

(a)

To stand out, StartupValley could charge both sides of the investments on the platform. By doing this the firm would make the cost to the investor lower than sites that only charged the investor such as AngelList, while also charging startups less than firms like SeedInvest. By taking a “nibble” out of both sides, rather than taking a large bit out of one half (investors or startups), StartupValley could stand out amongst the industry.

In terms of vetting, Startup Valley could allow companies that went through all types of vetting (from a minimal amount like Seedrs, to a high level like SeedInvest), and group companies together with the amount of vetting they went through. This would make StartupValley stand out, as it would offer companies that have gone through all vetting options rather than one; however, it would be a complex and intensive solution to put together. If Bryant could only choose one type, we recommend he use the approach EarlyShares uses with outside institutional investor partners to conduct a rigorous screening process.

To attract a greater number of customers, we recommend StartupValley partner with brokerages, investment banks, and other prominent financial firms to offer diversified portfolios made up of the entire market of firms available to invest in StartupValley. This would encourage customers to participate who had very little investment experience beyond ETF's and were more risk wary than other customers. Additionally, partnerships could allow StartupValley to offer similar opportunities like Earlyshares to customers who are not accredited investors. Lastly if StartupValley accepted cryptocurrencies like ETH, they could attract more customers given the optionality of payment when compared to other firms. Risks would need to be considered with these digital currencies, so strategies such as liquidating non USD currency immediately to avoid cryptocurrency fluctuation risk should be considered.

In conclusion, if StartupValley takes some of these strategies into account, it can be extremely differentiated from other competitors. We believe if StartupValley charged investors and startups each small fee (rather than charging just investors or startups a significant fee) it would make StartupValley stand out the most.

(b)

For Bryant, there are barriers to enter equity crowdfunding due to the scarcity of resources and the high market concentration. The existing players in the crowdfunding market are highly funded by venture capitalists, which makes the market highly competitive .

Bryant is in lack of extensive resources. First, the long term development of a startup relies heavily on founders aiming for agreed goals. However, Bryant currently has a partner who was reluctant to start a new business at first. It is unclear if the co-founder could keep passionate and take efforts into the new business. Moreover, since neither of the founders are specialized in equity crowdfunding and is more like learning by doing, there is a shortage of experienced workers for Startup Valley.

Second, massive research is needed to be done on the potentially listed companies for funding. Given the comprehensive information from large scale vetting, it could reduce the issues of asymmetry information and raise the trust between two parties, and thus is likely for investors to select the most fittable companies to invest. However, this lengthy process requires specialists and costs abundant time and money.

Customer databases are another resource that is required. Bryan would find it difficult to get access to new customers. Compared to investment banks, banks build relationships with investors and companies through their own databases which already includes trustworthy parties. Bryan might need a pool of money to pay for databases from banks and brokers. Therefore, forging strategic partnerships with brokerages and investment bankers to provide a complete range of services could be an important advantage for Bryant to consider.

Crowdfunding business is risky and volatile and could involve legal issues and huge loss. For Bryant, this business idea might not be a wise choice for him as he has a family to take care of as well as his former web development services. For Bryant, there is a lot to lose and tremouse time and money investment is needed to get the new business started.

(c) Should Bryant put a hold on his dream of launching StartupValley as a successful entrant in the equity crowdfunding market?

Bryant should continue to pursue his opportunity of entering the equity crowdfunding market by launching StartupValley. However not under the Title III rule, as he initially planned. Bryant and his team have done industry and competitor research, built relationships, and laid the groundwork to set up another company for success. Bryant is also ambitious and has shown he has earned trust within his current industry and can build a thriving business.

In order for Bryant to achieve a successful entrant into the equity crowdfunding market, he must overcome barriers into the industry. Overcoming barriers is something that every new company encounters when entering the industry. To run a successful business in the crowdfunding market it is key to have profitable and successful start-ups; this starts with having quality investors. Bryant knows that the industry is dominated by companies that have good relationships with venture capitalists. As Bryant is new to the industry, he is starting to create those valuable relationships with investors.

StartupValley is competing against intense competition with industry experience, strong venture capitalists' relationships, and a large threat to the market share. Bryant and his team have to make careful strategies that lead to the greatest amount of growth so that the company has the best chance to be competitive. The success of StartupValley goes beyond the dream of Bryant. Under the new regulations, StartupValley gives a new opportunity to all investors. With more people being able to invest, more start-ups will have the opportunity to be funded as well.

However, Bryant should not consider the idea of only focusing on the Title III investors, which consist of the smaller investors, if he wants StartupValley to become profitable in the long-term as well. One of the problems that Bryant will face is raising a maximum of \$1M a year. Many firms receiving funds from Title III investors as a great strategy until they will grow bigger, after that they will plan to look for higher offers by bigger investors. This means that many firms that have succeeded in their plans will leave shortly after they have accomplished their goal and are able to attract bigger investors. Another reason is because of the amount of work required to report and file documents under Title III. Such a requirement will be too costly for a small business or a startup company.

Additionally, some startup companies might not feel comfortable publicly disclosing financial statements, information about their directors and officers, as well as how they use their proceeds before they will be well established in the market because such information will be also available to all investors and their rivals. It is definitely quicker and easier to seek a good offer with a great variety of investors. However, it will also be very tiring to collect all of their investments from different sources. This might cause the firm to use most of its internal resources. It will also be especially complicated to answer to a lot of different investors, some of which might have incorrect or high expectations about the investment process or their returns. Not all firms will be willing to work with non-accredited investors. This could complicate StartupValley's position if some of the non-accredited investors will carry high risks or will not be able to comprehend and process the financial statements and other reports filled by the firm. Some small businesses might even take an advantage of the targeted amounts and might set it too low to have quicker access to their investments. As a result, the firm might not have enough resources to cover their reporting to shareholders and other procedures required by the Title III or might not have enough of the marketing money for their future growth. All of these issues might lead to lower profit for the StartupValley. Some investors might consider trying out the small business before publicly investing in it. Such an idea can give the investors and firms a chance to see and test the water before actually committing to it. In conclusion, Bryant should pursue this opportunity of entering the equity crowdfunding market by launching StartupValley. However, they should reconsider their strategy and their idea of becoming the only platform that is truly focused on the Title III investors and such market.