

URL: <https://ecorner.stanford.edu/clips/startup-mistakes-to-avoid/>

Shiza Shahid, co-founder and co-CEO of Our Place, advises founders not to follow the herd when they're making decisions. Instead, she says, they should figure out what their company's steady-state data looks like and anchor their decisions in it.



Transcript

- Could you talk about the worst 00:00:05,160 decision you have ever made? - Okay.. That's a tough one.. Worst decision I have ever made.. 00:00:18,151 I don't know, probably like a bad date or something.. (laughter) Um, in the business world.. I think some bad decisions that I've made have stemmed from, "Oh, this is what everybody does." "Oh, let's go and pay this really expensive branding agency way more than like, we can afford." "Oh, that's what everybody else is doing, right? And they're so good and they did that brand, and they did that brand." Or, "Let's go and hire this really like senior person from a very large company even though we're a startup that needs people who have startup experience and can navigate all of that uncertainty." I think it's those things that often lead to, to bad decisions is the sense of FOMO, or the sense of, "Well, that's the formula.. That's what they did and they did, so that's what we should do." Those are often the things that, and often you have the Spidey sense of it doesn't feel right, or I don't know if that interview wants something, that's when I've wasted money or paid too much or brought someone in who was clearly not the right fit and it was hard for them and for us.. Those decisions are ones that now I really try and avoid.. I think the other thing is decisions made from a lack of data, right? So we as a business of four and a half years old and we've gone through a pandemic and a recession, right? So as we look at our business data, it's hard to know what we think of as a steady state and to make decisions based on that.. So those would be, I think two areas that I would be cautious of as you build is, don't try and follow the herd, there's no formula for it, there are no magic bullets..

And try and figure out as quickly as you can what your steady state data looks like so you can forecast and predict and plan better...