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The Best Time to Start a Company is When Nobody Thinks it's Possible

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Kaplan talks about how most people will work on an idea for a company for 2-3 years before they get the money. The best time to start a company, he notes, is when everybody thinks it is impossible.

Transcript

There are a couple of things about starting companies you have to really see. So you get this story of what version if you go to Stanford, you write them. This is my plan, you go base. Money, it starts helping you; yeah that happens but it's very unaccounted. Most people will work on an idea of a company for several years. It's probably average of 2-3 years before they ever really get some professional money, as it's called, put into a company. So the answer is, I would worry about current business conditions in particular. You can develop the idea, you can use it, do a lot of legwork; you can often get into a kind of prototype, put it together if it's a technical thing. And you can do this before you ever really need to go out and raise money. So the answer is, the best time to start a company is when everybody thinks it's impossible.

I mentioned earlier that back in 1996-1997, I was out visiting all my friends over here at the Sand Hill roller coaster. Well, if we would have known at the time looking for a million dollars to put into an Internet auction company, nobody would take it. It wasn't a venture capital for in town that I thought that was a reasonable idea. We went in and did it anyway. There are two good things financially that happened. One of them is that nobody bit on that because we wound up doing it ourselves in putting our money into it, and that made a big difference in terms of the reward at the end of that road. I will tell you the other thing because it involves my ex-wife. The point is that it's often a good time to do that and now we come full cycle. In my opinion, this is a terrific time to start an internet company and I'm not kidding. I can tell you a lot about why I think that's the case in what makes capital.

But surely if you sign around and did not even agree with PC Week or whatever. I don't know what you guys read these days; probably not that. I don't think they publish anymore. But you think this is a bad time to start a company? Not so. I have seen a lot of companies get started; a lot of organizations get started. Typically, that happens in a year or two before you get a serious Venture Capital firm putting financing into that organization. Much more common than get a plan and go Wall Street here and get money. That's very unusual actually.