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Instagram co-founder Kevin Systrom advises aspiring entrepreneurs to ask themselves two fundamental questions: "What problem am I solving?" and "How broad is that problem?" The answers to those two questions, he finds, often separate the small, personal projects from the ventures that have a shot at becoming successful companies.

Transcript

So here are the parts that we really agree on.. One is, you always wanna solve a problem.. Forget about the skills you have, so Mike was very technical, I was semi-technical but more business-minded, and we came together, had this yin and a yang, but the fundamental truth was that we were both there to solve a problem in people's lives.. And if I could, if I were to write a book on entrepreneurship, it would be called "Solve a Problem." Because too many people either solve their problem, right, and only their problem, or only a specific group's problem without thinking about the larger context, or they just find something really neat that doesn't actually solve a problem, or it could solve a problem, but it's just a fun thing to work on, and it turns out if you don't solve a problem for a lot of people, you don't have a lot of customers, because, one of the people I really liked to read was Clay Christensen, he passed recently, but he wrote a book called "Competing Against Luck." And in that book, he talks about how you have to think about every product as being hired to perform a job in someone's life.. So why do you hire something like Zoom or Skype or GoToMeeting or whatever, right? You hire these things to connect remotely and efficiently and collaborate effectively, right? You hire it as, almost as if you have a bunch of employees in your life, but they're products, they're not people, and what you realize very quickly is each of those pieces solve a really important problem for you.. Because we wouldn't be able to do this without something like Zoom, right? So if you're gonna solve something that matters to people, it might be a really big company.. But if you just wanna build something fancy that looks cool and has a nice demo, it doesn't actually solve people's problems, I think you end up with a much smaller company or maybe no company at all, and the number of, now that Mike and I are doing more angel investing, the number of companies that just start something because they wanna start something, or just start something 'cause they think it's kinda neat, without having really done that deep analysis on, hey, what is the problem I'm solving in people's lives, and how broad does that problem exist, like is it everyone in the world? Is it half the number of people in the world, is it just Silicon Valley? And if you could do that analysis, what is the magnitude of the problem I'm solving in people's lives? How big of a relief will it be when my product exists? And for how many people does that apply? Those are the two axes I look at when looking at opportunities to build things myself, and when I look at opportunities to invest in.. Because those are the things that end up impacting the world the most...