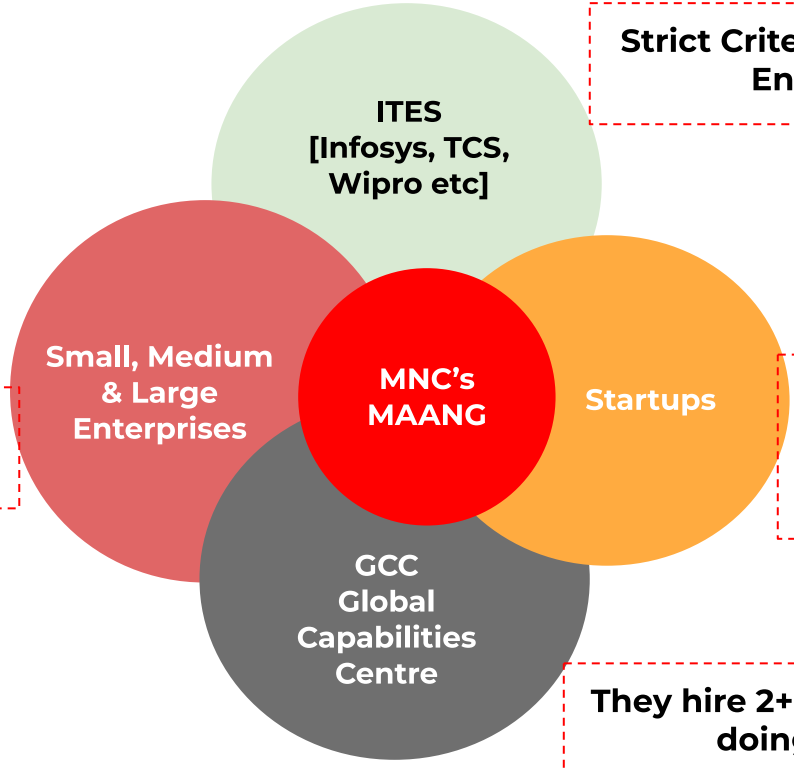
🚀 Must-Know Startup Terms 📊

MAJOR SEGMENTS FOR TECH HIRING



Strict Criteria, abundant supply from Engineering colleges

Strict Criteria,
salary levels are controlled

Hire Masai Students ...
Skilled + Immediate Joiners + Masai Alumni Performance + Hiring Partner Network

They hire 2+ yrs of experience, doing very well

12 Most Common

STARTUP LINGOS

You Should Know !

SWIPE

01 Customer Acquisition Cost (CAC)

CAC is a cost incurred by a company to **acquire a one new customer**.

This cost includes all **marketing and sales** expenses, such as advertising, promotions, salaries, and commissions.

02 Burn Rate

Burn Rate is the rate at which a company is **spending its available cash** to cover its expenses before generating positive cash flow from its operations.

Burn Rate is typically **expressed as a monthly figure** and is calculated by subtracting a company's monthly expenses from its monthly revenue.

Imagine a startup has **$100,000** in its bank account and spends **$10,000 per month** on salaries, rent, and other expenses.

- **Burn rate = $10,000 per month**

03 Runway

It refers to the amount of time a company has until it runs out of cash or resources.

Imagine a startup has **$100,000** in its bank account and spends **$10,000 per month** on salaries, rent, and other expenses.

- **Burn rate = $10,000 per month**
- **Runway = $100,000 ÷ $10,000 = 10 months**

This means the startup can operate for **10 months** before running out of money, assuming no new revenue or investment comes in.

04 Churn Rate

Churn Rate is the percentage of customers **who stop using a company's product** or service over a certain period of time.

For example, if a company has 1,000 customers at the beginning of a month and loses 100 customers during that month, its Churn Rate would be **10%.**

05 Product-Market Fit

The term is used to describe the degree to which a company's product or service **satisfies the needs of its target market.**

Product-Market Fit is essential for startups because it indicates that there is a **strong alignment between the company's product** or service and the market it is targeting.

Imagine a startup creates a **healthy snack bar**.

- **Before PMF:** They launch the product, but sales are slow, and customers say it’s too expensive or not tasty enough. They tweak the recipe and pricing based on feedback.
- **After PMF:** Sales start growing rapidly through word of mouth, repeat purchases increase, and customers love the product. Stores start reaching out to stock it.

This means the product has found the right market, and customers genuinely want it. 🚀

06 SaaS

SaaS stands for **Software as a Service,** which is a business model that delivers software applications and services over the Internet.

In a SaaS model, the software is hosted on **remote servers** and accessed by users through a web browser or a mobile app.

Users need to pay a **subscription** fee to access the software.

1. **Zoom** – Video conferencing and communication.
2. **Salesforce** – CRM software for managing customer relationships.
3. **Dropbox** – Cloud storage and file sharing.

07 Unicorn

In the startup world, a Unicorn refers to a privately held startup company with a **valuation of over $1 billion**.

The term was first coined in 2013 by venture capitalist **Aileen Lee** to describe the rarity and uniqueness of such companies.

Swiggy, Zepto, Lenskart are Unicorns

08 LTV

LTV stands for **Lifetime Value**, which is a metric used to measure the total amount of revenue that a customer is expected to generate over their lifetime as a customer.

It helps to determine the **overall value of a customer** and guides decisions related to customer acquisition, retention, and marketing.

