
THE DECLINE AND FALL OF A TECH STARTUP

Bilkent University
Oct 2020

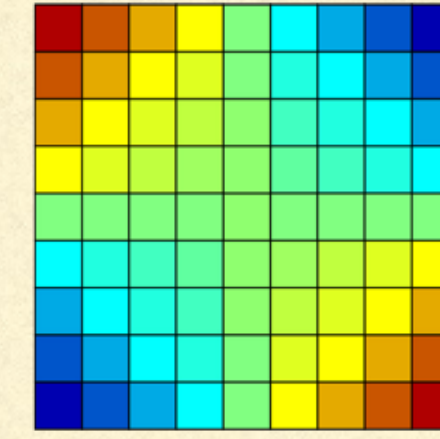


Sarp Ulas

ABOUT PRESENTER

Currently leading novit.ai

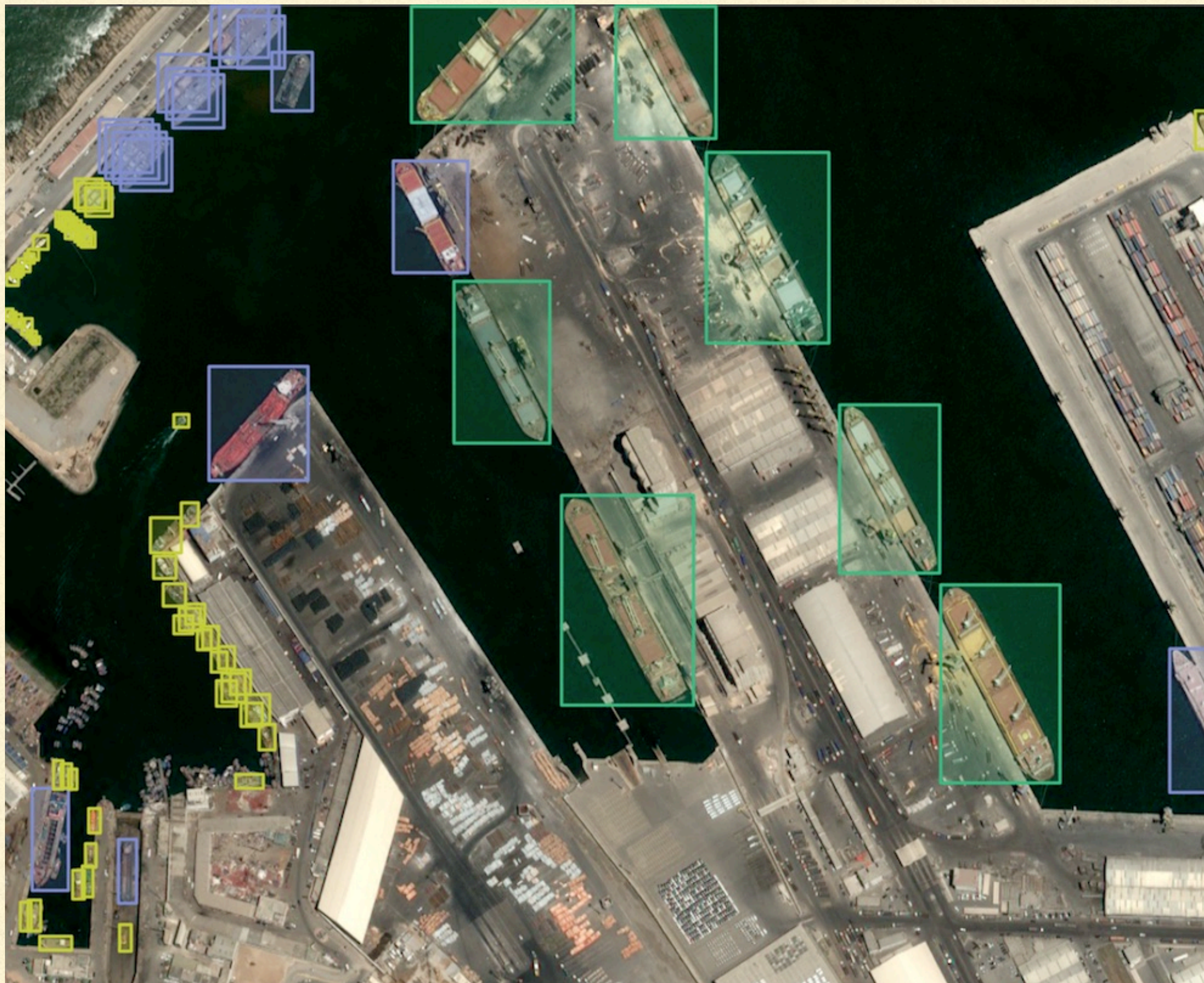
Bilkent University BSc Computer Engineering (2010)
University of Warwick MSc Electronics Engineering (2011)
University of Oxford MBA (2016)



NOVIT.AI



CURRENT WORK



- Machine vision on satellite images
 - Optical and SAR
- Energy insights from event/asset count
 - Oil tankers
 - Construction sites



