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# Start-up strategies may decide the fate of your business

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**ABSTRACT**

This is a Research Study under which the review of information collected from various secondary data sources is done to analyze the importance of start-up strategies while entering in to new venture specially keeping in mind the first generation entrepreneurs. In this study innovative approaches while starting an entrepreneurship are studied. Emphasis is given to inform to readers that choosing and implementing the right strategy is vital for a venture's survival. Two fundamental strategies and six

Key Words
First generation Entrepreneur, strategies, entrepreneurship, Start-up venture

A business is only as good as the revenue it creates and the profit that produces. What is the most important thing about running a business? Not starting it but to keep it running. Every aspiring entrepreneur must make sure that they have thought through every aspect of a business before starting the journey. Businesses are so multi-faceted. Choosing and implementing the right strategy is vital for a venture's survival.

“Strategy” the term is often used in business but it is dimly understood. And to make matters worse, big company strategy is not the same as startup strategy. Choosing and implementing the right strategy is vital for a venture's survival. For big companies, the goal is to maximize return on shareholders' investment. New ventures face huge odds in trying to avoid perishing and they lack the cash to pay suppliers' bills and to compensate workers what their labor is worth.

Every aspiring entrepreneur have people who depend upon them, it is all the more important that they plan their business out before they jump in.

While many beginners think to be sensible and realistic and try to focus on one business , but some first generation entrepreneurs think to run multiple micro-businesses.

**Meaning of Start-up ventures:**

Being a startup enterprise , an entrepreneur tries to come up to being a large business or to fail and move on to another opportunity.

Eric Ries is a Silicon Valley entrepreneur and author recognized for pioneering the lean startup movement, a new-business strategy sums it up pretty well in his definition of a startup:

A startup is a ***human institution*** designed to ***deliver a new product or service*** under **conditions of *extreme uncertainty***

The most important part of this definition is what it **omits**. It has nothing to do with:

- the **size** of the company
- the **sector** of the economy
- the **industry** in which one operates

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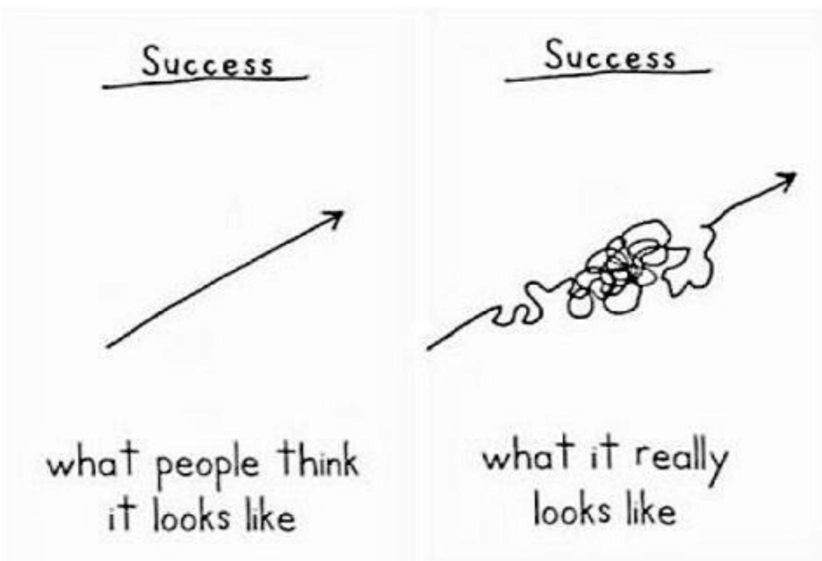
The goal of the startup is to figure out the right thing to build (as quickly as possible) which customers want and are willing to pay for.

People often tend to lose sight of the fact that a startup is not just about a product, a technological breakthrough, or even a brilliant idea. A startup is greater than the sum of its parts with learning being the essential unit of progress. From a perceptive insight, it is a human enterprise.

Now, when does this human enterprise cease to exist as a startup?




As you can see there is no fine demarcation line which places the ideology of a startup on one side and a full-fledged business entity on the other. These factors vary accordingly depending on:

1. The industry one is referring to
2. The goals of the founders
3. The metrics used to evaluate the profitability or market share[1]

**Two fundamental strategic choices:**

**Choosing where to compete :** The idea is to pick an industry that is big, growing fast, profitable and likely to remain so..

**Deciding how to win the selected market:** Two basic strategies work here:

- **Differentiation** undertaken by a company that gives customers more of what they want, thus boosting their willingness to pay (think) or
- **Serving as a low-cost producer** whereby the enterprise charges the lowest price in an industry (such as McDonald's).

[1] https://www.quora.com

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A startup has a different goal and therefore must make different strategic choices. New ventures face huge odds in trying to avoid perishing and they lack the cash to pay suppliers' bills and to compensate workers what their labor is worth.

President of Peter S. Cohan & Associates Mr. Peter Cohan interviewed more than 200 entrepreneurs, he come to the conclusion that making the following six decisions in the right way can help boost a startup's odds of success.

1. **Pick goals.** The right mission can inspire terrific talent. Talented person like to work with a new venture having well defined and SMART goals
2. **Choose markets.** The venture could theoretically sell its product to anyone in any market. An entrepreneur should pick a market about which he or she feels deep passion and that is big enough to help the firm become a multi- million company even if the founder only receives 10 percent of it.
3. **Raise capital.** An entrepreneur needs money to pay suppliers and employees but also wants to maintain control of the venture. To keep control, a company can borrow until it has proved that customers will pay for its product.
4. **Select a team.** The entrepreneur can't do everything **--** so he or she needs to hire and motivate high level talent. The talent will join if the entrepreneur has already built successful startups and provides an emotionally compelling mission.
5. **Obtain market share.** Potential *c*ustomers don't want to buy from a company that's probably going to fail in six months. To overcome this problem and gain market share, the startup should do two things:

    i. Find a customer who has pain that has no cure and
    ii. Deliver the cure at a price that makes the product irresistible –

6. **Respond to change.** Once customers buy the product in droves, the entrepreneur should be kicked upstairs to monitor changing customer needs, new technologies and figure out additional products to build and fresh markets to conquer.

**Quantum value leap : Think of it and implement**

Finding a customer who has pain that has no cure and deliver the cure at a price that makes the product irresistible is called as a "quantum value leap". Example of Akamai Technologies, a Cambridge, Mass.-based provider of services that speed up the Internet, does this by boosting its customers' revenues. Walmart is one of its client, found that customers are more likely to buy online if the pages load in less than two seconds. Akamai's quantum value leap lies in delivering web pages faster, thus boosting its customers' ecommerce revenue. By continuing to invest in technology that speeds content delivery as technology evolves such as the growing use of smart handheld devices and the cloud Akamai has adapted to change thereby maintaining its industry lead.

**Impact of Social Media**

Social media is so powerful that it is definitely worth getting involved in, but can never be too forced. Budding entrepreneurs need to engage with it, and then people will start engaging with them. It shouldn't be used as a 'sell sell sell' tool, but rather a way to express what an enterprise is about, company's brand values and entrepreneur's world. That's what people want to see.

Without a strategy, an entrepreneur might miss the chance to go where we see the most of successful enterprises.