RESEARCH BRIEF

287 Startup Failure Post-Mortems

November 14, 2018

Trends

It's hard to say goodbye. A compilation of startup failure post-mortems by founders and investors.

Of his many failed experiments, Thomas Edison once said:

"I have learned fifty thousand ways it cannot be done and therefore I am fifty thousand times nearer the final successful experiment."

In the spirit of failure, we dug into the data on startup death and found that 70% of upstart tech companies fail — usually around 20 months after first raising financing (with around $1.3M in total funding closed).

For consumer hardware startups, the stats are especially brutal, with 97% of seed or crowdfunded companies eventually dying or becoming "zombies."

So why do so many startups flame out? The real reasons can be hard to uncover, but the obituaries written by founders, investors, and journalists offer plenty of clues.

Below is a time-staggered compilation of startup post-mortems for some of the most notable failures in the CB Insights database.

After reading the 287 goodbye letters and investigative takedowns below, check out our rundown for the top 20 reasons that startups shutter.

2018 THIRD UPDATE (11/14/2018)

This fall has brought a wave of startup shutdowns from sectors across the board. Some were wrapped in high-profile controversy and drama, like Elizabeth Holmes' Theranos. Others went more quietly — some, like watch rental company Eleven James, so quiet that no official shutdowns were announced to the public.

Read on for 18 post-mortems of startups that have shut down since August 2018.

Title: Drone startup Airware crashes, shuts down after burning $118M

Product: Airware

In a statement, drone company Airware confirmed its shutdown:

> History has taught us how hard it can be to call the timing of a market transition. We have seen this play out first hand in the commercial drone marketplace. We were the pioneers in this market and one of the first to see the power drones could have in the commercial sector. Unfortunately, the market took longer to mature than we expected. As we worked through the various required pivots to position ourselves for long term success, we ran out of financial runway. As a result, it is with a heavy heart that we notified our team, customers, and partners that we will wind down the business.

Title: Alta Motors reportedly shutting down production of [its] electric motorcycles

Product: Alta Motors

The company hasn't announced its shutdown, but Electrek shared some information:

> According to multiple independent sources, Alta Motors is winding down business operations and shuttering [its] electric motorbike production line. The award-winning startup has recently faced issues securing enough funding to continue operations after several investment and partnership deals fell through.

Title: Fake meds draw concerns from online pharmacy users

Product: CanadaDrugs.com

The circumstances of the online Canadian pharmacy's shutdown by the FDA were reported as follows:

According to the indictment in this case, Canada Drugs and some of its subsidiaries misled customers about the safety of the drugs it sold saying the medicine was manufactured in 'FDA-approved' facilities overseas. But the indictment states the online pharmacy really '…did not know where the drugs it purchased were being manufactured, or who had been handling the drugs'

Title: Center City's CloudMine, $6M in debt, files for bankruptcy

Product: CloudMine

An email statement from healthcare data platform CloudMine details its Chapter 7 bankruptcy filing:

The company's Board of Directors reached this decision following recent actions taken by the company's senior secured lender and the inability of the company to close funding through alternative sources. As part of the Chapter 7 process, oversight of the company will transfer to a trustee. Prior to the commencement of its Chapter 7 proceeding, the company has taken steps to maintain the confidentiality, integrity and availability of customer data pending the appointment of the trustee.

Title: Defy Media, home of YouTube superstars Smosh, is shutting down

Product: Defy Media

The digital media company released the following statement:

Regretfully, Defy Media has ceased operations today … We are extremely proud of what we accomplished here at Defy and in particular want to thank all the employees who worked here. We deeply regret the impact that this has had on them today… Unfortunately, market conditions got in the way of us completing our mission.

Title: 'We ran out of money'

Product: Driver

The company, which sought to match patients with clinical trials, shut down just two months after its launch:

The company let go of all of its approximately 85 employees on Oct. 16 … About 60 percent of those employees worked at Driver's headquarters in San Francisco; the rest were based in Shanghai, New York, and Boise, Idaho.

Driver had been trying to raise another round of funding this fall, but it wasn't making money fast enough to convince investors to give it the capital it needed, Driver CEO and co-founder Dr. William Polkinghorn said.

Title: What's Happening to Subscription Watch Club Eleven James?

Product: Eleven James

Reports describe the quiet shutdown of the watch company:

According to Robi Cai, the company's former head of corporate strategy and development from September 2016 through June 2018, earlier this year Eleven James tried to raise additional funds to allow them to continue operating. When the company was unable to raise said funds, the company's main lender pulled its existing line of credit, causing the company's management and board to begin winding down operations around the middle of June 2018. This process involves reclaiming lent watches that are currently with members. Cai's understanding is that members who have returned all watches would no longer be charged their membership fees. At present, he says that he understands there to only be a handful of employees remaining at the company.

Title: I'd do it all over again, says founder of failed start-up Fastbee

Product: Fastbee

Fastbee founder describes his experience with the food delivery startup:

Founder Khoo Kar Kiat stayed positive despite his company's shutdown:

Unfortunately, it could not withstand a double whammy of competition from new players and fundraising difficulties that soon came along. The start-up had its last day on Aug 14.

But nothing ventured, nothing gained, said Mr Khoo.

'Maybe I should be happy that I lasted for about two years … After all, statistics out there say about 90% of start-ups fail in a year.'

Title: Dear Halo customers

Product: Halo+ Smoke Alarm

Halo said goodbye to customers in a post:

It is with our sincere apologies that we must let you know that Halo Smart Labs is closing its doors. You may have noticed a lack of available product and support responses, and we apologize for taking so long to let you know what is going on. While we are proud to have created a best in class product, it takes more than a great product to make a great business. Despite the best efforts of our team, ultimately the resources required to continue making and supporting Halo products were beyond our reach.

Title: L Brands Takes Action to Increase Shareholder Value – Announces 2019 Closure of Henri Bendel Stores and Henri Bendel E-Commerce

Product: Henri Bendel

The women's accessories stores will be shutting down by early 2019:

We are committed to improving performance in the business and increasing shareholder value. As part of that effort, we have decided to stop operating Bendel to improve company profitability and focus on our larger brands that have greater growth potential.

This decision is right for the future growth of our company, but not easy because of the impact to our L Brands family. I want to thank our Bendel associates for their dedication to this iconic brand and to our loyal Bendel customers.

Title: Amazon has shut down Liquavista

Product: Liquavista

The Digital Reader confirmed the screen tech company's shutdown in an article:

An Amazon rep told me this morning that they 'can confirm that Liquivista is no longer operating.' However, they were unable to tell me whether Amazon still be pursuing this tech, if Liquavista's R&D work been shifted to another unit, or the state of their screen production.

Title: Goodbye

Product: Path

Social network company Path posted a goodbye message on Twitter:

> It is with deep regret to announce that Path service will be discontinued. It has been a long journey and we sincerely thank each one of you for your years of love and support Path.

Title: GET ME IN! and Seatwave are shutting down

Product: Seatwave

Ticketmaster addressed the shutdown of its online ticket marketplace in a blog post:

> We're shutting down our sites GET ME IN! and Seatwave.
>
> That's right, we've listened and we hear you: secondary sites just don't cut it anymore and you're tired of seeing others snap up tickets just to resell for a profit.
>
> All we want is you, the fan, to be able to safely buy tickets to the events you love.

Title: Theranos is shutting down

Product: Theranos

The New York Times wrote about the blood testing company and its plans to shutter operations:

> 'We are now out of time,' David Taylor, the company's chief executive and general counsel, informed investors in an email first reported on Tuesday by The Wall Street Journal, whose in-

depth investigation unraveled the company's claims. Mr. Taylor declined to comment further, saying the letter spoke for itself.

Title: Israeli medical intelligence startup Treato shuts down

Product: Treato

The Israeli medical intelligence startup shuttered according to court documents:

The Israeli startup, Treato recently filed for liquidation at the Tel Aviv District Court. Launched in 2011, Treato operated a platform designed to gather and analyze user-generated health-related information and offer insights on medical conditions and medication.

In court documents reviewed by Calcalist (link) the company stated it was unable to secure sufficient funding or get an acquisition offer, and that it is in a state of insolvency. The company reported $352,716 (NIS 1.3 million) in assets and a debt of $8.4 million (NIS 31 million).

Title: Wimdu, Rocket Internet's Airbnb clone, to shut down this year 'facing significant business challenges'

Product: Wimdu

The vacation rentals marketplace announce that it would be shutting down by the end of 2018 due to "significant financial and business challenges."

"The stakeholders and management are working closely with the staff; primary goals are the fair treatment of employees affected by the closure and the management of forward bookings for our guests and hosts," an announcement on the site reads. "All guests and hosts having 2018 bookings – with a check-in date occurring before or on the 31-December-2018 –

will be carried out professionally and reliably. All guests with 2019 bookings – with a check-in date occurring after the 31-December-2018 – will be contacted separately to deal with their respective booking."

Title: Administrator's updates

Product: Wonga

An update on the payday loan provider's website reads:

Despite efforts to restructure the business, which included an injection of funding by the Group's shareholders the business was unable to be restored to profitability due to the level of redress claims. As a result, the management team had no alternative but to place the above companies into administration. Following the appointment of Administrators there will be no new lending activity.

Title: Months After Raising $27M, Education Startup Yogome Shuts Down Amid Fraud Allegations

Product: Yogome

In a team meeting, staff members of the edtech startup were reportedly told:

"The conduct by the previous management has compromised finances and integrity of the company by possibly having committed fraud. The board of directors, as well as its investors and financial advisors, have met over the past few days to investigate and analyze the current state of the company as well as possible fraud… Based on an analysis of the economic situation of the company, and the effects of the crime of fraud, the decision has been made to end the operation definitively, since the company is in a situation of no return."

2018 SECOND UPDATE (8/13/2018)

In the first half of 2018, we've seen some big name startups shutter their doors. High profile retail startups including the Kardashian's DASH Stores, Ivanka Trump's eponymous brand, and Gap-owned Weddington Way all closed up shop. Another newsworthy startup, Cambridge Analytica began insolvency proceedings amidst controversy.

Retail wasn't the only sector that has been hit these last few months. We've also had popular tech startups Klout and StumbleUpon close operations too. An unsustainable business model was the most often cited reason behind the death of these startups, from travel technology (Bluesmart) to the food delivery space (Chef'd).

Read on for the post-mortems of 16 startups that have shut down from our last update in April 2018.

Title: Troy-based Apprenda stopping operations, investor says

Product: Apprenda

Safeguard CEO and president Brian Sisko gave an update during an earnings call:

> [The] firm is "disappointed … that we ultimately weren't successful with Apprenda."
>
> "It is pretty unusual for a company to gain the level of traction that Apprenda did," but the company did "not successfully market itself for exit," Sisko said.
>
> Apprenda "would have needed … to continue to develop technology and try to catch back up," Sisko said. "The collective view around the table (was) that it wasn't appropriate to plow more capital into this opportunity."

Title: Meal-kit company Chef'd suddenly shut down and laid off its hundreds of employees

Product: Chef'd

In an email sent to employees, founder and CEO Kyle Ransford explained:

We have had some unexpected circumstances with the funding for the business. Due to setbacks with financing, unfortunately, we are ceasing operations for all employees, effective today, July 16, 2018. If we had been successful with these funding efforts, this difficult decision would have been avoided.

Title: A Journey Ends, the Travel Evolution Goes On…

Product: Bluesmart

The connected luggage company shared the following note on its website:

We have bittersweet news to share. The changes in policies announced by several major airlines at the end of last year—the banning of smart luggage with non-removable batteries—put our company in an irreversibly difficult financial and business situation. After exploring all the possible options for pivoting and moving forward, the company was finally forced to wind down its operations and explore disposition options, unable to continue operating as an independent entity.

Title: CareSync shuts down

Product: CareSync

CareSync posted the following message on its website:

This was a very difficult decision and we know that it will have an impact on our customers and our employees. As a company whose mission is to improve patient care and strengthen the relationships between patients and their family members and caregivers, we are deeply saddened that we were not able to continue in that effort.

Title: Thank You and Farewell

Product: Lantern

The team at Lantern signed off with this message:

> We've spent the past six years working hard to build a product that is engaging for users, reduces symptoms, and has a sustainable business model. After some trial and error in the direct to consumer and employer spaces, we ultimately pursued a strategy of alignment with traditional healthcare insurance companies. Healthcare moves very slowly and we made the mistake of misjudging the time it would take to achieve sustainable revenue through this approach.

Title: SU is moving to Mix

Product: StumbleUpon

In a post on Medium, co-founder Garret Camp explained the decision to shutter StumbleUpon:

> After careful consideration, we've made the decision to focus fully on building Mix and transition StumbleUpon accounts into Mix.com over the next couple months. We have built Mix to work on every browser and smartphone, to make the transition as smooth as possible.

Title: Cambridge Analytica and Scl Elections Commence Insolvency Proceedings and Release Results of Independent Investigation into Recent Allegations

Product: Cambridge Analytica

Cambridge Analytica posted the following press release on its website:

> [It] has been determined that it is no longer viable to continue operating the business, which left Cambridge Analytica with no realistic alternative to placing the Company into administration.

Title: A Very Sad Goodbye

Product: OSSIC

OSSIC posted a message on its Kickstarter page explaining why the company would not be able to deliver the product:

It is with an extremely heavy heart that we must inform you that OSSIC is shutting down and will be unable to deliver the remaining OSSIC X headphones.

The OSSIC X was an ambitious and expensive product to develop. With funds from the crowdfunding campaign, along with angel investment, we were able to develop the product and ship the initial units. However, the product still requires significantly more capital to ramp to full mass production, and the company is out of money.

Over the last 18 months, we have explored a myriad of financing options, but given VR's slow start and a number of high profile hardware startup failures, we have been unable to secure the investment required to proceed.

Title: A Letter From The CEO

Product: DaWanda

Founder and CEO Claudia Helming shared this message on the website:

In the last quarter of 2017 we reached profitability and have since been working to cover our costs. At the same time, we had to admit that our growth is stagnating and that we can hardly manage by our own efforts to grow the number of sales on our platform to the desired extent – even our restructuring last year could not change this … Additionally, we haven't managed to implement enough innovative new ideas over the past few years.

DaWanda is not insolvent. However, we have realised that the risk of no longer being able to keep up is simply too big.

Title: Fieldbook is Shutting Down

Product: Fieldbook

In a Medium post, the executive team at Fieldbook explained its decision:

Getting to this decision was gut-wrenching and took months. We still believe in the vision and love the mission. But in the end, we failed to build a sustainable business. Even with a small team, we were never profitable, and we weren't able to grow our revenue fast enough to get there.

Title: Peer to Peer Micro-Credit Site Puddle Shuts Down

Product: Puddle

The company sent out an email to employees describing the decision:

In an email circulated by the company, Puddle founders stated that after five years of operation the businesses model was "unsustainable."

Title: Closing Our DASH Doors

Product: DASH Stores

Kim Kardashian West spoke for her sisters (and co-founders) in a note on her website:

We've loved running DASH, but in the last few years, we've all grown so much individually. We've been busy running our own brands, as well as being moms and balancing work with our families. We know in our hearts that it's time to move on.

Title: Ivanka Trump Closes $100 Million Fashion Business

Product: Ivanka Trump

Ivanka Trump released the following statement about her brand shutting down:

> When we first started this brand, no one could have predicted the success that we would achieve. After 17 months in Washington, I do not know when or if I will ever return to the business, but I do know that my focus for the foreseeable future will be the work I am doing here in Washington, so making this decision now is the only fair outcome for my team and partners.

