

# Sustainability of Startups

**Presented By**

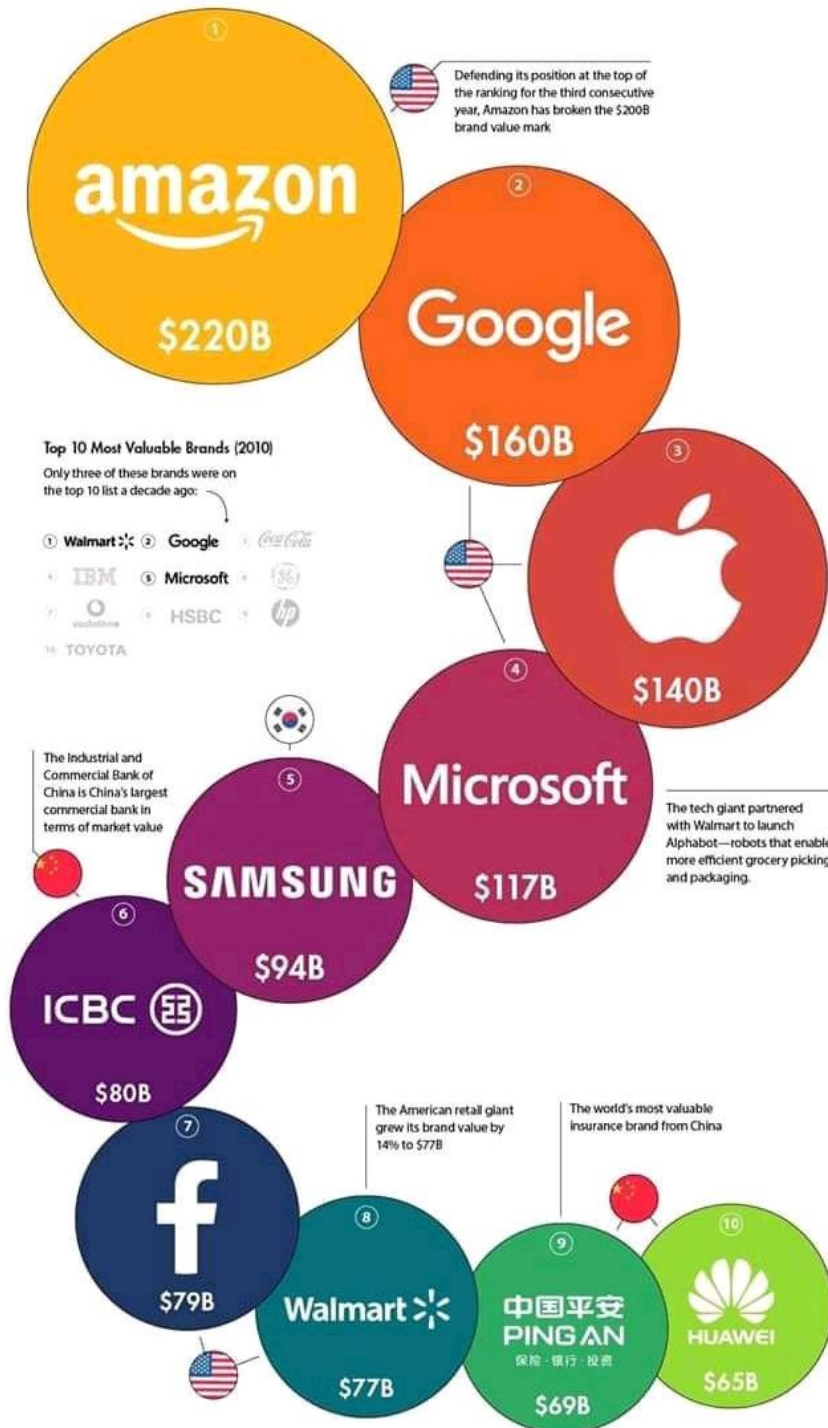
**Md. Kamruzzaman Didar**

Assistant Professor & Head

Department of Innovation & Entrepreneurship

Daffodil International University





# Most valuable Brand in 2020

# Top Startups To Work For In 2019 According To LinkedIn



# Next Billion-Dollar Startups 2019

Source: Forbes

**CHAINALYSIS**

**CONTRAST SECURITY**

**CYBEREASON**

**DAVE**

**DIVVY**

**DUOLINGO**

**FIGMA**

**FAIRE**

**FRONT**

## Startup Ecosystem in Bangladesh

The current **Startup ecosystem of the country is valued at 1.45 billion** with a potential to reach 10-billion-dollar valuation in 2025.

