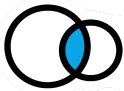


The Echo Chamber: Is your startup truly one-of-a-kind?

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The Echo Chamber:

Is your startup truly one-of-a-kind?

Deckmatch analysis of similarities among every Y Combinator-backed company (as of 10th October 2024) via AI search comparison of their product features

A recent [controversy](#) emerged when Y Combinator startup Pear AI appeared to have duplicated Continue's AI-powered Integrated Development Environment (IDE) concept for its AI Code Editor product.

- Analysis on [AlphaLens](#) reveals one in four Y Combinator products mirror existing portfolio offerings
- 17 other Y Combinator companies have products that are similar to AI code editors Pear AI and Continue
- All Y Combinator company products analysed for this report represent 0.2% of the 6 million products available on [AlphaLens](#) by Deckmatch

Same idea, different name

This pattern of parallel innovation within Y Combinator isn't just a coincidence—it's a window into how startup ecosystems evolve. The Pear AI/Continue situation isn't an isolated incident, but rather a visible example of a deeper phenomenon that shapes how innovation happens in Silicon Valley's most influential accelerator.

Y Combinator's portfolio of **4,938** (as of 10th October 2024) companies provides the perfect testing ground for AlphaLens, our newly developed AI search technology.

With data spanning 20 years and 39 batches, this rich sample set lets us demonstrate how AlphaLens can identify and surface similar companies through product data analysis.

Disclaimer

This report, inspired by the industry's recent discussions around similarities in startups, aims to demonstrate the power of identifying company similarities through product-level analysis rather than broad company descriptions. This analysis is not in any way intended to diminish Y Combinator's remarkable achievements.

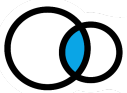
Key considerations:

- Company lifecycle: Y Combinator companies often enter the program at the idea stage. Pivots are not only common but encouraged as part of the development process. Our data captures companies at various stages, from early concepts to well-established businesses.
- Data snapshot: Our analysis is based on Y Combinator's public company registry as of October 10, 2024. This cross-section includes both nascent startups and industry leaders like Airbnb and Flexport.
- Coverage and limitations:
 - We estimate 90-95% coverage of YC's portfolio.
 - Some listed active companies lack a visible online presence.
 - Company descriptions and categories are subject to interpretation and may not fully capture business complexity.
 - Our snapshot doesn't reflect real-time changes or private information.

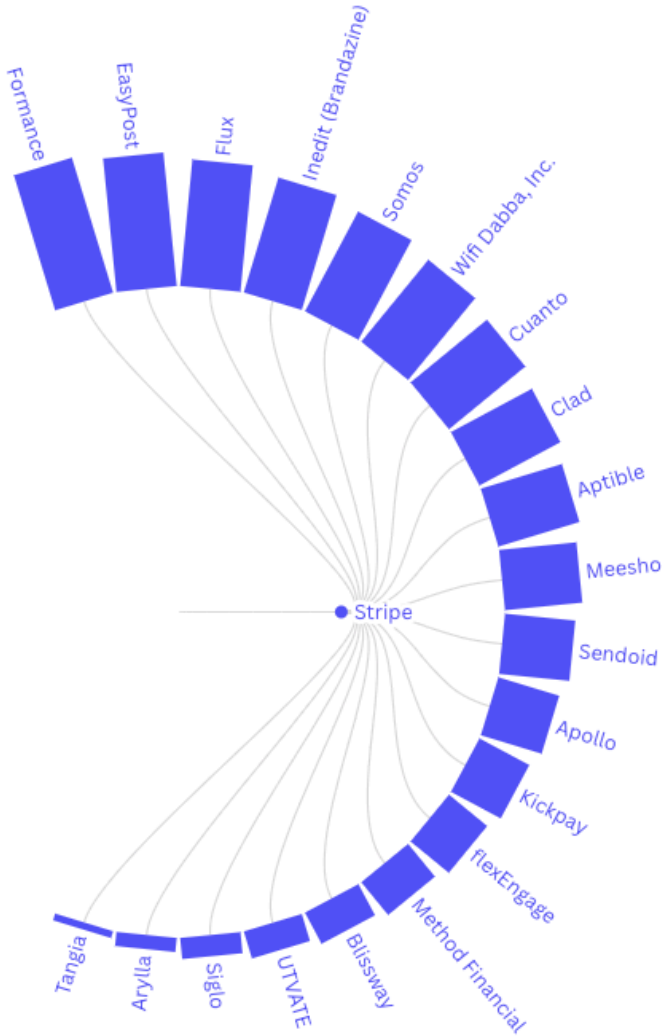
While we strive to provide valuable insights into YC's portfolio, this should not be viewed as a comprehensive assessment of individual companies or YC itself. The dynamic nature of startups means our analysis represents a moment in time rather than a definitive evaluation. We encourage readers to use our findings as a starting point and use our technology for further exploration of product-level similarities in the startup ecosystem.