Title: Sunsetting Klout

Product: Klout

CEO of parent company Lithium Peter Hess posted a message on the Lithosphere community forums:

> I'm writing to let you know that Lithium has made the decision to sunset the Klout service, effective May 25, 2018.
>
> The Klout acquisition provided Lithium with valuable artificial intelligence (AI) and machinelearning capabilities but Klout as a standalone service is not aligned with our long-term strategy.

Title: Team Doughbies is moving on

Product: Doughbies

The team from Doughbies recorded a short video explaining its desire to move on:

> Ultimately we shut down because our team is ready to move on to something new.

Title: Weddington Way has closed

Product: Weddington Way

On their website, Weddington Way announced its closure to customers:

> We are incredibly disappointed, but also proud of the business that we have worked hard to build over the past seven years. Our mission has been to share joy, which has served both our customers and employees well. From the bottom of our hearts, thank you for your loyalty and love… and enjoy your upcoming weddings!

2018 FIRST UPDATE (4/17/2018)

In the last few months, startups have shuttered for reasons ranging from the conventional (Doppler struggled to raise capital to support the production of a complex hardware product), to the regulatory (Coinprism's CEO cited concerns about the regulatory future of the cryptocurrency space), to the unexpected (connected wine bottle startup Kuvée ran into trouble following fires in Napa Valley).

A number of recently shuttered startups cited fierce incumbent competition as the reason for their closures. Philadelphia-based B2B food delivery startup Zoomer floundered in comparison to UberEats and GrubHub, while video platform Videma had difficulty luring consumers away from established platforms like YouTube and Facebook.

Read on for post-mortems of 11 startups that have shuttered since our last update in October 2017.

Title: 'Colored coins' startup Coinprism is shutting down

Product: Coinprism web wallet

In an email to CoinDesk, Coinprism founder and CEO Flavien Charlon wrote:

> We didn't see a business model that would have been viable long term. Regulators are starting to pay attention to the [cryptocurrency] space, and activities around blockchain assets (tokens exchanges, ICO tools and services, etc.) are likely to become heavily regulated in the next 5 years. That means some of these services will have to shut down or restrict their

activities, some might go to prison, and only a small number of well capitalized companies will successfully adapt to the regulator's demands.

Title: I can't wait for you to see what we do next

Product: Shyp

Shyp CEO Kevin Gibbon published a company post-mortem on LinkedIn after the company shuttered in late March.

Consumer growth slowed. People close to me and the business began to warn that chasing consumers was the wrong strategy. After all, how often do consumers ship things? I didn't listen.

At the time, I approached everything I did as an engineer. Rather than change direction, I tasked the team with expanding geographically and dreaming up innovative features and growth tactics to further penetrate the consumer market… But, growth at all costs is a dangerous trap that many startups fall into, mine included.

… We decided to keep the popular-but-unprofitable parts of our business running, with small teams of their own behind them. This was a mistake — my mistake. While large, established companies have the financial freedom to explore new product categories for the sake of exploring, for startups it can be irresponsible.

Title: A $178 wine bottle that connects to Wi-Fi raised $6 million from investors, and now the startup is shutting down

Product: Kuvée connected wine bottles

[It] became clear that, to properly educate the market, we would need a much louder voice and considerably more capital. The last year's Napa fires affected our ability to scale our customer base over the holiday season and hence our ability to raise the funds required to continue building awareness of Kuvée.

Title: An experienced startup founder learns some new lessons

Product: IntroNet

Mike Krupit, CEO of IntroNet, a service for professionals to make and track introductions, wrote a lengthy post about the factors that contributed to the company's failure:

On the surface, the business didn't succeed in the first two iterations of IntroNet for the same reason that 90% of tech startups fail: we did not find a product-market fit before the end of our cash. It's a math equation that is pretty deterministic. Why didn't we find product-market fit? Perhaps we were solving for a pain (e.g., LinkedIn sucks) instead of a real problem (e.g., I can't find expertise)? Did we try to change user behavior in a way that wasn't tractable? Yes, probably all of that.

Title: Dick Costolo explains why he shut down his fitness startup after 8 months: 'We were up against hard-wired human behavior'

Product: Chorus

People started using it and then would bail after four weeks or eight weeks. They'd get the flu or they'd travel for work and drop the ball.

…The app triggered a psychological phenom known as the "abstinence violation effect" (AVE).

That's when people hide from their support group when they fail to meet the group's expectations, instead of turning to the group for help.

Chorus tried all sorts of things to overcome AVE: having trainers on the platform that could answer questions, allowing people to do one-day challenges, encouraging chatting, and encouraging posting a weekly plan. But people wallowing in the depths of AVE would turn off the notifications.

In other words, thanks to AVE, Chorus was contributing to the very thing it was trying to solve, and making people hide from their workout buddies.

Title: High-tech cooking startup Sansaire shutting down, ceasing production of new sous vide device

Product: Sansaire

We regret to share that Sansaire will be ceasing development of the Delta [cooking device] and the company will ultimately be closing its doors. In short, our relationship with the new production facility broke down and has exhausted available funding and manufacturing routes.

Title: Pet care startup Baroo shuts down as competitors raise hundreds of millions

Product: Baroo

AmericanInno examined what went wrong at Boston-based pet care app Baroo:

Despite Baroo's efforts to focus on providing dog walking and pet-sitting services to high-end rental buildings, the startup faced steep competition from well-funded companies that serve more cities.

Wag, for instance, was founded the same year as Baroo, but it has expanded to more than 100 cities after raising exorbitant amounts of venture capital. A few weeks [before Baroo shuttered], the Los Angeles-based company raised a $300 million round from Japanese tech giant SoftBank.

Title: Confirmed: Zoomer is shutting down

Product: Zoomer B2B food delivery service

"Many factors contributed to this decision including local delivery competition (UberEats, GrubHub, among others), Independent Contractor competition, and balancing long-term sustainability for Zoomer in Lexington against the service Zoomer provides restaurants and diners.

Title: So close.

Product: Otto digital locks

Smart lock startup Otto CEO Sam Jadallah wrote a Medium post about the closure of his company, after an acquisition deal failed to go through.

On December 11th, [the buyer] called me and stated they would not complete the acquisition nor revisit the investment proposal. I was stunned. The reason is still not understood. We had extended our cash to get to the closing date, and now were left without alternatives.

…I define startups as companies that don't have control of their own destiny because they rely on investor cash infusions to operate. When asked, "How's business?", I always replied "I don't have a business yet, we're still a startup." Startups are vulnerable to market financing conditions and events such as what we experienced. This year, 2017, was a particularly harsh year for hardware startups. Additionally each day carried the potential of a new existential threat, from product to supplier to market to financing to people to regulatory to competitive.

Title: Goodbye for now

Product: Vidme video platform

Many creators with millions of subscribers on YouTube and Facebook were initially attracted to Vidme's model, but faced difficulty transitioning audiences from their home platforms. Convincing people to use (and keep using) a new platform is hard, leaving many creators locked in. Both Facebook and YouTube also actively deprecate content shared from competing platforms (Vidme's social traffic dropped markedly once Facebook began to prioritize its native player).

Without a massive captive audience already on the platform, new channels struggled to find immediate growth. As such, creators didn't remain active long enough for us to achieve sufficient network effects across channels.

Lacking a critical audience size, we struggled to attract direct advertisers to help offset our infrastructure costs, leaving few resources to spend on product innovation and attracting new audience.

Vidme co-founder Warren Shaeffer additionally added in a separate email:

Unfortunately we didn't see a path to sustainability as an independent VOD platform in the face of competition from both Google and Facebook.

Title: Dear customers, Once-Hot, Smart-Earbud Startup Doppler Labs To Shut Down

Product: Doppler Labs' smart earbuds

A letter on Doppler's website read:

> So what happened? To put it simply, over the past months, we took hundreds of meetings in an attempt to secure the necessary capital to continue running our business and build our next product — which would have been a true alternative to traditional hearing aids. However, we couldn't find the needed capital to develop another complex hardware product.

In an interview with Forbes, Doppler CEO Noah Kraft explained further:

> The market has shifted remarkably for hardware. We are incredibly bullish on the Here Two, and the OTC Hearing Aid Act has passed, but we need real capital to do it. The feedback we continually got is, 'we are not investing in hardware, and we especially are not investing in hardware at these numbers.' It's too high a risk even for the Valley.

2017 THIRD UPDATE (10/31/17)

Since midsummer, the consumer hardware space has continued to claim its share of high-profile, VC-backed casualties — including Juicero's $400 juicer-as-a-platform, Teforia's $1,500 tea infuser, and Jawbone's lineup of high-design (but rarely shipped) wearable fitness trackers.

But overpriced, over-hyped hardware products weren't the only "innovations" we said goodbye to: we also recently witnessed the deaths of startups working in mobile AR, e-commerce, digital media, and more.

Read on for post-mortems on 10 of the latest startups to bite the dust.

Title: Juicero can't "carry forward the Juicero mission"

Product: The Juicero Cold-Press Juice "Platform"

> In order to fulfill our mission, we announced last month that we

would shift our resources to focus on lowering the price of the Press and Produce Packs. We began identifying ways that we could source, manufacture and distribute at a lower cost to consumers.

During this process, it became clear that creating an effective manufacturing and distribution system for a nationwide customer base requires infrastructure that we cannot achieve on our own as a standalone business.

We are confident that to truly have the long-term impact we want to make, we need to focus on finding an acquirer with an existing national fresh food supply chain who can carry forward the Juicero mission.

Title: My Mobile AR Start-Up Died So Yours Doesn't Have To

Product: Blin.gy App

Blin.gy founder David wrote a 1700-word Medium post with lessons from his startup's lifecycle. Three notable excerpts:

First Attempts: Blin.gy was a pivot from our earlier app, Chosen, which attempted to gamify the performance competition space.

The Pivot: We came up with a fresh take on the plethora of AR-style apps that create visual effects based on face detection and tracking… [Poor user experience] had a big impact on our retention metrics. We needed 40% day-one returns and were closer to 25%. The clock kept ticking.

The Maddening Race: We set up 18 VC meetings and hit the road, hard. The feedback was eye-opening and generally the same: “Really great technology and vision. But how does this become a platform?”… We didn’t have a compelling answer.

Title: Dear Teforia Customers and Partners

Product: Teforia Tea Infusor

In our mission to deliver the best tea experience, we didn’t compromise on the Teforia Infuser technology, quality or the premium tea packaged within our Sips. The glass within the infusion globe and carafe are hand blown by a glass artisan, one at a time. We spent a tremendous amount of time pioneering our Sips tea container to be 90% compostable and completely recyclable. We went to these extraordinary lengths because we believe premium loose leaf tea should be delivered in the most delicate and sustainable way possible….

However, the reality of our business is that it would take a lot more financing and time to educate the market and we simply couldn’t raise the funds required in what is a very difficult time for hardware companies in the smart kitchen space.

Title: Jawbone to Be Liquidated as Rahman Moves to Health Startup

Product: Jawbone

The Information broke the news of Jawbone’s demise based on insights from a source close to the company.

Jawbone co-founder and CEO Hosain Rahman has founded a new company called Jawbone Health Hub that will make health-related hardware and software services, according to the person. Many employees of Jawbone moved to the new firm earlier this year, the person said. Jawbone Health will service Jawbone's devices going forward, said the person.

A notice sent to creditors said Jawbone entered into insolvency proceedings under California law on June 19. A company has been set up to liquidate Jawbone's assets. Jawbone hired Sherwood Partners to handle the matter. The notice says creditors have 180 days to file a claim.

Title: Goodbye, Hello.

Product: Hello's Sense smart sleep sensor

It's with a heavy heart that I share with you the news that Hello will soon be shutting down. The past few weeks we have been working hard to find the right home for Sense and we are still focused on that.

When we first launched Sense, sleep was one of the most neglected part of our lives. Three years later, for many, it is now rightly recognised as perhaps the most important pillar of our health and wellness, alongside exercise and diet. I am incredibly happy that we were able to play a small part in changing the conversation around sleep.

The past few months have been incredibly tough, especially on the team of Hello. For that I'm incredibly sorry.

Title: Auto startup Pearl shuts down

Product: Pearl Automation's wireless rear-view camera

Pearl's demise was first reported by Axios.

- **What happened:** Early product sales disappointed, which was exacerbated by a high burn rate.
- **What next?** The Pearl Automation team received several "acqui-hire" offers, but opted instead to shut down and part ways, according to a source close to the situation.
- **Background:** Pearl was founded in 2014 by three ex-Apple iPod engineers, and hired dozens of other ex-Apple employees. It eventually settled on the wireless rear-view camera as a first step in developing autonomous driving technology — and raised $50 million in VC funding from Accel, Shasta Ventures, Venrock, and Wellcome Trust.

Title: How Wikimart.ru went bankrupt after raising dozens of millions

Product: Wikimart's B2C e-commerce marketplace

East-West Digital News reported on how international sanctions, mismanagement, and strategic missteps contributed to the failure of this Russian e-commerce platform that had raised $81M in disclosed funding. Six months prior to Wikimart's July 2017 demise, co-founder Maxim Faldin wrote the following note on the company's Facebook page.

After almost a two-year break, I have spent two days at the company. Majority shareholders abandoned it. The company does not have assets to save and competencies to preserve. Twenty months of my absence have allowed the "professional" top managers to kill the company using the money of rich oligarchs. They have spent (in rubles) twice (!) more than we, Kamil Kurmakaev and I, spent since the company's inception in 2008 till August 2014. And EVERYTHING has been lost or stolen — mostly lost."

Title: When the money runs out

Product: Fresco News' social reporting platform

The Outline referenced CB Insights' failure intelligence in an in-depth post-mortem on this digital media startup.

> "Quick update: things are currently looking positive for paychecks to go out tomorrow," Meyer said in a June 29 memo. Fresco's employees spent the next day awaiting news about their paychecks, only to find out that Meyer was having an "emergency meeting with executives" in the afternoon. Around 4 p.m., Fresco's head of community marketing, Johnathan Hamiter, began sending employees private Slack messages saying funding seemed "pretty bleak" and encouraging them to look for other jobs.
> At 9 p.m., Meyer laid off the entire company — save for Fresco's executives and anyone who wanted to stay on as a "volunteer" — via Slack.

Title: Package delivery startup Doorman is shutting down

Product: Doorman

Excerpts from a TechCrunch report:

> The startup sent a letter over the weekend letting customers know it would no longer be in business in two weeks….
>
> Doorman admitted nearly one year ago the model was so popular it was losing money and had to change tack.
>
> The monthly delivery price jumped to a whopping $89 for the premium subscription, with an additional fee per package….
>
> Unfortunately, it seems the price jump also wasn't enough to save the company. Doorman says it will no longer accept incoming shipments after September 29th and that those who

use their Doorman address for online shipments should update their information.

“We deeply apologize for all the inconvenience this causes you,” the letter says. “It has been an honor to work with you in helping us build and improve the Doorman experience and it has been a privilege to serve you.”

Title: Raptr is shutting down this month

Product: Raptr

Raptr, the online optimization platform founded by former pro gamer Dennis “Thresh” Fong a decade ago, is about to be shuttered.

“We are sad to announce that we will be closing Raptr on September 30th, 2017. We want to start by thanking you for your support over the past 10 years,” Fong announced on September 1.

“The world is different today than when we first launched Raptr. Many companies offer game optimization tools. Having an independent platform to do this is no longer necessary.”

