we explore the central question: What behaviors are broadly associated with effective opportunity identification and evaluation? We closely examined existing research and supplemented that examination with in-depth conversations with twelve experienced founders focused on their behaviors, decisions, and actions before, during and after the opportunity identification and validation of their venture. After consolidating our interviews, we identified broad patterns that emerged from the founders we interviewed and associated them with venture outcomes. We will summarize and discuss those patterns in detail after we review how founders address opportunities.

How Founders Identify and Evaluate Opportunities

Though the entrepreneurial journey often includes months or even years of preparation, we focused on the initial steps an entrepreneur takes toward founding a specific venture, which can be categorized into two buckets: Opportunity Identification and Opportunity Evaluation[7].

Identifying an Opportunity

The first phase of the entrepreneurial journey starts with identifying a market need or opportunity. That identification comes in the form of a developing hypothesis and evaluation of the "chance to meet a market need (or interest or want) through a creative combination of resources to deliver superior value"[8]. Identification can also be less direct, revealed as a result of technological breakthroughs or external regulatory changes, among other factors[9]. Despite what we might think, most founders don't describe the identification as a sudden epiphany but as a gradual process. As the founder of a healthcare communication platform described it, those lightbulb moments are not typically what end up becoming the final ideas.

> *We played with a bunch of ideas for a couple of years. We played with AI chat bots, way before they were cool, using them for medical symptom tracking. Which is still problem, but not one we ultimately solved. We dabbled in marketing before leveraging our knowledge of healthcare to stumbled on the idea of applying video chat for health aging, again before the pandemic made video chat a part of daily life.*

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This slow convergence of knowledge is also rarely the result of luck. Instead, effective opportunity identification is based on actions and behaviors that we will review in this case.

Identifying an opportunity is intimately tied to recognizing potential customers whose problems have not yet been met or properly satisfied. This knowledge can come from conversations or interactions with any number of sources including industry experts, suppliers, competitors, and even existing customers. One founder of a fitness apparel company observed people in his gym and identified that most fitness apparel companies didn't market to *these* gymgoers:

> *Guys my age were working out, sharing their routines, and showing their progress—and I quickly identified a market. I was observing this and thought, "Why are there hundreds and thousands of people on this app [Instagram] sharing their workouts?" I noticed this is a totally different athlete than the Nike, the Lululemon, The Adidas consumer. Instead, they were the kind of athlete in their early twenties that didn't care about going into a professional sport, and instead cared about sharing their fitness goals and routines on social media.*

It's important to note that regardless of how an opportunity is identified, the concept of an "opportunity" is difficult to concretely describe, since it's a fleeting combination of external factors, internal experience and knowledge, and founder confidence in the intersection of the two[10].

Evaluating an Opportunity

After a founder identifies an opportunity, the next step is to evaluate the opportunity. Many founders falter because they assume that their initial insight is correct and leap prematurely to developing a product or gathering a team in pursuit of a concept. This leap skips the important process of testing, reshaping, and iterating on the initial insight by gathering external information, including market needs, customer pain points, and willingness to pay. Jumping into development crucially also mistakes identifying a potential need or opportunity as identifying a proper solution. Evaluating an opportunity requires a problem orientation instead of a solution orientation, which can prematurely close off knowledge gathering and learning.

Much like opportunity identification, effective opportunity evaluation commonly involves talking to and interacting with potential customers and users, industry experts, and competitors. This process is often misunderstood and overlooked, as many founders don't realize its importance. Others don't want to go through the often arduous process of testing assumptions by contacting unfamiliar people via cold calling, emailing, and requesting connections from their professional and personal networks. However, failing to complete this step can be costly since there is only a slim chance that the potential opportunity initially identified through the process is large enough and valuable enough to pursue[11]. One founder of a media and education platform talked about his process of morphing his initial idea morphed into the now-successful platform her runs today.

> *We did cold outreach to people from clubs since we hypothesized that students are going to be our target audience. We talked to them about whether or not this was actually a problem for them, and asked them questions about how they consume content. The early research that we did was to determine whether there was a real problem here, and to determine what the solution could be.*

A founder might develop many more hypotheses than they act on. Research suggests that creative endeavors have a higher likelihood of being successful when founders generate many ideas instead of spending time perfecting one or two of them[12], suggesting that quantity is more important than quality during this initial phase.

