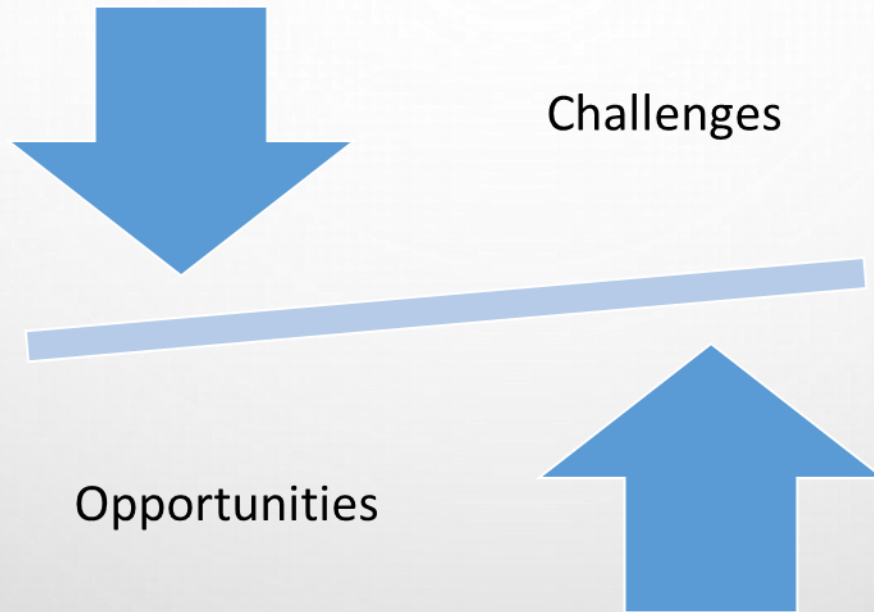


# START UP



**ROMESH SHARMA**  
**SIMPLIFLYERS SOLUTIONS**



J. No. 1984

"I'M THINKING OF STARTING A RELIGION.  
WHAT WOULD BE A REASONABLE INITIAL INVESTMENT?"

- GLOBAL SCENE LOCAL PERSPECTIVE
- DEFINING START UP
- MYTHS & REALITIES
- CHALLENGES & OPPORTUNITIES
- DOS & DON'TS
- TAKE AWAY



