

# Establishing a Startup

Malith Munasinghe  
03/12/2020



## Startup ?

“A startup is a company working to solve a problem where the solution is not obvious and success is not guaranteed,” - Neil Blumenthal, cofounder and co-CEO of Warby Parker.

# Startup

- An Idea
- No revenue
- Build, test, market and sell
- Higher risks of failure
- Usually starts from scratch

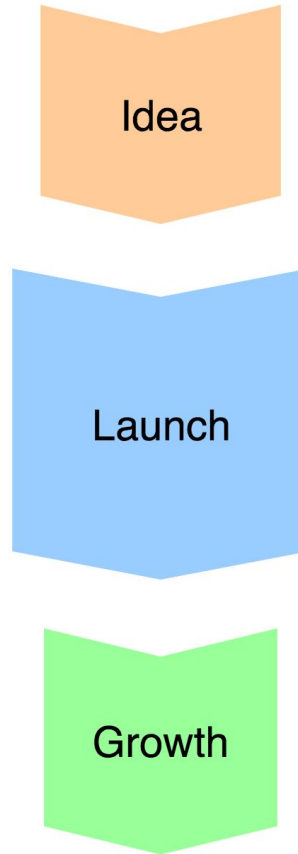
## Entrepreneur

- Looks for business opportunities.
- Creates ways for the business to become profitable.
- Doesn't hold the responsibility of running the company.
- Focuses on creating a viable business.

## Founder

- Creates a business.
- Doesn't have a major financial motive.
- Holds the responsibility of the whole business.
- Focuses on delivering a product or service to change the world.
- A subset of Entrepreneurs who deals directly in to business creation.

# Approach



Startup Idea

Market Analysis

Product Market Fit

Build MVP

Startup Team

Networking

Competitor Analysis

Manage Funding

# Startup Idea

- Clear definition
- Should be brilliant (implied!)
- Not required to be unique, better version of current is sufficient
  - Eg:- Google was not the first search engine, Facebook was not the first social media
- May not sound great, but might have covered a better insight
- Ability to defend

# Market Analysis

- For who is the idea for?
- Potential customers. Eg:- Attributes such as age, gender, relationships, hobbies, incomes ...
- Get feedback from your audience
- Existing market analysis are great sources
- Need to look at
  - a. Idea should be workable in existing market
  - b. Audience should be demanding the product by actively looking for it
  - c. Customer is desiring the product or service or its benefit



# Product Market Fit

- Who would buy the product?
- Real problems?
- Speak to Friends, family, strangers and co-workers
- Understand the pricing? Place a price from the beginning

*“Even if your product is still a piece of junk, don’t give it away for free, or else you won’t learn if it’s a problem worth paying to solve.” - Steve Benson*

# Build MVP

- Build the basic version
- May take multiple iterations
- Selling the vision by delivering the minimum set of features
- Provides a good feedback loop
- Understand the gaps to be improved



# Startup Team

- Skills and qualifications
- Having the right people is key
- Key elements
  - a. Working towards common goal
  - b. All interested about the idea
  - c. All strives for growth as it is the success factor

*“Acknowledge the fact that you can’t do everything alone. So, recruit the right people, make them grow, and keep them happy. Also, ‘don’t be afraid to fire the wrong ones,’” - Mike Khorev*

# Networking

- Potential buyers
  - For their needs and wants
- Influencers
  - For their feedback on the product
- Investors
  - For investments, understand types of investments they are interested
- Business owners
  - For experiences
- Potential Partners

# Competitor Analysis

- Direct and Indirect competitors
- Understand
  - Their Customers
  - Technologies
  - Spending on marketing
  - Current presence
- Make sure to understand current trends, status of the market, latest news, potential competitors
- Customer feedback and reviews ;)

