

Cluely

From Cheating Scandal to \$15M Preempted Series A in 2 Years

Cluely's rise is a masterclass in audacious growth tactics, viral stunts, and relentless execution. Founded by Roy Lee after his Harvard expulsion for building an AI cheating tool, Cluely leveraged controversy to fuel rapid adoption, scaling to **50M+ monthly views on TikTok/Instagram** within months. The startup's **\$15M preempted Series A** (closed in 2 days) and **3¢/user cost structure** showcase its unique blend of polarizing marketing and unit-economics discipline. Roy's philosophy—"Break rules to break through"—permeates every play, from AGI-native product design to influencer-driven virality.

Snapshot & Timeline

- **Founded:** 2022
 - **Founders:** Roy Lee
 - **HQ:** San Francisco
 - **Key Milestones:**
 - Launched with viral "cheating tool" controversy (2022)
 - Scaled to 50M+ monthly social views (2023)
 - Raised \$15M preempted Series A (2023)
 - **Funding:** \$15M Series A (preempted)
 - **Team Growth:** 11 employees (4 elite engineers, 7 creators with 100K+ followers)
 - **Competitors:** Traditional AI assistants (e.g., ChatGPT interfaces)
 - **Founder Handle:** @roycluely (Twitter/X)
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Marketing & Growth

Lesson 1: Manufactured Virality Engine

Proof/Case: Roy's "Cluely launch video" showed dystopian AI glasses (not the real product) to spark debate. *"Aim for 50% of viewers to hate your content—polarization drives talkability."*

Why It Works: Controversy creates free distribution; extreme reactions trigger shares and press coverage.

Action Step:

1. Script a 30-second "cinematic" demo exaggerating your product's future potential (even if not fully built).

2. Post it natively on Twitter/X + Instagram Reels with a divisive hook (e.g., "This AI will replace your job").

Lesson 2: UGC Army on Performance Pay

Proof/Case: Hired 60 in-house creators (avg. age: 21.5) to post daily, paying \$25–\$40/video + bonuses (\$500 for 500K views).

Why It Works: Cheap, scalable content that exploits platform algorithms; bonuses align incentives with virality.

Action Step:

1. Recruit 10 nano-influencers (\$10–\$50/post) via Instagram DMs or [Upwork](#).
2. Pay base rate + tiered bonuses (e.g., +\$100 for 100K views). Use [Clip](#) to track performance.

Lesson 3: Controversy-First Virality

Proof/Case: Cluely used "cheating" as a viral hook to onboard users, then pivoted to broader utility. *"Get everyone to download for cheating, then realize it's way bigger."*

Why It Works: Polarizing content grabs attention fast; the internet forgets initial backlash if you sustain momentum.

Action Step: Craft a deliberately controversial hook for your product (e.g., "The AI that replaces your therapist"). Double down on it in short-form content (TikTok/Reels) for 30 days.

Lesson 4: Stunt Marketing Blitz

Proof/Case: Cluely's SFPD-shut-down parties and stripper ads generated buzz, making them "the most distributed Series A startup." Investors preempted their \$15M round.

Why It Works: Extreme visibility forces attention. Stunts create FOMO among users and investors, bypassing traditional outreach.

Action Step: Plan one audacious stunt (e.g., guerrilla projection ads, fake product leaks). Document and amplify via social/media.

Lesson 5: Viral Content Engine

Proof/Case: Cluely's team of Gen Z creators brainstormed daily to produce digestible, reactionable content (e.g., "Cheat on everything" tagline, stripper ads). Result: 50M+ monthly views on Instagram/TikTok within a month.

Why It Works: Viral content thrives on simplicity and emotion. Controversy, humor, or nostalgia triggers shares, and platforms reward high engagement.

Action Step: Assemble a small "viral sense" team. Daily: brainstorm 3 hooks that challenge common beliefs or provoke strong reactions. Test one per day.

Lesson 6: Polarizing Positioning

Proof/Case: "Cheat on everything" tagline and Harvard expulsion backstory made Cluely divisive but unforgettable.