Product-level v.s. company-level data

AlphaLens combines product-level AI search with traditional firmographic data. The platform maps products' "DNA" by analyzing core components like features and target audiences to examine offerings across the market spectrum, from startups to tech giants.



Take Stripe, for example. Using the traditional search based on its company description - **The economic infrastructure of the internet** - results in the following competitor analysis:



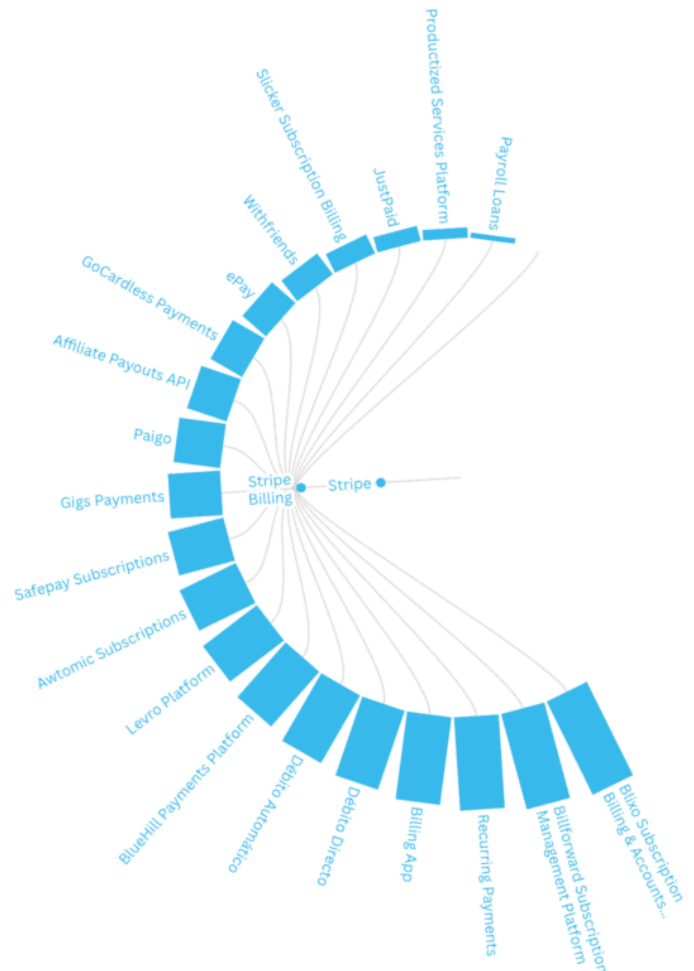
The descriptions of these ‘similar companies’ are helpful, but fail to complete the market picture:

- O.S. Infrastructure for the Financial Internet
- The shipping infrastructure of the internet
- Cross border Payments infrastructure

The generic nature of a standard company description often obscures the true significance of a company's offerings. Beyond corporate narratives, it is in the granular analysis of product attributes—core features, pricing structures, and user workflows—where the true nature of competition emerges with greater fidelity.

So if we were to approach this again with one of Stripe’s products, say Stripe Billing for example, we

are given a much more nuanced and semantically rich description: **"a subscription and recurring billing platform designed to help businesses manage recurring payments, automate invoices, and handle tax calculations"**. At the product level, AlphaLens reveals other relevant products markedly different from the competitors drawn up from its company description:

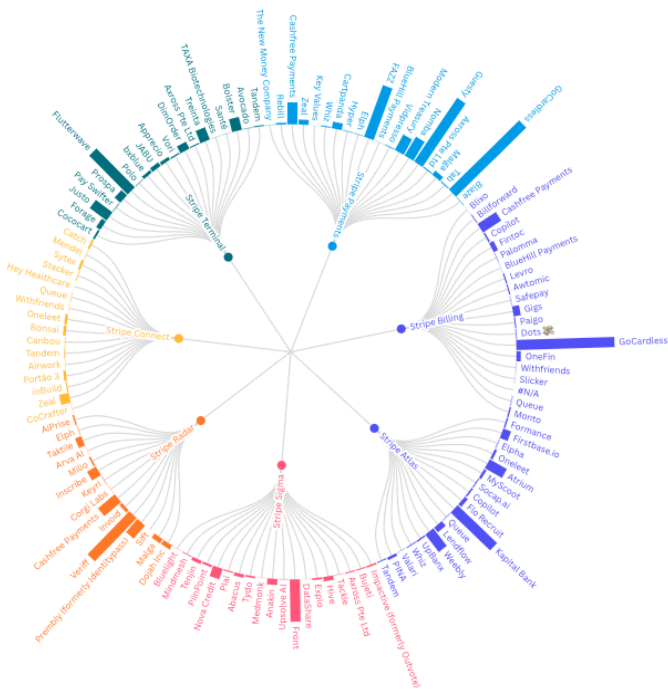


- [Levro Platform](#): A unified platform to automate and simplify business payments, featuring integrations, custom controls, and robust security
- [OneFin](#): A business payment automation platform that simplifies and automates recurring and bulk payments to vendors, customers, and partners
- [Gigs](#): An all-in-one payment solution for managing recurring billing, refunds, taxes, and payouts for wireless services

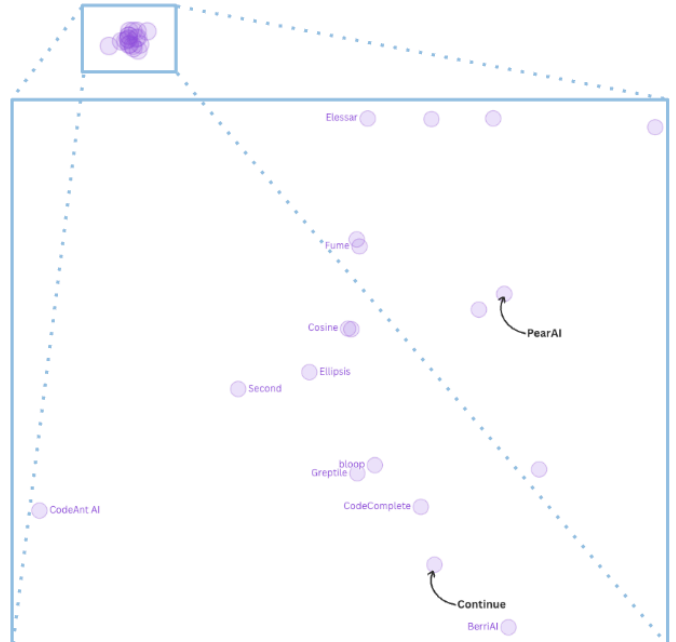
to name a few.



Zooming out, this product-level search gives a more complete, data-rich understanding of Stripe's competitive landscape:

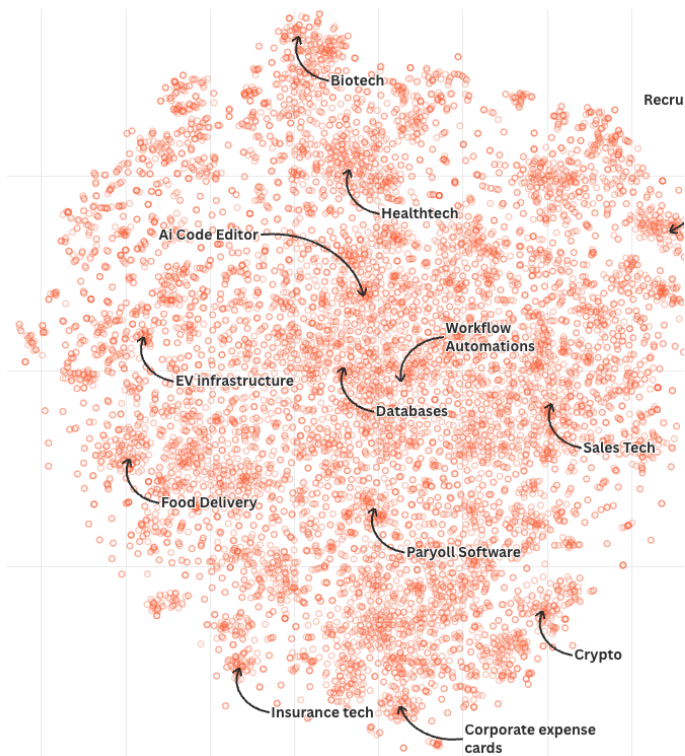


Upon unpacking the 'AI Code Editor' cluster, it becomes clear that Pear AI and Continue are joined by many more Y Combinator companies that offer AI-powered IDE.