BILKENT CYBERPARK - 2011

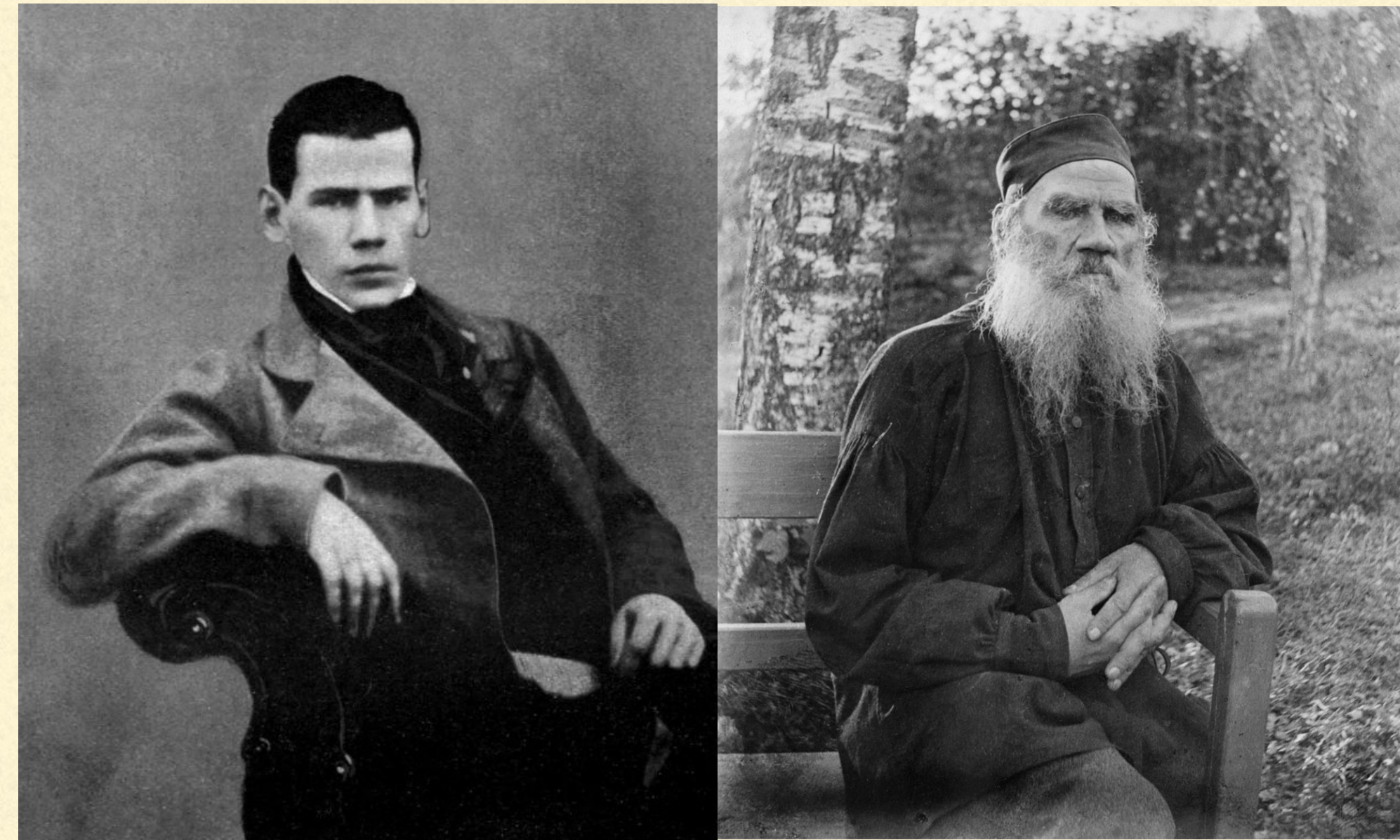
ANNA KARENINA PRINCIPLE

“All happy families are alike; each unhappy family is unhappy in its own way.”

- Lev Tolstoy

Evolutionary success does not depend on a **single positive** trait but on lacking any **number of** possible **negative** traits

- Applies to new businesses
- More to learn from various failures than successes
- Try not to be one the one failing yourself



Tolstoy at the age of 20 & 70 (Wikimedia Commons)

WHAT IS A STARTUP?

“A startup is an organization formed to search for a repeatable and scalable business model.”

— *Steve Blank*

WHERE TO START?

Idea?

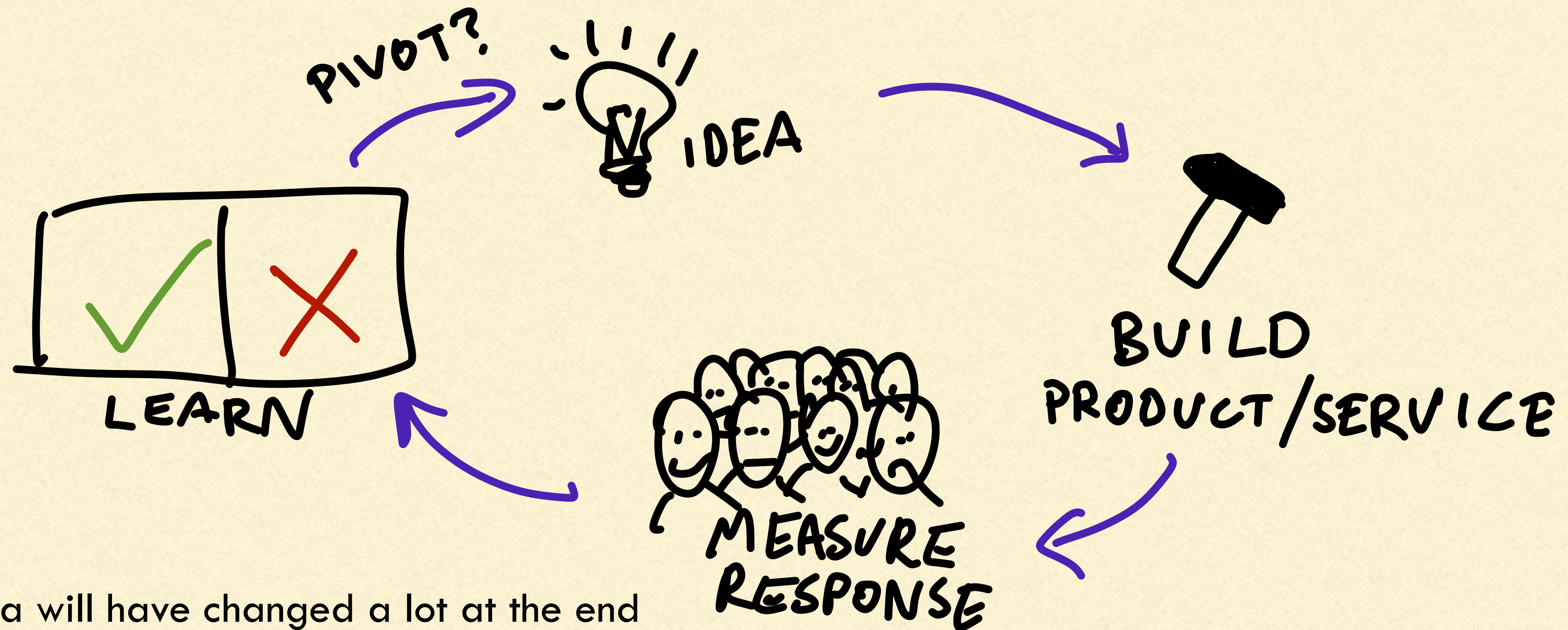
Team?

Customer?

