SECRET TO STARTUP
FAILURE

☒ Fail fast
☒ Fail cheap
☒ Fail happy

SONIA LIN

"I came, I saw, I failed."
"Success is one-percent inspiration, ninety-nine percent failure."
"If you haven't succeeded yet, keep failing."
"The unfailed life is not worth living."
"When in the wrong, fail as the wrong men do."
"Be the failure you want to see in the world."
"To every success there is always opposed an equal failure."
"Call no man happy until he fails."
"A success is worth a thousand failures."
"You can fail all the things some of the time, and some of the things all the time, but you cannot fail all the things all the time."

SECRET TO STARTUP FAILURE

Fail Fast. Fail Cheap. Fail Happy.

SONIA LIN

Secret to Startup Failure: Fail Fast. Fail Cheap. Fail Happy. by Sonia Lin

To all entrepreneurs
who are crazy enough to keep failing.

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PREFACE

This book germinated from the webcomic series *EntrepreNo's: Secret to Startup Failure* that I have been maintaining to illustrate and ridicule the lack of work-life balance in a startup. While my own startup experience serves as the major inspiration of these comics, the readers of the series — who are mostly entrepreneurs, developers, and people with other roles who are influencers and enthusiasts in the startup scene — have been expressing how accurately these comics reflect the ups and downs of their startup life, in a subtle and funny way that only startup people understand well.

This book is meant to take the comics further into advice on different aspects of a startup life while serving as a light, enjoyable read. It doesn't teach success. It doesn't teach how to code or run a business. It's about sustainability at all levels that serves as the foundation for long-term success in an entrepreneurial career. While the title "Secret to Startup Failure" is meant to be tongue-in-cheek, as so many startup resources and experts are trying to give advice on success rather than failure, there's a dose of secrecy implied, as the startup world for many people is still a black box despite what a thriving community it is today. This book is going to help people who are in the dark.

It couldn't have been more mysterious to me when I first treaded into the startup scene as someone who had never devoted my studies to business or computer science, in a city where I had barely lived for a little more than one year after finishing my Master's degree. It was Chicago, where Groupon had just become a household name, where business schools were starting to breed entrepreneurs — including Northwestern, where I had just graduated from — where startup events were starting to burst the calendar and be hard to choose among. Life was filled with possibilities, and we — my co-founder and I — took nearly every single one of them. We had immense passion and energy, and we did everything deeming a startup successful and never slacked on the hours. We achieved some milestones that looked like a sure ticket to success — top prize of a business competition, national media coverage, endorsements from numerous

organizations, and on and on. This early prodigy also enabled us to attract talent that injected new energy to the startup on a continuous basis.

After all these endeavors and achievements, the startup still failed to grow into a sustainable business. It seems like we tried too hard, but we got it all wrong. None of us had worked in a startup and we had no idea what productivity and growth look like. We mistook red tape for growth. We mistook politics for discussions. We mistook fame for validation. So many years of experience, coming from so many talented individuals we were able to recruit, rendered a startup that looked nice and professional instead of producing something real. We were already operating like a corporation, but without a steady revenue stream yet, and the attention needed for the product was constantly diverted to trivial discussions that continuously drained our resources.

And above all, we were not happy, and our lives were completely out of balance. We wanted everything done right and well, yet we never got to that point because we already had taken too many matters into our own hands. The company wasn't driven by passion to create a change anymore. It drowned in its self-defined infinite loop in which the condition could never be met, and one simply had to try to escape before being further stuck. It's not a lifestyle worth living again, not because it was crazy, but because it was crazy AND it didn't get us a successful, sustainable startup.

What I believe was missing from it was balance — what distinguishes work from life, day from night, different times of the day from each other, what regulates our rhythm and sets a limit on our indulgence when technology and connectivity trick us into thinking we're invincible. We needed balance to give perspective, to separate the important from the trivial, to contrast good and bad, to give the peace of mind to set priorities when overwhelmed by possibilities. We needed balance to give distance for mutual respect and appreciation, freedom for ownership and creativity, room for trial-and-error, as those are what separate startups from all corporations, that leverage individual power to defy the masses and create unique value.

While there is much literature out there about startups, it won't make you laugh, but this one will. While there are enough experts telling the secret to startup success, this book tells you how to fail safely in preparation for the next big success. While everyone is saying you are not doing enough, this

book says to make smart decisions on how to spend limited time and energy for sustainability — and nobody should care about that more than you.

So here's my secret to startup failure — fail fast, fail cheap, and fail happy.

Sonia Lin
January 2014

EntrepreNos.com

WHO THIS BOOK IS FOR

This book is for those who want to change the world and need a better idea of what a startup life is about — besides the story of a garage and a bunch of college kids the world is feeding them. While there are many rewarding, successful career paths out there that are equally demanding, those who choose this path deserve a salute for the possibility of no reward and a tumultuous life waiting ahead. This book is so they know it can really be that cool, not because they are going to rule the world, but because it'll probably suck, and they'll still power through it and make a difference.

This book is also for those who have been on an entrepreneurial journey that turned out less successful than expected. As the book is based on the belief that long-term sustainability is the real game, not the short-term validations that are more noticeable, it reminds them they are on the way to their big break and they are not alone. This book will give them a new perspective on many funny and trivial things in a startup life that at times can seem like life or death.

This book is also for those in the startup world who want to be happy. While there are many sources of happiness, the one stressed in this book is the one that cannot be messed with — physical and mental health. Health is what helps sustain people with reason and purpose, what makes them logical with perspective, what makes them smart with humanity. I argue it is the thing that produces way more positive results in the long term than any benefits or recreation facilities in the company, and ultimately makes the distinction between lines of code and a true innovation that changes the game.

HOW TO USE THIS BOOK

This book is best enjoyed when randomly stopping at a section or page that will give either inspiration or warnings when one's deep in the woods. This book is not a step-by-step guide to creating a business, failing a business, or accomplishing anything. The chapters that describe different aspects of a startup life do not follow any particular order, as they are things to consider no matter at what stage one is in the startup life.

This book serves as a reminder of the potential pitfalls of one's startup life, and is suitable for any phase of a startup, and any kind of a startup. It can sit on one's desk as a casual read — at the risk of finding out the startup matches all symptoms when it's too late to make one's way out.

Last but not least, this is a book for one to laugh. It can sit at the startup office as a convenient warning for a volatile colleague who needs a subtle way of hearing of the need to regain balance — at the risk of triggering more danger because that person is likely to yell, "I DON'T HAVE TIME!"

HOW THIS BOOK IS DIFFERENT FROM
ENTREPRENO'S, THE WEBCOMICS

While the book germinated from the webcomic series *EntrepreNo's: Secret to Startup Failure,* which is well-known among the startup community for conveying the humor and ironies of the startup life, this book is the pro version of the comics, and serves three purposes:

It's relevant

The book takes on common themes in a startup life where varying levels of failures may exist, offering everything from a productivity boost to working environment tips, which are not only more relatable, but also no less important than big strategy talk to the sustainability of one's startup life.

It's deep

The book is intended to lend insights into a startup life that is captured in snippets in the comics. While the humor only makes it more enjoyable, the lessons implied are not to be overlooked; here they are explained in full.

It's logical

The book focuses on various aspects of failure and explains why understanding them is equally worth one's attention. It not only points out areas where failures potentially occur, but also recognizes areas where it's okay to fail to meet one's unrealistic standard in order to achieve long-term success.

Chapter 1
Getting Ready

What one absolutely needs to know about starting up a business

Know Thyself

Forget other things that they all say are important to start a business — enough capital, connections, education, and so on. They will be figured out if you get one thing figured out first: yourself.

One may wonder why this even worth mentioning — 'Why wouldn't I know myself? If not, who would?" However, today's workplace is mostly constructed upon people's expectations of the role one plays, not so much about who that person really is. Name any role and there are expected attributes attached to it — consultant: eloquent and diplomatic; engineer: analytical and factual, and so on, which we call professionalism. Coupled with the blurring line between the workplace and personal life, one may end up spending more time complying to the expectation than being oneself to the point that one's preferences and aspirations get buried into the day-to-day activities coming into the role or multiple roles one plays.

Starting an entrepreneurial journey means you're adopting a role free of a lot of constraints and expectations from a conventional job. Also, if this is a full-time venture, you're blessed with a wealth of time that even the wealthiest and most successful person cannot have. What does this mean?

That means you're responsible for defining everything. What is the best use of the unique skillset that you know the best? Which areas do you need to hire pros for, and what can you slap together by your own? What would you need to work on to truly own that area? What working conditions do you thrive in? How much work is too much for you? How long without adequate sleep and food can you stand while staying reasonably lean and frugal? Who would you enjoy working with, or maybe it's better to be on your own? Chances are that one has never been pushed hard enough to learn all this when being employed, as a lot of variables were fixed. Now the entrepreneur has to define all the conditions out of a sea of uncertainty.

> Tip:
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> Check out the book *Identity Economics: How Our Identities Shape Our Work, Wages, and Wellbeing* by George Akerlof and Rachel Kranton, which is about how people make choices based on who they want to be, instead of economic incentives alone; it also explains how people submit to the norm of the group they belong to, or try to be part of, and suffer from the resistance to it.

Besides, clarifying one's motivation for starting a business could help narrow down the limitless options one is overwhelmed with. Some want to be king, some want to be rich, some want freedom, some like to invent.

One's preferences and motivation may not be entirely clear until going further down the entrepreneurial path. Along the way, there are distractions, as well as possibilities, that implore the entrepreneur to look within with deeper understanding. Before starting the journey, it's important to make time to ask oneself, "What makes me happy? Why am I doing this?"

Besides that, happy starting up. Seriously.

Chapter 2
Impressions vs. Reality

The startup industry has become the new entertainment industry, where those who make it are glorified as stars and featured on media, with their valuations skyrocketing overnight. With success stories like these, it's tempting to associate the startup industry with glamor and an indulgent lifestyle.

While it's up to every individual to decide how to live off their success, coming to the startup scene out of the motivation to be treated like a rock star will most likely lead to disappointment, as the strain on resources before a reliable revenue stream is established is more likely to require austerity.

The End of the Tunnel

Everyone's heard that startup life is intense, crazy, and inhumane. However, all this has to pay off somehow, right? Money-wise, maybe, but there's a great chance of startup founders and employees working their butts off only to find wilderness at the end of the tunnel.

Aside from the uncertainty of success, normal friendships might be hard to hang onto when startups go by a different norm that seems like a different world than the outside 9-to-5 life. Once startup founders succeed, friends flock to them all of a sudden as it's already hard enough for these startup people to surface from the dungeon, let alone to finally come out in glory; if they don't make it, they're probably forever forgotten. Either way, they're already out of the loop in having conversations with normal people, and even great friendships can hardly sustain a life spent in this wonderland called the startup world.

Friendship
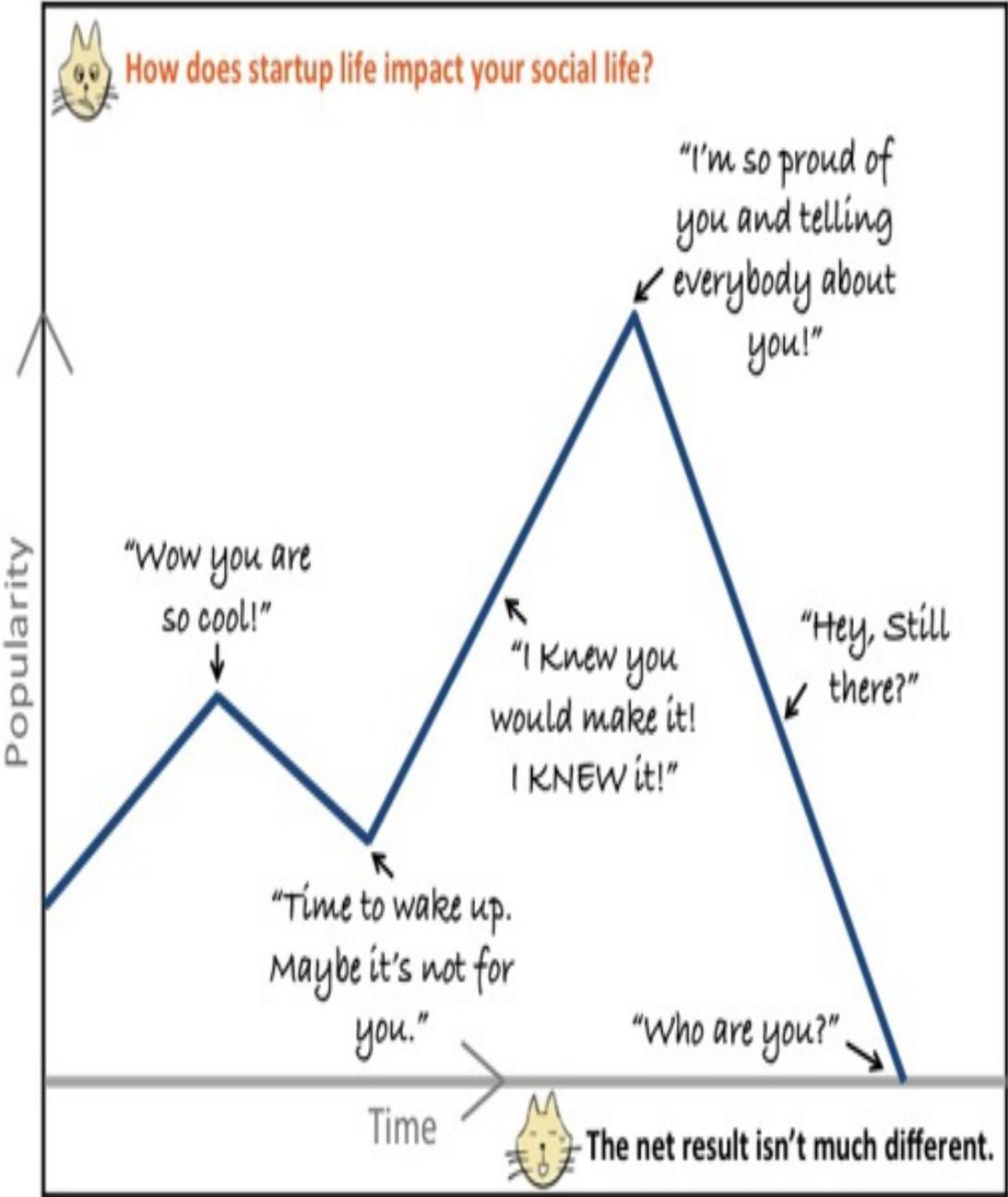
Networking
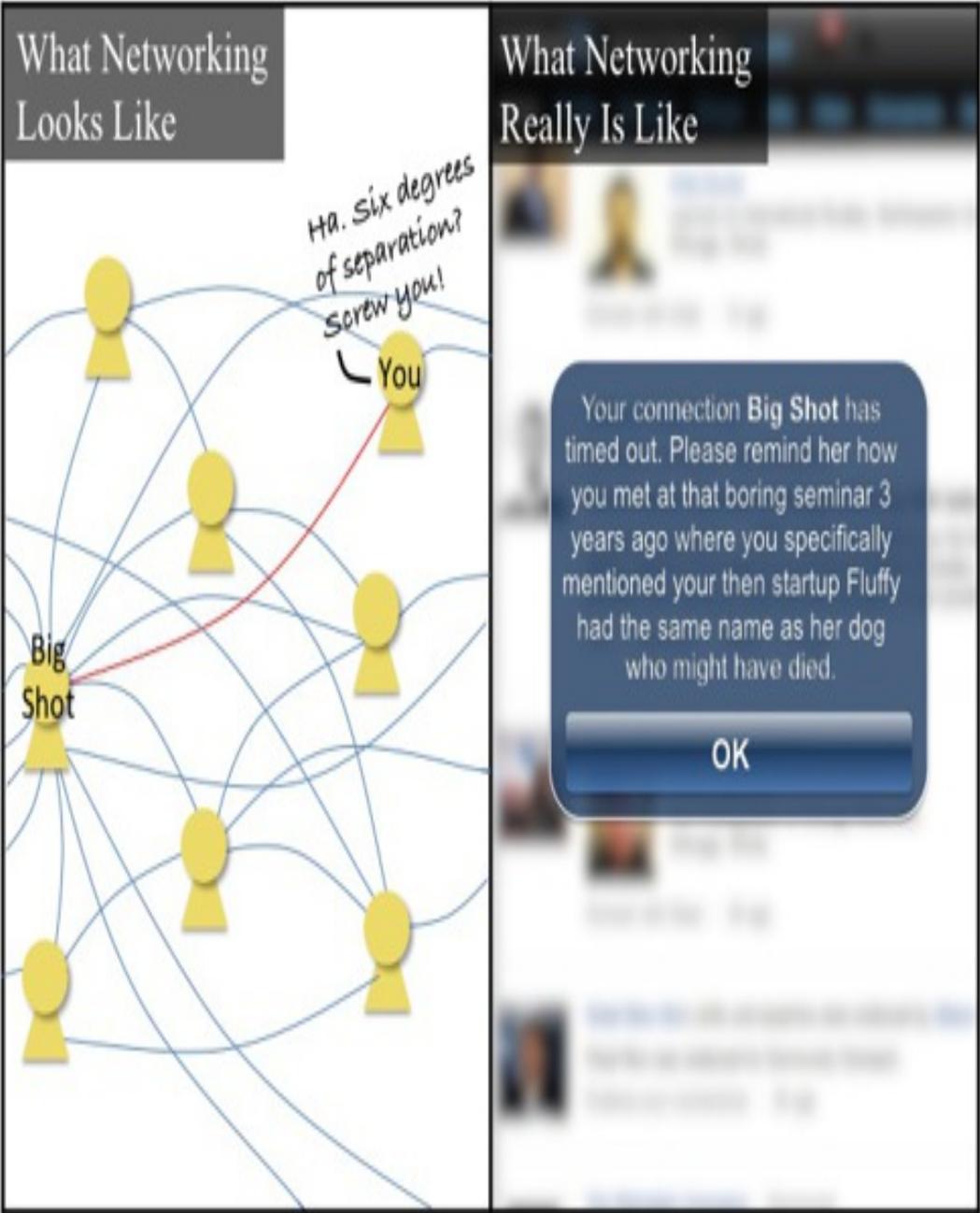
Compared to college friends to party with, the folks entrepreneurs run into at those startup meetups may be ones they'd want to build relationships with on this bumpy ride. One reason is that these people share common themes and issues faced in building a startup, another being that the startup circle is a small, exclusive one, making it a supportive community. The open-source culture in Silicon Valley might have had its influence, which then shaped how startup people connect and collaborate on ideas.

