

STARTUP IDEA

**TOWARDS FAILURE
WITHOUT
CLARITY?**

We Help Startups to Start

For a startup, clarity guides actions, emphasizing the importance of knowing "what not to do"

It is said, and it is true, that India is a country of the youth. In today's time, every young person has plenty of ideas to start their own startup, but did you know that 90% of these ideas are likely to flop? The reason is their inability to execute these ideas properly. And how could they execute properly if these youths do not have clarity about their ideas? Another problem is that there is no formal training to start a startup, so, influenced by others, the youth of today start their startups without achieving clarity in their ideas. Then they struggle, and ultimately, most end up facing failure. Friends, just as no film can be made without a written script, similarly, no startup idea can be transformed into a robust business without a clear, written script.



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**The most successful startups are those that address
a clear problem with a clear solution**

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Why We Have to Define Startup Ideas in Written

Defining a startup idea in writing allows you to give more transparency to your thoughts and helps you share them with others

The importance of thoroughly defining a startup idea in writing lies in the fact that it clarifies our thoughts and helps us understand them better. When we express our ideology in writing, we learn about its structure and underlying analysis. This reveals the fundamental guiding principles of our startup and the potential challenges we may face. A written startup ideology assists us in planning for execution of startup, setting benchmarks for progress, and moving towards success. Moreover, a meaningful and structured written ideology aids in achieving the goals of the startup and directs us towards reality.

1 Clarity and Structure

When our ideas are clear, it helps us understand the structure of our startup correctly. A written definition of the idea helps us gain clarity regarding our goals, the key features of our product or service, and its relevance to customers and the market.

2 Effective communication

A written ideology helps us share our startup ideas more effectively. It enables us to engage in logical and meaningful conversations with our colleagues, investors, and potential customers.

3 Strategy and Execution

A written ideology acts like a map, providing a plan that guides us in executing the startup and progressing towards success. It helps us transform ideas into reality and clarify the main priorities of the startup.

4 Measurement and Evaluation

It allows us to set our goals, evaluate our progress, and make necessary adjustments as needed. A written ideology assists us in measuring the progress of our work and ensures that we are moving correctly towards our goals.

Define The Problem & Your Solution

Determine the Problem, Then Find the Solution – This is the First Step to the Success of Your Startup

If you are about to start a startup or have already started one and have not yet defined in writing the problem your startup will solve and for whom, understand that the likelihood of your startup being successful is only 1%. If you do not define the problems that your startup is going to solve, you will not be able to set your target, plan effectively, find your target customers, develop products or services that are needed, and you will not be able to attract investors.

1 Problem Statement

Define the problem in such a way that the reader understands its importance and the necessity of a solution. You can support the existence and severity of the problem with data or real-life examples.

2 Solution Overview

Define your product or services in detail, explaining how they can solve a problem. Highlight different features or technologies that make your solution superior to existing ones. Use visuals and graphics so the reader can understand and demand your solution.

3 Customer Persona

You must create a detailed profile of your target customer, primarily defining their age, gender, residence, occupation, and income. Also identify their preferences, dislikes, interests, problems, and needs.

4 Value Proposition

Every customer always tries to get the maximum value for the least amount of money spent. Therefore, you must define the value proposition of whatever product or service you are developing or have developed in such a way that the buyer always feels the value provided is worth more than the money spent.

Define Your Competitor's Strength and Weakness

Recognize the strengths and weaknesses of your competitors so that you can learn from them and surpass them

By understanding the strengths of your competitors, you can learn from them and discover the reasons behind their success. You can study their innovative technologies, high-quality products or services, effective branding, marketing strategies, and customer acquisition techniques. Additionally, identifying your competitors' weaknesses provides you an opportunity to improve your marketing strategies. You can position your products or services in areas where they are weak, thereby increasing your chances of success in the competitive startup landscape.

1 Competitor's Strength

A competitor might be ahead of you in terms of product quality, experience, data, branding, resources, technology, networking, employees, and customer base. Knowing their strengths is crucial.

2 Competitor's Weakness

You need to identify areas where your competitor is weak, such as whether their pricing strategy is flawed pricing strategy, inadequate distribution network, lacking online presence, unfavourable customer feedback, deficiencies in marketing strategy, or there are flaws in their operation processes or products, etc.

3 Counter Competitor's Strength

Once you know your competitor's strengths, you can plan what you will do differently. If you cannot compete with their strengths, and if your business requires it, you can find substitutes. For example, if your main competitor is a large coffee chain, you can offer good quality coffee and a personal touch on a smaller scale.

4 Overcome Competitor's Weakness

Upon identifying your competitor's weaknesses, you can update your marketing strategy, launch new products, upgrade your products and services, differentiate your brand, strengthen relationships with customers easily, make changes in your pricing strategy, etc.