These startups have created one hundred and fifty thousand jobs and seven hundred indirect jobs currently.

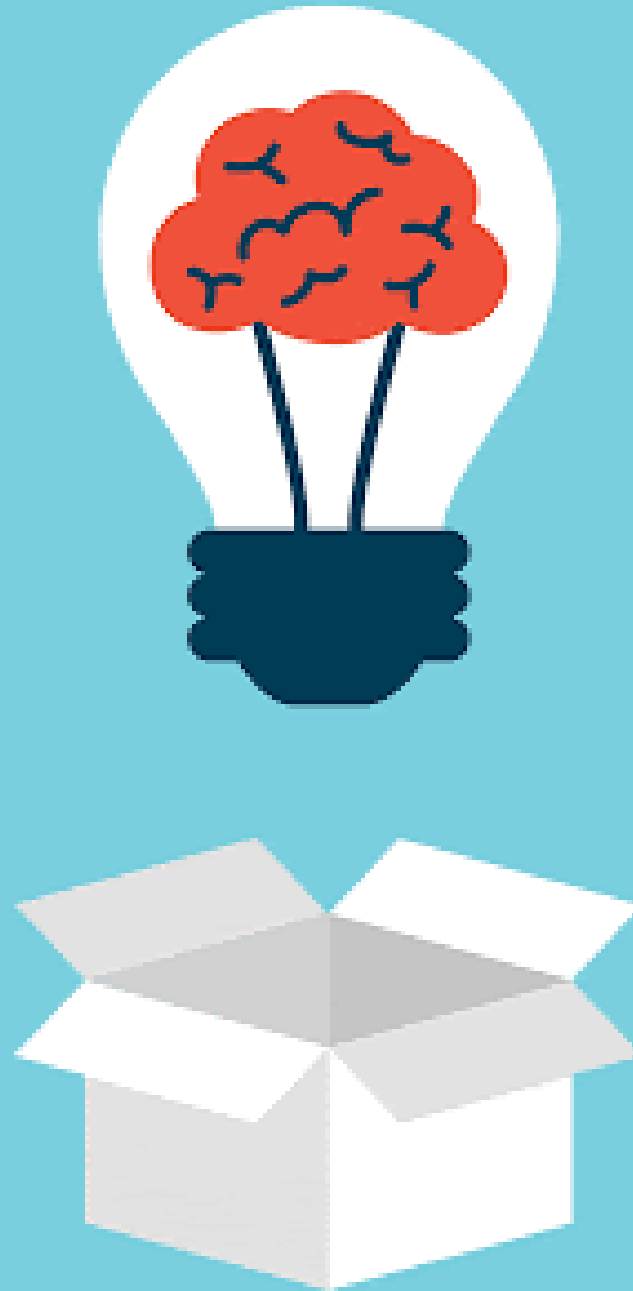
The vision envisions taking direct employment to 1.0 million and indirect employment to 5.0 million by 2025.

Being Entrepreneur  
**You should...?**

VIDEO

A person wearing a bright blue hooded jacket and brown pants stands on the peak of a rocky mountain. Their arms are outstretched horizontally, palms facing down. The background features a vast, hazy landscape with rolling hills and a sky filled with soft, white clouds. The overall mood is one of adventure and freedom.