THE IDEA

"No campaign plan survives first contact with the enemy"

- Carl von Clausewitz



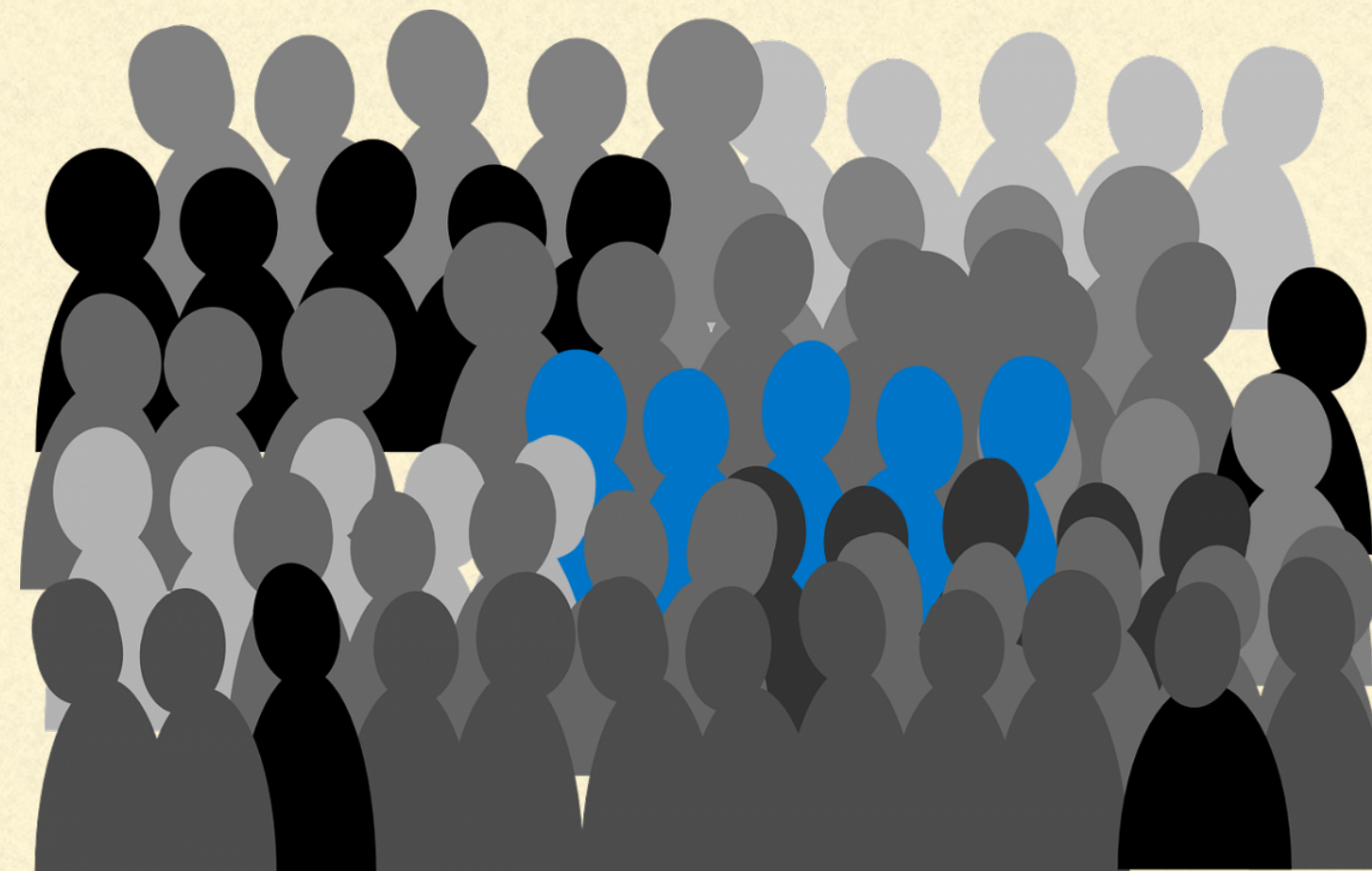
- Original idea will have changed a lot at the end
- Idea should motivate people
- Would this product/business still exist if not for you?

SITCOM START-UP IDEAS

“I wouldn’t use it, but probably others would”

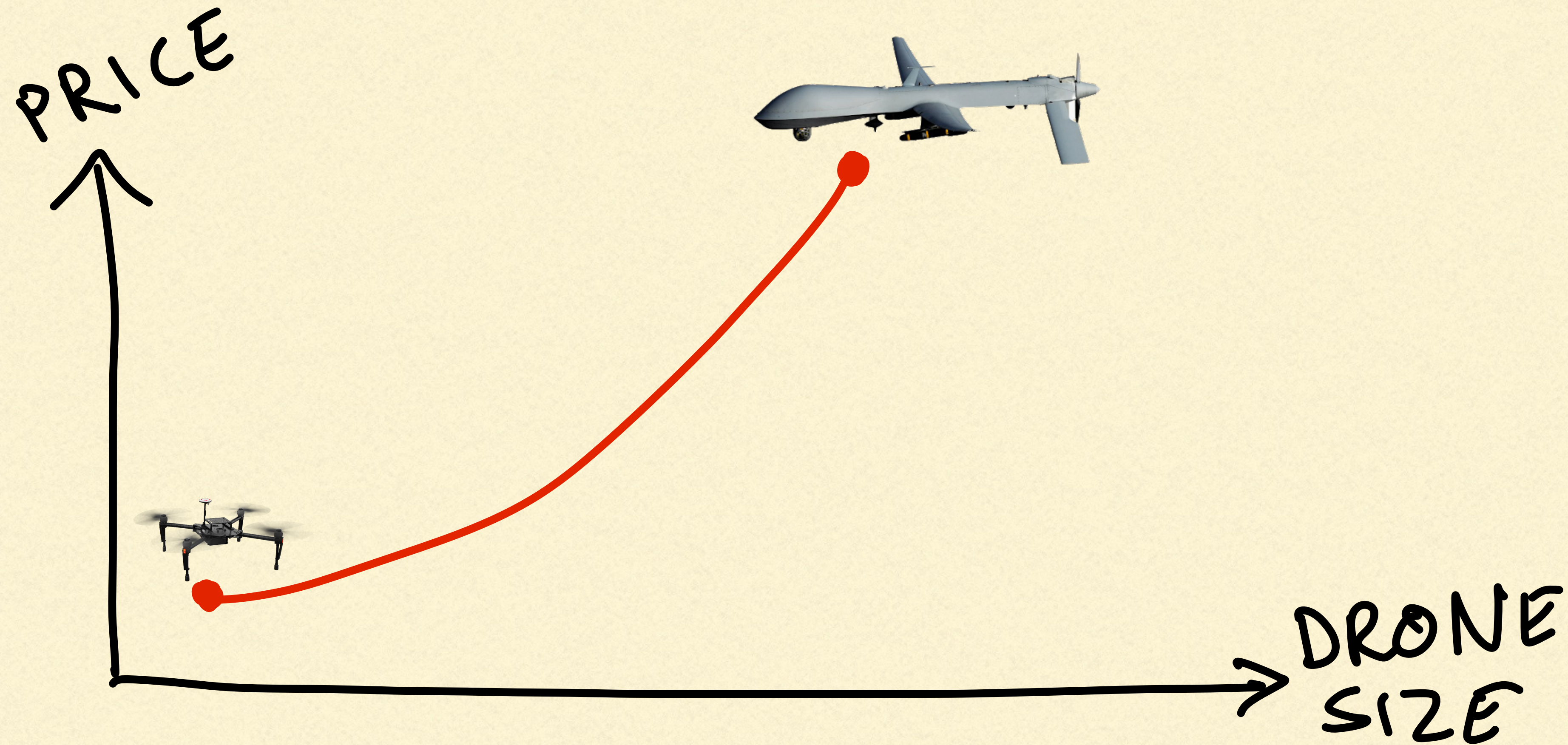
SITCOM START-UP IDEAS

“I wouldn’t use it, but probably others would”?

