THE DECLINE AND FALL OF A TECH STARTUP

Bilkent University
Oct 2020
Currently leading novit.ai

Bilkent University  BSc Computer Engineering (2010)
University of Warwick  MSc Electronics Engineering (2011)
University of Oxford  MBA (2016)
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
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?
"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?
“I wouldn’t use it, but probably others would”
SITCOM START-UP IDEAS

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

\[
\text{TOTAL USERS} = \text{ZERO}
\]
OUR IDEA

PRICE

DRONE SIZE
OUR IDEA

PRICE

DRONE SIZE

50 x
TEAM

- 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 1xE
  - 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

(accelerate-agency.com)
OUR FUNDS

- Grant
- Invisible Bootstrap
BUSINESS PLAN

IDEA —> ENTREPRENEURIAL PROCESS —> END RESULT
ITERATIVE PROCESS

IDEA → FEEDBACK → NO SIGNUPS

USER BEHAVIOUR → RUNWAY PROBLEMS

REDUCED SCOPE

R1 → R2 → R3
BUILDING THE PRODUCT

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

- George S. Patton
BUILDING THE PRODUCT

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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
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)
<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>LARP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has customers</td>
<td>Has ideas</td>
</tr>
<tr>
<td>Responsible for delivering</td>
<td>Responsible for attending cool start-up events</td>
</tr>
<tr>
<td>Solves a problem</td>
<td>Tries to invent problems</td>
</tr>
<tr>
<td>Hard numbers as metrics</td>
<td>Metrics in the form of a novella</td>
</tr>
<tr>
<td>People care about the product</td>
<td>People care about their lifestyle and titles</td>
</tr>
</tbody>
</table>
EPILOGUE
RECOMMENDED READING/WATCHING

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