

THE 10

COMMANDMENTS OF AN ENTREPRENEUR

THE TOP 10 MOST COMMON THINGS
HOLDING YOU BACK AND HOW YOU
CAN DEFEAT THEM



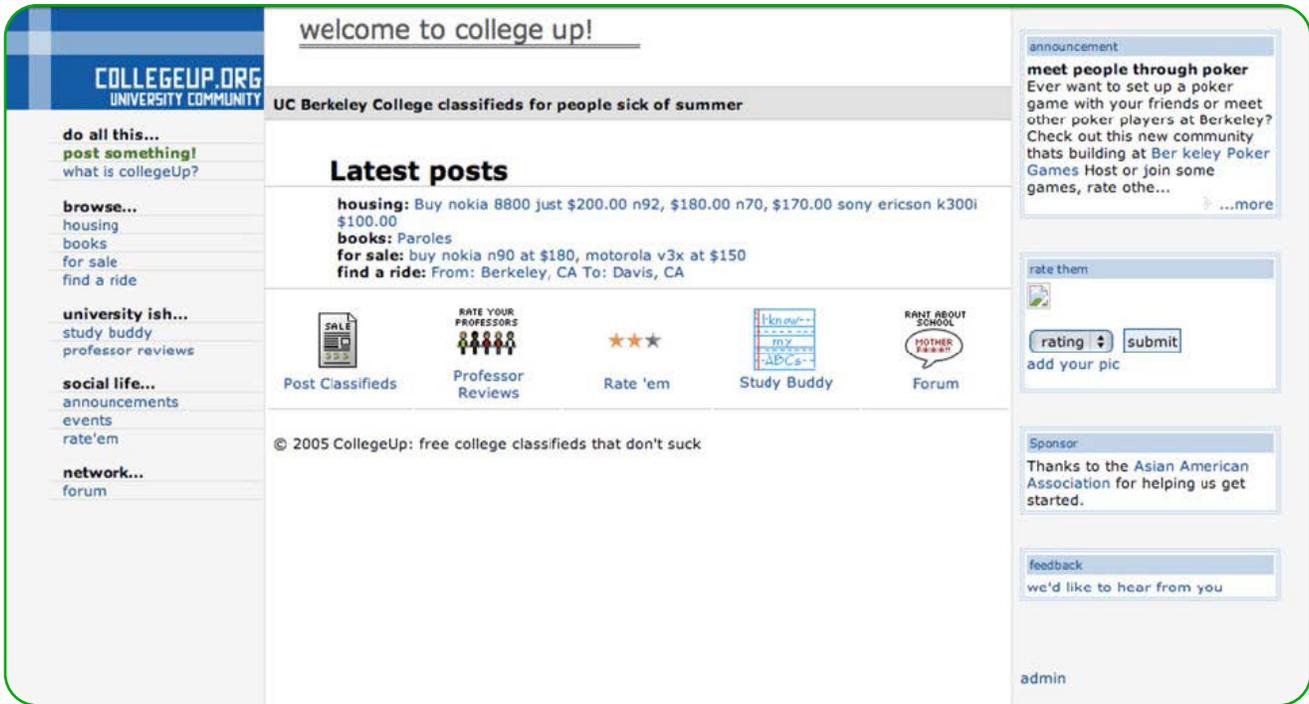
OkDork by
NOAH KAGAN

From
NOAH KAGAN,
Founder of OkDork

10 ENTREPRENEUR COMMANDMENTS

- 1 No coding. No business cards. Validate first.
- 2 Keep it simple.
- 3 Don't create solutions for problems that don't exist.
- 4 Find your place on the Totem Pole.
- 5 Don't be needy.
- 6 Focus on the small wins and maintain momentum.
- 7 Use time limitations.
- 8 Do what it takes to get to that first \$1.
- 9 No excuses; take adversity head on.
- 10 Face your fears.

1 No Coding



If you are smarter than me, you are likely an engineer. :) Your problem (and your solution) is that you love to build. It's so much easier to build and hope to find customers than to make sure people actually want what you are making. The BEST way I've seen to get through this is to start with validation and then go build a product or service.

When I was at UC Berkeley, I assumed every student would want to have a Craigslist for their school. I hired a developer, designer and spent a few months building CollegeUp.

Sound familiar?

After a few delayed months of development we launched and... no one came.

Then we proceeded to add more features assuming those would have really solved our problems.