Why It Works: Polarization fuels word-of-mouth. People remember (and debate)

what they love or hate.

Action Step: Reframe your product's mission as a bold, contrarian statement (e.g., "Replace all human sales reps"). Test it in ads.

Lesson 7: Stunt-Driven Virality Engine

Proof/Case: Launched with a **\$140K demo video** (7M+ views) and hired 50+ UGC creators to flood TikTok/IG. Polarizing stunts (e.g., stripper costumes) drove mindshare.

Why It Works: Algos reward controversy; traditional ads drown in noise. Stunts create cultural moments that users organically share.

Action Step: Allocate 20% of pre-seed budget to one outrageous stunt (e.g., pay a celebrity to use your product incorrectly). Track social mentions, not conversions.

Product & PMF

Lesson 8: AGI-Moats for AI Apps

Proof/Case: Cluey bets OpenAI/Anthropic won't build apps, so they focus on UX layer. *"Design apps that improve 10x with better AI models."*

Why It Works: Infrastructure players ignore niche use cases; your defensibility is owning the user experience.

Action Step:

1. List 3 ways your product's value explodes if GPT-5 is 10x better (e.g., "Auto-generate sales decks from call transcripts").
2. Pitch this vision in your roadmap (investors love model-dependent upside).

Lesson 9: Predictive UX Surfacing

Proof/Case: Cluely anticipates user needs (e.g., suggesting meeting questions) instead of waiting for prompts. *"50% of prompts are useless now, but it'll improve."*

Why It Works: Reduces friction and feels "magical," increasing retention.

Action Step: Audit your product's empty states (e.g., blank chat screens). Add 3–5 auto-suggested actions (e.g., "Try asking X based on your last activity").

Lesson 10: Verticalized AI Modules

Proof/Case: Cluely bundles niche features (astrology, fitness) under one app but markets them separately. *"Like a GPT Store but dynamically generated."*

Why It Works: Expands TAM without fragmenting the product; each vertical acts as a new acquisition channel.

Action Step: Identify 3 adjacent use cases for your core tech. Build lightweight "modules" (separate landing pages + onboarding flows) for each.

Lesson 11: Delayed Hardware Gambles

Proof/Case: Roy avoids hardware (e.g., glasses) until tech matures. *"If you don't have*

billions, you can't compete in hardware yet."

Why It Works: Hardware burns capital; winners emerge after infrastructure (chips, batteries) improves.

Action Step: If building hardware-adjacent software, focus on mobile/web first. Add hardware integrations only via APIs (e.g., Apple Watch).

Lesson 12: AI-Native UX Overhaul

Proof/Case: Cluely built a translucent AI overlay (20-30 iterations) instead of a chatbot, enabling real-time assistance during sales calls and coding interviews.

Why It Works: Traditional AI interfaces feel disjointed. Overlays integrate seamlessly into workflows, reducing friction and increasing adoption.

Action Step: Map user workflows (e.g., sales calls). Design an AI overlay that appears contextually (e.g., pop-up during demos). Test with 5 users.

Lesson 13: Future-Backward Roadmap

Proof/Case: Roy Lee built for AGI integration ("brain chips are the endgame"), not current AI limitations.

Why It Works: Over-optimizing for today's tech leads to obsolescence. Betting on the future aligns with VC timelines.

Action Step: Write a "2027 Product Spec" assuming 10x tech advances. Backward-plan milestones to now.

Lesson 14: Invisible AI Integration

Proof/Case: Cluey's AI uses a **liquid glass overlay** (translucent screen) instead of a clunky chatbot. Inspired by Roy's cheating tool that got him blacklisted.

Why It Works: Users hate context-switching; seamless integration feels like magic, not tech.

Action Step: Audit your UX—if users need to open a new tab or app, redesign as an overlay (e.g., Chrome extension, floating widget).

