Tinkering and Mentoring (TMI-101)
Mentoring
Funding Opportunities, Business Plan and Case Studies

Dr. Apurv Kumar Yadav,
Assistant Professor, Department of Electrical Engg.,
Indian Institute of Technology, Roorkee
EML: apurv@ee.iitr.ac.in
URL: http://apurv.ee.faculty.iitr.ac.in/index.html

Start-up

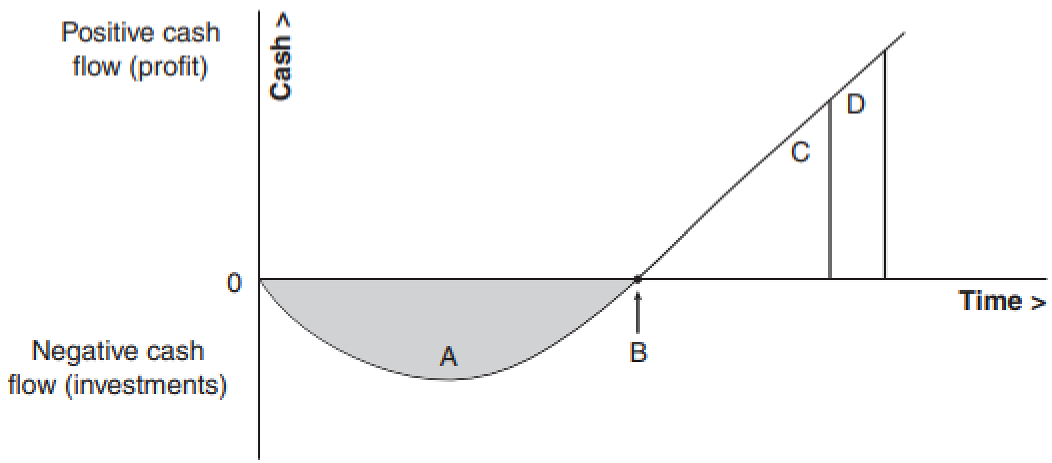
- Difference between entrepreneur or businessmen ?
- Difference between start-up and business ?

Start-up Funding

- A startup requires funding for the following purposes
  - Prototype creation
  - Product development
  - Team building
  - Working capital
  - Legal and consulting services
  - Raw materials and equipment
  - Licenses and certifications
  - Marketing and sales
  - Office space and admin expenses
- It is important that the founder must be aware of for what they are raising funds for.
- **Outlay**: Fixed costs plus capital and investments.
- **Income**: This is the projected income.

Understanding of the Funding

- The ‘J-curve’ or ‘hockey stick curve’ for capital demand.
- Initial negative cash flow in amounts equal to the area labelled A is gradually offset by sales to reach break-even point (B).
- Thus A equals total investment needs
- When positive returns are achieved, the company eventually reaches a point where investments have been covered, i.e. the area of A is equal to the area of C. This equates to the basic RoI (return on investment) time.
- When further profits are returned – typically when D > 35% of C – then investors are ready to sell to later investors happily (the investors make money).



Robert . B. Mellor, “Entrepreneurship for everyone: a student textbook”

Types of Startup Funding

Working Capital	Equity Financing	Debt Financing	Grants
Definition	Equity financing involves selling a portion of a company's equity in return for capital.	Debt financing involves the borrowing of money and paying it back with interest.	A grant is an award, usually financial, given by an entity to a company to facilitate a goal or incentivize performance.
Nature	There is no component of repayment of the invested funds.	Invested Funds to be repaid within a stipulated time frame with interest	There is no component of repayment of the invested funds
Risk	Financer: There is no guarantee against his investment.	Financer: The lender has no control over the business's operations.	Financer: There is a risk of the startup not meeting the goal or objective for which the grant has been provided.
	Startup: Startups need to give up a portion of their ownership to shareholders.	Startup: You may need to provide a business asset as collateral.	Startup: There is a risk of the startup not receiving a portion of the grant due to several reasons.

https://www.startupindia.gov.in/content/sih/en/funding.html

Types of Startup Funding Cont.

Working Capital	Equity Financing	Debt Financing	Grants
Threshold of Commitment	While startups are under lesser pressure to adhere to a repayment timeline, investors are constantly trying to achieve growth targets	Startups need to constantly adhere to repayment timeline which results in more efforts to generate cash flows to meet interest repayments	Grants are distributed in different tranches w.r.t the fulfilment of the corresponding milestone. Thus, a status is constantly working to achieve the milestones laid down.
Return to Investor	Capital growth for investors	Interest payments	No Return
Involvement in Decisions	Equity Investors usually prefer to involve themselves in the decision-making process	Debt Fund has very less involvement in decision-making	No direct involvement in decision making
Sources	Angel Investors, Self-financing, Family and Friends, Venture Capitalists, Crowd Funding Incubators/Accelerators	Banks, Non-Banking Financial Institutions, Government Loan Schemes	Central Government, State Governments, Corporate Challenges, Grant Programs of Private Entities

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Stages of Startups and Source of Funding

- Multiple sources of funding for startups are available. Typically, the source of funding depends on the stage in which startup is present.

Ideation Stage

This is the stage where the entrepreneur has an idea and is working it. At this stage, the amount of funds needed is usually small. Additionally, at the initial stage in the startup lifecycle, there are very limited and mostly informal channels available for raising funds. The funding acquired at this stage is called as **pre-seed stage.** Typical, channels of funding include

- **Bootstrapping/Self-financing:**

Bootstrapping a startup means growing the business with little or no venture capital or outside investment. It means relying on your savings and revenue to operate and expand. This is the first recourse for most entrepreneurs as there is no pressure to pay back the funds or dilute control of your startup.

- **Friends & Family**

This is also a commonly utilized channel of funding by entrepreneurs still in the early stages. The major benefit of this source of investment is that there is an inherent level of trust between the entrepreneurs and the investors

- **Business Plan/Pitching Events**

This is the prize money/grants/financial benefits that are provided by institutes or organizations that conduct business plan competitions and challenges. Even though the quantum of money is not generally large, it is usually enough at the idea stage. What makes the difference at these events is having a good business plan.

https://www.startupindia.gov.in/content/sih/en/funding.html

Stages of Startups and Source of Funding Cont.

