

Startup Foundations

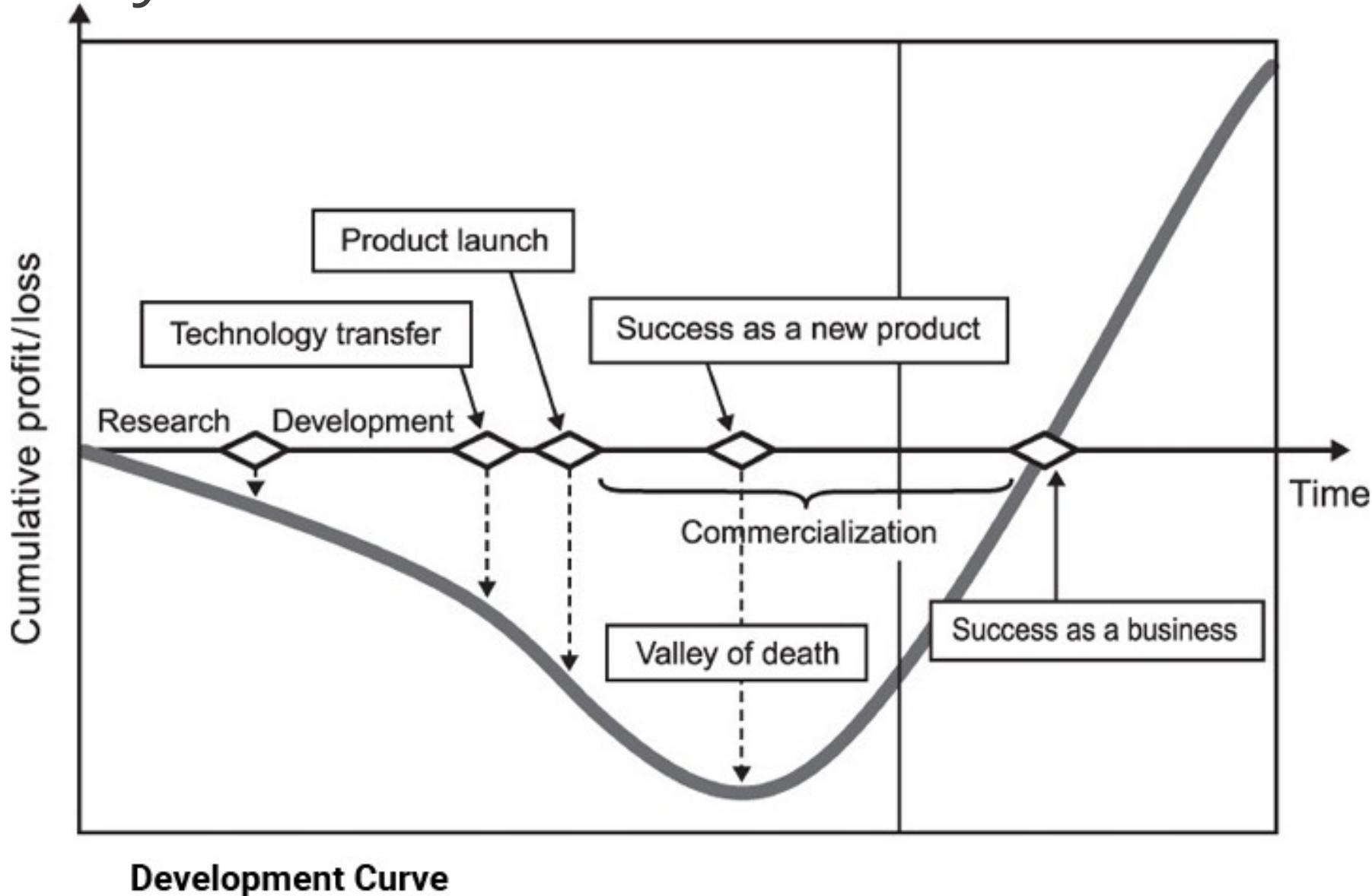
Start Up in ICT /3



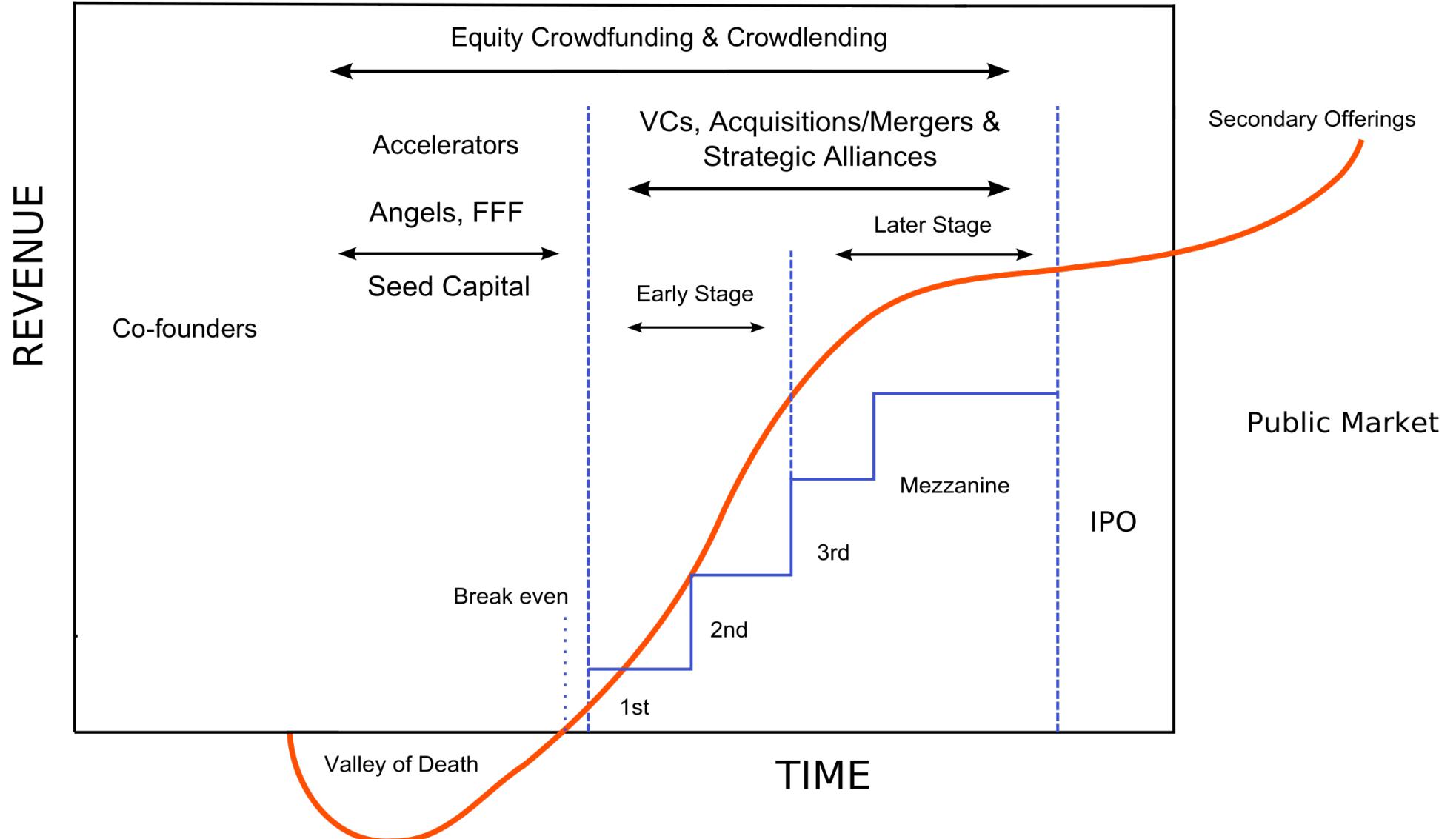
A climber in a yellow shirt and blue shorts hangs from a large overhanging rock formation against a bright blue sky. In the background, several limestone karsts rise from a lush green forest.