Sound familiar?

If only we would have started like Craigslist could we have seen whether students wanted our service or not (*and moved on to something they did want, like Facebook.*)

2 Keep It Simple

This needs to happen when you say you NEED to do an iPhone app or a specific platform. You need a business; let go of the “dead-lock” requirement (i.e. to be an iPhone app) and focus on the real thing that customers want. Sometimes it's more effective to hand-draw an app on paper vs. taking time and money to build out a full iPhone app.

Use the best tool for the job regardless of platform. Keep it simple. Keep it moving.

3 What's the Problem?

Avoid creating a solution for a problem that doesn't exist. That can work, but it makes it much harder to be successful. This is a setback endemic to engineers who love to build but avoid talking with people (a.k.a. potential customers). Worst-case scenario is a fully-fledged product that no one wants, much less needs. Instead, look for problems before coming up with ideas and work backwards from there to solve them and find your business.

I spent 6 months, hired a high-priced Vegas lawyer, and \$50,000+ working on BetArcade which was going to be THE destination for fantasy sports betting. I KNEW people would love the service and pay for it in droves.

But when we launched it was complete crickets. I never spent the time making sure people wanted to play online fantasy sports in that way. Expensive lesson learned.

The screenshot shows the BetArcade website interface. At the top, there's a navigation bar with links: Place Bets, My Bets, Cash Prizes, Leaders, Store, Forum, Chat. Below that, a large banner promotes 'Free Sports Betting' and 'Win Cash Prizes' with a 'Go Play' button. A smaller banner below says 'or...Win 20x more cash. Go PRO >>'. The main content area is divided into 'Upcoming Games' and 'Pick a Sport!'. The 'Upcoming Games' section has a table with columns for 'CONTEST', 'BETS', and 'WAGERED'. The 'Pick a Sport!' section has buttons for Football, Ice Hockey, Basketball, Soccer, Baseball, and Fights. The footer shows PageRank: 2/10, Alexa Rank: 148,985, and Compete Rank: 401,183.

CONTEST	BETS	WAGERED
New York Islanders @ Florida Panthers	39	103,543
Anaheim Ducks @ Nashville Predators	39	95,219
Los Angeles Lakers v Boston Celtics	55	217,146
Butler at Detroit	20	17,946
Edmonton Oilers @ St Louis Blues	42	122,791
Dallas Stars @ Colorado Avalanche	37	137,100
Illinois at Wisconsin	25	21,767
Chicago Blackhawks @ Calgary Flames	39	106,968

4 Find Your Place on the Totem Pole

The Totem Pole is how important you are to your customer. A high mark on the totem pole is that the customer really needs you vs. a low mark is a 'nice-to-have.'

A business exists to offer a solution to a problem. Make sure the problem you are solving is something that people wake up in the morning and think about. Or, if your business goes away, then people's lives are worse off as a result. If you aren't solving a high totem-pole problem, your business will be much harder.

When I first heard about Mint.com (free automatic finance tracking) I was blown away. In terms of totem pole, this was at the top of the charts because it:

1. **Helps people manage their money without any work**
2. **Is totally free**
3. **Targets TONS of people that have this problem**