2017 SECOND UPDATE (6/9/17)

The first half of 2017 has seen plenty of startup deaths – some expected, some less so. Most surprising was the sudden shutdown of Sprig, a startup in the beleaguered food-delivery space that first received funding in 2013. Meanwhile, two former industry leaders also closed their doors: Adtech platform AudienceScience shut down after losing a major client, and social bookmarking pioneer del.icio.us finally went dark after surviving multiple acquisitions. (May its bookmarks rest in peace.) Read on for the reasons 22 startups shut off the lights since early

February.

Title: Sprig Couldn't Cut It In Food Delivery Space

Product: Sprig

"No question, I'm sad that the Sprig model did not work out," CEO Gagan Biyani said in an email circulated to the app's users. "The demand for Sprig's convenient, high-quality food was always incredibly high, but the complexity of owning meal production through delivery at scale was a challenge."

Sprig had raised $56.7 million to cook and deliver its own gourmet meals in the San Francisco area, but insiders said it was losing six figures monthly and could not expand the service into other cities.

Title: Car startup Beepi sold for parts after potential exits to Fair, and then DGDG, broke down

Product: Beepi

Riding on the hype of transportation startups and marketplaces, Beepi may have raised too much, too soon. "They were running the business to raise money, and then to get someone else to take it on," was how one person described it.

One investor in the startup said that the founders were too aggressive in pushing for higher valuations. Indeed, co-founder Alejandro Resnik, the CEO, told the WSJ in 2015 that it was looking to raise a "monster round" of $300 million at a $2 billion valuation to fuel its national expansion.

Title: Auctionata Shutters After No Investor Is Found to Save Company

Product: Auctionata Paddle8 AG

Auctionata has been in decline since news of serious trade violations perpetrated by co-founder and former CEO Alexander Zacke came to light in March 2016, when Zacke and Auctionata board members were accused of illegally bidding on their own auctions.

Months later, reports of business difficulties at Auctionata emerged after independent evaluations of auction results suggested that the house was making only very few direct sales. At the time, the company insisted that the figures didn’t take into account private sales and other revenue streams.

Title: Naspers e-commerce firm Markafoni to shut down

Product: Markafoni

Markafoni was an online shopping destination for Turkish consumers, specialising in clothing and fashion accessories.

“Despite initial success, the business is not scaling sufficiently to be sustainable and in a challenging economic environment for this type of business, the decision was taken to close,” the company said in a statement.

Title: Imzy, the nicer Reddit, is shutting down

Product: Imzy

Imzy was created by former Reddit employees Dan McComas and Jessica Moreno as a safer, friendlier version of the popular community site. This approach doesn’t seem to have served Imzy well in the long run:

“We’ve loved getting to know all of you and seeing you build communities and make new friends. Unfortunately, we were not able to find our place in the market. We still feel that the internet deserves better and hope that we see more teams take on this challenge in the future."

Title: There's No Magic in Venture-Backed Home Care

Product: HomeHero

"Almost exactly one year ago, HomeHero lost its core identity when we were effectively forced to terminate our working relationships with 95% of our 1099 caregivers and required to adopt an inferior employment business model. In the process, HomeHero also lost a majority of its competitive differentiators in price, speed and scalability that allowed us to be so disruptive in 2014 and 2015, and it had nothing to do with competition."
-Kyle Hill, HomeCare CEO

Title: BTCjam Sets Closing Date. Users May Withdraw Stored Bitcoin until July

Product: BTCJam

BTCjam, a P2P marketplace launched in 2012 to borrow and lend using bitcoin, announced the company has made "the difficult decision" to close up shop, according to multiple news sources. The platform cited regulatory challenges around bitcoin and said the difficulties introducing bitcoin technology to poor communities around the world were beyond its capacity.

Title: AudienceScience Shuts Its Doors Less Than A Month After P&G Client Loss

Product: AudienceScience

“AudienceScience dedicated most of their energy to servicing P&G, and they jettisoned their media business, which was funding staff and development, to focus on growing their DMP business,” Ramsey McGrory, CRO of Mediaocean, told AdExchanger. “Taken together, it was a high-risk/high-reward strategy that didn’t pan out.”

P&G also refused to allow AudienceScience to do work for other CPG clients or speak publicly about their relationship, which meant AudienceScience couldn’t pitch business based on its most excellent client win.

Title: Stayzilla, India’s Airbnb for homestays, closes its service

Product: Stayzilla

Stayzilla CEO and co-founder Yogendra Vasupal was particularly reflective in his post, explaining how, as a founder, his own objectives were altered as the company ramped up.

“The initial 7 years were all about having negative working capital, positive cash flow and a sustained ability to fund our own growth. Those were the only metrics we tracked. In the last 3–4 years, though, I can honestly state that somewhere I lost my path. I started treasuring GMV, room-nights and other ‘vanity’ metrics instead of the fundamentals of cash flow and working capital,” he explained.

Note: Less than a month after the closure announcement, Vasupal was arrested for fraud in a bizarre case involving Stayzilla business dealings. Read more here.

Title: Social bookmarking pioneer Delicious heads to the dead pool

Product: del.icio.us

The once-loved – and much sold – social bookmarking site del.icio.us (or just Delicious, if you prefer), has changed hands for one final time. Rival service Pinboard has snapped up the site for a mere $35,000, and plans to close it down.

Title: Out of Aces.

Product: Bridj

“We made the strategic choice to pursue a deal with a major car company who promised a close date for a sizable transaction in lieu of a traditional venture capital funding round. The close date timeline extended from weeks to months, as they sought to gain the appropriate internal approvals that we (and they) thought were already in place. Throughout, we remained convinced of the close strategic fit and both sides had every expectation that the transaction would close. Despite assurances, and all parties acting in the best of faith, that didn’t happen.

With this in mind, we have made the difficult decision to begin winding down.”
-Matt George, Bridj CEO

Title: Quixey closure reportedly due to Alibaba debt deal

Product: Quixey

Quixey, which revealed last month it was ‘exploring strategic options,’ has reportedly shut down… in part due to its inability to repay a loan provided by a shareholder, e-commerce firm Alibaba.

Title: It's Lights Out for AOptix

Product: AOptix Technologies

Long-time Free-Space Optics (FSO) player AOptix has shut up shop and is selling off its assets at auction next week… the company is currently trying to shop around its intellectual property.

A source tells Light Reading that AOptix's hybrid radio-FSO units were expensive, selling for up to $80,000 a link. Carriers in the US and beyond are looking at wireless backhaul as alternative to fiber, but the expectation is that it should be cheaper and easier to install as well.

Title: Amazon Pulls Quidsi Apps After Announcing Plan To Shut Down All Quidsi Sites

Product: Quidsi

After Amazon announced in March that it was planning to shut down Diapers.com and all the other eCommerce sites operated by Quidsi, the company it acquired in 2010 — the online retailer has pulled all of the Quidsi apps from its app store.

Amazon said that it decided to close down Quidsi because it failed to turn a profit after the acquisition. But one report stated that just a few months before the announcement, execs told Quidsi staff that it was expected to reach profitability this year, leading some to question if Amazon's feud with Quidsi's founder, Marc Lore, was the real reason behind the decision to shut it down.

Regardless of the reason, Tech Crunch points out that none of Quidsi's mobile applications were performing well in app store.

Title: The "Death of Paper Coupons" Will Have to Wait

Product: Mobeam

Another company's dreams of changing the way we use coupons have ended in disappointment. Mobeam is no longer promising to "bring consumers one step closer to phasing out paper coupons entirely," as it once did. Instead, it has now sold off its technology to Samsung, and has left the coupon industry trying to make something out of the new mobile couponing standard it helped to create.

Mobeam launched back in 2010, pitching a complex solution to a problem that most couponers didn't know exists: Most retail scanners can't read a barcode off a mobile device.

Title: Australian streaming startup Guvera has shut down after taking $185 million from investors

Product: Guvera

Australian music streaming company Guvera has reportedly stopped operating, with its co-founder and biggest financial backer walking away from the project. The startup, which was established in 2008, privately raised $185 million before its $100 million initial public offering was blocked by the Australian Securities Exchange last year.

Guvera's IPO prospectus was widely criticised and the company was forced to issue an updated version with 45 amendments after scrutiny from the Australian Securities and Investments Commission. The company had lost $81 million in the 2016 financial year with revenue of just $1.2 million.

Title: Wyre Pivoted Away from Consumer Bitcoin Payments

Product: snapCard

“We had to look at the writing on the wall,” said Wyre CEO Michael Dunworth. “We had a lot of competitors at the start — we were competing directly with BitPay — and they were very good at what they did. But we just didn’t feel as confident in that market.”

Dunworth added that Snapcard was “doing very well” according to various adoption metrics; however, in regard to the adoption of bitcoin for consumer payments, Dunworth stated, “We kind of bet on that, and it didn’t work.”

Title: Aquion Energy Files For Chapter 11 Bankruptcy

Product: Aquion Energy

Company CEO, Scott Pearson, commented: “Creating a new electrochemistry and an associated battery platform at commercial scale is extremely complex, time-consuming, and very capital intensive. Despite our best efforts to fund the company and continue to fuel our growth, the Company has been unable to raise the growth capital needed to continue operating as a going concern.

Title: Restaurant Reservation Startup Table8 Is Shutting Down

Product: Table8 (aka TableNow)

Table8 posted the following note on its website:

“Nearly three years ago, we set out on a mission to make finding and booking great restaurants easier and more democratic. In creating the Table8 Dining Club, we have enabled simpler dining discovery across the US.

We are saddened to announce that we will be wrapping up operations at Table8 on February 28, as we were not able to secure enough capital to continue to grow the business. We have enjoyed helping you find great restaurants, access tough-to-book reservations and discover local chef events.”

Title: Discount Brokerage Loyal3 Shutting Down

Product: LOYAL3

Loyal3, a commission-free brokerage that initially emphasized IPO shares before transforming into a discount broker, announced Wednesday it will close its doors May 19.

Offering a portfolio of 70 stocks, the firm allowed beginner investors to purchase fractional shares and to engage in transactions as low as $10 and as high as $2,500. The strategy relied on batch trading, wherein Loyal3 grouped company trades and executed only once a day.

Title: Fintech ‘Plastc’ Shuts Down After Cancelling All 80,000 Pre Orders

Product: Plastc

The single page farewell letter the company website has been reduced to says, “For the past 3 years, our mission here at Plastc was to build and deliver the most technically ambitious smart card on the planet. After making enormous leaps in development, product innovation and progress towards our goal, Plastc has exhausted all of its options to raise the money it needs to continue.”

Going into the specifics of how the business unraveled the letter says, “We were expecting to close a $3.5 million Series A funding round on February 28, 2017. There are functioning Plastc Cards, which were demonstrated to our investors and our backers, and the capital was to be allocated for the mass production and shipping of Plastc Cards to pre-order customers. At first, the principal investment group postponed their investment and a couple of weeks later the round fell apart.”

Title: Chicago Startup Rithmio Has Shut Down

Product: Rithmio

Rithmio, a Chicago startup that developed software for wearable devices, has shut down.

[CEO and co-founder Adam] Tilton wouldn’t comment on the specific challenges Rithmio faced or why it shut down. He said he plans to send out a press release in the coming weeks as a “postmortem” on the company, adding that “all the usual startup lessons were learned.”

He said that Rithmio’s story “hasn’t finished being written yet,” indicating that the company could be looking to sell its assets or make an additional announcement in the press release.

"I'll have a lot of stuff to say in a couple of weeks," he said.

Note: No press release was issued.

2017 FIRST UPDATE (2/10/17)

The tail end of 2016 and start of 2017 were a rough period for startups, in which many were culled from the herd. Pre-smartphone answer service ChaCha asked "can we stay in business?" and received the answer "no." A drone company with tons of preorders and lots of buzz folded up and left customers stranded, and some blockchain startups ran into regulation challenges, complications, and plain old lack of funding. There are a million reasons startups fail, here are 26 more stories to add to the list.

Title: ChaCha, unable to find financial answers, shuts down operations

Product: ChaCha

Advertising revenue declined sharply [2016], leaving the company unable to service its debt, and no suitors took a bite. So its secured lender, which [founder Scott] Jones didn't name, recently emptied ChaCha's bank accounts.

"We sold some assets, but not enough to sufficiently cover all of our obligations," Jones said in an email Monday morning. "Unfortunately, our debtholders and shareholders, including me, will be writing off their investment."

Title: Why is Finance for Small Business Still Broken?

Product: Dealstruck

Dealstruck closed its doors after more than three years in business. It did not close because the customer base isn't there or due to a lack of demand for its lending products. It closed because a deal fell through.

Title: Vancouver's Shoes.com shuts down operations

Product: Shoes.com

Doug Stephens, founder of consultancy Retail Prophet, said the company suffered from having too few managers from the fashion industry and too many from the technology sector. And customer service "wasn't where it needed to be to give online customers the level of confidence necessary – especially in such a tricky category … It seems a matter of biting off way more than they could chew through a spate of acquisitions. Despite all the appearances of growth, market awareness was still quite low."

Title: The Adventure Comes to an End

Product: Lily Robotics

In the past year, the Lily family has had many ups and downs. We have been delighted by the steady advancements in the quality of our product and have received great feedback from our Beta program. At the same time, we have been racing against a clock of ever-diminishing funds. Over the past few months, we have tried to secure financing in order to unlock our manufacturing line and ship our first units – but have been unable to do this. As a result, we are deeply saddened to say that we are planning to wind down the company and offer refunds to customers …

Title: VidAngel Just Crowdfunded $10M Using Reg A+ & Now Court Orders Video Streaming Business to Shut Down

Product: VidAngel

The judge has issued a preliminary injunction against VidAngel, requiring that we pull down all the studios' content. We are seeking a stay of this injunction, but if our efforts fail, we will need to take down the movies of all major studios.

Title: App.net is shutting down

Product: App.net

Ultimately, we failed to overcome the chicken-and-egg issue between application developers and user adoption of those applications. We envisioned a pool of differentiated, fast-growing third-party applications would sustain the numbers needed to make the business work. Our initial developer adoption exceeded expectations, but that initial excitement didn't ultimately translate into a big enough pool of customers for those developers.

Title: Home services startup Taskbob shuts shop

Product: TaskBob

…a solid [home services] business is created only by building scalability and profitability. And to achieve those in a low margin business and in a tough external market proved unexpectedly daunting. More than what anyone could have expected.

Title: ChangeTip Shutting Down

Product: ChangeCoin

We've explored dozens of options [to stay in business] thoroughly over the past few months, and came up empty. It's time. Among other complications, the monthly costs to maintain the servers, services, and customer support to keep the site running are not insignificant. Furthermore, the potential legal liabilities that may arise make a volunteer effort unappealing.

Title: Exclusive: Building materials marketplace Buildzar shuts down

Product: Buildzar

Buildzar started off as a pure-play B2C ecommerce business. In June, it pivoted to a subscription model. Earlier, we used to generate leads and convert them into transactions ourselves. But, after the pivot, we were just doing lead generation and selling those leads in the market … When transactions failed to pick up, we decided to wind up operations, which in my opinion was the right decision.

Title: A lot more wearable woe as Vinaya restructures and seeks pivot to b2b

Product: Vinaya

Whilst we ended up going by way of the system of founding and creating a buyer electronics corporation, it grew to become apparent that the projected amount of expansion for the B2C company by yourself was unlikely to be ready to maintain the expenses linked with the velocity of technological innovation necessary … to continue being aggressive in this space.

