How to Build a Billion Dollar Company
@ilikevests
@justinkan
Y Combinator created a new model for funding early stage startups.

Twice a year we invest a small amount of money ($120k) in a large number of startups (most recently 68).

The startups move to Silicon Valley for 3 months, during which we work intensively with them to get the company into the best possible shape and refine their pitch to investors. Each cycle culminates in Demo Day, when the startups present their companies to a carefully selected, invite-only audience.

But YC doesn’t end on Demo Day. We and the YC alumni network continue to help founders for the life of their company, and beyond.

Learn More ➤

Since 2005, we've funded over 700 startups.
Twice a year, we invest a small amount of money in a large number of startups.
Since 2005, we’ve funded over 800 startups.
Y Combinator is a community of over 1,400 founders.
Our companies have a combined valuation of over $30 Billion.
4 $1B+ companies
30+ $100M+ companies
5,000 Startups Apply
~2% Accepted
The 3 most important things I work with startups on at YC.
Clarity of Idea
Group Office Hours
Cofounders
Investors
Users
Employees
Shareholders
Weekly Dinners
Inverse Pyramid
HOME IN SOUTH FOR DR. BULLY

Hammersteinot Goes to West, South for Win

JUDEA, March 20—Dr. Bullen, who has been in Europe for some time on a business trip, reached Judea yesterday afternoon. Dr. Bullen is expected to stay in Judea for several weeks, during which time he will make a thorough investigation of the conditions existing in the country.

MISS GARDIN GROWS FIGHT OVER 'THAIS'

A French Opera Star Is in Judea

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We have received information that various points in the South, with a view to finding out the state of affairs in which Dr. Bullen will be able to obtain the desired results.

The same information was also received from Dr. Bullen, who said that, although he was not able to make any definite statement, he hoped to be able to announce something of importance before long.

PROHIBITION WINS AGAIN

Billy Hill Dies Out Here, Too

The battle of Prohibition is not yet over. The battle is being fought with a new vigor and determination. The battle is being fought with a new vigor and determination. The battle is being fought with a new vigor and determination. The battle is being fought with a new vigor and determination.

JUPITER'S EIGHTH SATELLITE DISCOVERED

A New World Discovered

The new world was discovered in the southern skies. The new world was discovered in the southern skies. The new world was discovered in the southern skies. The new world was discovered in the southern skies.

DEAD IN ELEVATOR STATION

A Man Dies in St. Louis

A man was killed in the elevator station in St. Louis. The man was killed in the elevator station in St. Louis. The man was killed in the elevator station in St. Louis. The man was killed in the elevator station in St. Louis.

CONFIRM LOWELL'S ELECTION

Despite Raftly Corporation's Failure

The election of Edward Lowell was confirmed yesterday. Despite Raftly Corporation's failure, Lowell was elected. Despite Raftly Corporation's failure, Lowell was elected. Despite Raftly Corporation's failure, Lowell was elected. Despite Raftly Corporation's failure, Lowell was elected.
What it is
How it Works
Where / When / Who
Why Big
Who (Founders)
We are going to transform the relationship between individuals and information.
Information is the lifeblood of the modern organization. The ability to channel information quickly and efficiently to those who need it is critical to a company’s success. A company that achieves an edge in the efficient use of information will, all other things being equal, prosper.
Dropbox synchronizes files across your team's computers.
Conversational

No Jargon

No Preamble

Concise
Don’t sell us.
We’ll sell ourselves.
A clear idea is the foundation for growth.
Focus On Numbers
Small Business vs Startup
Power Law
No room and board.
No office space.
Build stuff.
Talk to users.
Office Hours
Make 1 Number
Grow 10% weekly
Think Acceleration
Not Velocity
It’s so easy to lie to ourselves.
Example
Some notes on investor updates.
Numbers : Words

Do not have a high ratio of words to numbers.
How much in bank?
What is revenue?
How fast revenue growing?
How much spending?
How much runway left?
This tool calculates how much funding your startup needs. Assuming your expenses are constant and grow at a rate of 2.5%, you will need $119k in capital to reach a $100M/year revenue by year 7.7.
Once we know the number, the next question to work on is how big it can get?
Big Vision
Here’s a secret.
I pretty much like everyone’s idea.
We can only predict one thing.
So I take ideas to extremes.
Speakers
You have to say no many times to get to a billion.
Example
Clarity of Idea
Focus on Numbers
Big Vision