

HELLO, I AM FULL OF IDEAS



IDEA GENERATION

A bunch of ways to come up with startup ideas, for people who probably already have too many

Following are a bunch of little worksheets to help you come up with startup ideas. The media obsesses over the latest billion dollar startup, but the ideas which will most improve our lives tend to have qualities other than "big". For example, have you ever considered that to do a million dollars per year in revenue, all you need is about two-thousand customers paying you forty dollars per month? That's still hard, of course, but it's doable.

The reason we're coming up with more ideas is twofold. If you already have an idea, it probably isn't the best one you could come up with. Sometimes we love our first idea simply because it was first. We're going to come up with a bunch more to put it in perspective. And if you don't yet have an idea... well, let's just dig in.

ACKNOWLEDGEMENTS

The approaches in here are adapted from Effectuation, Bootstrapping, and the VC world, with specific pieces coming from Amy Hoy, David Heinemeier Hansson, Marc Andreessen, Paul Graham, Daniel Priestly, Ev Williams, Peter Thiel, and more. Where possible there are links to original sources or more info in the footers of each page.





YOUR BUILDING BLOCKS

There's a myth that entrepreneurs start with some arbitrary vision and then boldly carve a path toward it like digital conquistadors. But many successful serial entrepreneurs instead start with the resources at their disposal and ask how they could combine these assets. They're using the unfair advantages they've already got instead of starting from scratch, and they keep looking one step ahead instead of dreaming years into the future. What are your building blocks?

1 MARKET	2 TEAM	3 SKILLS
NICHES YOU'RE PART OF	QUALITY PEOPLE WHO'D HELP AS A WEEKEND FAVOUR	SKILLS YOU HAVE AVAILABLE
INDUSTRIES YOU'RE CONNECTED IN	OR AS A POTENTIAL COFOUNDER	
CUSTOMERS YOU HAVE ACCESS TO	OR BY MAKING KEY INTRODUCTIONS	SKILLS YOU'RE NOTABLY MISSING



Grab 2 or 3 items semi-randomly from the columns and see what comes out of combining them. For example, maybe there's a cool opportunity from mixing your buddy the cartoonist, intros from your old boss, and your own industry expertise and credibility. Put your existing ideas aside and see what happens when you instead start with the resources you've already got.

Just leave the ABC columns blank for now, or skip to the end of packet for more info.

RESOURCE-BASED IDEAS

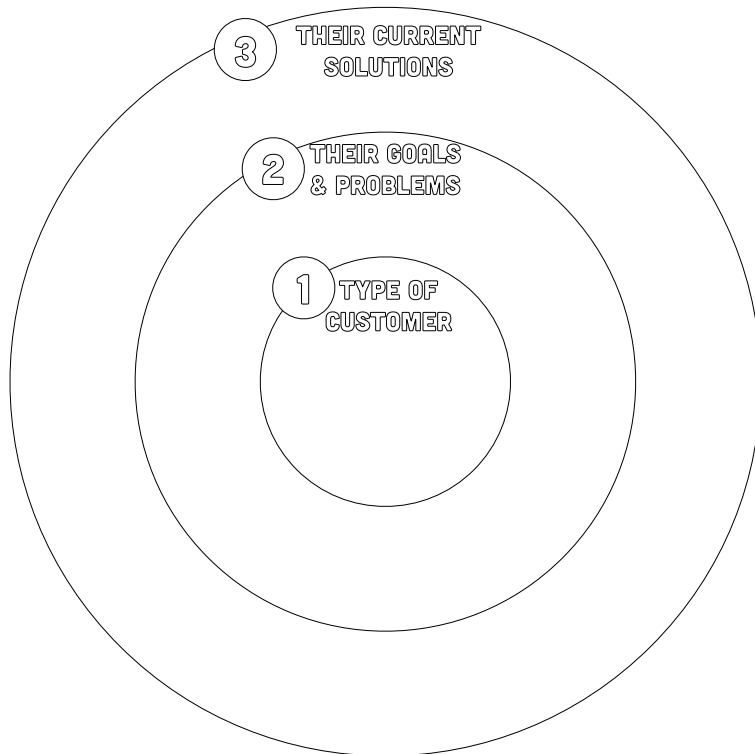
	A	B	C

Starting with what you have is one of the big ideas of Effectuation. You can learn more at <http://effectuation.org>. One interesting side-effect is that this approach leads to ideas which are both faster to execute (since you already have the required skills and connections) and more defensible against competitors (since they're built on assets unique to you).



