

Startup Funding Success

The analysis was performed on data for 7,100 companies from the [Crunchbase](#) 2013 Snapshot © 2013 that can be downloaded as a [CSV file](#) with the objective of uncovering similar qualities for companies that achieved high levels of funding.

The data contains numerous categorical and numeric attributes with respect to Startups during the period from 2000 to 2013. We explored and reviewed the data with a focus on identifying both qualitative and quantitative attributes that we can compare to FutbolConnect, Inc.'s company snapshot.

The analysis was conducted performing unsupervised machine learning through the use of a clustering algorithm called k-means.

The algorithm creates clusters based on similar features found in companies and its performance is measured by a silhouette score with a scale from -1 to 1, with 1 being best and -1 the worst that measures the strength of the company qualities in each of the clusters.

The algorithm's silhouette score is 0.59 and created 7 distinct clusters. Our findings focus on 4 of the 7 clusters that provided the highest level of insight.

- **Cluster3 (Successful Achievers):** > \$5MM in funding, lower participants, lower funding rounds and high post money valuation
- **Cluster6 (Solid Operators):** Highest milestones reached, highest participation rate, and highest post money valuation
- **Cluster0: (Cash Burners):** Constant capital raising with low post money valuation
- **Cluster5 (Underachievers):** Lower post money valuation relative to total funding and low milestones reached

Comparison of FutbolConnect relative to clustered companies

Positive Attribute	Successful Achievers	Solid Operators	Cash Burners	Underachievers	FutbolConnect
Investor Concentration	✓	✗	✗	✗	✗
Milestones	✓	✓	✓	✗	✗
Minimal Funding Rounds	✓	✓	✗	✗	✗
High Valuation	✓	✓	✗	✗	✗
Software Industry	✓	✓	✓	✓	✓
San Francisco Office	✓	✓	✓	✓	✓

FutbolConnect main issue is the inability to reach internal milestones in order to successfully launch a Seed Round, the company has been unable to secure a strong angel investor whose reputation should pique the interest Bay Area investors given the company's proximity and access. The 3rd party developers have an unstructured and unsuccessful app upgrade process and lack industry knowledge to effectively implement the feature upgrades.

FutbolConnect can implement the following actions in order to align itself with the investment community:

1. Migrate the mobile app upgrade development from a 3rd party that does not practice Agile software development to in-house developer. This will align all parties KPIs and success with the user installs
2. Management need define a detailed Go-To-Market Strategy with monthly KPIs and measure the completion rate on monthly KPIs
3. Reach out to the company's Bay Area network to find a CTO who can streamline production of app updates, provide strategic development and planning insight along with key features and tools to measure effectiveness.
4. Secure a well-known Angel investor that believes in the product and team's ability to execute.