

ENTREPRENEURSHIP, COLUMBUS STYLE!

A small group of risk-seeking seamen departs from the comfort and safety of civilized life to strike out on their own. They head west, yearning to explore the uncharted wilderness of space - to use their wits, courage, and relentless resourcefulness to boldly go where none have gone before them. Perhaps others have seen these new lands, but only in passing, on research expeditions - no one has yet been able to settle there. For the ultimate goal is to set up permanent camp and build new lives and livelihoods.

Founding and starting a company is an act of exploration and colonization. Steve Blank defines it as: "A startup is a temporary organization in search of a scalable and repeatable business model." First explore (search for a business model), then colonize (repeat at scale).

One could try to build a new colony on Antarctica but it isn't impressive - the resources just aren't enough to support a massive plan. Mining settlements are interesting because they sit on what's clearly an important resource, but if the mines dry up, you're out of luck. Location has a tremendous influence on how big a settlement can grow. Having the right people, culture, and institutions will only take you so far on high seas.

Similarly, if you want to build your startup into an empire you'll need to find a truly important problem. Despite all the fuss about dying ideas, execution alone won't generate the next Facebook or Google.

Let us consider some famous cases. Google explored web search, Twitter colonized real-time status updates, Quora is attempting to dominate Q&A forums, Facebook conquered the space of online identity, Microsoft took over the personal computer space and were successful at it, but now their niche is drying up and moving towards the web.

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Here are some other changes that can occur as a startup becomes more established in a space:

Increased specialization: Entrepreneurs start out as generalists, but economies of scale will soon insist that they specialize. With growth, what was once the province of an individual will become a whole group dedicated to that single function. New roles will appear just to handle the size and complexity of the community.

Increased caution: As the company matures, it will acquire real resources in need of protection. More law and policy will be created, and the community will become more stratified and status-conscious. Politics will become more important and visible.

Success will attract people looking for a quick buck. For a growing startup, none of these changes are destined to occur. But there will always be pressure pushing the group in these directions, and it will require constant discipline and vigilance to make sure the culture stays healthy.

Working for a startup and being a pioneer are different from each other. The success that a startup demands requires much tighter coordination among its members.

If you want to focus on the coordination that needs to happen at a startup, you might use another metaphor: the one that says companies are like ships.

Pioneer groups aren't the only ones trying to colonize new regions. Sometimes a more established player (Apple for example) will make an attempt. Their disadvantage is psychological - they are often too cautious, slow, or they get stuck in internal politics. For an established player, finding the right way to explore is difficult, but crucial to long-term growth. If an organization can't do its own colonizing, then it must learn how to acquire, or be content with its current holdings.