

# M5 - Why Startups Fail (again)

- Not solving a market need
- Not solving a big enough problem
- Not solving a problem in a scalable and viable way

## FLOP

Failure in Launch, Operations or Premise

**F.L.O.P.**

**F**ailure in

**L**aunch

**O**perations or

**P**remise

Sales/Marketing/distribution fails to reach intended market

Fails user expectation (Design/Functionality/Reliability)

People are simply NOT interested in your idea.  
They may find it, try it or buy it, but they simply don't care.

**Law of Market Failure:** Most new products will fail in the market, even if competently executed.

## How to check if you're building the "Right It"?

Pretotype first

**Pretotype:** Artifact/technique used to collect your own data (YODA) quickly and **inexpensively**

### Pretotyping

- **Investment:** hours, days
- **Main Q:** Would we use it?
- **Deliverable:** [Working] pretotype



### Prototyping

- **Investment:** days, weeks
- **Main Q:** Can we build it?
- **Deliverable:** Working prototype