Steroid era of Start Ups  
is over – Keith Rabois

What already sounds  
horrible will go on to be  
terrible – Sam Hamadeh

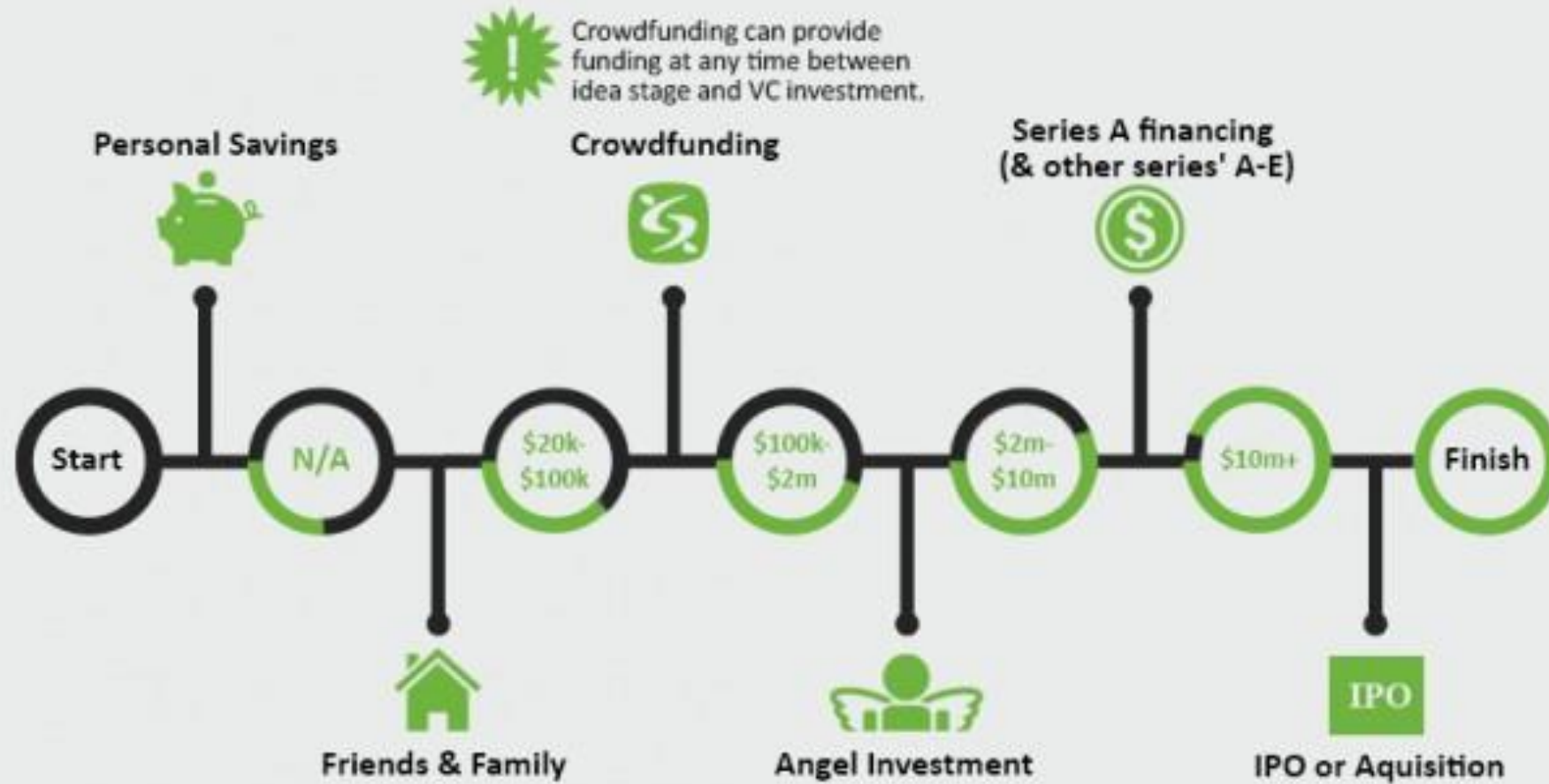
Square is the beginning  
of the end of the tech  
bubble – Sam Hamadeh

No bubble yet, but indiscipline will  
hurt startups – Padmasree Warrior

Indian start ups are global  
in nature – Emily Hubbell

Traction that used to take 12  
months is now happening in  
12 weeks – Anand Daniel

## THE FUNDING TIMELINE FOR STARTUPS





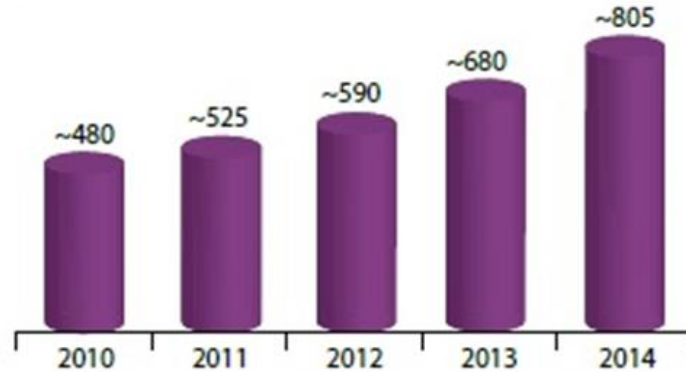
# Start-ups landscape: Young, diverse and inclusive

3,100+ start-ups in India; fastest growing community; 4th largest in the world

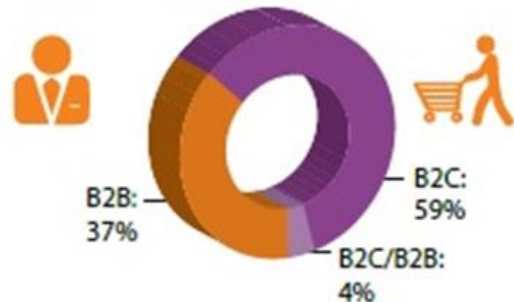
Tech. product/digital start-ups by key countries



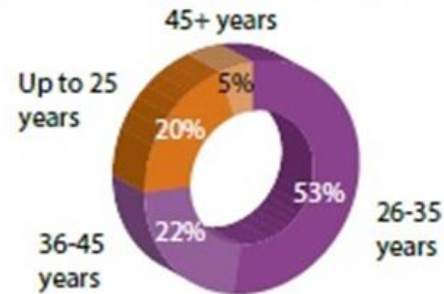
Technology product/start-ups by inception year: ~14 per cent y-o-y growth



