

**Critical factors that lead start-ups
to succeed beyond three years**

Introduction



In the present growing and competitive business world, a great idea alone is insufficient for a start-up to attain success.



To succeed in the current market saturated with various products and services, start-ups must stand out by utilising different strategies and tools.



This presentation discusses the critical factors that lead start-ups to succeed beyond three years.

Definition and characteristics of start-up



- The term "start-up" refers to any enterprise in its early stages of operation.

Common characteristics typically associated with start-ups.

- Innovation: A start-up is typically founded based on a new idea or innovation, a new product, service, or business model.
- Growth: Start-ups typically focus on rapid expansion to quickly expand their customer base and market share.
- Risk: Start-ups usually affiliated with risk often operate in new and untested markets and may not have a clear path to profitability (Barringer, 2019).

Importance of long-term success

- Around 20% of start-ups fail in their first year worldwide, and 50% do not survive during their first five years, according to Luisa Zhou's research in 2022.
-

Long-term success is vital for start-ups for many reasons, including:

- Financial stability is critical to investing in growth, paying employees, and surviving economic downturns.
- Employee satisfaction: provide employees with job security and a sense of future, increasing motivation.
- Customer loyalty: Customers are more likely to be loyal to successful start-ups for reliable products and services.
- Brand reputation: Strong brand reputation attracting customers and investors.



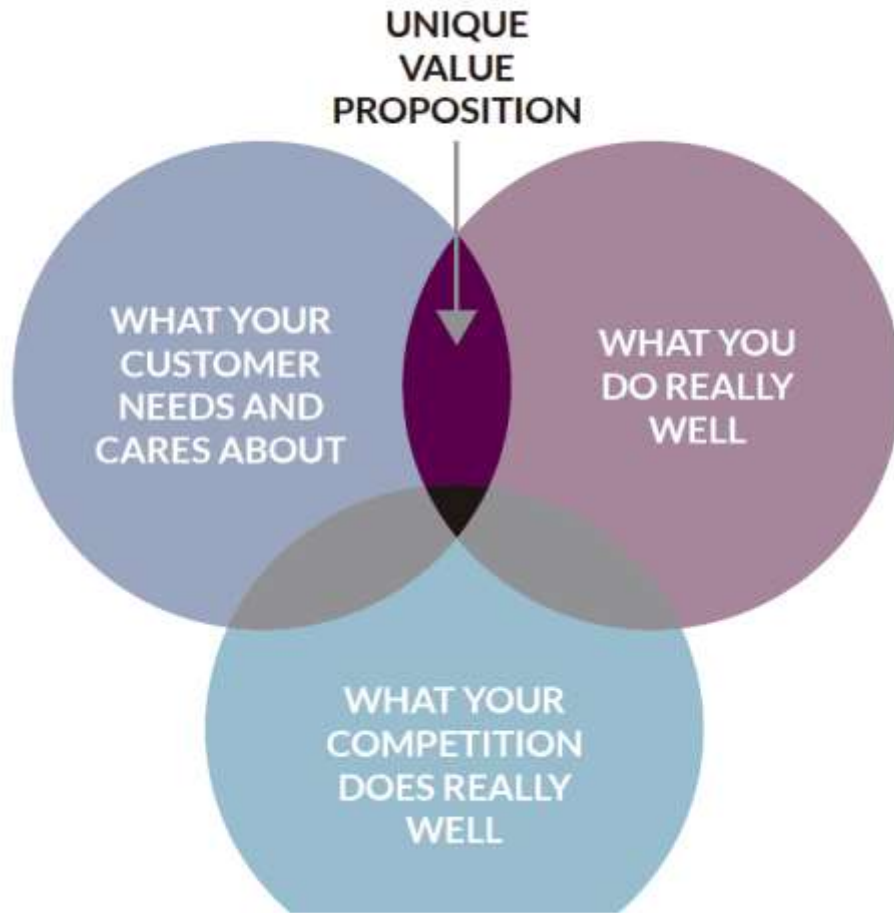
- According to Beauhurst, in 2023, the UK is one of the top countries in the world for nurturing over 50 successful unicorn start-ups (reaching a valuation of \$1 billion).
- Due to strong economic growth, government support, favourable regulations, a highly skilled workforce, and a robust tech ecosystem, the UK start-up market is expected to grow by 20% in 2023 and to be worth £100 billion by 2025.
- For example, Revolut, since 2018, has achieved long-run success by offering digital banking solutions where their valuation, as per current analysis, reached over 1.2 billion dollars.

