



# Can we predict startup success?

**Team 4**

Nicolas Spettel, Meron Tecle

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# Problem Statement

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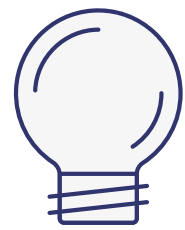
Ironhacks management is evaluating the possibility of funding startups founded by Ex-Ironhackers in order to contribute to the success of their students.

The data analysts Nicolas and Meron are tasked to determine what factors contribute to startup success and present their results to the board.

- 1 **What factors contributes the most to startup success?**
- 2 **What is the best place to found a startup in order to maximize chances of succeeding?**

# Relevant information about the data

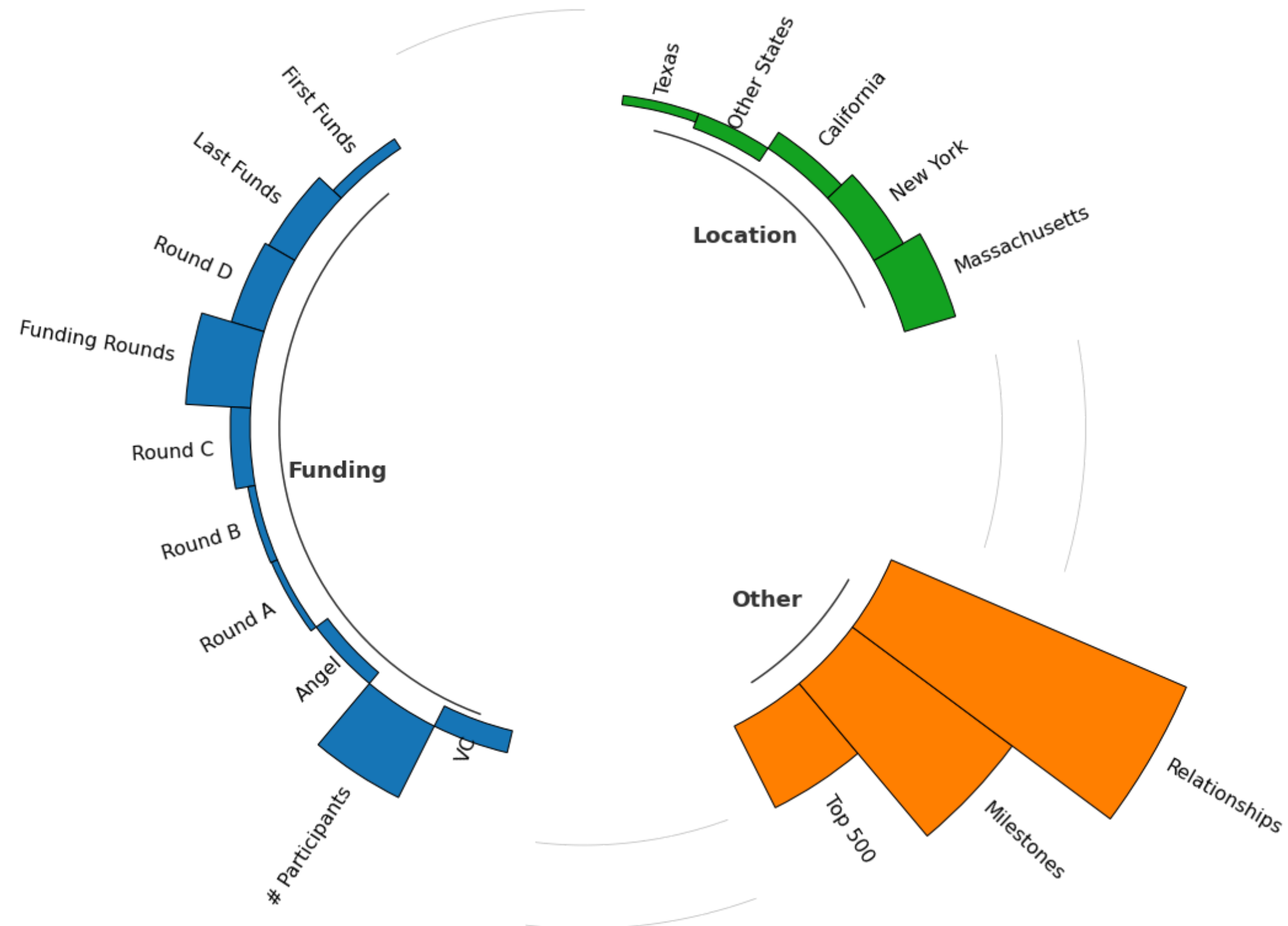
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- Consists of 923 startups from the US
- Contains information relating to funding activities and individual company information across 48 features
- Defines success as being acquired or exited through IPO and failures as being closed down