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Effective Founder Behaviors

Like we said earlier, luck can certainly be a factor in professional success. But, as the saying goes, fortune also favors the prepared mind. Successful founders don't just stumble into starting a promising venture. It is a founder's behaviors that allow them to capture opportunities they have identified, or have been provided, and to maximize their chance of entrepreneurial success. For example, a founder who wants to start a venture in the robotics industry might:

- Work for a robotics company to gain experience
- Talk to industry professionals about new innovations and trends
- Interview existing customers about unmet needs
- Find a co-founder with robotics experience
- Engage in any or all of these behaviors

Depending on a founder's level of experience in an industry, these steps may be more or less challenging. In addition, there is something of an experience tradeoff[13]. On the one hand, founders experienced in an industry have greater access to industry experts, are likely to have greater confidence that an opportunity they've identifies actually exists and may take less time to find an effective solution to a problem. On the other hand, industry novices may be more likely to identify some opportunities, are less likely to be constrained by existing perspectives about what works and what doesn't, but may take longer to reach an effective solution.

After extensive conversations with 12 experienced founders and entrepreneurs across a handful industries – mainly Media and Information, Healthcare, and Technology – we identified consistent patterns that distinguish effective behaviors that we grouped into three broad key categories:

- **Network**
- **Industry Experience**
- **Curiosity**

We also combed through our interviews to identify which behaviors our entrepreneurs exhibited and discussed (see **Exhibit 1** for behaviors displayed by each founder). Finally, we linked behaviors within each of the categories with more or less successful outcomes, which helped us label the more consistently effective entrepreneurial behaviors during the founding phase of a new venture. There are two behaviors we identified within each of the three categories, totaling six behaviors.

Our approach was inspired by QCA (Qualitative Comparative Analysis), an analytical method based on Boolean algebra used to analyze a small or medium number of cases that hinges on the idea that the relationships across different combinations of characteristics exhibit a higher likelihood of resulting in a particular outcome of interest[5]. In our case, success meant that a company had either a level of sales or outside funding equivalent to or more than an average company that has raised Series B funding, which has around $40 million in valuation, 50 employees, or $10 million in funding[14] (see **Exhibit 2** for the founders' company success metrics).

With this analytical understanding out of the way, let's dive into the six effective behaviors exhibited by successful founders (Table 1).

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Table 1: Effective Behaviors for Entrepreneurial Opportunity Identification

Behavior	Rationale
1. Diversify your Network Maintain friendships with people who have different expertise, backgrounds, and careers than you do.	Other people have knowledge or expertise different from your own and can give you insights that you would not be able to think of yourself or can help you evaluate parts of an opportunity that you might be less knowledgeable about.
2. Become your Customer Specify and integrate into an audience early, because they can help you identify and validate an opportunity, and they can also be your initial customers.	Specify and integrate into an audience early, because they can help you identify and validate an opportunity, and they can also be your early customers.
3. Start Early Launch entrepreneurial ventures early and often, even if they are small, since practical knowledge is gained each time.	Practice gives you the confidence to try again, and it can give you nuanced expertise in the key skill sets needed for entrepreneurship.
4. Gain Domain Expertise Search for and evaluate opportunities in industries in which you have experience.	Previous knowledge in an industry can give you the advantage of hypothesizing an opportunity that is closer to the truth, limiting the evaluation or the need to pivot often to find product-market fit.
5. Notice Frustrations Always keep an eye out for problems in your life and in other people's lives.	An opportunity is valuable only if it solves other people's problems. So, noticing other people's frustrations is the best way to identify an opportunity.
6. Question Everything Continually question and investigate all aspects of the opportunity, but don't let this stop you from launching.	Any opportunity you identify is just a hypothesis, and you may not be aware of the biases or blind spots you have regarding the opportunity.

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Category 1: Network

As a potential founder, who you know can make or break a venture. Your professional, social, family, academic, or industry network can make the process of finding suitable co-founders, technical professionals, investors, customers, or industry experts easier. And when every day or dollar counts, easier access to important roles and critical information is essential[15].

