

URL: <https://ecorner.stanford.edu/clips/gradual-growth-adds-up/>

Garry Tan, president and CEO of Y Combinator, encourages startup founders to remember they have to start small and gradually pick up customers, cofounders, and capital. Getting each of these things helps a startup get more of the others.



Transcript

- One of the really cool things that I like to tell people 00:00:06,930 as you're like going into this process of starting startups is that, who here has heard of a very obscure 1990s, 2000s game called Katamari Damacy on Sony PlayStation? Like three people. It's a great game, by the way. I swear this story is going someplace. You are actually, in the game, this alien that is sort of pushing this, you know, little ball around. And basically the premise of the game is you start off very, very small. You're picking up, as you can see, acorns or chess pieces, and things like that. And if you hit something that is smaller than your ball, you pick it up and it becomes a part of you. And if you try to pick up something too big, not only do you not pick it up, you bounce off of it and your ball gets smaller. And that's sort of like the plight of every startup founder. You're out there just trying to get something to stick.

And if you try to get something too big, it's just wasted energy and it's not gonna happen. And so the game starts off very small, but then by the middle of the game, you're picking up cars, you're picking up trees, you're picking up buildings, and then by the end of the game, you're picking up entire continents. And so I guess like, that's just the metaphor that I learned from Y Combinator about when these startups actually start, they start off incredibly small. And then to use this game metaphor, when you're starting off, you're actually not trying to pick up like physical objects. You're actually trying to pick up these three things, co-founders and people to work for you, who then build the product that solves a problem that then gets you customers, and then capital comes and allows you to hire more people to then and or to buy more customers, if you have to do it that way, right? So this is like this virtuous cycle that is happening absolutely all the time. And I think one of the things that I really encourage you to think, the reason why this is a useful analogy is because one, when you start out, what you'll find is like one thing helps you massively in the other things. If you get a truly great co-founder or tech, if you're technical and you need a non-technical CEO, or someone to buy, sell for you, or vice versa, like suddenly you're able to convince customers who you wouldn't be able to access any other way, or and you'll be able to raise money, and then that'll help you hire people, and then you'll get better customers, and so on. Like, basically that's all we're trying to do. It's just a useful thing that I find myself trying to explain to people absolutely all the time. And one thing that this is also useful for is, this actually sets up a little bit of an OODA loop, like a game loop.

It's literally just keep trying to get each of these things, push as hard as you can, and then if you can't get any more of any one of these things, go to some of the something else, go get that, and then come back to those other things. Like you can

basically, you're not going to be able to get absolutely everything all of the time, but by actually switching between different focuses, like these specific three things, you're always going to get closer to basically taking over the world...