

A man with grey hair, smiling, wearing a dark blue blazer over a light blue shirt, standing with his arms crossed. He is wearing a watch on his left wrist. The background is a faded city skyline.

NEMAN
VENTURES

The Ultimate Startup Founder Guide

**A Blueprint
With Six
Crucial Steps
For Success**

www.shaneneman.com



Introduction

Chances are, you downloaded this ebook because you're looking for advice from someone who's been where you are: trying to get a startup off the ground, or wondering if you have what it takes to be a successful founder. The good news? I have definitely been there, multiple times, and I've gathered a number of insights along the way that I'm happy to share.

In addition to being a founder, I'm also a VC. That means I know startups and founders from both perspectives: the state of mind of an entrepreneur launching his great idea into the marketplace, and the standpoint of a VC analyzing the strengths and weaknesses of a startup for investment purposes.

Those two roles inform how I run my VC firm, Neman Ventures. And this ebook contains some of the most valuable lessons I've learned, from the beginning of my career up to the present, in a short, sweet, quickstart guide. Let's dive in.



2021

2022

2023

2024

2020

Step 1. Get Out of the Now

If you're constantly preoccupied with the short-term, you won't make long-term gains. Successful founders train themselves to look ahead, even when the direction that it takes them is counterintuitive.

Seeing & Setting Trends

Being a founder, almost by definition, means being a visionary. It's not enough just to build and sell something by looking for gaps in the current market. Instead, founders should actively train themselves to **look past the current market** and **try to imagine the future market**. In its simplest form, this skill is basically a SWOT analysis (SWOT = Strengths, Weaknesses, Opportunities, and Threats). But looking forward can (and should!) go much further than that. A truly successful founder should be actively working to anticipate trends before they happen - and in some cases, a founder needs to aim to make those trends happen.

Innovative > Inventive

What I mean is this: a founder or CEO should be in the business of real innovation, and innovation is much more than using traditional means to make some new things.


For example, a would-be founder might figure out that there's no great software solution out there for helping Lost and Found departments connect with the owners of lost items, right? So this founder gets to work building a nice software solution that's way better than the typical basic spreadsheet currently being used. And, since every stadium, theater, department store, school, and office building has a Lost and Found that could use the new software, it seems like this founder has a great business in the making.

But in actuality, this software idea is predictable thinking - thinking that responds to the status quo. As a founder and VC, I'd rather be talking to startups who are coming up with solutions like [Tile Trackers](#), because in the future there should be *no need* for lost and found software. With technology like Tile Trackers, people can and will simply find their misplaced stuff using their smartphones. That's innovation.

Follow the Logic, Even When It's Illogical

When I started EZ Texting, nobody was using texting for business. Emails were a dime a dozen, but texting was on no one's radar. Still, I was able to see that, if email inboxes were being clogged with twenty or more promotions every day, many companies would need to utilize SMS and MMS messaging in the future, in order to break through to their potential customers. Plus, in many parts of the world, fast and reliable internet is still unavailable. Cell phone technology, on the other hand, is everywhere.

So I got to work, building out the software necessary to make SMS for business happen. It was innovative, almost to a fault; companies didn't expect our idea and weren't looking for it, so we had to create a market for ourselves! We did this by not only selling, but educating, and the result was worth all the effort. In the end, I successfully launched EZ Texting, which is now the number one SMS communications platform for businesses.



IMPOSSIBLE

Step 2. Make Me a Believer

The level of confidence necessary for a great founder is so high, it essentially boils down to being a liar! You've got to fake it 'til you make it, relentlessly, without looking back.

You Gotta Have Faith

Realistic founders already know that their chances of success are slim. But in spite of that, a good founder is convinced of his or her future success, even if it means a certain amount of self-deception. After all, if you can't convince yourself that you've got a great and viable startup idea, how will you convince your investors, employees, and customers?

