

URL: <https://stvp.stanford.edu/clips/no-new-business-models-under-the-sun>

"It's my belief that almost every model has been tried," says Geoff Yang, founding partner at Redpoint Ventures. Yang encourages entrepreneurs and investors to look across industries, and throughout history, to find analogous models to understand how a new venture's approach might succeed or fail.



Transcript

My opinion is that almost every business model has been tried.. It may not have been tried in exactly that business and that incarnation, but every - if you can squint and you can think about, well, what happened, so for instance on Monday at our Partners Meeting where we were talking about subscription commerce, right.. And one of the big things, popular things today is these are subscription commerce sites where you sign up for a monthly subscription to some either product or service or what have you and it just comes.. And people will say, well is this model working? Well, you never know, it hasn't really been tried before.. Well, you go all the way back to the early '70s and there was this thing called Columbia House records and tape where every month they'd send you three new albums and unless you canceled, it would - the album would come or you think about just an analogy, AOL.. It's a monthly subscription service that if you didn't cancel, with your credit card it would just be renewed.. And the fact that, my belief is that almost every model has been tried, it may not have been exactly tried in that industry.. It may be different industries within different periods of time, but they're very instructive as to how corporations view it or how consumers view it and how behavior kind of works.. And I always encourage entrepreneurs and I always ask them, well, what's the analogy for this business, what is it most like? Is it like - it's - is it like how Cisco did it or is it like a Federal Express did it or is it like - if it's a - even restaurant analogies, whatever, I always look for analogies and I think it's really a myth that nothing like this has ever been tried before...