Title: Boston startup Besomebody, once featured on 'Shark Tank,' shuts down app

Product: Besomebody

Shaikh cited three reasons for the decision. Most importantly, the demand wasn't there, especially when it came to repeat bookings. He said the business would only work if "tens of millions" of people were booking one to two experiences per year, and that just wasn't going to happen. Second, people were using the app to book fun, one-time experiences, not to "truly learn" about their passions. And that led to the third problem, which was that the app only appealed to people who had expendable cash to put toward fun experiences, not to the full "multi-million-member community" that interacts with #besomebody content on Twitter and elsewhere on the web.

Title: Unfortunate News

Product: BriefMe Media

In short, due to a lack of funding, we are now beginning the process of winding down BriefMe and will be turning off the servers next week … Our users are extremely passionate, but after pursuing every possible path, we no longer have a sustainable avenue forward for the company. Over recent months we've been developing a significant update however we haven't been able to secure another round of funding to finish and get this work to market. Without sufficient capital to provide BriefMe the energy and attention it deserves we have decided to move forward in the best possible manner for our team, supporters and users.

Title: Open source wearable Angel shuts down

Product: Angel Sensor

We've been through a really rough patch over these past months. We've experienced engineering and financing difficulties, downsized our R&D and fought many battles to keep the project alive.

Title: BitLendingClub Closing Soon Due to Regulatory Pressure

Product: Loanbase/BitLendingClub

We've worked extremely hard to build a platform and a community which is uniquely positioned to provide the Bitcoin ecosystem with a greatly needed service. However, over the last year or so, the regulatory pressures has been increasing to the point that it is no longer feasible to maintain the operation of the platform. We are regretfully announcing that we will have to begin terminating the services effective immediately.

Title: Rendeevoo is no more

Product: Rendeevoo

… we never managed to raise the next round in time so … the ugly reality slapped us hard. Bills were piling up on the business but also on our personal lives. We had to look for short-term income by taking small jobs as individuals and that's what we did in order to pay our dues for October and November. In the meantime, we started discussing a potential exit with interested parties. Again, nothing fruitful happened on that front.

Now it's time to make it official. Rendeevoo is no more.

Title: Y Combinator-backed Omniref is shutting down on January 31, 2017

Product: Omniref

This isn’t how we hoped things would turn out, but unfortunately, we were never able to find a sustainable business model that justifies the (considerable) expense of running the site. Because of the large number of developers who have come to depend on our services, we’ve kept things running for as long as we possibly could, but unfortunately, there[‘s] no practical path forward from here.

Title: Bitphone closing due to regulatory requirements

Product: bitphone

After 1.5 years in operation, bitphone.net is shutting down. WE DIDN’T GET HACKED, NOT ONCE! And believe me, they tried! All customer funds are secure and accounted for! (And we are happy to say that!) Unfortunately we’ve had too many users abuse our phone service! Our underlying carrier service now requires we collect your identification when placing calls. – We won’t do it … This is an unfortunate outcome, we had recently enhanced our service considerably! We don’t want to collect your identification, so we have no choice but to close the service.

Title: All Romance eBooks is Shutting Down

Product: All Romance eBooks

It is with a great sadness that we announce the closing of All Romance eBooks, LLC. For the first year since opening in 2006, we will be posting a loss. Despite efforts to maintain and grow our market share, sales and profits have declined. The financial forecast for 2017 isn’t hopeful. We’ve accepted that there is not a viable path forward.

Title: A Final Farewell From The Opsh Founders

Product: Opsh

…ultimately we fell victim to the notoriously difficult investment chasm – the chasm that exists when a sparky start-up needs to move into a global-looking machine. And so, for some of you this won't come as a surprise. There is a distinctly unsexy side to running a start-up that made every effort to push-through almost impossible.

Title: Plain Vanilla Closes Shop, Lays off Staff

Product: Plain Vanilla Games

In 2015 it was announced that NBC was going to develop a quiz show based on the game, which was supposed to premiere in spring 2017.

"We placed our bets on the extensive collaboration with the television giant NBC. One could say that we placed too many eggs in the NBC basket. We have spent a lot of time and energy on developing the show. When I received the message from NBC that they were canceling the production of the show, it became clear that the conditions for further operation, without substantial changes, were gone," [CEO Þorsteinn B. Friðriksson] stated.

Title: Hello Hero's Song Players

Product: PixelImage Games

For the last year, our team has worked tirelessly to make the game we've dreamed about making, and with your support, and the support of our investors, we were able to get the game into Early Access. Unfortunately sales fell short of what we needed to continue development. We knew going in that most startups don't make it, and as an indie game studio we hoped we would be the exception to that rule, but as it turned out we weren't.

Title: Alberta Health Services shuts down innovative meal-sharing system

Product: Scarf

Alberta Health Services issued a cease-and-desist order to Scarf, shutting down the meal sharing service last month. In a written statement, Alberta Health Services said its duty is to "keep Albertans safe. This includes working with food operators to ensure they are meeting the provincial standards required to serve safe and healthy food to Albertans." AHS says all kitchens producing food for public consumption must have proper permits. Scarf cooks did not have those permits.

Scarf operator Kian Parseyan [said]: "As individuals we're going to move on and suffer our losses," says Parseyan, who estimates that working on this project full-time for a year cost between $60,000 and $70,000. "Sometimes that's what happens in entrepreneurship. It's big risks and rewards."

Title: Shelfie to Shutdown on 31 January – Download Your eBooks NOW

Product: Shelfie

From their shutdown announcement:

We regret to inform you that Shelfie will be ceasing operations on January 31, 2017 … We started Shelfie with the idea of connecting books and readers and we have worked hard over the past four years to make that a reality. We are grateful for the support we have received from amazing readers like you, who have been a part of Shelfie.

Founder Peter Hudson [said via] email that:

“In the end the unit economics of ebook sales just don’t make much sense if you don’t own the platform like Apple, Google, or Amazon.”

Title: #TheParrot says goodbye!

Product: The Social Radio

The Social Radio began as a side project … raised money as a startup, and then became side project again when we couldn’t scale it. We didn’t see it getting big enough to have the impact we had hoped for, so we stopped updating the apps as our lives and jobs became busy, but people kept using them and we believed in the product, so we kept the apps running. But we have reached a point where the cost of running the apps cannot be covered, and we couldn’t get enough support to keep it running.

Title: Exclusive: Online rental marketplace WhatsOnRent shuts shop; returns 50% funding

Product: WhatsOnRent

“The shutdown was a conscious business decision. We could not see the next round of funding coming. We had to change the consumer mindset and without that pre-Series A funding of couple of million dollars it was not possible. It was also a business decision that this business might not work."

Title: Taking Our Goggles Off

Product: Vrideo

With only $2 million raised, we've accomplished all this up against competitors that have three to 50 times (!) our funding … Unfortunately, though, we've now stretched this modest funding as far as it could take us, especially in light of the rising costs associated with our growth …

The past few years have been a wild ride. When we first started working on Vrideo, Facebook hadn't yet acquired Oculus, Sony hadn't announced "Project Morpheus," and Google wasn't even talking about VR. It's been a privilege to play a role, however small, in the emergence of this new medium. We'll be rooting for all of you who continue to carry it forward.

2016 THIRD UPDATE (11/8/16)

We rounded up 14 more startups whose lessons ranged from "stick to what you're good at" to "don't use your VC money like a personal piggy bank." Classic startup issues like running out of money, getting squeezed out by bigger players, and failing to find a market fit and MVP are also on display. One notable entrant actually gave money *back* to their VCs so that it could possibly help fund other new companies. There's something you don't see every day.

Title: The Happy Home Company shuts down, team members move to Google

Product: The Happy Home Company

The company's website now carries a brief message announcing the shutdown, explaining, "Despite the many great things Happy Home had going for it — supportive customers, a large problem to solve, and great investors — ultimately we weren't able to make the transition from a scrappy startup to self-sustaining company."

Happy Home raised seed funding last year (investors included Lowercase Capital, SV Angel and Box Group), but Ludlow told me the startup was unable to raise a Series A. The problem, he said, was that customers in home improvement turned out to be more price sensitive than he'd expected, while the margins remained low and repeat business was a challenge.

Title: How SunEdison went from Wall Street star to bankruptcy

Product: SunEdison

SunEdison at its core is a boring construction company, that earns the trust of its institutional investors by being boring and managing risks … [but the company's senior executives] didn't want to be boring, they wanted to be a technology company.

Title: Washio Shuts Down Its On-Demand Dry Cleaning Service

Product: Wash.io

"We generated millions in revenue and hundreds of thousands of orders, but the nature of startups is being innovative and venturing into uncharted territory: sometimes you make it, sometimes you don't. We are proud of what we accomplished along the way: over one million items of clothing dry cleaned, and over 21,000 tons of laundry washed and folded!

As of Aug 29, Washio will be shutting down its operations. No more orders will be accepted and outstanding orders will be returned promptly to customers. We are not alone in believing in

Washio's core business, technology and team, and hope it lives on in some shape or form in the future. But, that story has yet to be told…"
-Company statement

Title: Walgreens to Shut Down Drugstore.com, Focus On Own Website

Product: Drugstore.com

[Walgreen's wants] to make sure they can invest more of the equity in Walgreens.com. Drugstore.com and Beauty.com are distractions.

Title: MaxPlay lays off almost all workers as game engine startup switches to licensing

Product: Maximum Play

For a variety of reasons, more on the side of the money guys and not because of us, the transaction didn't go through … We had several groups looking to acquire us, and for a variety of reasons those didn't pan out … We were building an enterprise software platform. It was a very expensive proposition, with high potential rewards … There was a high demand and high interest in what we were doing. That is what was so disappointing. I think you will see several companies license our technology … This has nothing to do with the competition. It has to do with the funding issue. I think there is huge demand for new approaches with game engine technology.

Title: Failed HUD Helmet Maker Skully Spent Funding On Strippers And Exotic Cars: Lawsuit

Product: Skully Helmets

[The Wellers, Skully's founders] routinely demanded [that their accountant] engage in fraudulent bookkeeping practices designed to defraud investors in Skully into believing that Skully funds were being used for business purposes, when in fact, the funds were being used to pay the personal expenses of the Wellers … In hindsight, Skully appeared to be kind of shady for some time. The company continuously pushed back its promised release date while sucking down $2,446,824 from Indie GoGo backers—that's 979 percent of the $250,000 "goal" they "needed" to get running.

Title: Millions still in the bank, GoZoomo shuts shop, returns VC money. The whole story

Product: GoZoomo

We tried to build a fast-scaleable business, but realized that the business model does not work. So it is better that this capital gets deployed elsewhere instead of us hoarding it and hoping that something good happens.

Title: Photo-storage service Picturelife shuts down 18 months after being acquired

Product: Picturelife

Nobody is interested in cloud storage anymore. It's been pretty challenging. Google Photos and Amazon—they took a huge chunk of [the cloud photo storage market]. And I think it's going to increase over time … Is there a business for a small player? I don't think so any more.

Title: Why we're shutting down Hivebeat and what we've learned along the way

Product: Hivebeat

We've tried all the things we wanted to try and we have a pretty good sense of what went wrong:

- We never hit real product/market fit. We built a product that was too generic for a very niche-based industry.
- Our product was great, but it wasn't a 10x product. We had a much prettier product than the competition, but we were always lacking features in every niche.
- We were trying to do too many things at the same time. Both product-wise and marketing-wise.
- A transaction-based business model makes it hard to predict revenue, which made our growth curve look like a rollercoaster.

Title: Thanks and farewell

Product: Electroloom

The bottom line is that we simply do not have the financial ability to continue supporting the company … The reality is that a lot of events factored into our inability to raise: slow technical progress, significant scientific risk, a lack of an MVP, and a poorly defined market opportunity.

Title: MobileIgniter to Shut Down After Five Years and Multiple Pivots

Product: MobileIgniter

What we found was that the sales cycle for the market we specifically wanted to go after is just way too long for a small company to absorb. Originally, we estimated that the sales cycle would be somewhere between three and six months. We then adjusted that to say it's nine to 12 months … We hope to see IoT embraced by manufacturing and ag in the state and in the region. But it's not going to be because of us.

Title: CMS Killed My $80M Venture-Backed Startup

Product: Sonitus Medical

We took a prevalent surgical treatment into the office where we reduced the cost by half and we significantly impact patient safety because there was no surgery involved and we made it more effective … They [The Centers for Medicare & Medicaid Services (CMS)] arbitrarily draw a line saying, "No, you are not qualified for coverage because the way we draw a line between what's a prosthetic and what's a hearing aid is whether it involves surgery or not."

Title: Gawker Says Goodbye With Emotion and Defiance

Product: Gawker Media

I wish I'd known how litigious Hulk Hogan was … I'm kind of glad I didn't [hold back from publishing the tape] because if every publisher and every editor made editorial decisions based on who is scary and well funded and litigious and uses the court system to exercise power, to edit what is out there about them, then the news would look very very different than it does.

Title: Uber rival Karhoo shuts down after blowing through a reported $250M in funding*

Product: Karhoo

Ultimately, [its] structure … is based on very large economies of scale … building out any transport service before it can get to that scale is extremely capital intensive … Karhoo, however, didn't appear to have the reach with consumers to achieve anything like enough scale. [Its shutdown letter states that the] "Karhoo staff around the world in London, New York, Singapore and Tel Aviv have, over the past 18-months [sic], worked tirelessly to make Karhoo a success. Many of them have worked unpaid for the last six weeks in an effort to get the business to a better place. Unfortunately, by the time the new management team took control last week, it was clear that the financial situation was pretty dire, and Karhoo was not able to find a backer."

*Chief executive Daniel Ishag put the funding amount at $52M in a Nov. 10 interview with The Financial Times.

2016 SECOND UPDATE (7/28/2016)

We rounded up 14 more startups whose lessons ranged from fraud and investor dropouts, to logistics issues and product problems. A recurring element in this cohort was running out of runway and being unable to raise more financing.

Title: On-demand chef service Kitchensurfing shuts down

Product: Kitchensurfing

The startup had originally allowed customers to book chefs days in advance for at-home dinner parties, but last year moved to an on-demand model. Neither version of the service, though, produced enough demand to be sustainable for a venture-backed business. The company was competing in a crowded market, as better-capitalized companies like Blue Apron and Plated pushed the concept of meal-kit delivery while startups like DoorDash, Postmates and Caviar started delivering meals from popular restaurants that didn’t offer delivery on their own.

Title: The right words to say goodbye

Product: Take Eat Easy

The reasons are that 1) our revenues do not cover our costs, and 2) we are not able to close a third fundraiser …. In March 2016, after having been rejected by 114 VC funds, we signed a term sheet with a French, state-owned, logistics group, for a 30M euro investment. Unfortunately, after 3 months of intensive due diligence, their board rejected the deal and they ended up withdrawing their offer. We were negotiating with them under an exclusivity agreement, didn’t have a plan B, and only had a couple of weeks of run-way left.

Title: The PepperTap Journey: our story

Product: PepperTap

…as we forayed into smaller cities, delivery networks got more fragmented and lethargic. This needed to be researched more and understood better. We found that while tiers 2 and 3 of Indian cities are being served to some extent by new-world logistics providers doing cool things like one-day shipping, there was a whole slew of tier 3.5+ cities which are connected to the world of ecommerce but, in simple terms, have to sometimes wait up to 30 days to receive their orders.

Title: Celeb-backed BlackJet Is Grounded. Again.

