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1/24: In the past few months I've spent dozens of hours mentoring and coaching Founders at the "pre-launch" stage of their [#startups](#). Some are getting close to launch but most are still trying to figure out what they want to build.

Here are 5 take-aways: 🔥 🧵 👉



2/24: Takeaway 1: Know when to start building

It's important to know when you're ready to hire people and start building product. Action orientation is a great characteristic but sometimes the best next step is to do more research. Don't underestimate the power of learning.

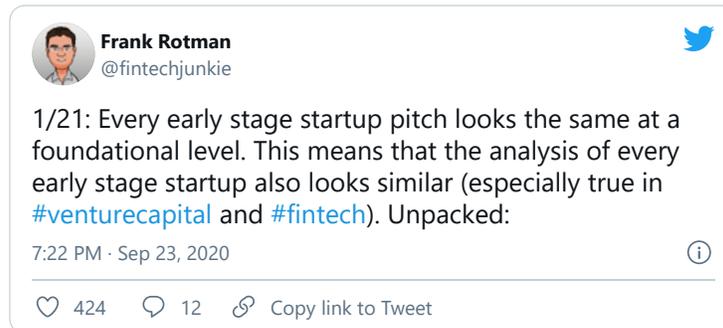
3/24: There's no formula for knowing when it's time to start hiring and building, but you should be able to describe a profound problem (problem statement) as well as one or more hypotheses on how a new business model could solve the problem (solution statement).

4/24: Be able to put your business in the context of what's going on in the market,

who your competitors are, and the trends that favor or hurt your business. Be able to talk to the structure of the market and why the problem you're tackling exists.

5/24: Developing well-articulated problem and solution statements is important because they'll guide your daily activities and learning agenda. You can tap trusted advisors/industry experts to refine your statements. And you can test them out with potential investors.

6/24: More thoughts on problem/solution statements can be found here:



7/24: Takeaway 2: You are part of the story

For early stage startups, the team is a big piece of the investment pitch. It amazes me how little time Founders spend refining the articulation of who they are, what they've accomplished, and why they're backable for "this" idea.

8/24: The reality is that in a first conversation, your background is usually 2 minutes interesting but rarely 15 minutes interesting. This one is really tough for many Founders to realize because they hear all the time that "Team and TAM" are all that matter.

9/24: If an Investor wants to underwrite a startup based on the team they'll ask lots of questions about it. Prepare a 2 minute intro, a 5 minute intro and a job-interview-depth intro but default to the shortest version. Refine, practice and master this. It's really important.

10/24: Takeaway 3: Fall in love with the problem, not your solution

I can't stress how important it is for an early stage Founder to remain open minded in discussions with advisors and potential investors. There's a huge difference between debating and defending your idea.

11/24: Having an active discussion about the major drivers of a business or what one would have to believe about an ecosystem or consumer behavior is healthy. Engaging to understand the logic, grounding and intuition behind different perspectives is what's important.

12/24: Knowing how to discuss opinions that are different than your own is a skill. Falling in love with your solution is natural but being able to adjust your solution as new information or ideas surface means you've fallen in love with the problem. This is more important.

13/24: Takeaway 4: Internalize that you're asking your team and investors to go on a

“contingent probability” journey with you

It’s extremely rare that a great business can be built based on a single tweak to how incumbents deliver their product/service to a market.

14/24: Most startups only work if 4 or 5 critical assertions about customer behavior, pricing, sourcing or manufacturing ALL prove to be true. This is a nasty contingent probability problem that I call “The Tyranny of 0.8 to the 5th”

15/24: Optimistically, great Founders have an 80% chance of cracking the code on a critical business driver. And while 80% sounds pretty good, when all of the business drivers are contingent on each other the chances of achieving "complete success" are very low (do the math)!

16/24: The implications of 0.8 to the 5th are stunning and intimidating. Having less than a 1 in 3 chance of the key drivers working as planned is not a fun statistic to stare at, and this is what one should expect from a World Class Founder. Average Founders don’t have a chance.

17/24: My observation is that second time Founders have learned this lesson and have scars that ensure they’ll never forget it. Many first time Founders don’t appreciate how painful contingent probabilities. It’s how one can mathematically explain why most startups fail.

18/24: Founders should be able to articulate what assertions they’re asking their team and investors to believe and how important each one is to the success of the business. Knowing how much it will cost and how quickly the startup will learn about each assertion is critical.

19/24: And Founders should internalize that it’s impossible to gain confidence about each and every assertion quickly. You can’t accelerate time. You can only focus on a few things at a time. Money and talent are limited resources and can only go so far.

20/24: Takeaway 5: Spend time with your prospects

A “mostly true” truism is that your prospective customers know more about themselves than you do and will share their perspectives with you if you ask. This isn’t “universally true” but it’s true often enough to matter.

21/24: In my recent conversations with really early stage Founders, I frequently found myself asking how much time they’ve spent talking to prospects and what work they’ve done to solicit feedback on phantom versions of their products/value propositions.

22/24: Creating marketing materials that articulate your value proposition helps sharpen your thinking and can provide valuable feedback when shared with prospective customers. I’ve found that the cost of a round or two of this process is almost always worth the time and effort.

23/24: The same is true with mocking up a website. The sign-up process can always end with a waiting list/coming soon message. It allows you to build a list of prospects

you can chat with as well as test various marketing channels to see where there's a pulse of response.

24/24: The TL;DR: Building a business from the ground up is no easy feat. Action orientation is critical but don't forget to sharpen your thinking around the problem you're solving and the assertions that have to be proven. And it doesn't hurt to have an open mind along the way!

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