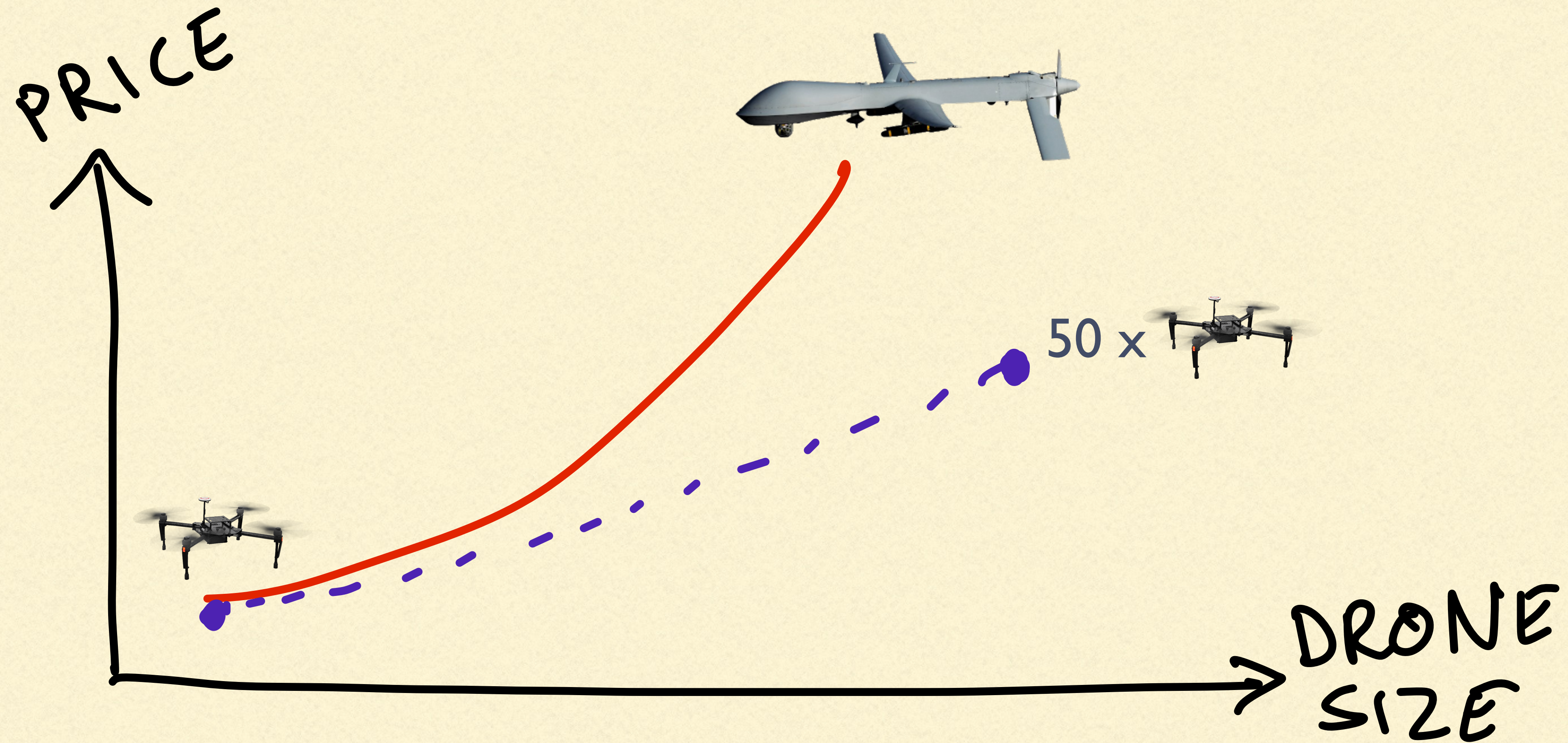


TOTAL
USERS = ZERO

OUR IDEA



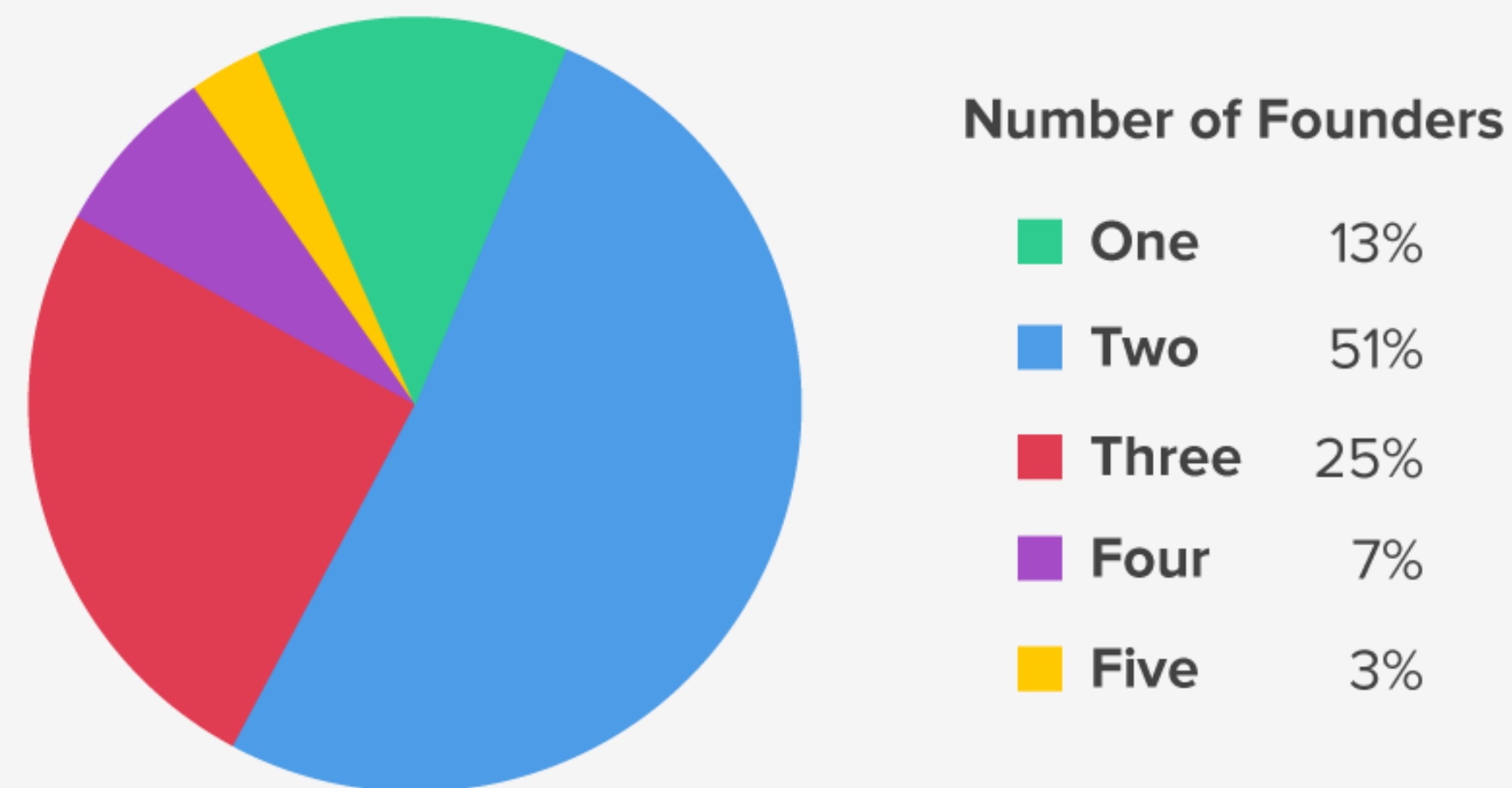
OUR IDEA



TEAM

Number of founders per portfolio company

Of the 177 FundersClub companies for which we have founder data



- Have core competencies covered
 - “I’ll just hire a coder”
 - “We’ll hire a marketer”
- Single founder is too stressful
 - Funders will question ability to convince
- 2-3 Founders seem to be the sweet spot
 - Similar to university group projects