Confident founders make grandiose claims of what their product can do, the size of their market, the partnerships they're going to make, and the sales they're going to have. At the end of the day, it's all conjecture, of course. But a beautifully told story, delivered with conviction, can make a believer out of even the harshest skeptics. In the end, it's necessary to have the confidence in order to bring those "lies" one step closer to becoming truth.

A Bit Like Bluffing

Presenting your startup's position is a lot like pulling off a successful bluff in poker (more about that later). Maybe you have good cards, maybe not. Whatever the case, it is crucial to be aware of how you appear to outsiders, and to project the image necessary to win.

Successful founders project confidence and competence. Whether or not you're likely to succeed isn't the point; the point is that success is out there, you're chasing it, and you have what it takes, regardless of any external factors that may bring you down in the end. Strong founders need to present a convincing appearance of value, from start to finish. Even if it's a bluff.

Believing Is Seeing

Another important thing to remember is that having aggressive (and even unrealistic) confidence can become a self-fulfilling prophecy! If you really believe in your product, your people, and your vision, you can push through obstacles with resilience, and even enjoyment.

On the other hand, if you fall into doubt and negativity, you're bound to perform poorly, especially in negotiations and management. Sure, it's necessary to be realistic and even self-critical at times; that's one path to growth and improvement. But it should be done as much as possible within the context of determined, intentional confidence.



Step 3. Ignore the Norms

Because a good founder is living and thinking in the future, he or she is naturally thinking incorrectly about most things, in the context of the present. So, counter-intuitively, the more outrageous a founder may sound, the more likely it is that they're on to something.

Futuristic = Weird

Think about it: things that are futuristic are usually kind of weird. And I don't mean just in the sense of The Jetsons! Take a much more mundane example: the "freemium" pricing model. When it first appeared, it was so counterintuitive that a lot of really smart people thought it would never work. After all, giving away your product, not just as a free sample but as the base model that your company offers, does sound kind of crazy. But the idea was incredibly successful, and is now the standard pricing model for some of the biggest tech companies out there.

Another example: Google Maps, which was such a step forward in mapping technology that it made its highly successful predecessor, MapQuest, virtually obsolete. Mapquest was in its heyday when Google started aggressively investing in Maps, even though Maps wasn't designed to generate revenue. Furthermore, Maps was reliant on technology that didn't truly exist yet, because smartphones were not yet around to leverage the data! But the success of Maps speaks for itself. It was, and is, a truly groundbreaking software.

Logistical Nightmare

A great idea may be so disruptive that it would be a logistical and bureaucratic nightmare for it to actually be approved for use - think Tesla's electric cars, or battery-powered home generators. A truly successful entrepreneur challenges the status quo, and provides a solution to a seemingly impossible problem. This, in turn, gives rise to disruption. And disruption is inherently uncomfortable. It's always easier to avoid disruption and keep doing things the same way, even if that way is unprofitable, inefficient, or stagnant. Successful founders, though, learn to be comfortable being uncomfortable!

Mission Impossible

When I launched EZ Texting, most people told me I wouldn't succeed, because wireless carriers would not allow or support our use of their technology. That was a reasonable critique, sure. But I pushed forward anyway, deciding to simply start the business first, and ask forgiveness later. That turned out to be the right move. EZ Texting took off, and everyone (including wireless carriers!) readily adapted to our new vision for SMS. Our growth skyrocketed, and we transformed the industry's rules along the way.



Step 4. Prosper Under Pressure

There are two ways to deal with pressure: you can avoid it, or you can roll up your sleeves and get through it. Guess which approach a solid founder should take?

The MacGyver Gene

Founders need to be tough and versatile, able to think creatively and get out of difficult situations. Startups are unpredictable, constantly presenting new challenges. To tackle those challenges, founders have to be resourceful, utilizing methods and means that aren't apparent to most people.

So a successful founder should be a jack-of-all-trades (or at least willing to become one). They have to think ten steps ahead, and anticipate all the stuff that could possibly go wrong - or right. They have to integrate and resolve multi-disciplinary, and often conflicting, information.