Across our 12 founders, we saw their networks benefit the opportunity identification and evaluation process in a couple of ways:

Behavior 1: Diversify your Network

Maintain friendships with people who have different expertise, backgrounds, and careers than you do

Knowing experts in other industries is very useful if you are interested in starting a venture in an industry or searching for an opportunity outside of your own. This principle applies to users, potential customers, and even co-founders. One founder who had worked in the advertising industry talked about a conversation with a friend in the dental industry that led to his opportunity epiphany:

> *I was out to dinner with him, and hearing about what he was doing. Even though he's doing really well as a dentist, in 10 years, his highest profit area could get disrupted [because of emerging 3D technology].*

This founder ended up launching an incredibly successful company in the consumer dental space because of the opportunity he recognized during this conversation.

When it comes to opportunity evaluation, having a network of people also interested in founding a company can be especially helpful for bringing together multiple points of view into the analysis and evaluation of an opportunity. Before he started his venture, the same founder recounted how he knew his cofounder:

> *My best friend from college had been an entrepreneur as well, but more on a finance trajectory, and we'd always watch each other run our companies. Then we said, "let's partner up."*

This partnership was very intentional. The founder had identified a potential co-founder and was very deliberate in maintaining this friendship so that when the opportunity was identified, the two of them could act on it. He had also aimed to partner with someone who had a different background than his own so that the two of them could continuously check each other's assumptions about the venture they were starting. This diversity in viewpoints complimented each other and made the co-founding team much more comprehensively effective. While it's important to grow and maintain a network, having a *diverse* network is even more valuable[16].

Behavior 2: Become your Customer

Specify and integrate into an audience early, because they can help you identify and validate an opportunity, and they can also be your initial customers

A beneficial tactic for evaluating or identifying an opportunity is to maintain relationships and access to people who are within your target audience. One founder was starting a business that was loosely in the rideshare domain, and his customers were the drivers of ridesharing apps like Uber and

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Lyft. To understand if the business was viable, the founder recounted his method of immersing himself with his customers:

> *We needed to interview our initial customer base, so we would dedicate time to taking fake Uber rides from one spot to another, just so that we had the opportunity speak with the drivers. We also went to the stations where we knew they were spending time in between rides, and just talked to them.*

The founder was able to identify that many drivers felt like their pay was unpredictable and wanted another way to supplement their incomes.

While this founder's tactics may seem a bit extreme, the value of understanding and having direct access to a potential target market is immensely helpful, not only for the evaluation but also for the initial identification of an opportunity, sometimes having to do with a founder's own search process. For instance, another founder wanted to start a venture but was struggling to identify a good opportunity. After talking with cofounders and accelerators in his network and asking them about their problems, he realized that an opportunity was right in front of him and, eventually, that he could create a platform that solved a problem for both of those two audiences.

> *Our website started as a kind of networking platform for finding a co-founder, which then evolved into something like an accelerator. But then I had problems running the accelerator from a software standpoint. There was no great system out there. We ended up using Google Sheets for doing due diligence on 1,500 portfolio companies. When I started talking with other accelerators, they were having the same problems and they were looking for the same kind of software we were looking for. So, I decide to create it.*

This founder was able to leverage his network of peers in accelerators and incubators, and once he had built out this software designed specifically for this audience, he could easily leverage this network to sell to his first customers. In this case, the founder's own problem of identifying a venture turned out to be common enough to constitute a potential opportunity.

Category 2: Industry Experience

Many Venture Capitalists say that the single most important aspect of a founder they look at is the experience that the person has in the domain in which they are starting a business. The academic literature supports this, especially for more experienced founders, with Scott Shane[17] reporting that industry experience was one of the most important attributes leading to the success of a founder. Domain expertise can give a founder in-depth knowledge, confidence, and a network of suppliers, customers, and other industry experts to lean on. The experience gained from previous entrepreneurial experiences can be just as helpful when launching a new venture, even if the previous venture was in an unrelated domain or industry, and even if it failed[18].

Behavior 3: Start Early

Launch entrepreneurial ventures early and often, even if they are small, since you are likely gaining practical knowledge each time

Many founders would tell you that entrepreneurship is in their blood. They talk about starting businesses throughout their lives and that it's something that they're always drawn to. However, correlation is not always causation. Do serial entrepreneurs repeatedly start companies because of skills and experience they have gained from previous ventures, or do they naturally and intrinsically possess

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the inclination or confidence to start ventures? If one is starting company after company and failing, does this mean they are likelier to succeed than if they had waited to start one later in life? While this is an interesting philosophical question that may ultimately be unanswerable, we can suggest that founding is itself an action that can build and augment the behaviors we've been discussing.

During interviews, the fitness apparel founder stated that he had an entrepreneurial itch for most of his life.