Product: BlackJet

“We probably did more with less than anyone but it’s a critical mass business… There's a reason why 'critical' is part of 'critical mass,'" [BlackJet CEO Dean] Rotchin tells *Fortune*. "The members were super supportive, the VCs wanted to see our progress continue over a longer period prior to jumping in. There are some aggressive interesting models out there today, someone will make this work."

Title: How Dinner Lab Blew Through $10 Million On A Failed Restaurant Startup

Product: Dinner Lab

It's just a really challenging logistical marketplace. For us, producing unique events presented big challenges.… We were trying to scale a business that was very logistically complicated and we were always screwing up. It was also really challenging to get solid, consistent margins. We stacked the deck against ourselves.… There were a lot of variables that were difficult to manage. We had an ever-changing landscape of staff, sourcing ingredients and everything else. That's also what made the product very cool.…

We weren't able to piece together the necessary funding. It [forseeing Dinner Lab's closure] was pretty clear.

Title: Lights Out for Yeloha – Why We Shut Down the Solar Sharing Network

Product: Yeloha

While our peer-to-peer model was accepted by hosts and subscribers alike with real excitement, installing "Hosted" solar systems at scale depended on 3rd party project finance by banks or specialized solar funds.… But we couldn't convince traditional project financiers to test our thesis. We were forced to self-finance the first couple of projects as a proof of concept, but did not have the resources or runway to continue.…

Eventually Yeloha shut down because we could not raise the financing we needed in order to massively grow our network. Timing hurt. The so called “Venture Capital winter” of 2016 coincided with the turmoil in the solar stock market and the bankruptcy of multi-billion dollar SunEdison, venture investors fled from solar, and strategic investors crystalized their strategy around profitability.

Title: We Shut Down Our Edtech Startup. Here’s What We Learned.

Product: SharpScholar

The stakeholders in education—students, teachers, administration, and the government (budgets, policy, voters)—operate very interdependently. This means that if a teacher wants to use a tool or software he or she has to keep in mind the students, school policy, budget considerations, and even get approval from the administration.…

At SharpScholar we created a highly interdependent product—the usage of the product depended on approval from students and admin which effectively complicated our relationship with the teacher. This resulted in us having different messaging for students, teachers, and admin as well as lack of focus as to who we are tailoring to.

Lesson Learned: Minimize or eliminate layers of approval and interdependence of your product. Teachers prefer not to use tools that require different layers of approval from others.

Title: Lady Gaga’s startup Backplane burns out and sells assets

Product: Backplane

The problem was that [CEO Scott] Harrison says the big-name VC money came with tough liquidation preferences that would give those investors returns first if Backplane had a successful exit.

When the cash recently ran out, the firms wouldn’t put more in, and their reluctance and the bad deal terms scared away new investors. Harrison tells me my article on the company’s previous stumbles also hurt its fundraising abilities. A Chinese backer was supposed to spearhead a $2.5 million round to keep the startup alive, but they dropped out last-minute.

Title: Shuddle shuts down its ‘Uber for kids’ transportation service

Product: Shuddle

For over two years, the company touted safe and reliable transportation for children via its family-focused ride-sharing service.

“We worked hard to find the financial resources that would allow us to continue to grow, but ultimately could not raise the funding required to continue operations,” the letter explained.

In 2014, Shuddle received a cease and desist letter from California regulators for failing to register with TrustLine, a company that runs background check for adults working closely with children. Reports surfaced last year that the company had yet to take action, despite CEO Nick Allen’s assurances that its own background checks “exceed current requirements.”

Title: Identity verification startup Jumio files for bankruptcy, will sell assets to early backer Eduardo Saverin

Product: Jumio

However, it [Jumio] competed with similar technologies like Card.io, which PayPal purchased, and more recently it was impacted by the launch of Apple Pay which made mobile checkout more seamless.…

The company appeared to have been facing troubles for some time – the company last year swapped CEOs after examining its books. Founder and CEO Daniel Mattes was ousted after what may have been possible financial irregularities, Fortune had reported. Jumio also acknowledged the it had hired outside auditors though didn’t find anything out of the ordinary.

Title: TrustBuddy Loses Trust. Peer to Peer Platform Closes Following “Suspected Misconduct”, Swedish Police Contacted

Product: TrustBuddy

According to the board, a 44 Million SEK ($5.4M) discrepancy was uncovered. The “Company has used lenders’ capital in violation of their instructions, or, without their permission.” Due to the extreme nature of the uncovered misdeeds, Swedish police have been contacted. Members of the previous management team have been placed on suspension during the investigation. The misconduct was said to be “likely in place since the TrustBuddy platform began operation”.

Title: After laying off most of its staff, clothing resale startup Fashion Project regroups

Product: Fashion Project

[CEO Anna] Palmer says that much of the $7 million the company raised last year "went into the hiring and the systems needed to sort donations and get them up on the site. We were receiving thousands of items daily."…

Palmer also says that it has proven difficult to compete with better-funded consignment startups when it comes to spending on marketing that brings in shoppers. In the Bay Area, the RealReal has raised $83 million, and ThredUp, founded in Cambridge but now based in San Francisco, has raised about $125 million. The capital pouring into those resale sites made it more difficult for "specialized" clothing consignment startups like Fashion Project to attract investment, Palmer says.

Title: Post Ghost Shutdown: An Open Letter to Twitter

Product: PostGhost

On July 6, 2016, PostGhost.com received the following email from Twitter, which says in part that "postghost.com displays deleted Tweets and is currently violating our Developer Agreement and Policy"

Title: Chef Nightly food delivery app shuts down amid intense competition

Product: Chef Nightly

"We focused on creating more transparency into the existing supply of restaurant food and simplifying the ordering process for users," CEO Michael Sheeley wrote when the company shut down. “That just wasn’t enough in a crowded marketplace.”

2016 FIRST UPDATE (2/15/2016)

The funding and deal activity pullback in Q4’15 was a reality check for venture, and there is more of a focus on business fundamentals. We rounded up 11 startups deserving of an autopsy from the tail-end of 2015 and the start of 2016. From Rdio to the massive KiOR (that raised $403M in total funding), there were a variety of lessons to be learned: hiring problems, inability to compete, legal issues, and many more.

Title: Behind the Failure of Leap Transit’s Gentrified Buses in San Francisco

Product: Leap Transit

Leap Transit [was] a start-up that had aspirations of revolutionizing urban transportation.

Leap, which raised $2.5 million from some of the industry’s best-known investors, charged riders $6 to get across San Francisco, nearly three times the cost of riding a city bus. Its primary draw was luxury. Each bus had a wood-trimmed interior outfitted with black leather seats, individual USB ports and Wi-Fi. The buses also offered a steady stream of high-end snacks, sold via app.

I had come to the see the buses to find out what it looks like when a start-up bites the dust. The luxury vehicles were up for auction; Leap filed for bankruptcy in July.

Title: Why Rdio died

Product: Rdio

“Rdio, I guess, made the mistake of trying to be sustainable too early,” says [early employee Wilson] Miner. “That classic startup mistake of worrying about being profitable and having a business that makes any sense before you've reached this astronomical growth curve. Which is partly the trap of the business model itself — because of the content licensing deals, the margins for the business were so incredibly thin. No matter what we did, the labels made the lion's share of the revenue. You have to make it up with extreme volume, which is why you see Spotify going after every human being in the world."

Title: How Tech Billionaire Vinod Khosla's Biofuel Dream Went Bad

Product: KiOR

Different parties disagree about which side was responsible—Khosla Ventures or [chemical engineer Paul] O'Connor and the CEO—but most agree that KiOR made poor hiring decisions as it staffed up. The result was a relative preponderance of lab researchers with Ph.D.s and a dearth of people with technical, operational experience running energy facilities. The lack of people with real operational experience "hurt KiOR a lot," says O'Connor.

Title: Why We Sold to GM

Product: SideCar

In short, we were forced to shut down operations and sell. We were unable to compete against Uber, a company that raised more capital than any other in history and is infamous for its anti-competitive behavior. The legacy of Sidecar is that we out-innovated Uber but still failed to win the market. We failed – for the most part – because Uber is willing to win at any cost and they have practically limitless capital to do it.

Title: Why did HealthSpot fail? The telemedicine industry weighs in

Product: Healthspot

Jason Gorevic, CEO of telemedicine company Teladoc, expressed his belief that there are three critical elements to success in this industry segment: the technology platform, clinical capabilities and consumer engagement. “Consumer engagement is hard to do,” Gorevic said. This is where HealthSpot may have fallen down. Teladoc has two revenue streams: a per-member, per-month fee it charges its partners, plus a per-visit fee. “Because we have both of those revenue sources, we can pour that money back into our customers.” … Also, Teladoc is purely a software company, so it doesn’t have the overhead associated with building and delivering kiosks … A bigger issue, according to [CEO of American Well Roy] Schoenberg, is that HealthSpot required patients and providers to pre-arrange appointments; it was not truly telemedicine on demand. “You actually have to build a lot of administration around it,” he said.

Title: The Beginning of the End

Product: Flytenow

On Friday, December 18, 2015 the U.S. Court of Appeals for the District of Columbia denied our request to overturn the Federal Aviation Administration’s ban on Flytenow and other online flight-sharing websites…We started Flytenow over two years ago to share the joy of flying by allowing aviation enthusiasts to meet pilots and go flying together…Unfortunately, we are left with no choice but to shut down Flytenow. However, we are still fighting as pilots to make this happen.

Title: Dehli-based logistics startup Delivree King shuts down

Product: Delivree King

"We had scaled to about 15 cities but it was becoming very difficult to sustain operations at that level with no funds. This business requires money to scale up and without funds it's very difficult to break even," said [co-founder Akash] Sharma.

Title: London hotel ranking startup Top10 raised $12 million in funding — but now it's shutting down

Product: Top 10

The hotel industry is particularly challenging given the size, reach and budgets of the big players. At Top10 we did an amazing job innovating in this tough space, but ultimately the competitive landscape made it too expensive for us to scale, and for that reason we decided to close the company.

Title: Prismatic is shutting down its news app for iOS, Android, and Web on December 20

Product: Prismatic

"Four years ago, we set out to build a personalized news reader that would change the way people consume content," the Prismatic team wrote in a blog post. "For many of you, we did just that. But we also learned content distribution is a tough business and we've failed to grow at a rate that justifies continuing to support our Prismatic News products."

Title: AT&T Snaps Up Assets, Talent From Carrier iQ, Phone Monitoring Startup Goes Offline

Product: Carrier IQ

Knowledge of what (our) software tracked unbeknownst to the average user clearly hit a nerve with a public already skeptical about how private information is regarded by large corporations and other organizations for their own purposes … And so, unsurprisingly, following the revelations, there was a windfall of announcements about which companies were using it (and were not using it) to collect information; lawsuits over privacy violations and legislation drafted to tighten controls for the future. Some of those class-action suits, it appears, have been settled. As AT&T did not acquire the full company, we understand that it will not be liable for any outstanding litigation or settlements against CIQ.

Title: Heart Drug Safety Concerns Prompt Shutdown at Laguna Pharmaceuticals

Product: Laguna Pharmaceuticals

Two months into its roughly 600-patient initial Phase 3 trial, called Restore SR, researchers started to see side effects that would not have enabled Laguna to market the drug as widely as they had initially anticipated, [Laguna CEO Bob] Baltera said. "We were actually very surprised," he said. "The [prior] Phase 2 study was robust." Baltera declined to say much about the side effects, describing them only as "safety signals." "The normal response in this business is to find a way forward," Baltera said. "But it just wasn't going to be commercially viable. Rather than trying to find any path forward, we decided to shut the company down."

2015 SECOND UPDATE (12/3/2015)

From Quirky to Homejoy to Zen99, we've added 11 startup post-mortems to the 34 we previously added in our first 2015 update. While unicorns continue to be minted and mega rounds continue, there are still many new lessons to be learned from startups facing risks as they navigate the turbulent contract worker economy or failing to acquire customers. The 11 new additions, below.

Title: Pixable Closing Up Shop After One Crazy, Awesome Ride

Product: Pixable

We achieved what we set out to do, even if the final result didn't end up with us becoming the next Buzzfeed. We never wanted to be the next Buzzfeed. We always wanted to be who we were, Pixable. And it was working. Unfortunately, circumstances [despite reaching 9.4M active users and 58M monthly video views] … made it difficult to raise money and continue on.

Title: Bitcoin Reputation Startup Bonafide to Shut Down

Product: Bonafide

In the email, co-founders Karthik Balasubramanian and Brian Moyer stated their belief that the movement of investor interest away from consumer-facing applications for the technology was also a factor. Balasubramanian and Moyer wrote: "While investment and activity continues to occur it is focused on private and alternate chains rather than bitcoin or other public chains where Bonafide operates." As a result, the co-founders said they saw "little chance" that they would be able to generate revenue, pivot their product or secure additional funding.

Title: After Falling Through The Series A Gap, Restaurant Delivery Startup Dine In Shutters

Product: Dine In

"We knew acquisition was the best course of action," says

[Evan] Graj. That eventually led to Dine In being approached in February by a major Internet company active in the online food space, and it's my understanding that by April — and significant legal fees later — a sale had been agreed. Then at the eleventh hour the deal unexpectedly fell through, leaving the restaurant delivery startup "high and dry" and its unnamed acquirer a "no-show". Adds Graj: "They backed out leaving us with a huge legal bill both for Dine In and myself personally, a huge debt to note holders, and no VCs to turn to. A hard lesson to learn and one I'll be taking into my next venture."

Title: The Rise and Fall of Quirky — the Start-Up That Bet Big on the Genius of Regular Folks

Product: Quirky

Steering the ship — handling all of the engineering, manufacturing, marketing, and retailing, even when you're taking 90 percent of the subsequent profits — was ultimately too expensive of a proposition, especially in comparison to other, less-handholding-oriented start-ups. "The reason why Kickstarter makes a ton of money is they don't have to do anything besides put up a website," Kaufman notes.

Title: Homejoy Shuts Down After Battling Worker Classification Lawsuits

Product: Homejoy

CEO Adora Cheung said the "deciding factor" was the four lawsuits it was fighting over whether its workers should be classified as employees or contractors. None of them were class actions yet, but they made fundraising that much harder.

"A lot of this is unfortunate timing. The [California Labor

Commission's] Uber decision … was only a single claim, but it was blown out of proportion," she told Re/code.

Title: Selltag has shut down

Product: Selltag

Escribano said that the company's main problem was user engagement and retention. "In every marketplace you have the chicken-and-egg problem with buyers and sellers. We tried to capture them both organically and via paid marketing, but it wasn't enough. Getting sellers was somewhat easy, but buyers much more complicated"

Title: Why Zen99 Shut Down

Product: Zen99

We had a user acquisition problem, and the best route involved a competitor…The best acquisition method I saw was tapping into an existing network of people who had filed 1099s: like Intuit's hundreds of millions of tax returns, many with 1099 income. Unfortunately, Intuit released an identical competing product to us. It's not ideal when your best user acquisition strategy is partnering with a company who has a competing product.

Title: RIP QBotix: Robotic Solar Tracking Fails to Reach the Market

Product: QBotix

Each member of our now pared-down team knew exactly how much runway the company had remaining, the status of our strategic talks, and the acknowledged long odds we faced as a going concern. To their credit, they remained focused, productive and on-task until our final day — a remarkable expression of dedication to the mission and to each other. Sadly, and in spite of the achievements, we simply ran out of time and cash to finish the job.

