How to choose an idea for a startup

2. Make something PEOPLE WANT

👍 Y Combinator's motto: "Make Something People Want" — Iteratively find and check what people want

> The task of a startup is not to create a cool technological product, but to satisfy the problems of the audience in the most effective way.

1. Identify Problem
- Focus on
  - 👍 Problem that you solve
  - 👍 Clients, whose problem you solve
- Don't focus on
  - 👎 The solution itself, the technology

2. Create MVP
- Classic mistake
  - 👎 Immediately invest in the creation of a complex product and then impose it on the audience
- We have identified a problem. But do other people really have this problem?
  - Start from MVP to test the demand!
- Minimum Viable Product (MVP)
  - a product with minimal functionality — 👍 but sufficient to solve a specific problem
  - created to test whether people are willing to pay for solving this problem
- ⚠️ People are not rational robots
  - 👎 It doesn't make sense to ask anybody
    - If they have the problem
    - If they will use the product
    - If they will pay for it
  - 👍 It is important to build an EXPERIMENT that will show that clients are willing to pay at least $1 - $10 for a product
    - When we found it, it's something! — And we can continue experimenting

3. Spread your idea
- Classic mistake
  - 👎 To be afraid that your idea will be stolen and not to tell anyone about it
- Initially you don't have resources
  - 👍 By talking about your idea, you can find co-founders, partners, investors and first clients

4. A startup is a movement in uncertainty
- We should continuously(!)
  - structure uncertainty
  - and eliminate it
- What is the next MINIMUM EXPERIMENT (with minimum resource investment) — to eliminate MAXIMUM UNCERTAINTY
  - what is most uncomfortable to ask?
  - where we see the greatest risk?
  - ⚠️ it often has to do with money!
    - 👍 So, first of all, check the willingness of the audience to pay for solving their problem

> The task of an entrepreneur is not to search for an idea, but to develop empathy skills in himself and his team - the ability to listen and hear the client

5. Empathy for customers
- You should be closely engaged with your customers
  - 👍 At least one founder must deeply empathize with your customers.
- Example
  - If you are making a solution for farmers, then someone must live on the farm and communicate with farmers every day and take care of them

6. Focus on single feature
- You lack resources in the beginning
  - 👍 Focus on single feature
    - Example — Amazon started by focusing on the bookstore
    - It helps to beat big competitors who are focused on everything
    - This is just the first step towards our long-term vision.

7. Make a small non-scalable product
- 👍 First make a small non-scalable product for a narrow audience
  - Be much closer to your first clients!
  - You should have a lot of
    - non-delegated works
    - micromanagement
    - micro-decisions by founders
  - This will give you a lot of valuable insights!
- 👎 You will think about scalability later
- Classic mistake
  - 👎 To start scaling too early — It is harmful to hire sellers and use scalable traffic sources!
- For B2B products
  - ⚠️ The first $1 million sales must be made by the founders! — Even if you are a bad seller!

Customer Development

Customer Discovery · Customer Validation · Company Creation · Company Building

pivot

Figure 1: Steven Blank's Four Steps of Customer Development
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