

URL: <https://ecorner-stag.tcg.stanford.edu/quick-dips/stick-to-a-timeline/>

Aspiring entrepreneurs who worry about the risk of financial loss if they fail should set milestones to measure progress against, advises Sandy Jen, co-founder of senior-care startup Honor. An overall timeline for a new venture can serve as a boundary on how much of your resources you invest — though, the only way to know if a product or service will succeed is to build it and see if people want it, Jen says.



Transcript

- Yeah, so the question was if you decide to commit to a startup, do you have to have the money to cover that risk, so if you don't get a job or have to pay rent and the second question was how do you know that the product is right.. So for the first one obviously if you are on paycheck to paycheck that's a little bit harder to take the risk.. I ended up saving some money and I didn't have student debt which is a huge fortunate thing that I had in my life because my parents were able to pay for my education.. The advice I give to folks who are trying to figure out the balance between sort of spending the money using their savings to go and make that leap versus getting a job or doing it part time is that you need to set a timeline, right, and so if folks who say I'm just gonna do this for two years, I need to have a product by this time, a team by this time and I need to launch something by this time, gives you a timeline that you can work with so you can at least plan.. So if you are strapped for cash or you're strapped for finances, set a shorter timeline or figure out some way to make sure that you're reaching those milestones and so it's not some open-ended, ambiguous venture that sort of just sucks everything out of your bank account.. The second question which is how do I know I have the right product, you just don't.. You don't know if you have the right product.. The only way to find out is to launch something and to get feedback, and even when that happens you still don't know until you sort of see success and so that's the market risk part that I was mentioning that spectrum, where if I build it will they come? You just don't know, right, there's no magical formula.. Like why did Instagram succeed and why some other company didn't, why did Snapchat become how it is and how another company that had a similar idea didn't get there.. A lot of it's timing, a lot of it is the right product, there's certain nuances when in the interface that you just have to get right, just sometimes it's by accident and serendipity..

But there's no general like okay I got it, ready to go, you just have to try and see what happens...