# Funding

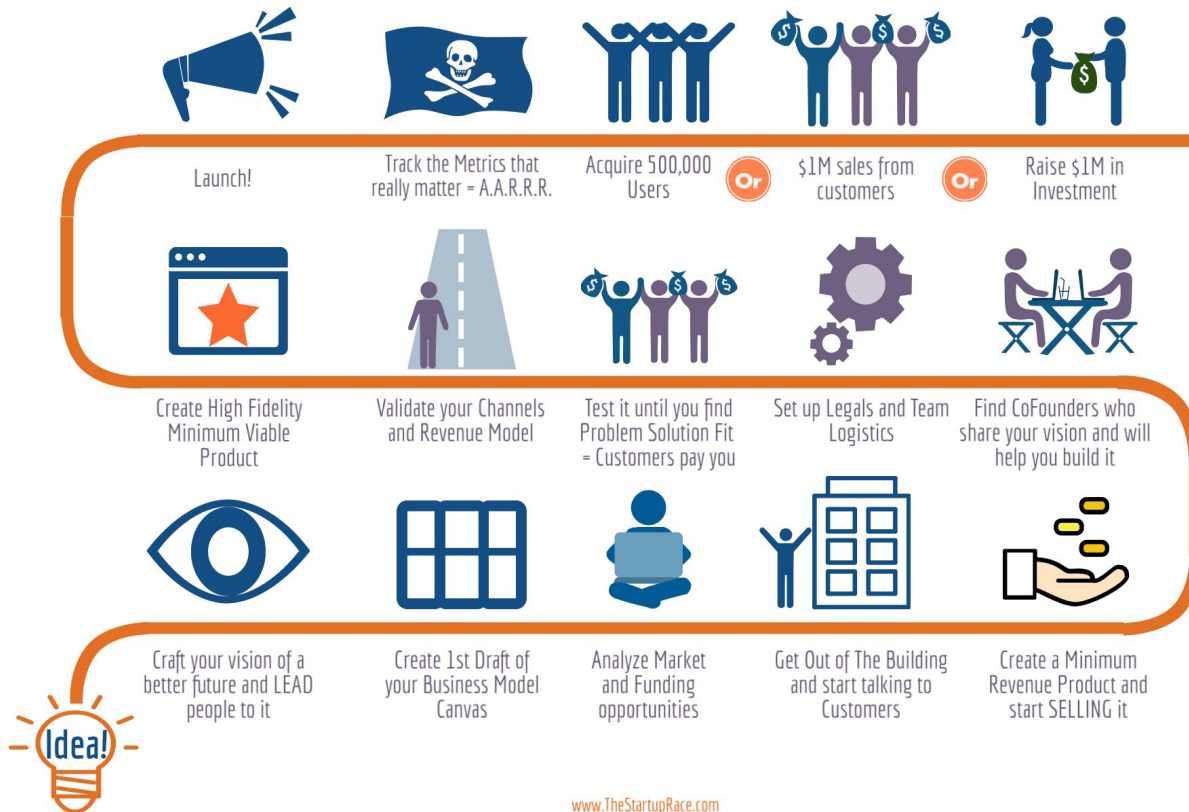
- Fundraising or Bootstrapping
- If you have enough funding by your own ----> Bootstrapping
- Limited funds ----> Fundraising
- Options
  - Angel investors
  - Accelerators
  - Venture Capitalists
  - Public funding



# The Startup Race

Could you build a \$1M Startup in 3 months or less?

By James  
Shoemark



# Success Stories





# Core of a Startup

1. Vision
2. Values
3. Product and Engineering
4. Feedback Loop
5. Resilience

## Mistakes to avoid

1. Being afraid to fail
2. Not organized
3. Misinterpret your market
4. Learn to Delegate and avoid micromanaging
5. Don't hire too soon

## Mistakes to avoid

6. Raising money is not the biggest problem
7. Always get in with Contracts
8. Grow at right pace

“The future is not just about startups but stay-ups; anyone can start but it takes those who can stand the test of time to stay relevant.”

— **Bernard Kelvin Clive**

**Q&A**