Validation Stage

At this stage, a startup has a prototype ready and needs to validate the potential demand of the startup's product/service. This is called conducting a 'Proof of Concept (POC)', after which comes the big market launch. The funding acquired at this stage is called as **seed stage.**

A startup will need to conduct field trials, test the product on a few potential customers, onboard mentors, and build a formal team for which it can explore the following funding sources:

- **Incubators**

Incubators are organizations set up with the specific goal of assisting entrepreneurs with building and launching their startups. Not only do incubators offer a lot of value-added services (office space, utilities, admin & legal assistance, etc.), they often also make grants/debt/equity investments.

- **Government Loan Schemes**

The government has initiated a few loan schemes to provide collateral-free debt to aspiring entrepreneurs and help them gain access to low-cost capital such as the Startup India Seed Fund Scheme and SIDBI Fund.

- **Angel Investors**

Angel investors are individuals who invest their money into high-potential startups in return for equity. Reach out to angel networks such as Indian Angel Network, Mumbai Angels, Lead Angels, Chennai Angels, etc., or relevant industrialists for this.

- **Crowdfunding**

Crowdfunding refers to raising money from a large number of people who each contribute a relatively small amount. This is typically done via online crowdfunding platforms.

https://www.startupindia.gov.in/content/sih/en/funding.html

Stages of Startups and Source of Funding Cont.

Early Traction Stage

At the Early Traction stage startup's products or services have been launched in the market. Key performance indicators such as customer base, revenue, app downloads, etc. become important at this stage. The funding acquire at this stage is called as **Series A stage**.

Funds are raised at this stage to further grow the user base, product offerings, expand to new geographies, etc. Common funding sources utilized by startups in this stage are:

- **Venture Capital Funds**

Venture capital (VC) funds are professionally managed investment funds that invest exclusively in high-growth startups. Each VC fund has its investment thesis – preferred sectors, stage of the startup, and funding amount – which should align with your startup. VCs take startup equity in return for their investments and actively engage in the mentorship of their investee startups.

- **Banks/Non-Banking Financial Companies (NBFCs)**

Formal debt can be raised from banks and NBFCs at this stage as the startup can show market traction and revenue to validate its ability to finance interest payment obligations. This is especially applicable for working capital. Some entrepreneurs might prefer debt over equity as debt funding does not dilute equity stake.

- **Venture Debt Funds**

Venture Debt funds are private investment funds that invest money in startups primarily in the form of debt. Debt funds typically invest along with an angel or VC round.

https://www.startupindia.gov.in/content/sih/en/funding.html

Stages of Startups and Source of Funding Cont.

Scaling Stage

At this stage, the startup is experiencing a fast rate of market growth and increasing revenues. The funding acquire at this stage is called as **Series B, C, D, E**.

Common funding sources utilized by startups in this stage are:

- **Venture Capital Funds**

VC funds with larger ticket sizes in their investment pool provide funding for late-stage startups. It is recommended to approach these funds only after the startup has generated significant market traction. A pool of VCs may come together and fund a startup as well.

- **Private Equity/Investment Firms**

Private equity/Investment firms generally do not fund startups. However, lately some private equity and investment firms have been providing funds for fast-growing late-stage startups who have maintained a consistent growth record.

https://www.startupindia.gov.in/content/sih/en/funding.html

Stages of Startups and Source of Funding Cont.

Exit Option

- **Mergers & Acquisitions**

The investor may decide to sell the portfolio company to another company in the market. In essence, it entails one company combining with another, either by acquiring it (or part of it) or by being acquired (in whole or in part).

- **Initial Public Offering (IPO)**

IPO refers to the event where a startup lists on the stock market for the first time. Since the public listing process is elaborate and replete with statutory formalities, it is generally undertaken by startups with an impressive track record of profits and who are growing at a steady pace. Initial Public Offering is the first time that the stock of a private company is offered to the public. Issued by private companies seeking capital to expand. It is one of the most preferred methods by investors to exit a startup organization.

- **Selling Shares**

Investors may sell their equity or shares to other venture capital or private equity firms.

- **Buybacks**

Founders of the startup may also buy back their shares from the fund/investors if they have liquid assets to make the purchase and wish to regain control of their company.

- **Distresses Sale**

Under financially stressed times for a startup company, the investors may decide to sell the business to another company or financial institution.

https://www.startupindia.gov.in/content/sih/en/funding.html

Why Do Investor's Invest

- Investment options (per annum)
  - Saving Bank: 2 to 5%
  - Fixed Deposit: 5 to 8%
  - Gold: 10 to 12%
  - Mutual Fund: 12 to 15%
  - Equity: 15 to 30%
  - Real Estate: 2 times in 5 to 7 years
  - Start-up: Exponential returns

- Investor: High risk and high return approach.

Investor’s Outlook (What Do They Look)

- Objective and problem solving
  - The offering of any startup should be differentiated to solve a unique customer problem or to meet specific customer needs. Ideas or products that are patented show high growth potential for investors
- Management and Team
  - The passion, experience, and skills of the founders as well as the management team to drive the company forward are equally crucial in addition to all the factors mentioned above.
- Scalability and Sustainability
  - Startups should showcase the potential to scale in the near future, along with a sustainable and stable business plan. They should also consider barriers to entry, imitation costs, growth rate, and expansion plans.
- Customers and Suppliers
  - Clear identification of your buyers and suppliers. Consider customer relationships, stickiness to your product, vendor terms as well as existing vendors.

https://www.startupindia.gov.in/content/sih/en/funding.html

Investor's Outlook (What Do They Look) Cont.

- Competitive Analysis
  - Consider the number of players in a market, the market share, obtainable share in the near future, product mapping to highlight similarities as well as differences between different competitor offerings.
- Sales and Marketing
  - No matter how good your product or service may be, if it does not find any end-use, it is no good. Consider things like a sales forecast, targeted audiences, product mix, conversion and retention ratio, etc.
- Exit Avenues
  - A startup showcasing potential future acquirers or alliance partners becomes a valuable decision parameter for the investor. Initial public offerings, acquisitions, subsequent rounds of funding are all examples of exit options.

https://www.startupindia.gov.in/content/sih/en/funding.html

Steps to Startup Fund Raising

- The fund raising process can be divided into following steps:

1. Accessing the need for funding

The startup needs to assess why the funding is required, and the right amount to be raised.

