**Start-Up(Department for Promotion of Industry & Internal Trade)**

* Any new enterprise
* Scalable business model
* In order to be eligible for tax holiday under the Income Tac Axt, the start up must be a Private limited company or a LLP and DPIIT RECOGNISED.

**4 S of Startup:**

* **SURVIVAL**
  + Maximum work done by entrepreneur
  + Becomes most valuable employee of the company
  + Works till he reaches the next stage
* **STRUGGLE**
  + Business model
  + Product
  + Service
  + Refine Processes
  + Repeat customers
  + Loyalist
  + Word of mouth marketing
* **STABLE**
  + Acquire new customers
  + Fund raising
  + Team Building
  + Brain storming
  + Board of advisors
* **SCALE:**
  + Revenue license without substantial increase in resources
  + Wealth/Value creation
  + Automate everything you can

**Technical stages of startup:**

* Idea stage
* Co-founders stage- founders agreement
* Family and friends- become more owners
* Seed Round- incubators
* Angel Investors
* Venture Capitalists
* Series A
* More Series of funding
* IPO

**USEFUL TERMINOLOGY**

* **Founders Agreement:** Contract between all the co-founders of the company about the ownership, rights, responsibility, dispute resolution and other terms that are to be executed between the founders of the company
* **Shareholder Agreement:** An agreement that defines the relationship between shareholders and the company. The agreement safeguards the rights and obligations of the majority and minority shareholders, and it ensures all shareholders are treated fairly.
* **Valuation:** A general process of determining the economic value of the whole business or company unit.

**HOW TO RAISE FUNDS:**

* Grants from the government and institutions
* Seed investment
* Angel investment
* Bank funding
* VC Funding
* Institutional investment

**MORE TERMINOLOGIES:**

* **BOOT-STRAPPING:** Self-funding businesses by personal savings, including borrowed or invested funds from family or friends, as well as income from initial sales. Do not rely on traditional financing methods, such as the support of investors, crowd funding or bank loans.
* **ELEVATOR PITCH:** An impactful presentation that tells your audience what you business is, who your customers are, and summarizes you key USPs.
* **STARTUP DECK:** A presentation that founders use to showcase their startups to investors when looking to raise money.

**FORMS OF BUSINESS ORGANIZATIONS:**

* Sole Proprietorship
* Partnership
* LLP – good for govt funding
* Company(One person/Pvt Ltd/ Public Ltd)- pvt is best for startup, public for IPO

**MORE TERMINOLOGIES:**

* **TERM SHEET:** A non-binding agreement outlining the basic terms and conditions under which the investment will be made.
* **EXIT STRATEGY:** A planned approach to terminating/exiting from a venture. It helps minimise risk and maximise returns.
* **SAFE NOTE:** SAFE( Simple agreement for future equity) are documents that startups often use to help raise seed capital. Essentially, a SAFE note acts as a legally binding promise to allow an investor to purchase a specific number of shares for an agreed-upon price as some point in the future.

**HOW TO GIVE A PERFECT PITCH:**

* **Know your audience**
* **Make a connection**
* **Master your business model**
* **A vibrant deck**
* **Crisp Delivery**

**MORE TERMINOLOGIES:**

* **PIVOT:** When startup changes its business strategy, product or services based on the market conditions.
* **TRACTION:**  “ A QUANTITATIVE EVIDENCE OF MARKET DEMAND”. Proof that somebody wants your product, it communicates momentum in market adoption.
* **BURN RATE:** Rate at which a new company spends its initial capital. It is measured on a monthly basis. It shows how much cash a company needs to continue operating over a period of time.
* **SEED INVESTOR:** When startup changes its business strategy, product or services based on the market conditions.
* **ANGEL INVESTOR:**  “ A QUANTITATIVE EVIDENCE OF MARKET DEMAND”. Proof that somebody wants your product, it communicates momentum in market adoption.
* **VENTURE CAPITALIST:** Rate at which a new company spends its initial capital. It is measured on a monthly basis. It shows how much cash a company needs to continue operating over a period of time.