HOW TO START A STARTUP 🚀
FOUNDER
OF THE FOLLOWING

TECH ENTREPRENEUR-IN-RESIDENCE
AT THE STONY BROOK SBDC

HARDWARE

MOBILE APPS

WEB APPS

FitBark

Joyride Trivia

matchpuppy

Spinny Phone
RAISED MONEY THROUGH:

- techstars
- KICKSTARTER
- Sprint

3,000+ MEMBERS

Ran NYC Mobile Apps Meetup (largest mobile app meetup in NYC)
INITIAL PRODUCT MARKET FIT SEARCH

- STEP 01: IDEA
- STEP 02: PROTOTYPE
- STEP 03: SEARCH
- STEP 04: LAUNCH
- STEP 05: TRACTION
- STEP 06: MONETIZE
- STEP 07: GROWTH
A STARTUP IS...

AN EXPERIMENT IN SEARCH OF A BUSINESS MODEL

- STEVE BLANK
GOOD IDEA
+ STRONG TEAM
+ BELOVED PRODUCT
+ GREAT EXECUTION

✓ SUCCESS
PROBLEM. SOLUTION. INSIGHT.
HISTORY DOES NOT REPEAT ITSELF, BUT IT RHYMES.
Netflix is like TV but when you want to watch it.

Twitter is like blogging but only 140 characters.

Instagram is like your camera but with filters.

WhatsApp is like SMS but free.

Uber is like other taxi companies but with an app.

Airbnb is like a hotel but from other people.
THE MOST VALUABLE THINGS ARE OFTEN THE SIMPLEST. THEY ADDRESS THE FRUSTRATIONS OF EVERYDAY LIFE.
I WANT TO WATCH X BUT IT’S NOT ON TV.

I WANT TO BLOG BUT IT’S TOO MUCH EFFORT.

I WANT TO SHARE PICTURES BUT THEY’RE NOT BEAUTIFUL.

I WANT TO CONTACT MY FAMILY BUT IT COSTS TOO MUCH.

I WANT A TAXI BUT I CAN’T WAIT FOR IT.

I WANT A HOTEL BUT THERE ARE NO FREE ROOMS.
IT’S A SECRET
A GREAT PRODUCT.

Most startups fail because they “ran out of funding” but real problem was that customers didn’t want the product.
OBSERVE
Talk To Users / Watch Them
Use Your Product

FIND WEAKNESS
Figure out which parts are bad.

IMPROVE
Make them better.
IF YOU IMPROVE YOUR PRODUCT 5% EVERY WEEK, IT WILL REALLY COMPOUND.

SAM ALTMAN
PRESIDENT OF Y-COMBINATOR
DO THINGS THAT DON’T SCALE.
QUESTIONS TO ASK ABOUT PRODUCT

• Are users using your product more than once?
• Are your users fanatical about your product?
• Would your users be truly bummed if your company went away?
• Are your users recommending you to other people without you asking them to do it?
• If you’re a B2B company, do you have at least 10 paying customers?
HAVE THE CHEAPEST EASIEST PRODUCT
FINDING THE RIGHT TEAM

ANIMAL TEST

IDEALLY 2-4 FOUNDERS

1 TECHNICAL
(build the company's product/services)

1 SALES
(acquire users)

*Ask everyone about their previous IP history
IF THINGS ARE NOT WORKING OUT, PART WAYS QUICKLY ✌️
RAISING MONEY

BOOTSTRAPPING

VENTURE CAPITAL

ACCELERATORS

ANGELS & GROUPS

CROWDFUNDING

GOVERNMENT GRANTS
TYPES OF INVESTOR DOCS

✓ CONVERTIBLE NOTES

✓ SAFE NOTES

✓ TERM SHEETS
GROWTH

FOR CONSUMER STARTUP
Retention + New User Acquisition

FOR B2B
Revenue Growth Per Month
FOR CONSUMER APPS, YOU ARE Aiming FOR 30% MOM GROWTH 🚀
“Product/market fit means being in a good market with a product that can satisfy that market.”
1. RETURNING USAGE
   3 OUT OF EVERY 7 DAYS

