COURSE 04: STARTUPS: KEY SUCCESS/FAILURES

DETERMINANTS OF STARTUP SUCCESS

Start-Ups Founder/Co-Founder Motivation: the start-up's founders have strong motivation to set up a start-up. the motivation is a change in energy in a person which is characterized by the emergence of strong enthusiasm and is preceded by a response to the existence of a situation or goal. Start-up founders acknowledged that their concern for the social and environmental problems they encountered drive their strong motivation to establish a start-up.

Start-Up Founders'/Co-Founders' Experience :The ability to observe and identify social and environmental problems needs to be complemented with sufficient entrepreneurship experience so that the problems identified can be transformed into business opportunities. the competency to transform social and environmental problems into business opportunities is acquired through certain experiences in doing relevant business.

Market Response: A sound understanding of the characteristics of the target market is very important in product design and manufacture. Product trials in the local market are needed to find out the market response. Start-ups must be able to analyze existing problems and come up with ideas to provide solutions to these problems. One approach that can be applied by start-ups to address identified problems is design thinking method.

Design Thinking: there are five stages in applying design thinking, namely empathize, define, ideate, prototype, and test stages. Design thinking is applied to stimulate a way of thinking that inspires the emergence of new innovations in dealing with problems. When the market response is different from what is expected, empathy is needed to be able to understand what a potential customer or user needs. The development of empathy in design thinking is needed to properly identify who

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the target of the start-up design is, what their problems are and how to solve their problems. Observing what and how they do something, as well as how they interact will provide insights and clues as to what they really think and feel. After gaining understanding of market desires and problems to be addressed, start-ups then need to formulate some solution ideas to overcome these problems. These ideas must be validated first. Start-ups generally create prototype of the solutions they want to offer. This prototype is then used as a testing tool to find out whether the market really needs the solution offerred or not.

Product Co-Creation: To implement all the plans and strategies that have been designed, the right marketing tactics are needed. One component of marketing tactics is the marketing mix. The marketing mix in this digital era has shifted from the original 4P to 4C. There is one element in the marketing mix that has a very significant influence on the success of start-ups in realizing opportunities from social and environmental problems, namely product co-creation. Besides delivering useful products/services to consumers, start-ups also aim to provide solutions to consumers' problems. Start-ups work in collaboration with their customers to create products with a higher value that meet target-market expectations.

REASONS OF STARTUP FAILURE

-The most common cause of failure is the no need of product. The founder of the startup is firmly convinced of the originality and innovativeness of the product and if it comes to production without prior analysis of customer segments, the product may not find the right feedback from consumers. Startup will not help great technology, excellent data on customer buying behaviour, expertise of team members if it does not address the current market need.

- Another serious reason for failure is the lack of capital. Money and time are limited not only in startups, but their prudent distribution is important.

- The third most important reason for a startup failure is to build the wrong team. A diverse team with different experiences has often been cited as critical to overall

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success. The founders are aware of the missing or inadequately assembled team. When starting a business, the founder is confident and do not feel the need to share their initial enthusiasm with other team members, but over time, with increasing activities, tasks and roles will be misaligned.

- Poor marketing may also be an interesting factor. Knowing your customer segment, reaching out to it and delivering the right product is one of the most important skills of a successful startup. Know-how to attract attention and turn non-customers into customers. The cause of the failure occurred when startup was unable to launch its product. The founders did not use the idea of proper product promotion.

- Burnout is often a serious problem. The work-life balance cannot be overlooked indefinitely. Being able to respond correctly in a dead end, reorienting your mind from loss to profits is considered equally important for success or prevention of burnout. It is in this situation that we can draw attention to the necessity of the tam, given the possible division of competences, which would largely prevent burnout.

- An important cause of failure can be attributed to founders who are looking into their product and unwillingly receive product feedback and criticism. It is essential to realize who the product is, whether it is the founder or the consumer. Without accepting customer feedback, startup can hardly think of success in the industry. The founder may not be willing to publish a prototype for several reasons, for example is not sufficiently prepared or is concerned about competition. But without first introducing the product, the founder will never know the response and feedback from customers.

- The last most common factor of startup failure may be incorrect timing. Some startups launch products when the right technology is not yet available. It may be fatal for a startup to come up with a product that is not ready for the market or customers. It is essential to capture the right moment to launch the product.

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