**ARE YOU A  
RISK TAKER?**



**Out of  
the Box  
Thinking**





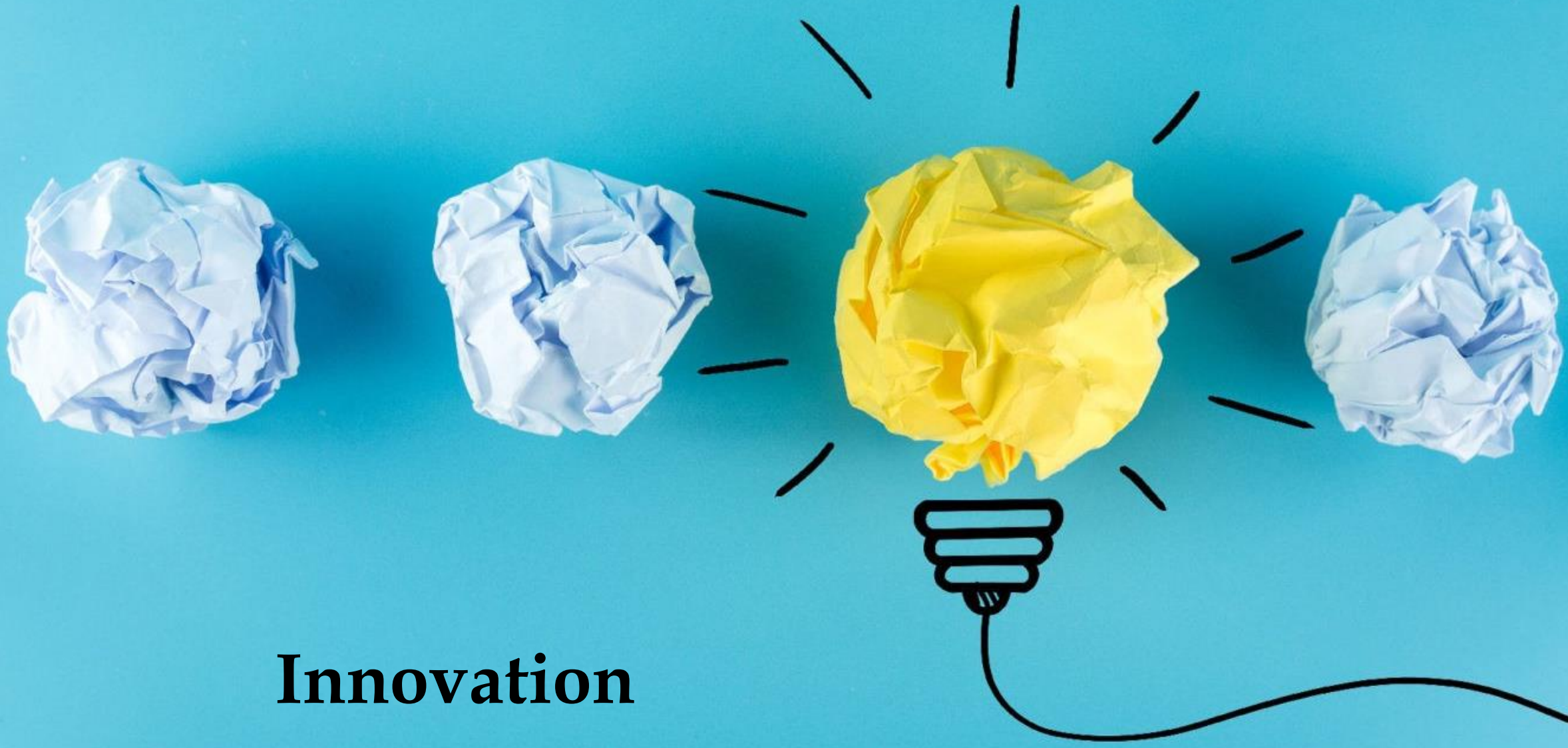
**Leadership  
Capability**

A green rectangular road sign with rounded corners and a white border, mounted on a wooden post. The sign features the word "Responsibility" in a large, white, sans-serif font. The background is a bright blue sky with scattered white clouds. The sign is tilted slightly to the right.

