

## Twitter Thread by Ryan Breslow ■



**Ryan Breslow** ■

@theryanking



### YCombinator is not worth it, a thread:

These days, I get asked by founders all the time: “Should I do YC (YCombinator)?”

My answer used to be: “Probably not worth it, but if you really want to, sure.”

Today, given what YC has become, my answer is a hard: “No.”

Here's why ■

Before we dig in, a note on my motivation.

Some think my recent tweets are marketing stunts.

The truth: there's nothing that pisses me off more than the Mob Sh\*t that goes on in Silicon Valley.

My mission of empowering the next generation of entrepreneurs drives all my work.

Ok, now to YC...

This thread is long, but here's the main takeaway:

YC might have started off pure.

But money, power, and greed have corrupted it.

Today, YC is a lottery factory capturing 10%+ from founders with little concern about the individuals going through the program.

The problem: founders new to Silicon Valley think of YC as a MUST.

This is the narrative that needs to be put to bed.

And, I'll go one step further, it is a MUST AVOID.

Why?

First and foremost, the cost is beyond predatory.

For \$500k, YC has two separate safes, one for 7% and one at the earliest possible valuation in your company.

This result: they own 10%-14% of your company out of the gate.

This is ENORMOUS ownership and can be larger than your entire employee option pool thru Series A

And it's NOWHERE near value created.

1-2% of the company? Perhaps

Some % of the first round raised, ie an investment bank? Definitely

But 10%-14% is disgusting ■

When building a startup, the failure case doesn't matter... 10%-14% of nothing is nothing.

But the success case for your startup, which is the intention, this is enormous ■■■

If Bolt went through YC, their stake would be worth nearly \$1B.

This equity is PRECIOUS.

Its most important utility: compensating employees and your TEAM... the people actually building with you.

Founders generally consider YC with 5 beliefs:

1. YC's name will raise valuation by more than 10-14%
2. YC will coach and mentor you
3. YC will put you in front of 100s investors at demo day
4. YC will help you sell into YC
5. YC will connect you with peers

Let's go one by one:

>> YC's name will help raise valuation by more than 10-14%

First off, this is a logical fallacy.

Your first engineer should double the value of your company, creating a product from nothing.

But they don't get 100% of the company!

Every percent should have 10X impact.

Even still, the YC brand doesn't help with valuation anymore.

In the past, it did.

Limited class sizes of <40, high prestige.

Now the batch size: 400.

... You'll literally be one of 400 companies.

The prestige has been stripped.

The result: I have even more respect for non YC founders these days.

I still respect YC founders, but I frankly feel bad that they got caught in the trap.

New to Silicon Valley, it's not their fault.

They got caught in the narrative.

>> YC will coach you on company building

My YC founder friends: "The advice is minimal"

Rushed office hours.

Generic advice.

YCombinator is a machine, and going deep with a founder is basically impossible by design.

Think about it...

It's impossible to advise 100s of companies in a personalized, high-touch way.

Hopefully a few out of the thousand work so they can collect their fees ■

YC is a LOTTERY ■

They don't care about any \*specific\* company succeeding.... they only care about having as many lottery tickets as possible.

I've heard countless stories of YC founders IN THE PROGRAM being treated like crap.

That makes me livid.

Founders are pouring their lives into their companies and are giving ridiculous amounts of equity to the program.

At the very least they could be treated well.

Another dynamic:

The top companies get far more attention.

This is because the partners will focus on the few lottery tickets that move the needle.

Again, makes sense given the incentives.

>> YC will put you in front of 100s investors at demo day

Yes this happens.

But no, it's not unique.

Nearly every accelerator does this.

YC perhaps has more investors, but it's simultaneously the HARDEST accelerator to stand out given the outlandish batch size.

As a result: their YC's incentives are WAY more aligned with investors.

Everyone is chasing to be in the top 10.

The bottom 390 are left behind.

They know this too and must play favorites.