UK Market analysis and identification



Source: (O'Hear, 2018)

Unique value proposition



- Crafting a strong, unique value proposition UVP is an essential tool for any start-up; entrepreneurs must invest time and effort in developing it for enterprise success.
- According to Omniconvert (2023), a unique value proposition (UVP) is a statement that explains why a particular business or product is unique and why customers should choose you over your competitors.
- A Unique Value Proposition (UVP) should be concise, transparent, credible, differentiating, and benefit-driven. An effective UVP can attract customers, differentiate from competitors, boost sales, and build brand awareness.

Strong leadership and team

- According to Harvard Business Review (2021), effective leadership is essential for business success in the fast-paced and rapidly changing world of start-ups.
- Every start-up needs efficient leaders who can set clear vision and strategy and communicate effectively with their team's short-term and long-term vision.
- According to Forbes (2022), a survey was conducted among 30 CEOs of innovative start-ups at the World Economic Forum. The study identified as essential - the strong leadership traits, critical practices, and habits crucial in business's growth, where vision takes - 32%, patience and tenacity take - 23%, and authenticity and self-awareness - 13%.



Source : (Forbes 2022)

Partnering with established businesses

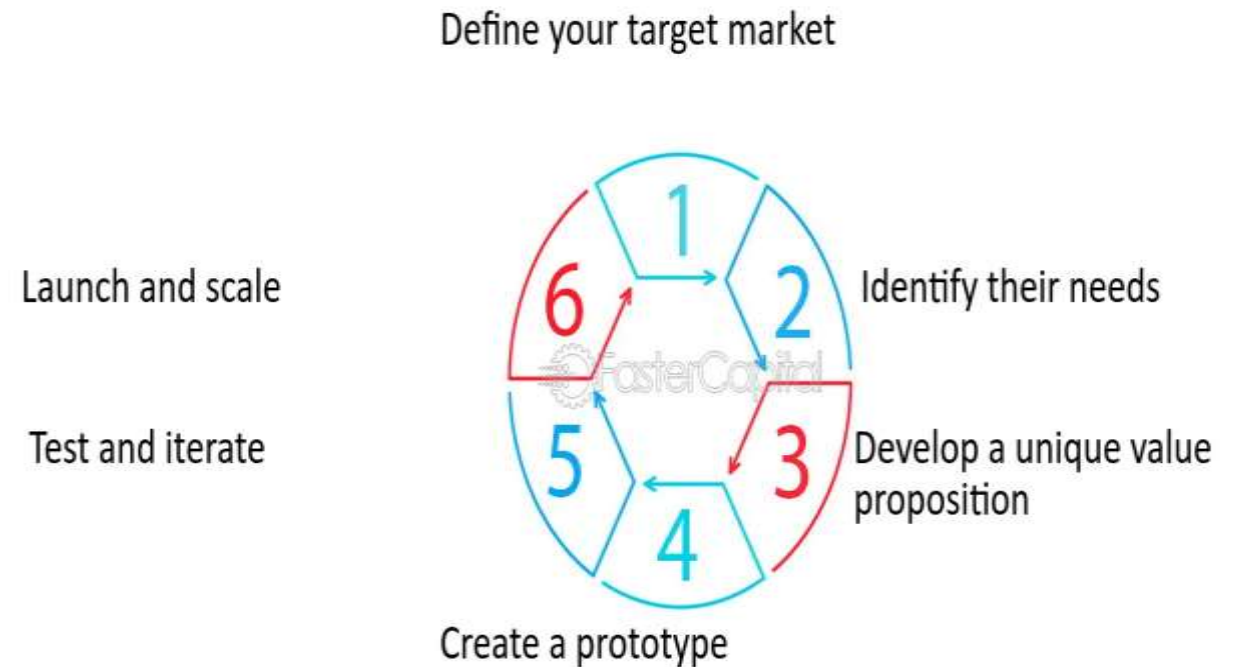
- One of the effective strategies for start-ups is to form partnerships or collaborate with established enterprises.
- Partnering with established enterprises can provide start-ups access to new customers, increase their brand awareness and credibility, share resources, and provide joint marketing and sales opportunities.



