

Twitch founder Justin Kan head hunting in Australia for start-up talent

The man who sold his video-streaming site to Amazon for \$US1 billion (\$1.15 billion) in August is heading to Australia to find local start-ups to join one of Silicon Valley's most celebrated accelerator programs, Y Combinator.

Justin Kan, a high-profile partner of the accelerator, once home to sites such as Airbnb, Dropbox, Stripe and Reddit, is due in December, with a brief to uncover early-stage tech companies with potential for rapid global growth.

Mr Kan is well-known as an investor, but also as a hugely successful entrepreneur. He sold his eight-year-old start-up, peer to peer videogame, livestreaming site Twitch, to Amazon for about \$US1 billion in August, having previously founded popular live TV streaming site Justin.TV.

Y Combinator runs an intensive program where start-ups are given seed money, advice and access to Silicon Valley luminaries in exchange for equity in the business. More than 730 start-ups have graduated from the program so far, and have gone on to raise more than \$US30 billion in total funds.

It accepted 85 start-ups into their latest three-month program. Since then, Mr Kan has been on a global talent hunt in Europe and south-east Asia.

Forget business plans

Before his trip he told *The Australian Financial Review* local start-ups keen to catch his eye should focus on demonstrating their long-term vision and purpose than on early business - performance.

"You don't need business plans and mission statements. Because there is no business, it doesn't exist yet. You just need to be obsessed with solving your customers' problems. Anything else is a waste of time," he said.

Y Combinator's trip downunder comes as the head of rival seed investment and accelerator fund 500 Start-ups, Dave McClure, also heads to Australia next week.

Mr Kan is reticent about talking about the sale of Twitch, saying he is not supposed to talk publicly about the process involved, or even say if Amazon or Twitch made the first move. But he is keen to let other entrepreneurs know that managing a rapidly growing company is not easy.

"It seemed like a good idea when we started, the momentum kicked in and then we got an irrational sense of our own self worth that made us continue when it got terrible, which it did," he said. "Every year, I wanted to quit. It was a lot of fun too, but we definitely learned a lot."

In Australia he'll speak at Melbourne's Above All Human tech conference in December, but will also scope out local opportunities.

Y Combinator's definition of a tech start-up is broad. Recent graduates have been diverse, including one developing a new kind of nuclear power, a biotech start-up genetically engineering bacteria and a range of online business services. Start-ups in the program get \$US120,000 for 7 per cent of equity.

Mr Kan said the most important thing for budding start-ups was for the idea to excite the accelerator partners.

The accelerator team consists of former technology company founders. They interview about 10 per cent of those who apply. Mr Kan interviewed more than 100 start-ups in the last week.

"We want compelling founders with interesting personal narratives that truly understand the problem they're trying to solve," he said.

"My interview questions are always around why they're starting this idea, why they want to still be working on this company in 10 years, why someone else isn't doing it right now, and how they know if their customers like their product."

Like any big-time accelerator, Y Combinator is only interested in ideas that have global potential. Mr Kan said he is personally particularly interested in ideas that target emerging markets, such as China, India, as well as South American and south east Asia.

by Rose Powell