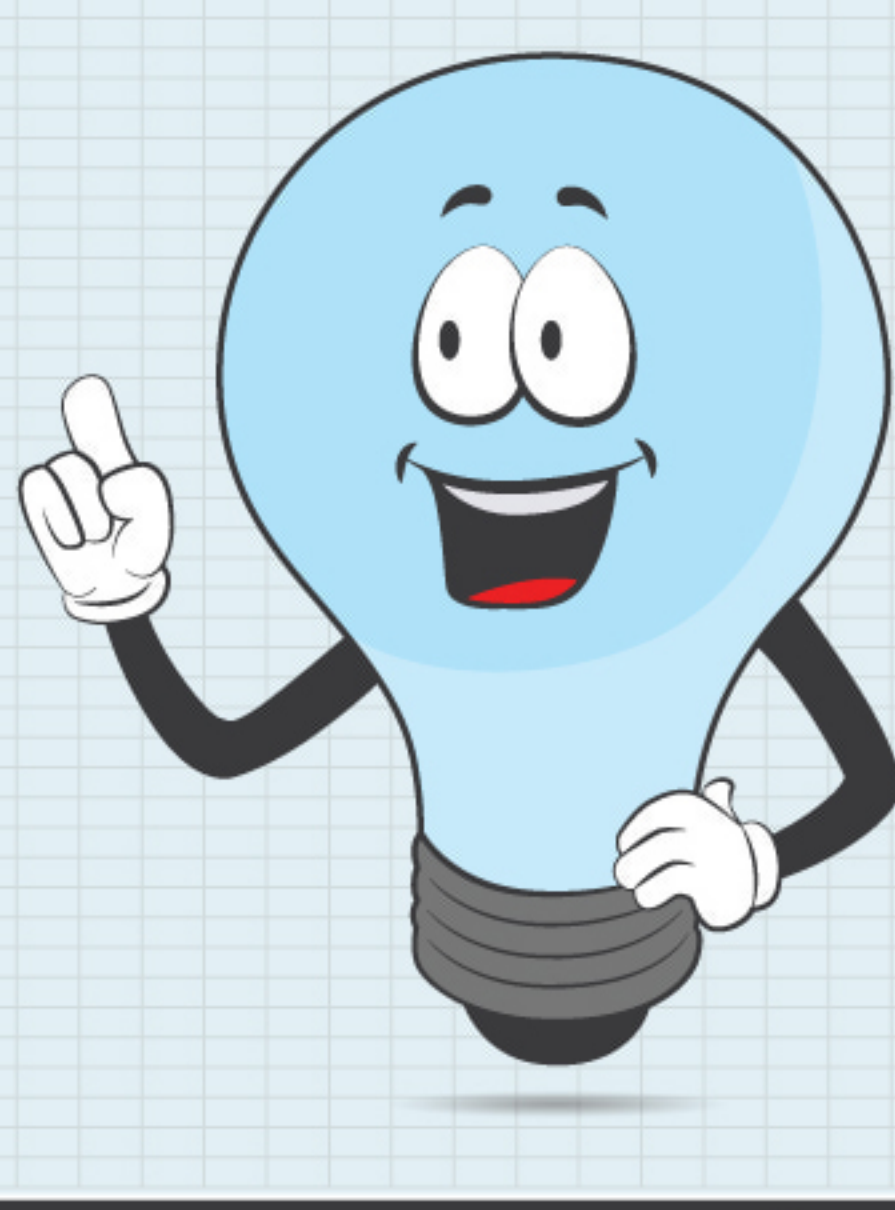


# 10 Rules For A Great Startup Idea

Ideas don't matter, execution does. But even the world's best entrepreneur would fail with a fundamentally flawed startup idea.

At the Founder Institute, Founder & CEO Adeo Ressi preaches a structured approach to analyzing your ideas. If you can check off the items below, then you can greatly increase your chances of success.



## 1. You Are Passionate About It

If you are pursuing an idea just to make money, then stop right now. Money can be a great motivator, but it won't get you through the dark times of being an entrepreneur.

Are you so passionate about this problem that you can see yourself working on it in 10 years?



## 2. It's Simple

Big ideas are raised, not born. Mark Zuckerberg didn't wake up one morning and say, "I'm going to create the social graph."

All the great businesses of our time started with something simple, and then expanded upon that. Start by solving one problem, with one product, for one customer.



## 3. One Revenue Stream

A startup would be more than lucky to execute on just one revenue stream, let alone three or four.

So, focus on one to start, and if you can't identify one revenue stream that can support the business, then it's a bad business.



## 4. Few Steps To Revenue

How many things need to happen before you make a dollar? By going through this exercise you can identify the number of stakeholders involved, which equals complexity.

No more than 3 steps to revenue is ideal.



## 5. You Know The Customer

From the outset, you need to intimately know of one very specific archetype who desperately needs your product.

And, there's nobody you know more intimately than yourself. That is why so many great businesses have been formed from personal need.



## 6. You Know The Market

How can you possibly have a meaningful vision about the future of a market if you are not a leading domain expert on the market?

If you are not an expert, then get to work!



## 7. Sufficiently Large Market

Any market with < 10 million people or multiple billions in annual revenue will be very hard to address, and is not worth your time. For example, if you won a \$500m market, you would still only have a \$50m business.

You will die winning a small market, so don't start up in a graveyard.



## 8. Original Secret Sauce

Is what you are doing unique, or better, than everybody else? Do you know a secret that nobody else does?

Be bold, because the best ideas are transformational, not incremental.



## 9. You Have Tried To Kill It

Positive reinforcements are very easy to find, but your job in the idea stage is to find the things that make your idea bad.

Then, one-by-one, eliminate those negatives through iterating on your idea.



## 10. You Are Sharing Your Idea

The chances that someone is going to drop everything and devote their lives to executing your idea are slim to none. You are much better off getting as much feedback as humanity possible.

"Don't worry about people stealing an idea. If it's original, you will have to ram it down their throats."

- Howard Aiken