However, as so many people are connecting all the time, exchanging cards and ideas, these people can easily become no more than one of those names in a long list of LinkedIn connections, just as others' names are on theirs.

Therefore, it makes sense to either focus on meaningful relationships that create mutual values, or simply have fun hanging out. Being in the room full of a whole bunch of other ambitious, forward-thinking entrepreneurs can easily convince people they're onto something big, but this is not where things get done. These meetups should be treated as water coolers, never forgetting that there's a company to build.

The Perfect Launch
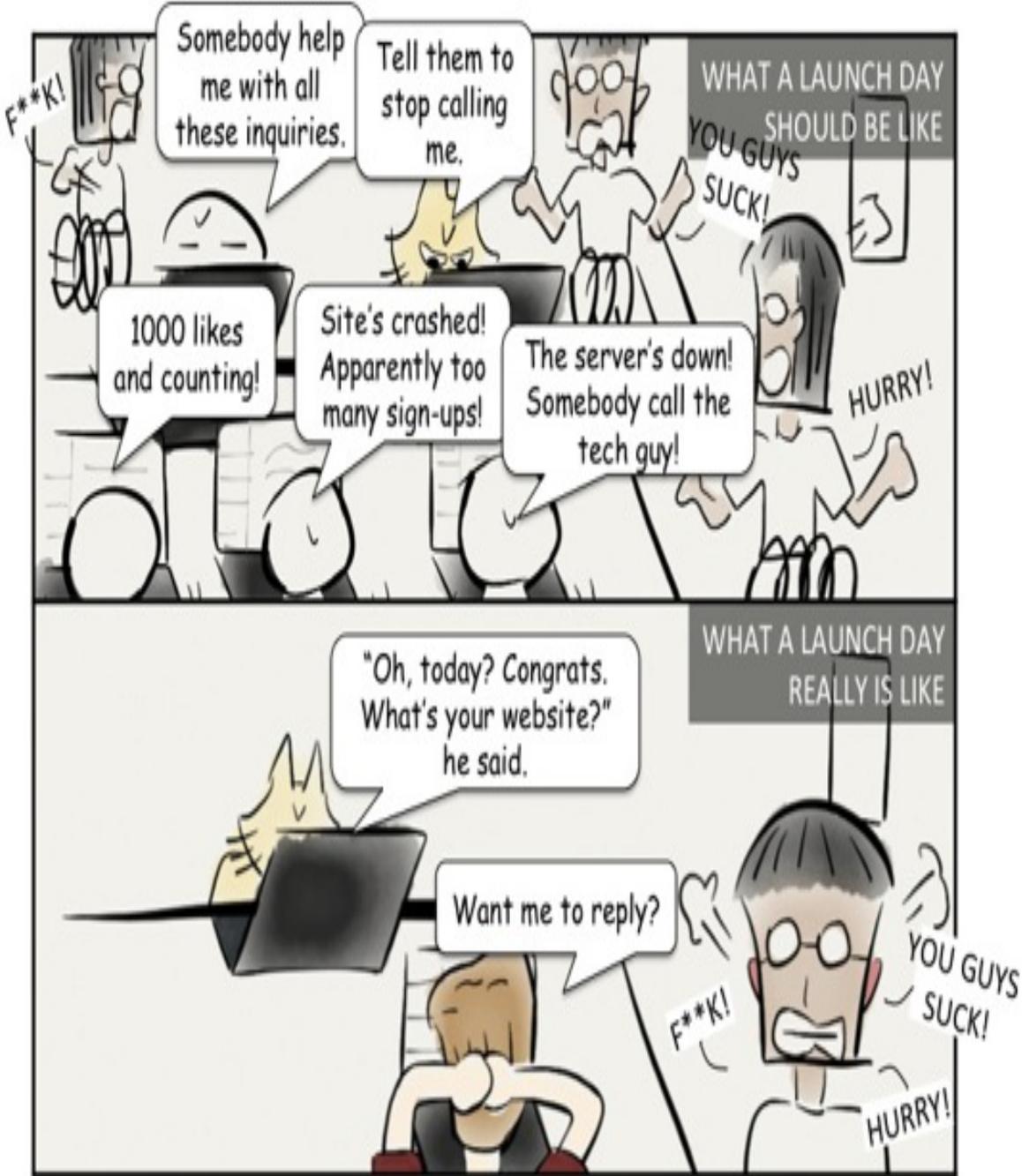
After God knows how long, the day finally comes that's been planned and dreamed about numerous times. Going over the plan again and checking off all these items, people, and services that should be ready, it may feel like something is bound to be missing, and something can randomly ruin the perfect launch that the team has planned for so meticulously.

But freaking out and ruining the team morale is the last thing to do on this day. Most likely, a lot of things that are ready won't even be used due to all sorts of situations — mispredicted traffic, unexpected needs that require more resources, or even because nothing in particular is achieved that day. No matter what happens, the launch day can be considered as just a point along the continuum of the life of the startup. It's the long-term viability and values that are more worth attention than a launch day.

No Matter What, You've Still Got Pizza
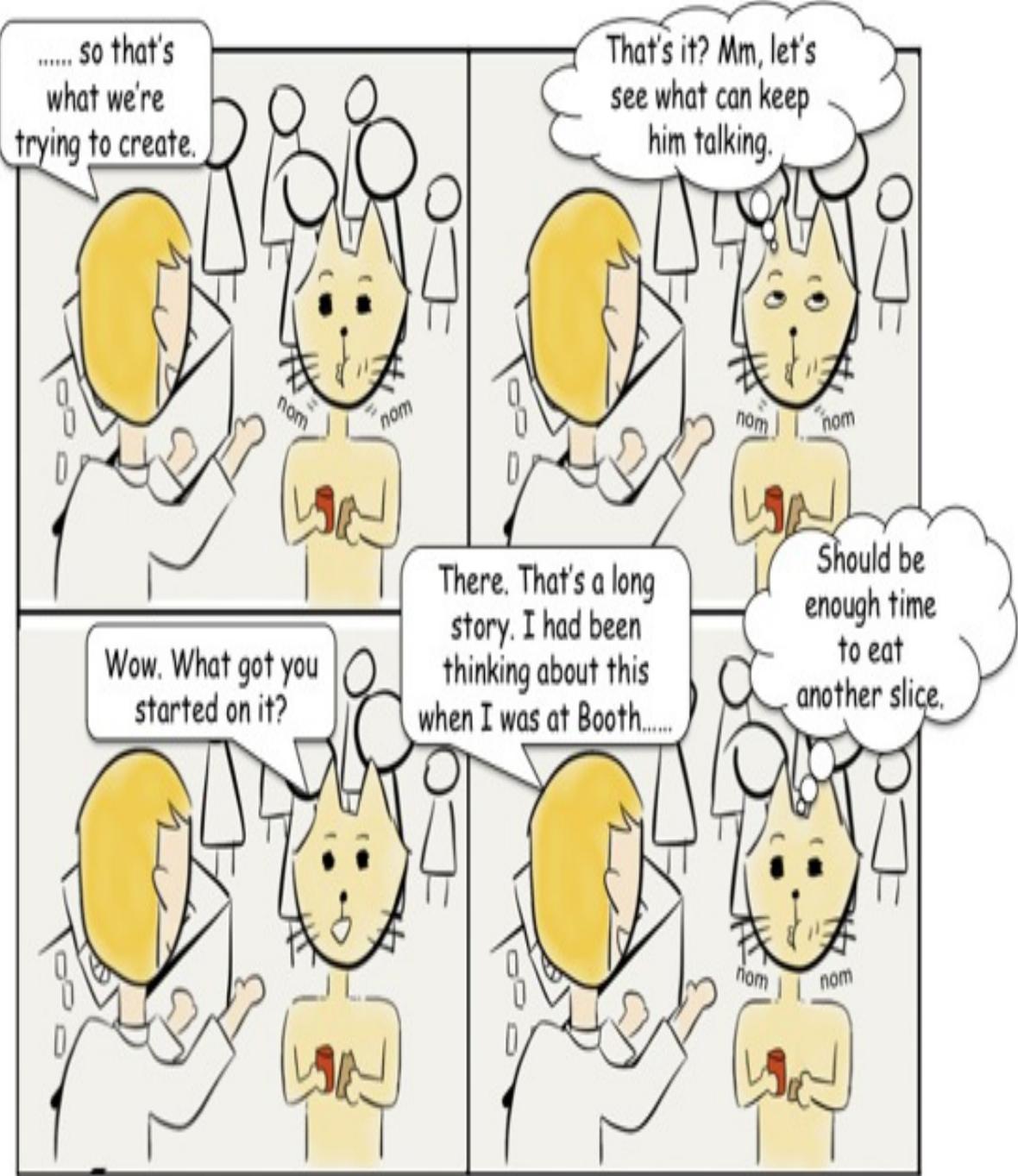
Chapter 3
Co-foundership

Even though the analogy of a co-foundership to a marriage is an old one, it is still incredibly accurate about the dynamics between co-founders. However, as most depictions are based on the part where the perfect match is made in the initial stage, the emphasis here is on the long-term sustainability of the co-foundership for the company's growth in order to achieve its business goals.

Do You Need a Co-founder?

While a lot of startup ideas germinate from a casual lunch or a round of beers, it's natural for those involved to form a pact to take these ideas to the next level. However, a chat is temporary and whimsical, but working based on a chat is a drag-along process. First of all, is a co-founder necessary to pursue the venture, and if so, what is the purpose of one?

For companionship, it's better to get a cat. For someone to drink the Kool-Aid with, maybe. For peer pressure and accountability, sure. For expertise that is highly sought after, the business is going to be in trouble if it relies on one individual — because that person is likely to have a well-paid job somewhere else, have little time for a side venture, and might leave before putting enough time into the startup to pan out to anything. A better choice is someone who wants to grow and learn, and is in sync with the founder (meaning making it to one meeting won't require rearranging five things). Anything can be learned if the desire is strong enough, and becoming an expert quickly can happen while growing with the company. It may be essential to cut back on time-consuming things that seem to require great expertise for the time being, depending on the stage the company is at, to avoid drowning. One example is that it's not necessary to be a computer science graduate to build a functional prototype, as a few tutorials can give enough of a head start, but when the company website has to accommodate traffic like that on Facebook, a team of experienced tech people in charge of different parts of the website will definitely be needed to handle the job.

> Tip:
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> There are quite a few websites to look for your potential co-founder online, such as FounderDating, CoFoundersLab, Founder2be, etc., while there are also plenty of offline events listed on event management sites including Meetup and Eventbrite to make connections in person. While the former is a great way to meet a bigger pool of people with particular skillsets, the latter provides the in-person connections that matter a lot more than paper credentials in a startup.

Co-founder's Dilemma

One good thing about having co-founders is for them to remind each other of their downfalls that may affect the company. However, as the relationship builds, things can get personal, and big things can get delayed for small things that get blown up. While it's essential to put the brakes on patterns that are detrimental to the company, it's hardly possible to change somebody's personal beliefs, pet peeves, preferences, or other traits that together contribute to one's uniqueness, and therefore to the minor fallouts that could eventually bring the business to a halt. How to go about channeling somebody's uniqueness into the business but not have that person's downfalls manifest negatively is a constant struggle in a close working relationship, as they are two sides of the same coin.