2. Assessing Investment readiness

Any investor will take you seriously if they are convinced about your revenue projections and their returns. Investors are generally looking (already discussed in previous slides)

3. Preparation of Pitch deck (in future slides)

4. Investor Targeting

Every investor has an theory which is a strategy that the venture capitalist fund follows. Their theories identifies the stage, geography, focus of investments, and differentiation of the firm. One can gauge it by thoroughly going through the company website, brochures, and fund description. To target the right set of investors, it is necessary to research their mission, their past investments in the market, and speak with entrepreneurs who have successfully raised equity funding. This exercise will help you:

- Identify active investors
- Their sector preferences
- Geographic location
- Average ticket size of funding
- Level of engagement and mentorship provided to investee startups

Steps to Startup Fund Raising Cont.

5. Due diligence by interested investors

Angel networks and VCs do a thorough diligence of the startup before finalizing any equity deal. They look at the startup's past financial decisions and the team's credentials as well as background. This is done to ensure that the startup's claims regarding the growth and market numbers can be verified as well as to ensure that the investor can identify any objectionable activities beforehand. If the due diligence is a success, the funding is finalized and completed on mutually agreeable terms.

https://www.startupindia.gov.in/content/sih/en/funding.html

Preparation of Pitch deck

- The initial pitch presentation (this could be a PPT or a PDF document) should not be more than 12 - 15 slides. Mostly comprises of visual charts, images, bullets.
- It is like a story telling backed with facts, research, conviction and passion.
- Stick with time allotted to you, do not bluff, thorough with facts, be discrete and precise.
- Best for equity fund raising, searching co-founders, accelerator applications.
- Intended for Angel investors, VCs, crowdfunding platforms, general public
- At this stage, details and numbers are not necessary. they are keen to understand if the concept addresses a real opportunity, if the business case is strong, if the team is well rounded, competent & committed, and the traction that the team has been able to achieve so far.

Following points to be covered

1. **Cover slide**
    - Company name and logo
    - Contact details (city, e-mail, mobile, URL)
    - One line that clearly describes the concept/product/service

https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Tools_templates/internal_templates/pitch_guidelines/Pitch%20deck%20Guidelines.pdf

Elements of Pitch deck

2. Team

- Credentials : Brief background , academics, experience
- Complementary skills, Key Responsibilities
- Advisory Board
- Equity structure

3. Solution to problem

- What is the problem being solved
- Explain why your customers need your solution
- Mention what they are currently doing and how your product/service is a better solution

4. Product/Technology Overview

- Highlight the uniqueness of the product or service or technology and NOT the technical details for each feature in the product/solution/service

5. Business or Earning Model

- This is about how you will make money from this business opportunity
- ·This is NOT the excel sheet, in simple terms, this is about who will pay how much and to whom for your product
- Monthly /Annual/ Subscription model (eg Netflix / Amazon prime)
- Aggregator fees / commission (Amazon / Flipkart / Bigbasket)

Elements of Pitch deck

6. Size of the Market Opportunity

- TAM (Total Addressable Market), SAM (Serviceable Available Market), SOM (Serviceable Obtainable market)
- Competitive, landscape, Positioning.
- Potential
- Be clear about where and who is going to buy your product/service and how much would they pay for it
- This section is NOT about what your plans are, but about what the size of the market is. This section should therefore give a sense about how many customers are there in your target market and at what price are you selling your product to them, what is the revenue potential if all of them were to buy (not that they will, but this is to give an indication of what the size of the market is)

https://blog.hubspot.com/marketing/tam-sam-som

Elements of Pitch deck

7. Current Traction

- What have you achieved so far – product, customers, revenues, etc. Your Status
- Topline / Bottomline / Market presence/ Product Range / Customer segment
- Include photographs, if possible (e.g. if you have physical stores or products that you manufacture or office pictures)

8. Competitive Landscape

- Who are currently or in future likely to compete against your product/service and what is your plan to win this battle?
- Explain why are you better than your competitors
- What kind of entry barriers are there in the industry ?
- Steps to stop or delay competition

https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Tools_templates/internal_templates/pitch_guidelines/Pitch%20deck%20Guidelines.pdf

Elements of Pitch deck

9. Current financials and Projections

- Summary of your financials for 3 years (key figures like annual revenue, profits, cashflow, etc.).
- How will you scale, expansion plans
- Go to Market, Product market fit, plans for new product range
- Break-up of your costs into CAPEX (Capital Expenditure like land, machinery, buildings) and OPEX (Operating Expenditure like salaries, electricity, raw materials, fuels, marketing)
- Cover the unit economics, i.e. how much revenue do you get per transaction/customer, how much does it cost you to service that customer/order, what is your customer acquisition cost (CAC).

10. Funding needs, and Proposed Valuation

- Describe how much money you want to raise and its planned usage
- Mention if there are other co-investors (or others who have already committed)
- Clearly indicate how long will these funds last and what you will be able to achieve with it
- Clearly mention if you are going to require follow-on capital, and if so, how much
- The valuation you are seeking for this round

https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Tools_templates/internal_templates/pitch_guidelines/Pitch%20deck%20Guidelines.pdf

Elements of Pitch deck

11. Current Equity Structure, Fundraising History and Investors

- Table of current equity holding (cap table)
- How much money have you invested?
- Mention previous investment history, including year, amount and investors

12. Risk Mitigation

- Identify risks involved : Legal/ technological/ political/regulatory/ environmental
- Plan to mitigate these risks

13. Exit Options

- How do you think the investors can exit (i.e. who will buy their equity or do you feel that this can be an IPO)
- If you can, give examples of exits in your industry (or comparable examples)

https://www.startupindia.gov.in/content/dam/invest-india/Templates/public/Tools_templates/internal_templates/pitch_guidelines/Pitch%20deck%20Guidelines.pdf

Elevator Pitch

- Summary of overall pitch in 30 to 40 sec
  - What benefits does it offer the customer?
  - What is the RoI?
  - How is the customer to be reached?
  - Which methods are to be used?

Robert . B. Mellor, “Entrepreneurship for everyone: a student textbook”

Business Plan

- A business plan is a long document that contains a detailed description of your business and business plan. Unlike a pitch deck, a business plan is prepared as a word document and often includes 30 up to 300 pages.