Let's give a look at
Your Journey

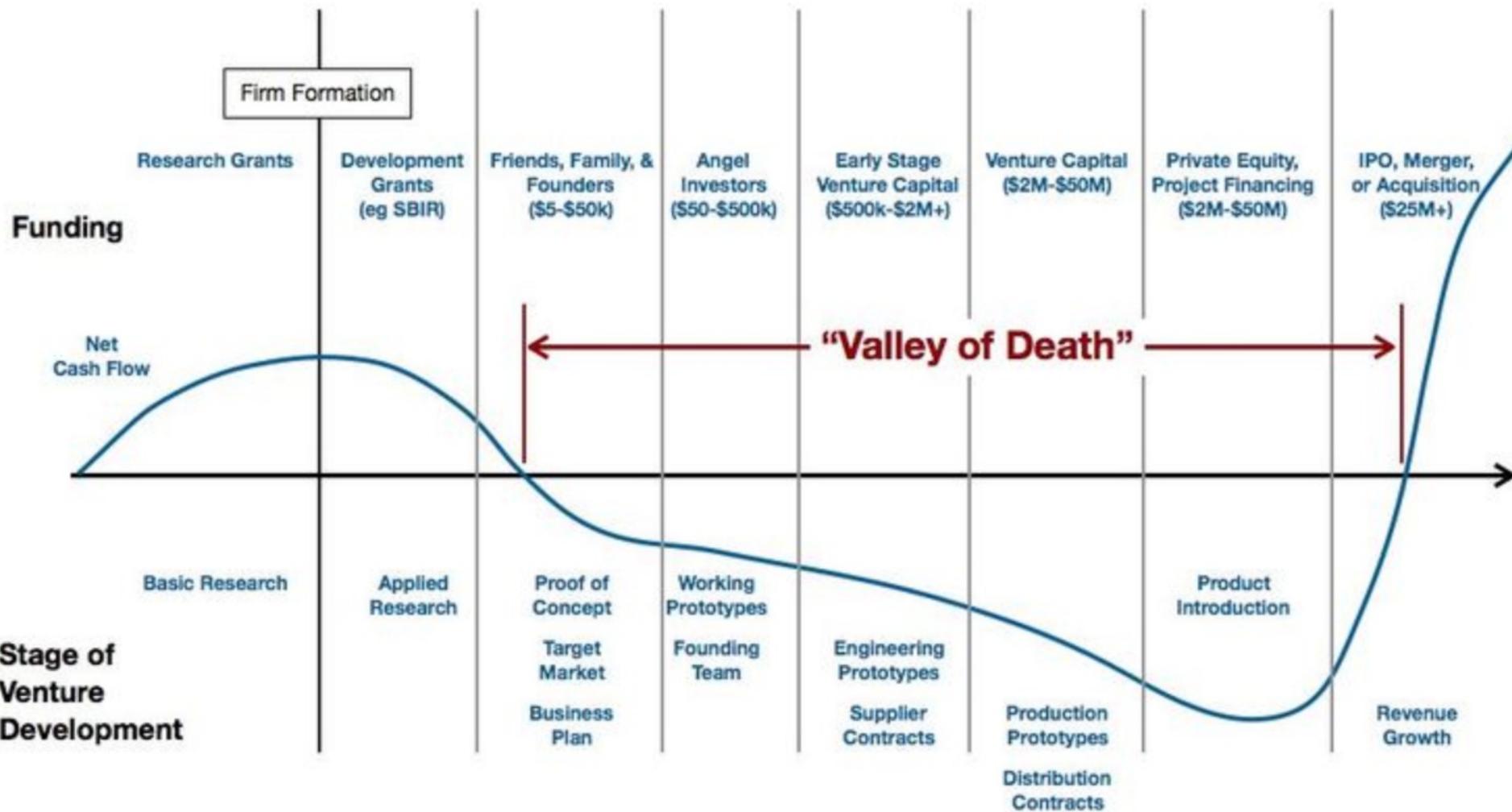
The Valley of **Death**



The Valley of **Death** (the bigger picture)



Another source (different sources, same story)



The Valley of **Death**

Additional information on the typical venture path can be added by looking at the Sales and Business Development stage.