Match Made in Heaven
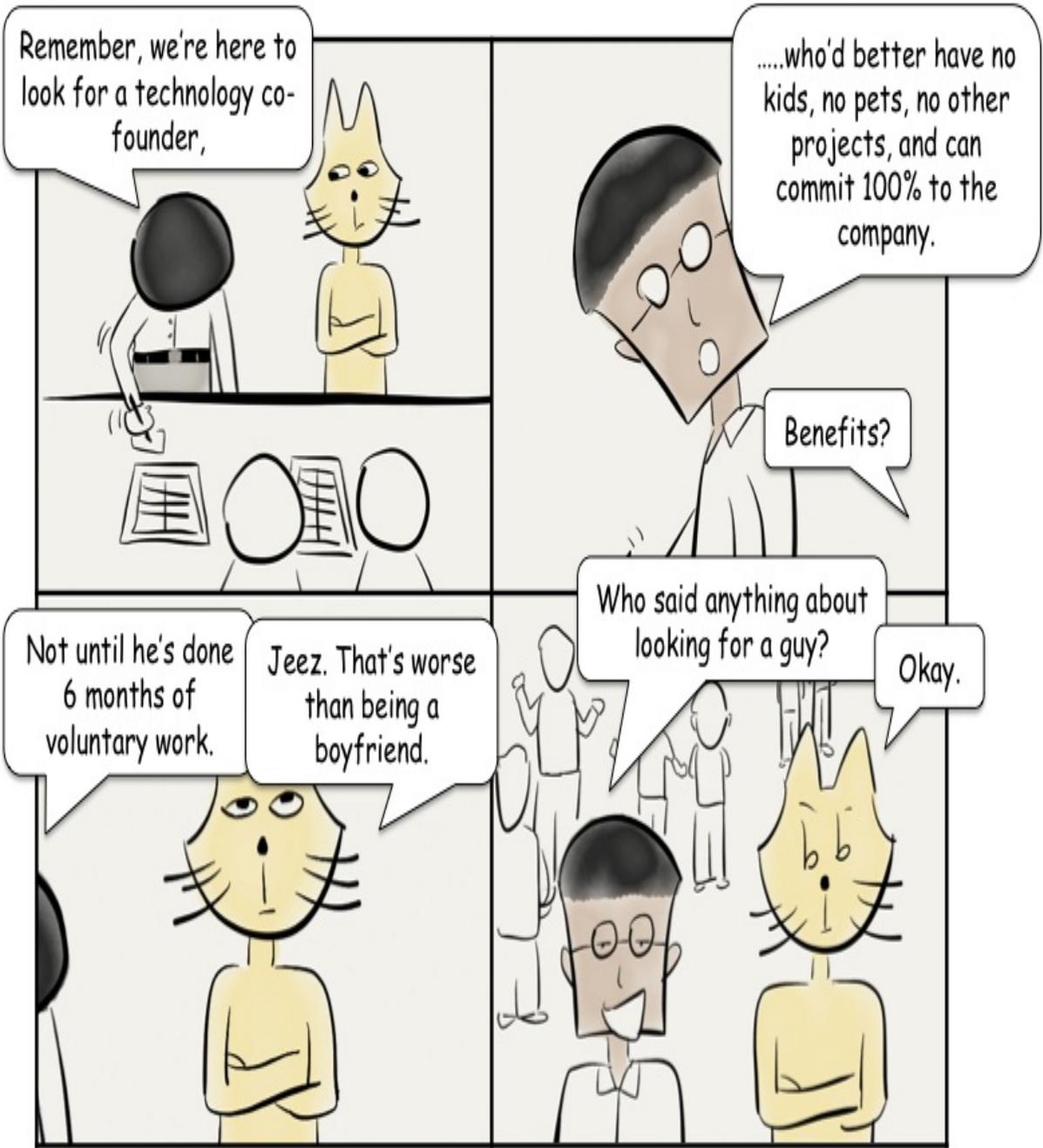
Good Cop, Bad Cop
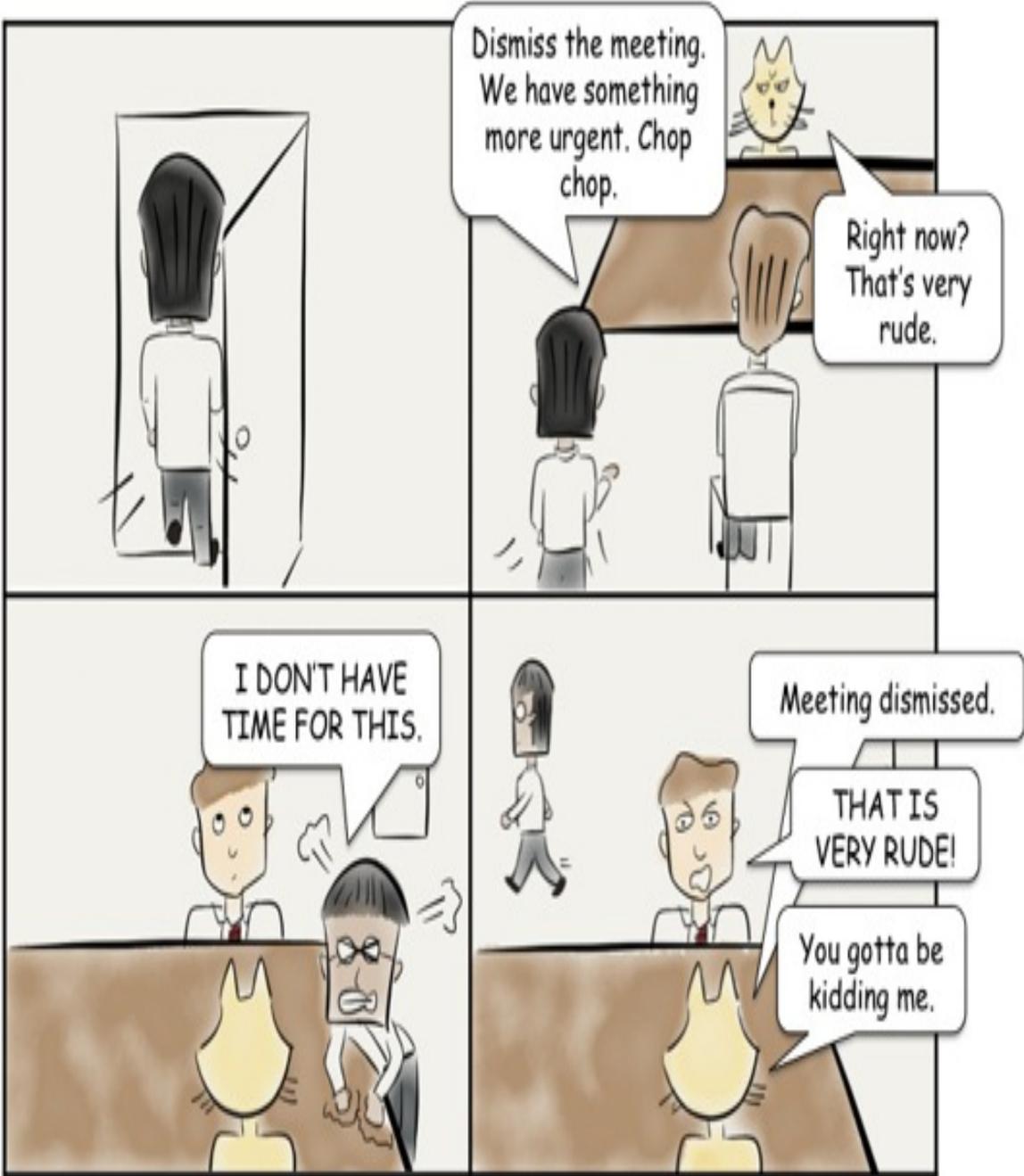
This pattern is more common when the team has expanded beyond the founders and other people report to them. The good thing about having co-founders when hiring is that it's easy to put on a show and together exert more power to keep the hires working. An imagined conversation from a co-founder to a potential hire might go like this: "Michael wasn't so impressed with your design, but I fought for you because I see something in your work." Or, to a team member to encourage putting in more work and hours: "I'm not sure what you're up to, but Mandy has concerns over your commitment to the company. I need you to know I'm with you, but you need to prove your worth." These statements may not even be true in their references to the other person, but they come out very powerfully through a middle person.

There is a fine line between management and manipulation. If someone likes this kind of drama too much, a team with few people can easily be buried in Microsoft-level fights which can take up all the valuable talents and resources. An established organization can stay afloat with this kind of drama because of relatively stable revenue and continuously incoming talent, but these fights can kill a startup that has few resources to spare.

All Is Fair in Love and … Startup

Distance

Haven't many people had the experience of looking at one word for so long that it doesn't look like that word anymore? The same is true for a person seen every day. The same is true for one task that's been worked on for too long. This is the rationale for leaving distance at the office to avoid being freaked out by another person's keyboard littered with potato chip crumbs. It's also wise to have a safe escape somewhere out of the office to get away from fights over stupid things, and to have a designated period of time per day or week when people ordinarily seen every day absolutely do not see or talk with each other. The sight lost when immersion in a co-foundership is too deep will be regained by living in the real world; the insights regained by reflecting internally and interacting with the rest of the world will bring new energy to the co-foundership.

Trust

There is a Chinese folk tale that tells how one person's suspicion can interfere with his judgment. A man loses his axe and suspects that his neighbor stole it. He observes this guy very closely, finding that the more he looks, the more this guy seems to have stolen his axe. One day, he finds his axe, which he had misplaced somewhere else. Now when he looks at his neighbor, he doesn't look like a thief anymore. Similar situations arise in science, where the term "observer's effect" in physics describes how an object being observed is altered at the same time.

How this concept plays into a co-foundership is that when two people are as passionate about an idea they believe will be a world-changing business, it's easy for either of them to become possessive and delusional. It's like two parents vying for the attention of their beloved child who can end up in court competing for guardianship. The child here, the startup, is a premature thing, which may not even make its way to daylight when the war rages on.

Communication

In a startup, where the infrastructure and reporting system aren't formal, open communication is definitely important and can't be stressed too often. However, the dilemma comes in when productivity and communication can be in conflict with each other — too many meetings and co-working sessions can compromise quality of thinking and work requiring uninterrupted long periods of time, and too many emails and phone calls can compromise productivity and invite unnecessary discussions over details.

People coming from corporate backgrounds or with a track record of promotions are especially susceptible to overcommunication, as that's how the conventional workplace judges an individual. However, in a startup, that's counterproductive — it's how many bells and whistles can be left out to make things work and expand, not how many issues are brought to the table and how much people get themselves heard. If too much time is spent on talking and huddling between co-founders, that is one big flag — they might be running a fraternity, not a company.

Chapter 4
Demands of Startup Culture

The startup world is infamously demanding in terms of the working hours, caliber of work, and determination. However, in this aura of insanity and rulelessness, it's hard to draw the line between, for example, cutting-edge and useless, perfection and minutiae, influence and politics.

It's essentially impossible to get it right every step of the way when starting a business, simply because there is no need to — as there's always trial and error, which is where surprises usually appear. On top of that, when a single standard is placed on everyone regardless of his or her unique assets and preferences, what comes out of it is a group of corporate robots, which defeats the purpose of a startup.

