

Startup Failure Post-Mortems 2019

Second Update (6/19/2019)

Stratolaunch

Title: [Space firm founded by billionaire Paul Allen closing operations](#)

Title Link: <https://www.reuters.com/article/us-space-exploration-stratolaunch-exclus/exclusive-space-firm-founded-by-billionaire-paul-allen-closing-operations-sources-idUSKCN1T12FD>

Product: [Stratolaunch](#)

Product Link: <https://www.cbinsights.com/company/stratolaunch>

Stratolaunch was founded by late Microsoft co-founder Paul Allen and aimed to launch satellites from planes. The Reuters report of its shuttering came just weeks after it had completed its first test flight:

The decision to set an exit strategy was made late last year by Allen's sister, Jody Allen, chair of Vulcan Inc and trustee of the Paul G. Allen Trust, one of the four people and the fifth industry source said.

Jody Allen decided to let the carrier aircraft fly to honor her brother's wishes and also to prove the vehicle and concept worked, one of the four people said.

Stratolaunch

INDUSTRIAL | Aerospace & Defense

stratolaunch.com

Founded Year

2011

Stage

Dead | Dead

About Stratolaunch

Stratolaunch is developing an air-launch platform to make access to space more convenient, reliable, and routine. The company uses an air-launch approach to deliver

payloads to multiple orbits and inclinations in a single flight, which means better access to space.

Stratolaunch Headquarter Location

505 Fifth Avenue South Suite 550
Seattle, Washington, 98104, United States

Why did Stratolaunch fail and shut down?

At: <https://www.failory.com/cemetery/stratolaunch>

Despite everything looking great on paper and the best of minds working together on this project, nothing could have predicted Paul Allen's passing away in October of 2018, which would soon spell out the same fate for Stratolaunch. It became clear that Stratolaunch had been powered only by the vision of its founder, which wasn't necessarily shared by those left in power after him.

In January 2019, rather than scaling back their proposed set of booster-rockets, Stratolaunch scrapped them all. There was to be no space plane, no boosters and no PGA booster (which were proposals of Paul Allen). Instead, the company declared that the giant plane (the Stratolaunch) would be used to launch the much smaller Pegasus XL rocket, a bizarre proposal for a rocket that could already be launched from a much more conventional aircraft. I guess they just wanted to put up a final spectacular show for the viewers by sending the plane with the longest wingspan (the 117m Stratolaunch) towards its successful maiden (and last) flight before completely shutting down.

With a lack of vision and no clear direction, the company became a profligate project that soon burnt the billions that it had received from Vulcan Inc, which was Paul Allen's investment arm. What can ultimately be said about Stratolaunch is that the company was never the same without its key founder, Paul Allen. Think of Apple if Steve Jobs never returned after being fired.

The lack of enthusiasm for Stratolaunch from the rest of the company's employees killed the project before it could even really take off seriously and the Pegasus XL flight test for their carrier was all that the company could do in tribute of its late founder. The proverbial "Tim Cook" of Stratolaunch (Vulcan Inc. CEO Bill Hilf) did not prove to be much of a success either. It was one thing to manage investments of the likes that Vulcan Inc. dealt with, but an entirely different story when you do not have the same passion for tech as the person that mentored you. In June 2019 the Stratolaunch Systems company and assets were put up for sale by Vulcan Inc. for \$400 million, (the hefty price tag includes the plane as well as the intellectual property and other facilities). The company successfully transitioned ownership in October of 2019 but hasn't named the owner so far.