HOW NOT TO CRASH A STARTUP

Avoid mistakes made by 90% of founders

DQventures.com

The crew at *DQventures* have founded more than 20 businesses, with exits up to $85m.

We've learned things that work and others that don't, through decades of trial and error:

...launching
...investing
...failing
...succeeding

We're going to keep sharing what we know.

WE BELIEVE

In reality, the world is **full** of founders.

Most of them just haven't started yet because they're stuck in jobs that pay their rent.

Our mission is to help these people unlock their potential.

For starters, here's a basic outline of how we think about launching startups.

- DISCOVERY
- PLANNING
- TRACTION
- FUNDING

Can it help you de-risk **your** entrepreneurial journey?

If so, this is just the beginning...

Here's our process:

DE-RISKING THE STARTUP JOURNEY

STEP

1

Fall in love with the problem, not the solution.

Most of our founders are at idea-stage. Many don't have a deck or business plan.

We ask them to complete a "lean canvas" to map out the problem, solution, distribution and other core elements of the business.

STEP

2

ASK: why is this problem worth solving?

How big is this problem? Why will someone pay to solve it? How much will they pay?

How are people solving this currently (not just with technology)? Finally, why don't existing solutions *cut the mustard*?

STEP

3

Identify jobs-to-be-done and ideal customer profile.

There are different ways to think about users, but we like a combination of personas and JTBD.

Who suffers most from the problem you've identified? What job are they trying to get done? How will they overcome the inertia of adopting and paying for a new tool/solution?

STEP

4

Focus on distribution before product.

If there is one factor that separates successful startups from unsuccessful ones, it's distribution, A.K.A. *sales*.

How are you going to get your solution out there? How do you know this will work? *What's your unique insight or advantage?*

STEP

5

Get out there and talk to people.

This is the part many founders skip. (Perhaps they're reluctant to share their idea before it's "ready" or afraid of being told it won't work.) **Don't skip this.**

Talk to between 30 and 50 people who match your ICP. Don't ask leading questions. Learn how they behave and experience the problem.

STEP

6

Define a business objective and what's needed to get there.

Once you're *sure* this problem is worth solving you need to define a plan. What's the goal: idea validation? First revenue? Covering overheads? Paying a salary? Hiring a team? Raising money?

Define what you need to produce (products, proof, revenue, etc) and what metrics to track.

STEP

7

Map out the first few months of operation.

How much time do you have for this and what resources are available?
Can you keep working?

How can you cut corners or automate?
Who else can help and how?

STEP

8

Define how to capitalise the business.

How will you cover *initial costs*? Self-fund? Raise from friends and family? Get sponsored by your employer? Access non-dilutive capital?

Is there room for a blended model, where you can earn-as-you-learn, perhaps by selling a service, like consulting or something else?

STEP

9

Create your story: either for raising money or for sales.

If you need capital to get started, *forget VCs*. It's all about you, your story and your network.

You have no traction so raise small from friends and family, based on reputation and narrative.

This will be core to your initial sales pitch too.

STEP

10

Advance user interviews into a sales pipeline.

Never stop interviewing potential customers.

Capture names and email addresses of people who match your ICP. Write to them, interview them, involve them, appoint them "advisors".

These are your first customers, so keep notes.

STEP

11

Build out awareness, audience and community.

How do you reach more ICPs? Where do they hang out, what problems do they have, and what questions can you help them answer?

This is your content strategy. Be helpful. Post on social media. Contribute to online forums, groups and media publications.

STEP

12

Define and build towards "minimum viable traction".

We think less about *product* and more about *traction*. What proof do we need to generate to reach our objectives?

This can vary but wherever possible it should lead to revenue. It could also be registrations, pre-sales, signing LOIs, building clickable demos, or an MVPm or a waitlist.

STEP

13

Start building an investor community.

Connect with investors who engage with you online or are active in your space. Ask if you can add them to your email list, keep them updated and invite feedback.

These are the people you'll start with if you decide to raise capital for your startup.

STEP

14

Create a deck, business plan, investor list and data room.

Raising a funding round is a full-time job, so work out how you can keep the business moving while you're raising.

Build relationships but also build a list. Don't be afraid to reach out cold. Fundraising is sales - it's a numbers game that relies on a *good hook*.

STEP

15

Find a "lead investor" then close quickly.

Be ready with documents and a data room. Meanwhile, keep talking to customers and keep building momentum.

Funding can take >6 months, if it happens at all. Plan to bootstrap and think of funding as an accelerant.

Do this, and we believe you can dramatically improve your chances of launching successfully.

WHAT NEXT?

As DQ co-founds companies with senior professionals around the world, we'll continue to share our learnings.

We hope to inspire *thousands* more entrepreneurs, aiding them to build their own businesses in a way that's affordable, sustainable and avoids unnecessary risk.

If this sounds like you, or you know a frustrated professional, who's dying to work for themselves, please get in touch, or follow us on LinkedIn.

Thank you!

dqventures.com/apply