Rapid Development
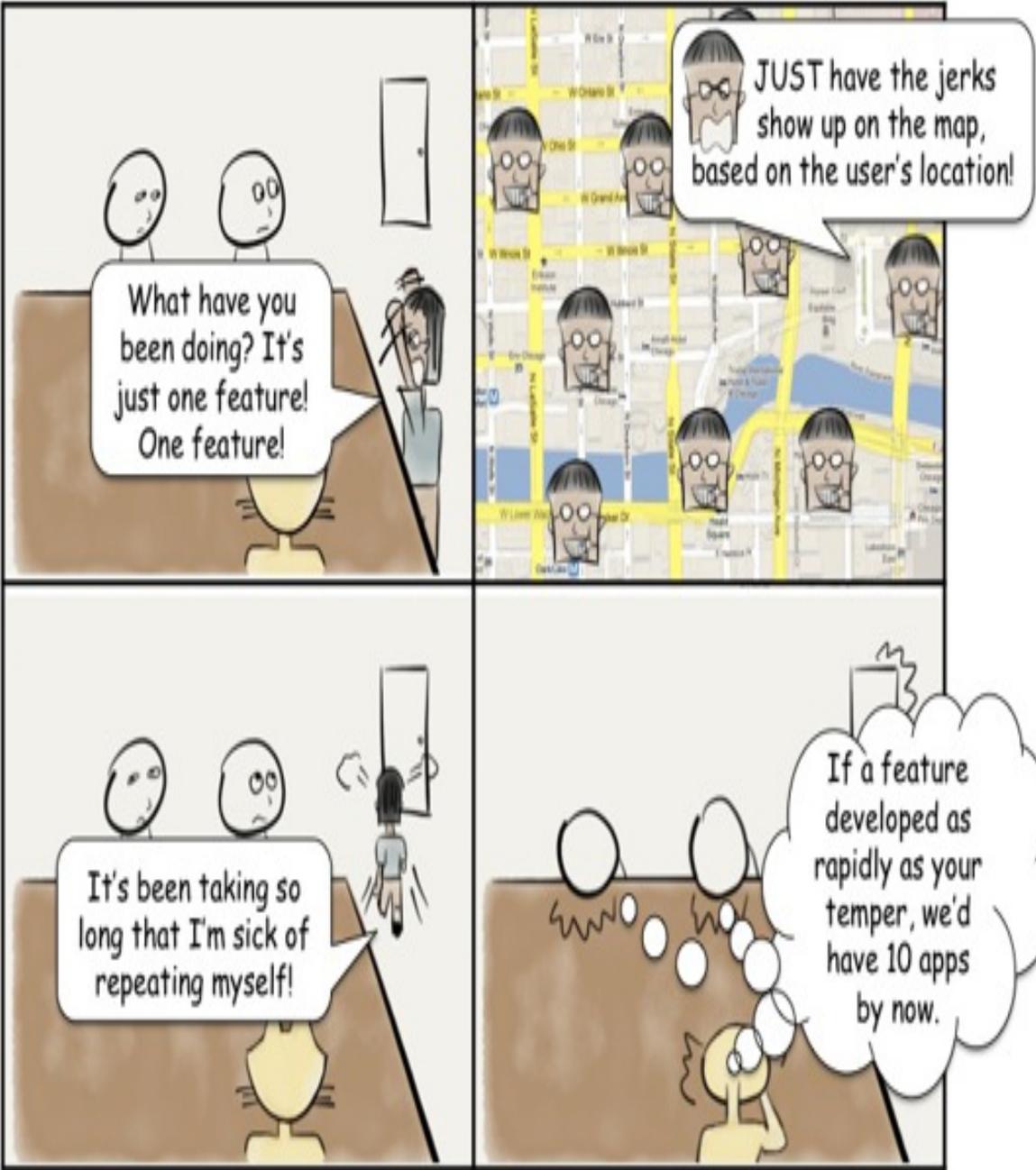
# Logo Matters
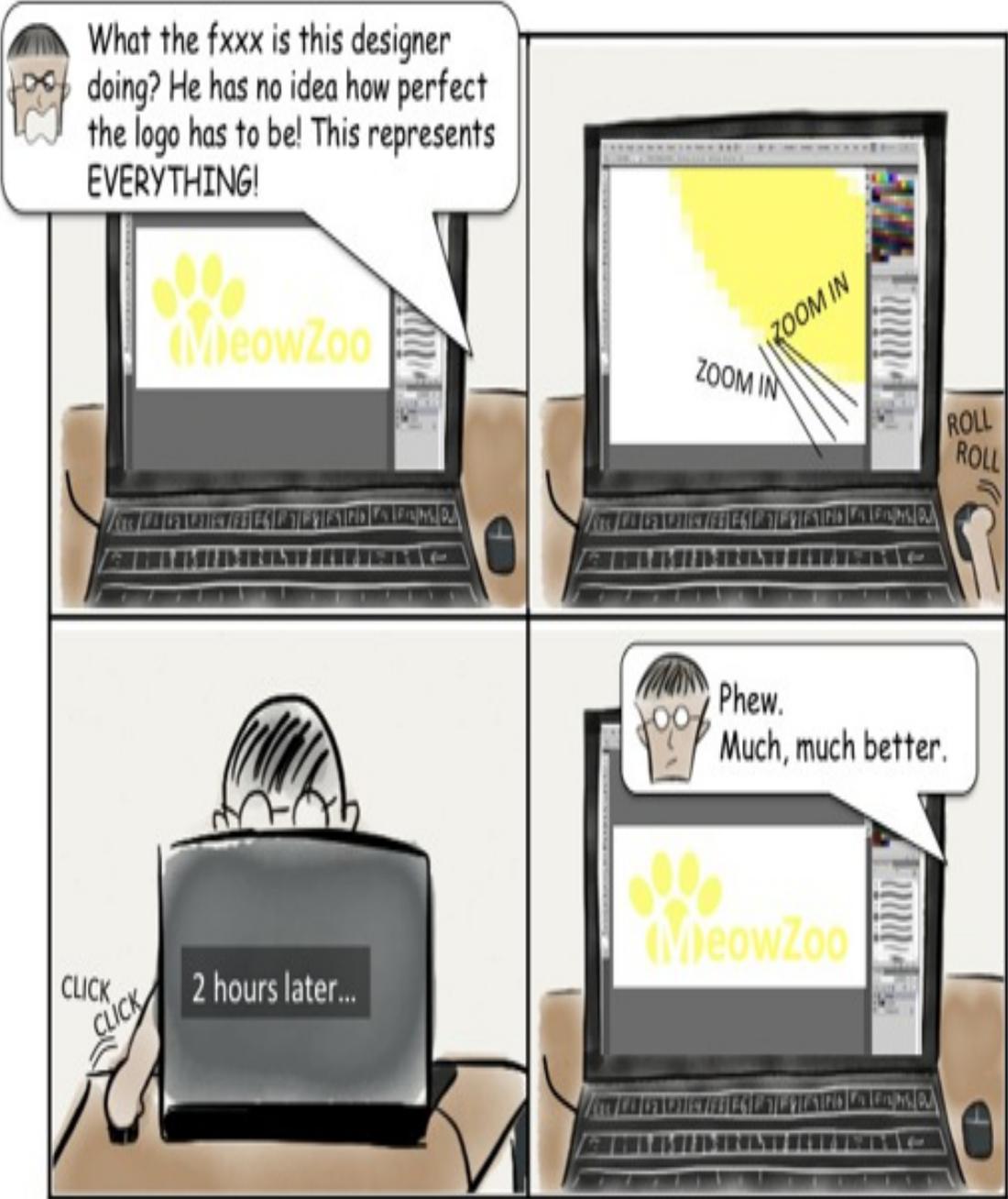
So how important is a logo? Some might advocate for its utmost importance because it's the face of the brand and it's the first thing people come to know about the brand; others might say that every aspect of a business makes up the entire user experience, and the logo is only part of this.

Regardless of opinion, the point is not the logo per se, but what is really worth spending time fixing — and the user is the one who can convey what's really sticking out. When someone is deep in the woods for a very long time, it is easy to become blind and lose sight of the whole picture. Everything gets magnified, and then everything looks horribly wrong. In a start-up, this may mean beating up on both self and the team, and then the situation spirals down until the whole thing slips badly downhill — because the vision made it so.

The attachment of all the various stakeholders to a new business can be its worst enemy, not unlike a newborn with too many parents correcting what seems to be unruly behavior. It's advisable to get unattached outside perspectives, especially potential customers, because they are ultimately the ones who can tell.

Holiday Conference Call
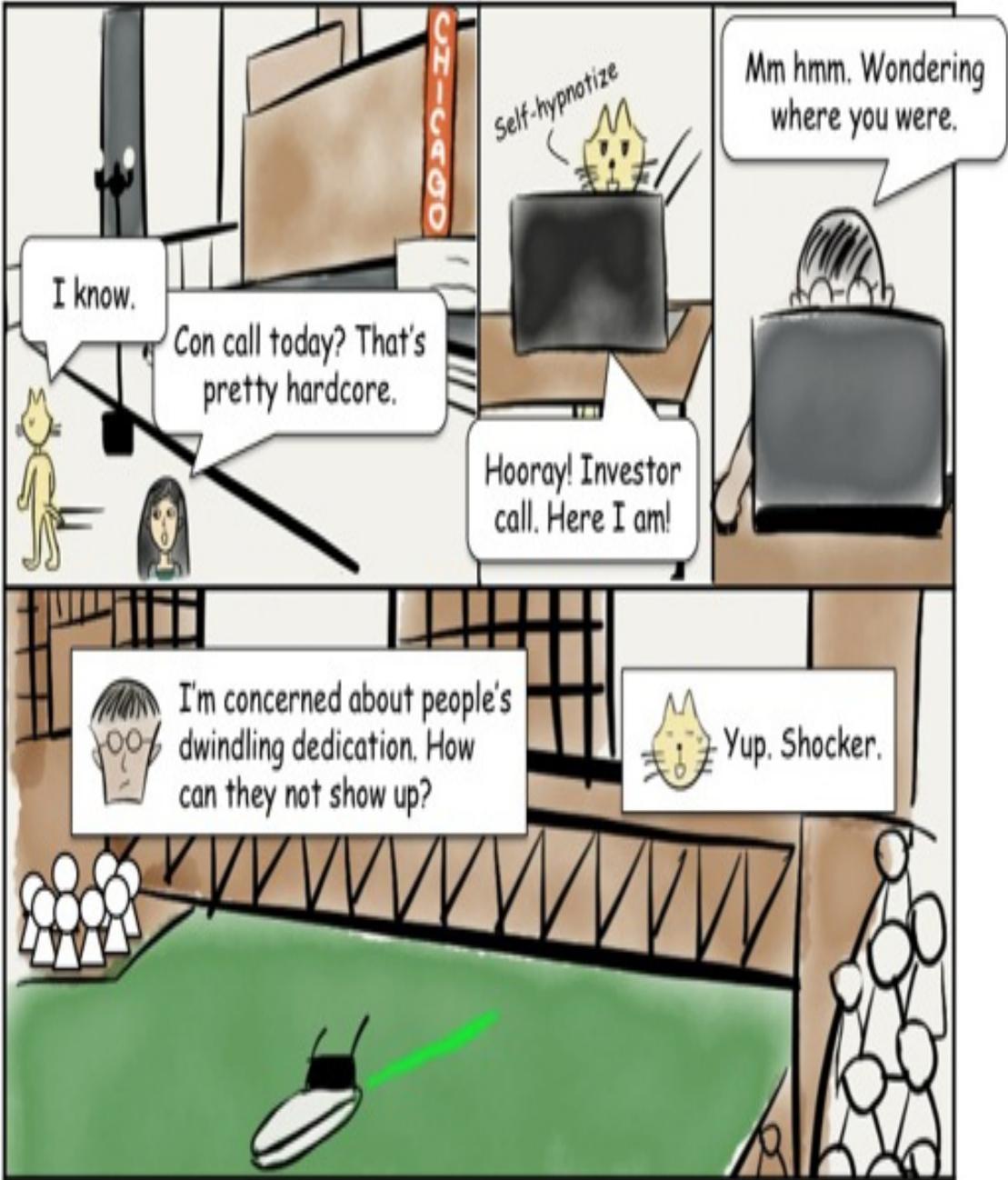
Those dedicated entrepreneurs locked at their desk at all times may have grown to realize that to even enjoy themselves a bit is not only odd but also unacceptable. When they are not addressing emails, they count the ticking minutes by the dollar. When they are around people, they are compelled to talk about their business to feel like they are making progress. When they are in front of the computer, they can't wait to fast forward to the day when supposedly they can enjoy of the fruits of those countless emails, sleepless nights, and forgone vacations. It's their choice to live this life, but it's simply neither the norm nor enjoyable to live like this for an extended period of time.

Along the same line, everybody on the team or board has a different schedule and working preferences and it's simply impossible to have the entire team in sync. That is okay as long as the areas of responsibilities are communicated and the major timeline is respected. If instead the philosophy is that everybody has to be onboard on every decision, that doesn't really ensure the best for the business, but simply politics. Politics are the last thing needed for a startup, which is susceptible to mistrust within the team.
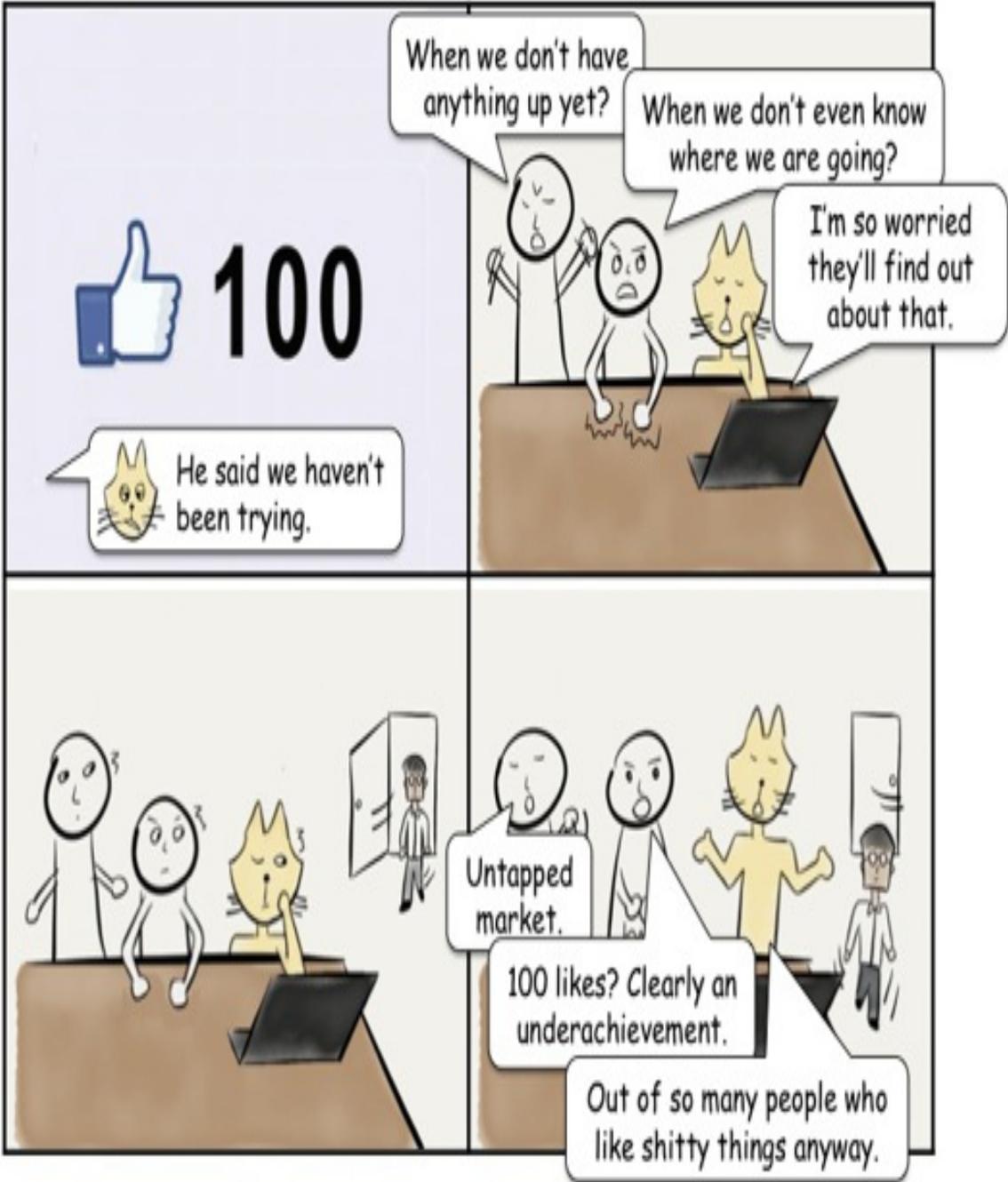
The Burning Entrepreneur
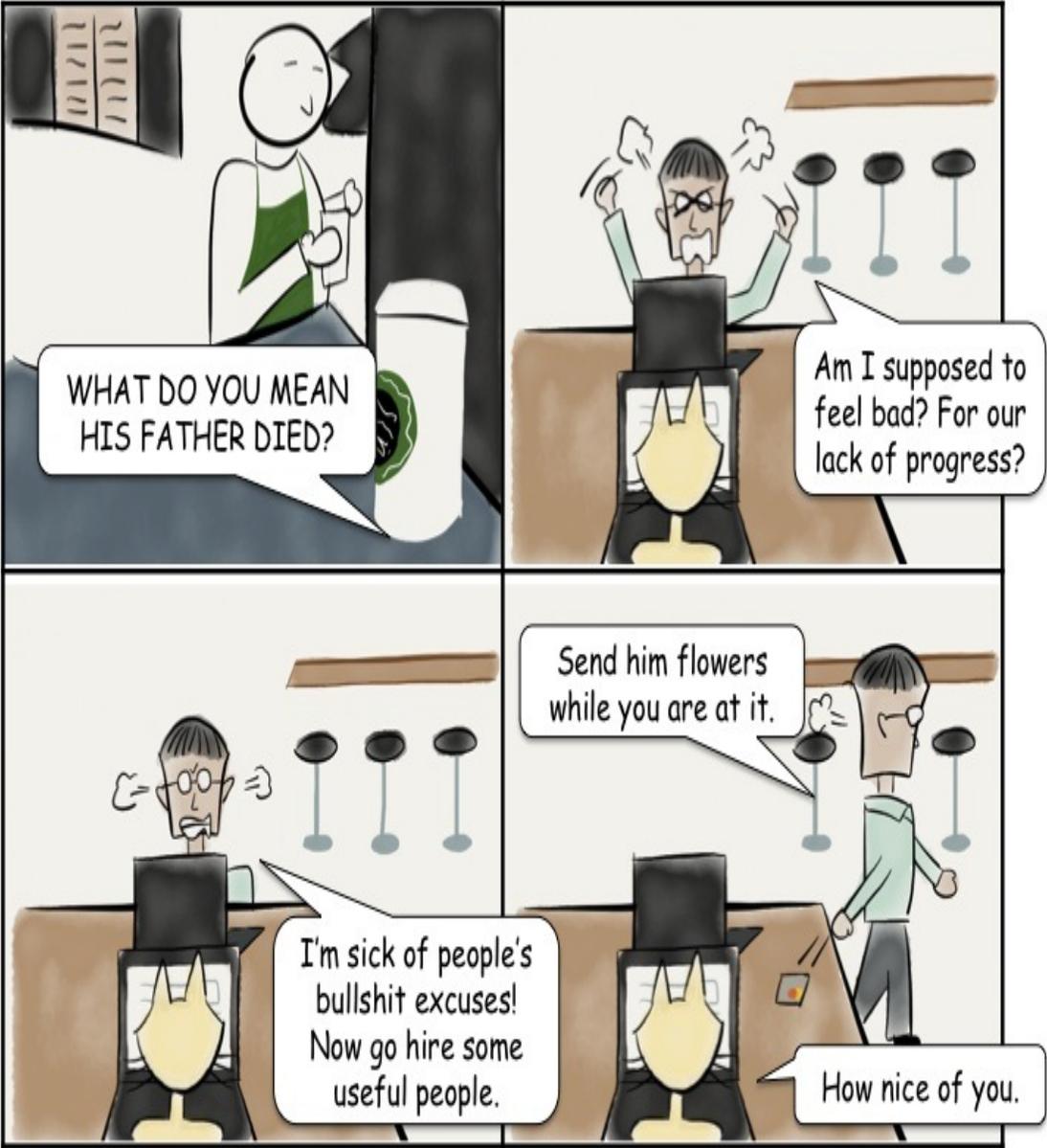
Lean Startup

