

**Part 1**

# **How to Evaluate Startup Ideas**

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**How can I predict  
if an investor  
will like my  
idea?**



**Startup = Growth**

**I have a confession.**

**Your *startup* idea  
is a hypothesis.**

**How do I construct  
this hypothesis?**

**Startup Idea :** **Problem**  
**Solution**  
**Insight**

**Problem : Popular  
Growing  
Urgent  
Expensive  
Mandatory  
Frequent**

**Tip #1**



$$B = M + A + T$$

**B**ehavior

**M**otivation

**A**bility

**T**rigger

**Ideal : 1M+**

**Tip #1**

**20%/year**

**Right Now**

**\$B**

**Law Changed**

**Hourly**

**Tip #2**

**Solution : Don't start here.**

# SISP

**S**olution **I**n **S**earch of a **P**roblem

## **Tip #3**

**Insight : Unfair advantages.  
Related to growth.  
You need one.**

**Founders**

**1 of 10**

**Market**

**20% / year**

**Product**

**10X**

**Acquisition**

**\$0**

**Monopoly**

**Boolean**

**Beliefs :** **1. Threshold**  
**2. Miracle**

**Examples!**



# Example #1



# Y Combinator

**Problem** : Hard for founders to raise money without knowing someone in venture capital.

**Solution**: Y Combinator invests in companies through an open application.

**Founders** : First worm. LISP textbook. First SaaS co.

**Market** : Future \$B companies would be technology / software startups. Software startups need less \$.

**Product** : Covering 3 month living expenses is enough. Hackers want to do this. No coworking space is better. Other angels / VCs want to invest in these startups.

**Acquisition** : PG wrote books and online essays with a large audience of target users: hackers.

**Monopoly** : Alumni network more valuable than partners. Easier to recruit. Scales advice. Better beta.

**Results!**

Since **2005**, we've  
funded over **2,000**  
startups.

**Y Combinator is a  
community of over  
4,000 founders.**



**Dropbox**



**Airbnb**



**Reddit**



**Twitch**



**Gitlab**



**DoorDash**



**Stripe**



**Gusto**



**Gingko  
Bioworks**



**Cruise**

**15** \$1B+ companies

**93+** \$100M+ companies



**Our companies have a  
combined valuation of  
over **\$100 Billion.****

# Example #2

The image shows a screenshot of the Wufoo website. The main header features the Wufoo logo and the tagline "The Online Form Builder". A navigation menu includes links for Home, About, Blog, FAQ, Features, Examples, Clients, Partners, and Pricing. A search bar is located in the top right corner. The main content area displays a preview of a "Workshop Registration" form, which includes fields for Name, Address, City, State, and Email. A sidebar on the left shows various form field options such as Single Line Text, Paragraph Text, Multiple Choice, Section Break, Name, Address, Email, Phone, Price, Number, Checkboxes, Drop Down, Page Break, File Upload, Date, Time, Web Site, and Likert. A "Play video!" button is visible on the right side of the form preview. The footer contains the text "The Introduction" and a brief description of Wufoo as a web application for building online forms.

**Wufoo**  
The Online Form Builder

Sign Up for Free! Demo Tour

Wufoo Forms Reports Themes Users

Add a Field Field Settings Form Settings

Click or Drag to Add a Field

**Standard**

- Single Line Text
- Paragraph Text
- Multiple Choice
- Section Break
- Number
- Checkboxes
- Drop Down
- Page Break

**Fancy Pants**

- Name
- Address
- Email
- Phone
- Price
- File Upload
- Date
- Time
- Web Site
- Likert

**Workshop Registration**  
Register now while seats are available!

Name  
Title First Last

Address  
Street Address  
Address Line 2  
City State / Region

Email

Phone Number

1 2 3 4

Home • About • Blog • FAQ • Features • Examples • Clients • Partners • Pricing

Search Wufoo!

**The Introduction**

Wufoo is an web application that helps anybody build amazing online forms. When you design a

**Custom Branding**  
Bring your own logo

**Instant Notifications**  
Send real time to phone & email

**Logic & Branching**  
Alter the form as users fill it out

# Wufoo

**Problem** : Websites need to collect custom information, but you need to know how to code or hire a programmer.

**Solution**: Wufoo is a WYSIWYG online form builder that let's non-technical people create forms and surveys.

# Insights

**Market** : Almost every website needs to collect data.

**Product** : WYSIWYG + AJAX is 10X faster than direct competition. 100X cheaper/faster than hiring someone.

**Acquisition** : We started with an audience of 100K developers. The forms can be embedded on a website and we brand the confirmation page. Our users refer Wufoo to their users automatically.