**Responsibility**

DREAMS  
DON'T WORK  
UNLESS YOU DO





**Innovation**



Use Technology

~~Wish.~~

Do.



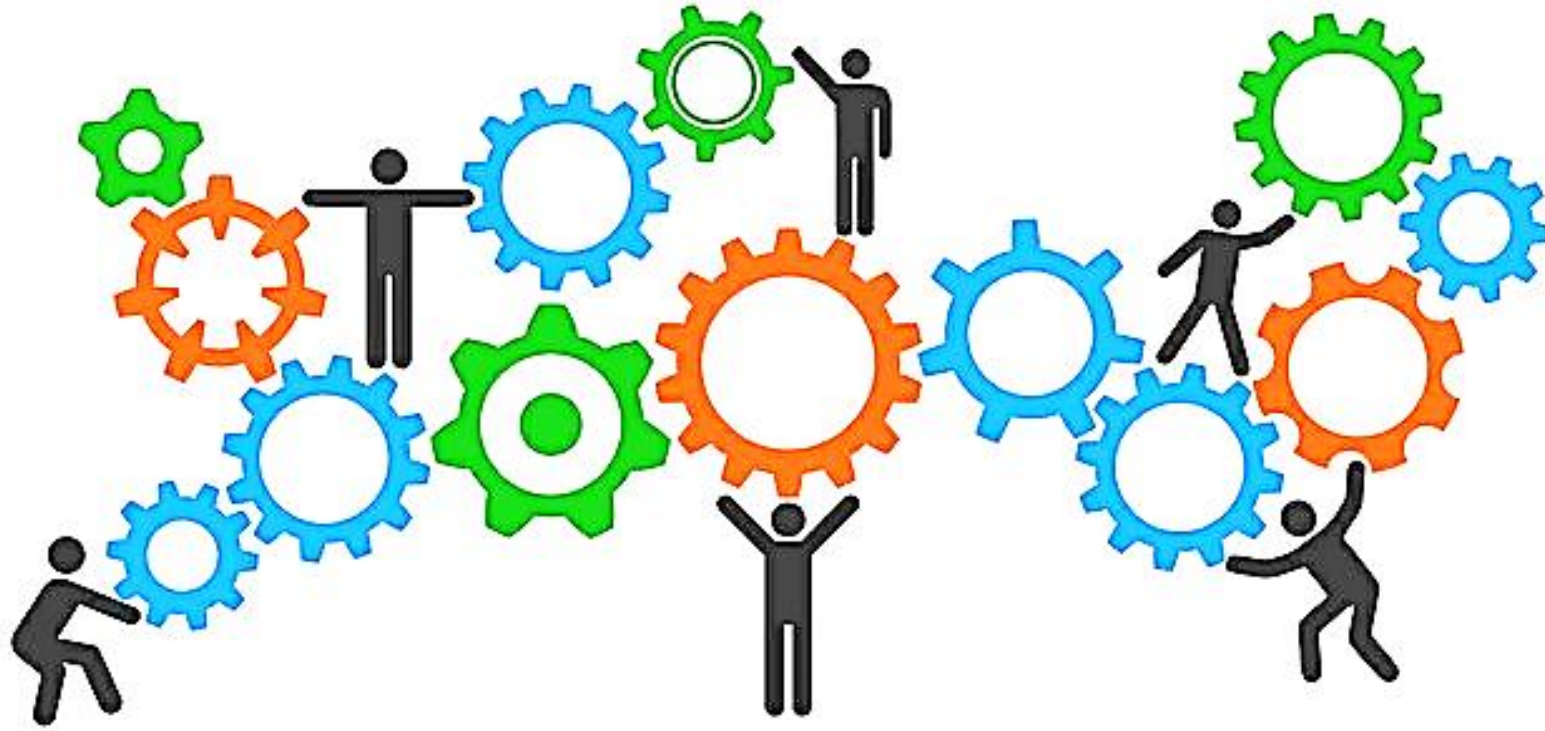
TAKE NOTE







**Focus**



**Partnership**

COMMITMENT



**Financial Crisis**



**Time  
Segmentation**

**How to Sustain?**

# The Great Mystery

WHY DO SOME SUCCEED?