The First 100 Likes

In measuring a startup's success, demanding results from the right area is far more important than just getting any number within reach. More importantly, the ultimate business goal is to drive traction, growth, and revenue in the long term, which "likes" cannot get, nor do tons of online platforms that get a brand seen everywhere. If anything, the overly spread-out messaging shows lack of focus and desperation, and dilutes traction.

Instead, social media is the place to test the water when resources are limited. It helps uncover the potential audience, and finding out more about this audience allows fine-tuning messages and offerings. Explicit reactions are ideal, but not easy to solicit — it usually takes very odd or extreme situations or opinions to get the customer to respond. Having proper analytics in place can uncover what piques their interest, which can often be revealed by their clicks and further actions.

The Rollercoaster Ride
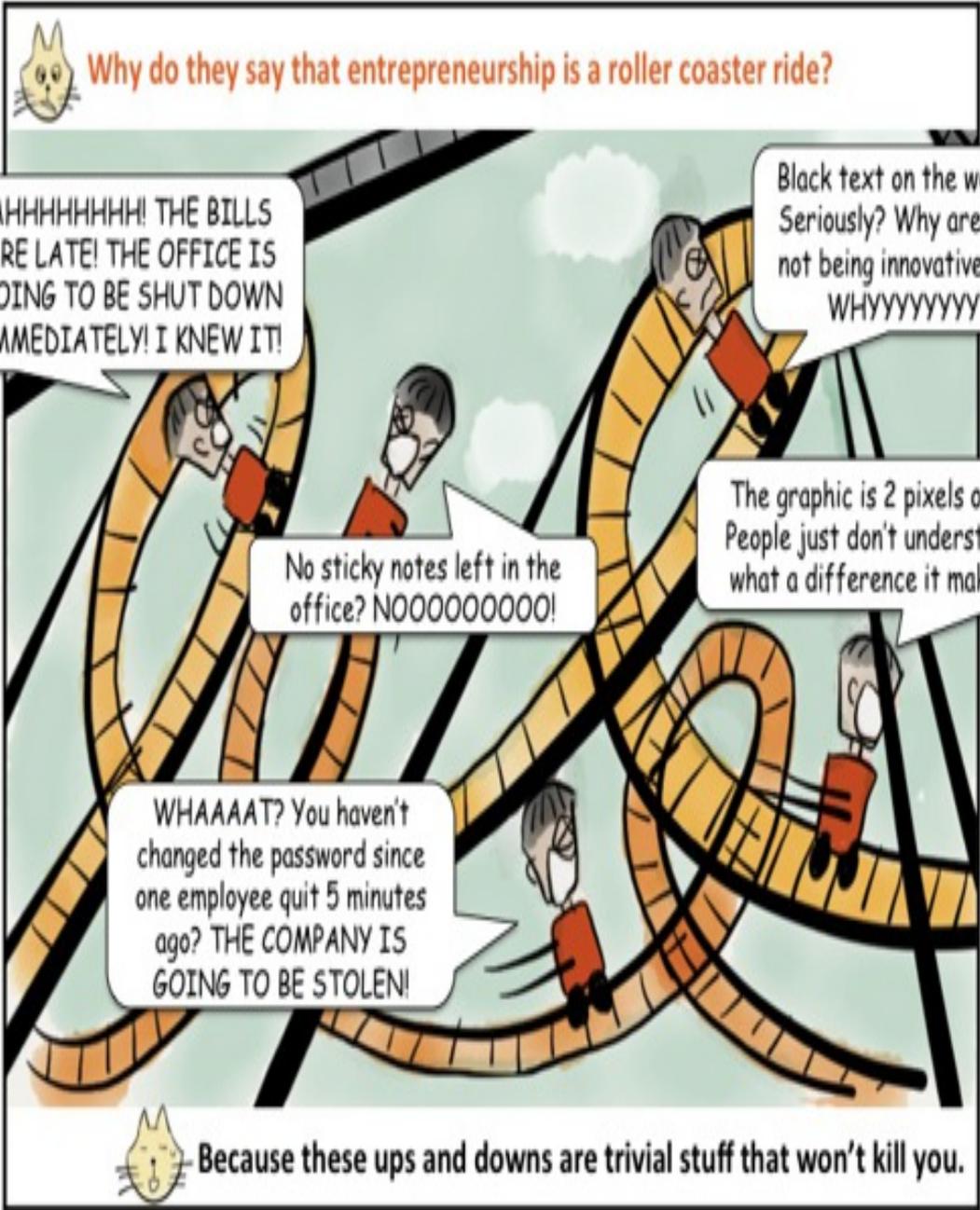
Chapter 5
Productivity Issues

Life at a startup is a race — not only a race with oneself to push the limits of physical and mental capacity, but also a race with a ton of other startups burgeoning every second in the hopes of being the next big thing. However, productivity is hard to measure by the time unit, and is only tangible at those tipping points where an agglomeration of things starts to make a difference — which aren't exactly built with sleepless moments filled with code and Red Bull.

Productivity Debated

Everyone Works Differently

It's hard to look at someone's working environment and figure out what comes out of it. Some people need to eat and work to produce, while others can't rest assured until they get something out of their way. Some are very finicky and have to have everything set up exactly the way they want it to be productive, while others don't spend a moment thinking about anything other than deliverables. While recognizing individual preferred working styles can set the right expectations and foster long-term productivity, it's also important for entrepreneurs to rethink whether they're allowing themselves excuses not to make progress by being finicky about the working conditions, and whether they fail to tend to their own needs by being overly single-minded, which may hamper long-term progress.

Brainstorming
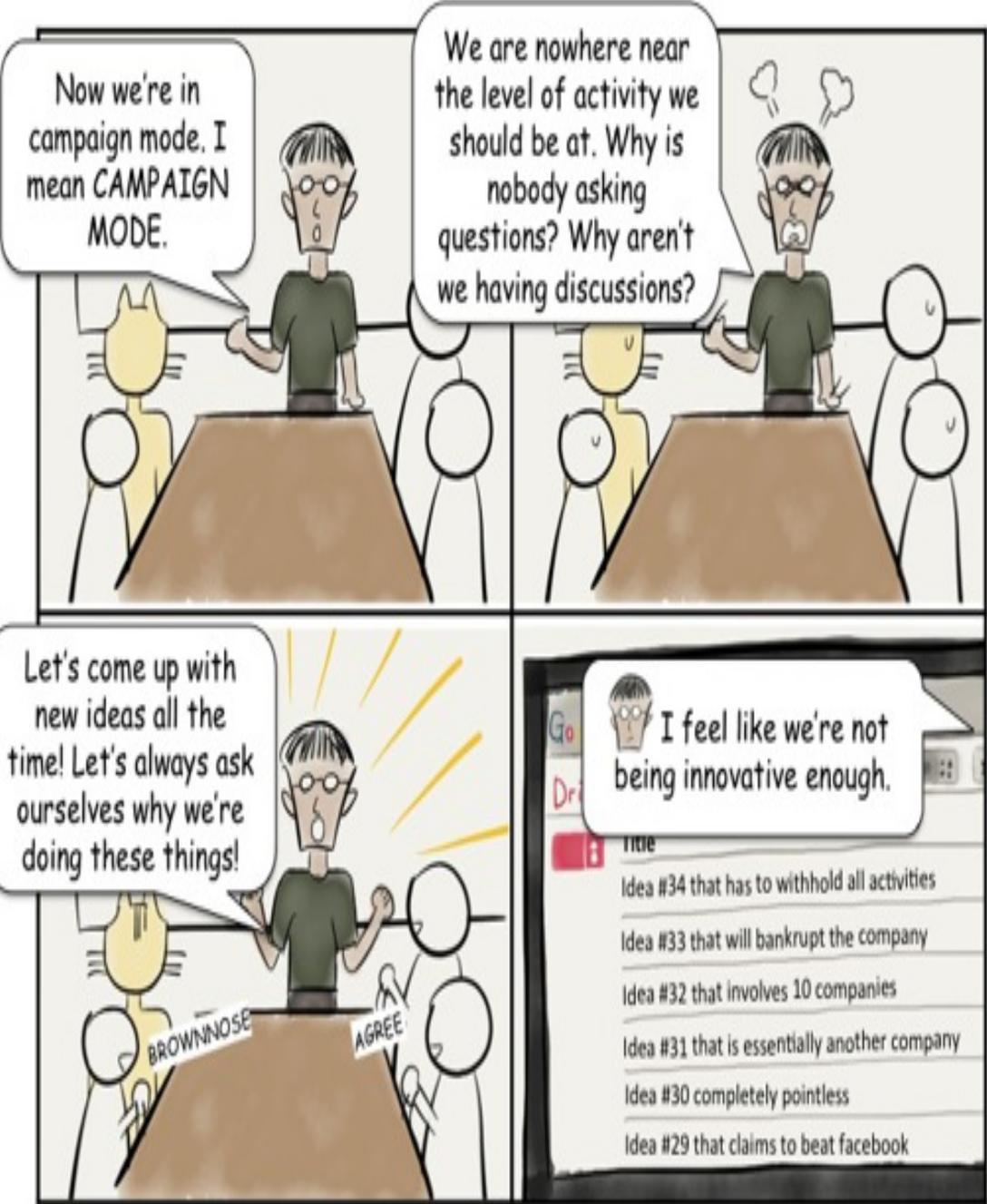
While conflicts are the necessary evil to spark innovation, they are a means, not the end. Without a common vision, mutual trust, and shared responsibilities, a startup could fall victim to the endless arguments that delay its foreseeable future indefinitely. Too many resources and too much brain power could be wasted during all those meetings if they turn out to be a stage for territorial debates rather than constructive feedback for the common good.

Collaboration

Today's working environment stresses collaboration and open communication; therefore, companies are increasingly adopting open-plan offices, while startups are almost always set up this way, only with less space due to the budget constraints. The constant exchange and chatter in the office may be associated with high energy, but the quality time needed for focus and continuity in the thought process is greatly compromised. Moreover, this also poses a disadvantage to those who prefer a quiet working space with greater privacy.

With a single-minded focus on collaboration without paying attention to the actual deliverables, which requires different working styles and personalities, the startup is nothing more than a college dorm full of farces.

> Tip:
> Check out the book *Quiet: the Power of Introverts in a World That Can't Stop Talking,* which discusses how today's society celebrates extroverts that thrive in a collaborative environment but is not designed to tap into the power of introverts who thrive in quiet, private spaces for deep thinking.

The Omni Outlook

Chapter 6
Imbalance

Let's start with a question — Is air important?

If the answer is yes, then imagine all the other things human beings take for granted: to be able to live, think sensibly, and excel. To live, think clearly, and excel, however, require habits that are sustainable. These include sleeping long enough and at the right time, having healthy eating habits, and taking steps to ensure mental soundness.

Compromising on these things, which are as important as air to sustain normal human beings, may give a short-term boost to a startup's success by saving a little time, but there will never be enough time to recover from all this wear and tear if the goal is to stay in the game — unless the approach of the individuals involved is strategic and accounts for thinking long-term about how to spend their lives, which no one else can put a valuation on.

Staying Above Water

No matter how positive and energetic entrepreneurs are when starting out on the journey, chances are they'll end up not recognizing themselves if they don't draw the line somewhere. Financial stress, the clock that's constantly ticking towards the launch, and the remoteness from the normal 9-to-5 life most people are still living all put a huge strain on both mental and physical state that may catch them off guard someday.

Becoming a castaway may be the price to pay to succeed, but it's not a guarantee to success. Once individuals start giving up on how they look and feel about themselves, it only gets worse. Happy, healthy, and creative people leave, and those who stay end up with people equally miserable, and that's one step closer to self-destruction.