	Pitch Deck	Business Plan
Format	Power point	Word document
Length	12-15 slides	30-300 pages long
Design	Visual (bullets, charts, images, bullet points)	Mostly Plain text
Best for	Equity fundraising, finding co-founders, accelerator application	Grant applications, Debt fundraising
For whom?	Angel investors, VC firms, Crowdfunding platforms, general public	Public institutions, Debt investors banks

https://sharpsheets.io/blog/startup-business-plan-vs-pitch-deck/#:~:text=No%2C%20because%20the%20business%20plan,Employees%20and%20team%20structure

Elements of Business Plan

- Typically the contents of a business plan will consist of the 16 classical elements:
  1. Executive Summary
  2. The Business Idea
  3. Background*
  4. Ownership ands Company Structure
  5. The Team: Leadership, Board of Directors, Accountants and Lawyers
  6. The Product
  7. The Patent Situation*
  8. The Marketing Plan
  9. Sales and Distribution
  10. Competitors
  11. Customers
  12. Agreements and/or Alliances*
  13. The Budget
  14. Investment Needs
  15. Any Barriers
  16. Profit and Exit

*- Optional

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Elements of Business Plan Cont.

1. Executive Summary (like a Elevator pitch)

Venture capitalists receives 1000 business plans per day. That means that the Executive Summary has to be very well written in order to get attention. It should be clear, concise and not one single word or too long. Normally it is the part that is written last, since many experience that the process of writing the rest of the business plan helps

2. Business Idea

It should start with a description of which problems the product solves and what advantages it offers to the customer, and the advantages it has over competing products/services. It explains how processes operate normally, what the innovation is, and how the entrepreneur will take advantage of this.

It includes market analysis using tools

- Porter's Five Forces: The classic analysis of how attractive a potential market is.
- SLEPT: A kind of extended Porter's, dealing with the Social, Legal, Economic, Political, and Technological influences from the environment acting on a business.
- Strategic Group Mapping: An extension of Porter's, used to identify Critical Success Factors.
- SWOT: Estimating the proposed company's (or product's) ability (Strengths, Weaknesses, Opportunities and Threats) to conquer the intended market.
- 5 Boston Matrix: Established firms can analyze their current portfolio of products, divide them into 'Stars', 'Cash Cows', 'Problem Children' and 'Dogs' and thus decide which products should receive more or less investment.

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Elements of Business Plan Cont.

3. Background

If applicable and if it adds to the prestige, then some background information can be added. For example, association with research labs and awards.

4. Ownership and Company Structure

It includes the name and number of the company, and their ownership, together with any other relevant information (e.g. accreditation, membership of professional organizations, etc.). There should be a paragraph detailing how many others are employed, together with a projection about the company size in the future.

It may also be relevant to add a paragraph about the organization or mention any other special organizational aspect.

5. Team: Leadership, Board of Directors, Accountants and Lawyer

The leadership will probably consist of the original inventors and entrepreneurs, together with any professional help, which has been bought or borrowed. This section should list their names, what their functions are, their affiliations and a brief CV of each one.

The Board of Directors is extremely important. Typically they are 'bought in' experts from various fields and have excellent networks. They may work for as little as two hours per quarter (i.e. attend quarterly board meetings) bringing in their advice, network and business contacts.

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Elements of Business Plan Cont.

6. Product

A brief description of what the product is, what it can do and how it differs from other products. If the product is not complete, then milestones should accompany the development plan. Here product lifetime and expected frequency of buying may be relevant. It may also be the best place for pricing strategy. Note that price strategy can be different for different customer groups.

Drawings, blueprints, etc. of the product can be attached as an appendix and should not be part of the business plan.

7. Patent Situation

Here the intellectual property rights situation is briefly explained, including a description of competing patents. Completed patents or patent proposals should be attached as an appendix and should not be part of the business plan.

8. Marketing Plan

It is a written statement of the marketing objectives, strategy, timetables, and goals. This can be about the acquisition of new customers, or the increased retention of existing customers.

The marketing plan also details the implementation of the key activities, including the roll out of the actual marketing, advertising and sales activities. These are summarized and collated – often in tabular form – along with their costs. Costs can be broken down further and cross-correlated (e.g. budget by manager, budget by market, budget by product, budget by type, etc.).

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Elements of Business Plan Cont.

9. Sales and Distribution

These may include any special advantages the company has, as well as special activities (Roll-Out, discounts, etc.). Price policy can be discussed here, if not already a part of the product description.

10. Competitors

There are always competitors (if not immediate, then at least potential) and baldly stating that competitors do not exist will, unless it is an extremely special circumstance, make the business plan appear unrealistic. Competitors should be listed together with a mini-SWOT for each one, which realistically indicates the risks that each one poses.

11. Customers

This section should specify which customer segment is/are the primary target group(s) and which are the secondary, tertiary, etc., if possible with a time scale (if not already mentioned in the marketing plan).

12. Any Agreements and/or Alliances

This section specifies any agreements that have been made with other companies, and any formal alliances, which have been signed, or are in the process of being negotiated. This may include suppliers, agents, franchising, resellers and retailers, etc.

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Elements of Business Plan Cont.

13. Budget

If the company has been running for some time, then the previous year's budget and accounts can be used. In principle, this consists of overall revenue, net profit, inventory cost, other sources of income, raw material and other supplies, other external costs (insurance, etc.), salaries costs, depreciation, earnings versus costs, tax, capital expenditure, operating expenditure.

This needs to be done by the accountant. Accountant is a must.

14. Investments Needs

Investment needs follow logically from the budget. Figures come from two sources:

- Outlay: Fixed costs plus capital and investments. These may well come out of your marketing plan for large and/or high tech projects, development costs are a major outlay.
- Income: This is the projected income, i.e. represents your best supposition, based on the marketing plan, but is approximate by its very nature
- When Outlay > Income, needs investment. When outlay= income then breakeven point is reached.

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Elements of Business Plan Cont.

15. Any barrier

Barriers (if any) must be openly and honestly discussed, together with rescue scenarios. Barriers can be divided into two kinds: external and internal. External could, for example, be changes in law, loss to property. Internal factors include a key worker leaves, or the company cannot attract sufficient manpower of the right quality.

16. Profit and Exit

An investment should be a 'win-win situation' for investor and company alike. Thus there must be a clear exit strategy from the start, a strategy that everybody knows about and explicitly approves of.

