



Foundation for Research, Science and Technology

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What I look for in a start-up

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Key factors

- **Right People**
- **Great Opportunity**
- **Market knowledge**
- **Sound technology**

Right People

- **Bring experience**
- **Can grow a company**
- **Know their limitations**
 - **And how to overcome any gaps**

Great Opportunity

- Identified their niche
- Excellent returns
 - Sound business model
- Customer demand
- Investors keen

Market Knowledge

- **Know the competition**
- and how to beat them
- **Understand barriers to entry**
- **Know their customers**
- **Roll-out plan – first sales**

Sound Technology

- **Feasible – metrics**
- **Step change**
 - **But appropriate for the sector**
- **Scalable**
- **R&D plan addresses risks**

Common Startup Mistakes

[Prof Michael Cusumano, MIT]

- Overspending on R&D before getting a customer
- Trying for the broad horizontal product rather than a specific vertical solution (*think big, but start small!*)
- Over-estimating **value** – can't charge much when existing solutions or substitutes are “good enough”

Common Startup Mistakes

[Prof Michael Cusumano, MIT]

- Not getting the first real paying customer soon enough to attract other customers
- VC funding that discourages developing a viable business and instead becomes the “**Kiss of Death**”
- Some technologies may change the world but still be bad business opportunities

Summary

We have talked through the;

- Key success factors
- Problems

Handouts

- A guide to using R&D for business growth
- Global Expert
- Case study