Focus areas of start-ups



Age wise break up of start-up founders



Quick facts: Young, educated, entrepreneurial

~73% | Young founders (age <36 yrs)      ~52% | Postgraduate founders\*\*      ~58% | Young founders focused on B2C      ~6% | Women founders

Note:  
 \*\*Postgraduate Founders include those with ME/M.Tech/MS/MS/MCA, MBA, Other Masters and Doctoral degrees  
 Source: Microsoft Ventures, Zinnov product/digital start-up database, NASSCOM

# On Shaky Grounds

Co plans to scale down on all other verticals including listings and rentals

Housing closed its commercial properties, short stays and land biz two months ago

**200** Employees who were asked to leave at that time

## ADDITION TO TOP TEAM

**Mani Rangarajan**  
Chief Financial Officer

**Nandini Mehta**  
General counsel

**NIKHIL Rungta**  
Chief marketing officer

**Abhishek Hota**  
Chief of staff

Revamped its core business team

Post the ouster of founder CEO Rahul Yadav, co has...

Increased focus on revenue generation and building an ad biz





# FACTS IN NUMBERS

## STATISTICS IN LAST THREE MONTHS

MONTH NO.	AMT(\$M)	RANGE
AUG 97	1072	100K – 500M
SEPT 98	760	100K – 680M
OCT 103	254	77K – 50M

## VALUATIONS

- THERE WERE 39 UNICORNS IN NOV'13, NOW 82 IN US & 125 GLOBALLY.
- COMBINED VALUATION OF US UNICORNS ~ \$486 B
- UBER - \$51B = 4XM&S
- AIRBNB - \$25.5B
- SNAPCHAT - \$16B



## SOME MORE FACTS

- FIDELITY WROTE DOWN THEIR INVESTMENT IN SNAPCHAT BY 25% (VALUATION \$16B) & DROPBOX BY 31% (VALUATION IN 2014 \$10B)
- TWITTER IPO PRICE \$26 IN NOV'13; \$69 IN JAN'14 AND \$26 IN NOV'15
- OYOROOMS VALUATION HAS GONE FROM \$2M IN JUL'14 TO \$400M IN JUL'15
- SQUARE WAS VALUED \$6 B LAST YEAR, POST IPO THIS WEEK, ITS VALUATION IS \$2.9 B
- [HSBC JOINS ROYAL BANK OF SCOTLAND & MORGAN STANLEY IN SHUTTING PRIVATE BANKING IN INDIA DOWN](#)

## DEFINING START UP

- ITS ALL ABOUT CULTURE FOCUSED ON GROWTH, SPEED, AGILITY & FRUGALITY.
- NOBODY GIVES A DAMN ABOUT THE IDEA, HOWSOEVER NOBLE IT IS.
- EXECUTION EXCELLENCE IS ALL THAT MATTERS.
- SUSTAINABILITY COMES FROM PROFIT, NOT VALUATION.
- "YOUR GOAL SHOULDN'T BE TO BUY PLAYERS, YOUR GOAL SHOULD BE TO BUY WINS." – MONEYBALL

## MYTHS & REALITIES

- STATE OF BUSINESS
- EXCELLENT IDEA
- BE THE FIRST
- INVENT NOW
- CAN'T MAKE MONEY TILL YOU ARE BIG
- HURRY & WORRY
- STATE OF MINDSET
- EXCELLENT EXECUTION
- BE THE BEST
- INNOVATE CONTINUOUSLY & CONTINUALLY
- CAN'T BECOME BIG TILL YOU MAKE MONEY
- PREPARE TO PROCEED

## CHALLENGES & OPPORTUNITIES

- TIMELY HANDHOLDING
- CONFUSING ECOSYSTEM
- FEAR OF MISSING OUT
- BALANCING QUICK & FAR
- EFFICIENT / EFFECTIVE
- FEAR OF FAILURE
- LOCAL & GLOBAL MARKETS
- INTER-CONNECTED, INTER-DEPENDENT FLATTER WORLD
- SERVICE IS A LUXURY FOR MOST
- READY MONEY, EVEREADY TALENT



## DOS & DON'TS

- DON'T MULTIPLY BIG NUMBERS TO GET YOUR BUSINESS MODEL.
- [DON'T SCALE / MULTIPLY TOO SOON.](#)
- FOCUS ON EARLY DEVELOPMENT OF PROTOTYPE
- HIRE PEOPLE WHO COMPLIMENT AND SUPPLEMENTS YOUR SKILL SET ON EARLY DEVELOPMENT
- BE PARANOID ABOUT SIMPLIFICATION, FIT FOR PURPOSE



## Google's Rules

To engineer better managers, Google pored over performance reviews, feedback surveys and award nominations, correlating words and phrases as only a data-driven company like it can do. Here is an edited list of the directives it produced — in order of importance — as well as a few management pitfalls it found.