Financial planning and management

- Effective financial management and planning are crucial for a start-up to succeed and remain operational.
- For start-ups, effective cost management is essential.
- Each start-up must set spending priorities, pinpoint areas for cost-cutting, and bargain with suppliers for advantageous terms.
- As per Ecotech Solutions (2023), by developing a thorough budget and financial forecast, Ecotech Solutions, a start-up focused on eco-friendly products, can ensure long-term viability.

How to drive growth through product innovation



Source : (Fastercapital 2023)

Innovation and adaptability

- Innovation and adaptability are essential for a start-up to succeed over three years.
- As per URBACT (2023), a UK-based start-up called "TechRevolution" can guarantee long-term viability by encouraging a culture of constant innovation.
- They should conduct market research to find new trends and customer needs so they can modify their goods and services accordingly.
- They can react quickly to changes in the market by adopting an agile approach.



IT partnerships and collaborations

- Over three years, IT alliances and partnerships can significantly boost the success of start-ups.
- As an illustration, DataTech can deliver cutting-edge and scalable solutions to its clients by partnering with technology providers and accessing advanced tools, software, and infrastructure.

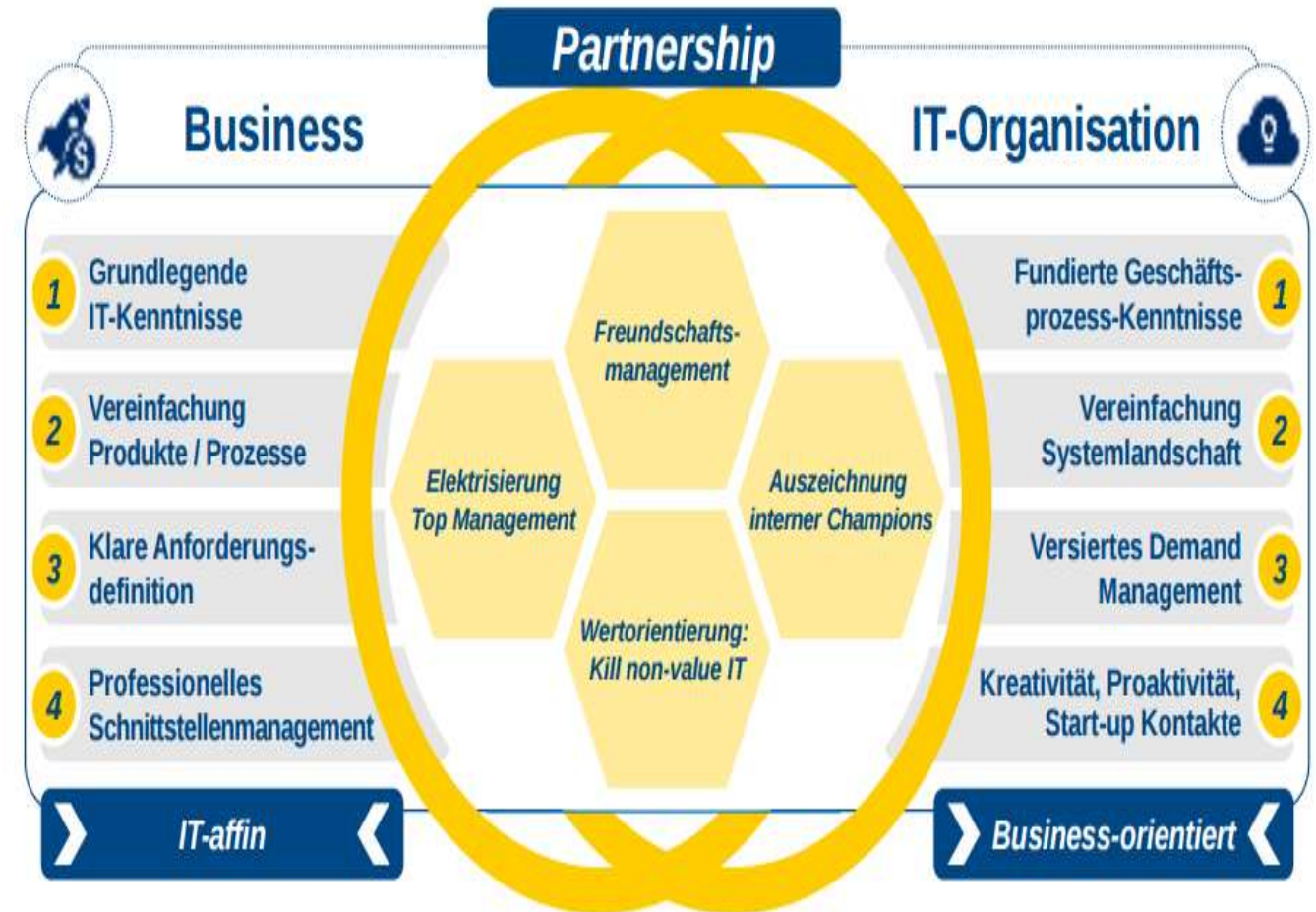
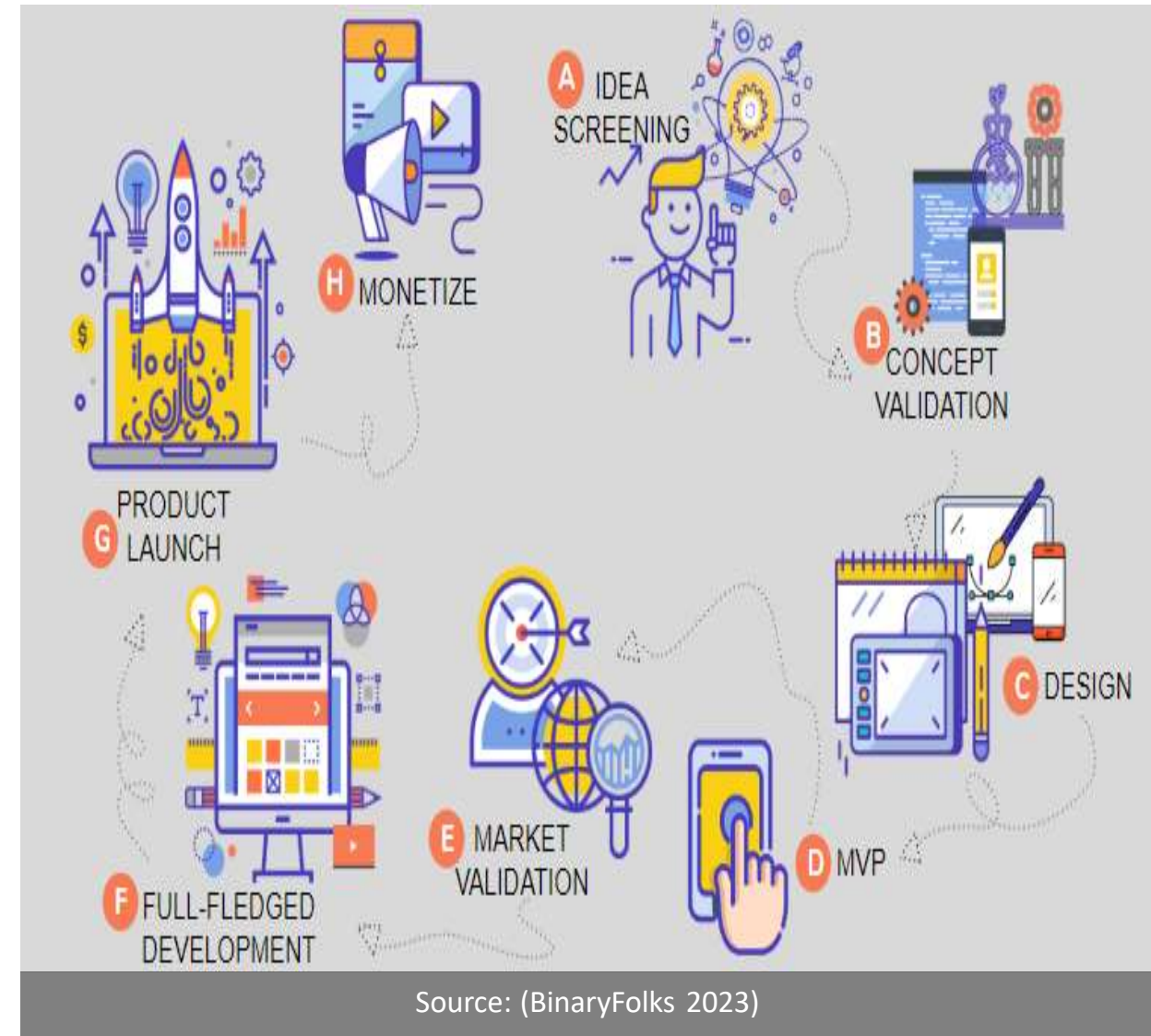


Abbildung: Der Business-IT Ehering

Source: (adlittle.com 2023)

Product development and improvement

- A start-up's growth and success depend on creating and improving its products.
- Start-ups can iterate and improve their products continuously by adopting an agile methodology.
- Ongoing analysis of competitor strategies and market trends helps start-ups stay ahead of the curve and modify their products to satisfy shifting consumer demands.





