22. Understand the Competitive Landscape, but Believe in Your Concept; don't be Discouraged by Competition

When entrepreneurs make the decision to embark on their startup journey, it is with conviction in a disruptive concept that the company can be built around. There is a healthy sense of paranoia in the early days that is coupled with excitement and provides the mental and physical fuel to power through exhausting days. As founding architects tinker with the ideal technology cocktail, there is inevitably the stark realization that competitive threats exist around every corner. This is true with every startup that has ever been created through the years.

One of the important attributes of those upstarts that reach escape velocity is their ability to consistently separate the signal from the noise. As the competitive intelligence is gathered, it is critical to avoid being overly distracted by the plans and ambitions of other companies feared to be aiming at similar solutions. There is often an unnecessary focus placed on alliances being formed elsewhere with venture capital partners or much larger OEM's which can cause even the most well-positioned startups to question their strategy. Once again, this is completely normal. During such times of anxiety and uncertainty, the best leadership teams are galvanized, and their competitive fire is stoked further. There is a healthy sense of belief and trust in the original concept to maintain a bold trajectory and forge ahead.

It is, however, important to understand that the founding strategy of just about every startup, including the most notable disruptors, changes course somewhere along the way. In *How Will You Measure Your Life* by Clay Christiansen, Professor Amar Bhide validates this realization. "His *Origin and Evolution of New Business* showed that 93 percent of all companies that ultimately become successful had to abandon their original strategy—because the original plan proved not to be viable." This was certainly evident in the field of closely-watched transportation apps for smartphones where Taxi Magic changed their name to Curb in 2014, and Cabulous rebranded themselves as Flywheel in 2012 failed to adapt and were outmaneuvered by nimbler Uber and Zimride/Lyft. Brad Stone captures the evolution of the space in *Upstarts*, highlighting Lyft's willingness to alter their course to ensure success. Zimride (which became Lyft) recognized that "their idea was too early—the great wave of smartphone ubiquity and social networking was gathering momentum. But they [Zimride/Lyft] were also pragmatic and they believed in the Silicon Valley notion referred to as 'the pivot.' As long as there was money in the bank, it was never too late to change business models and seek more profitable pastures." Though it is never easy to let go of the founding strategy the company was built upon, the learning that takes place through customer collaboration can unveil even greater opportunities that had not been originally considered. While it is important to remain open to such changes, they must be communicated proactively with employees, investors, and customer prospects in an effort to avoid confusion. In addition, any pivot in strategy or direction must be well thought out and cannot be a lever that is pulled any more than necessary.

Market dynamics are constantly in motion, especially in the fast-paced world of technology. It is not uncommon for today's rising stars to become tomorrow's has-beens. Maintaining a consistent pulse on the competitive landscape is vital, but it is equally necessary to not get overly distracted by what other companies are doing. If, after serious consideration, a change in course is deemed necessary, it is important to know that nearly every company deviates from their original plans to pursue alternative strategies at some point. The most prolific outliers have navigated their moves with finesse, placing bold conviction in the new plan only after securing the support of employees, investors, and customers.