Craving Challenge

Good founders aren't afraid of pressure and difficult situations. They crave the challenge, and even do their best work when the pressure is on. In fact, the greater the pressure, the better they perform! Look at Elon Musk, for example: he sometimes sleeps in his factories to make sure that they output what was promised!

These kinds of founders are willing to get their hands dirty. They'll fight, kick, scream, and most of all *not give up* until they win. They are antifragile, and can improvise through any situation to get the resources they need to move on to the next challenge.

Healthy Obsession

When I was a kid, Dungeons and Dragons was a big deal, and my friends and I played it a lot. To solve any problem in the game, players are required to carefully weigh all options and find the best solutions. We spent hours obsessing over the obstacles presented to us.

Over the years, that obsessive mindset has served me well, and I now consider it an imperative for success in business. As a founder working to get my business off the ground, I had to look past the day-to-day, and stay focused on the problems I had to solve. Most nights, I found myself awake obsessing over and studying what I wanted to achieve, reaching out for help from anyone I could find. The thought of losing (and fear of the embarrassment that would result) would keep me up at night! Even if it took weeks, or months, I couldn't stop until I figured out the solutions I needed to build out software, make deals, and achieve my goals.



Step 5. Truth is Everything

Good founders can't be taken off course. They won't change directions just to be liked. They don't care who likes them or who doesn't like them. They only care about one thing: making their vision a reality.

Laser-Focus

A lot of investors will only invest with founders that they “like and get along with.” But that’s not my philosophy. I’d rather work with someone who’s laser-focused and truthful, even if they’re disagreeable - and laser-focused, truthful people often are!

That type of outlook might not make for good friendship, or even good smalltalk! But it does make for a good business proposition. Founding a startup is not an easy path to take, even if you have a great product, great investors, and a great market. It’s imperative that the founder be highly focused, determined, and stubborn - or else the odds will overwhelm even the best of them.

Not Very Nice

In fact, it might sound counter-productive, but most great founders are disagreeable. They won’t tell you what you want to hear. They won’t pretend to agree with you when they think you’re wrong, or when you tell them that they’re wrong.

Winning and leadership have a price, and in general these kinds of founders are not “nice people.” But I’m not looking for founders I can be best friends with, or brown-nosers who tell me what I want to hear just so they can get a check. I want someone who will challenge me, someone who has the integrity to walk away instead of compromising their beliefs.

Tell Yourself the Truth

Truth also involves the management of finite resources. You can’t naively hope that things will work out in your favor, or blindly assume that you won’t need some kind of an emergency fund. A truthful founder takes a hard look at the facts and plans accordingly.

That can be frustrating, time-consuming, and sometimes a little humiliating. It involves telling the truth not only to others, but to yourself, about where you’ve fallen short or miscalculated. And most importantly, it means being emotionally agile enough to keep going and keep thinking positive, in the face of sometimes repeated failure.



Step 6. Put on Your Poker Face

You can learn a lot by studying poker. Poker is one of the best analogs for real life: it's a combo of skill and odds, and there's a lot you don't know.

The Birds!

One thing I've learned about poker is that there are plenty of bird metaphors. For one thing, poker can be like a game of chicken: two players facing off, each daring the other to quit first. For another, you might think you have a good idea of how the hand is going, but there are always "black swan" events waiting in the wings (see what I did there?) that can blindsides you, and take you out. And finally, my cardinal rule (I'm so sorry) of poker: never put all your eggs in one basket.

All of that is to say, in business as in life, you have competition, unforeseen external factors, and assets. With each of these components, there's an element of risk, and you've got to learn to navigate risk in the best way possible. Studying poker is an amazing way to do that.

Emotional Agility

Being smart is important. Working hard is very important. But emotional agility (or emotional intelligence) is even more important than those two things, because navigating risk can be a complete emotional rollercoaster. In poker, this often happens when someone wins big: they get a huge dopamine hit from the win, and it clouds their judgment into thinking they'll win again easily. They start to play sloppily, and before long, their bankroll is toast.

