

# Upgrade Program Startup Plan

## Table of Contents

<b>Introduction</b>	<b>1</b>
<b>Epistemic Status</b>	<b>2</b>
<b>Objectives</b>	<b>2</b>
<b>Values</b>	<b>2</b>
<b>Metrics</b>	<b>3</b>
<b>Actions</b>	<b>3</b>
<b>Schedule</b>	<b>5</b>
<b>Predictions</b>	<b>6</b>
<b>Outcomes</b>	<b>6</b>
<b>Assessments</b>	<b>6</b>
<b>Tools</b>	<b>7</b>
<b>Resources</b>	<b>7</b>
<b>Notes</b>	<b>7</b>
<b>Legal</b>	<b>7</b>

## Introduction

This document is part of a series of upgrade plans for every [area](#) of your life. This is a subplan complementing the [UP Career Plan](#). Use this as a base plan for testing the viability of your new startup or new organization. It's broadly designed for a single, middle-class, 30-something living in a major city in a developed country.

Building a successful startup is incredibly hard. Much harder than it appears. If you're going down this path, be prepared! Don't overplan. Don't underplan. Don't go too slow. Don't go too fast. Be humble. Be ambitious. Experiment a lot. Laser focus on one thing. Unfortunately, much of that is all true, just depending on the specific situation. Consider yourself warned.

Please go to "File" > "Make a copy" and make a copy of it for yourself. Then fill it out section by section according to your particular needs and circumstances. Perhaps add sections or items, delete them, change the order, and so on.

Your aim should be to make the plan as applicable and useful to you as possible. You should not follow the plan blindly—think it through for yourself.

Note that this process might be challenging. You might need to teach yourself things you aren't very knowledgeable about yet. You might feel like you need to do preliminary work in a different life area first. That's okay. Figure out broadly what makes sense for you, operationalize that understanding as specific actions in the [Actions](#) section, and then do them.

If it feels overwhelming, just start with the parts you find most valuable and do what you can. Tackle the rest over time. It may also help to set aside a dedicated [day](#) to work exclusively on this by yourself or with friends. Or you may choose to enlist an [UP Coach](#) to co-design and execute this plan alongside you.

## Epistemic Status

This is an overview of how confident the principal [author](#) is in this plan.

- Generally high confidence in plan
- Based on co-building 25 organizations (9 businesses) with a ~54% survival rate and 200+ cumulative years of operation

## Objectives

Determine your objectives. Below are a few sample objectives.

1. Determine long-term startup viability

## △UPGRADABLE

- a. While minimizing cost
  - b. While minimizing time
  - c. While minimizing emotional risk
2. Build early foundation for startup

### Values

Determine your relevant values. Below are a few sample values.

1. Maximizing odds of success
2. Truth-seeking
3. Saving money
4. Saving time
5. Saving energy
6. Avoiding embarrassment

### Metrics

Determine your metrics. Below are a few sample metrics.

- Monthly Growth on:
  - Number of People Served
  - Revenue
  - Profit
- Riskiest Assumptions De-risked
- Valuation
- Investment
- Number of Full-Time Equivalent (FTE) Team Members

### Actions

Determine the sequence of actions you will take to achieve your objective. Below is a sample very rough sequence of actions you might take.

1. **Understand:** describe your [mental model](#) of a startup
  - Create a visual representation from memory without referencing this plan or outside sources of information
  - Create a new visual representation after thoroughly studying this plan and any relevant sources of information
  - Pay special attention to the improvements in the second version as incorporating those new insights may be crucial to the success of your plan

## △UPGRADABLE

2. **Prepare:** finish every section of this plan, including the [assessments](#), [tools](#) and [resources](#) below
3. **Why question:** ask yourself why you want to build a startup and if you're willing to dedicate 5-10+ years to it if it's successful and potentially lose years of your life if it isn't
4. **Decision tracking:** begin [tracking](#) all your key decisions and reviewing their outcomes regularly
5. **Founding team:** begin recruiting (some or all of the) co-founding team<sup>1</sup> and create [co-founders agreement](#) with incredibly clear expectations and titles for each co-founder, conflict resolution process, intellectual property ownership, equity capital table and vesting schedule (if applicable), and dissolution scenarios
6. **Market selection:** determine the most interesting or fastest growing market you care deeply about
  - For non-existent markets, aim for early or pre-[Gartner Hype Cycle](#) (higher risk)
  - For developing markets, aim for high [CAGR](#) (lower risk)
  - For mature markets, primarily only enter if you have a robustly better cost-effective solution to a clear problem (lowest risk)
7. **Idea generation:** develop the main idea and 5+ permutations, preferably ones that are overlooked by others
  - Idea could be impossible until now
    - Learn promising new technology really well
    - Apply new technology to solve a problem in an industry where it hasn't been applied to yet
  - Idea could be undiscoverable to others
    - Pick two unrelated topics you know a lot about
    - Combine the two topics to create a novel solution to a problem
  - Idea could sound dumb
    - Pick an important truth you know to be true but few others do
    - Develop a solution to a problem that seems dumb but is actually smart if the insight is true
  - Idea could be tiny at first
    - Solve a problem that a small group of people you know well have
    - Slowly expand the solution until it's usable for a wider and wider audience
  - Idea could be too hard for most
    - Pick an area that others deem too hard to do but you feel compelled to tackle anyway
    - Go all in, albeit with a firm cutoff for ending if it really is too hard
8. **Business model:** use the [Business Model Canvas](#) to sketch out 5-10 potential businesses ([template](#))
9. **Back-of-the-envelope calculations:** do [back-of-the-envelope calculations](#) on potential financial, social, and environmental costs and benefits for the most promising business models

---

<sup>1</sup> In practice, this often starts earlier or later than this step might imply.

