URL: https://stvp.stanford.edu/clips/right-time-to-start-a-company

Serial entrepreneur Steve Teig explains why he only starts a company once he is sure he can deliver on the top-level technology questions.

Transcript

When is the right time to start a company? Wow.. I'll tell you at least how I've done this.. It's a good question and I'll give it a serious answer.. For all of my talking about redirect your fear and I believe that, I think it's true I am much more careful than it would appear to an outsider in the companies that I have started.. The fact is before I've started any of my companies, I was sure.. The venture capitalists who invested weren't necessarily sure, the team that joined with me weren't necessarily sure.. I was sure.. And I don't see that frivolously at all.. The fact is, for example with Tabula which is really involved technology, I spent months doing nothing but thinking about that to work out not all of the problems, certainly the hundreds of people we have been working with have contributed immensely to this project over the last years, but at least the top level problems, I got far enough to convince myself I knew I had a solution that would work, that I knew that there weren't giant obstacles in the way and that I could see that there was a finish line out there, even if I hadn't mapped it all the way up.. I waited till I was sure..

And before I put my ass on the line and go to a venture capitalist and say give me millions and millions of dollars, in my heart of hearts, I can't be certain the company will succeed - there are so many exogenous forces there that I can't control - but I can at least be sure the thing I am saying I can deliver, I can deliver.. I know how to build it.. I know it's going to work.. I know it's going to be better than any of the solutions I've currently encountered.. I spent a long time dotting the i's on what I see the endogenous risks of can we build this product, how much engineering effort is it going to take, how hard are these technical problems really before I make the wager.. But once I know I can deliver it, then it's really a matter of do I think there is a market there and that sometimes you can tell and sometimes you can't.. It really depends.. I try to ask experts and get at least some feel for it.. For my comments about data before, there is only so much you can learn but I at least try to have conversations with perspective customers and other experts in the field to get some feel for it.. But once I know I can build it and once I have some sense that if I could build it there would be something there, at least for me, that's when I go for it...