> *I was 10 years old when I had my first entrepreneurial "thing". I put two and two together that Halloween candy was free. So, I looked at it as an opportunity. I convinced my mom to drive me door to door to get as much candy as possible. I would wait a couple of weeks and then sell it at school for a huge markup.*

While we might question the decision to treat holiday gift-giving as a money-making opportunity, the willingness to act on a potential opportunity is what is critical here. Importantly, it is also not always the case that previous entrepreneurship correlates with success or the lack of it with failure. One successful founder we interviewed had a career in finance and leadership positions in Silicon Valley before starting their own venture. Despite this being his first venture, it has reached a $100M valuation very quickly and is currently growing rapidly.

The lesson for us is that the practice of not only looking around for opportunities but also acting on them is a skillset itself that is gained and honed over time. Starting companies early and often gives founders the confidence to continue starting companies or insights about how to improve chances of a venture's success each subsequent time. Furthermore, this behavioral pattern also connects with our first two behaviors linked to building a robust network. Acting on an opportunity may very well give founders an identity as the "entrepreneur" among their networks, activating the curiosity and attention of those who can help or join them.

Behavior 4: Gain Domain Expertise

Search for and evaluate opportunities in industries in which you have experience

Intuitively, a 20-year veteran in the finance industry might have an upper hand when it comes to understanding the financial market and how a financial technology company might fill a gap or need. Likewise, an advertising guru might know best how to grow a successful agency or advertising venture. Domain knowledge and expertise play a large role in understanding the nuances and market needs in a given industry and can be an important way founders have an upper hand in both noticing opportunities as well as validating them[19]. With fewer assumptions to test, less work is needed to find an opportunity that has the potential for product-market fit, or the point at which a product satisfies the needs and wants of its target market.

One founder had worked in the marketing and media space for most of a decade before starting his own media company focused on education.

> *I worked in marketing at advertising for 10 years where my job was to create compelling video campaigns. I was able to take that and put it towards creating compelling content in this new venture.*

Another founder had been the CEO of a direct-to-consumer company for a few years before realizing a relevant problem that his business and overall industry had:

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> *I started to dig in and do the work, and what I realized is that we had lots of really great technology to enable our go to market activities, but the logistics and operations were a real challenge.*

His direct experience with this frustration led to both the discovery and the validation of the opportunity. Because he had connections with other business owners in the industry, he could easily reach out to others and understand if this was also an issue that was worth solving, and gather information about the demand for the solution he ended up creating, a rental fulfillment and logistics center.

Category 3: Curiosity

The behaviors associated with curiosity are beneficial for many career paths. Entrepreneurship, in particular, has a distinctive relationship with the thoughts and actions that come from people who are curious. The behaviors and actions that result from a curious mindset were seen evidently in the successful founders we interviewed and appeared in a few different ways.

Behavior 5: Notice Frustrations

Always keep an eye out for problems in your life and in other people's lives

We can easily imagine that consistently searching for opportunities might result in eventually identifying one that has merit, can create market value, and is achievable. However, the methods by which curiosity is expressed in this process can influence its likely success.

Like we said earlier in discussing one founder's own challenge of identifying potential co-founders, a potential area of opportunity discovery is noticing and identifying problems in your own life. Since identifying an opportunity with a potentially monetizable solution starts with a problem orientation, being curious about problems can help lead to identifying opportunities. Many founders report that they first noticed a problem worth fixing in their own lives, but they followed up by surveying others to understand if this was a problem others experienced as well, thus validating this opportunity. One founder recalled the issues that he faced as CEO of an Ecommerce company and realized an opportunity for a new venture:

> *I knew that logistics was the key to making Ecommerce work. I figured that if it was this hard for me as someone who is well resourced and knowledgeable, I could only imagine how much harder it must be for the typical small or medium business. I then decided that it was a problem worth solving.*

This founder launched this business and has grown it to a $95 Million valuation in less than two years. The lesson here is that cultivating curiosity as the behavior of pushing beyond opportunity identification and evaluation to actively digging into other examples and versions if it can increase the likelihood of success.

Another way to push beyond the initial step of identifying opportunities is to notice problems in other people's lives and understanding if this is a common problem worth solving. One founder of a fitness apparel company quietly but actively and consistently observed others and focused on their problems, cultivating curiosity as a daily habit of mind.