Which brings us to a very important concept: **in a startup, technical & product maturity, interest for investors and business model maturity are intrinsically linked.**

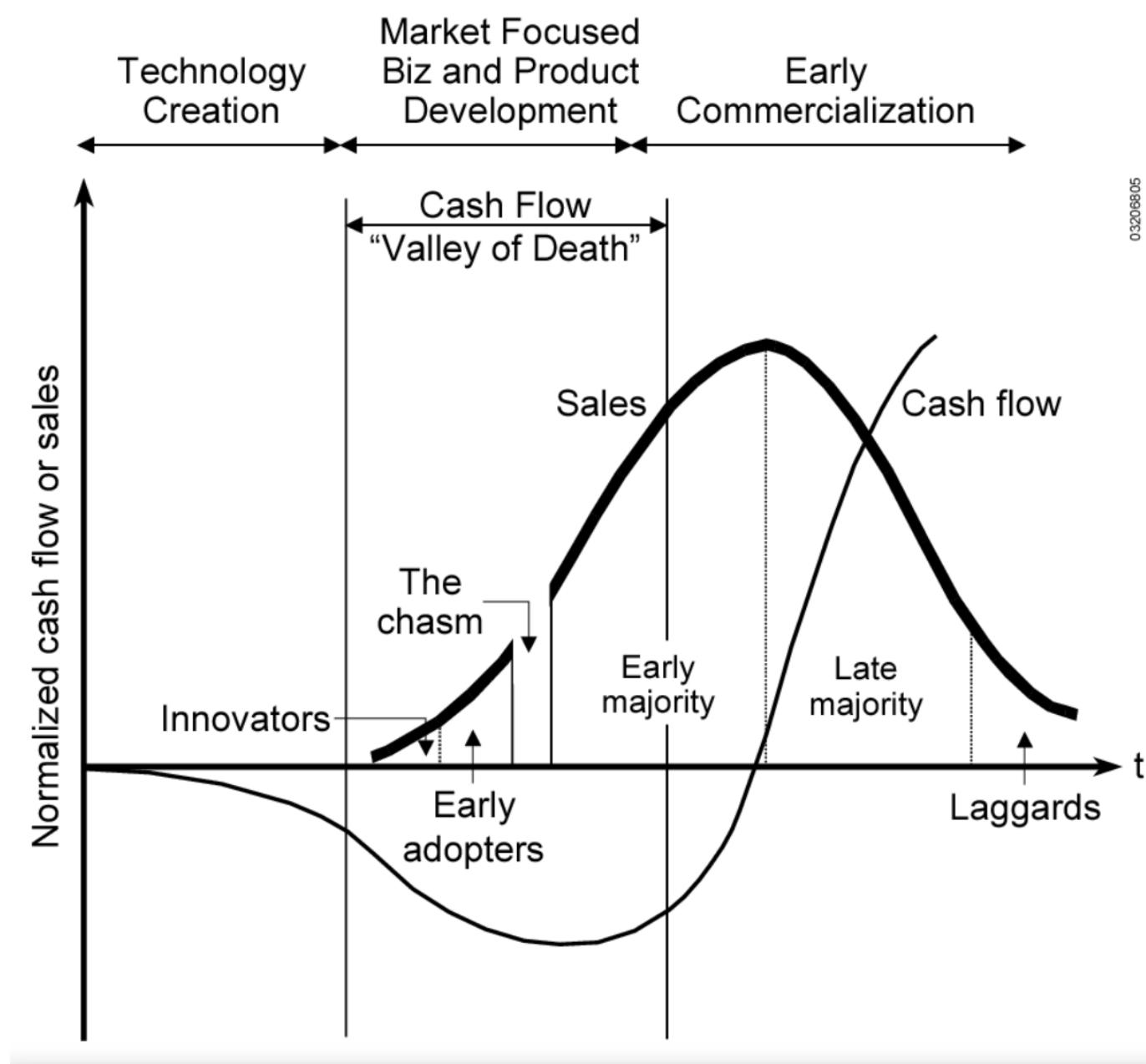
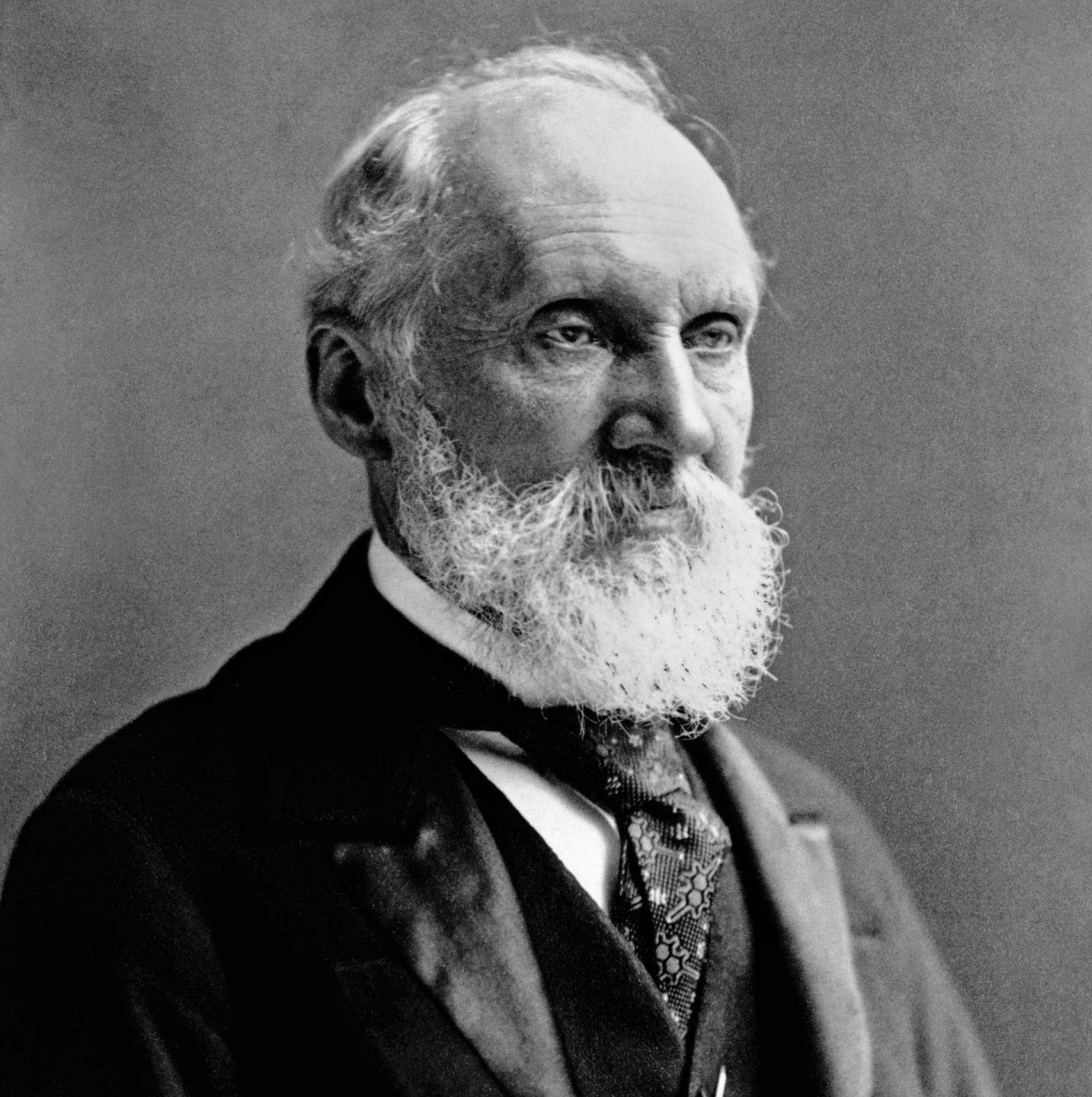


