

# TYPE OF BUSINESS

**1. Lifestyle Startup**– These are family businesses that are mainly bootstrapped, make a profit from the very first sale, and doesn't require external funding.

**2. VC funded/Hypergrowth startups** –

If you have read in a newspaper XYZ startup got this/that money from ABC partner or XYZ startup became a unicorn (\$ 1 Billion evaluation) in 1-2 year of launch, you are dealing with **VC funded startup or hypergrowth startups**. These startups raise VC money, burn it in order to acquire chunk of the market(quickly) and, on the way, figure out how to be cash-flow positive.

The easiest way to differentiate between Lifestyle and Hypergrowth startup is the % growth. Usually, Hypergrowth startup grows in **double to triple digits**, whereas lifestyle startups have **steady growth with positive cash flow**.