



# THE FIRST 30%

COMPILED BY RAHUL DESAI

# **The First 30%**

## **By Rahul Desai**

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# README.txt (Introduction)

Hi there! My name is Rahul Desai and I'm currently studying Operations & Information Management at Georgetown University. I also run a startup called [Trendify](#), which utilizes data analytics to actually predict startup success and develop insights into those outcomes. I've become keen on learning as much as possible about startups, mostly through books and online courses.

To that end, I've been following along with Sam Altman's course at Stanford "CS183B: How to Start a Startup." I decided that it would be worthwhile to turn the course notes into an ebook, with the goal of condensing as much information into as little space as possible. I know that we all live busy lives and that it's hard to sit through long lectures, so I packed this work with the critical insights from Mr. Altman's course and the guest speakers he hosted. There are also lots of pretty pictures to keep you entertained and motivated.

This work is titled "The First 30%" because thirty percent of the learning that founders and companies do at Y Combinator is generalized. It can, theoretically, be applied to all startups. The other seventy percent is intended to be company-specific for YC companies. Since it's inefficient to impart case-specific knowledge to people in a non-interactive form, I felt that sharing the generalizable thirty percent would be a great way to expose more people to what I thought was an amazing source of intelligence and advice. As startups become more and more popular in our society, it's crucial to arm ourselves with as much knowledge as we can.

I truly hope this proves a useful and enjoyable resource to you. Please feel free to contact me through [www.trendify.io](http://www.trendify.io). Big thanks to Jake Haberman, Jay Bhandari, and the rest of Team Trendify for their support.

# Chapter 1:

## Why to Start a Start Up

In our era, startups have achieved a level of respect previously held by bankers, lawyers, and doctors. News about “coding wizards” getting amazing job offers and “college dropouts” pursuing incredible startups seem to make the headlines every week.

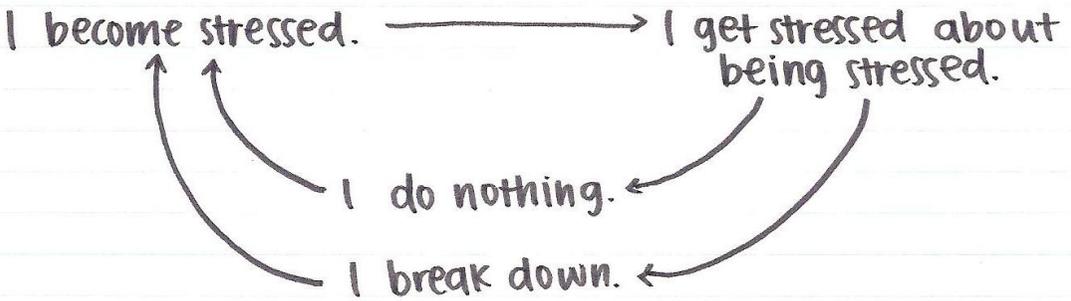
Dustin Moskovitz, cofounder of Facebook, strives to set the record straight by citing some erroneous reasons for starting a startup. Firstly, startups are not nearly as glamorous as they are made out to be in shows like *Silicon Valley* and movies like *The Social Network*. Secondly, they allow founders neither the self-management nor scheduling flexibility that people so often seek in transitioning to startups from “conventional jobs.” Finally, the statistical likelihood of making a huge impact and tons of money are slim to none.

### THE WRONG REASONS:



Starting a company is not as glamorous as Hollywood paints it to be. In fact, serial entrepreneur turned venture capitalist Mark Suster calls it “[entrepreneurshit](#).” He states that positive outcomes prove exceedingly rare, despite the fact that the mass media only highlights success stories (survivorship bias). Statistics show that 75% or more of all startups fail and that 66% of all venture capital investments are wasted.

There’s clearly an ugly side to entrepreneurship, and a lot of your effort and willpower will just go towards hard work on the company. Startups are stressful: constant engineering problems, customer complaints, and sales obstacles are part of daily life.



**Pictured Above: Real Life at a Startup**  
(credit: [seaternity](#))

All of this stress stems from responsibility; founders fear failure for themselves and all of those who follow them. In many cases, people depend on you to make a living, or in the case of a young team, they’ve devoted their youth to your company. So you’re now responsible for either their livelihoods or the opportunity cost of their time. You’re on call constantly and you have to stay focused and keep working because so much rides on your success. Additionally, media attention can be stressful: positive media is glamorous but negative, unwanted press is an extreme stressor.

Another source of stress that people never mention is how committed founders are. Startup employees can quit, just like they would a normal job. Founders could quit, but only at the risk of ruining their reputations and potentially crippling the company. Moreover, founders are not the bosses of their own companies; instead, they have to cater to the media, employees, clients, and partners, upon whom their success ultimately rests. In fact, so much in a startup starts with the founders; if your commitment flags, the whole team's will too, and that's unacceptable in a startup.

Ultimately, your financial rewards are very strongly correlated with your startup's impact on the world. Because of this, it makes sense to actually join someone else's company unless you're certain you'll make a huge impact and earn over a billion dollars at your own (which you probably won't). At a late stage company, you already have an existing user base. Additionally, you'll also have access to that company's resources and a team, where you can leverage your ideas into something great. Compare that to some untested, user-less idea floating around in your head.



**You'll be working hard either way, and at least one way gives you security. Hint: not the startup.**

## So why the heck does anyone start a company?

You should start a company when you cannot resist the pull of your idea; you'll need that passion to get around all of the roadblocks. That is to say, you should launch a venture because the world needs it; if your idea is important and will impact the world for the better, only then should you pursue it.

The other reason to start up is because the world needs *you* to do it; do you have area expertise or some other reason that you're suited to tackle this problem? If not, your time might be better spent elsewhere because you might end up outcompeting a team that actually has the right skills; Outcompeting a better team will create a suboptimal outcome for the world, which you'll have to bear forever.

When you have an idea that refuses to let you go, you have something worth starting up for. You should feel that you don't own the idea, but that it owns you. **The question is:**



**ARE YOU ON A MISSION?**

# Appendix 1: Bibliography\*

Moskovitz, Dustin, et al. "How to Start A Startup." CS 183B.  
Stanford University, Palo Alto. Lecture.

\*This bibliography deviates from standard MLA format to put all of the citations in the order in which they appear instead of alphabetical order by last name. Additionally, the "et al" is included to cover any and all contributors for each lecture, including certified Genius commenters.

# Acknowledgements

There are a lot of people to thank for their help in bringing this work to fruition. First and foremost, I need to thank the team at Trendify. Eamon Cagney, Will Madaus, and Justin Hegyi deserve huge thanks for their support of this work, as well as their dedication to Trendify's mission. I especially need to thank Jay Bhandari and Jake Haberman for editing this over and over.

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Third on this list are all of the wonderful folks at YC, including Sam Altman and all of the partners and staff who make YC such an amazing place. You guys made something special with CS 183B and I'm proud to be able to share my version of your work with the world. Credit for good stuff goes to you, of course.

Fourth, the lecturers who made this course so amazing deserve not only my thanks, but the thanks of everyone who watched, listened to, or read notes from 183B. Please don't sue me for repackaging and distributing your stories :-)

To my parents and little sister: I hope I've made you guys proud. Thanks for your undying faith in me and my endeavors. It means the world to me; I couldn't do it without you.

To anyone that I've missed, know that you played an important part in this. The startup story is the story of everyone who has felt an urge to create. So, to all of the makers, dreamers, and doers, to the code monkeys, marketing mavens, and UX ninjas, let's go build something together!