Title: Inside story of VATLER's shut down

Product: Vatler

We started VATLER during the summer of 2014 as an on-demand valet service in San Francisco … We received a phone call from the police department telling us that our permits had not been granted and they gave us a warning because we were operating illegally in most of our locations…In 2 weeks, we lost major accounts and 30% of our revenue streams without any perspective of growth. We tried to make some restaurants pay but it was just not working. Our model was no longer valid and were forced to cease operations in the city on September 7th.

Title: Lessons From Mayo Clinic-backed Better Shutting Down

Product: Better

Better had one of the best consumer user experiences out there but that isn't enough. One of my formative Internet experiences was being part of the founding team of Microsoft Sidewalk (later acquired by CitySearch) in 1995…[Sidewalk was] too far ahead of its time with some user experiences only coming into the mainstream now. The Internet audience was too small, the bandwidth too low and the digital advertising too nascent. My hunch is Better faced similar issues. As much as I'd love for healthcare to be a consumer-driven market, I'm afraid we're at least 3-5 years away from it no longer being "too early".

Title: Shopa shuts down just months after raising £7m in growth capital

Product: Shopa

Shoppers were more tight-lipped about their purchases than originally hoped, and despite attracting 1 million users, the fear that pals might buy the same frocks outweighed the desire for discounts.

2015 FIRST UPDATE (8/15/2015)

From Zirtual to Circa to Secret, we've added 34 startup post-mortems through mid-August 2015. While mega-financings and "unicorns" have dominated the headlines in 2015 YTD, there are still many new lessons to be learned from startups taking on out-of-control burn rates or failing to monetize properly.The 34 new additions, below.

Title: Sunset

Product: Secret

Unfortunately, Secret does not represent the vision I had when starting the company, so I believe it's the right decision for myself, our investors and our team.

Title: What Happened and What's Next

Product: Zirtual

So what went wrong? Short answer: burn. Burn is that tricky thing that isn't discussed much in the Silicon Valley community because access to capital, in good times, seems so easy. Burn is the amount of money that goes out the door, over and above what comes in, so if you earn $100 in a month but pay out $150, your burn is $50.

Title: Farewell to Circa News

Product: Circa

Our ongoing plan was to monetize Circa News through the building of a strategy we had spent a long time developing but unfortunately we were unable to close a significant investment prior to becoming resource constrained.

Title: 'Slack Ate the World'

Product: Kato

Slack ate the world and we failed to gain traction. Our SAML- and SCIM-enabled enterprise product had no takers from larger companies.

Title: One Last Update

Product: The Last Guide Company

Unfortunately, having failed to execute on our original vision, we recently made the decision to wind down the company.

Title: My Startup Failed and This is How It Went Down

Product: UDesign

It turns out we underestimated the complexity of the project, and overestimated our ability to complete it on a limited budget should, closer to launch, any complications arise.

Title: Well, We Failed

Product: Wattage

I suppose our failure can be summed up quite easily: An inability to show traction.

Title: Down, But Not Out

Product: Patterbuzz

Everything was going good. But we always had one issue. We never had enough money in our bank. and This became the cause of our death. We ran out of money.

Title: Nebula Is Shutting Down

Product: Nebula

At the same time, we are deeply disappointed that the market will likely take another several years to mature. As a venture backed start up, we did not have the resources to wait.

Title: DoneByNone Goes Down

Product: DoneByNone

Here's the long story: we're a small start-up, and as you can imagine, life has been quite tough for small e-commerce retailers – and we went to hell and hopefully are on our way back from there. While we were focusing on other things that needed solving, we took our eyes off you and your issues.

Title: Brawker Shuts Down

Product: Brawker

However, our growth rate did not meet our expectations, and the service does not scale as we would have expected to.

Title: Company Update

Product: ProtoExchange

Unfortunately, our attempts to change the face of manufacturing weren't aligning with our original vision. As a result, we've opted to step away from ProtoExchange and re-evaluate our position in the manufacturing sector.

Title: Migrating from Balanced to Stripe

Product: Balanced

Unfortunately, we haven't been able to reach the escape velocity necessary to be a large, innovative, independent player in the payments space and have decided not to continue building Balanced.

Title: Wardrobe Wake-Up to Shut Down

Product: Wardrobe Wake-Up

Ultimately, we were unable to secure outside funding at a time of critical growth and did not have the resources to fulfill demand on our own.

Title: Verleih App, Shareconomy

Product: Why Own It

Unfortunately, not everyone who likes an app recommends it to friends and family. And besides that, they got stuck with the chicken-egg-problem.

Title: Melotic Exchange Shutting Down

Product: Melotic

After much deliberation, we at Melotic have decided to take the unfortunate step of winding down the digital asset exchange. Simply put, we did not experience enough growth in this product to justify the ongoing costs of development, maintenance, and support. However, we have exciting new products in development, and we will be focusing our resources on that.

Title: Grooveshark is Dead

Product: Grooveshark

As part of a settlement agreement with the major record companies, we have agreed to cease operations immediately, wipe clean all the data on our servers and hand over ownership of this website, our mobile apps and intellectual property, including our patents and copyrights.

Title: A Statement about GigaOm

Product: GigaOm

Business, much like life, is not a movie and not everyone gets to have a story book ending.

Title: Hanging Up the Crown

Product: Digital Royalty

Some of these shifts were in our control and some were not. In order to honor our core values, which have been the epicenter of our culture, we have decided to hang up our crown.

Title: Why This Google-Backed Brooklynite Says Congress Could Have Saved His Business

Product: Ordr.in

We were living the American Dream. Until a patent troll — a company whose only business is suing legitimate businesses to force expensive settlements — hit us with a frivolous lawsuit.

Title: Talentpad Is Shutting Down

Product: Talentpad

We failed to figure out a scalable business for a big enough market. One of the things that our entire team has been passionate about is making a big impact to a wide ranging audience. We could not figure out a way to achieve that.

Title: Jam Preserves

Product: This Is My Jam

But as these platforms matured and consolidated, streams moved from the web into apps, and more sophisticated licensing and geographic controls meant "sorry, this cannot be played here" messages became the norm rather than the exception.

Title: Today, We Are Shutting Down 37Coins

Product: 37Coins

The decision to cease operations and to shut down our service was difficult. Despite the best of intentions, we were unable to deliver a quality product that showed product-market fit.

Title: Build Campus Is Shutting Down

Product: Campus

Despite continued attempts to alter the company's current business model and explore alternative ones, we were unable to make Campus into an economically viable business.

Title: Five Reasons Why My IoT Startup Failed

Product: Lumos

We had never used the existing home automation products in our homes. We were not experts in the IoT sector. When you have new at something, you give yourself the famous Dunning Kruger Pass on your decisions.

Title: Let It Go, Let It Go…Sunset of My First Startup

Product: ratemyspeech

Eventually I had to realise that our basic concept was flawed. Most people (95+%) just don’t care enough about their presentations.

Title: Premature Scaling Killed Us

Product: RewardMe

Don’t scale until you’re ready for it. Cash is king, and you need to extend your runway as long as possible until you’ve found product market fit.

Title: The Life and Death of a Political Startup

Product: Poliana

The sad truth is that it’s very hard to make money on something that deserves to be free.

Title: The Idea Is Dead…Love Live the Idea

Product: Kinly

By postponing the investor challenge, we also postponed—and thereby ignored—the distribution challenge. And Kinly is dead because of it.

Title: 10 Lessons I Learned From Burning Through $50,000 on a Hardware Project That Bombed

Product: Kolos

With Kolos, we did a lot of things right, but it was useless because we ignored the single most important aspect every startup should focus on first: the right product.

Title: Case Study of a Failed Startup

Product: College Inside View

I overestimated the likelihood that I successfully raise money…I underestimated people's distrust and reluctance to try unfamiliar products…I underestimated the importance of design.

Title: Traps for Friends – Our Attempt at Fair IAP Multiplayer

Product: ComboCats Studio

And maybe it's just me, but I underestimate the work required for UI, even with fully prototyped wireframes, every time. It was hard to build it correctly from the start.

Title: My Startup's Dead! 5 Things I Learned

Product: Bitshuva

What I didn't understand was, you charge not for how much work it is for you. You charge how much the service is worth.

Title: Story of an Almost Successful French Startup

Product: Allmyapps

It took us time to realize we had big on-boarding issues…

2014 SECOND UPDATE (9/24/2014)

An additional 25 startup post-mortems have been added, including more recently failed additions from this year including 99dresses (Fenox VC), Dinnr, Unifyo (EC1 Capital) and VoterTide (Optimas Group).

Title: My startup failed, and this is what it feels like…

Product: 99dresses

And the rest of the conversation explained why they would not be doing that. My stomach dropped. I knew they were our best shot of getting the money, and some of the angels who had previously invested were interested in coming in but only if I could get a VC to lead it, probably for some oversight. We now had very little cash left, and very little time to find someone else.

Title: Seven lessons I learned from the failure of my first startup, Dinnr

Product: Dinnr

This turns out to be the original sin of Dinnr—there never was an opportunity. And whatever we did later to try to breathe life into it (iterating on the website, different marketing tactics) was akin to giving aspirin to a deathbed patient.

Title: How I Failed Launching Seismic Video

Product: Seismic Video

Sure, it was seven years ago, pre-iPhone and pre-Android, so it was ahead of its time, we had to use Adobe Flash on a browser which sucked in so many ways I can't even start to explain how bad it was. Technology would be so much better and more important all mobile today.

Title: Thoughts on shutting down Treehouse Logic

Product: Treehouse Logic

Startups fail when they are not solving a market problem. We were not solving a large enough problem that we could universally serve with a scalable solution. We had great technology, great data on shopping behavior, great reputation as a though leader, great expertise, great advisors, etc, but what we didn't have was technology or business model that solved a pain point in a scalable way.

Title: The End of a Great Experience

Product: Backchat

Unfortunately we were not able to adapt fast enough to changing market and product conditions which quickly began to show in usage metrics. With a feed product on the horizon all looked well until our funding began to dry up. Deals fell through leaving me in the difficult position to close Backchat and YouTell.

Title: Why Patient Communicator Failed

Product: Patient Communicator

I realized that many of the true money-making businesses in healthcare really aren't about optimizing delivery of primary care. This is a longer discussion but I realized, essentially, that we had no customers because no one was really interested in the model we were pitching. Doctors want more patients, not an efficient office.

Title: Twitpic is shutting down

Product: Twitpic

Unfortunately we do not have the resources to fend off a large company like Twitter to maintain our mark which we believe whole heartedly is rightfully ours. Therefore, we have decided to shut down Twitpic.

Title: Week 483

Product: Berg

We've not reached a sustainable business in connected products. But: There's our troop!
Cultural inventions! I'm proud of this British Experimental Rocket Group. Thank you fellow travellers, in your thousands. Behind the mountains, there are more mountains.

Title: The Final Note

Product: Wishberg

We set very high goals for us when we raised our first investment in April 2013. As a startup, data is your best friend. Reviewing those goals at the end of the year, we realised that we have trailed behind on few of them. For us a team, we have always believed in chasing bigger dreams and not take up smaller challenges.

Title: Failure of a success

Product: GreenGar Studios

If you still remember my pitch: “We already made $1 million. Let’s talk about $1 billion.” Maybe one day that statement will come true, and I’m still working very hard on that. However, it will not be with my GreenGar chapter.

Title: The inside story of Rivet & Sway

Product: Rivet & Sway

If only running a business were straightforward enough to boil down to one thing I would change to effect a different outcome! Hindsight is 20/20 (no glasses needed), so there are a lot of things I would do differently. Here are a few at the top of my list:

Drive market awareness/dominance regionally: Seattle, NW, West Coast…
Adapt the Home Try On model sooner
Scale only when absolutely necessary (we outsourced to a big-company 3PL way too early)
Focus more on PR
Get more sleep

Title: Why our startup failed

Product: Dijiwan

A good product idea and a strong technical team are not a guarantee of a sustainable business.

One should not ignore the business process and issues of a company because *it is not their job*. It can eventually deprive them from any future in that company.

Title: Some news about Wantful

Product: Wantful

What we did not accomplish yet is the kind of *highly accelerated* growth required to secure later-stage venture capital, despite the enduring enthusiasm around what we've built.

The coming holiday season was shaping up to be pivotal for us, but the loss last week of a planned follow-on investment from a strategic partner leaves us little time to secure an alternate source of capital, or to pursue the other opportunities on the table.

Title: The Disruptive Advantage 3

Product: Disruptive Media

Launching this globally would have required lots of funding in order to get production and logistics to work well internationally. Getting deals with big international companies was hard and plugging into their production pipeline turned out to be technically impossible, since they did not have any APIs. It's hard to tell whether this would have worked, since we were running out of money and had to leave it there. Potential investors were not too crazy about investing in a declining market either. The numbers did not fully work out.

Title: Low power won't bag ARM the server crown

Product: Calxeda

In [Calxeda's] case, we moved faster than our customers could move. We moved with tech that wasn't really ready for them – ie, with 32-bit when they wanted 64-bit. We moved when the operating-system environment was still being fleshed out – [Ubuntu Linux maker] Canonical is all right, but where is Red Hat? We were too early.

Title: Shutting down

Product: Turntable.fm

Ultimately, I didn't heed the lessons of so many failed music startups. It's an incredibly expensive venture to pursue and a hard industry to work with. We spent more than a quarter of our cash on lawyers, royalties and services related to supporting music. It's restrictive. We had to shut down our growth because we couldn't launch internationally. It's a long road. It took years to get label deals in place and it also took months of engineering time to properly support them (time which could have been spent on product).

Title: When SEO fails – Single channel dependency and the end of Tutorspree

Product: Tutorspree

Although we achieved a lot with Tutorspree, we failed to create a scalable business…. Tutorspree didn't scale because we were single channel dependent and that channel shifted on us radically and suddenly. SEO was baked into our model from the start, and it became increasingly important to the business as we grew and evolved. In our early days, and during Y Combinator, we didn't have money to spend on acquisition. SEO was free so we focused on it and got good at it.

Title: A Nirvanix Postmortem – Why There's No Replacement For Due Diligence

Product: Nirvanix

The cloud is great. Outsourcing is great. Unreliable services aren't. The bottom line is that no one cares about your data more than you do – there is no replacement for a robust due diligence process and robust thought about avoiding reliance on any one vendor.

Title: PostRocket to Shut Down

Product: PostRocket

When we first started PostRocket, we wanted to not only help marketers like you succeed in Facebook marketing, but do so with an exceptional product and service to back it. We were never able to reach the high bar we set for ourselves. Our product had many issues and even through the down-time and bugs, you stuck with us. We thank you for that.

Title: VoterTide Postmortem

Product: VoterTide

We didn't spend enough time talking with customers and were rolling out features that I thought were great, but we didn't gather enough input from clients. We didn't realize it until it was too late. It's easy to get tricked into thinking your thing is cool. You have to pay attention to your customers and adapt to their needs.

Title: A Startup Postmortem

Product: SkyRocket

But one day something changed.

Money stopped coming in the door.

In addition to a lag in sales, new product challenges arose and pretty soon I began to question myself. With each pitch following that period of doubt—whether it was to a girl at a party or an interested investor—my enthusiasm and perceived confidence dwindled.

Title: A Story of GameLayers

Product: GameLayers

Ultimately I believe PMOG lacked too much core game compulsion to drive enthusiastic mass adoption. The concept of "leave a trail of playful web annotations" was too abstruse for the bulk of folks to take up. Looking back I believe we needed to clear the decks, swallow our pride, and make something that was easier to have fun with, within the first few moments of interaction.