Define Your Product Roadmap

Define Your Startup's Product Roadmap: This is a Crucial Step for Your Startup's Success

Defining your startup's product roadmap means deciding when and which products or services you will introduce as you transition your startup into an established business. It involves determining which products or services to launch first, which to introduce later, which will be used for customer acquisition, which are for cross-selling or up-selling, and which services or products will be premium. Even if not all services or products related to the field in which your startup wants to operate can be launched immediately, it is essential to define your product roadmap until you become an established business. This will help you progress and periodically offer something new to your customers.

1 Product for Customer Acquisition

Everyone knows how crucial it is for a startup to acquire new customers, but it's also essential to define which product or service will acquire the most customers at the lowest cost. If not defined properly, your startup might face delays in becoming successful.

2 Product for Up-sell

Acquiring new customers is always expensive for a startup. This cost can be reduced through up-selling, which involves encouraging a customer to spend more by defining your key services and products along with accessories, packages, advanced versions, and add-ons.

3 Product for Cross-Sell

To double or triple your gross sales, you might need to adopt cross-selling techniques. This requires understanding the needs of your existing customers and defining services and products that can be useful to them or their acquaintances.

4 Premium Product

Not every customer is the same, and the value of Rs. 500 is not the same for everyone. Defining premium products or services for some customers is essential, as failure to do so might lead them to consider your company's products or services inferior and go elsewhere.

Define Your Pricing Strategy

Define your pricing strategy in such a way that it always appears less than the value provided by your product or service

No matter how good a product you create or how well you prepare to deliver a service, if you haven't defined your pricing policy, it's all for nought. You need to define how your startup will provide value to its customers in exchange for their money. You know that the world operates on transactions and every customer always tries to get the maximum value for the least amount of money. It's worth noting that not every customer is the same, as the value of 500 rupees varies for each person; for some, it is a lot, and for others, it is very little. Therefore, it is crucial that whatever product or service you are developing, or have developed, its pricing should be defined in such a way that the purchaser always feels the value provided by you is greater compared to the money spent. Additionally, you must define which segment of society will perceive your value proposition as greater compared to the money they spend.

1 Geographic Pricing

This pricing strategy is determined based on geographic conditions. Startups have different pricing for their products or services in different cities. According to this policy, where competition is less or supply is low, pricing is higher, and where there is more competition or greater supply, pricing is kept lower.

2 Time-based Pricing

In this pricing strategy, the pricing of a product or service is determined based on hours, days, months, or seasons. For example, you may have to pay more during the peak season at hotels, while less during the off-season. This type of pricing strategy helps the company maintain a proper margin and keeps customers satisfied.

3 Penetration Pricing

In this pricing strategy, new products or services are initially introduced into the market at low price. The aim is to establish new products or services quickly in the market. This strategy is also useful when entering a new market is necessary.

4 Freemium with Upgrades

In this pricing strategy, some features or the base product is provided to customers for free, and if the customer wants more advanced features, they must pay. That is, customers can use the base product for free and have the option to upgrade according to their needs.

Define Your Customer Acquisition Funnel

A good Customer Acquisition Funnel understands the emotions of customers and motivates them to connect with your brand

The Customer Acquisition Funnel is a marketing concept that describes the process of acquiring new customers for a startup. It methodically uses advertising to make customers aware of, and informed about a product or service, which helps the startup gain leads. It then provides an opportunity for consideration and evaluation, a process known as Lead Nurturing, eventually leading to the customer making a purchase decision. The funnel includes steps such as advertising, marketing materials, lead generation, lead nurturing, and sales completion. Its primary objective is to attract the most potential customers into the business. Defining how your startup will implement this process is essential.

1 Advertisement

This is the first stage of the funnel, where businesses create advertisements to raise awareness and attract people to their product or service. Ads can be distributed through social media platforms, search engines, display networks, or print media. Advertising aims to draw more people towards the business.

2 Lead Capture

After attracting people through advertisements, the next step is to capture their information and convert it into leads. This can be done through lead capture forms on websites or landing pages, where customers provide their contact and other information. The startup uses this gathered information to engage with their prospects and guide them through the next steps.

3 Lead Nurture

After capturing leads, the focus shifts to nurturing these leads and building relationships with them. Lead nurturing involves sending personalized emails, targeted marketing content, and engaging on social media, etc. The goal is to educate leads about the product or service, solve their problems, build trust, and move them further down the funnel.

4 Conversion

The ultimate goal of the Customer Acquisition Funnel is to convert leads into paying customers. This happens when a prospect takes a desired action, such as making a purchase, subscribing to a service, or signing a contract. Conversions can occur in various ways, such as online transactions, phone calls, personal meetings, or other methods depending on the business strategies employed.

Define Your Customer Retention Funnel

An existing customer is equivalent to ten new customers. By defining your Customer Retention Funnel, you can increase your total sales by up to 10 times

The Customer Retention Funnel is a process whose primary objective is to keep your current customers engaged with your products and services for as long as possible. The Customer Retention Funnel consists of several stages. At each stage, we ensure that the customers are happy. Customer satisfaction is very important, and to maintain it, we must commit to providing good service and support in a competitive market. For this, we need to stay in touch with our customers to explain the utility and importance of our products and services, listen to their feedback, answer their questions, and solve their problems. We must continually motivate our customers to try new products and services to maintain their loyalty so that they return to us time and again.