# What factors contributes the most to startup success?

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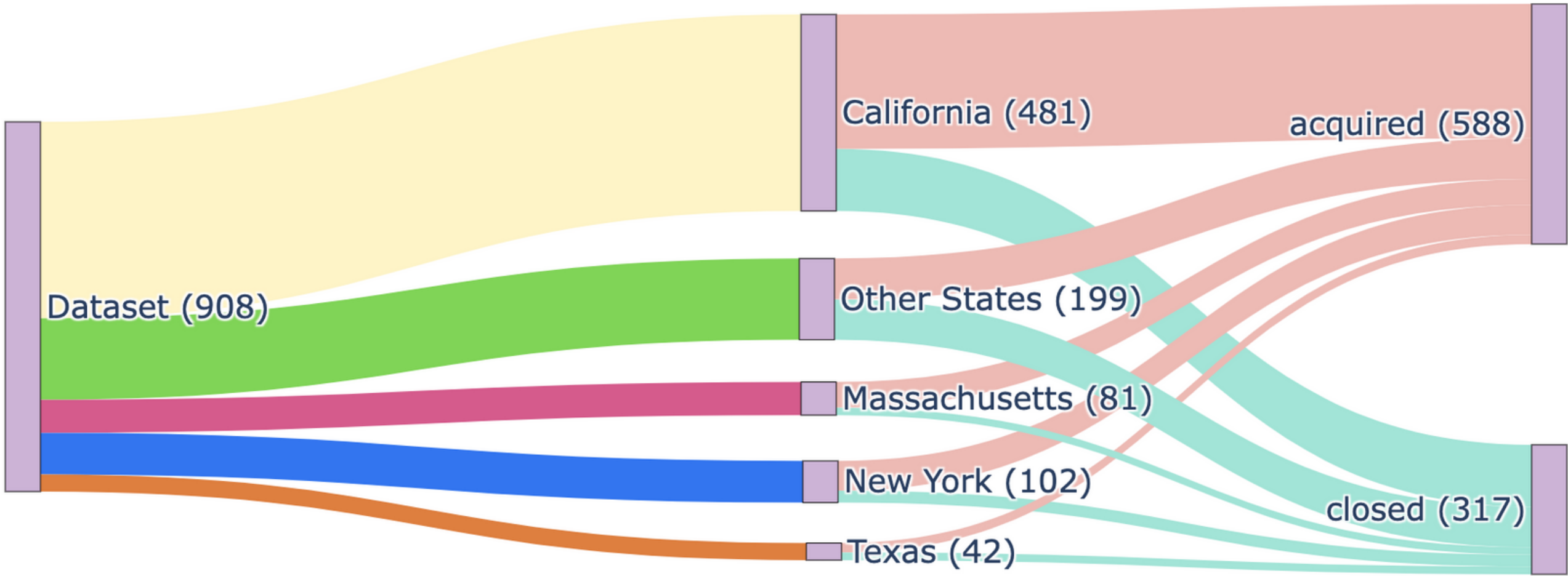


## Top factors

- **Relationships:** Who do you know?
- **Milestones:** How disciplined are you in reaching internal goals?
- **Funding:** How many VCs fund you ? At what stage are you?
- **Location:** Where are you based?

# What is the best place to found a startup?

Massachusetts has the highest ratio of acquired to closed (3.5)



	Acquired	Closed	Ratio
MA	63	18	3.50
NY	73	29	2.52
CA	329	152	2.16
TX	2	19	1.21
Other	100	99	1.01

# Conclusion

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For Ironhack to increase the likelihood of funding only successful businesses we advise to focus on the following:

- 1 Look for strong partners, advisors etc within a startup
- 2 Check for discipline in reaching internal milestones, the higher the better
- 3 Higher number of investors increase chances (social proof)
- 4 Invest at a later stage (lower risk, but likely higher valuation)
- 5 Startups out of Massachusetts have the highest chances of succeeding