Get Set, Go!
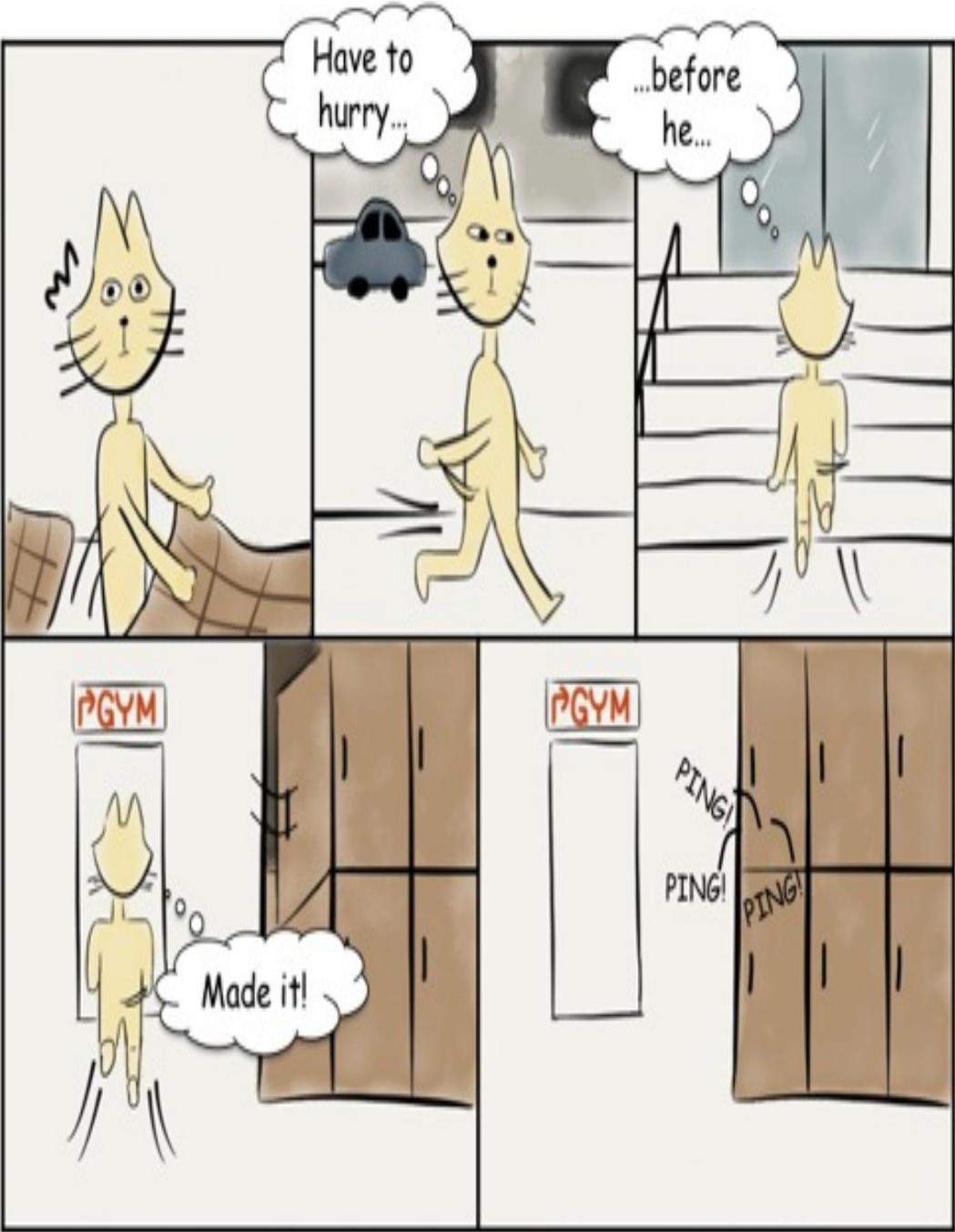
Connectivity

With our phones and computers becoming part of the human body now, it's very hard not to tend to them whenever there's a second to kill, not to mention when running a startup, since the inbox is constantly exploding or screaming for attention.

But let's face it — the inbox is never going to be empty, and gadgets are only going to become more needy.

For individuals with the goal of being successful and capable of making up their own minds, a great way of bringing more balance to life is to work out the first thing in the morning. It's a way to break that dependence on gadgets, and is a breeze for anyone who really wants to do it.

Bottom Line

How helpful is workout to your startup life?

Working out and feeling invincible

The point where you start taking calls and emails

— w/ workout

--- w/o workout

Mood

+

−

Time

Thinking about what's going to happen that day

Danger! Call for help!

It's life-saving.
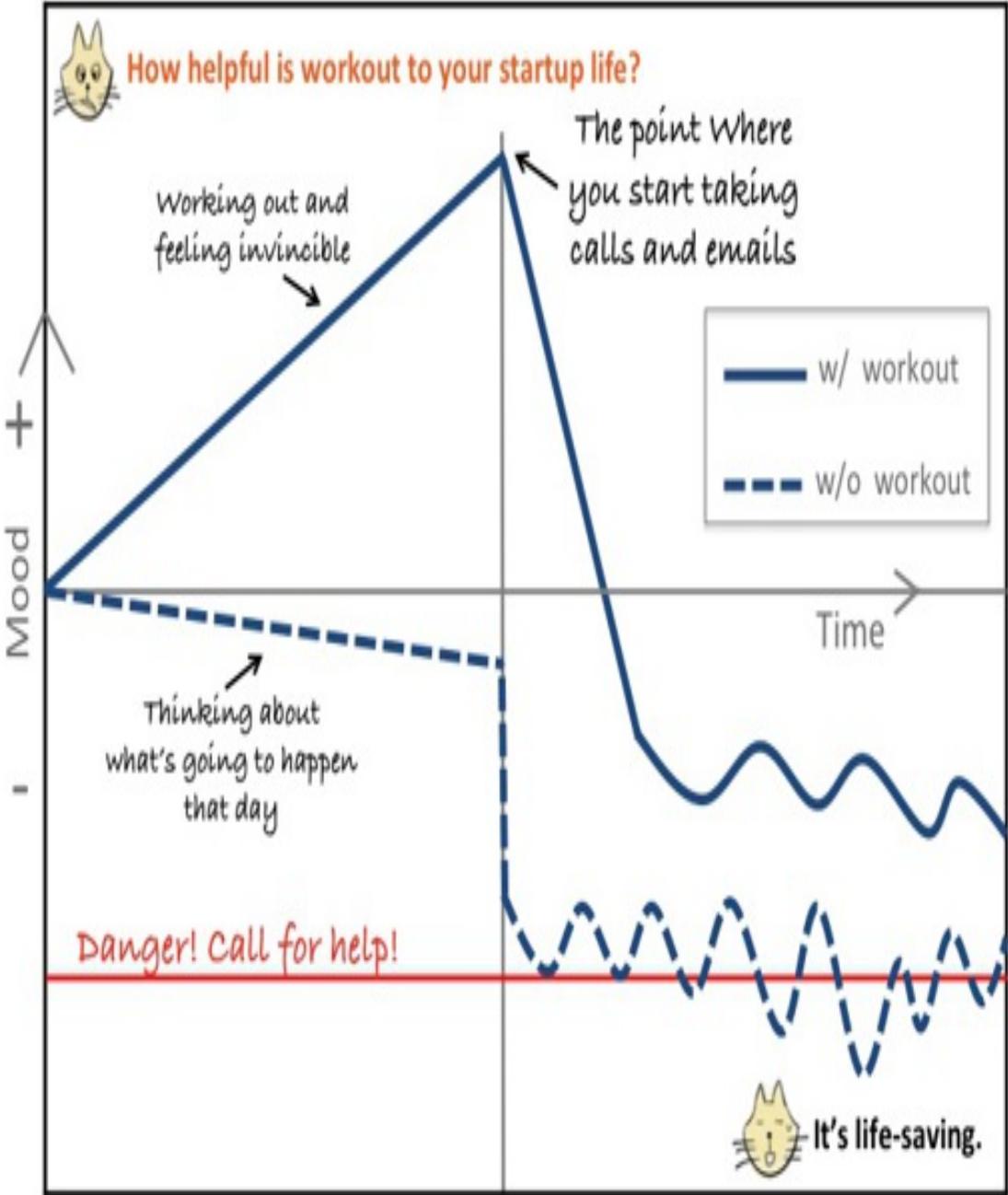
What good is a workout to your startup life?

- One thing gets checked off on the to-do list every day. It means feeling good, and even if afterward four meetings end up accomplishing nothing, one thing has still been accomplished. It's very important to feel good about oneself constantly when on this journey faced with doubts from friends, disbelief from family, and attacks from peers. It's not only psychological, since the endorphins excreted during the workout can help fend off all this negativity.

- Things become so much easier. People look at how much better shape they're in, and look back with amusement at how much they dreaded working out when they started. It's a bonus to remind themselves how physically sound they are compared to all those fat cats are who can't get themselves together! Accomplishing the hardest mission ever — to work out and get fit, means nothing else will beat them.

- It keeps the creative juices flowing. People headed toward a workout may drag themselves out of the door, fretting about what hopeless thing can possibly happen that day, but realize that all that is going to be gone the minute they start sweating and pounding. Crazy ideas begin mushrooming, and the solution to that feature which still refuses to work after days magically appears. It's almost like the mess that accumulates daily gets shaken up and reorganizes itself just by bouncing up and down.

Always Open
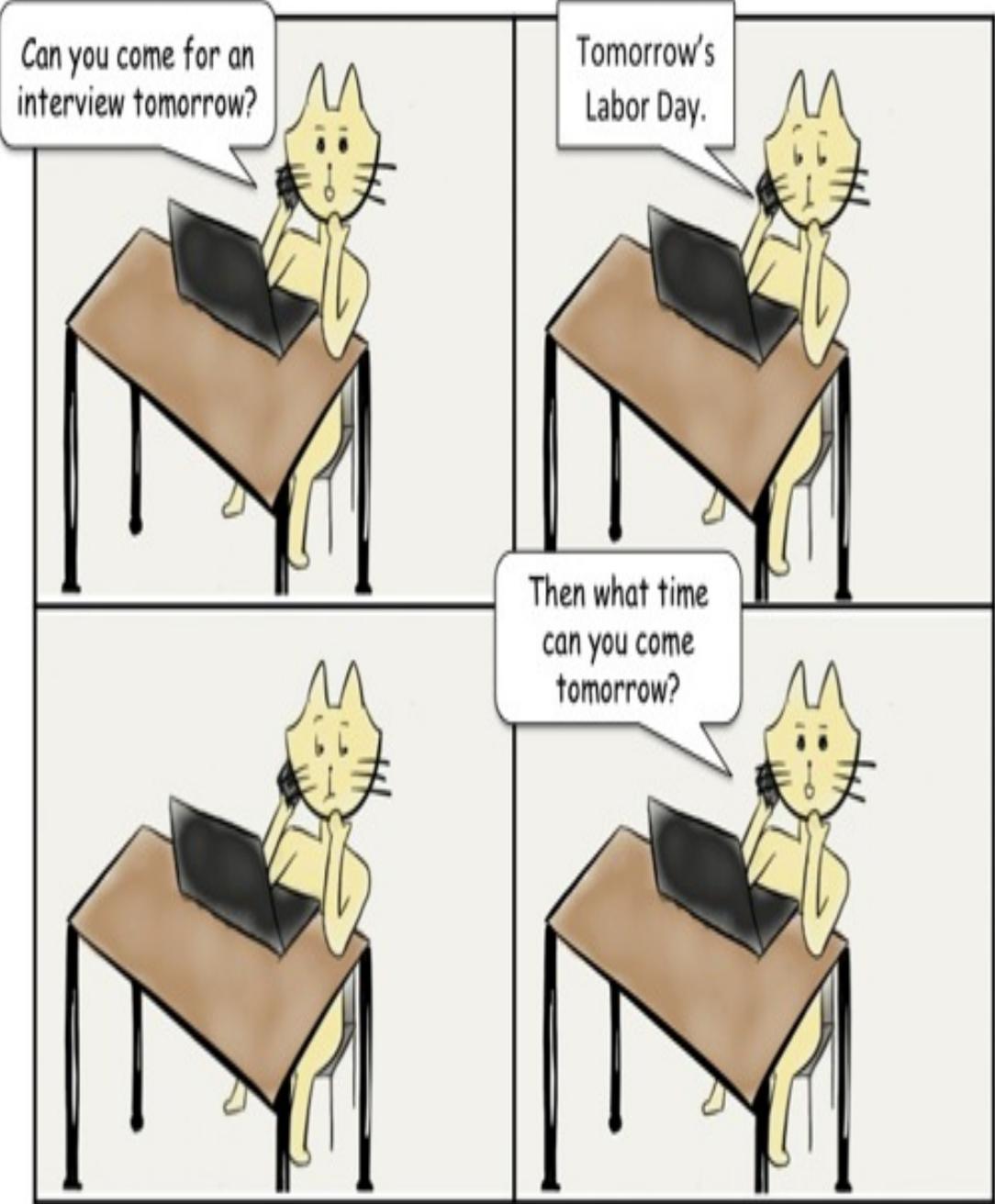
Chapter 7
Public Relations Problems

A startup needs to pay as much attention as an established organization to its public relations — which involve developing an audience, fostering relationships with other organizations, crafting messages, and timely publicizing of its services. The trick is that for a startup, because of how premature in its development it is, a lot of aspects of the company are yet to take shape, and what the founder has in mind may not be how the company is perceived in the public eye and how the services are utilized — and that could be how great potentials are discovered.

Winning Social Media Strategy

To Pitch or Not to Pitch

While the startup scene is growing rapidly in major cities, the services that accommodate this growth are growing too, such as startup news sources or pitch events. While the major ones like TechCrunch receive pitches all the time, smaller, regional ones are hungrier for news. Therefore, even if the company isn't really ready to get its name in front of the public, these smaller sources might still be interested not only because of their need for content but also for the love and support for local startups that the startup communities have in common.

Ever-increasing channels for exposure for startups can make or break them, depending on their goal for the exposure and how it's leveraged. While the message to be conveyed has to be equally thoughtful as that of an established organization, it's advisable to not be overly specific in details, as the startup's image and its corresponding services are still taking shape.

Stealth Mode

A startup may be working on a great idea, and it needs to be kept secret. Understandable. But just how long should it be in stealth mode?

I've heard all kinds of answers to this question. Some startup consultants say that a startup should never be in stealth mode, as an entrepreneur is in constant need of advice. Some entrepreneurs won't say a word unless an NDA is signed because intellectual property is the only thing they have at this early stage of their company. I've even heard somebody from a top venture capital firm say that the company should be in stealth mode as long as it can because of the competition.

It depends on how stealthy the founder wants to be and what advantages there are to telling the startup idea to somebody. Is it tempting to tell it to friends for moral support? Not a bad idea, since it's a lonely journey. Would it be useful to tell this to a fellow entrepreneur for advice? Good, as it can never hurt (and chances are the friend has in mind what seems like a better idea so won't steal yours). Is there a drive to tell media about it way before launch? Not so good.

> Tip:
>
> Being stealthy is not only for public relations, but also psychological. There's a TED talk, *Keep Your Goals to Yourself* by Derek Sivers that explains how the social recognition gotten out of telling people one's goals may create a false sense of achievement, which reduces the motivation to continue working on them.