Effective marketing and branding

- Effective marketing and branding are essential for start-ups to succeed over three years.
- As per Business Insider (2018), Deliveroo, a start-up with roots in the UK and impressive success in the food delivery sector, is an example.
- The marketing and branding strategies that Deliveroo uses to great success.

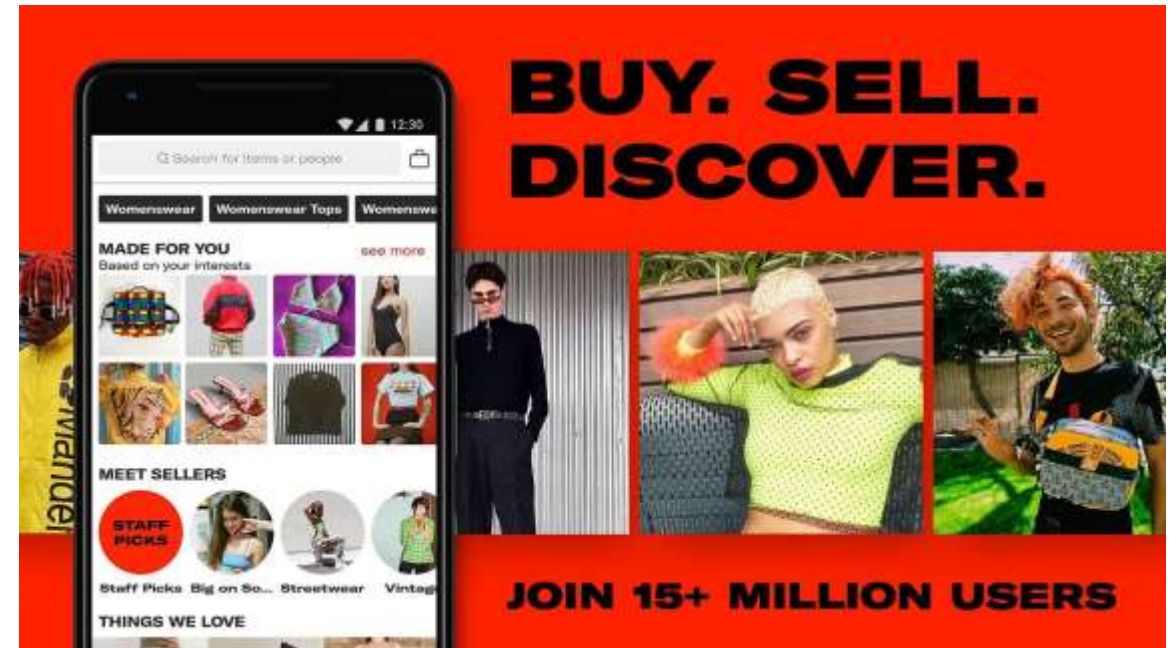
Legal consideration and regulatory compliance

- Over three years, a start-up's success depends on legal considerations and regulatory compliance.
- Regarding business registration, permits, and licenses, start-ups must abide by all applicable laws and regulations.
- Monzo, a fintech start-up headquartered in the UK, is a good example.
- As per FF News 2022), Focusing on legal compliance and regulatory requirements has been a critical factor in Monzo's success.



