

EXIT STRATEGY ANALYSIS

Three-Scenario Framework for Post-Launch Decision
Making

google.wtf

Document Version: 1.0

Created: February 2025

Classification: Strategic Planning - Confidential

Executive Summary

This document provides a comprehensive exit strategy framework for **google.wtf** across three potential post-launch trajectories:

FLOP SCENARIO

60%

Project fails to gain traction

FUOCO DI PAGLIA

30%

Viral but short-lived

TREND SCENARIO

10%

Sustained success

Key Takeaways

- **Fail Fast, Learn Faster:** Clear criteria for when to pivot vs. persevere
- **Capitalize on Virality:** Revenue maximization tactics for peak traffic periods
- **Sustainable Scaling:** Infrastructure and team growth for sustained success
- **Exit Optimization:** Valuation metrics and timing strategies for each scenario

1. FLOP SCENARIO

Project Fails to Gain Traction

1.1 Early Warning Signs to Monitor

| Metric | Week 1 | Week 2 | Week 4 | Red Flag |
|--------------------|---------|----------|----------|-------------------|
| Daily Active Users | >500 | >1,000 | >2,500 | <100 by Week 2 |
| Retention (Day 7) | >15% | >20% | >25% | <5% by Week 2 |
| Organic Shares | >50/day | >100/day | >200/day | <10/day by Week 3 |
| Time on Site | >2 min | >3 min | >4 min | <30 sec by Week 2 |

Critical Warning Indicators:

- Zero viral coefficient (< 0.3) after 14 days
- High bounce rate ($> 80\%$) sustained over 1 week
- No organic press coverage after launch push
- Negative sentiment ($> 30\%$ of mentions) on social media
- No power users emerging (users with > 5 visits)

1.2 Pivot Options and Alternative Directions

| Current Problem | Pivot Option | Effort | Success Probability |
|--------------------|--------------------|--------|---------------------|
| Wrong audience | Reposition to B2B | Medium | 25% |
| Feature incomplete | Strip to MVP core | Low | 40% |
| Technical friction | Simplify UX | Low | 45% |
| Wrong platform | Mobile-first pivot | High | 20% |

1.3 When to Cut Losses vs. Persevere

CUT LOSSES if:

- Burn rate exceeds €2,000/month with < €500 revenue
- Team morale critically low (survey score < 3/5)
- No path to profitability in 6 months
- Founders lost passion/interest

PERSEVERE if:

- Small but passionate user base (< 500) with high engagement
- Clear feedback on what's missing
- Potential partnership discussions active
- Revenue growth even if small (> 10% weekly)

The Sunk Cost Fallacy Test:

"If we were starting today with zero investment, would we still build this?"

If answer is NO → Cut losses

1.4 Asset Liquidation Strategy

| Asset | Estimated Value | Best Platform | Timeline |
|---------------------|---------------------|--------------------------------|------------|
| Domain (google.wtf) | €1,500 - €8,000 | Sedo, Dan.com | 30-90 days |
| Code/IP Assets | €500 - €3,000 | GitHub, Component marketplaces | 14-30 days |
| Community/User Base | €1-5 per subscriber | Direct transfer | 7-14 days |
| Design Assets | €50 - €200 | Creative Market | Ongoing |

1.5 Graceful Shutdown Plan

Week 1: Decision & Communication

- Founder decision meeting
- Draft shutdown announcement
- Notify key stakeholders privately

Week 2: User Communication

- 30-day notice to all users via email
- Site banner announcement
- Social media announcement

Week 3: Data Management

- Enable full data export for users
- Archive all user data (GDPR compliance)
- Document lessons learned

Week 4: Final Shutdown

- Final user notification (24 hours)
- Export all data to archive
- Shutdown servers, cancel subscriptions
- Publish post-mortem

2. FUOCO DI PAGLIA SCENARIO

Viral But Temporary Success

2.1 How to Maximize Revenue During Peak

| Day of Virality | Action | Expected Revenue Impact |
|-----------------|--------------------------|-------------------------|
| Day 1-2 | Enable all monetization | Baseline |
| Day 3-5 | Premium tiers launch | +150% |
| Day 6-10 | Limited-time offers | +200% |
| Day 11-20 | Merchandise/partnerships | +100% |
| Day 21-30 | Sponsored content | +75% |