IT'S ALL ABOUT THEM

As far as I can tell, your future customers pay you because you are making their life better, either by creating joy or by relieving pain. So let's forget about your business ideas for just a moment, and instead focus on the people you'd like to help. Jot down a few likeable sorts in the middle circle, and then move outward to what they're suffering (or trying to achieve) and how they're currently dealing with it. Remember, a lot of problems are solved by ignoring them (or using the phone or a spreadsheet).



4

Go back up and look at how they're dealing with their problems. If someone is surviving by ignoring the problem, then maybe it's not the most pressing need on which to build a business. However, some problems or goals have big implications and there's an opportunity to create a ton of value with a better solution. Go back through their problems and goals circling the ones which are important and/or urgent.

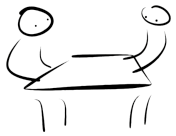
How else could you solve those problems or achieve those goals for them? Focus on the goals and problems you marked as urgent.

CUSTOMER-CENTRIC IDEAS

	A	B	C

We all adore our own ideas. But the business lives or dies based on your customers' willingness to fall in love with and pay for it. It's an uphill battle to convince them to love your idea. Instead, build an idea around the stuff they already care about.





ATTACK OF THE CLONES

You don't need to invent a clever new business model if a perfectly good one already exists for you to borrow. One approach is to take a strong business model (like subscription ecommerce) and customise the product and customer. Another is to keep the product the same but change the country you operate in, which means you'll be innovating on the supply chain and logistics. Which companies have caught your eye that might offer a starting point?



Cloning has a bad reputation, but there's no reason for that. Making life difficult on yourself is not a virtue. And any type of business still requires incredible execution to pull off properly. Using the companies you admire as a starting point, what could you adjust to give yourself an edge? The country, the customer, the product, the business model?

VARIANT IDEAS

	A	B	C

The poster child for billion dollar clones are Rocket Internet and the Samwer brothers. Before going on to start one of the most valuable startup portfolios of all time, Oli Samwer wrote his thesis on the nuances of geographic cloning: <http://bit.ly/1i3Wmyp>





JOINT VENTURE BROTHERS

To start making money, you need something to sell (a product) and somewhere to sell it (a channel). Early joint ventures just mean that you're each bringing half the equation. The product could be physical, digital, consulting, or even an experience. The channel could be a blog, newsletter, brand, PR, retail store, or personal connections. A third option involves partnering for access to a unique asset, like a celebrity evangelist or a patent.

Go through the lists. For each person or company on it, come up with a partnership proposal you could make to them. The best partnerships are still a commercial relationship – for very little extra effort, you can make them more money. What might those deals look like?

HAS A CHANNEL	HAS A PRODUCT	UNIQUE ASSET
WHO DO YOU KNOW WITH AN AUDIENCE?	WHO DO YOU KNOW WITH STUFF TO SELL?	WHO HAS SOMETHING SPECIAL?
WHO DO YOU NOT YET KNOW THAT WOULD BE GREAT?	WHICH PRODUCTS WOULD YOU LOVE SALES RIGHTS FOR?	WHAT WOULD BE THE BEST CASE?

