Twitter Thread by Ryan Breslow ■





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.

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%

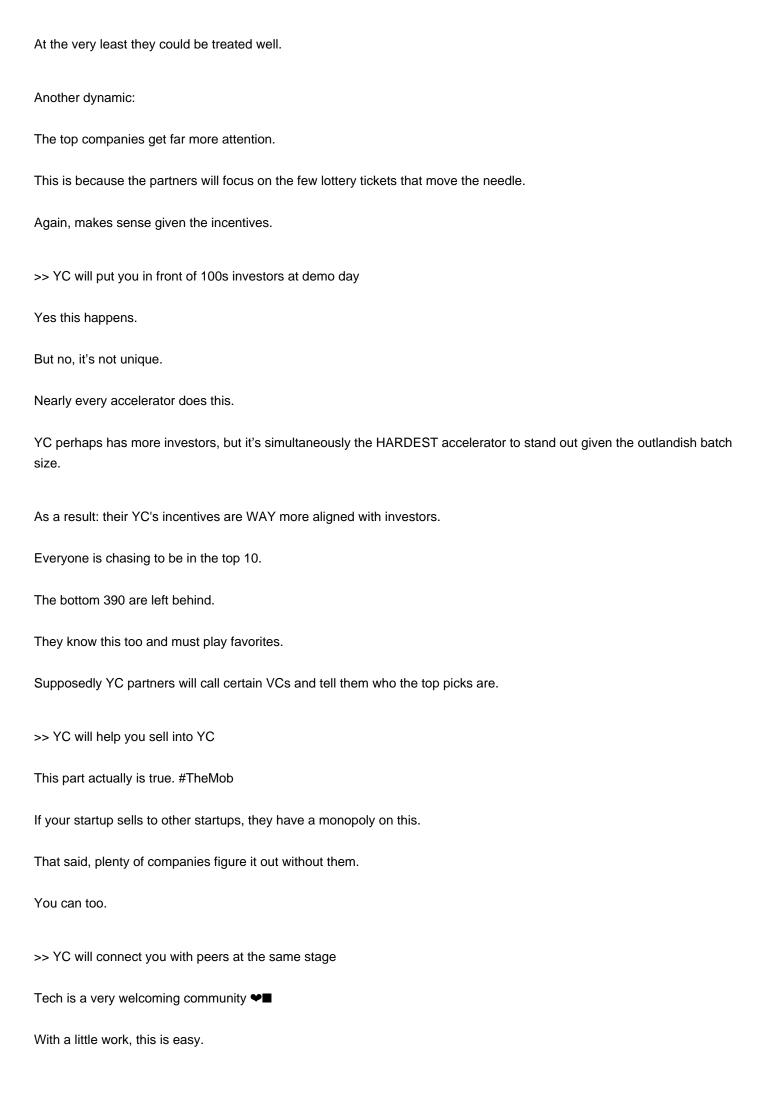
First off, this is a logical fallacy.

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

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

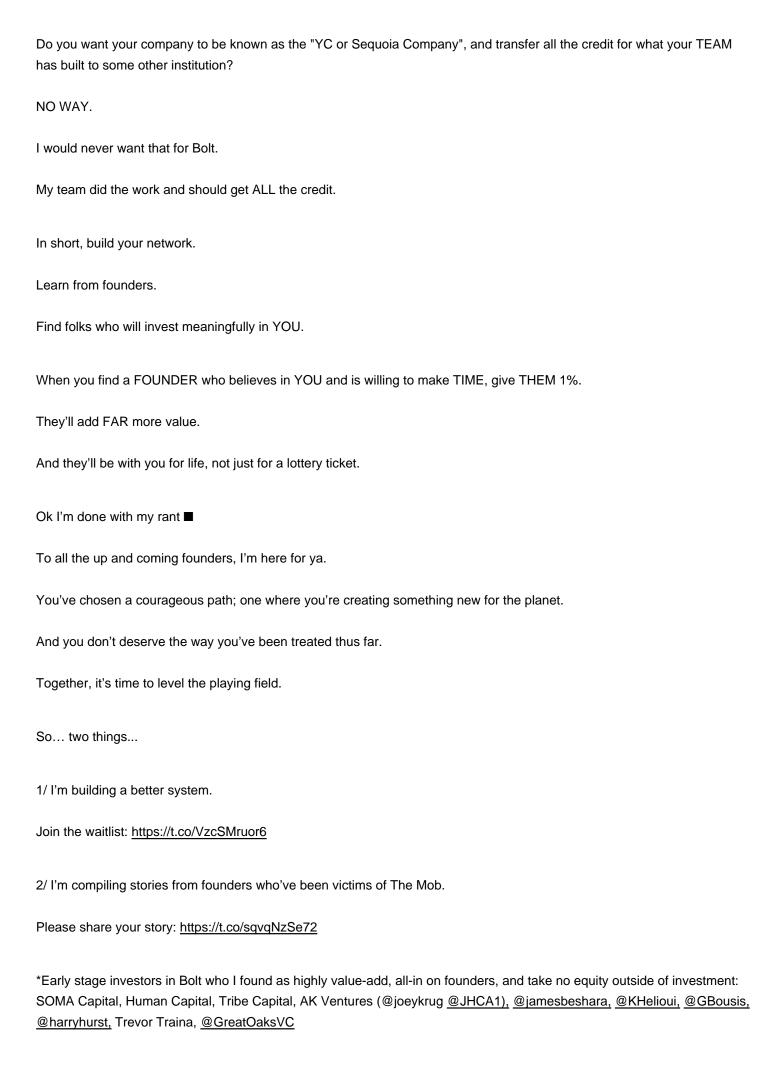
Every percent should have 10X impact.

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.



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 —>
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:



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