

6. Execution and Timing Are Critical

History has certainly proven through the years that startup success is not guaranteed to the first movers of even the most innovative and transformational ideas. Countless well-funded upstarts with proven leadership teams were crushed under the weight of the dot-com bust and again when spending dried up during the financial crisis. Economic cycles are highly unpredictable, each one driven by a slightly different set of variables than those that came before it. Young companies take great care in building teams and meticulously managing burn rates in an effort to thread the needle when it comes to trading equity for new funding. The unfortunate reality remains that lending and spending turn off quickly when an economy slows, which can happen abruptly. From this perspective, even the most high-profile success stories have been fortunate to avoid the most challenging demanding environments in their vulnerable early stages.

A more confounding function of timing is the very fact that so many first movers over the years have squandered their early leadership in countless end markets, leaving those opportunities to be claimed by other companies that emerged after them. In *Good to Great*, Jim Collins highlights this notable reality— “This pattern of the second (or third or fourth) follower prevailing over the early trailblazers shows up through the entire history of technological and economic change... IBM did not have the early lead in computers. It lagged far behind Remington Rand’s UNIVAC, which was the first commercially successful large-scale computer...Boeing did not pioneer the commercial jet. De Havilland did with the Comet...Palm Computing did not pioneer the personal digital assistant, Apple did with its high-profile Newton... all such examples underscore a basic truth: technology alone cannot turn a good enterprise into a great one, nor by itself prevent disaster.”

In a few more recent examples, history confirms several notable startup efforts aimed at disrupting the taxi industry well before the arrival of Uber. Seamless Wheels began offering a simple way to book and expense town cars in 2003, initially targeting blue-chip law firms in large cities like New York with its service. That, however, pre-dated the era of smartphones and ubiquitous text message which would later prove fundamental to Uber's success. Taxi Magic was first to deliver an app into the Apple App Store in mid-2008, fueling tens of thousands of downloads per day, but chose to work within the regulated confines of the taxi industry rather than challenging them. Even Cabulous , which later rebranded themselves as Flywheel, had an app that debuted in Apple's App Store in the fall of 2009, more than six months before the arrival of the Uber Cab App. Similarly, CouchSurfing launched an online home sharing service more than five years before Airbnb's arrival, but it registered as a non-profit due to a lack of knowledge of corporate entities and never achieved meaningful scale.

The fact is, the first mover of many disruptive technologies initially seizes, but ultimately squander incredible opportunities to revolutionize a given segment of the market. So clearly, it is not just luck and timing or even the best technology that breeds the greatest startup successes. Execution is an essential ingredient built into the foundation of the most prolific outliers. As John Doerr claims in *Measure What Matters*, "Ideas are easy. Execution is everything." With smaller teams, limited capital, and often pioneering concepts to un-seat much larger incumbents, a strategic focus and near-flawless execution are critical.

This notion of executing a game plan is highlighted by Jim Collins in *Good to Great*: "When you set your objectives for the year, you record them in concrete. You can change your plans through the year, but you never change what you measure yourself against...You never just focus on what you've accomplished for the year; you focus on what you've accomplished relative to exactly what you said

you were going to accomplish—no matter how tough the measure.” Planning and forecasting can be more art than science in the early days of just about every company, especially when changing winds in the economy turn well-planned objectives into moving targets. Execution has been a defining characteristic of the greatest startup success stories, which is why it ranks among the top intangibles in *The Startup Playbook*.