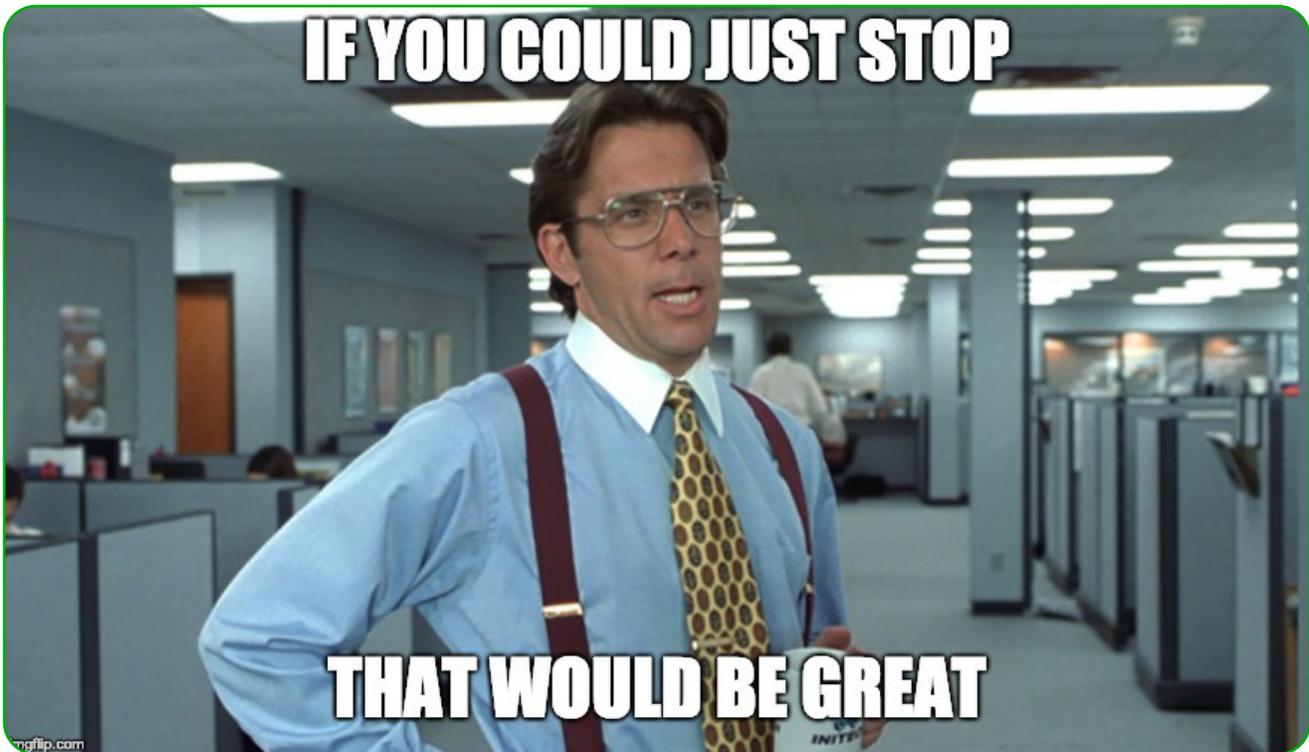
Compare this to Mint's competitors who focused on having people manually enter their information



5 Don't Be Needy

This is when you want things like business cards, LLC papers, other useless tools before you can move on. If you want the bells and whistles before you are profitable, you're adding barriers to yourself and worrying about the wrong thing.

- "I need a co-founder."
- "I need to wait for the designer to finish."
- "I need funding."
- "I need to learn marketing."
- "I need to find a developer."



Do you really need any of those or can you figure another way around it?

6 Maintain Momentum

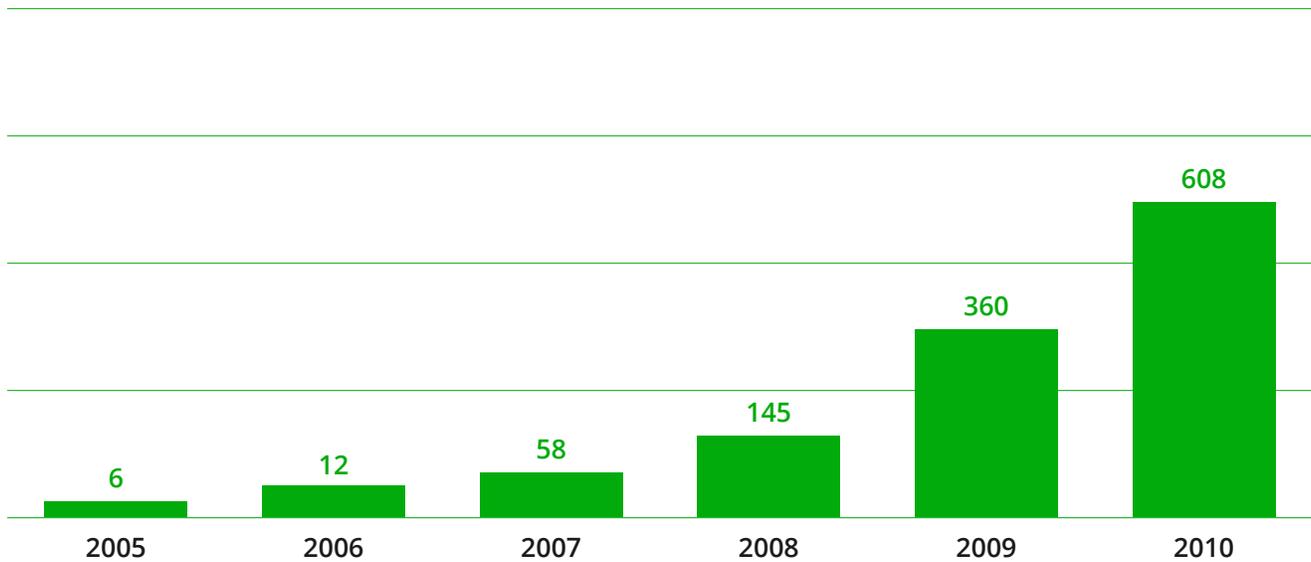
This can be the most powerful ally or foe when you are starting your business. There will be an "aha" moment when people want what you are offering and more often than not, that comes from continually doing at least one small thing each day. Think of the last time you stopped doing something; likely you had a hiccup and it was easier to just stop than keep going. Make sure to be aware of the momentum you are making and take advantage of it!