Applying this approach to the entire YC universe

Using stochastic (t-SNE) dimensionality reduction, Deckmatch plotted the corresponding product descriptions for all Y Combinator-backed companies in a two-dimensional plane. It helps to illustrate where similar companies are clustered:



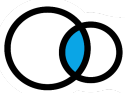
In fact, [CodeAnt AI](#), [Second](#), [Ellipsis](#), [Cosine](#), [Fume](#), [Elessar](#), [bloop](#), [Greptile](#), [CodeComplete](#), [Blyss](#), [Patched](#), [CodeStory](#), [Windmill](#), [Agentic Labs](#), [Pythagora](#), and [Void](#) form this cluster together with **Pear AI** and **Continue**.

Methodology

The dataset for this analysis consisted of 4,938 companies that have received investment from Y Combinator. These companies collectively have 10,960 unique products. Of the 4,938 companies, 3,984 have a publicly accessible website that could be scraped for relevant data.

To analyse the product landscape, Deckmatch converted all 10,960 products into vector representations and calculated the cosine similarity between each product and its 20 nearest neighbours. Based on this analysis, the report defines a cosine similarity threshold of 0.85/1.00 as 'similar', sufficient to identify products that are highly similar in terms of their descriptions.

Applying this threshold, Deckmatch identified 3,056 unique products that meet the criteria - as 'very similar' to at least one other product in the dataset.



This clustering reveals a fascinating tension in the startup ecosystem. While critics argue that Y Combinator's backing of multiple AI code editor startups represents either a failure of due diligence or market cannibalisation, innovation rarely follows a linear path where a single company "gets it right" on the first try. Instead, subtle differences in approach, target market, or implementation can lead multiple teams to tackle the same problem simultaneously. The controversy over YC backing "competitors" perhaps misunderstands how technological breakthroughs occur: through parallel experimentation and rapid iteration across multiple attempts.

This clustering could also point to a more systemic issue: the startup ecosystem's mimetic tendency, where success stories quickly spawn waves of similar companies, and investors' pattern-matching instincts lead them to back familiar models. The question then isn't whether investors like Y Combinator knowingly back similar ventures to hedge their bets, but whether this is due to a lack of holistic understanding of companies at their product level.

Identifying startup trends

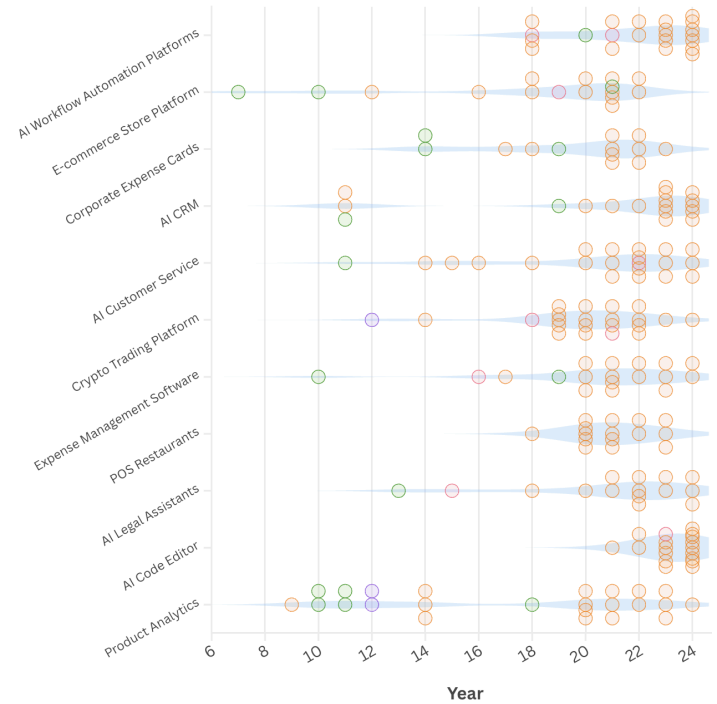
One distinct advantage of having this rich and unique database of product data is being able to chart the temporal trends of the private market. Below is a demonstration with a sample of all Y Combinator companies.

