



FEATURE



Warning: Software Startups Are Not as Easy as Everyone Says

[By Rob Walling]

A few months ago I had a conversation with a successful friend of mine (by successful I mean 29 years old, self-employed, a six-figure income, and two houses in Northern California). He runs a software company.

We were discussing what it takes to be a software entrepreneur, and in a moment of self-reflection he said, "I'm not as successful as I anticipated. I thought success would be easier."

One of the Smart Kids

When you're young people throw compliments at you left and right.

Wash your hands, get a round of applause.

Tie your shoe, get a standing ovation.

Read *The Guinness Book of World Records* cover to cover...well, that will get you beat up by a six-foot third grader named Chuck...but you get my point.

When you're young, people tell you that success is easy to keep you from getting discouraged. They say anything is possible if you work hard enough.

As you get older, if you read anything outside of school, you know more than your peers. You wind up in classes with prefixes like Honors and A.P., and you begin to feel smart.

At some point you see infomercials that talk about how easy it is to make money investing in foreclosures, your own business, and the

Internet. But their angle is obvious. (I'll give you a hint, it starts with "But wait, there's more!").

And you hear stories from your unsuccessful Uncle Ned that end with "...and he invented the digital squeegee and became an overnight millionaire. What I wouldn't give to be him!" Of course, you don't hear about the thousands of hours the inventor spent working alone in his basement preparing for "overnight" success. That would ruin his story.

The Startup Conspiracy

Your parents, teachers, television, and Uncle Ned have driven into your brain that being smart and having an idea are enough to guarantee your spot on the cover of *Fast Company*. There seems to be some kind of conspiracy that startup success is easy, that it's handed out like a lei as you step off the plane at the San Francisco Airport.

But it's not easy. It's really hard. It's a combination of enormous amounts of hard work, intelligence, and luck. Anyone who tells you otherwise is trying to sell you something — even if it's just a magazine.

Your 2% Chance

If I read another story about Facebook apps,

I'm going to punch someone in their Facebook.

It seems like every time I open my RSS reader, I see quotes like this one (from a recent *Fast Company* article):

"Created in a week by two brothers from India, [their Facebook app] caught on like wildfire, with half a million users signing up in the first 10 weeks."

This is one of about 20 articles I've read on the Facebook apps phenomenon. Each has numerous examples of apps built in a matter of days that now have huge user bases.

Super poke your friend!

Throw a sheep at your friend!

Throw virtual poo at your friend!

That's not luck, it's pure genius...really.

An enterprising developer reads these articles and thinks, "I want to write an app that gets half a million users in 10 weeks. I'm going to do what they did!" So she spends a week in her basement and cranks out a Facebook application. When she uploads it, she finds a few thousand users and not enough monthly ad revenue to buy a Frappuccino. Why is that?



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Because the vast majority of the traffic (87%) goes to 84 of the 5,000 apps currently on the platform. That's less than 2%. Not one of the articles I've read has mentioned this ratio or the enormous luck factor involved in creating a "successful" Facebook application.

Luck out the Wazoo

I can hear someone out there thinking:

"What about [HotOrNot.com](#) and [PlentyOfFish.com](#)? Their founders make money hand over fist, but they don't appear to be exceptionally gifted and didn't put in much hard work. It was easy for them..."

Hot or Not and Plenty of Fish are the poster children for generating huge sums of money with little work (if you're not familiar with them, they are two dating sites that became smash hits "overnight" and make their owners millions of dollars per year for around 10 hours of work per week).

If you listen to their stories and compare the amount of luck to the amount of skill and hard work it took for their sites to succeed...the amount of luck is astonishing. Not only was their timing absurdly fortuitous and their ideas not exceptionally creative, but the sites were quite easy to build. They both seemed to walk into some kind of weird anomaly in the fabric of

time that happened, as best I can tell, exactly twice.

If you think all it takes to build a software company is a nice website, a pretty application, and a link from GigaOm...please reconsider.

The web is littered with applications launched by people who thought it would be that simple. They read about Hot or Not, built and launched an app, received a link or two from an A-list blogger, and when money didn't start rolling in, they called it quits. Now they're selling their labor of love on Sitepoint.

Don't let this happen to you.

The Bottom Line

There are exceptions to the rule that *software startups are hard*. But if you plan to succeed with an idea like throwing virtual sheep, you're better off spending your 40 hours of development time as a paid consultant and buying lottery tickets with your earnings.

If you want a chance at succeeding, you should stay far away from trying to duplicate the "one in a million" stories. You're chances of success are at least an order of magnitude greater with a boring idea like bug tracking or invoicing software than with the next "hot" consumer website. Just ask the zillions of free dating

sites that launched after Plenty of Fish hit it big.



You can spend your time dreaming of success and thinking that if you just had one brilliant idea, you'd make millions, grace the cover of *Sexy Startup Magazine*, own a vegetarian-friendly Ferrari, and have that beautiful trophy husband/wife. Or you can put your head down, become an expert in your field, work your ass off, and someday, maybe...you'll have a taste of success.

About the Author

Rob Walling is a software developer living and working in Los Angeles (but temporarily residing in New Haven, Connecticut). He writes about hiring, managing, and motivating software developers, in addition to random outbursts on improving development skills and software startups.

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