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Equity Distribution: Examples

Equity Dilution						
	Seed Stage	Series A	Series B	Series C		Return (after series C)
Pre-Money Valuation (INR)	10,00,000	10,00,000	40,00,000	90,00,000		
Post-Money Valuation (INR)	-	12,50,000	50,00,000	1,00,00,000		
	Percentage(%)					
Founder A	50	40	32	28.8		
Founder B	25	20	16	14.4		
Founder C	15	12	9.6	8.64		
Founder D	10	8	6.4	5.76		
Investor A (2,50,000)	0	20	16	14.4		1440000
Investor B (10,00,000)	Not invested		20	18		1800000
Investor C (10,00,000)	Not invested			10		1000000
	100	100	100	100		

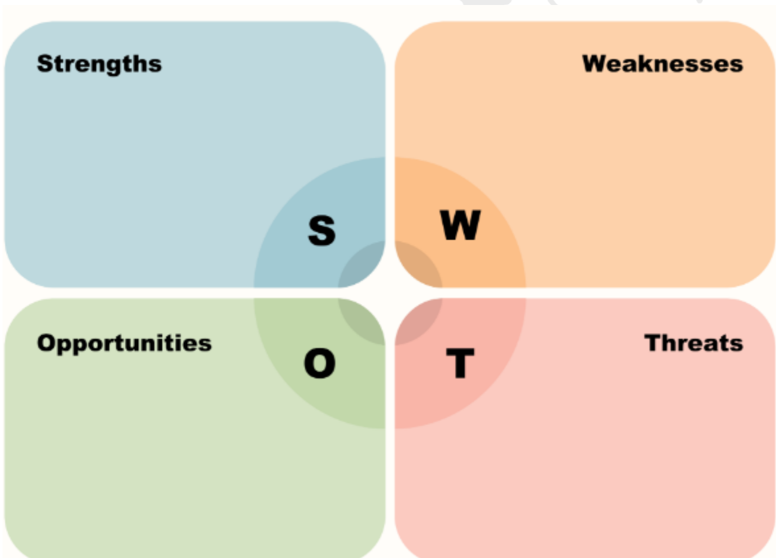
$$Post - money\ valuation = \frac{investment\ raised}{percentage\ equity}$$

- Pre-money valuation depends on the company track record, traction, etc. (generally decided by the founders in consultation with the advisors, board of governors, previous investors, etc. There is no such formula for pre-money valuation).
- The company valuation is generally determine by post-money valuation.

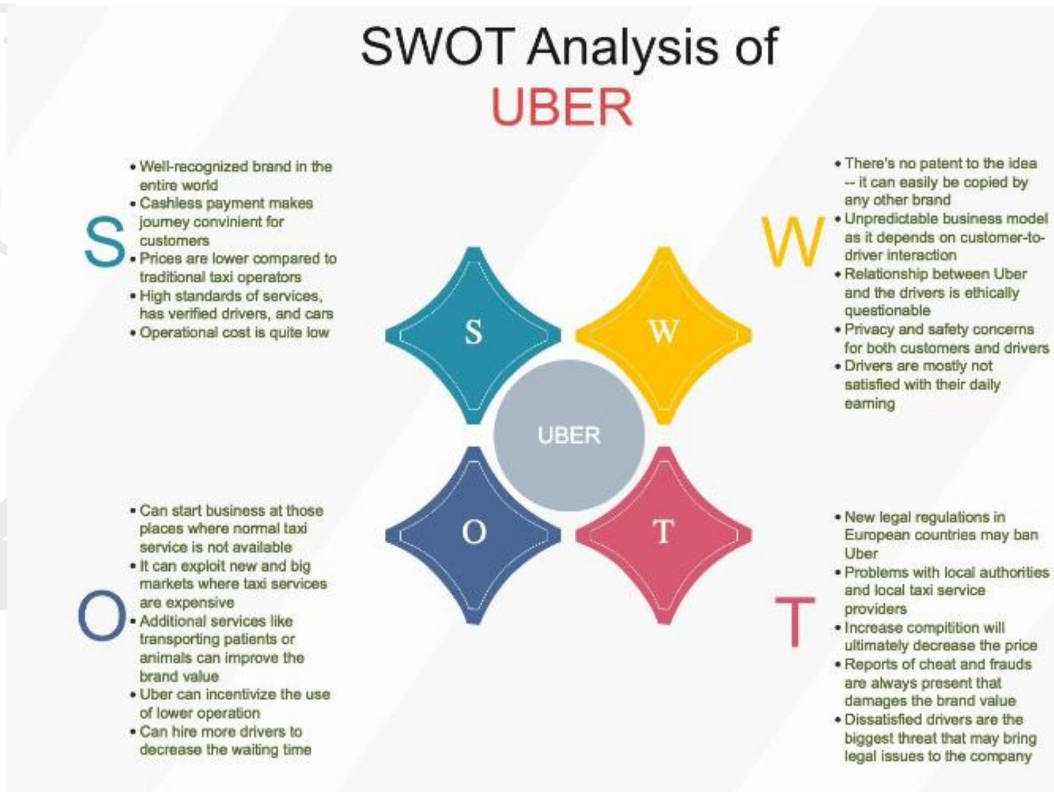
Marketing Analysis Tools- SWOT Analysis

- SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT analysis is a technique for assessing these four aspects of your business.
- SWOT Analysis is a tool that can help you to analyze what your company does best now, and to devise a successful strategy for the future. SWOT can also uncover areas of the business that are holding you back, or that your competitors could exploit if you don't protect yourself.