### Eight Good Behaviors

- 1. Be a good coach**
  - Provide specific, constructive feedback, balancing the negative and the positive.
  - Have regular one-on-ones, presenting solutions to problems tailored to your employees' specific strengths.
- 2. Empower your team and don't micromanage**
  - Balance giving freedom to your employees, while still being available for advice. Make "stretch" assignments to help the team tackle big problems.
- 3. Express interest in team members' success and personal well-being**
  - Get to know your employees as people, with lives outside of work.
  - Make new members of your team feel welcome and help ease their transition.
- 4. Don't be a sissy: Be productive and results-oriented**
  - Focus on what employees want the team to achieve and how they can help achieve it.
  - Help the team prioritize work and use seniority to remove roadblocks.
- 5. Be a good communicator and listen to your team**
  - Communication is two-way: you both listen and share information.
  - Hold all-hands meetings and be straightforward about the messages and goals of the team. Help the team connect the dots.
  - Encourage open dialogue and listen to the issues and concerns of your employees.
- 6. Help your employees with career development**
- 7. Have a clear vision and strategy for the team**
  - Even in the midst of turmoil, keep the team focused on goals and strategy.
  - Involve the team in setting and evolving the team's vision and making progress toward it.
- 8. Have key technical skills so you can help advise the team**
  - Roll up your sleeves and conduct work side by side with the team, when needed.
  - Understand the specific challenges of the work.

### Three Pitfalls of Managers

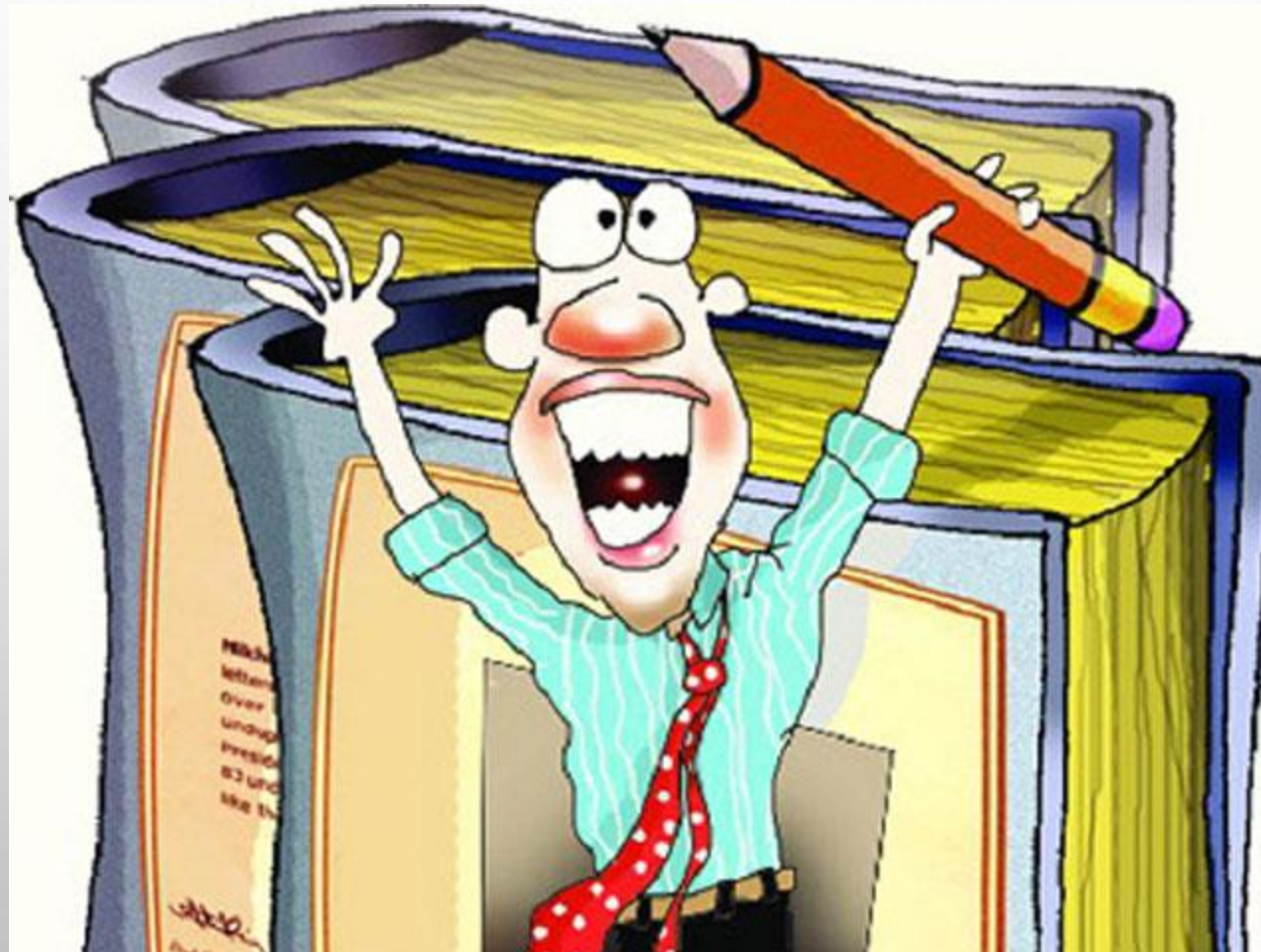
- 1. Have trouble making a transition to the team**
  - Sometimes, fantastic individual contributors are promoted to managers without the necessary skills to lead people.
  - People hired from outside the organization don't always understand the unique aspects of managing at Google.
- 2. Lack a consistent approach to performance management and career development**
  - Don't help employees understand how these work at Google and doesn't coach them on their options to develop and stretch.
  - Not proactive, waits for the employee to come to them.
- 3. Spend too little time managing and communicating**