PARTNERSHIP PROPOSALS

	A	B	C

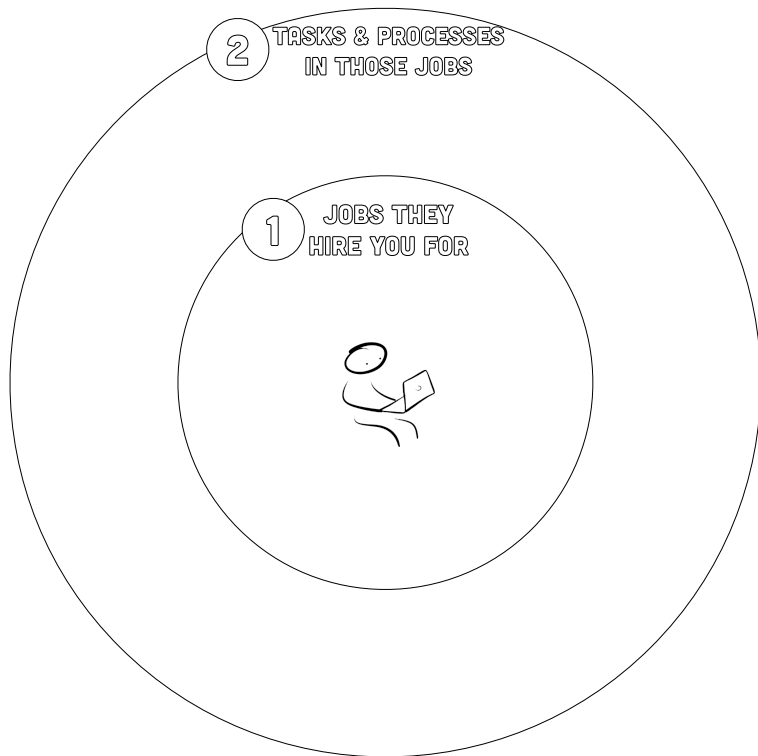
Partnerships and joint ventures aren't the most scalable ideas (they tend to take manual work to run and are limited by the size of the channel), but they're nice because they're low risk and can generate cash quickly. There's more information about setting yourself up for joint ventures in Daniel Priestly's book, Key Person of Influence.





REPLACE YOURSELF

One common approach to bootstrapping is to begin by consulting in an industry you like, and then looking for tasks you're doing that you could build software to automate. But if you've already got some industry experience, you can mine your history and skip that first bit. Remember all those times you groaned that a robot could do your job? Now's the time to cash in on that malaise.



A lot of startups fail because they solve "problems" that aren't exactly urgent (e.g. emergency burrito delivery). If a company is already paying you to solve a problem, then you know it's a problem worth solving and can move forward with considerably fewer missteps.

Which parts of your job could be automated? In general, focusing in and solving one specific part of a workflow tends to be easier than taking on the entire process. Alternately, are there any tools that would have made you significantly more efficient at your old job? Or any products you were forced to use which were terrible and could be reinvented?

IDEAS FOR YOU

	A	B	C

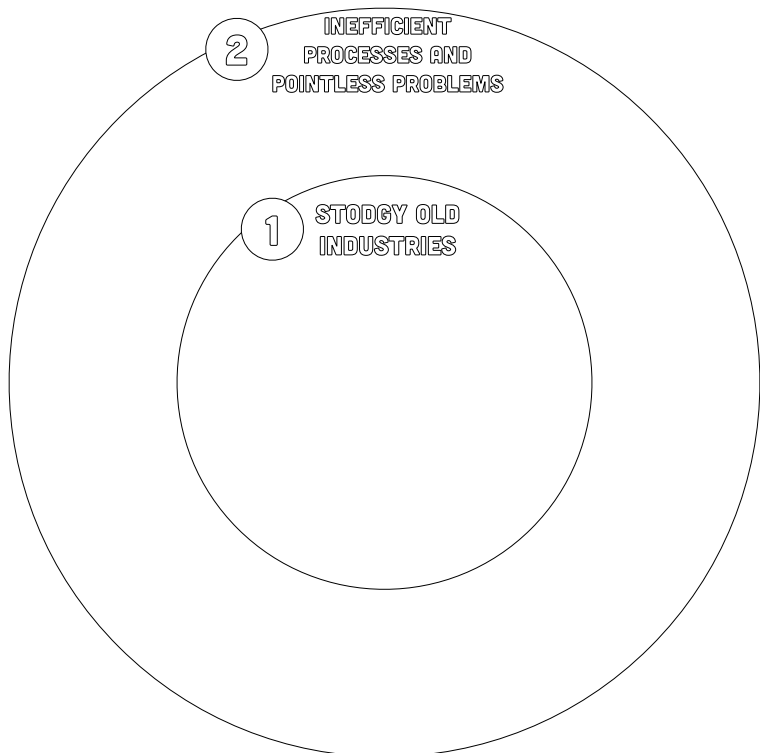
This approach is a variant of scratching your own itch, and, is one of the common strategies for getting a company up and running without external funding (and without going broke). For more, check out The Bootstrappers Bible (<http://www.sethgodin.com/sg/docs/bootstrap.pdf>), or Fried/DHH's book Rework.