Title: Serendip Is Shutting Down

Product: Serendip

The high costs of processing millions of posts every day, and serving relevant and engaging playlists to our users across our web service and mobile app (yes, no Android, I know…) are really bigger than we can handle, a very challenging position for a small startup to be in.

Title: Unifyo – Post Mortem

Product: Unifyo

We aimed to build a great, highly automated user experience first, focusing on the end-users and SMEs with plans to grow into companies from the bottom up (like Skype, Yammer, Dropbox). We couldn't empathize with big corporations and heard only scary things about the long sales cycles. However, every company we have kept track of in the 'relationship management' space has either shut down or moved at least into the B2B space

Title: Couldery Shouldery

Company: Lookery

We exposed ourselves to a huge single point of failure called Facebook. I've ranted for years about how bad an idea it is for startups to be mobile-carrier dependent. In retrospect, there is no difference between Verizon Wireless and Facebook in this context. To succeed in that kind of environment requires any number of resources. One of them is clearly significant outside financing, which we'd explicitly chosen to do without. We could have and should have used the proceeds of the convertible note to get out from under Facebook's thumb rather to invest further in the Facebook Platform.

2014 FIRST UPDATE (6/3/2014)

We’ve added 25 additional startup post-mortems, which include many recent additions in the past several months such as Canvas (Union Square Ventures, Andreessen Horowitz), Outbox (Founders Fund, Floodgate), Manilla (Hearst Corp.) and AdMazely (SEED Capital). Here’s why the latest group hit the skids.

Title: Today my startup failed

Company: Canvas Networks

It may seem surprising that a seemingly successful product could fail, but it happens all the time. Although we arguably found product/market fit, we couldn’t quite crack the business side of things. Building any business is hard, but building a business with a single app offering and half of your runway is especially hard.

Title: Shutting Down Blurtt

Company: Blurtt

I started to feel burned out. I was Blurtt’s fearless leader, but the problem with burnout is that you become hopeless and you lose every aspect of your creativity. I’d go to work feeling tired and exhausted. I was burning the candle at both ends.

Do not launch a startup if you do not have enough funding for multiple iterations. The chances of getting it right the first time are about the equivalent of winning the lotto.

Title: Manilla Is Shutting Down

Company: Manilla

This was a hard decision given that, over the past three years, Manilla has won many awards and has been well supported by its valued user base but was unable to achieve the scale necessary to make the economics of the business viable.

Title: A startup postmortem with a happy ending? ..in Thailand

Company: Pumodo

Our biggest self-realization was that we were not users of our own product. We didn't obsess over it and we didn't love it. We loved the idea of it. That hurt.

Title: Startup Failure: How it feels

Company: Admazely

My presentation was ok. The mandatory Q&A afterwards was horrible. The only two people in the room that we hadn't gotten prior support from were skeptical to say the least. As I left the room I was shattered. And as my contact didn't call me later on that day I knew where it was going. My chairman didn't either. Not a good sign.

Title: Springpad Says Goodbye

Company: Springpad

Unfortunately, we were not able to secure additional funding or scale to become a self-sustaining business. Thank you to our loyal users and partners – We couldn't have made Springpad what it was without you!

Title: Changing Tune

Company: Exfm

The high costs of processing millions of new songs every month while attempting to keep that data relevant and useable is monumental. The technical challenges are compounded by the litigious nature of the music industry, which means every time we have any meaningful growth, it's coupled with the immediate attention of the record labels in the form of takedowns and legal emails.

Title: Samba Closing Down

Company: Samba Mobile

Samba has had to take the difficult decision to close, primarily due to high and increasing – and therefore unsustainable – data costs. This makes the current model of offering a meaningful value exchange of mobile broadband unsustainable.

Title: inBloom Retiring

Company: inBloom

It is a shame that the progress of important innovation has been stalled because of generalized public concerns about data misuse.

We stepped up to the occasion and supported our partners with passion, but we have realized that this concept is still new, and building public acceptance for the solution will require more time and resources than anyone could have anticipated.

Title: Starting Findory: The end

Company: Findory

I learned that a cheap is good, but too cheap is bad. It does little good to avoid burning too fast only to starve yourself of what you need.

I re-learned the importance of a team, one that balances the weaknesses of some with the strengths of another. As fun as learning new things might be, trying to do too much yourself costs the startup too much time in silly errors born of inexperience.

I learned the necessity of good advisors, especially angels and lawyers. A startup needs people who can provide expertise, credibility, and connections. You need advocates to help you.

Title: FindIt is shutting down – Thank you for all the support!

Company: FindIt

Starting a company and trying to change the world is no easy task. In the process we learned that the majority of our users did not need FindIt often enough to justify our continued time and effort on this problem.

Title: The little startup that couldn't (a postmortem of MyFavorites)

Company: MyFavorites

Having a web app being created at the same time was ridiculous too — especially since we still hadn't nailed down the favoriting process or tried it with any users. I was blowing cash — at a ridiculous pace. I had 7 guys working on this thing at once, as we were hustling for SXSW launch deadline. We decided to focus on the iPhone app, which sucked for me and Dan the backend programmer, because we both couldn't even use the app — we both have Droid X phones.

Title: Inq Mobile Shuts Down

Company: Inq Mobile

Inq has been a really exciting business over the last few years and whilst there have been significant successes, the technology that's been borne out of that work has been identified to have greater application within the wider Group. Consequently, we've taken the hard decision to close the Inq business down.

Title: Outbox is Shutting Down—A Note of Gratitude

Company: Outbox

Giant, complex systems appear insurmountable, but aren't—they were built by people just like you and me

The main asset the government (and big companies) has is time—which is the resource of which startups have the least.

You may think government organizations are completely, insanely backwards; you are wrong—they are worse.

If you can't find a hardware solution to your needs, build it—it's not that hard.

Doing extraordinary things for customers is time consuming and hard—but very worthwhile.

Life is too short to pursue anything other than what you are most passionate about.

Title: Argyle Social is shutting down our service

Company: Argyle

We're a very small company based in a great area, but it's definitely not Silicon Valley. It's a double-edged sword, because in the Valley, you'd be paying twice as much for developers and land. But out there, there's a different attitude toward raising money.

Title: What I learned about online-to-offline

Company: Exec

Many new online-to-offline entrepreneurs have asked me about my experience founding Exec.

Unit economics matter a lot more than in pure software businesses.

Turnover of errand runners was very high.

Demand was very spiky.

Customer activation was hard.

We shouldn't have run jobs ourselves.

Title: Close, but no cigar

Company: Bloom.fm

After Bloom.fm was placed into administration we received incredible amount of support from our users and a lot of commercial interest from prospective buyers. One offer stood out in particular, as it would have allowed Bloom to continue in the spirit we originally intended. We have worked furiously on finalising it but unfortunately, due to very tight timelines and complexities associated with the administration process, the deal fell through at the last minute.

Title: Stipple Shuts Down

Company: Stipple

We had turned on revenue, but did not scale fast enough. We were not yet profitable. Like many companies we got into the Series A crunch and we weren't able to raise more money. We simply weren't able to get dollars flowing from the marketplace to line up with our expense structure.

Title: Zumbox to Shutter its Operations

Company: Zumbox

All of us at Zumbox remain committed to the concept of digital postal mail and have great confidence this capability will one day be the way you receive and manage your postal mail. However, at this point, the time and cost required to deliver on the vision is more than the market is prepared to invest.

Title: Failed to delight: Post-mortem of my first startup

Company: Delight

Customers pay for information, not raw data. Customers are willing to pay a lot more for information and most are not interested in data. Your service should make your customers look intelligent in front of their stakeholders.

Follow up with inactive users. This is especially true when your service does not give intermediate values to your users. Our system should have been smarter about checking up on our users at various stages.

Title: Mochi Media Winding Down Services

Company: Mochi Media

Nobody at Mochi wanted this to happen and there were parties interested in acquiring Mochi from them (including myself) for more than they'd make by dissolving it. They're simply not interested in making a rational decision here, and they certainly don't care about you all like we do (past and present Mochi employees). We've been trying to prevent this from happening for quite some time, but we failed to change their plans.

Title: Salorix Shuts Operations

Company: Salorix

Unfortunately, all good things must come to an end and this one did, too. It is better to fail fast, than to have a slow death.

Title: The last step

Company: HowDo

Our goal was now to transform that passion into a sustainable platform. We have failed to make this possible and without the resources needed for development. It has been a difficult decision to close the platform, made with every consideration of alternative ways to continue.

Title: Epiloque

Company: Readmill

Many challenges in the world of ebooks remain unsolved, and we failed to create a sustainable platform for reading. Unfortunately, it is not possible to sell books on Apple's platform at a competitive price. We also considered the book subscription model but did not find it to be a viable option for us. Finally, even if all users paid for the app, it would not provide the necessary resources to sustain and develop it.

Title: The Uphill Battle Of Social Event Sharing: A Post-Mortem for Plancast

Company: Plancast

Social networks (by my general definition and among which I count Plancast) are essentially systems for distributing content among people who care about each other, and the frequency at which its users can share that content on a particular network is critical to how much value it'll provide them on an ongoing basis. Unlike other, more frequent content types such as status updates and photos (which can be shared numerous times per day), plans are suitable for only occasional sharing. Most people simply don't go to that many events, and of those they do attend, many are not anticipated with a high degree of certainty. As a result, users don't tend to develop a strong daily or weekly habit of contributing content.

ORIGINAL 50 STARTUP POST-MORTEMS (PUBLISHED JANUARY 20, 2014)

Title: 7 Things I learned from Startup Failure

Company: Intellibank

Focus and simplicity are often more difficult to achieve than building features on top of features on top of features. As a result, too many startups are unfocused. The time required to trim back an idea is not insignificant — said best by Mark Twain: “If I had more time, I would have written a shorter letter.”

Title: Startup Lessons Learned from My First Startup

Company: Teamometer

(Don’t) multiply big numbers

Multiply $30 times 1.000 clients times 24 months. WOW, we will be rich!

Oh, silly you, you have no idea how hard it is to get 1.000 clients paying anything monthly for 24 months. Here is my advice: get your first client. Then get your first 10. Then get more and more.

Until you have your first 10 clients, you have proved nothing, only that you can multiply numbers.

Title: A Postmortem Analysis of Standout Jobs

Company: Standout Jobs

I raised too much money, too early for Standout Jobs (~$1.8M). We didn’t have the validation needed to justify raising the money we did. Part of the reason for this is that the founding team couldn’t build an MVP on its own. That was a mistake. If the founding team can’t put out product on its own (or with a small amount of external help from freelancers) they shouldn’t be founding a startup. We could have brought on additional co-founders, who would have been compensated primarily with equity versus cash, but we didn't.

Title: Cusoy: A postmortem

Company: Cusoy

I didn't want a startup, but an actual business that generates revenue, and Cusoy would not fulfill that personal goal for me without a full-time team, 1-2+ years of funding, multiple years of hard work (3-5+ years at the very least?) trying to answer the if/when questions of whether or not Cusoy could make money (very expensive questions too, might I add — not only in money but time, my most valuable asset).

While I know there might be a possibility I could hustle incredibly hard and try to set up partnerships, the time investment required far outweighed the already incredibly slim chances of generating revenue.

Title: Flowtab

Company: Flowtab

We hired a local operations manager in Denver (Sasha Juliard) and soon launched at Shotgun Willie's (the highest-grossing strip club in CO) and two other bars. We made about $1,200 on each deal (50% went to DexOne, we spent $800 on each launch event and we had $500 in hardware costs), this was the only sales revenue Flowtab ever made. We were tightening up our sales process, but it was hard to market ourselves properly in those bars without being there. It quickly become a distraction to our operations in San Francisco.

Title: Formspring – A Postmortem

Company: Formspring

Entrepreneurs: build your product, not someone else's. The most successful products execute on a vision that aligns with their product's and users' goals. It's hard to put blinders on when your stats are slowly coming down and you see other startups skyrocketing around you with various tactics and strategies. For the love of god, put them on. It's the only way to build what you should instead of chasing others' ideas.

Title: Internet Startup: Lessons from Failure

Product: Mass-customized Jeans

We weren't going to draw from the business until we had recouped our (parents') initial investment. That meant continuing to operate 9-5 while earning an income at night, which was fine for the months leading up to launch, but totally unsustainable once orders started coming in.

Title: Lessons from my failed startup

Company: Parceld

No one likes someone who is too aggressive, but looking back, my idea of "too aggressive" could probably fit very nicely into the "persistent" bucket, which, quite frankly, is not enough when raising money. My father told me that, especially as a woman, to never be afraid to ask for what I want or to remind others of their commitments. People these days are busy, forgetful and over-scheduled; it's quite possible my three emails each got buried, so a fourth or fifth email (not daily, though; maybe weekly) would have served me well. I'll never know.

Title: Lessons from my failed startup

Company: Saaspire

If you're bootstrapping, cashflow is king. If you want to possibly build a product while your revenue is coming from other sources, you have to get those sources stable before you can focus on the product.

Title: Looking back at 7 years with my startup GroupSpaces

Company: GroupSpaces

…we most definitely committed the all-too-common sin of premature scaling. Driven by the desire to hit significant numbers to prove the road for future fundraising and encouraged by our great initial traction in the student market, we embarked on significant work developing paid marketing channels and distribution channels that we could use to demonstrate scalable customer acquisition. This all fell flat due to our lack of product/market fit in the new markets, distracted significantly from product work to fix the fit (double fail) and cost a whole bunch of our runway.

Title: My Startup Failed. F@<#.

Company: Zillionears.com

More importantly though, people really didn't really LIKE anything about our product. No one that used the service thought it was that cool. In fact, some people that participated in the sale didn't even like our "dynamic pricing" system. They were trying to support the artist, so saving a few dollars didn't excite them. They could easily have just gotten his music for free elsewhere.

Title: Out of the Picture: Why the world's best photo startup is going out of business (Editorial)

Company: Everpix

The founders acknowledge they made mistakes along the way. They spent too much time on the product and not enough time on growth and distribution. The first pitch deck they put together for investors was mediocre. They began marketing too late. They failed to effectively position themselves against giants like Apple and Google, who offer fairly robust — and mostly free — Everpix alternatives. And while the product wasn't particularly difficult to use, it did have a learning curve and required a commitment to entrust an unknown startup with your life's memories — a hard sell that Everpix never got around to making much easier.

Rimer put it a bit differently: "Having a great product is not the only thing that ultimately makes a company successful."

Title: Part Two of the HelloParking postmortem: a look back, and a new perspective

Company: HelloParking

But we never defined clear hypotheses, developed experiments, and we rarely had meaningful conversations with our target end-users. And while we had some wonderful advisors in the parking industry, we should have met with everyone we could get our hands on. Worst, we rarely got out of the building.

Title: Play By Your Own Rules

Company: Gowalla

Unfortunately, once your key metric is tied to cash value in the eyes of investors, it sucks to be number two. Your ceiling has been bolted in place. Your future capacity to raise cash or sell has a lid on it now.

We felt that in order to survive we had to get our numbers up. We tried just about everything to juice growth, some ideas being more successful than others.

Title: Postmortem of a Venture-Backed Startup

Company: Sonar

We received conflicting advice from lots of smart people about which is more important. We focused on engagement, which we improved by orders of magnitude. No one cared.

Lesson learned:

Growth is the only thing that matters if you are building a social network. Period. Engagement is great but you aren't even going to get the meeting unless your top-line numbers reach a certain threshold (which is different for seed vs. series A vs. selling advertising).