Dirty Laundry

True, companies generally shouldn't air out dirty laundry, but a lot of aspects in a startup may seem like it's doing so, because startups are usually not as professional looking as an established company. In fact, it's about time that the business world realizes professionalism isn't where productivity comes from. So one might as well embrace what a startup really is about — casual and offbeat — and invite the world into it. A Facebook update about an office beer pong would be a great idea!

Chapter 8
Working Environments

What type of work space is ideal for a particular startup? While there are all kinds of factors coming into play with different locations, one thing for sure is that there is absolutely no best working place for everybody. An experienced senior manager doesn't necessarily prefer a plush office to other places, just as someone else may have strong feelings for one particular seat in a Starbucks.

It takes a while to figure out the right balance of freedom and constraints to bring out the best in people in a startup environment. It can be helpful to identify what about past workplaces might have been changed, perhaps things that were particularly annoying or otherwise disrupted productivity, as well as conditions conducive to doing good work. It could be that cubicles feel suffocating. It could be that chatter and seemingly never-ending brainstorming sessions disrupt thinking and quality work. It could be that working with bosses who act psycho makes it hard to relax and be innovative around them.

When a founding team is in place, finding a working setting satisfactory for a group tends to add more constraints,

as it's harder to find a mutual place that is good for all. But the added motivation and talent can be priceless, which makes compromising worthwhile.

Home

Pros:

Home is where everyone has the most control over the working environment in many ways — working schedule, clothing, devices, and a bunch of other daily needs such as food. Working at home saves on commute costs and the inevitable eating out when time and energy run out for packing lunch or when a rewarding dinner with friends awaits after a long day spent at the office.

Cons:

With great power comes great responsibility. It takes an incredibly disciplined person to be on schedule with goals when working at home with no one watching over one's shoulder. Also, there is no clear distinction between work and rest, which a daily commute would otherwise conveniently serve as a divider for, so it's tempting to dilly dally without the discipline of watching the clock.

> Tip:
>
> One way to help manage time while working at home is to set daily goals and review them every day. There are several great project management tools, which could be anything from Outlook tasks, allowing ticking off completed tasks, to Google Docs, allowing work with partners simultaneously, and even more sophisticated tools that may be useful, like Huddle, allowing the setup of annoying alerts to whoever's involved in key tasks. For moral support, anything from Facebook, where team members can participate in the same chat, or Yammer, when chats are strictly for work, can act as virtual water coolers.

Coffee Shop and Library

Pros:

This category of places has the bustle to put people into the working mood when they find the home environment isolating and lacking in motivation. What's more, when the noises in these environments serve as the background for inspiration and productivity, no one owes them anything — meaning workers don't report to anyone there like they would have to in the office, and they aren't stuck with the place like they would when signing up for a co-working space. Rotating between places can feel like taking a trip every day, which can spark different ideas.

Cons:

This type of environment is still a bit lacking for people who can't force themselves into accomplishing something daily when nobody's watching. Therefore, some of the same tools mentioned as useful when working from home are still good ideas. Another disadvantage is that the startup business can't own these places — meaning the employees are working around them, not the other way around. If this place has a great view but bad food, that's another choice to have to make. If someone's favorite seat is taken, that means having to find another spot. Also, it is probably not advisable to walk around freely whenever needed in the space for the possible disturbance to strangers, which could be inhibiting in the creative process when one has to stretch and get some fresh air.

> Tip:
>
> If it's just the background chatter at the coffee shop that's needed, to avoid the other inconveniences, Coffitivity, which streams coffee shop sounds to listen to, may be a good option for working alone while needing some stimulation.

Co-working Space

Pros:

To provide not only the hustle and bustle, but also some bells and whistles to get things in order, signing up for a co-working space is an option. It's the difference between trying to lose weight running around the neighborhood versus signing up at the gym — by paying the fee for a period of time, there's the added motivation of seeing people who are in shape or want to be. These spaces also allow seeing pretty much the same people every now and then, allowing a constant exchange of ideas and opportunities to make friends. As these places typically cater towards entrepreneurs and freelancers and have affiliations (or also serve as) venture capitalists, it's a good idea to get into the ecosystem this way and open some doors at an early stage of building the company.

Cons:

Even though co-working spaces tend to have cooler designs than traditional office spaces, there may be more chatter, as there's the stress of working while having fun in a place that will not always be as quiet as some might hope if the office is managed poorly. Also, co-working spaces tend to use evening times to host events, meaning there's less privacy and exclusion than from leasing dedicated office space.

> Tip:
>
> There are co-working spaces that are free to work at, on the condition of contributing services and expertise to projects belonging to the space's members or affiliations, such as Gangplank in Chandler, AZ. There are spaces that even have showers, such as CLBC in Taipei. There are also working environments that are hybrids of co-working space and coffee shop, like Next Door in Chicago, where the space can be used for free on a one-time basis and includes the option of ordering refreshments. Shopping around to see which one fits the needs of the business can also help identify places to stick around once it's big enough to own an office.

Office

Pros:

Entrepreneurs who are ambitious at every level of their startup might want to own office space quite early on. It can be a big motivation if everyone on the team has a place to come every day that has the company logo on the door, the printer at their disposal, the furniture arranged however they like, and a beer pong table whenever they want to start a tournament. Investors, stakeholders, and recruits might be impressed by the presence of a physical office at an early stage, and listing a physical address on the business card and website makes the company look like something.

Cons:

The cost associated with leasing a physical space essentially means raising the team before anything else gets taken care of — electricity, supplies, snacks — which can pile up the bills when working hours are long (which presumably is one big reason for cooping up people in an office). Also, such a place can't possibly be as spacious and plushy as some cool co-working space or Google office, because it'll be a huge resource burden so early on. This is the time to think about how disliked the stifling office at the old workplaces were, now that boredom has extended to the startup under even more stress and uncertainty. How to keep the office motivating and productive requires a lot of thought when any normal creature needs some privacy and quality time alone.

> Tip:
>
> Leasing office space isn't advisable for a startup until there's some reliable and sustainable source of funding or revenue coming in the foreseeable future. By all means, if there's a need for a private space for the company, reserving library meeting rooms or rotating between team members' places is worth considering. These places should work well when there's a need for more intense brainstorming or co-working sessions, and other times, people may be better off working remotely rather than being cooped up in a small space.

Everywhere Else
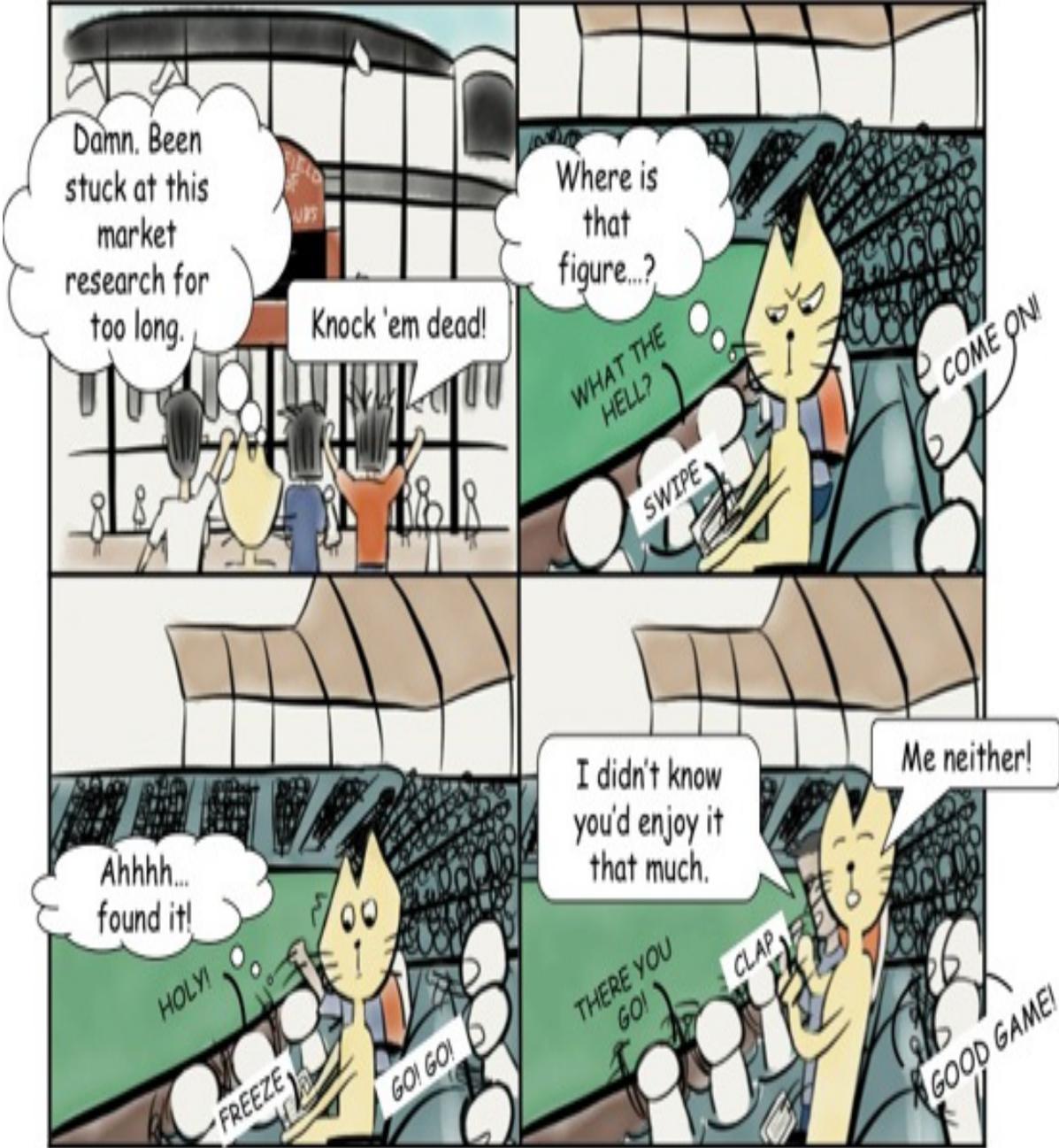
Chapter 9
Sustainability

What defines the success of a startup is not just the accomplishment of a single one-time goal — a pitch, a launch, or an acquisition, to name a few — but a series of goals that over time produces positive results — including becoming revenue-positive, gaining value, and having positive morale.

For an entrepreneur planning a sustainable startup, there are several aspects to consider to help think wisely about spending valuable energy and resources.

You Are Human

While it's excruciating to count the days until the next big milestone, it's tempting to shorten the wait by extending daily work hours. While there are ways to plan days strategically, sleep is one area where there's very little wiggle room.

First of all, the optimum number of hours of sleep falls within 7 to 9 per day for an adult, depending on the person. Insufficient hours of sleep in the long term are often associated with illnesses such as depression and obesity that'll affect the optimism that's essential to the organization. Secondly, timing matters. There is an internal clock that responds to the daylight and rising of the temperature that in turn says when to be alert and when to go to sleep. Sleeping at odd hours goes against this clock; therefore, it disrupts the system that governs when to be rested and when to be alert and perform. Last but not least, the benefits of sleep aren't just a matter of accumulating hours. Sleep has to be uninterrupted long enough to allow the process of going through the different phases of sleep in which different body functions occur.

The same goes for other things that keep our body balanced and functional, such as diet, healthy relationships, and enough recreation. These things are like savings in a bank account that will become empty if not taken care of, but will take their toll once the loss occurs. While health issues are not the emphasis of this discussion, the point here is that a well-balanced individual can perform and think on an optimal level that's conducive to the business.

The Team

At the group level, team composition and dynamics can make or break the company, which is not to debate the importance of idea vs. team, but rather to talk about how the human factor intertwines with and complicates things. And in order to keep that influence a positive one, there are a few things to consider.

What probably comes first in the process is the founding team. While the commonly used analogy of co-foundership to marriage is mostly to illustrate the importance of the right fit and complementary skills at the beginning, there seems to be a lack of emphasis on what comes after that — the day-to-day interaction, which is where the founding team members get to know each other. Just like marriages and friendships, co-foundership can rarely be sustained in dire situations, which can be anything in a startup — miscommunication, distance, and financial adversity. It is also susceptible to the third wheel, which can be anyone — like another team member who takes on a task, an outside person who gives input. It's not possible to know how ugly things could turn and where to draw the line because a startup inherently is a mess.

While there are bound to be instances where things don't turn out perfect, learning how to move on and recognizing patterns is the way to go. If unhealthy patterns form when all attempts to correct course fail, the team morale will go downhill in an exponential fashion, as problems only snowball.

Beyond the Team
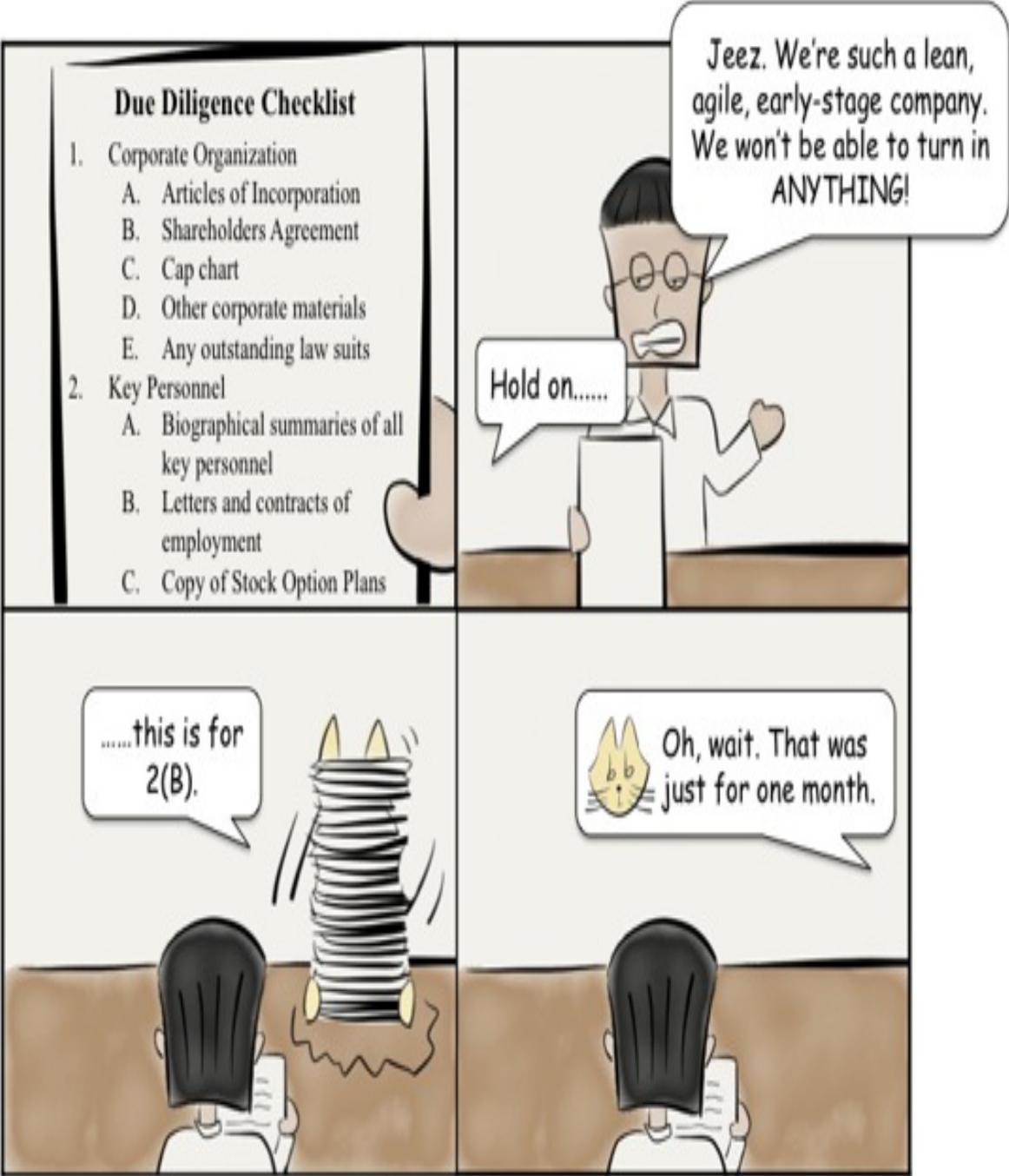
Sustainability at the exterior level means balancing the internal focus and outward reach to keep growing without going out of control. A good basis of discussion is in terms of finance and human resources.