Here, the clusters are gathered and plotted against the Y Combinator batch year to identify when certain trends emerged and fell. Notably:

- Fundamental business tools like e-commerce and analytics saw a rise in bets in the early years
- The middle period (2012-2016) saw a shift toward specialized B2B point solutions
- 2020 onwards marks a dramatic turn toward AI, with dense clustering across workflow automation, code editing, legal assistance, and CRM

Status ● Active ● Public ● Acquired ● Inactive

Cluster



The chart, for instance, shows that Y Combinator has backed 15 Point of Sales (POS) companies that serve restaurants and small businesses over the years.

Among these, Craft OS and Santé both:

- offer POS systems as their product;
- serve similar customers;
- are part of the Summer '23 Batch;
- And share the same Y Combinator partner

Santé / S23

Click bubble again for full description and overlay

Santé

YC Partner: **Jared Friedman**
Active
Product: **Santé POS**
A point-of-sale (POS) software designed specifically for liquor stores, offering inventory management, eCommerce integration, and industry-specific tools. It streamlines operations, boosts sales, and simplifies complex tasks for liquor retailers.

CraftOS / S23

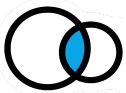
Click bubble again for full description and overlay

CraftOS

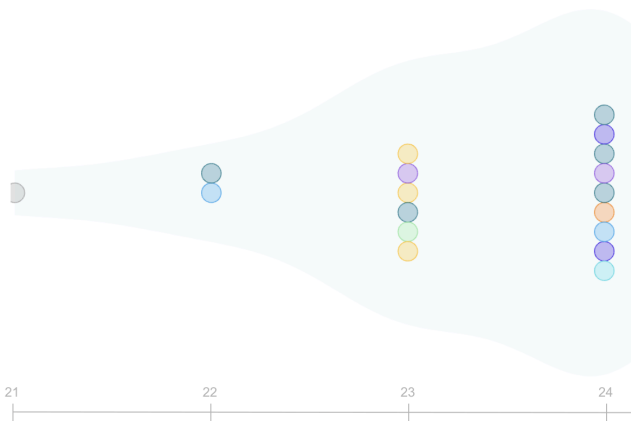
YC Partner: **Jared Friedman**
Active
Product: **CraftOS Point of Sale (POS)**
A point-of-sale system designed for craft beverage businesses. It integrates with CraftOS's inventory and purchase order management system to provide a unified platform.

Partners' investment track

This is a pattern. Below is the temporal map of Y Combinator's investments in AI Code Editors, each



colour of the dot representing different partners. There was a sudden spotlight on the sector starting in 2023 when Blyss, CodeComplete, and Cosine got backing in the Winter batch and Contine and Codestory enrolled in the Summer batch; notice that three of them were backed by the same partner, Michael Seibel.



The map now shows which bets are truly unique at that moment in time, and which are hedged.

Mapping an individual partner's investment history offers a window into their investment thesis, risk appetite, and ability to identify promising trends. This granular product-level analysis goes beyond surface-level fund performance, revealing nuances in an investor's decision-making process.

Conclusion

This granular analysis of Y Combinator's portfolio sheds light on the complex dynamics of innovation in Silicon Valley's premier accelerator. While the clustering of similar products might appear to challenge the narrative of unique innovation, it rather reveals a more nuanced truth: technological advancement often progresses not through isolated breakthroughs, but through parallel experiments that test subtle variations in approach, execution, and market fit.

The concentration of similar ventures within YC's portfolio, most notably in frontier technologies such as AI-augmented software development, may less reflect a failure of due diligence than showcase a deliberate strategy of distributed innovation—where multiple teams simultaneously probe the boundaries of emerging markets. This pattern raises profound

questions about the nature of progress in early-stage technology: perhaps the path to breakthrough products lies not in avoiding overlap, but in fostering a controlled proliferation of parallel attempts, each contributing to the evolutionary process of product refinement, in order to attain the holy grail of product market fit.

AlphaLens

AlphaLens comes in two tiers: a free version that lets founders and operators map their immediate product landscape, and a premium tier that unlocks natural language search across our entire product database—enabling deep exploration of any market domain.

The interactive map and full dataset are available on request. For more information and to discuss the findings further, please get in touch.

Leopold Gasteen
CEO and Co-Founder,
Deckmatch