Title: Postmortem of a Venture-Backed, Acquired Startup

Company: Decide.com

Decide how you want do things then hire people that want to do things that way. There's value in having a diversity of opinion but in a early stage startups, the benefits (moving fast) of hiring people that generally agree with you outweigh the benefits (diversity of opinion) of hiring people that don't.

If you can't hire anyone that agrees with you, re-evaluate how you want to do things.

Title: Shnergle Post Mortem

Company: Shnergle

Does your idea only monetise at scale? If your idea can only be monetised at scale, head to San Francisco / Silicon Valley. There isn't enough risk capital, or enough risk appetite, in the UK/EU venture market to pour capital into unproven R&D concepts. If you want to build in the UK, find some way of charging money from day one. You can still use a freemium structure to up-sell later. Shnergle was never going to monetise before it had scaled fairly significantly. Fail!

Title: Tis the Season for a Tigerbow Post Mortem

Company: Tigerbow

Don't raise money from people who don't invest in startups. We raised a (comparatively) small amount of money from friends and family. For the most part they were very supportive, but there were exceptions. Aside from the fact that we got little (non-monetary) value added from these investors, people who are unfamiliar with investing in startups and the risks and challenges of building a company will drive you bananas. (Tempting, but don't / duh.)

Title: Travellll Post-Mortem

Company: Travellll.com

If your monetisation strategy is advertising, you need to be marketing to an *enormous* audience. It's possible to make a little money from a lot of people, or a lot of money from a few people. Making a little money from a few people doesn't add up. If you're not selling something, you better have a LOT of eyeballs. We didn't.

Title: Vitoto Offically Shutting Down

Company: Vitoto

Product outside area of specialization: Nobody in the team had built a successful consumer product before. We all had experience in the enterprise space, selling to businesses. We had no experience in consumer of video. We were not playing to our strengths.

Next time: Next time I will play in a space I have lived in before.

Title: Why Startups Fail: A Postmortem For Flud, The Social Newsreader (Editorial)

Company: Flud

"We really didn't test the initial product enough," Ghoshal says. The team pulled the trigger on its initial launches without a significant beta period and without spending a lot of time running QA, scenario testing, task-based testing and the like. When v1.0 launched, glitches and bugs quickly began rearing their head (as they always do), making for delays and laggy user experiences aplenty — something we even mentioned in our early coverage.

Not giving enough time to stress and load testing or leaving it until the last minute is something startups are known for — especially true of small teams — but it means things tend to get pretty tricky at scale, particularly if you start adding a user every four seconds."

Title: On-Q-ity, a Cancer Diagnostic Company: R.I.P. (A VC's perspective)

Company: On-Q-ity

Getting the technology right, but the market-timing wrong, is still wrong, confirming cliche about the challenge of innovating… We may have been right that CTCs are "hot" and will be important in the future, but we certainly didn't have enough capital around the table to fund the story until the market caught up. It will be great in 5-10 years to see CTCs evolve as a routine part of cancer care, though clearly bittersweet for those of us involved with On-Q-ity.

Title: How My Startup Failed

Product: Condom Key Chains

There was no doubt about it: I had discovered The Next Big Thing. Like Edison and the lightbulb, like Gates and the pc operating system, I would launch a revolution that would transform society while bringing me wealth and fame. I was about to become the first person in America to sell condom key chains.

Title: Why Wesabe Lost to Mint

Company: Wesabe

Between the worse data aggregation method and the much higher amount of work Wesabe made you do, it was far easier to have a good experience on Mint, and that good experience came far more quickly. Everything I've mentioned — not being dependent on a single source provider, preserving users' privacy, helping users actually make positive change in their financial lives — all of those things are great, rational reasons to pursue what we pursued. But none of them matter if the product is harder to use, since most people simply won't care enough or get enough benefit from long-term features if a shorter-term alternative is available.

Title: ArsDigita – From Start-up to Bust-up

Company: ArsDigita

1. spent $20 million to get back to the same revenue that I had when I was CEO
2. declined Microsoft's offer (summer 2000) to be the first enterprise software company with a .NET product (a Microsoft employee came back from a follow-up meeting with Allen and said "He reminds me of a lot of CEOs of companies that we've worked with… that have gone bankrupt.")
3. deprecated the old feature-complete product (ACS 3.4) before finishing the new product (ACS 4.x); note that this is a well-known way to kill a company among people with software products experience; Informix self-destructed

because people couldn't figure out whether to run the old proven version 7 or the new fancy version 9 so they converted to Oracle instead)

Title: RiotVine Post-Mortem

Company: RiotVine

It's not about good ideas or bad ideas: it's about ideas that make people talk.

And this worked really well for foursquare thanks to the mayorship. If I tell someone I'm the mayor of a spot, I'm in an instant conversation: "What makes you the mayor?" "That's lame, I'm there way more than you" "What do you get for being mayor?". Compare that to talking about Gowalla: "I just swapped this sticker of a bike for a sticker of a six pack of beer! What? Yes, I am still a virgin". See the difference? Make some aspect of your product easy and fun to talk about, and make it unique.

Title: The Last AnNounce(r)ment

Company: Nouncer

A month ago, half way through my angel funds raised from family members, I decided to review the progress I've made and figure out what still needs to happen to make this a viable business. I was also actively pursuing raising VC funds with the help of a very talented and well connected friend. At the end, I asked myself what are the most critical resources I need to be successful and the answer was partners and developers. I've been looking for both for about a year and was unable to find the right people. I realized that money was not the issue.

Title: BricaBox: Goodbye World!

Company: BricaBox

Go vest yourself.

When a co-founder walks out of a company — as was the case for me — you've already been dealt a heavy blow. Don't exacerbate the issue by needing to figure out how to deal with a large equity deadweight on your hands (investors won't like that the #2 stakeholder is absent, even estranged, from your company). So, the best way of dealing with this issue is to take a long, long vesting period for all major sweat equity founders.

Title: Boompa.com Launch Postmortem, Part 1: Research, Picking a Team, Office Space and Money

Company: Boompa.com

Ethan and I came up with the "Zombie Team" test for figuring out whether or not someone is ready to work on an intense project, be it a start-up or otherwise. The test is this: If zombies suddenly sprung from the earth, could you trust the perspective team member to cover your back? Would they tell you if they got bit? Most importantly would you give them the team's only gun if you knew they were the better shot? If the answer is no to any of those questions you need to let them get eaten by the cubicle wasteland of corporate culture, because they aren't ready for this kind of work.

Title: EventVue Post-Mortem

Company: EventVue

Our Deadly Cultural Mistakes:

- didn't focus on learning & failing fast until it was too late
- didn't care/focus enough about discovering how to market eventvue
- made compromises in early hiring decisions – choose expediency over talent/competency

Title: YouCastr – A Post-Mortem

Company: YouCastr

The market was not there.

The thesis of our current business model (startups are all about testing theses) was that there was a need for video producers and content owners to make money from their videos, and that they could do that by charging their audience. We found both sides of that equation didn't really work. I validated this in my conversations with companies with more market reach than us, that had tried similar products (ppv video platform), but pulled the plug because they didn't see the demand for it.

Video producers are afraid of charging for content, because they don't think people will pay. And they're largely right. Consumers still don't like paying for stuff, period. We did find some specific industry verticals where the model works (some high schools, some boxing and mixed martial arts events, some exclusive conferences), but not enough to warrant a large market and an independent company.

Title: Leaving IonLab

Company: IonLab

Second, as one of my friends observed, I talked to about 7 people (both acquaintances and friends) whose judgment I trusted. 3 of them sympathized and agreed with my decision and 4 of them admonished me and asked me to “hang in there.” You know what was the clincher? The first 3 had done startups themselves and the latter 4 had not. The latter 4 did not really understand the context, even though they meant well and are intelligent folks.

Title: Lessons Learned

Company: Devver

The most significant drawback to a remote team is the administrative hassle. It’s a pain to manage payroll, unemployment, insurance, etc in one state. It’s a freaking nightmare to manage in three states (well, two states and a district), even though we paid a payroll service to take care of it. Apparently, once your startup gets larger, there are companies that will manage this with minimal hassle, but for a small team, it was a major annoyance and distraction.

Title: Lessons from Kiko, web 2.0 startup, about Its Failure

Company: Kiko

Make an environment where you will be productive. Working from home can be convenient, but often times will be much less productive than a separate space. Also its a good idea to have separate spaces so you'll have some work/life balance.

Title: Lessons Learned: Startup Failure Part 1

Company: Overto

Thin line between life and death of internet service is a number of users. For the initial period of time the numbers were growing systematically. Then we hit the ceiling of what we could achieve effortlessly. It was a time to do some marketing. Unfortunately no one of us was skilled in that area. Even worse, no one had enough time to fill the gap.

Title: Monitor110: A Post-Mortem (A VC's perspective)

Company: Monitor110

The Seven Deadly Sins

While we certainly made more than seven mistakes during the nearly four-year life of Monitor110, I think these top the list.

1. The lack of a single, "the buck stops here" leader until too late in the game
2. No separation between the technology organization and the product organization
3. Too much PR, too early
4. Too much money
5. Not close enough to the customer

6. Slow to adapt to market reality
7. Disagreement on strategy both within the Company and with the Board

Title: Why We Shut NewsTilt Down

Company: NewsTilt

None of these problems should have been unassailable, which leads us to why NewsLabs failed as a company:

- Nathan and I had major communication problems,
- we weren't intrinsically motivated by news and journalism,
- making a new product required changes we could not make,
- our motivation to make a successful company got destroyed by all of the above.

Title: Aftermath

Company: Diffle

For anyone faced with winding down a company, I'd highly recommend taking a while off before making any big decisions, and not just the two and a half weeks that I'd initially tried. You're not thinking straight when your startup dies – your perspective may be a bit different in a few months, as might your preferences for what you want to do next.

The corollary to that is to wind up your startup before you're totally out of money, so that you have options for what to do next and don't have to bargain from a place of total weakness.

Title: 6 reasons why my VC funded startup did fail

Product: Link Management System

So the most important thing is to sell – a fact lots of startups forget. And we did too. After much thought it comes down to these six reasons why we failed (beside the obvious one that the VC market imploded when we needed money and noone was able to get any funding):

1. We didn't sell anything
2. We didn't sell anything
3. We didn't sell anything
4. The market window was not yet open
5. We focused too much on technology
6. We had the wrong business model

Title: 10 Lessons from a Failed Startup

Company: PlayCafe

I would advise any entrepreneur or investor considering content to think twice, as Howard Lindzon from Wallstrip warned us. Content is an order of magnitude harder than technology with an order less upside; no YouTube producer will earn within a hundredth of $1.65 billion. This will only become more true as DVRs and media-sharing reduce revenues and pay-for-performance ads eliminate inefficient ad spend, of which there is a lot. The main and perhaps only reason to do content should be the love of creating it.

Title: Lessons from our Failed Startup

Company: SMSnoodle

I have been hearing this advise from the time I have been in my mother's womb. Dont take this easily.If you are a techie there are more chances that you won't follow this advise. Your heart doesn't get satisfied with any levels of development.Ignore your heart. Listen to your brain. If you are a web startup , you can take max 6 months to release your first version(for something like mint.com). Simpler websites shouldn't take more than 2-3 months.You can always iterate and extrapolate later. Wet your feet asap.

Title: Untitled Partners Post-Mortem

Company: Untitled Partners

Hiring is hard, and without proper experience, we should have leaned more heavily on our investors to help us with this decision. Hiring was a challenge we found difficult throughout the life of our Company. We made as many bad decisions as we did good ones with regard to hiring full time, part time, and independent contractors/consultants. Biggest takeaway: As soon as the data starts to suggest someone might be the wrong hire, don't wait, immediately start recruiting a replacement, and upgrade as soon as possible.

Title: Key Lessons from Cryptine Networks' Failure

Company: Cryptine Networks

No matter how close of friends, how much you trust each other or how good your intentions are money comes between people and everyone over estimates their own contributions. Furthermore, founders become highly emotional about their companies. Thus, the process of negotiating taking back stock from founders is not rational and inherently very difficult. However, vesting schedules reduce the difficult negotiation to simply and mechanically exercising the companies pre-agreed right to repurchase stock at the price it was issued. I foolishly let myself fall into the “it won’t happen to me” trap but no startup gets it right on the first try and theses hiccups often lead to changes in the team. Believing that any startup won’t have to deal with stock vesting issues is totally unrealistic.

Title: Imercive Post-Mortem

Company: Imercive

For one, we stuck with the wrong strategy for too long. I think this was partly because it was hard to admit the idea wasn’t as good as I originally thought or that we couldn’t make it work. If we had been honest with ourselves earlier on we may have been able to pivot sooner and have enough capital left to properly execute the new strategy. I believe the biggest mistake I made as CEO of Imercive was failing to pivot sooner.

Title: Meetro Post Mortem

Company: Meetro (aka Lefora)

We could have gone about trying to fix Meetro but the team was just ready to move on. Raising money on the flat growth we had was nearly impossible. Plus I knew that in order to keep the tight-knit team we had built together, we needed to shift focus for sanity sake. People (myself included) just felt beat up. We knew that fixing these issues would involve a complete rearchitecturing of the code, and people just weren't excited about the idea enough anymore to do it right.

Title: Post Mortem on a Failed Product

Company: eCrowds

As the product became more and more complex, the performance degraded. In my mind, speed is a feature for all web apps so this was unacceptable, especially since it was used to run live, public websites. We spent hundreds of hours trying to speed of the app with little success. This taught me that we needed to having benchmarking tools incorporated into the development cycle from the beginning due to the nature of our product.

Title: Hubris, ambition and mismanagement: the first post-mortem of RealTime Worlds (Editorial)

Company: RealTime Worlds

Dave Jones made a virtue of having no business model for APB. He said "if a game is built around a business model, that's a recipe for failure."

Bullsh1t.

Title: A Startup Idea Postmortem: Proof That Good Ideas Aren't Always Good Business

Company: Q&A Service

But the more we moved down the path, the more I realized the complexities involved with selling answers. Knowledge is a tricky thing to sell, because even experts disagree on some answers. What's worse, most people think they know more than they really do. Look at how many idiots think they know stocks, or programming, or even business. Nearly everyone thinks they can give good management tips. It is difficult to sell something so… confusing, and we realized it would lead to problems down the road. Yahoo, and most of the other sites, fix this by having people vote on the best answer, but we couldn't post answers in public because that would take away our residual incentives. And anyway, I'm not convinced in the "wisdom of crowds" for anything beyond general knowledge. It doesn't work for domain specific stuff.

Title: Co-Founder Potts Shares Lessons Learned from Backfence Bust

Company: Backfence

Hyper-local is really hard. Don't kid yourself. You don't just open the doors and hit critical mass. We knew that from the jump. It takes a lot of work to build a community. Look carefully at most hyper-local sites and see just how much posting is really being done, especially by members of the community as opposed to be the sites' operators. Anybody who's run a hyper-local site will tell you that it takes a couple of years just to get to a point where you've truly got a vibrant online community. It takes even longer to turn that into a viable business. Unfortunately, for a variety of reasons, Backfence was unable to sustain itself long enough to reach that point.

Title: What an Entrepreneur Learned from His Failed Startup (Interview)

Company: Sedna Wireless

Finances were just one part of the story. The other part was that we failed to execute our own plans. Both external factors (e.g. the hardware ecosystem in India) and internal reasons (e.g. the expertise of the team) played a role. With money it would have lasted a bit more longer.

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