

SELF MANAGEMENT AND TIME ORGANIZATION

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SELF MANAGEMENT

New entrepreneurs or new starters?

For several years now, the term start-up has entered the common jargon and is very often used improperly. Many times we read or hear expressions such as "I have opened a start-up" "I have started a start-up" but is it always correct to use this term? Or could we also say "I started a new business"?

Startups refer to new business initiatives, which therefore have some common characteristics with the company, but differ from it in other aspects. The word startup is also often used improperly to indicate the startup phase of a new business.

But every company has its own start-up phase, that is, that moment of the first phase of the company's life in which organizational processes and economic investments are defined.

Therefore, starting from the concept that every start-up is a business but not all companies are start-ups, let's take a closer look at what are the characteristics of these two business organizations.

What is a business?

A business is a professionally organized economic activity for the purpose of producing or exchanging goods or services.

What is a start-up?

An innovative start-up can be defined as a joint-stock company, "also established in a cooperative form, whose stocks or shares representing the share capital are not listed on a regulated market or on a multilateral trading system", which possesses specific requirements analytically indicated by the same rule and which, above all, has as its "exclusive or prevailing corporate purpose, the development, production and marketing of innovative products or services with high technological value".

Start-up definition according to experts

There is no univocal meaning of start-up and therefore not even an official and shared definition of it... Therefore, we will start from the definitions provided by some of the most authoritative experts in the sector, Paul Graham, Steve Blank and Eric Ries.

Paul Graham is an entrepreneur, author and software developer. In the post "Startup =Growth" he states:

"A startup is a company designed to grow fast. Being a newly founded company does not make a company a start-up. It is necessary for a startup to work in the technology sector, or be financed by a venture capital fund, or provide some kind of "exit" [such as the possibility for initial investors to monetize their investment by selling the company on the stock exchange] . The only essential characteristic of a startup is growth. Everything else we associate with a start-up stems from growth. "

This is followed by the definition of start-up by Steve Blank, entrepreneur and author of the best seller "The Start-up Owner's Manual":

"A start-up is a temporary organization used to look for a repeatable and scalable business model."

Here is the definition of start-up by Eric Ries, entrepreneur and author of the best seller "The Lean Start-up":

"A start-up is a human organization designed to create a new product or service under conditions of extreme uncertainty."

What is a start-up and when can it be considered such?

As can be seen from the definitions of the three experts, the meaning of start-up is very variable and "subjective", however, there are constant characteristics.

By speculating on the same definitions, we can say that a start-up is any type of newly established or existing company that:

- intends to create a product or service with a high innovative content;
- is looking for a market to serve in order to have rapid and sustainable growth;

- presents a profitable and fully scalable business model;
- it faces uncertainty, competition and a limited time to establish itself.

What is the difference between business and start-up?

The main difference between a start-up and a company is that the start-up has as its object an innovative project (therefore not yet on the market) and scalable (that is, replicable in ever larger dimensions, with increasing profits). These characteristics are not typical of the traditional company.

As emerges from the universally recognized definition of Steve Blank, scalability is a characteristic and indispensable element of start-ups.

The launch of a non-scalable entrepreneurial activity, such as the opening of a restaurant for example, does not therefore coincide with the creation of a start-up but of a traditional business.

A start-up is therefore a recent, new and innovative organization, which aims to become a large company, thanks to a scalable and repeatable business model.

How to create a start-up from scratch?

Here are 10 points to follow:

Why do you want to open a start-up

Focus on what your mission and vision are.

Find a business idea

What will the next market trend be? Identify the most promising technology or innovation and anticipate its adoption or application.

Do you know a problem that doesn't have a solution yet? Most start-ups were created to solve a problem felt by people. You can be the first to come up with a solution.

Do you know any company that could offer a better service? It could be you who bring the change they can't anticipate. Nokia believed that cell phones were only useful for making phonecalls, while Steve Jobs dared to challenge this belief by introducing the iPhone.

Is there anything that can be done more effectively, quickly or economically? Doubt what you are used to do at your job and think of practical solutions to old, expensive and slow processes.

Validate the idea

One of the most important steps in the early stages of creating a start-up is the validation of the idea.

Validating an idea means confirming that the latter actually has the potential to generate profit and become a real company.

The method to follow can be divided into two parts:

- validation of the client-problem couple;
- validation of the solution.

Analyze the market

How big is the market share you want to sell your solution to? The growth of your start-up depends on this.

If you don't want to thwart your efforts, avoid making the following common mistakes:

- Using only secondary searches, already carried out by others, without generating new data through primary searches;
- Use only online resources, thinking that everything that can be useful to you is only on Internet.

At the end of this activity you know with certainty that:

- your start-up business idea has potential;
- there is someone who needs your intuition;
- the market is large and the competitors are badly positioned.

Make a prototype and collect feedback

Now you can proceed with the creation of a first prototype, or rather a Minimum Viable Product.

This is a different process from the more traditional one to open any company, because to create a start-up:

- first a prototype is created;
- subsequently feedback is obtained;
- finally, improvements are made on the basis of the latter, before producing the next prototype.

Repeating these three actions leads to a rapid product or service development.

Not to mention that it allows you to constantly optimize the business model, minimizing business risk.

Remember, while analyzing feedback, to:

- not get attached to your idea;
- listen and carefully analyze any judgments;
- identify patterns.

At the end of this activity you will have collected several parameters that justify the creation of your start-up.

Create a business plan

A Business Plan is a description that summarizes how your company will evolve over time, from the beginning to the creation of the final product.

Here's what this document should contain:

- Executive Summary;
- Business Description;
- Market strategies;
- Competitor analysis;
- Design and development plan;
- Operational and management plan;
- Financial factors;
- Team.

Create a team

Surround yourself with people who share your values and who have the skills you need for the early stages of your product.

Create your product (MVP)

To proceed with the opening and creation of your start-up, build a Minimum Viable Product.

The MVP is essentially the first functional version of the product that has the basic features that will be expanded and improved over time.

In full start-up spirit, this phase must also be done by spending as little as possible and taking little time.

There are several methods to ensure this happens and we list them all in this definitive guide on the Minimum Viable Product.

In a nutshell, we try to minimize the complexity of developing a solution, for example by using various free tools for creating a site and thus avoiding relying on a software house.

Go to market

Here are four principles to always keep in mind:

- Listen to your customers and pay close attention to what they really need.
- Ask for a commitment, even a small one, without being intrusive. You cannot expect to sell a € 10,000 service through an email.
- Don't despair if someone says "no". Better to save time and focus on other customers.
- Selling is your priority. Don't get distracted by so-called vanity metrics - the most important thing is the conversions and sales you generate.

Grow!