SOFTWARE IS EATING THE WORLD

When Mark Andreessen famously said that “software is eating the world,” he meant that the clear line dividing “tech” and “non-tech” businesses is going to blur as software becomes a core part of every business. This could happen by bridging the digital and the real-world, as Hailo did in the taxi industry, or through “creative destruction,” like the industrial revolution’s factories did to craftspeople. In either case, opportunities abound in old industries.



In many ways, boring is sexy. While all the competition is chasing the latest mobile whatever, all the money is in the industries that have been around forever. For example, did you know there are some startups killing it in the decidedly un-sexy industries of farming, house cleaning, and laundry service?

How could you take these old industries by storm? What would you need to build to finally drag them into the digital age?

NICE BORING IDEAS

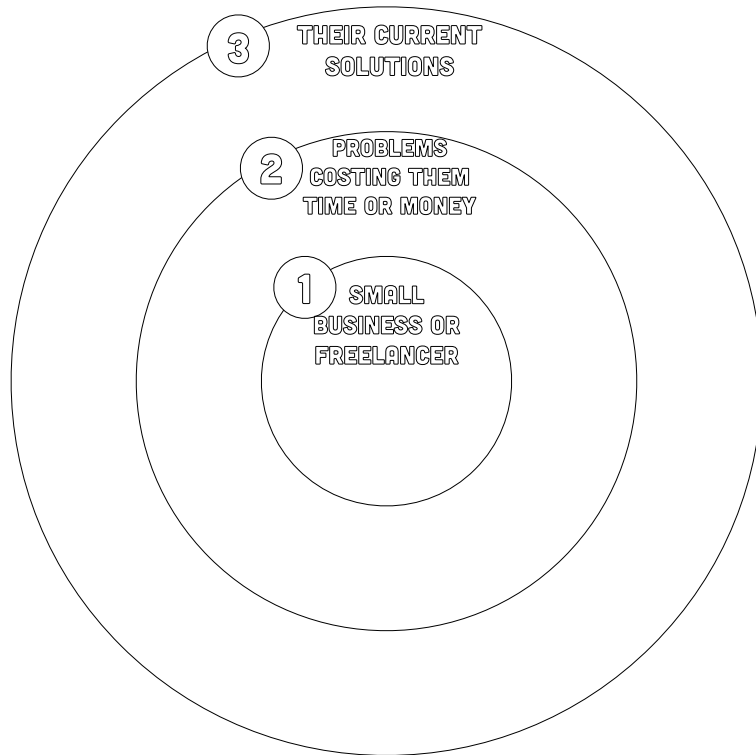
	A	B	C

For the definitive argument on boring-as-strategy: <http://paulgraham.com/schlep.html>. And for a clearer look at the categories (and examples) of this approach, check out: <http://blog.samaltman.com/electrons-and-atoms>



SMALL BUSINESS SAAS

For an easy head start, restrict yourself to selling software-as-a-service to small businesses (or freelancers) and charging them from \$9 to \$49 each month. Why small businesses and freelancers? They're easy to reach, they have clearly defined problems which cost them time and money, and they're willing to pay to solve those problems. They're a great category of customer. Make a quick list of the types of small businesses and freelancers you could get to, and then explore the problems which are costing them time and money.



Look at their top problems. Do you see any opportunities to deliver major time or money savings? Would they pay you \$9 to \$49 per month for those savings? If not, try exploring another type of customer.

IDEAS FOR SMALL BUSINESSES

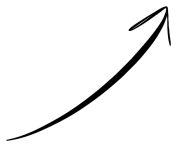
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Go back up and mark the most urgent problems with the biggest implications and worst solutions.