2. NPS
   SHOULD BE > 50

3. PAYING CUSTOMER RENEWAL RATES
   > 80%
pre P/M fit  

post Product/Market fit

traction.
Retention Curve

- Product A
- Product B

Product A Has Product/Market Fit

Product B Does NOT Have P/M Fit
STARTED A PET BIRD BUSINESS

INVENTORY IS FLYING OFF THE SHELF!
WHEN PEOPLE WHO KNOW THEY WANT YOUR PRODUCT ARE HAPPY WITH WHAT YOU’RE OFFERING

...THEN YOU’RE READY TO SHIFT YOUR FOCUS FROM PRODUCT TO DISTRIBUTION AND “WIN THE MARKET.”
RICH COMPANY $\Rightarrow$ MILLIONS OF DOLLARS FROM INVESTORS

RICH COMPANY $\Rightarrow$ MILLIONS OF DOLLARS IN REVENUE
99% of the time, ignore your competitors

Don’t worry about a competitor until they are beating you with a real, shipped product

There’s always a counter-move
KEYS TO SUCCESS

1. UNDERSTAND YOUR BUSINESS
2. UNDERSTAND YOUR USERS
3. BUILD SOMETHING THEY LOVE & SPEND LESS THAN YOU MAKE
HELPFUL TOOLS

1. CUSTOMER INTERVIEWS
   (5-10 NEEDED)
2. UX TESTING SESSIONS
   (3-5 NEEDED)
3. METRIC
   YOU’LL NEVER HAVE AS LARGE A SAMPLE SIZE AS YOU’D LIKE - BEWARE OF TELLING TOO MANY STORIES WITH TOO LITTLE DATA).
HOW TO PITCH YOUR IDEA

“Revolutionizing the world of food discovery via the social web.”

“"A mobile application showing you nearby restaurants your friends recommend"”
WRITE IN PLAIN SPEAK!

ELIMINATE JARGON, ACRONYMS, MARKETING SPEAK, AND ANY AMBIGUOUS TERMS SUCH AS “PLATFORM”
Fear is the disease. Hustle is the antidote.

Travis Kalanick
START BUILDING

PROTOTYPE YOUR IDEA WITH MOQUPS

GET A LOGO CHEAP ON FIVERR

HIRE EARLY TEAM ON UPWORK
HELPFUL LINKS

**STONYBROOK SBDC** (regional Small Business Development Center funded by the Small Business Administration)

**PRODUCT HUNT** (website that let's users share and discover the newest products in tech)

**ANDREW CHEN** (thought leader on startups, mobile growth and metrics)

**ANGEList** (a platform for startups to raise money through angel investors and recruit talent)

**REPUBLIC** (an equity crowdfunding platform for startups)

**CRUNCHBASE** (platform for finding business information about private and public companies)

**MIXPANEL** (a top service that tracks data on user interactions with web and mobile apps)

**APPRADAR** (tool for App Store optimization)

**STARTUP WEEKEND** (think startup camp but a weekend event where you can form a team and build a working prototype and demo in 54 hours)

**Y-COMBINATOR** (the top US accelerator for tech startups, the guys behind Airbnb and Dropbox)

**PAUL GRAHAM'S ESSAYS** (founder of Y-Combinator and his deep thoughts on startups and tech)

**TECHSTARS ENTREPRENEUR'S TOOLKIT** (online resource to help you learn entrepreneurship)

They also have more startup resources **HERE**
RECOMMENDED READS

The Lean Startup
The Hard Thing About Hard Things
Hooked
Venture Deals
MORE FROM ME

EPISODE:
Ninja Steps To Building An App

EPISODE:
Serial Entrepreneurship and Mobile Apps
THANK YOU.

QUESTIONS?
michael.chiang.1@stonybrook.edu

(631) 632-9118

@iammiikechiang