Stanford eCorner

StartX's Criteria for Entrepreneurs

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Cameron Teitelman, founder and CEO of StartX, talks about the most important factors that the nonprofit looks for in entrepreneurs applying to the accelerator program: an intrinsic passion for the problem they're addressing, a highly functioning team and the ability to build quickly and iterate.

Transcript

To preface that, we're a 501(c)(3) non-profit. And we have an educational mission. And so what we want to do is we want to empower as many entrepreneurs as we possibly can. And so when we are initially starting, a lot of the reason why Stanford didn't want, they were allergic to this idea of an incubator, is they didn't want people who shouldn't be building the companies to be building companies. Actually, they didn't want PhD students to just do it because it was cool, they wanted them to - if they're going to build a company, to do it because they were really passionate about the problem that they were solving. And a lot of people in the 2000s were getting funded just like money thrown at them and so they wasted a lot of their time just working on problems that weren't useful like Facebook for cats. And so one of our core criteria for accepting people is that they have an intrinsic passion for the problem that they were solving. They also have to have an ambition to solve it at a large scale. So motivation and passion are number one criteria. The second is team dynamics.

So we don't just accept excellent entrepreneurs, we want them to be in highly functioning teams. Entrepreneurship is very lonely, it's very hard, a core part of the value we provide, we actually have kind of like an in-house therapists, psychologists like the d.school at Stanford does. But one of the core values we provide is positive psychological motivation, because a lot of times when you're by yourself coding alone in the basement, building alone in your lab, it can get isolating. And so providing people with a community of peers they can benchmark against, that they can talk to about problems, they can talk to investors about or mentors and provides a lot of values. So having that core team that you trust, that you love working with and that complements your skills solves a lot of problems that the company is facing. And I think Noam Wasserman at Harvard said, 70% of companies fail because of team dynamic issues. So team dynamics is number two. The third is ability to build and build quickly. So just like Steve Blank's concepts in the Lean Startup, you have to iterate quickly even in the medical device, even in the medical industry we try to push companies for this. So they need to be highly technically proficient in what they're building in order to iterate quickly.

So we actually do technical screening and technical interviews on biotech companies, on stem-cell companies, on IT, hardware, across the board. And the final and least important criteria to us is the idea. And that's kind of it's like weird to people sometimes; why is the idea the least important thing. Well, it's important that our founders and especially the CEOs have good strategic minds. So they can talk about the problem and lay out and break down and reduce the problem that they're tackling in an intelligent way and then when challenged on something and incorporate that and listen well. And so sometimes people can't listen, or founders don't want to listen and they are too stubborn to listen and that doesn't work, you can't iterate if you don't do that. So they need to be thinking to the idea correctly. However, everyone knows. Well, people like you know who understand the space, the initial idea you start with always changes. But it's important to us that the problem they're trying to solve always stays true because they're intrinsically motivated by it, how exactly they are solving it can change.

And that's the framework we use.