

BA260 H Readings for 5/13/2019

CH 10 vignette (6th Ed)

- Company: ~~Kintra~~ KINVOLVED.
- Teacher noticed / took worry from lacking student attendance in her classes (sometimes 3/30 students). Parents can converse with teachers.
- Addressed inconsistent attendance in NY schools
- App allows teachers to take attendance.
- Multi level data monitoring, and
- Kinvolved is a Certified B-corp

What Went Wrong (6th Ed)

- Draw Quest, a creativity inspiring app that asked users to complete a picture.
- Generated 1.4 mil downloads and 25K daily users...
- failed because they overestimated the return generated by in-app purchases
- also, this was a pivot, so they had already "used up some runway" (AKA \$).

Ch 10

- Burn Rate: How fast a company spends money till it is profitable
- Startups need cash because:
 - ↓
Buy things
pay employees
 - ↓
Capital
Investments
 - ↓
Product
Dev cycles.
- Financing Sources
 - personal (est. 48000 of founders cash).
 - ↳ sweat equity \equiv founder work
 - Friends & Family
 - Bootstrapping: saving money
 - when taking out a loan, be very sparing & smart.
 - precise amounts (min)
 - cheapest credit!
 - Equity Funding
 - Angel Investors:
10-500K, personal \$...
 - Venture Capital
startups w/ exceptional growth
 - IPO (offering stock to public.

- Creative methods of Funding
 - crowdfunding (kickstarter)
- SBIR/STTR : programs that give startups grants. in phases.
- Strategic Partners.

HBR Breakeven Analysis

$$BEV = \frac{\text{fixed costs}}{\text{rev per u} - \frac{\text{variable costs}}{\text{per unit}}} = \frac{\text{fixed costs}}{\text{unit margin}}$$