Revenue Targets by Scale

| Peak Daily Users | Revenue Target (30 days) | Primary Source |
|------------------|--------------------------|------------------------|
| 10,000 | €5,000 - €15,000 | Premium + Merch |
| 50,000 | €25,000 - €75,000 | Sponsorships + Premium |
| 100,000 | €75,000 - €250,000 | All channels |
| 500,000+ | €500,000 - €2,000,000 | Strategic partnerships |

2.2 Converting Viral Traffic to Sustained Engagement

The Retention Funnel:

- **Viral Traffic (100%)** → First Action (40%)
- **First Action (40%)** → Account Creation (15%)
- **Account Creation (15%)** → Day 2 Return (8%)
- **Day 2 Return (8%)** → Day 7 Return (5%)
- **Day 7 Return (5%)** → Day 30 Return (3%)
- **Day 30 Return (3%)** → Power User (1%)

2.3 Exit While Hot: Acquisition vs Shutdown

| Exit Type | Timeline | Best Timing | Expected Multiple |
|-----------------------|------------|---------------|-------------------|
| Strategic Acquisition | 1-6 months | Peak virality | 3-10x revenue |
| Acqui-hire | 1-3 months | Post-peak | €500K - €2M |
| Asset Sale | 1-4 weeks | Any time | €10K - €200K |
| IP License | 1-6 months | Post-peak | €50K - €500K |

3. TREND SCENARIO

Sustained Success

3.1 Scaling Infrastructure and Team

| Stage | Users | Infrastructure | Monthly Cost | Team |
|------------|------------|--------------------|------------------|-------|
| Bootstrap | < 10K | Single VPS | €50 - €100 | 1-2 |
| Growth | 10K - 100K | CDN + Multi-server | €200 - €500 | 2-4 |
| Scale | 100K - 1M | Cloud auto-scaling | €1,000 - €5,000 | 5-10 |
| Enterprise | 1M - 10M | Multi-region | €5,000 - €20,000 | 10-25 |

3.2 Long-term Monetization Strategy

| Year | Model | Revenue Target | Key Metrics |
|------|----------------------------|----------------|----------------------|
| 1 | Freemium + Ads | €50K - €200K | CAC, Conversion rate |
| 2 | Subscriptions + Enterprise | €200K - €1M | ARPU, Churn |
| 3 | Platform + API | €1M - €5M | API calls, Partners |
| 4 | Marketplace + Data | €5M - €20M | GMV, Data value |
| 5+ | Ecosystem + Strategic | €20M+ | Market share |

3.3 Acquisition Valuation Metrics

| Scenario | ARR | Growth | Valuation Range |
|--------------|-------|--------|-----------------|
| Conservative | €1M | 50% | €3M - €7M |
| Moderate | €5M | 100% | €25M - €75M |
| Optimistic | €20M | 200% | €200M - €500M |
| Exceptional | €50M+ | 300%+ | €500M - €2B+ |

3.4 IPO Preparation Checklist

| Requirement | Minimum | Target | Timeline |
|----------------------|-----------------|--------------|-----------|
| Revenue | €100M ARR | €200M+ ARR | Year 5-7 |
| Growth | 30%+ | 50%+ | Sustained |
| Profitability | Near break-even | 20%+ margins | Year 6+ |
| Market Cap Potential | €1B | €5B+ | At IPO |

4. DECISION FRAMEWORK

4.1 KPI Thresholds for Each Scenario

| Metric | FLOP | FUOCO DI PAGLIA | TREND |
|-----------------------|---------|-----------------|---------|
| DAU (Month 3) | < 1,000 | 10K - 100K | > 100K |
| Week-over-week growth | < 5% | 20-50% | 10-20% |
| Retention (Day 30) | < 5% | 10-20% | > 25% |
| Viral coefficient | < 0.5 | 1.0-2.0 | 0.8-1.5 |
| Revenue (Month 6) | < €1K | €10K - €100K | > €100K |

4.2 Traffic Pattern Recognition

FLOP PATTERN: Spike → Rapid decline → Flatline

FUOCO DI PAGLIA PATTERN: Spike → Plateau → Gradual decline

TREND PATTERN: Spike → Step-up → Steady growth

4.3 Monthly Review Checklist

Week 1: Data Collection

- ☐ Pull all analytics (GA, Mixpanel, etc.)
- ☐ Calculate core metrics (DAU, retention, revenue)
- ☐ Compile user feedback (support tickets, surveys)
- ☐ Update financial statements

Week 2: Analysis

- ☐ Compare to prior month and targets
- ☐ Identify trends and anomalies
- ☐ Calculate cohort retention
- ☐ Review unit economics (CAC, LTV)

Week 3: Strategic Review

- ☐ Assess scenario classification
- ☐ Evaluate pivot/shutdown/scale options
- ☐ Review competitive landscape
- ☐ Update financial projections

5. REAL-WORLD CASE STUDIES

Case Study 1: Yo App (2014)

The Viral Messaging App That Flamed Out

Background: Yo was a simple messaging app that allowed users to send just the word "Yo" to friends. It went viral in June 2014, reaching #1 on the App Store and raising \$1.5 million at a \$5-10 million valuation.

