

SCALING STARTUPS..THE CHALLENGES, PITFALLS AND STRATEGIES.

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Agenda..

- ⦿ The DNA of a Startup..
- ⦿ The Environmental challenges..
- ⦿ Of Bootstraps and garages..
- ⦿ Handcuffs and Shackles..
- ⦿ The mind of an Entrepreneur..
- ⦿ Pitfalls to avoid..
- ⦿ Handholding and moving ahead..
- ⦿ Conclusions..

The Startup DNA...

- ⦿ Most Conceived in coffee shops..
- ⦿ Driven by passion and a concept..
- ⦿ A loose conglomerate of friends..
- ⦿ Funded by self, friends and relatives..
- ⦿ With one or few customers in mind..
- ⦿ An offering which is grey or a me too..
- ⦿ With very little planning and think through..
- ⦿ Ever changing plans and Business Models..
- ⦿ And almost no thought on Operationalization..

The Environmental Challenges..

- ⦿ The Truth hurts..
- ⦿ The Loan sharks circle..
- ⦿ The complexities of compliances..
- ⦿ Of low bank balances and morale..
- ⦿ The nexus and entry barriers..
- ⦿ Planning ahead without a road..
- ⦿ Infrastructure deficits..
- ⦿ Lack of confidantes...

Of Bootstraps and Garages..

- ◎ Ignore the surroundings..
- ◎ Focus on the basics and must haves..
- ◎ Cash is King and rationing..
- ◎ One and a half team members and counting..
- ◎ There is no Business without revenues..
- ◎ Don't cut your nose to spite your face..
- ◎ Separate the wishes from Reality..
- ◎ Let energy and enthusiasm loose..

Handcuffs & Shackles..

- ⦿ The Handicaps are here to stay..
- ⦿ The Perception and Credibility Handicap..
- ⦿ The Product and Offering Handicap..
- ⦿ The Price and Revenue Handicap..
- ⦿ The supplier equation Handicap..
- ⦿ The Process Handicaps..
- ⦿ The People and Quality handicap..
- ⦿ The Market awareness and competitive handicap..
- ⦿ The Financing Handicap..

The Mind of an Entrepreneur..

- ⦿ Most of them believe they know the business..
- ⦿ Too close to the action and miss the woods for the trees..
- ⦿ Need to see action and traction drives behavior..
- ⦿ Lack of perspective as exposure is limited..
- ⦿ Sees himself or herself as a Martyr or Hero..
- ⦿ Passion largely overshadows logic..
- ⦿ Don't see the role of a team in success in the early days..
- ⦿ Propensity to live by the day than think ahead..
- ⦿ Managing relationships and people takes a backseat..

Pitfalls to Avoid..

- ⦿ The Profitability syndrome..
- ⦿ The Here and now fallacy..
- ⦿ All battles have to be won..
- ⦿ The Cost cutting paradox..
- ⦿ The control fixation..
- ⦿ Benchmarking against the giants..
- ⦿ The efficiency mindset..
- ⦿ Stretch without capability..

Handholding & Moving ahead..

- ⦿ Focus on Cash Flows in the early days..
- ⦿ Plan ahead to ensure ability to fund growth..
- ⦿ Put in processes which are scalable..
- ⦿ Ensure tracking and monitoring of key metrics..
- ⦿ Quality people are worth their weight in gold..
- ⦿ Share the spoils of success, or commit to do so..
- ⦿ Focus on being effective before being efficient..
- ⦿ Top line drives the bottom line, not vice versa..
- ⦿ Ensure Compliance ; cost of rectification could hurt..
- ⦿ Most important to deliver on commitment for credibility..
- ⦿ Seek synergies and support constantly..

Conclusions..

- ⦿ Scaling a startup is a balancing act..
- ⦿ Strategy and thinking ahead is key..
- ⦿ Process and People investments a must..
- ⦿ Setting the pace and drive is a given..
- ⦿ Cash Flows drive the ability to grow..
- ⦿ Pricing and credit terms are critical..
- ⦿ Vision and a desire to succeed essential..
- ⦿ Keep a vigil for Regulations and Compliance..
- ⦿ Focus on teeth to tail ratio..
- ⦿ Ensure Cash breakevens within 24 months..

THANK YOU..