> *I've always been an entrepreneur. I would just observe people. What do people need that they don't have? And what can I do to create that thing for them?*

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He illustrated this point by talking about a childhood memory in which he noticed a problem among his school peers.

> *You know the erasers on mechanical pencils? Once the eraser was gone, you'd have to pop it off and get a new one, but I noticed that people would lose the eraser by that time. So, I took big Pearl erasers and carved out smaller erasers to sell to kids in class.*

This founder's curiosity demonstrates the habit of not only looking for the problems that people frequently experience around us but also pushing beyond it to gather more observational information and insights about who experiences it, how and why. Later in life, this founder went on to start a fitness apparel company after noticing that people who considered themselves diehard fitness enthusiasts didn't have a clothing brand that spoke to them and their need to express their passion.

Regardless of how a problem turns into a venture opportunity, it first needs to be recognized as a problem. The more often, and more consistently, you keep an eye out but also make yourself curious about problems in your own life or in other peoples' lives, the more chances you have to identify a problem worth solving with a new venture.

Behavior 6: Question Everything

Continually question and investigate all aspects of the opportunity, but don't let this stop you from launching

After a founder has identified an opportunity and is evaluating the merit of the idea, it's helpful to question the opportunity's feasibility or value. Once again, this goes beyond evaluating an opportunity but having a genuine "what-if" or "devil's advocate perspective." While people around you will always find reasons why an opportunity may be not be valid or worth pursuing, your own behavior goes well beyond those sometimes superficial insights. As someone actively looking for problems, you bring an "outsider" perspective but one that is supplemented with direct and current but also evolving knowledge about a possible opportunity. A founder rarely executes on the initial idea exactly how it was developed and even more rarely scales it without tweaking or pivoting after gaining new knowledge and insights[15]. An initial idea is best posed as a hypothesis, one that the founder questions repeatedly until it is crystal clear that the opportunity truly exists.

After realizing an opportunity might exist in the healthcare space, a founder in the consumer dental space talked to suppliers, potential customers, investors, industry experts, and others to diligently understand the problem, the solution, the value, and all other important aspects of the venture before putting any of his money into starting it.

> *The value proposition of affordability made sense. But we needed to understand the serviceable market [i.e., the market a venture can realistically hope to reach], competitive landscape, looking at patents, FDA [US Food and Drug Administration] approval, and all these different boxes we wanted to check over the course of 6 months. That's when we got the confidence to say, "okay".*

Our fitness apparel founder had already launched his business and had started to gain traction but continued to question the price point of his product versus other competitive brands.

> *Testing price points was actually a huge thing for us, and we doubled our price points overnight years ago. I remember saying that this is either just going to absolutely tank us or it's going to be the thing that changes the game.*

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As an ongoing experiment to question the market hypothesis, this test ended up paying off, and the increase in price provided a much higher profit and thus gave him a much higher cash flow to scale. While there is, of course, no guarantee that a questioning orientation and the perspective of a devil's advocate will lead to positive outcomes, it increases the chances of doing so[20].

A final note here about curiosity. While considering multiple aspects of a potential opportunity is important, it is not necessarily ideal to wait until you're confident about every aspect of it before acting on it. Many aspects of a business might not even be realized until after you launch a product and can ask your initial customers about how it might be improved. Therefore, lack of confidence or information should not be a reason alone to wait for starting a venture. Potential opportunities and new ventures are inherently uncertain. The founders I interviewed consistently questioned all aspects of a potential opportunity but didn't let this hold them back from the initial build or launch.

Associating Behaviors with Venture Success

Now that we have summarized and fully reviewed our list of effective entrepreneurial behaviors, it is worth providing some final caveats.

Anecdotal evidence and specific examples from founders can be helpful for illustrating certain behaviors. However, how do we know which behaviors are most associated with successful founders? To do this, we need to first separate those founders who have launched successful ventures from those who have not, and then identify which behaviors are most exclusively associated with the successful founders. But we also want to avoid "survival bias" here – the tendency to look at successful outcomes and generalize too quickly from them. It is therefore worth mentioning here that these behaviors are simply likely to increase the chances of effectively identifying and evaluating opportunities. But our approach does provide guidance about what our cases show are behaviors that, in aggregate, increase the chances of success[21].

Of the twelve founders interviewed, five fit into the category of having founded "successful" ventures. This leaves seven in the bin of "yet-to-be successful." However, it's also important to note that some of the "yet-to-be successful" founders show promising growth and thus might see success in the near future.