The Rise:

- Launched on April Fools' Day 2014
- Reached 1 million users within 4 months
- Featured everywhere: TechCrunch, BuzzFeed, Jimmy Fallon

The Fall:

- User retention was abysmal (< 5% after day 1)
- No sustainable value proposition
- Declined to ~50,000 active users within 6 months

What They Did Right:

- Capitalized on the moment: Raised quickly during peak attention
- Press mastery: Created a media frenzy

What They Did Wrong:

- No retention strategy: Assumed novelty would sustain
- Ignored fundamentals: No product-market fit beyond novelty
- Didn't exit: Should have sold at peak valuation

Lesson: Exit while hot, don't overstay your viral welcome.

Case Study 2: Clubhouse (2020-2021)

The Audio Social Network's Rise and Decline

The Rise:

- Launched March 2020, reached 10 million downloads by February 2021
- Valued at \$1 billion (Jan 2021), then \$4 billion (April 2021)
- Celebrity hosts: Elon Musk, Oprah, Mark Zuckerberg

The Fall:

- Growth stalled after opening to public
- Competition from Twitter Spaces, Spotify, Facebook
- Declined to ~200,000 monthly active users by 2023
- Laid off 50% of staff in 2023

What They Did Right:

- Perfect pandemic timing and exclusivity strategy
- Celebrity strategy and platform expansion
- Fundraising: Raised massive amounts at peak

What They Did Wrong:

- Slow to monetize: Creator fund came too late
- No content moat: Anyone could replicate
- Missed exit window: Should have sold at \$4B

Lesson: Build defensibility from day one; know when to exit.

Case Study 3: Wordle (2021-2022)

The Viral Game That Exited Perfectly

The Rise:

- Created in October 2021 for creator's partner
- 90 players in November 2021 → 3 million by January 2022
- Zero marketing, purely organic growth

Viral Mechanics:

- One puzzle per day (scarcity)
- Shareable results (no spoilers)
- Simple, accessible gameplay
- No monetization (ad-free, no tracking)

The Exit:

- Acquired by New York Times (January 2022)
- Reported price: "low seven figures" (\$1-5 million)
- Kept free for existing players
- Perfect strategic fit for NYT games portfolio

What They Did Right:

- Built natural viral mechanics
- Considered strategic acquirers early
- Known when to exit (peak attention)
- Sometimes simple is better than monetized

Lesson: Build for strategic fit; exit at the right moment.

Comparison Table

| Factor | Yo | Clubhouse | Wordle |
|----------------|-----------|-----------------------|------------------|
| Peak Users | 1M | 10M | 3M |
| Peak Valuation | \$10M | \$4B | ~\$3M (acquired) |
| Retention | Terrible | Poor | Excellent |
| Exit Outcome | Failed | Stuck | Perfect |
| Key Lesson | Exit fast | Defensibility matters | Strategic fit |

APPENDICES

Quick Reference Decision Matrix

| Situation | Immediate Action | Within 1 Week | Within 1 Month |
|----------------------|------------------|--------------------------|----------------------------------|
| Viral spike detected | Scale servers | Activate monetization | Evaluate exit options |
| Traffic declining | Analyze cause | Pivot test | Decide: persevere/pivot/shutdown |
| Acquisition offer | Evaluate fit | Negotiate terms | Close or pass |
| Runway < 6 months | Cost audit | Revenue push/fundraising | Emergency measures |

Scenario Probability Assessment

| Outcome | Probability | Typical Timeline |
|-----------------|-------------|------------------|
| FLOP | 60% | 1-3 months |
| FUOCO DI PAGLIA | 30% | 2-6 months |
| TREND | 10% | 6+ months |

Implication: Plan primarily for FLOP, prepare for FUOCO, hope for TREND.

Document Version: 1.0 | **Created:** February 2025

Next Review Date: 3 months post-launch or scenario change

This document is a living framework. Update as the project evolves.