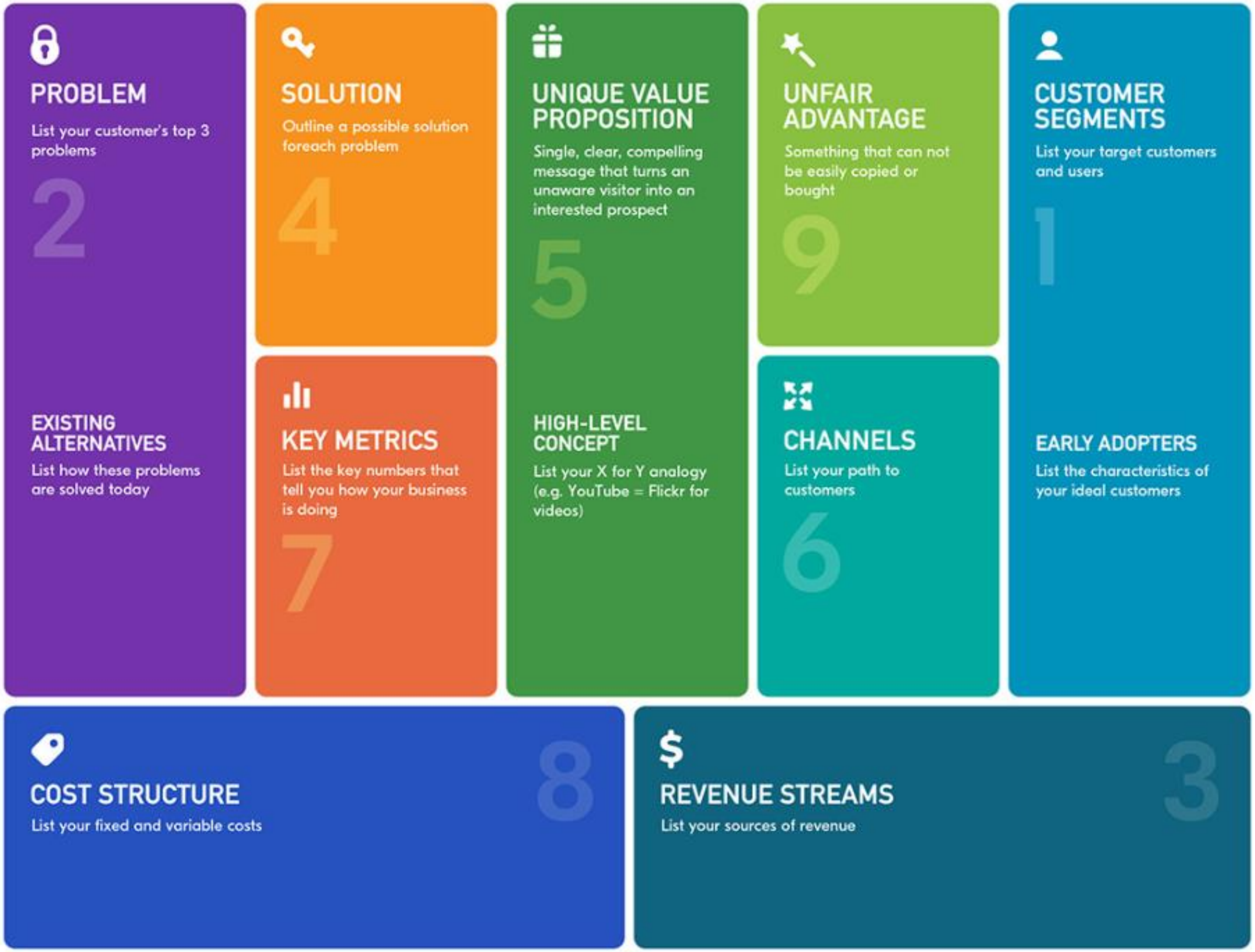
Positives **Negatives**



https://www.mindtools.com/amtbj63/swot-analysis
https://www.edrawmax.com/article/uber-swot-analysis.html

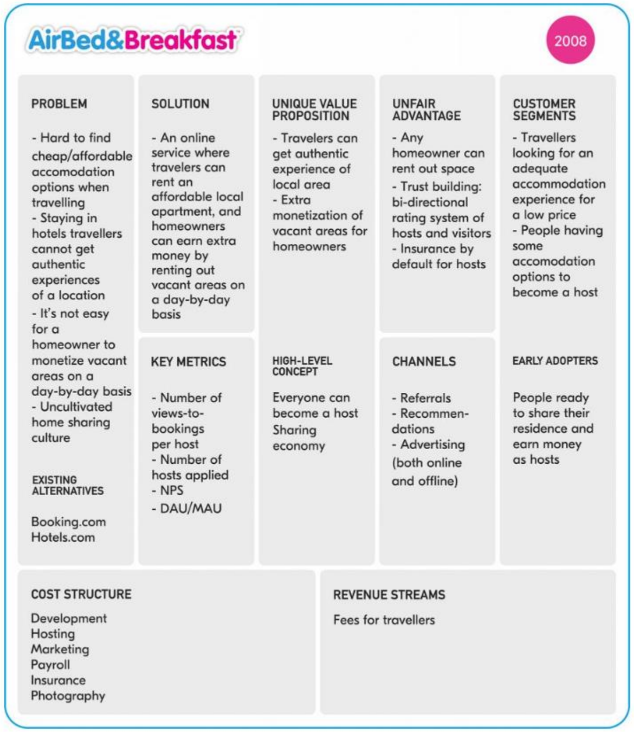


Lean Canvas Model



https://railsware.com/blog/lean-canvas/

Example: Lean Canvas Model



https://railsware.com/blog/5-lean-canvas-examples/

Common Funding Options

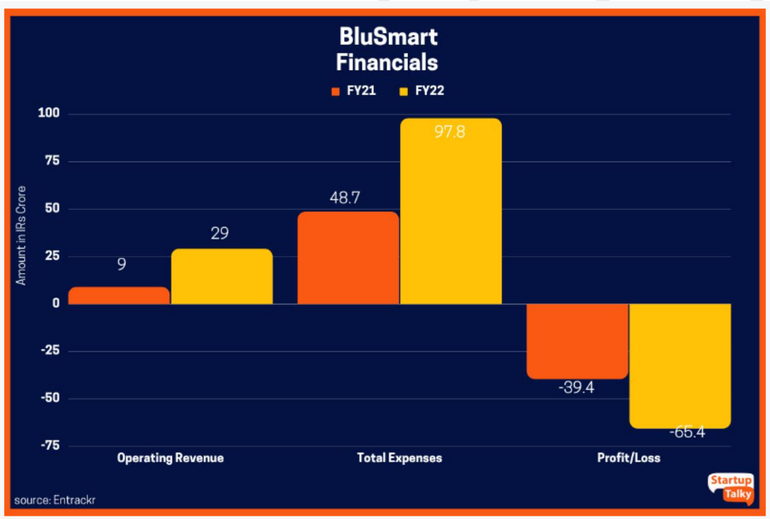
- GoI schemes, eg. DST (Nidhi Prayas), MEITY, Startup-India, TIH, Start-up competitions, state-level funding.
  https://msh.meity.gov.in/
  https://www.startupindia.gov.in/content/sih/en/government-schemes.html
  http://tdb.gov.in/seed-support-scheme/
  https://www.nidhi-prayas.org/#parentVerticalTab11

- Incubation centers at all the major education centers (eg, IITs, IIMs).
- Get into the network of the investors.