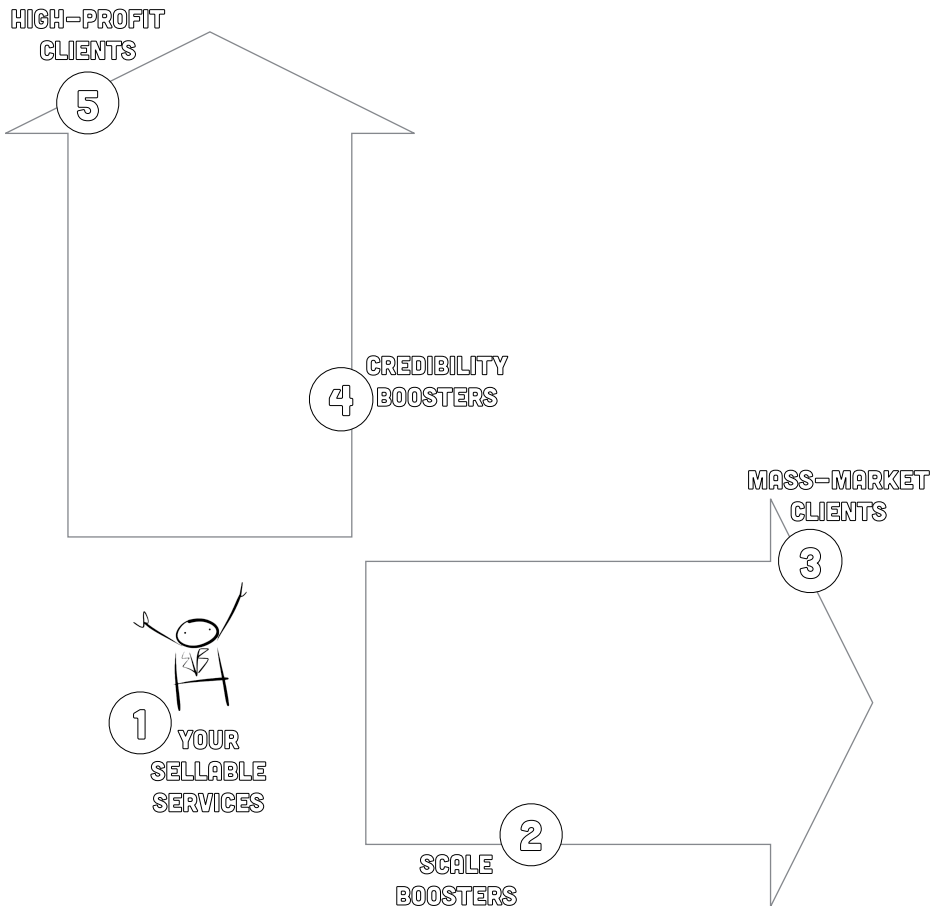
Why subscription software at \$9 to \$49 per month? Because the math works. Doing a million bucks a year in revenue seems like a lot, right? But that only requires about 2000 customers paying you \$40 a month. Getting 2000 customers isn't so hard to imagine.





SCALING CONSULTING

The average UK freelancer makes £32,000 per year. They aren't going to starve, but it's hardly a career path. Consulting scales by building an agency around yourself, and agencies scale either horizontally (hiring lots of people to do the same work with more clients) or vertically (keeping the team small and using credibility to climb up to a small number of more profitable clients). You probably have a sense of which sellable skills could keep a roof over your head. Now, what it might that look like if you scaled it?



Consulting and agency businesses are a better option than most people give them credit for. They can earn you a living from day 1 and, if you're strategic about it, they can scale reasonably well. They tend to depend on the founders and are thus harder to exit from, but they're a great option as a first business or if you aren't yet financially stable.

SCALABLE CONSULTING IDEAS

	A	B	C

Single-person consulting can also be scaled, although you usually do it by setting up a funnel of products: a free gift; followed by a larger gift (in exchange for permission to contact them); followed by your core offering; and completed with a high-end premium option. Book Yourself Solid (<http://amzn.to/1h74zza>) by Michael Port is a great step-by-step guide to setting it up.





REMOVE STEPS

"We often think of (how) the Internet enables you to do new things, but people just want to do the same things they've always done," said Ev Williams, founder of Blogspot, Twitter, and Medium. "Here's the formula if you want to build a billion-dollar Internet company: take a human desire, preferably one that has been around for a really long time... identify that desire and use modern technology to take out steps." That formula led him to blogging, which is web publishing with fewer steps. And twitter, which is simplified blogging. What are other basic processes we all go through? List out the current set of steps.

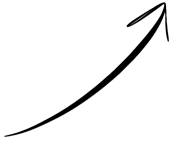
HUMAN DESIRE	STEPS IN CURRENT PROCESS

What are human desires? Communication, self-expression, travel, shelter, education, dating, entertainment, showing off, gaining wealth, creativity, and so on.

What do these old processes look like when you simplify them with modern tech? Need more examples? Flickr did it for sharing photos, and then Instagram did it to Flickr. Whatsapp removed steps from communication. Online dating did it to courtship and then Tinder did it to online dating. Hailo did it for getting a taxi. Amazon did it for buying stuff. Netflix did it for dealing with boredom. The list goes on!

