**Video Title:** The single biggest reason why start-ups succeed - Bill Gross

**Video URL:** <https://www.youtube.com/watch?v=bNpx7gpSqbY>

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**Close Caption Available:** Yes

Bill Gross, CEO and Founder of Idealab helped found more than 100 successful companies along with companies that failed. He sought to better understand why some companies succeed and others fail. In his research, Gross compared 100 successful companies to 100 low performing companies to determine what made the difference between success and failure.

Gross found there were five commonalities---ideas, the team, the business model, timing, and funding. He assumed that of those five, the most important would be the idea followed by funding. But to his surprise, the number one thing was Timing. Timing accounted for 42% of the difference between success and failure. The second most important factor is the Team, Third, is the Idea followed by the Business Model at number four. Finally, Funding ranked fifth. Gross was surprised as he had expected the idea and funding to be most important.

The best way to assess timing is to really be sure whether consumers are ready for your product or service. As an example, he cites Airbnb. Consumers generally do not like the idea of having strangers stay in their house, but Airbnb launched at the height of the recession when people were hurting for money. Those people living in Superbowl cities (like Houston) found that they could make a lot of money in a short period of time!

Gross also offers a quote by Mike Tyson---“Everybody has a plan until you get punched in the face”. It is important, then, for entrepreneurs to be agile and able to quickly change from one priority to another in a moment’s notice.

Questions:

1. Why do you think funding was rated number five out of five on the list?
2. Like Bill Gross, many would assume that “The Idea” would have been ranked first. After all, don’t you need something unique to successfully launch your business?
3. Provide some additional examples of products or services that failed due to timing.