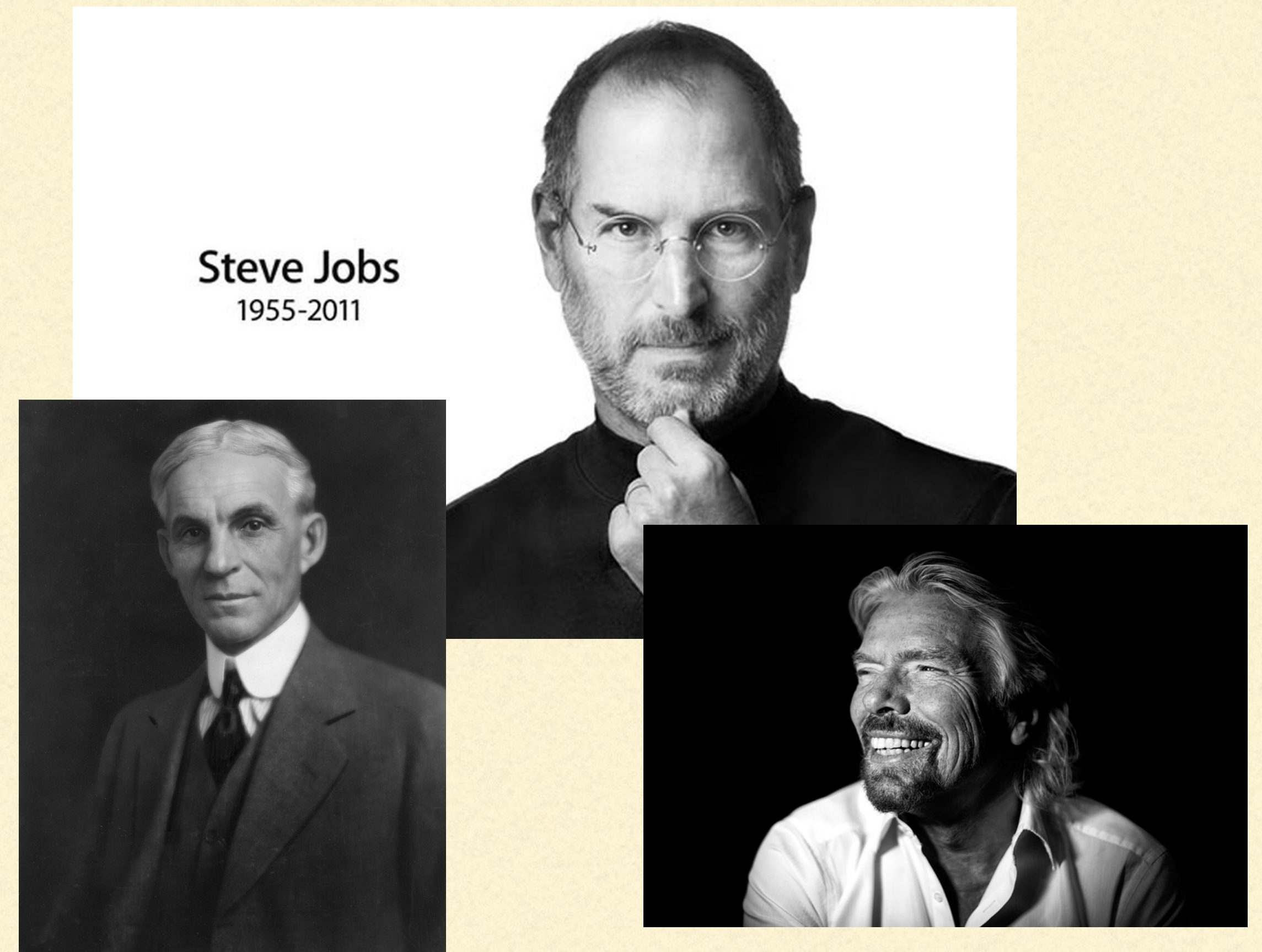
OUR TEAM



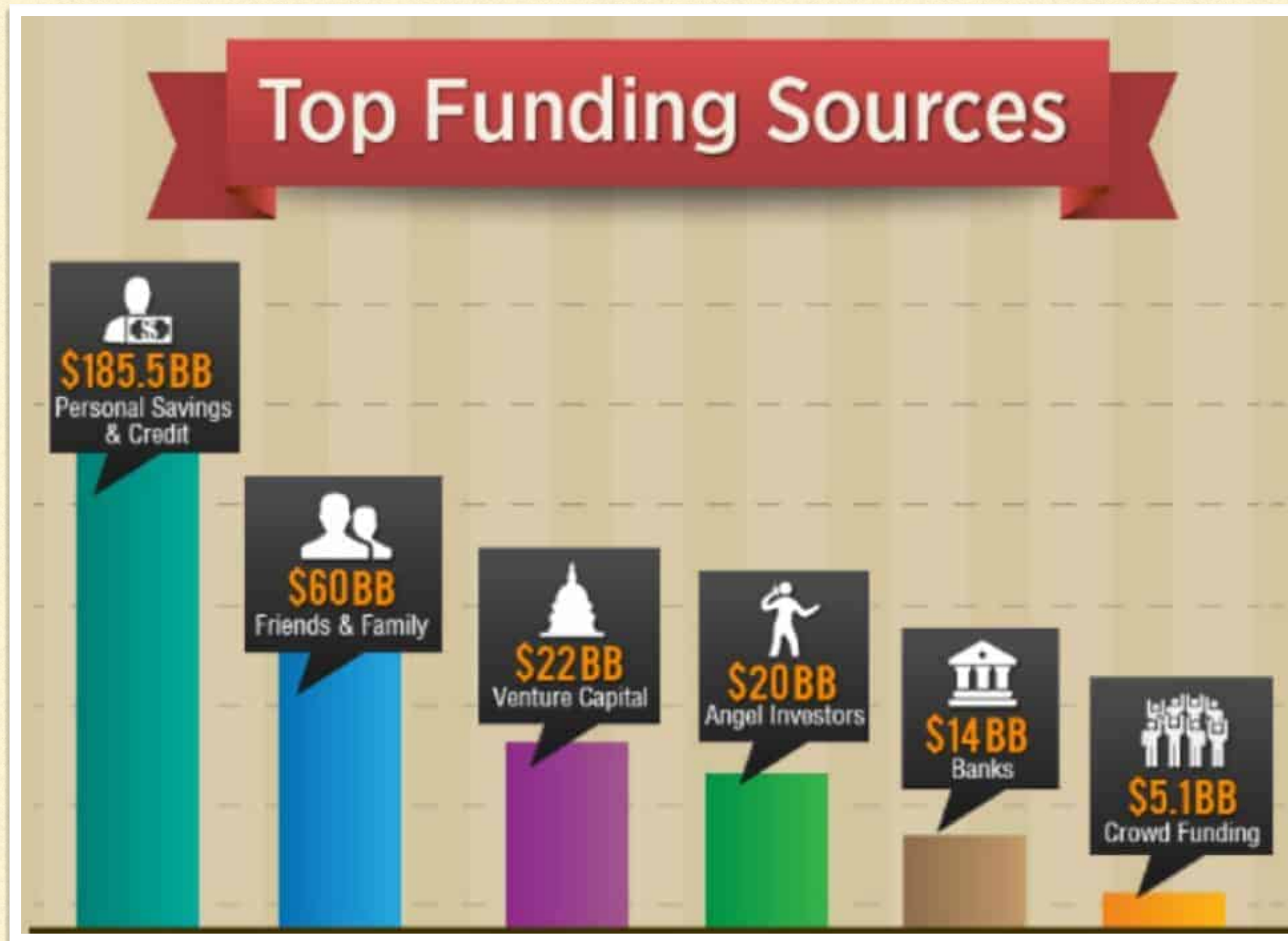
- All good friends from Bilkent undergrad
 - 1xCS 2xEE 1xIE
 - One other EE grad had said no
- These are people you'll spend 80+hrs/week so you should probably like them in the first place