CASE Study

BluSmart

- BluSmart mobility was founded in 2019 with the aim to offer urban India a **ride-sharing experience in a sustainable manner**. The company is the country's first electric shared smart mobility platform that offers efficient, affordable, intelligent, and sustainable mobility.
- BluSmart Mobility is founded by **Anmol Sing Jaggi, Puneet Singh Jaggi, and Punit K Goyal in 2019.**
- BluSmart has raised a total of $184 million in funding over ten rounds.



BluSmart Financials

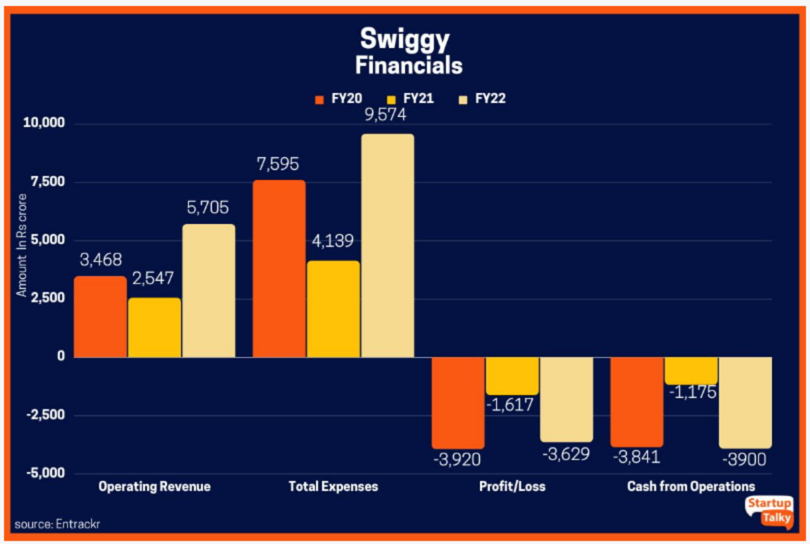
Date	Funding Round	Amount	
Apr 29, 2023	Series A	$37 million	-
May 4, 2023	Debt Financing	$5 million	-
April 29, 2023	Debt Financing	$75 million	Power Finance
May 24, 2022	Series A	$15 million	BP Ventures, Green Frontier Capital
March 24, 2022	Debt Financing	$10 million	Blacksoil
September 30, 2021	Series A	Rs 150 crore	BP Ventures
September 7, 2020	Seed Round	$7 million	Venture Catalysts
July 3, 2020	Seed Round	Rs 37 crore	-
September 24, 2019	Angel Round	$3 million	Deepika Padukone via Ka Enterprises, Jito Angel
August 17, 2019	Seed Round	Rs 15 crore	Jito Angel Network

https://startuptalky.com/blusmart-success-story/

CASE Study

Swiggy

- Swiggy is a food delivery platform at its core, the services of which can be accessed from Android and IOS devices, and through the website. It partners with a wide range of restaurants and provides easy access to diverse food dishes from varying cuisines.
- It is founded by Sriharsha Majety, Lakshmi Nandan Reddy, Rahul Jamini, Rahul Kapoor.
- Swiggy has seen a total of **$3.6 billion** worth of funding over **16 rounds**.



Swiggy Financials

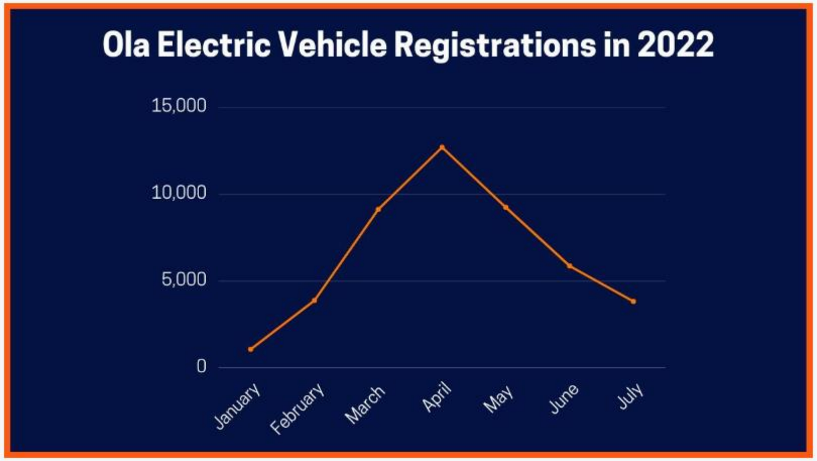
Date	Stage	Amount	Investors/Shareholders
January 24, 2022	Venture Round	$700 million	Invesco
July 12, 2021	Series J	$450 million	SoftBank Vision Fund 2, Accel Partners, Prosus
April 5, 2021	Series J	$800 million	Falcon Edge Capital, Prosus Ventures
May 19, 2020	Venture Round	$1.9 million	-
April 6, 2020	Series I	$43 million	-
February 19, 2020	Series I	$113 million	Prosus Ventures
December 20, 2018	Series H	$1 billion	Prosus Ventures
June 21, 2018	Series G	$210 million	Prosus Ventures and DST Global
February 8, 2018	Series F	$100 million	Prosus Ventures
May 30, 2017	Series E	$80 million	-
January 1, 2017	Debt Financing	$5 million	-

CASE Study

Ola Electric

- Ola Electric, which started taking bookings in July 2021, has already begun achieving some memorable milestones. Some of them can be summed up as:
- Ola Electric has clocked sales worth Rs 1100 crore in just 2 days
- It was hailed as the best-selling electric 2-wheeler after Hero Electric in March 2022, when it clocked the sale of 9000+ units.
- With over 12689 units of Ola Electric scooters sold in April 2022, Ola Electric was recognised as the highest-selling electric two-wheeler company in India.
- Ola has sold 41,024 units in 2022, as reported on June 2022.
- Bhavish Agarwal is the solo founder.
- OLA Electric has raised $860.2+ mn via over 9 funding rounds that the company has seen.