## TAKE AWAY

ENTREPRENEURSHIP MAKES SENSE **ONLY**  
WHEN YOU JUST CAN'T NOT DO IT.



# IT'S ALL ABOUT MINDSET









*“Yes, that’s our bathroom. We’re a startup, so plumbing and running water is a luxury.”*



LIFE CAN BE  
SO AMAZING !



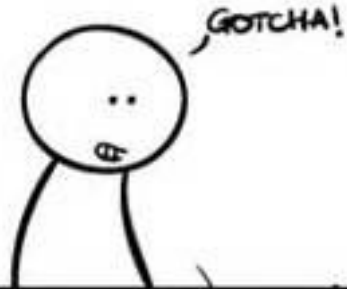
YOU WAIT AND  
WAIT AND WAIT BUT  
NOTHING EVER HAPPENS...



AND THEN, JUST WHEN  
YOU'RE ABOUT TO  
ABANDON ALL HOPE...



NOTHING HAPPENS  
AND YOU JUST  
WAIT SOME MORE !





Search: 70030561

“It looks as if you have all the ingredients to start a small business: no money, a job you’re about to be fired from, and a hare-brained idea.”



# Fast-Cycle Framework



## See The Big Picture



- Assess current reality
- Explore the future
- Identify strategic issues

## State Your Outcomes



- Define strategic priorities
- Shape winning strategies
- Make success measurable

## Practice Winning Behaviors



- Avoid self-deceit
- Know what it takes to win
- Foster feedback/ feedforward

## Understand Whole System



- Clarify system boundaries
- Define a common language
- Identify relevant components

## Create Leverage Point Plans



- Identify leverage points
- Prioritize leverage points
- Plan for fast, parallel actions

## Organize for Rapid Success



- Mobilize your stakeholders
- Secure required resources
- Define rules of engagement



## Orchestrate Parallel Actions



- Form an orchestration team
- Establish an action rhythm
- Facilitate feedback loops

## Improve While You Move



- Conduct after action reviews
- Monitor results and metrics
- Course correct quickly