THE HEROIC ENTREPRENEUR

- Some larger than life figure always meant for greatness
- Always suffers some setbacks but keeps going
 - “Hero’s journey”
 - Easy to read narratives



FUNDING



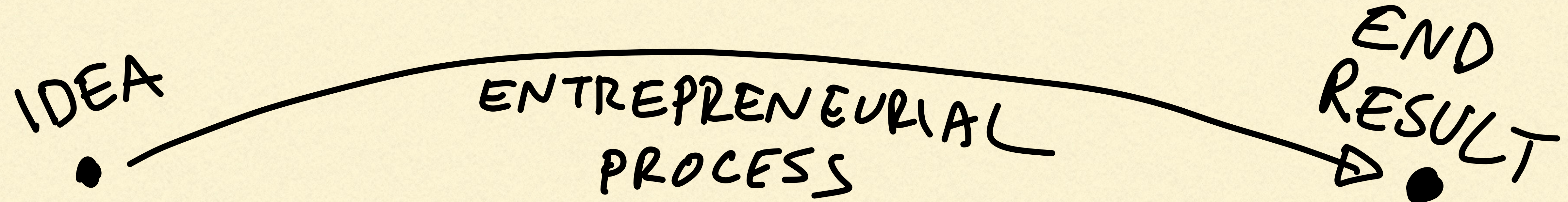
- Bootstrap
- Friends & Family
- Angel
- VC
- Grant
- Customer Funding