Let's calculate the **Lifetime Value (LTV)** in INR for a Netflix subscription:

- **Monthly subscription fee** = ₹399
- **Customer lifespan** = **5 years** = **60 months**

LTV = Monthly Revenue × Customer Lifespan
= **₹399 × 60**
= **₹23,940**

So, the **LTV of this customer is ₹23,940**, meaning Netflix has earned this amount from them over 5 years. 🚀

09 Freemium

Freemium is a business model that combines elements of **"free"** and "**premium**" to offer a product or service to users.

A basic version of the product or service is **offered for free**, while additional features and functionalities are available for a fee.

One of the most popular **freemium** products is **Spotify**. 🎵

- **Free Plan**: Users can listen to music with ads, skip limited songs, and have lower audio quality.
- **Premium Plan**: Users pay a subscription fee to remove ads, get unlimited skips, download music, and enjoy high-quality audio.

Spotify uses the **freemium model** to attract users with free access and then convert them into paying customers for a better experience. 🚀

10 Key Performance Indicators (KPIs)

KPIs are metrics used to evaluate the success of a startup in achieving **specific goals.**

They are often used to monitor progress toward a target and to identify areas where **improvements** can be made.

For an **e-commerce store**, a key KPI could be **Conversion Rate**.

- If **1,000 people visit the website** and **50 make a purchase**, the **Conversion Rate** is:
  (50 ÷ 1,000) × 100 = 5%

This KPI helps the business track how well it turns visitors into paying customers. 🚀

Here are some **KPIs for an entry-level developer**:

1. **Code Quality** – **Bug Rate** (number of bugs per feature or per 100 lines of code).
2. **Coding Speed** – Number of **features or tasks completed** per sprint.
3. **Commit Frequency** – Number of **code commits** per week (indicating consistent work).
4. **Pull Request Approval Rate** – Percentage of **PRs merged without major changes**.
5. **Test Coverage** – Percentage of **code covered by automated tests**.
6. **Response Time to Code Reviews** – How quickly the developer responds to feedback.
7. **Learning & Improvement** – Number of **new skills or technologies learned**.
8. **Collaboration** – Number of **team contributions**, like documentation or assisting peers.

These KPIs help measure **performance, learning, and contribution** to the team. 🚀

11 Pivot

A change in a **startup's business strategy** or direction is called Pivot.

Successful pivot examples:

1. **Netflix 🎬 (DVD Rental → Streaming & Originals)**
    - **Before Pivot:** Netflix started as a **DVD rental-by-mail** service.
    - **Pivot:** Shifted to **online streaming** and later started producing **original content**.
    - **Result:** Became a global leader in digital entertainment.
2. **Slack 💬 (Gaming → Team Communication)**
    - **Before Pivot:** Started as a gaming company called **Tiny Speck**, making an online game called **Glitch**.
    - **Pivot:** The internal messaging tool they built was more useful than the game, so they turned it into **Slack**.
    - **Result:** One of the most widely used team communication platforms, acquired by Salesforce for **$27.7 billion**.
3. **YouTube 📹 (Dating Site → Video Sharing)**
    - **Before Pivot:** YouTube was originally a **video-based dating site**.
    - **Pivot:** Found that users were uploading **all types of videos**, so they pivoted to a **general video-sharing platform**.
    - **Result:** Became the world's largest video platform, acquired by Google for **$1.65 billion**.
4. **PayPal 💰 (Cryptography → Online Payments)**
    - **Before Pivot:** Originally focused on **security software for Palm Pilots**.
    - **Pivot:** Shifted to **digital payments** after seeing demand for online money transfers.
    - **Result:** Became a fintech giant, now valued at **over $60 billion**.
5. **Instagram 📸 (Location Check-ins → Photo Sharing)**
    - **Before Pivot:** Started as **Burbn**, a check-in app with a photo-sharing feature.
    - **Pivot:** Focused only on **photo sharing**.
    - **Result:** Became one of the most popular social media platforms, acquired by Facebook for **$1 billion**.

These pivots show how **adapting to user behavior and market demand** can lead to massive success! 🚀

1 Pitch Deck

2 A presentation that outlines the **key elements** **of a startup's business plan** and is used to attract investors.

A **pitch deck** typically includes the following key elements:

1. Title Slide

- Startup name, logo, and tagline
- Your name and designation

2. Problem Statement

- What problem are you solving?
- Why is this a big issue?

3. Solution

- How does your product/service solve the problem?
- Unique value proposition

4. Market Opportunity

- Total Addressable Market (TAM), Serviceable Market (SAM)
- Growth potential

5. Product/Service

- Key features & benefits
- Product demo/screenshots

6. Business Model

- How do you make money? (Subscription, transaction fees, ads, etc.)

7. Traction *(if applicable)*

- Key metrics (revenue, users, partnerships, etc.)
- Growth trends

8. Go-To-Market Strategy

- How will you acquire customers?
- Marketing & sales strategy

9. Competitive Analysis

- Who are your competitors?
- What makes you different/better?

10. Financial Projections

- Revenue, costs, and profitability projections (3-5 years)

11. Funding Ask & Use of Funds

- How much are you raising?
- How will the funds be used?

12. Team

- Founders & key team members
- Relevant experience

13. Closing & Call to Action

- Summary & next steps
- Contact details

A **good pitch deck** is **clear, concise, and visually appealing** with minimal text and impactful storytelling! 🚀