Of the five successful founders, the most common category exclusively present was behaviors related to Curiosity. While many founders might be curious by nature, the founders who acted on this curiosity during the identification and evaluation process were most closely associated with what we defined as successful outcomes. Anecdotally, the most common Curiosity behavior identified as correlating with success was actively and continually questioning all aspects of the business during and after the early stages of founding. However, it is also worth noting that the behavior of questioning the problems of those around you was also incredibly common among the successful founders.

The second most common category that was exclusively present in successful founders was behaviors associated with their Network. Not only can founding a company can be a lonely process if done without a co-founder, but founders who actively maintain, grow, and engage with a broad and diverse network of potential customers, industry experts, potential cofounders, and potential team members succeed at a higher rate than those who don't.

While acting on curiosity and strengthening a network can certainly provide an advantage to aspiring entrepreneurs, the effectiveness can vary, since founders bring different experiences, contexts, and goals to every potential opportunity. Like we said, in most cases, founders should strive to act on these behaviors we identified. But the process does not end there and can also vary by opportunity. For example, some might find that they have a such a strong and diverse network that putting a lot of time and effort into maintaining it is not as effective or efficient as finding the right market opportunity or

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scrutinizing their existing business model. The behavioral lessons discussed are broad brush strokes, and founders should keep that fact in mind.

Conclusion

Founding can be one of the hardest and most stressful, but also most rewarding, parts of the entrepreneurial journey. We hope that this guide provides useful tips for those embarking on the journey, especially those new to it.

We acknowledge that each journey has its ups and downs and that there are effective and less effective behaviors that we have not touched on. Our guide is by no means universal or comprehensive. No such guide can be. We also acknowledge that every entrepreneur will define success, both personal and professional, differently[22]. Regardless, if this guide helps illuminate effective behaviors that budding entrepreneurs can engage in to start down the founding path and feel more prepared, confident and fulfilled in doing so, then it has served its purpose.

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Exhibit 1: Founders and Behavioral Characteristics Displayed

Table of founder interviews, categories of qualities that they expressed and acted upon, and whether their venture was successful (see Exhibit 2 for criteria and attributes of company success)

Founder	Network	Industry Experience	Curiosity	Successful
1	Yes	No	Yes	Yes
2	No	No	Yes	No
3	Yes	No	No	No
4	No	Yes	No	No
5	Yes	No	No	Yes
6	No	No	Yes	Yes
7	Yes	No	No	No
8	No	Yes	No	No
9	Yes	Yes	No	No
10	Yes	Yes	Yes	No
11	Yes	Yes	Yes	Yes
12	No	Yes	Yes	Yes

Source: Surveys and interviews conducted February and March 2023; Casewriter analysis

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Exhibit 2: Founders' Companies and Attributes Used to Determine Success

Company	Year Founded	Founder	Customer	Industry	Last Valuation	Employees	Funding as of 3/30/23	Stage
1A	2010	1	B2B	Media and Information Services	Undisclosed	30	Undisclosed	Acquired 2016
1B	2017	1	B2C	Healthcare	$1.05B	500	Undisclosed	Acquired 2021
2	2012	2	B2C	Media and Information Services	$35.00M	29	Undisclosed	Out of business
3	2017	3	B2B	Technology (Software)	Undisclosed	19	$0.50M	Growing
4	2011	4	B2B	Technology (Software)	Undisclosed	4	$0.65M	
5	2014	5	B2B	Technology (Software)	$14.60M	10	$14.07M	Growing
6	2018	6	B2C	Technology (Hardware)	$12.50M	15	$11.70M	Growing
7	2018	7	B2B	Healthcare	Undisclosed	8	$0.10M	Growing
8	2018	8	B2B	Technology (Hardware)	Undisclosed	2	Undisclosed	
9	2009	9	B2B	Technology (Software)	Undisclosed	Undisclosed	Undisclosed	
10	2020	10	B2C	Media and Information Services	Undisclosed	6	$0.18M	Growing
11	2021	11	B2B	Logistics	$95.00M	80	$49.29M	
12	2013	12	B2C	Clothing and Apparel	$42.00M	26	Undisclosed	Growing

Source: Surveys and interviews conducted February and March 2023; Casewriter analysis

Note: Founder 1 had two relevant companies, and thus has two companies listed in Exhibit 2.

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