Date	Stage	Amount	Investors
January 24, 2022	Venture Round	$200 mn	Tekne Private Ventures, Alpine Opportunity Fund,
December 8, 2021	Series C	$53 mn	Temasek Holdings
September 30, 2021	Series C	$200 mn	Alpha Wave Global, Softbank
July 12, 2021	Debt Financing	$100 mn	Bank of Baroda
March 12, 2020	Series B	$1 mn	Pawan Munjal Family Trust
September 16, 2019	Corporate Round	-	Kia Motors, Hyundai Motor Company
July 2, 2019	Series B	$250 mn	Softbank
May 6, 2019	Series A	-	Tata Sons
March 1, 2019	Series A	$53.58 mn	Matrix Partners India, Tiger Global Management

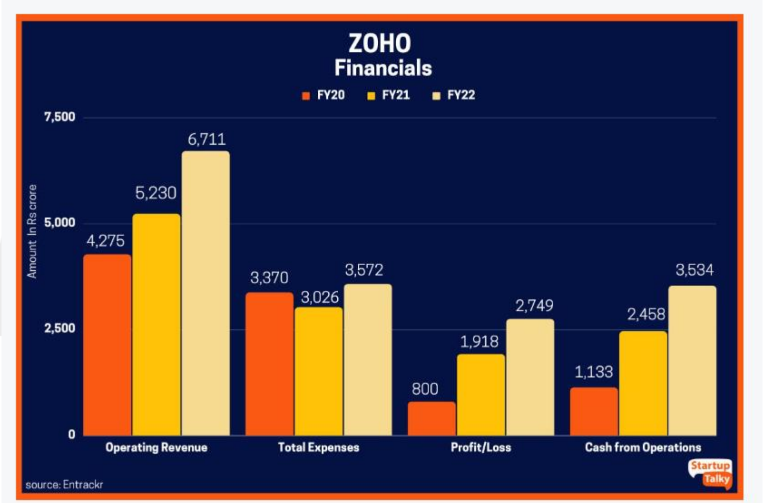


https://startuptalky.com/ola-launch-electric-scooter/

Zoho

- Zoho Corporation has been divided into the following three divisions -
- **Zoho.com** - This division offers products related to Online business, and productivity and collaboration applications.
- **ManageEngine** - Offers Enterprise Management tools.
- **WebNMS** is the IoT software division of Zoho Corporation.
- Zoho Corporation Private Limited is an Indian company, founded by Sridhar Vembu and Tony Thomas in 1996. The company started its operations from a small apartment in the suburbs of Chennai. Zoho was initially named 'AdventNet', and the only service offered was Network Management.

Zoho User's Growth



https://startuptalky.com/zoho-success-story/

CASE Study

Amazon Food, Distribution

- In May 2020, Amazon Food entered the competitive Indian food delivery market. However, after trying it out for more than two and half years, Amazon decided to shut down its food delivery platform, which was being piloted in Bengaluru, India, by 29 December 2022.

- **Reasons for failure** Amazon Food failed in India due to stiff competition from established players like Zomato and Swiggy, localization challenges in catering to diverse culinary preferences, operational complexities in building a reliable network of restaurants and delivery partners, and broader cost-cutting measures undertaken by Amazon in a challenging economic environment.

https://startuptalky.com/why-startups-fail-case-study/

CASE Study

Dark Sky

- Dark Sky was a weather forecasting app that provided hyperlocal weather information and accurate forecasts to users. It was founded in 2011 by Adam Grossman and Jack Turner. Dark Sky gained popularity for its user-friendly interface and precise weather predictions, which were based on real-time data and advanced algorithms.

- **Reasons for failure:** Sky announced that it had been acquired by Apple and would be discontinued on other platforms, including Android. The acquisition by Apple led to the dissolution of Dark Sky as an independent entity, and its features were integrated into Apple's own weather services.

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CASE Study

DocTalk

- Founded in 2016, by Krishna Chaitanya Aluru, Akshat Goenka, and Vamsee Chamakura, Doctalk connected doctors with patients. Through the Doctalk app, one could find good doctors in the vicinity and after just one in-person visit, the patient could connect to the doctor through the Doctalk app for further consultation and queries.
- The patients had to pay a subscription fee, whereas the doctors were charged an initiation fee. In 2018, Doctalk pivoted to a new business model wherein it built an electronic medical record (EMR) solution to help doctors write digital prescriptions on customized prescription templates. The EMR business was launched under a new brand name 'Pulse' and was sold to the doctors as a tool that let them digitalize the entire consultation, and share the same with the patients.

- **Reason for failure:** Doctalk's pivot from its initial business model into the electronic medical record solution (EMR) business was not successful; it is often cited as the cause of DocTalk's closure by company insiders.

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CASE Study

Mr.Needs

- MrNeeds was a grocery delivery startup founded by Hitashi Garg, Yogesh Garg, Ravi Wadhwa, and Ravi Verma. It provided a subscription-based grocery delivery service. People could easily pay for their subscriptions and receive their groceries on the set date. MrNeeds, a Delhi-based startup, did well with more than 10,000 deliveries in Noida alone.

- **Reason for failure**: MrNeeds was a subscription-based startup. Hence, turnover might not have been that great given how frugal Indians usually' tend to be. So it is possible that the startup had a lack of funding to sustain itself. The entry of funded grocery delivery startups like Grofers and Big Basket can also be another reason for MrNeeds' failure.

https://startuptalky.com/why-startups-fail-case-study/

CASE Study

Roder

- Inter-city travel has become a mainstream requirement— traveling 100 km or more every day is deemed as just another day to some. The reason may be anything: office location, excursion, meeting a friend, etc. These journeys can burn a hole in the pocket. Roder (earlier known as Insta Cabs) was founded by Abhishek Negi, Ashish Rajput, and Siddhant Matre in 2014 to ease inter-city rides. One of Roder's highlights was offering one-way rides at nearly half the market price.

- **Reason for failure**: The inability to cope with customer acquisition costs and not keeping up with the user retention rates. Moreover, increased competition from experienced ventures like Ola and Uber added to Roder's woes. Having a bigger competitor that is more aggressively funded makes the entrepreneurs lose their zeal. And this is one of the major causes of entrepreneurial failure.

https://startuptalky.com/why-startups-fail-case-study/

Thank You

Introduction to Intellectual Property Rights

Prof. Rajat Agrawal
Professor, DoMS, Indian Institute of Technology Roorkee