**Results!**

**Education**

**Students**

**Research**

**Designers**

**Real Estate**

**Engineers**

**Healthcare**

**Startups**

**Marketing**

**Non-Profits**

**Sales**

**Small Businesses**

**Banking**

**IT**

amazon.com.

SONY

nielsen

Microsoft®

NATIONAL GEOGRAPHIC™

c|net

FOX

Washington Post

BEST BUY

Panasonic.

Discovery CHANNEL

twitter

Disney

Y

Com

J. CREW

AS SEEN ON TV

@Cooking.com®

SOURCEFORGE™ net

Kodak

+

American Red Cross

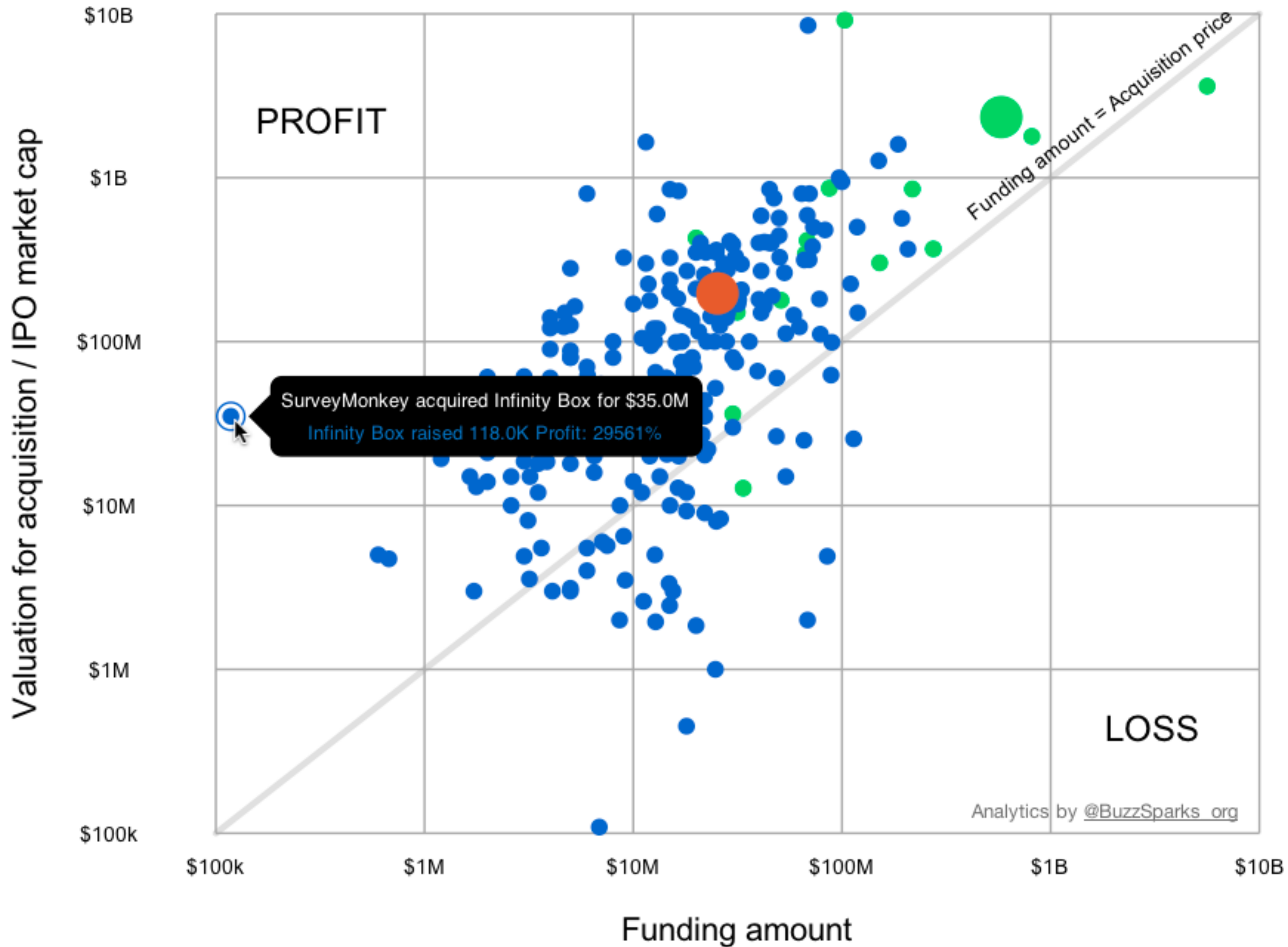
Y



Also this guy. →







**Average Startup**

**\$25.3 M**

**676%**

**Wufoo**

**\$118K**

**29,561%**



**Now you!**

**Your startup idea  
is a hypothesis.**

**How do we prove it?**