## Lead The Transitions



- Start smartly
- Explore neutral zones
- Finish with finesse



# Obstacles / Principles

## Common OBSTACLES

## Success PRINCIPLES



Narrow Perspectives / Blind Spots

See The Big Picture

Reactive Short-Term Solutions

State Your Outcomes

Behavioral / Cultural Inertia

Practice Winning Behaviors



Underestimating What It Takes

Understand The Whole System

Striving for Perfect Plans

Create Leverage Point Plans

Obsolete Structures / Processes

Organize For Rapid Success



Lack of Alignment and Velocity

Orchestrate Parallel Actions

Failure to Learn / Course Correct

Improve While You Move

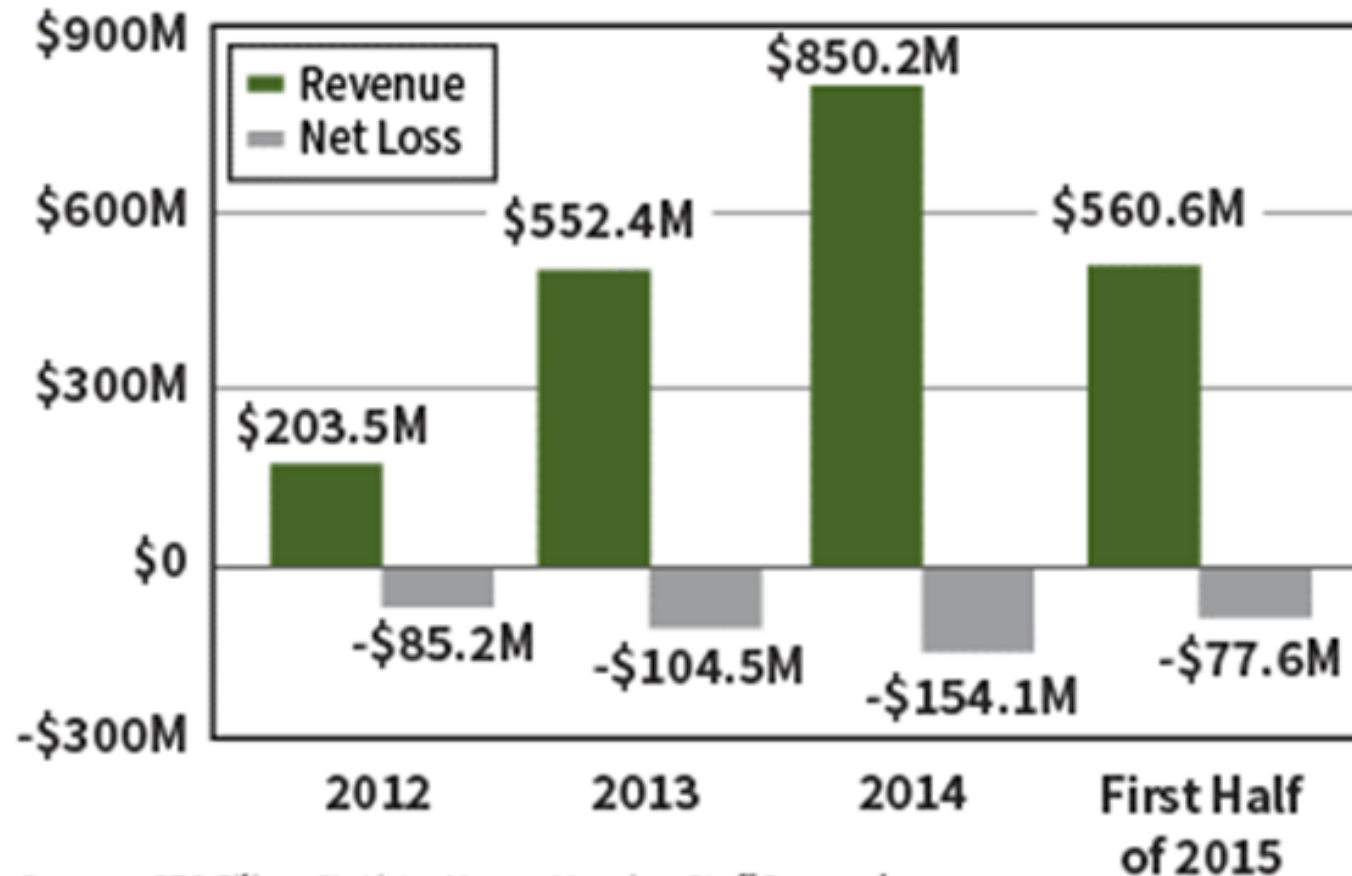
Beginning / Ending Things Poorly

Lead The Transitions



## Square's Revenue and Net Loss

From 2013 to 2014, revenue grew 54% while net losses increased by 47.5%. Here's how both metrics have trended since 2012:



Sources: SEC Filing, Statista, Money Morning Staff Research

