Twitter Thread by Patrick OShaughnessy



Patrick OShaughnessy
@patrick_oshag



Have been lucky to meet with or study hundreds of companies in 2021.

Here's an ongoing list of company attributes that I find interesting...

1. Operations Focus

“Amateurs talk strategy, professionals talk logistics.” A grand vision is great, but the best companies are often focused on challenging but tangible near term goals. If a founder can’t move from vision to on the ground details quickly...bad sign

2. Life’s work

To borrow a concept from @nikiscevak, it is thrilling to find someone doing their “life’s work.” When someone's personal path lines and formative experiences line up with the problem a company is solving, I get excited. "Life's work" is a source of perseverance

3. Synchronized team

Well managed internal communication is a huge advantage.

This is often evident

1) in internal routines, words and phrases with unique meaning

and

2) consistent answers to questions about the company’s plans from a variety of different insiders

4. Jobs as a product

I like when management teams view jobs inside their business as a product to be built, designed, and sold like any other product.

Everyone is struggling to hire great talent, so a differentiated strategy in hiring matters as much as anything.

5. Static to streaming

Companies that turn useful information from occasionally measured to constantly measured.

This could be software security compliance (@trustvanta) or pantry inventory levels (@bottomless)

Streaming data unlocks new product possibilities

6. Busted but booming

@gabrielleydon told me his favorite investing scenario is when a product is constantly breaking, but demand STILL grows like crazy. This tells you that there's some real potential innovation happening.

@gabrielleydon 7. Accident to asset

I love when a company repurposes internal tools to serve external customers. Often this applies only to older companies or those in a "second act." But the path required to have built a useful internal tool is often what allows for a unique product.

@gabrielleydon 8. Not best, only

The easiest way to be the best in a category is to create it. We love when we observe outsiders trying to compare a company to others via analogy, but hearing lots of different, unrelated companies used in those analogies. This is often a sign of a new category

9. Simple task, complex guts

A company like @stripe offers to complete a simple job (accept a payment), but hides and solves the insane complexity behind that simple task.

This usually manifests as API-first companies in software, which are among my favorite.

10. Lazy, Vain, & Selfish

I love @scottbelsky observation that in the "first mile" of a product experience, customers are lazy, vain, and selfish.

Bob Pittman taught me that quality is great, but increased customer convenience is more often the story behind successful products

@scottbelsky 11. Design partners

A concept learned from @chetanp and Dave Duffield. Companies which carefully pick a small batch of early customers (usually in B2B) and work with them for an insanely long time (1-3 years) to mature a product before opening to more new customers.

@scottbelsky @chetanp 12. Regulatory unlock

Whether a company is actively fighting to change some ruleset or regulation, or taking advantage of a recent change, companies operating near a regulatory unlock typically face less competition.

@scottbelsky @chetanp 13. One thing

This is the @costco principle. In every company--especially one that is working--it is tempting to do more. Companies that stick to one major thing (like constantly improving Costco warehouses and membership value) can become among the most enduring franchises.

14. World building

I love @photomatt description of companies like Salesforce that build whole worlds:

https://t.co/YFUanigHsk

Matt: [00:31:55] One thing I love about great creators, you can imagine like a J.R.R. Tolkien or something. He doesn't just write a book, he creates a world. There's an Elvis script that he wrote poetry. There's like a whole thing around it. And then the best creators and creative works also then create worlds that happen after them. On Tumblr, we have so many fandoms and fan fiction. People who take the canon work and then expand it. They create new art, new stories. You can do that with companies. And my favorite companies do that. We take for granted, because we look at...when we talk about Salesforce, we talk about their acquisitions, or Mark Benioff and Bret Taylor, like these sorts of things. But you miss that they created a world, The Trailblazers Series, that they train people. There are events, where they share information. There are interactions with the communities. Print their name on the tallest building in every city. All of these things are part of the universe, the mythology, the world of something like a Salesforce.

@photomatt 15. Unique distribution

I deeply respect leaders who focus on unique ways to reach their customers.

So many problems are ultimately marketing and messaging problems, yet we tend to look down on sales and marketing relative to product.

GTM should be developed like product.

@photomatt 16. Float financing

Any time a company is paid early or up front, I'm interested. It signals clear demand from customers, and indicates that a company may be very capital efficient.

This can be dangerous, too, but its a feature that I find rarely despite much searching.

@photomatt 17. Culture of service

My favorite element of culture is a focus on service.

This shows up as fast response times, lack of defensive behavior or blaming, and constant learning via productive feedback.

Leaders tend to be tough + fair, hardworking, and humble, not flashy