OUR FUNDS

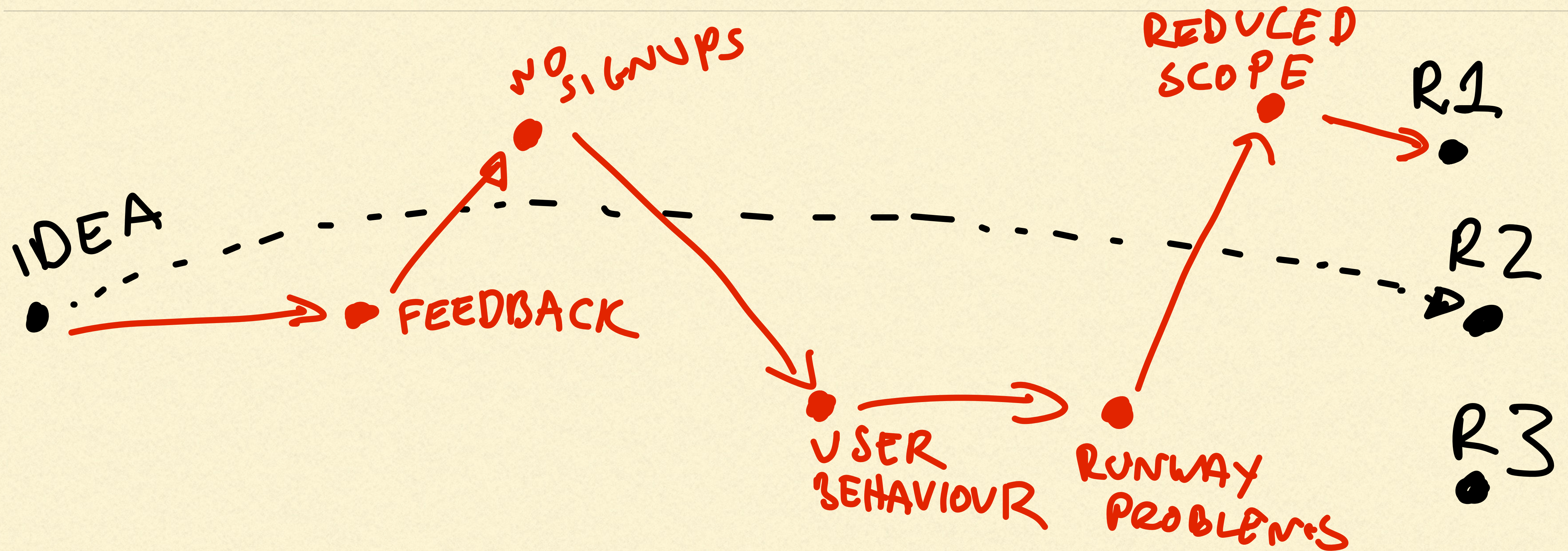


- Grant
- Invisible Bootstrap

BUSINESS PLAN



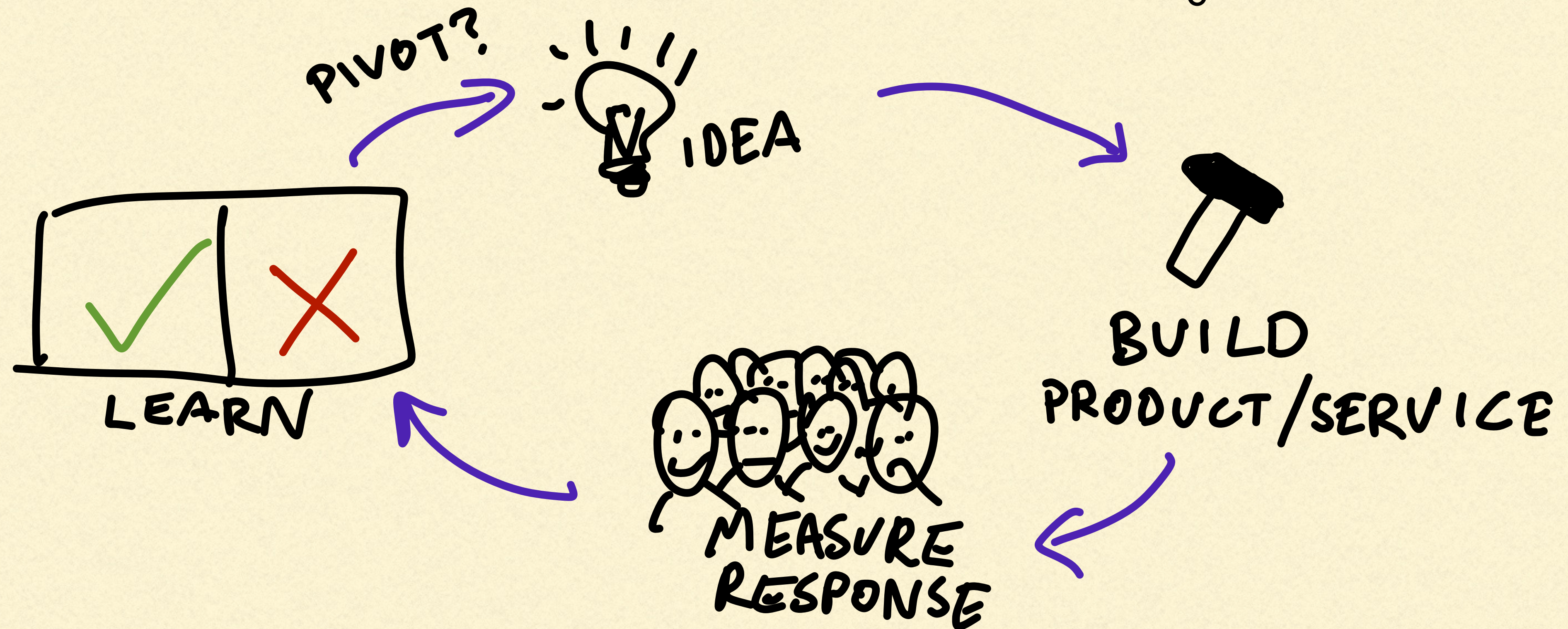
ITERATIVE PROCESS



BUILDING THE PRODUCT

“A good plan violently executed now is better than a perfect plan next week.”

- George S. Patton



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Successful startups seem overworked at start:

- Shipping early gets you faster feedback
- Building fast preserves runway

Avoid new & cool tech OUTSIDE your focus area

- Fancy new hardware with essential drivers “coming soon”
- That cool programming language used by 12 people