Consumer feedback and support

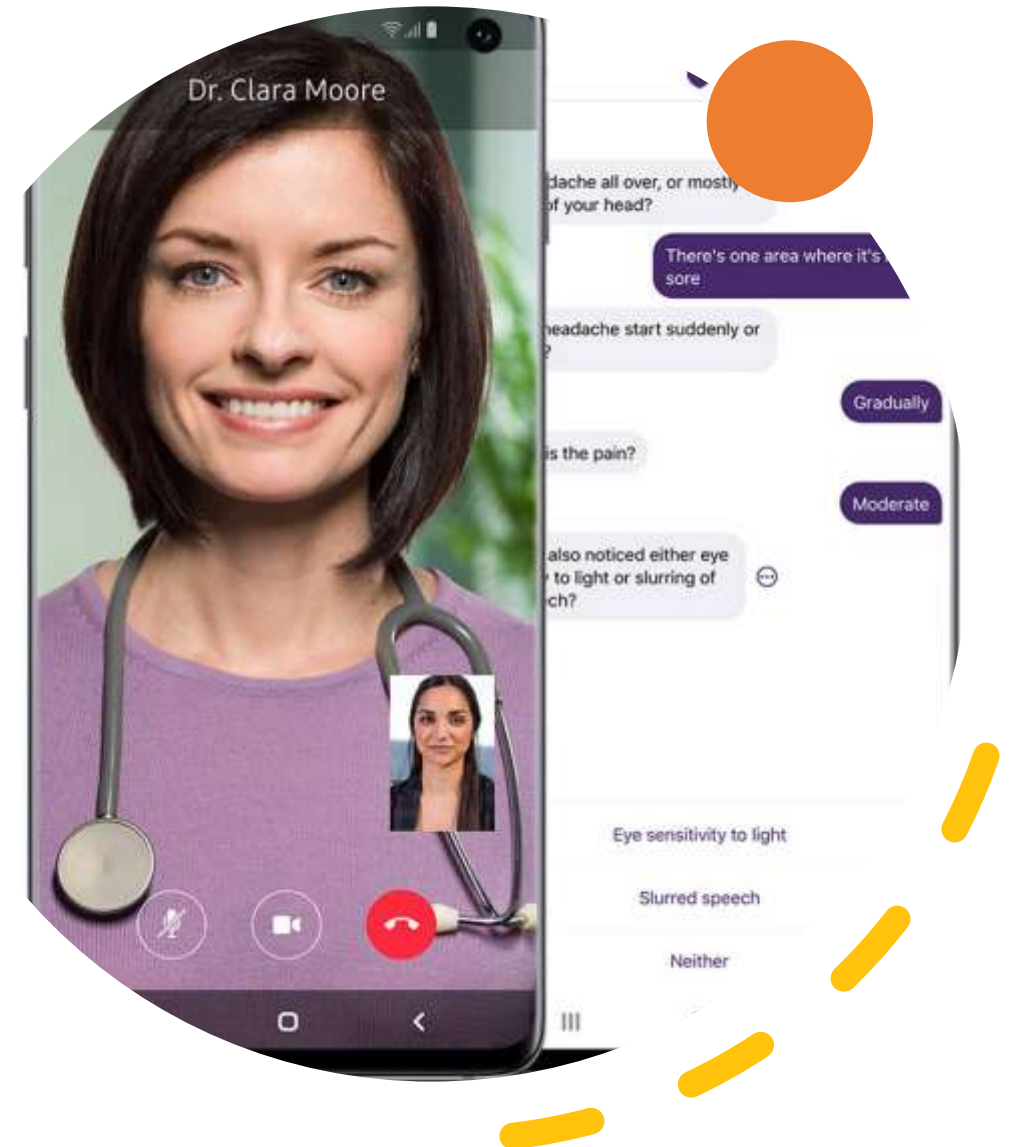
- For a start-up to succeed over a three-year period, customer feedback and support are essential.
- As an example of a business that has used customer feedback and support for success over three years, consider Depop, a UK-based start-up in the fashion resale industry.
- As per Staite (2023), Depop actively promotes user feedback through various channels, such as in-app ratings, reviews, and social media interactions.



Source: (Staite, 2023)

Continuous learning and adaption

- For a start-up to succeed over a three-year period, constant learning and adaptation are essential.
- The UK-based start-up in the healthcare technology industry Babylon Health is a good example.
- Continuous learning and adaptation are highly valued at Babylon Health.



Source: (Victoria News 2023)

Networking and industrial involvement

- A start-up's success over three years depends on networking and industrial involvement.
- A prime example is the artificial intelligence start-up DeepMind, based in the UK.
- Through partnerships with universities, business leaders, and other start-ups, DeepMind actively participates in networking and industry involvement.



Source: (Financial Times 2023)

Measuring Success and Overcoming Challenges

The screenshot displays the Wise website's money transfer interface. At the top, a banner states "TransferWise is now Wise. [Read more.](#)". The navigation bar includes the Wise logo, "Personal" and "Business" tabs, and links for "Money transfer", "Multi-currency account", "Help", "EN", "Log in", and "Register". The main heading reads "The cheap, fast way to send money abroad." Below this, a subtext says "Join over 10 million people who get the real exchange rate with Wise. We're on average 8x cheaper than leading UK high street banks." The central calculator shows a transfer from USD to PHP. The input is "You send 1,000 USD". The breakdown shows: "3.09 USD Bank debit (ACH) fee", "6.92 USD Our fee", and "10.01 USD Total fees". The result is "989.99 USD Amount we'll convert" and "48,620.00 PHP Guaranteed rate (42 hrs)". The output is "Recipient gets 48,133.31 PHP". At the bottom, it states "You could save vs banks 66.67 USD" and "Should arrive by Mar 11th". On the left, there are two icons: "Over 10 million customers Read on Trustpilot" and "FCA regulated Learn more".