Losing can be just as bad for your emotions, of course. When you get a bad beat, whether it's losing with pocket aces, or launching a new feature that totally flops, you have to be able to get control of yourself and consciously shift your perspective away from pessimism and defeatist thinking.

Keep Moving Forward

Finally, don't let the perfect become the enemy of the good, and don't overanalyze the past. Ideal outcomes are rare; often, it's about finding a middle ground that you can live with. In retrospect, you could always say that if you'd negotiated harder or sold more or whatever, things might have gone better. But there are too many unknowns for that kind of thinking to have much utility. All you can do is utilize your best judgment unemotionally, and settle for the best, most livable result. That's not failure, that's pure reality.

Looking for more great content? [Join my email list or contact me](#). I write about Technology, Real Estate, Hospitality, Venture Capital, Investing, Business, Family, and Health and Wellness, and more, all from the standpoint of a serial entrepreneur, VC, and husband/father of two.

About Shane Neman

Serial Entrepreneur and Investor in Technology, Real Estate & Hospitality.

Throughout my academic and professional career I've always focused on solving problems through software and technology. I was fascinated early on by the application of computers to biology and medicine which led me to pursue a degree in Computer Science and Pre-Med at New York University. Following a summer internship at the NASA biology labs at JFK Space Center, I enrolled at NYU Medical School. With the Internet boom of the late 90's unfolding around me I couldn't resist jumping on the bandwagon and working for an Internet startup. I left Medical school and took a position as lead developer of NYC-based Convey, one of the first blogging systems for publishers – long before the word “blog” even existed.



Shortly thereafter I gathered a number of my close high school and college buddies to start our own Internet venture. Offyx was born and was a web portal designed to deliver applications through the cloud using Citrix technology. It was our attempt to leverage computing and eliminate the need for IT staff for SMBs. It would turn out that Offyx was too early to market, but the experience taught me what I needed to know to move forward with confidence to my next venture.

In a pre-Facebook, MySpace and EventBrite era I founded JoonBug: a suite of software solutions that married all aspects of the offline events world with the digital world. I spent the next eight years building the company to \$25 million-plus in annual revenues and over 75 employees.

We were first to market with technologies such as online photo purchasing and social sharing, exhaustive event databases, location-specific email newsletters, and e-ticketing systems. We also delved into large-scale event production, executing over 300 events annually, with over 100,000 total attendees.

In 2006 as the efficacy of email marketing newsletters began to diminish I had the idea of reaching consumers through SMS on their mobile devices as a more potent alternative. This marked the birth of EZ Texting; a web-based platform that I designed and built to enable businesses to affordably and easily market to consumers via SMS.

For the next two years I simultaneously headed JoonBug and EZ Texting until I sold JoonBug to a long-standing competitor and channeled all of my attention to EZ Texting.

By 2012 Ez Texting had amassed over 50,000 customers and annual revenues in the seven figures. In 2013 EZ Texting was acquired by CallFire - a cloud communications company - with the help of Morgan Stanley, Investor Growth Capital, and Multiplier Capital.

Following the acquisition, I transitioned from CEO to Chief Product Officer where I oversaw both the EZ Texting and CallFire platforms. I later transitioned again to Director of Corporate Development where I spearheaded M&A initiatives. I initiated, sourced, and closed the successful acquisition of Fire Text UK by CallFire in November 2014.

I'm a prolific venture capitalist and backer of startups including Impossible Foods, Convoy, Prose, and Universal Standard, Apostrophe, MeetMindful, MapAnything, VinePair, Smylen, Hyperice, 411Rx, PairPlay, Outfit Renovations and Huddle.

In addition to my many years as a technology entrepreneur and executive, I've also honed my expertise as a real estate investor and developer. I am an investor, developer, and manager of various types of properties ranging from commercial shopping and industrial centers to large residential buildings. Currently, I run a portfolio of over 20 properties in major metropolitan cities across the U.S.

Although a lifelong New Yorker at heart, after 38 years I moved to South Florida where I currently reside with my wife and kids.

For more about my work follow me on visit www.shaneneman.com.