Figure 3. Market development and creation as described by Moore (1995 and 1999) as a function of business development stage. Cash flow shown for comparative purposes.



*“You cannot improve
what you cannot
measure”.*

Lord Kelvin

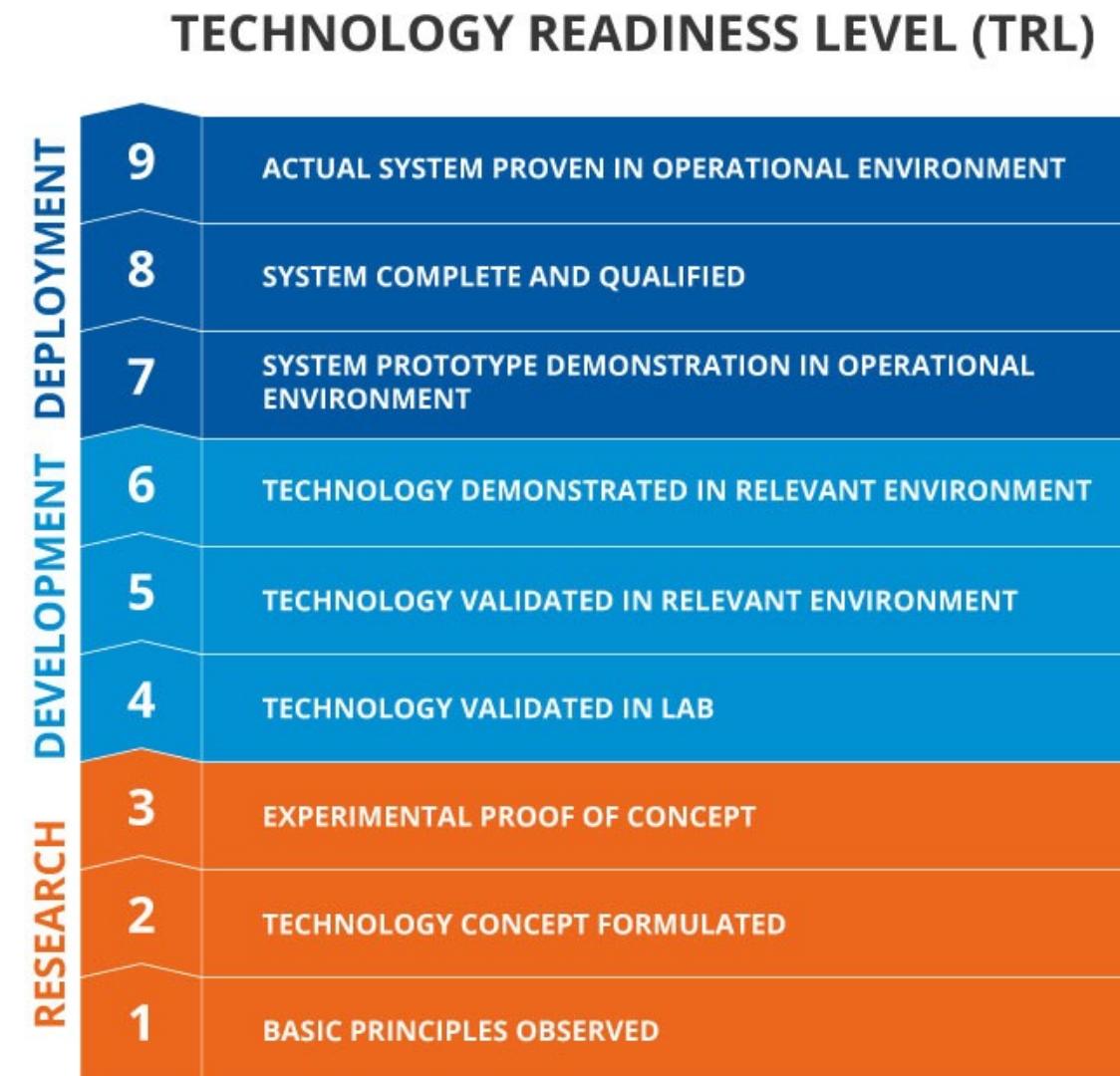
Ok, so how do I measure features like the technical maturity of a product, the interest of investors, the maturity of my business model?!?