Source: (RawsonRob 2023)

- Over three years, start-up growth depends on measuring success and overcoming obstacles.
- TransferWise, a fintech start-up headquartered in the UK, is a great example.
- As per Rawson Rob (2023), Key performance indicators (KPIs) used by TransferWise to gauge success include transaction volume, user satisfaction, and customer acquisition.
- They regularly analyse data to assess their progress and reach data-driven decisions.



Building strong organisational culture within the Start-up

- For a start-up to grow a cohesive and motivated team, it is essential to establish a solid organisational culture.
- Start-ups can achieve success over three years by fostering a sense of purpose and values among their team members.
- The UK-based fintech start-up Revolut prioritises an innovative, open, and cooperative culture.
- They promote creative thinking, idea sharing, and ownership of the work among staff members.



Conclusion

- In conclusion, many vital factors affect a start-up's success beyond the first three years.
- These include market analysis and identification.
- By comprehending and implementing these factors, start-ups can improve their chances of achieving sustainability and long-term success in the competitive business environment.

Conclusion



- A start up summary business plan includes the description of your products and services, the structure of your business, your target market, marketing strategy, funding requirements, financial projections, and licensing requirements, among others. It serves as a roadmap for your business.

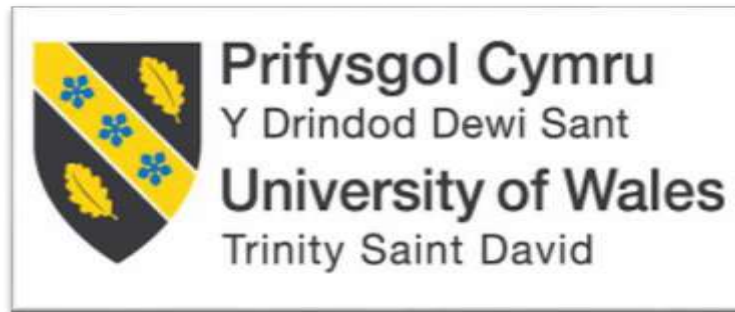
References

- Barringer. (2019). *Entrepreneurship: successfully launching new ventures* (Ireland, Ed.; Sixth edition, global edition., p. 1 online resource (617 pages) :). Pearson.
- Omniconvert (2023) *What is a UVP (unique value proposition)?*, Omniconvert. Available at: <https://www.omniconvert.com/what-is/uvp-unique-value-proposition/> (Accessed: 13 July 2023).
- Pereira, D. (2023) *Scalable business models*, *Business Model Analyst*. Available at: <https://businessmodelanalyst.com/scalable-business-models/> (Accessed: 13 July 2023).

References

- World Economic Forum (2022). What Makes A Great Startup Leader? *Forbes*. [online] 7 Feb. Available at: <https://www.forbes.com/sites/worldeconomicforum/2022/02/04/what-makes-a-great-startup-leader/?sh=675ec831422a> [Accessed 7 Aug. 2023].
- Zhou, L. (2022). *The Percentage of Businesses That Fail (Statistics & Failure Rates)*. [online] Luisa Zhou. Available at: <https://www.luisazhou.com/blog/businesses-that-fail/> [Accessed 7 Aug. 2023].





Reflective Report

***Group Presentation Topic: Critical factors that lead start-ups to
succeed beyond three years***

NAME OF STUDENT: AESHANI SANJAYKUMAR PATEL

STUDENT ID: 2218148

MODULE NAME: ENTREPRENEURSHIP (LCMB7004)

ASSIGNMENT TITLE: ASSESSMENT 2

Table of Contents

Reflection	3
Introduction to Purpose of Presentation	3
Contribution to the Presentation	3
Analysis of my Contribution	5
Suggestions for Improvement	5
Conclusion	5

Reflection

Introduction to Purpose of Presentation

To start with the experience of exhibiting a presentation on the selected area of Entrepreneurship i.e., **Critical factors that lead start-ups to succeed beyond three years**, I would like to

briefly provide a context on the purpose of the same. As per my innate learning experience and understanding, the purpose of making the presentation on ***Critical factors that lead start-ups to succeed beyond three years*** was to equip us with ideas of the Business process. In depth understanding of the topic have resulted me to excavate deeper into the world of effective

acquisition of skills, attitudes and knowledge to improve employee performance. Additionally, the objective of the presentation was to enable our apprehensive power in the areas of talent

management and development. Such meticulous course of study has motivated me to seek future **Contribution to the Presentation** human resource management leadership roles.