Supposedly YC partners will call certain VCs and tell them who the top picks are.

>> YC will help you sell into YC

This part actually is true. #TheMob

If your startup sells to other startups, they have a monopoly on this.

That said, plenty of companies figure it out without them.

You can too.

>> YC will connect you with peers at the same stage

Tech is a very welcoming community ❤️■

With a little work, this is easy.

But it's certainly NOT worth ANY equity in your company.

Back when I started Bolt, YC had prestige, smaller classes, and was more hands-on.

However, not going through YC made me a stronger recruiter, fundraiser, and company builder.

I went through the real deal startup Jedi training, no Mob support.

The effort is worth the freedom.

Here's my advice if you're a new founder:

Seek advice from other founders.

Follow them on twitter.

Read their blogs and books.

Network your way into them.

Be a student, direct from the source.

Fundraising can be done by organically building a network that serves as your support system and investor intro nodes.

Read my book Fundraising, it costs \$11, not 11% ■

Specifically, and abbreviated —>

1. Hustle to make friends with other founders.
2. Host social meetups to turn friends into more friends.
3. Start building something differentiated.
4. Leverage your network when it's time to raise.

There are also numerous other accelerators who will give you personalized care, take minimal equity, and who actually care about you as an individual.

See:

StartX

Backend Capital

Pear Fellowship

Also, certain great investors, just for letting them invest, add tremendous value.

So, to conclude:

YC as a profit-seeking institution has leaned ALL IN on the profit.

They've completely lost sight of who matter most: the people behind the companies.

And are just building a lottery ticket machine.

I fundamentally believe that there is no such thing as a machine for building companies.

If I followed the "YC Playbook" Bolt would have never made it.

We broke all their rules.

I've personally coached and mentored nearly 100 companies.

Many of which were YC alumni.

Afraid to go to YC partners, they've consistently come to me for advice.

I wonder why...

Even Paul Graham KNEW this was a bad idea.

But it seems like profits won over founders at the end of the day.

A typical story for The Silicon Valley Mob and any institution with too much power.

<https://t.co/nPCPL8wOGN>

Take it from me, you don't need YC.

You DON'T NEED the badges of approval.

Or the big name brand accelerators or VCs.

They don't make the company.

YOU do.

In fact, they often do more damage than good.

High ego.

Minimal respect for founders and team.

Short-term profit seeking.

A more fundamental point:

Do you want your company to be known as the "YC or Sequoia Company", and transfer all the credit for what your TEAM has built to some other institution?

NO WAY.

I would never want that for Bolt.

My team did the work and should get ALL the credit.

In short, build your network.

Learn from founders.

Find folks who will invest meaningfully in YOU.

When you find a FOUNDER who believes in YOU and is willing to make TIME, give THEM 1%.

They'll add FAR more value.

And they'll be with you for life, not just for a lottery ticket.

Ok I'm done with my rant ■

To all the up and coming founders, I'm here for ya.

You've chosen a courageous path; one where you're creating something new for the planet.

And you don't deserve the way you've been treated thus far.

Together, it's time to level the playing field.

So... two things...

1/ I'm building a better system.

Join the waitlist: <https://t.co/VzcSMruor6>

2/ I'm compiling stories from founders who've been victims of The Mob.

Please share your story: <https://t.co/sqvqNzSe72>

\*Early stage investors in Bolt who I found as highly value-add, all-in on founders, and take no equity outside of investment: SOMA Capital, Human Capital, Tribe Capital, AK Ventures (@joeykrug [@JHCA1](#)), [@jamesbeshara](#), [@KHelioui](#), [@GBousis](#), [@harryhurst](#), Trevor Traina, [@GreatOaksVC](#)

@joeykrug @JHCA1 @jamesbeshara @KHelioui @GBousis @harryhurst @GreatOaksVC \*Link to Backend Capital's incubator HF0 in Miami: <https://t.co/86VBsBNJXe>