“Readiness Level” (or RL) indexes

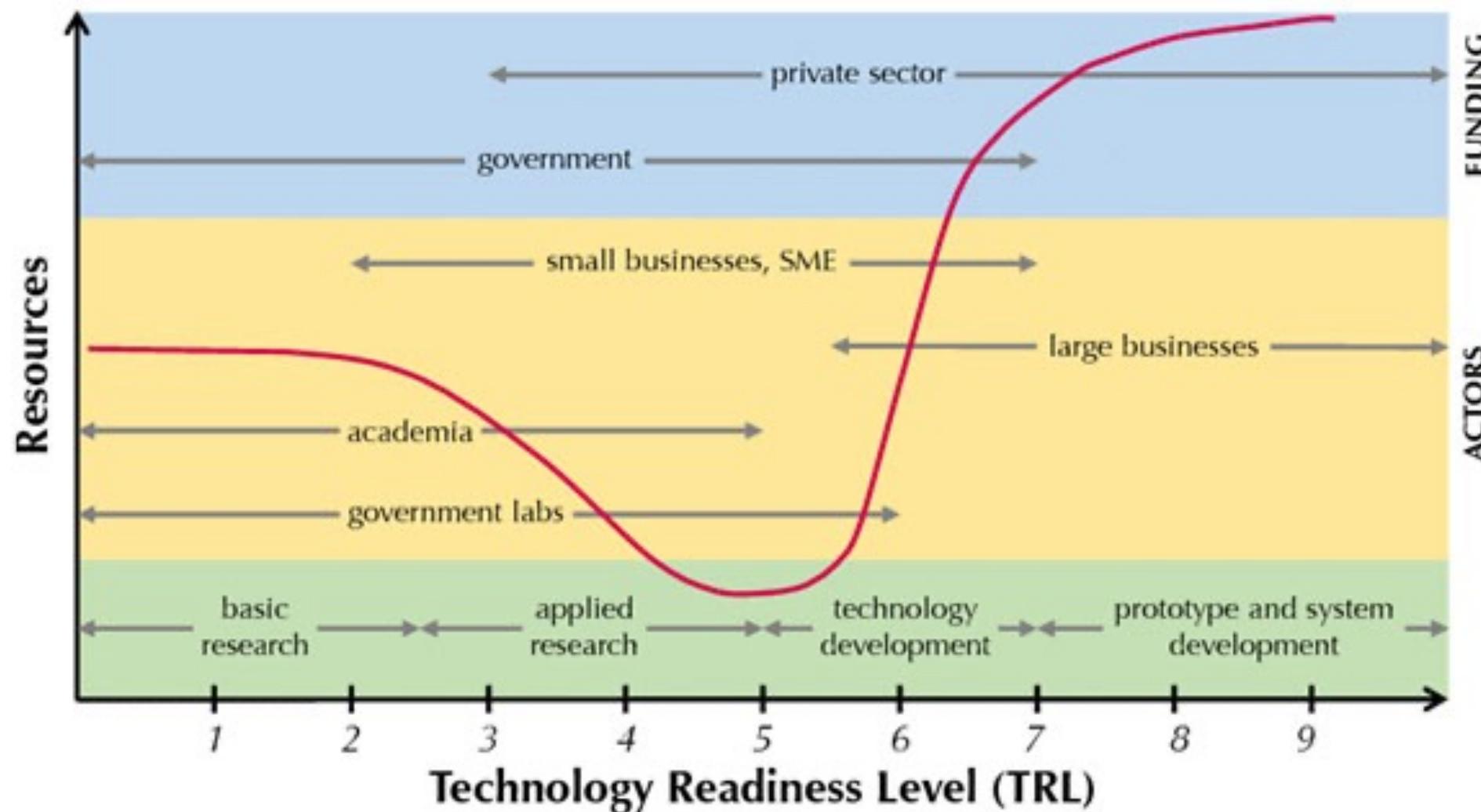
Derived from aerospace tech assessment methodologies at NASA, these are scales ranging from 1 (lowest) to 9, describing the maturity of specific features.

Most important the Technology Readiness Level (TRL).

Other scales deal with Manufacturing, Investment, Integration in complex systems, etc.



TRL is linked to the Valley of Death



Source: Hensen, Jan & Loonen, Roel & Archontiki, Maria & Kanellis, Michalis. (2015). Using building simulation for moving innovations across the "Valley of Death". REHVA Journal. 52. 58-62.



Startups



The **Startup**

”

A startup is a **temporary organization** used to **search** for a **repeatable and scalable Business Model.**

”

Steve Blank

According to Blank, Startups can be grouped in 6 categories

1 – Lifestyle Business

A business run by its founders primarily with the aim of sustaining a particular level of income and no more; or to provide a foundation from which to enjoy a particular lifestyle.

A lifestyle business's goal is to provide a great quality of life to its owners.

2 – Small Businesses

They work as hard as any other entrepreneur. They hire local employees or family. Most are barely profitable. Small business entrepreneurship is not designed for scale, the owners want to own their own business and “feed the family”.