Each of the members in the team has to play different roles to make the presentation a successful one. I played diverse role in this group activity to make the presentation a successful one. I provided my inputs in the areas of research, presenting, collaboration, writing and editing the presentation. As a researcher, I was provided with the responsibility to engage in comprehensive investigation on the selected topic i.e., learning and development. To effectively conduct this responsibility, I kept I mid the guidelines offered in the assessment specification. It acted as a guide for me to explore my research skills and find relevant literature related to the topic. I followed and seek appropriate literature like research articles, books, journals, government and academic records for this presentation. Each start-up must decide which expenses are most important, identify potential cost-saving measures, and negotiate favorable terms with suppliers. A good financial plan keeps you focused and on track as the company grows, when new challenges arise, and when unexpected crises hit. It helps you communicate clearly with staff and investors, and build a modern, transparent business. It helps you to stay in control of your business & reduce unnecessary costs.

According to Ecotech Solutions (2023), a startup that specializes in eco-friendly products, long-term viability can be ensured by creating a comprehensive budget and financial plan.

A start-up needs to be innovative and flexible to succeed over the course of three years.

According to URBACT (2023), a start-up called "TechRevolution" with headquarters in the UK may ensure long-term success by fostering a culture of ongoing innovation. A tech startup is a company whose purpose is to bring technology products or services to market. These companies deliver new technology products or services or deliver existing technology products or services in new ways. They should carry out market research to identify emerging trends and client requirements so they can adjust their products and services accordingly. A minimum viable product, or MVP, is a product with enough features to attract early-adopter customers and validate a product idea early in the product development cycle. They may respond swiftly to market developments by using an agile strategy. The success of start-ups can be greatly increased over the course of three years through IT alliances and partnerships. When a business is open to

collaboration, it improves how employees work together internally and how they find solutions to problems externally. Effective collaboration in business also leads to increased success, innovative ideas, more efficient workflows, and improved internal and external communication.

As an example, DataTech can give its clients with cutting-edge and scalable solutions by collaborating with technology suppliers and having access to cutting-edge equipment, software, and infrastructure. The development and enhancement of a start-up's goods are crucial to its growth and success. By using an agile methodology, start-ups may continuously develop and enhance their products. Starting businesses can stay ahead of the curve and adapt their products to meet changing consumer wants by continuously. Start-ups need strong branding and marketing to succeed over the course of three years.

Business Insider (2018) cites Deliveroo as an example, a start-up with UK roots and notable success in the food delivery industry the highly effective marketing and branding techniques employed by Deliveroo. Deliveroo has made food ordering as simple as it could have been. Starting from the choice of food to the doorstep delivery of amazing food, Deliveroo takes care that every part of this process is done in a quality manner. Deliveroo's target market is consumers who live in cities; most of them are busy office workers and students. Deliveroo increased its revenues by 8.2% in 2022 to £1.9 billion.

Analysis of my Contribution

To analyse my contribution as a group member in the presentation, I would like to focus on both positive and negative takeaways. I have been able to counter my anxiety around public speaking and presenting through repeated practice. I also faced certain technical difficulties during preparing the presentation which I could remove with the help of my group members. I also have the habit of forgetting certain information all presenting matters; hence I have decided to write the key points that I am willing to presentation.

Suggestions for Improvement

Members of my groups have offered me constructive feedbacks at every level of creation. It has been able to up my performance level and contribute the best to the presentation. I have been able to work on my weaknesses that I have noticed during the tenure and work upon it.

Conclusion

My overall experience working on this presentation has been overwhelming. It has been an eye-opening experience to my judge own capabilities, skills, knowledge and attitude in complex situations. I have also experienced how it feels to work with diverse set of people with their own abilities, skills and weaknesses. I have also learnt to counter my anxiousness related to group presentation and public speaking skills. Such an experience will definitely help me in future endeavours.