Fundraising & Investors

Lesson 15: Fundraising Hype Loop

Proof/Case: Roy raised \$5M after getting kicked out of Harvard for his "cheating tool" controversy. *"If you're not betting on yourself, who are you betting on?"*

Why It Works: Extreme actions (even negative) create narrative momentum investors chase.

Action Step:

1. Stage a "stunt" (e.g., fake hiring post like "50 Interns") to generate buzz.
2. Time fundraising outreach 48 hours after stunt peaks (use Twitter/X DMs to pitch investors).

Lesson 16: Preemptive Fundraising

Proof/Case: Cluely raised \$15M in 2 days without a deck after viral traction made investors chase them.

Why It Works: Traction > pitch decks. VCs invest in momentum—visibility de-risks the bet.

Action Step: Spike metrics (e.g., waitlist signups, revenue) for 30 days. Then, leak growth stats to warm investor contacts.

Lesson 17: Fundraising with Forced Urgency

Proof/Case: Cluely closed rounds in **hours, not weeks**, cutting investors who delayed. Quote: "Hot startups don't wait for slow investors."

Why It Works: Momentum attracts FOMO; slow processes signal weak demand. Speed forces investors to decide before competitors.

Action Step: Set a 72-hour deadline for term sheets. If an investor asks for "next week," reply: "We're closing Friday—let me know by EOD."

Hiring & Culture

Lesson 18: Exclusive Talent Parties

Proof/Case: Hosted YC Startup School afterparties to attract engineers/creators.

Why It Works: Top talent joins for FOMO and culture—not just pay.

Action Step:

1. Rent a rooftop bar for 2 hours post-local-meetup (e.g., "AI Founders + Engineers Happy Hour").
2. Recruit via LinkedIn DMs: *"You're invited to our secret AI demo—free drinks, no recruiters."*

Lesson 19: Lifestyle-First Hiring

Proof/Case: Cluely attracts talent by selling social clout over salary. *"Girls in tech think working here has more clout than Meta."*

Why It Works: Top performers care about status and autonomy more than incremental pay.

Action Step: In job postings, lead with non-monetary perks (e.g., "Be the face of our TikTok" or "Work remotely from Bali").

Lesson 20: Frat-House Talent Magnet

Proof/Case: Cluely's team lived together in an SF mansion, with perks like free Hinge Premium. Hired 70+ UGC interns and paid top-market salaries.

Why It Works: Extreme culture attracts mission-driven talent willing to work relentlessly. Perks become recruiting leverage.

Action Step: Offer one unconventional perk (e.g., sponsored dates, housing stipend). Pitch it in job listings to filter for cultural fits.

Lesson 21: Binary Hiring Strategy

Proof/Case: Team of 11: **4 world-class engineers** or **7 creators with 100K+ followers**. No "middle-tier" hires.

Why It Works: Elite talent accelerates execution; influencers fuel organic growth. Mediocrity kills speed.

Action Step: For your next hire, set a non-negotiable bar: Either (a) top 1% in technical skill (e.g., ex-FAANG) or (b) 50K+ engaged followers. Reject "pretty good" candidates.

Lesson 22: Hacker House Hyper-Growth

Proof/Case: Team lives/works together—"No work-life balance; your life *is* Cluey." Roy scouts creators by watching TikTok for hours.

Why It Works: Proximity eliminates coordination lag; obsession beats "9-to-5" startups.

Action Step: Rent a 3-month Airbnb with your first 5 hires. Mandate co-living (shared meals, late-night hacking). Fire anyone who complains.

Lesson 23: Equity Overload

Proof/Case: Early employees got single-digit % equity; 20% option pool at seed. "*Be outlier generous.*"

Why It Works: Top talent joins for ownership, not salary.

Action Step: Offer first 10 employees 2–5x the market-rate equity. Benchmark against Coinbase's early grants.

Founder Mindset

Lesson 24: Girlfriend-Maxing Team Culture

Proof/Case: Roy's "girlfriend maxing" philosophy: Founders in relationships outperform grind culture.