QUICKER PROCESS IDEAS	A	B	C





RIDE THE WAVE

You've heard successful companies credit their rise to "right place, right time." If we can put ourselves in the right place early enough (and survive the wait), we'll eventually be there at the right time. One approach is to spot a growing trend, either a fledgling market, technology, or cultural trend that looks unimportant now but which you suspect will someday be huge. What are the rising tides you see coming? Here are some broad categories to get you thinking:

GROWING NICHES

RISING TECH
TRENDS

RISING CULTURAL
TRENDS

STRONGLY HELD
BELIEFS ABOUT
THE FUTURE

Peter Thiel recommends following your "strongly held beliefs about the future which everybody else thinks are wrong". That last bit is important. If everyone agrees that it's the next big thing, you're probably already too late.

While this wave is rising, what business opportunities will it create? And what could you do while it's still small to survive in the meantime and position yourself to exploit it upon arrival?

TREND-SURFING IDEAS

	A	B	C

When it comes to boldly betting on the future, there's no better source of inspiration and sanity than Blake Master's ridiculously comprehensive class notes from Peter Thiel's course at Stanford. Carve out about 40 hours of reading time and treat yourself: <http://blakemasters.com/peter-thiels-cs183-startup>





WHY BOTHER?

There are lots of reasons for starting a company. Financial independence, creative freedom, sticking it to the man, seizing an opportunity, plus a million others. And depending on your goals, your ideal business will have certain qualities. For example, someone who needed a business to pay his or her rent this month might be focused on ideas which are fast, cheap, and reliable. Someone who wants to make their mark on the world might be focused on scalability, social impact, and unfair advantage.

1

WHY YOU WANT TO DO A STARTUP

2

QUALITIES OF A "GOOD" IDEA (FOR YOU)

Need inspiration for criteria? Some options: your daily lifestyle, the exit (automating or selling the business), the scale you want it to reach, whether you'd like to fund or bootstrap it, your immediate income needs, the amount of creative/geographic/time flexibility, the social impact, the team, where you think you have a competitive advantage, and of course which ones you'll enjoy building.

Ideas aren't "good" or "bad" in a vacuum. They can only be good or bad *for you*. The media will try to tell you that "good" ideas are the scalable ones with a billion dollar market. But what if you wanted to run your business while sailing around the world with your kids? Then that "good" idea starts to look less like an opportunity and more like entrepreneurial golden handcuffs. We all have our own goals, constraints, and skills. It would be silly not to consider them when we evaluate our business options.

3

YOUR TOP 3 QUALITIES OF A GOOD IDEA

A

B

C

4

Now that you've got it down to 3 qualities, go back through all your previous pages of ideas. To the far right, you'll see 3 columns marked ABC. Use those columns to evaluate your ideas on your 3 criteria. Just put a big dot if it's a great fit for that criteria, a small dot if it's passable, and leave it blank if it misses the mark. It might look like this:

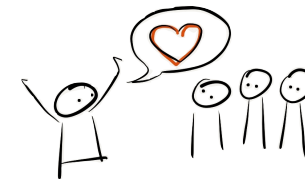
SOME EXAMPLE IDEAS	Fun	Profitable	Fast
24-hour emergency burrito delivery for hungry freelancers		•	●
"Hailo for friends" for when you get stood up and need to look popular	•	•	
A bold re-imagining of the Segway for today's urban commuter	●	•	

Of course, feel free to ignore the dots once they're there. But do go through the process of making them. You may be surprised to realise that some ideas you thought were brilliant are actually a bad fit for what you want out of a business (and life) right now, while others may be excellent enablers.



GOODBYE, YOU ARE FULL OF IDEAS

Now find a way to start. And by “start”, I don’t mean write a huge plan or obsess over your strategy. Just find a quick way to start delivering value to your customers. Create joy and remove pain. And look at how soon you’re going to be able to start charging money. Can you make it quicker somehow? Now the ball’s in play and you’re in business. Congrats.



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ABOUT FOUNDER CENTRIC

We’re a group of four tech entrepreneurs who like geeking out on how startups are taught and learned. Grab more info and join the mailing list at <http://foundercentric.com>. We run monthly weekend intensives in London and also help design education programs with universities, accelerators, and anyone else interested in better innovation.