WHY DO SOME NOT?

We've all met people who worked very hard to make a business succeed and yet it failed. We've also met people who did seemingly everything wrong and yet they succeeded. Hard work is a necessary component but it is not the entire story.



8 in 10  
Startups  
Fail in the  
First 5 yrs

# The 6 Heuristic Categories

STARTUP HEURISTICS

THE FUNDAMENTAL CRITERIA

START HERE

There are 6 fundamental criteria to consider when developing a startup concept. Every new idea should be considered from this starting point.





# Customer Criteria



## WHAT'S A GOOD CUSTOMER?

The ideal customer has an unmet need or desire. The size of this market should match your ability to compete and ability to deliver justify solving the problem. Validate you can control means of customer acquisition along the way.



**BIG MARKET STRATEGY**  
PURSUE LARGE MARKETS



**BIG FISH STRATEGY**  
PURSUE QUIET NICHES

**UNMET NEED OR DESIRE**  
Unsatisfied Customer Desire

**RIGHT-SIZE MARKET OR SEGMENT**  
Need to Segment? Too Niche?

**RELIABLE ACCESS TO CUSTOMERS**  
Diversified Channels? Gatekeepers?



# Product Criteria



## WHAT'S A GOOD PRODUCT?

A good product will be a direct **response to a customer need or desire**. If the value is well articulated and the customer is passionate about your new solution, the reason to buy will be compelling. Consider deterrents also – are their high switch costs and is the solution easy to use and understand?

**CUSTOMER FOCUSED SOLUTION**  
Solves Unmet Need or Desire?

**LOW BARRIERS TO ADOPTION**  
Low Switch Cost, Usability

**CLEAR VALUE PROPOSITION**  
Compelling Reason to Buy

# Timing Criteria



## WHAT IS GOOD TIMING?

Every market has a natural lifecycle driven by innovation and circumstance. Look for new demand or interest in something that wasn't possible just a couple years ago. Be a "fast follower" into a validated emerging market rather than speculating on new opportunity.

**RECENT INNOVATION ENABLER**  
Was it Possible 2-5 Years Ago?

**DEMAND ALREADY ESTABLISHED**  
Build It & They Might Not Come!

# Competition Criteria



## GOOD COMPETITIVE LANDSCAPE?

Avoid being **marginalized** by excessive undifferentiated competition. That drives margin compression, **commoditization** and market consolidation. Look for inefficient markets where there's still 'play' and find ways to develop a sustainable competitive advantage.

**CLEAR MARKET INEFFICIENCY**  
Stagnant or Fragmented Market

**LOW BARRIERS TO ENTRY**  
Easy & Cheap to Compete?

**DIFFERENTIABLE POSITION**  
Something Special or Different?

# Financial Criteria



## GOOD FINANCIAL PROFILE?

Look for opportunities to maximize returns without excess capital risk. Look for opportunities to start cheap and to realize higher margins through focused efforts and economies of scale. Avoid locking up too much capital.

**LOW SUNK COSTS**  
Up Front Capital at Risk?

**WORKING CAPITAL FLOAT**  
Gap Between Payable/Receivables

**ECONOMIES OF SCALE**  
Margins Increase With Volume?

# Team Fit & Fitness Criteria



## WHAT'S GOOD TEAM FIT?

Just because an opportunity exists, doesn't mean your team is likely to succeed. Are you fit to compete? Does your team have a **competitive advantage**? Do you possess deep knowledge, technical skills to deliver, & access to key partners and resources?

**SUBJECT MATTER EXPERTISE**  
Deep Knowledge of Market?

**FUNCTIONAL COMPETENCE**  
Technical Skills to Deliver

**SUPPLIER PARTNERSHIPS**  
Access to Materials at Good Cost

**Thank You**