When I first started at Facebook, everyone was still on MySpace. Remember those days?

My mom would call me every day commenting on how MySpace was being talked about on Oprah and she's hearing reports of how popular the site is.

What we did internally was just focus on daily momentum, trying to get more signups than the day before. That was EXTREMELY helpful on the days that things aren't going as well, and even better when we had insane growth days. Just keep saying to yourself, "one thing at a time." Start that momentum and then just slowly keep it going.

Amazing Growth Story: 2004-2011



Over time that momentum paid off and Facebook became #1 in Social Networking

7 Use Time Limitations

You will be more creative and save time and money by limiting the time you put into starting your business. Just ask economist Cyril Northcote Parkinson*.

Parkinson's Law dictates that a task will swell in perceived importance and complexity in relation to the time allotted for its completion. It is the magic of the imminent deadline. If I only gave you 24 hours to complete a project, the time pressure forces you to focus on execution, and you have no choice but to do only the bare essentials.

(*You can't really ask him. He is deceased.)

8 Velocity to \$1

This is HUGE. I can remember when I started NinjaCard (a college discount card) and made my first \$9 in profit. As I put the discount card in the envelope I recall thinking, "I'm actually running my own business".

Once you reduce all barriers and get to your first \$1 that will open your eyes and create excitement to continue.

9 Handle Adversity

A true entrepreneur will figure things out. You don't have a partner? Do it yourself. Can't get funding? Do it for free or figure out another way. One day I woke up with calls from lawyers. They were asking if I wanted to use their service. Huh?

That day my company Gambit was getting sued by our largest (and heavily funded) competitor. Then, a few weeks later our company also got banned by Facebook where 90% of our revenue was coming from.

There will be a time when you will be challenged; **how you persevere is what will separate you from everyone else.**

We ended up settling the lawsuit out of court and the company shifted towards video advertising instead of Facebook payments, and continues to run strong today.

Scamville Shakeout: Was Gambit The Right Fall Guy?



MICHAEL ARRINGTON

Tuesday, November 24th, 2009

0 Comments

I'm not sure any lasting change will come from our **series of Scamville posts**. For now the most egregious of the social gaming offers are gone, which is a good thing. But none of the big players seem to have felt much pain. And, importantly, Facebook's rules still allow most of the really bad stuff (as long as users are being told in the fine print exactly how they're being screwed). It's only a matter of time before business as usual kicks in.

Four companies have felt the **wrath of Facebook** in the wake of Scamville: Tattoo, Gambit, Social Hour and Social Reach. Facebook doesn't openly talk about the fact that these companies have been "banned," but they've let the app developers know – work with these guys and there will be trouble.

10 Do Not Ignore Your Fears

I went ATVing for my brother's bachelor party and came across a deathly steep hill. I was terrified - I wanted out and to avoid the discomfort and anxiety. But I also wanted to know that I was able to overcome a fear and maybe even enjoy myself. I wasn't going to know until I tried.

I told myself that I wouldn't leave the mountain until I went down that hill. YOLO, right?

Surprise, surprise: I survived, I felt my anxiety ease up, and I was able to take on bigger and scarier challenges throughout the day.

Running a business is daunting. I'm not here to tell you it won't be tough and challenging - it will - but it's not impossible. Take your fears head on, don't ignore them and hope they'll go away.

Don't forget these!

Since you'll be living by these commandments for the rest of your life, print them out and post them somewhere you'll ALWAYS see them.



OkDork by
NOAH KAGAN