Example: home based food services; plumbing; restaurant; small niche markets.

3 – Startups designed to be scalable

Scalable startups tend to group together in innovation clusters (Silicon Valley, Shanghai, New York, Boston, Israel, etc.). They make up a small percentage of the six types of startups, but because of the outsize returns, attract all the risk capital (and press).

Example: Airbnb, Uber, Netflix, ...

4 – Startups designed to be quickly sold

Their goal is not to build a billion dollar business, but to be sold to a larger company.

Example: pharma, hitech.

The goal of the management is different than that of building a profitable business

5 – Startup from Large Companies

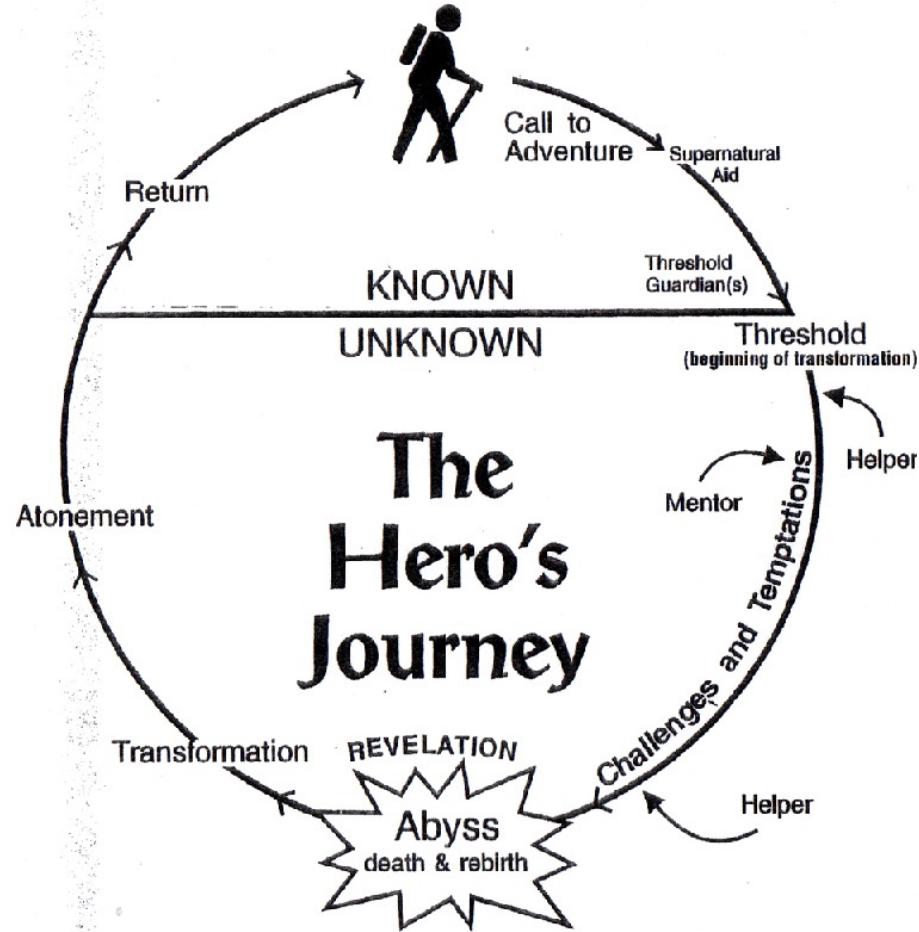
Changes in customer tastes, new technologies, legislation, new competitors, etc., can create pressure for more disruptive innovation—requiring large companies to create entirely new products sold to new customers in new markets.

They are “transformational innovation projects” of large companies.

6 – Social startups

Usually they are charitable initiatives, their goal is to make the world a better place, not to take market share or to create wealth for the founders.

So... what is your **Call to Adventure**?



What kind of startup are you going to launch?

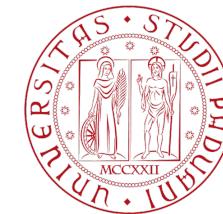
What is your **Purpose**?

What do you want to become?



StartUp in ICT
University of Padua
February-June, 2023

WhatsApp group



MEI

Fabio d'Alessi
fabio.dalessi@unipd.it
338 3518240