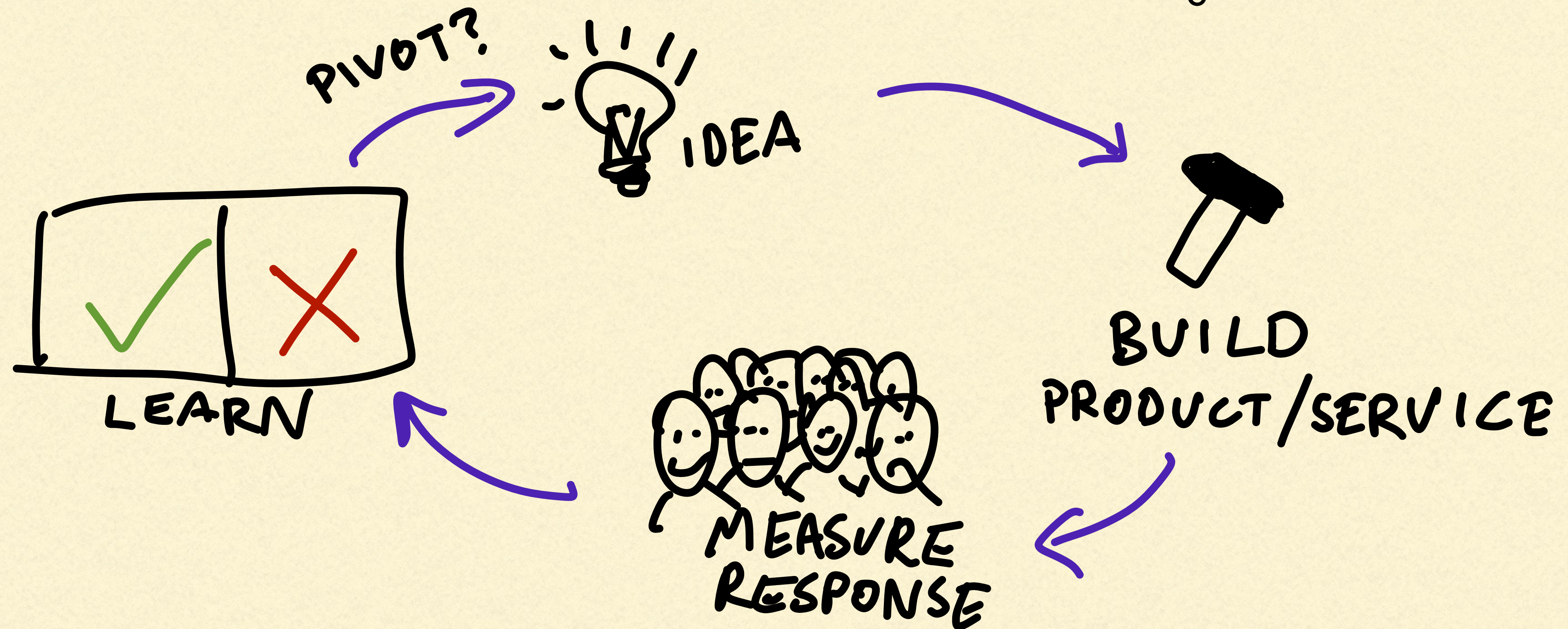


Patton (Wikimedia Commons)

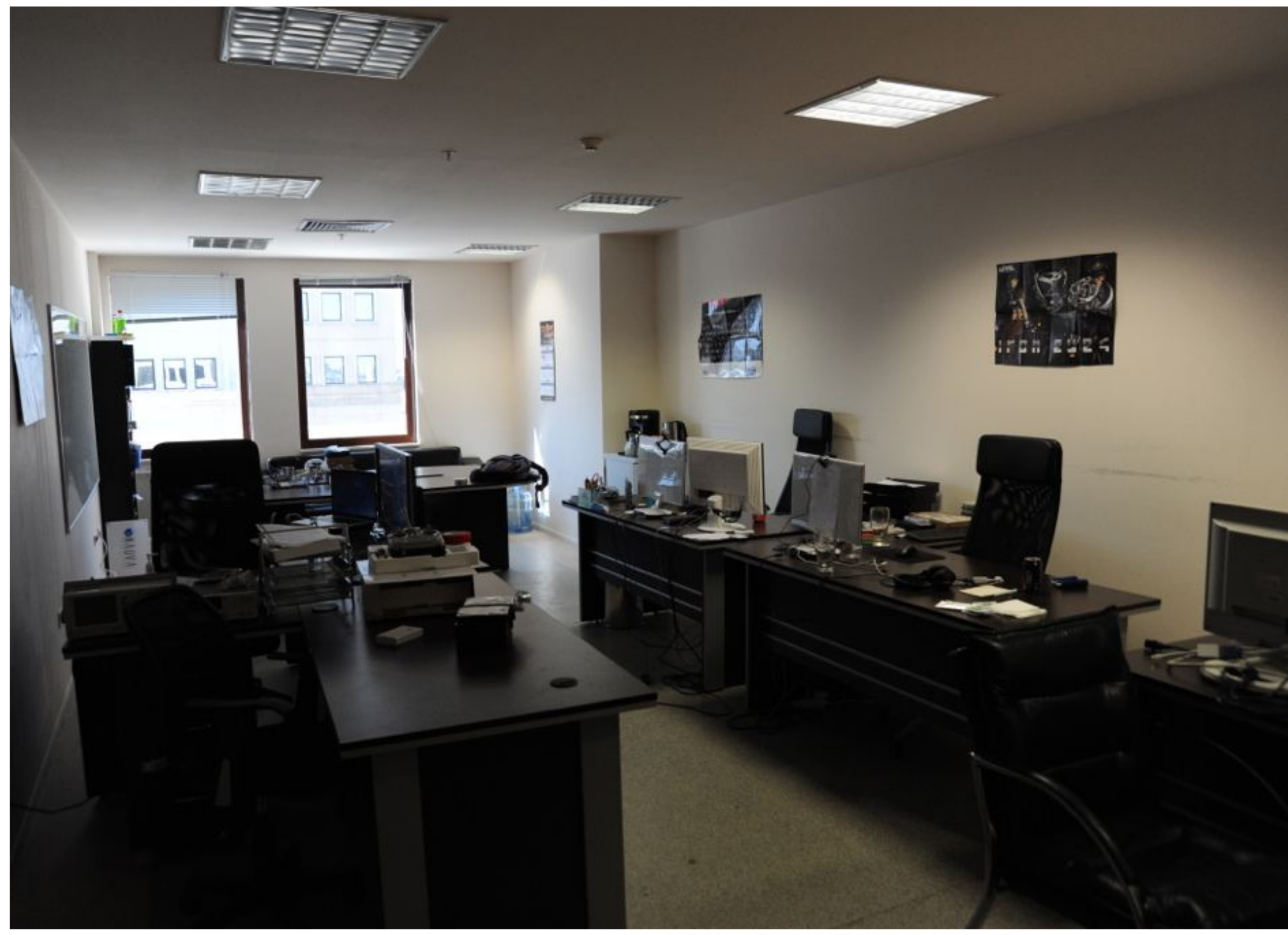
BUILDING THE PRODUCT

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CORPORATE THINGS



- Official registration
 - Accountant
 - Company Logo
 - Website
 - Business Cards
 - Parking Permits etc.
-

CUSTOMER DEVELOPMENT



- Know your buyer
- Don't sell what you have, understand their problem
- B2B talks with enterprise/large buyers
 - Try to invoice them for \$1

OUR SALES

CARGO CULT

“The form is perfect. It looks exactly the way it looked before. But it doesn’t work (...)
they follow all the apparent precepts and forms, but they’re missing the essential parts”
- Richard Feynman

Copying cosmetic features without understanding how it works



LIVE ACTION ROLEPLAYING (LARP)



BUSINESS

Has customers

Responsible for delivering

Solves a problem

Hard numbers as metrics

People care about the product

LARP

Has ideas

Responsible for attending cool start-up events

Tries to invent problems

Metrics in the form of a novella

People care about their lifestyle and titles

EPILOGUE



RECOMMENDED READING/WATCHING



- Y-Combinator Startup School
- Four Steps to Epiphany, Steve Blank
- The Mom Test, Rob Fitzpatrick

