Twitter Thread by Patrick McKenzie

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My friends @robwalling and @einarvollset just launched TinySeed, an accelerator for software companies where a successful outcome is a healthy, sustainable business rather than attempting to ride the rocketship trajectory. https://t.co/LSHqZNcVid

I have some thoughts:

As somebody who bootstrapped ~4 companies, I feel like I had to make some clearly suboptimal decisions early in them for lack of what is, in hindsight, not all that much money. But there's a huge gap in the product space for investment options.

It's weird: you can get $25k from Amex trivially, and angels are very willing to write a check for that much, but you have to make representations about your goals/ambitions/market/etc which don't really apply to everyone.

And so you see the traditional angel/VC ecosystem fund companies where honestly the returns are probably not there, and this is knowable pretty early, but the chase of them will wreck what could have been a perfectly happy business.

(To make the math work for traditional VCs the company has to at least have a market-appropriate shot of $100 million a year. There are a lot more $10 million a year companies than $100 million a year companies. That is *not* a bad terminal outcome for founders/employees.)

I'm glad that there is some experimentation in this space, and know of at least 3 teams in the MicroConf community which are doing takes on it. It's a natural evolution for entrepreneurs after doing the bootstrap-from-nothing thing ~5 times.

You get basically 5~10 shots at building a company in your life, and a lot of my peers are discovering simultaneously "Hmm about half of my shots are spent and I want to be really selective about what I do next but oh goodness still want to be involved in ALL THE SOFTWARE."

And investing has historically been a natural next step for operators in e.g. Silicon Valley; you get to both enjoy vicariously the early days without having to be up at 2 AM anymore, and you get to give back to the community. But bootstrappers have different values/tolerances.

So I see it as a great thing that there is experimentation regarding the reinvestment and mentoring model in the bootstrapping community as well. And I can't think of anybody I'd trust more on this than Rob; he's the real deal.