Why It Works: Sustainable > burnout; personal stability fuels long-term performance.

Action Step:

1. Ban "hustle porn" Slack channels.
2. Enforce 2-day weekends (no async work) for core team.

Lesson 25: Momentum Mindset

Proof/Case: Roy's first viral video created the "winners effect." Quote: "*Actions lead to thoughts—take action to change your mindset.*"

Why It Works: Small wins compound confidence and attract resources.

Action Step: Ship one tiny win this week (e.g., a micro-product, tweetstorm, or LOI from a dream customer). Celebrate publicly.

Lesson 26: Societal Rulebreaking

Proof/Case: Roy's extreme examples: limb-lengthening, steroids. "*Society's judgment is the only blocker.*"

Why It Works: Unconventional bets (e.g., taboo marketing) have asymmetric upside.

Action Step: List 3 "rules" in your industry (e.g., "No swearing in B2B"). Break one deliberately this month (e.g., launch a profane ad campaign).

Financial Strategy

Lesson 27: Profitability via Unit Economics

Proof/Case: **3¢/user cost** with \$20/month pricing. Spent \$50K/month on DoorDash but stayed profitable via margins.

Why It Works: Unit economics > vanity metrics. Profitability lets you ignore investor pressure.

Action Step: Calculate your cost to serve one user. If > 10% of revenue, kill features or raise prices until it's < 5%.

Brand & Positioning

Lesson 28: Polarize to Monetize

Proof/Case: "50% will hate you, 50% will love you—escape velocity makes you untouchable." Embraced cheating-tool backlash to fuel enterprise sales.

Why It Works: Hatred = attention; attention = top-of-funnel. Extreme positioning filters for fanatical users.

Action Step: Write a tweetstorm attacking an industry sacred cow (e.g., "VCs are glorified lottery tickets"). Double down if backlash hits.

Final Takeaways

1. **Polarization is free distribution**—design your product and marketing to provoke strong reactions.
2. **Stunt marketing > traditional ads**—invest in outrageous visibility plays to bypass noise.
3. **Build for AGI, not today's AI**—design products that compound with better models.

4. **Hire extremes, not averages**—only recruit top 1% talent or influencers with engaged audiences.
5. **Fundraise with forced urgency**—momentum attracts FOMO; slow processes kill deals.
6. **Profitability > vanity metrics**—optimize unit economics early to retain control.
7. **Break rules to break through**—Cluely's success hinges on audacity, not convention.

Cluely's playbook defies Silicon Valley's "best practices"—its growth stems from **deliberate controversy, extreme culture, and AGI-first product design**. While most startups optimize for polish, Cluely bets on speed and rulebreaking

TO BUILDERS, FOUNDERS & INVESTORS..

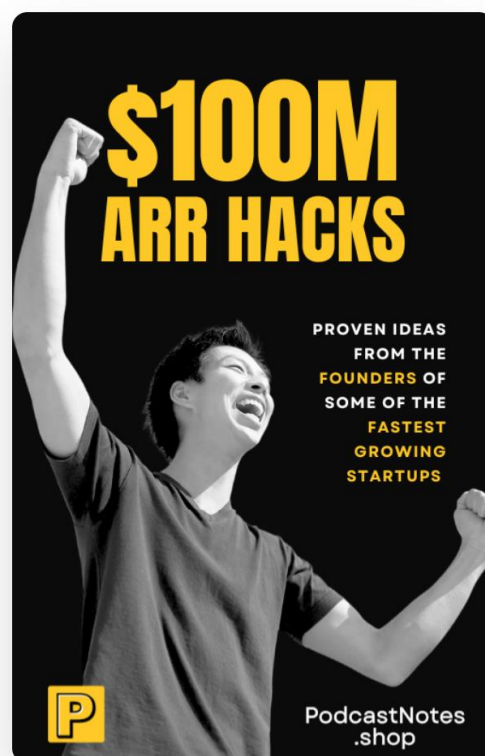
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