

18 start-up killing mistakes from founder Y Combinator (part 1)

You can read start-up tips from anywhere but Y Combinator will be the name that needs no proof.

The article below is posted on Paul Graham's personal blog. He is a computer scientist, venture capitalist, but most famously, he **co-founded Viaweb and Y Combinator** - the most famous start-up nursery in America. Y Combinator is the birthplace of more than 1,000 start-ups and also the "common home" of famous names like **Dropbox** or **Airbnb**. You can read start-up tips from anywhere but Y Combinator will be the name that needs no proof. Below is a summary of the first 6 reasons given in section 1. (**Note** : All comments are by the author of the article).

1. Only one founder
2. Choose the wrong location
3. Choose a niche too small
4. The idea of ??derivative
5. Stubborn
6. Hire a bad programmer



After a Q&A Q&A session, one asked me what caused the start-ups to fail. After thinking for a while, I realized that it was really a tricky question to answer. It is like asking what makes start-up successful - if you avoid the causes of failure then you will succeed - that's a big question to answer immediately.

After that, I realized it would be useful to look at the problem in that direction. If you list a list of things you should not do, you can make " **success recipes** " by avoiding them. Remind yourself not to do the wrong things,

it's easier to remind yourself to do what you need to do ⁽¹⁾ .

At the core, only one mistake can kill your start-up, which is to create products that no one needs. If you create what others need, everything will be fine no matter what you do. So here is a list of 18 things that make start-ups not create products that users need. Nearly all failures go through one of these 18 "doors".

1. Only one founder

Have you noticed that there are very few start-ups successful when it has only one founder? Even companies that you think have only one founder like Oracle will turn out to have more. It doesn't seem like a coincidence. What's wrong with a founder? Perhaps the founder was unable to call his friends to open a company with him, which is quite unstable by friends who know him best.

Even if all his friends are wrong and the company is a bet with words, he is still at a disadvantage. **Starting a business with only one is too difficult** . Even if you can do everything on your own, you still need people to brainstorm, solve the wrong decisions or get you back when things don't go as you want.



The last reason is probably the most important reason. The most difficult time of a start-up is really extremely difficult that few people can overcome. When there are many founders, the common spirit will connect them together. Each person will think " **I can't let my friends down** " and that is the most powerful source of human nature. You won't be able to get it when you're alone.

2. Choose the wrong location

Start-ups can only be developed in a few places. Silicon Valley is the dominant location, followed by **Boston, Seattle, Austin, Denver** and **New York**. Besides those areas, the number is not much. Even in New York, the number of startups per capita is probably only about one in 20 that number in Silicon Valley. In cities like Houston, Chicago or Detroit, the number is too small.

Why is there such a big gap? Perhaps the reason is the same as in other industries. Where is the 6th largest fashion center of the US? The 6th largest center of oil and gas industry, finance or publishing? No matter where and who, standing too far from the "top" position, perhaps "center" is also an incorrect word.

There is an interesting question as to why cities become startup centers, but the reason why startups are developed is the same as in any industry, where there are experts. **Higher standards, people are more passionate about what they do, the people you want to hire are living there, the supporting industries are also there** . No one knows exactly how these factors combine to help grow Silicon Valley start-ups and beat that number in Detroit but it's clear that the number of startups per capita here is much higher than elsewhere. .

3. Choose a niche too small

Most businesses applying for capital from Y Combinator have a common problem: **choosing a niche market that is too small and safe because it hopes to avoid competition** . If you look at how children play sports, you will realize that under a certain age children are often afraid of the ball. When the ball approaches, their reflexes are far away. When I was an 8-year-old outside player (outfielder - a position in baseball), I rarely caught the ball because whenever the ball came, I closed my eyes and kept my gloves to protect me rather than to catch the ball.

Selecting a small niche market as well as tactics with the ball of an 8-year-old boy is me. If you want to do something really good then you will have to have an opponent and you will have to face them. **Can only avoid competition by avoiding good ideas**. I think avoiding big problems in this way is mostly unconscious. It's not that people think of big ideas but choose smaller ideas because they're safer. Unconscious don't even let you think of a big idea. The solution is probably to think of an idea that you are not involved in. What is the big idea for "someone" to perform?

4. The idea of ??derivative

Many of the applications we get are copycat versions from a company. It is also a source of ideas but not the best. **If you look at the origin of every successful startup, very few start with imitating another company** . Where do they get ideas? Often from a few specific and unresolved issues found by other founders.



Our startups make software to create online stores. When we start, there are only a few pages that you can order but through web consultants and high costs. We know that if online shopping crowned, these pages will be

needed by software like ours. So we started writing software, things are pretty short and simple.

It seems that the biggest problem **to solve is the problems that affect you personally** . Apple was born because Steve Wozniak wanted a computer. Google is because Larry and Sergey cannot find what they need online, Hotmail is by Sabeer Bhatia and Jack Smith cannot exchange emails when working.

So instead of copying Facebook with a few variations, users will definitely ignore it, go look for ideas in a different direction. Instead of starting from a company and solving problems that they have solved, go find the problem and imagine a company that will solve that problem.⁽²⁾ What are people complaining about? What do you want to appear?

5. Stubborn

In some areas, success comes from having a vision of what you want to achieve and being consistent with them, no matter how difficult it is. But startups are not one of them. Such a "target-driven" approach will work for those who want to win the Olympic gold medal - where the problem is clearly defined. **Startups are like science and you need to follow the trail to see where it takes you.**



Don't be too stubborn with the original idea because it may be completely wrong. Most of the last successful startups are because of things different from what they originally intended - often so different that we don't think it's the same company. You need to be prepared when you have a better idea and the hardest part is usually leaving your old idea. **But opening towards new ideas also needs to be adjusted properly** . Replacing new ideas weekly is no less "deadly". Is there a test you can try? One should wonder if the idea can show any form of progress. If in every new idea, you can use most of what you have built before then maybe you are following a process that will sooner or later intersect at one point. If **starting completely from zero**, then perhaps a bad sign.

Fortunately, someone you can ask to get advice: that's the user. If you are thinking about redirecting and users seem to like it, then perhaps it is also worth trying.

6. Hire a bad programmer

I forgot to include this at the top of the list but almost all the founders I know are programmers. This is not an important issue for them because if someone does not hire someone who is not good, it will not kill the company, they can do it themselves.

But when I think about what makes most startups fail in the e-commerce business of the 90s, the main reason is because of the developers. Many companies are built by business people, thinking that startups have a good idea and hire a programmer to implement that idea. That is actually much more difficult - practically impossible - because **business people cannot know who is a good programmer**. They may not even see the best people because no one is really good to realize the vision of a business person.

In fact, it is in the direction of business people who choose who they think is good (via resume - Microsoft Certified Developer certification for example) but in fact not. Then they did not understand why their startup was falling like a bomb during World War II while the opponent came back up like a jet. So how to choose a good programmer when you are not a programmer? I don't think there's really an answer, but I can only say that you have to find a good programmer to help you hire people.

Note:

1. (1) This is not a list of all the causes of start-ups failing, but only the reasons you can control. There are a number of problems out of your control, such as having bad luck for example.
2. (2) Slightly sarcastic but it is a good variant of Facebook that is Facebook dedicated to the environment for college students.

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