## △UPGRADABLE

10. **Customer discovery/development:** do enough interviews with ideal customers for the most promising business models until a reasonable percentage indicate clear interest in buying what you might offer (generally don't sell them, instead learn what their burning needs are that you might help with your products or services in time)
11. **Business model selection:** choose the top 2-3 business models to investigate more deeply
12. **Theory of change:** use the [Theory of Change](#) to sketch out potential pathway to impact for selected business models
13. **Financial projections:** create barebones financial projections with clear unit economics, especially cashflow/runway analysis and profit and loss statements for selected business models
14. **Landscape analysis:** scan the competitive or collaborative landscape for successes and failures and dig until you discover at least 2-3 similar ideas to the selected business models
15. **Model decision:** choose the most promising business model for deeper development
16. **Vision development:** communicate why the startup should exist in a very short, memorable sentence
17. **Strategic plan:** determine your primary strategy or strategies for success and corresponding high-level resource allocations and rough timelines (e.g., develop your comparative advantage, defensibility, market positioning, go-to-market strategy, etc.)
18. **One pager:** sketch out a barebones "one pager" of the startup that articulates all of its key components (elaborate on the [Business Model Canvas](#))
19. **Business model testing:** identify the riskiest assumptions and begin running experiments to de-risk them
20. **Minimum viable product:** create your first major experiment to determine product-market fit viability
21. **Founder gut check #1:** do a cost-benefit analysis of all the pros and cons for continuing or stopping with startup development and make a sober decision of what you want to do
22. **Culture development:** determine the startup's core culture
23. **Team development:** determine ideal team composition, create job descriptions, create organizational chart, update equity capital table, update conflict resolution process, set incredibly clear expectations for new hires, and begin recruiting and training (hire slowly and fire quickly)
24. **Operations development:** determine all key operational systems and begin building them (e.g., project management systems, knowledge management systems, communication management systems, financial management systems, etc.) and documenting them in a Standard Operating Procedures handbook
25. **Metrics setting:** determine your primary and secondary metrics, build a visual dashboard to regularly track the most important metrics, begin relentlessly focusing on especially the primary metrics and potentially secondary metrics
26. **Goal setting:** set clear goals and milestones
27. **Predictions:** make explicit predictions on goals and milestones and begin tracking your accuracy

28. **Execute:** begin tackling your first set of goals
29. **Founder gut check #2:** after executing for a few weeks or months and hitting or failing to hit your goals, update your cost-benefit analysis from the first gut check and confirm you really want to continue (if you're not sure, you *may* have your answer: to stop)
30. **Advisors:** build your Board of Directors and/or Advisory Board with people who will tell you the raw truth
31. **Incorporate:** determine the ideal legal structure and incorporate when appropriate
32. **Fundraise:** if needed, create pitch deck and begin fundraising
33. **Further execution:** continue to execute and pay close attention to how your predictions do or don't match reality

## Schedule

Decide on which days you will take which actions. You should add these dates to your calendar now.

- [Date]: Finalize plan
- [Dates]: Execute plan
- [Dates]: Review plan's outcomes

## Predictions

Predict how well you will do in achieving your objectives.

- [Name]: I predict with [X]% confidence that I will [Y] by [Z].
- [Team Member's Name]: I predict with [X]% confidence that [Name] will [Y] by [Z].
- [Team Member's Name]: I predict with [X]% confidence that [Name] will [Y] by [Z].
  
- Combined: We predict with an average [X]% confidence that [Name] will [Y] by [Z].

## Outcomes

Objectively record how well you achieved your objectives.

- [Year 1]: [Outcomes]
- [Year 2]: [Outcomes]
- [Year 3]: [Outcomes]
- [Year 4]: [Outcomes]
- [Year 5]: [Outcomes]
- [Year 6]: [Outcomes]
- [Year 7]: [Outcomes]
- [Year 8]: [Outcomes]

- [Year 9]: [Outcomes]
- [Year 10]: [Outcomes]

## Assessments

List all of the assessments you might take to understand how you're doing compared to your objectives. Below are some sample assessments.

- [Critical Factors Assessment \(CFA\) Snapshot](#): a simplified version of the full Critical Factor Assessment (CFA) that allows a person to self-assess their venture against the 8 most critical factors for venture success
- [Entrepreneur DNA](#): an assessment analyzing 25 dimensions of entrepreneurship
- [Entrepreneur Personality Profile](#): an assessment that will provide information both about which aspects of a person's personality are well-suited for owning a business, and which aspects could be problematic
- [Startup Test](#): a test that examines if a person has what it takes to be the founder or CEO of a successful startup
- [Startup Valuation Calculator](#): a tool used to calculate startup valuation

## Tools

List all of the tools you might use to achieve your objectives. Below are a few sample tools.

- [Business Model Canvas](#)
- [Lean Business Model Canvas](#)
- [Social Business Model Canvas](#)
- [Theory of Change](#)
- [UP Decision History](#)
- [UP Startup Foundations](#)

## Resources

List all of the resources you might use to achieve your objectives. Below are a few sample resources.

- [27 Steps for Building a Startup: From Idea to Exit](#)
- [How to Start a High-Impact Charity](#)
- [Lean startup](#)
- [Running Lean: Iterate from Plan A to a Plan That Works](#)
- [Start and Improve Your Business](#)
- [Tech Non-Profit Playbook](#)
- [YC Startup Library](#)
- [YC Startup Playbook](#)

- [YC Startup School](#)

## Notes

Add any random thoughts, questions, uncertainties, etc.

- 
- 
- 

## Legal

- © 2017 [Upgradable](#). All rights reserved.
- We [do not profit](#) off any product recommendations.
- We declare no conflicts of interest.
- This plan is not for commercial re-use.
- Please do not share.