When it comes to external funding, it's important to be prepared to continue bootstrapping for months until the money actually arrives. And it's probably not a good idea to plan the spending according to the forecasted incoming funds because it rarely comes on time — or in some cases, it never comes. An entrepreneur can't get too hyped about a venture capitalist's valuation of the company — because it's just a valuation. It's not a good idea to get married to one idea because the venture capitalist likes it — because it doesn't hurt the venture capitalist to express approval when probably never bothering to listen to the same pitch again.

When it comes to recruitment, the pattern is similar — being prepared to go with a very few core team members in the beginning, rather than having too many roles with spread-out responsibilities. This creates layers of communication, as a lot of time would be spent on just passing on and explaining things without an actual outcome, let alone the human interactions that inevitably complicate things, as stated in the previous section. This goes the same for paid and unpaid roles, since neither one will be paid as much as the people deserve for the time put in (as they would in a "normal" job), and the high turnover coming with the time commitment, undercompensation, and the managerial resources required for these relatively unstable resources are not something a startup can afford.
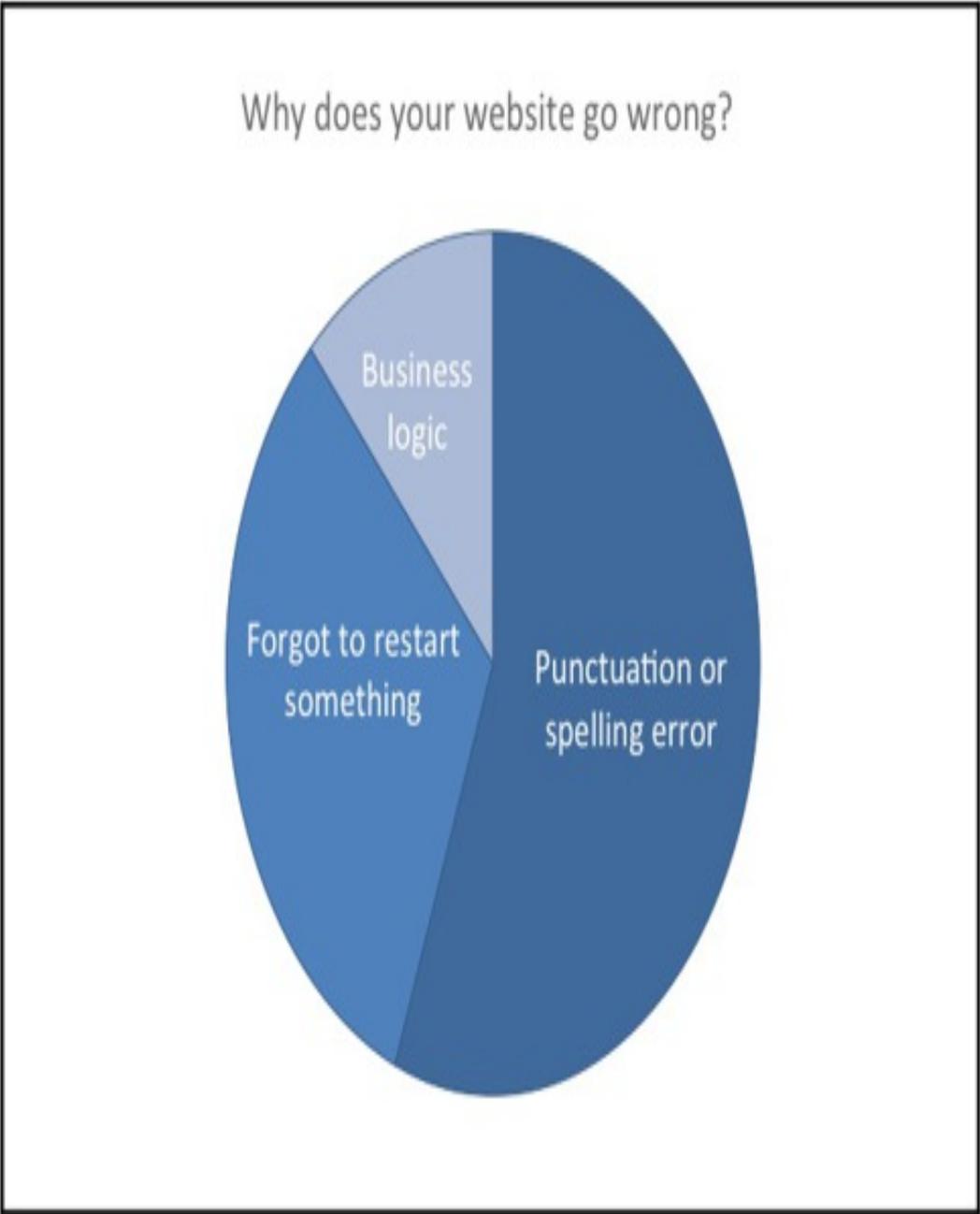
Planning

Way before anything's done, an entrepreneur may have a clear picture as to where the company should be a few years in the future. Milestones have been planted mentally, with the product lines and market clearly figured out. It's only a matter of time before the startup will take down the world.

However, as soon as the first step is taken, it's not as straightforward as planned. All kinds of forces halt progress or take the company along a different route. Some of them are distractions or unnecessary details, and some are natural, and may be inevitable. As a plan is so prone to change, it's important to only spend enough time and effort thinking about it and writing it down when the details are let loose.

A good example would be the business plan, which can take as long as a month to research and write, but would mean little for actual implementation. For initial funding purposes, a 1-2 pager should be enough. The business plan might be thought of as a resume of the business. What do people do with resumes? They don't look at one for more than 30 seconds, but they need to have it in hand for consideration. The fact that a plan is necessary doesn't mean it's important to spend a month crafting it, because people know it's going to change anyway. Worrying about how every change and every move can turn out is like a GPS that recalculates the route at every change of course — which takes up too much of a startup's brain power.

Product Development

Why does your website go wrong?

- Business logic
- Forgot to restart something
- Punctuation or spelling error

Sustainability in product development means the ability to scale and continue development without having to come back for fundamental details or even to start from scratch. Without getting into too many details of the actual technology, a general principle is to develop in a way that requires minimal transition with a mutual understanding of the common ground. This sounds vague, so will require clarification.

A startup may find it especially hard to find a full-time tech person for a few reasons: the founder is a business person who has zero understanding of tech and has no idea how easy or hard it is to implement and change certain things. Therefore, the founder may freak over trivial details but have no idea why something takes so long when major background work makes no difference at a tangible level. Another reason is that a tech person skilled enough to work at a startup is way better paid somewhere else. Therefore, a startup's technology aspect can be a mess that just gets passed on from team to team. When the tech has become an agglomeration of the work of some contractors and some other individuals who know enough to make a few changes in different places, some ground is bound to be a no-man's land that accumulates long-term technological debts.

When that agglomeration of a bunch of people's work gets passed on, reading somebody else's code is definitely not the developer's favorite thing. Reading the code of somebody's full-fledged application is like reading Harry Potter, where to understand this world that somebody else has imagined requires spending days, and adding one character or one object would look like an obvious afterthought that doesn't go with the story — or might even ruin it. Thinking about what Harry Potter would be like when written by 10 people instead of J. K. Rowling alone gives an idea of the mess an application can become if it gets passed on from team to team.

Infrastructure

Here, infrastructure is defined as the day-to-day items and activities of a company — administration, operations, facilities, etc. — that make it functional and somewhat professional-looking. While how much infrastructure is needed depends on the company's situation, one has to watch out if the expenditure and level of activities have gone from needs to wants. Just like how a shopaholic is compelled to acquire possessions that are supposed to make life better, an entrepreneur could fall into an unhealthy spending pattern given the abundance of tools for startups, with the belief that the spending will optimize the company's performance — which in some cases only incurs costly, long-term maintenance.

This goes hand in hand with the team level previously discussed — namely, avoiding unnecessary burdens when the company is too early in development to make long-term commitments like hiring a full-fledged team. Nobody will care if the company has a printer and scanner in the office, or a welcome packet for a new volunteer. These are things that make it seem like the startup has arrived, but it has not.

Chapter 10
Wrapping Up

What to take away no matter where one is in the startup business

Rethinking

For those in the startup world with colleagues who are losing balance and need a break from a startup, this would be a good book to share with them. If you are the one who needs a break, keep this book within reach. It will save you from losing your grip, your temper, and valuable relationships. You may also want to ask yourself where you are in the startup, and whether you are making any progress. If not, what's preventing you? If you're on your way, what can you give yourself a break on that will create more benefits in the long term?

For those thinking about joining a startup or starting a business on their own, this would be a great opportunity to think about the kind of life desired, and whether a startup life would be a good fit. What is your goal? Is living a startup life a means to your goal? Where should you draw the line while stepping out of your comfort zone? Or if this is the life you'd surely enjoy, what part of it do you like the most, and what other parts would you need a break from occasionally?

For those who have been there and had outcomes that fell short of expectations, it'll be time to ask what you have learned, and what you enjoyed the most. Which parts of it were necessary evils, and which parts were not? Do you want to give it another try, and if yes, how would you do it differently this time?

No matter where one is in the startup life, it's important to stop to think — while busy pushing the boundaries — what is my goal, and does it make my life better? What aspects cannot be compromised?

While this book is designed to highlight the importance of work-life balance to achieve long-term startup success, it is by no means intended to downplay successes, nor to downplay the tireless hard work of the numerous successful entrepreneurs out there who make innovations possible. In fact, it is intended to encourage success by making the right choices in life, not unlike a business strategy, but in this case, it's about how to live a life that supports a passion.

When successes are best known for one thing, not all things — such as Apple for minimalistic beauty that pushes technological boundaries, and

Facebook for ubiquitous interconnectivity that redefines how people interact — it may be time for those working equally hard or even harder than the ones who make it to question the viability of some options among the limitless possibilities that exist, and leave some behind when they have spotted the right ones.

When innovations are ultimately for human consumption and enjoyment, there is a point where they become not only irrelevant to people's needs, but also self-indulgent and conceited in the name of pursuing beauty and perfectionism. When all endeavors are put into meeting a single standard to no avail, it may be time to question whether it is simply a pursuit of a mirage in the austerity and isolation of a startup life.

Last but not least, when everything looks wrong, maybe you just need a good laugh.

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Her previous work includes the founding of a Chicago-based startup that won a Google-themed global business competition with a $250,000 investment, and was featured in major media such as TechCrunch, Bloomberg, and Yahoo.

Sonia has been profiled in a Google commercial that was aired internationally and was a Ten Outstanding Young Persons finalist for her active role in the startup scene. She holds a Masters of Science in Higher Education Administration and Policy from Northwestern University.
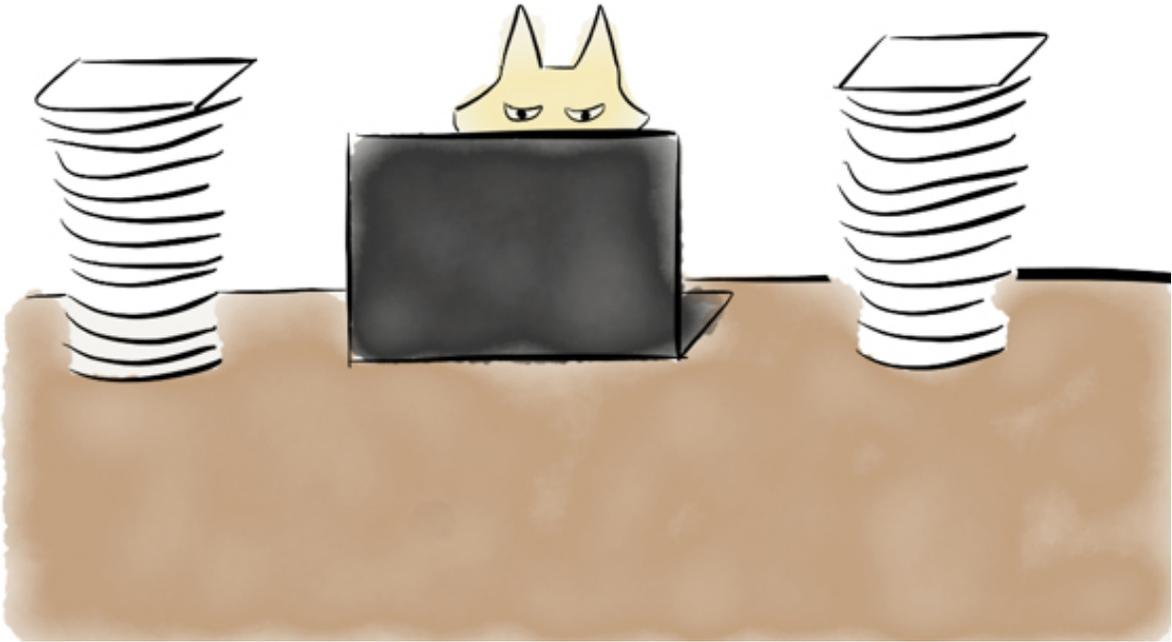
Startup life is long, so fail where you should, and laugh when you can.

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