1 Stay in Contact

First, you must define how you will maintain constant contact with your existing customers; how you will provide them with the latest updates, news about products and services, and specific information.

2 Special Engagement

In this stage, you need to think about how you will engage your existing customers with your content. For example, your customer service team can send them personalized newsletters and notifications, resolve their issues, and offer unique offers and discounts.

3 Utility and Trust

In this stage, you need to consider how you can prove more useful to your customers and earn their trust. You must focus on the quality of your products or services, understand their problems and needs, and assist them so that your customers remain satisfied and trustful.

4 Loyalty

The final step is about thinking of ways to become more loyal to your existing customers. You can do this through new offers and loyalty programs. By offering customers specific benefits, attractive deals, and a unique identity, you can enhance their loyalty.

Define Your Business Profile

Your business profile helps distinguish your company in a crowded market and establishes it as a memorable brand

A well-crafted business profile aids in setting your business apart and elevates the image of your brand and business. It showcases your company's credibility and assures customers that they will receive quality services or products. This business profile is an integral part of your marketing and promotion strategy. Through it, you inform your customers and partners about your products and services, enhancing their inclination towards your company. It motivates customers to choose your company by highlighting the uniqueness of your products or services. Your business profile, if impressive, can also attract new investors.

1 Company Structure

You will need to define the correct structure of your company, which could be a Proprietorship, Partnership, LLP, OPC, or a Private Limited.

2 Registration & Certification

You must consider the necessary registrations, certifications, and licenses according to your products and services so that your customers can trust you and your company.

3 Social Media Presence

In today's digital age, social media is a vital source for proving authenticity and exerting influence. Your business profile should include information about your company's social media accounts, including links, the number of followers, and updates to establish a robust social media presence.

4 Website & Mobile Application

Your business profile should include information about your website and mobile application. A well-designed website and user-friendly mobile app are crucial for proving your authenticity.

Define Your Network

A business network operates on cooperation, not conflict. A business network is necessary for success because those who go alone can never achieve, what collaboration can more possible

A business network, like a startup, includes various types of people like yourself, investors, such as startups like you, investors, company employees, financial experts, service providers, mentors, etc. The purpose of creating a business network is to give you the opportunity, to connect with others, to gain benefits, and seize new opportunities. To build this, you need to develop communication skills, participate in collective events, and utilize business communication channels. Creating a business network may take some effort and time, but it will boost your business, providing you with experience and support from people. However, to achieve this, you must clearly define the individuals essential to making your startup successful.

1 Investors

These individuals should be capable of sharing their experience in addition to investing.

2 Employees

Employees are the most important in your network. Before hiring any employee, you need to clearly define their job profile to prevent them becoming a liability instead of an asset to your company.

3 Freelancers

Good freelancers should also be included in your network because hiring an employee for every task is neither feasible nor economical. However, it is essential to clearly define the tasks to be assigned to them.

4 Mentor

It is also necessary to include good mentors in your network. You need to define the areas in which you will need mentoring and the people who will mentor you and your team.

Define Your Funding Needs

Clarify your financial needs and calculate the necessary financial resources based on your requirements

Defining your financial needs means you need to specify the amount of money required for your business, project, or any other entrepreneurial initiative and the type of funds needed; whether it will be Debt or Equity. You need to express this timely and clearly, to attract the attention of investors. You need to specify the amount of money required, where it will be allocated, the duration it will be needed for, and the types of funds needed, such as loans, financial assistance, or partnership collaborations. A simple, clear, and precise statement of financial needs will help you in obtaining and managing funds, which is crucial for the success of your business.

1 Seed Capital

This includes private funds invested by the founders, where they can use their own savings or family assets. Your partners, friends, and family members can also provide financial assistance to the startup.

2 Government Schemes

Many government schemes provide financial assistance to encourage startups. This includes subsidies, grants, loans, and other financial resources. A notable example is the Startup India scheme initiated by both central and state governments.

3 Angel Investors

Angel investors can be individuals or groups who may invest in your startup. These investors are often experienced entrepreneurs who can help you with financial resources, guidance, and operations. You can share your startup's Pitch Deck with them. Their contact details can easily be found on the Internet or LinkedIn.

4 NBFC

Several Non-Banking Financial Companies provide financial assistance to startups. These companies can offer funds in the form of loans, investments, or other financial instruments.

Define Your Technology Infra Requirements

For a startup, technology requirements must be defined in a way that meets both our current and future technological needs

A startup needs a strong and scalable technical framework. We need a secure and precise communication network to ensure continuous internet connection and seamless data exchange. Data security is also crucial for us, so we will need advanced firewalls. An updated data management system is essential to help us supply and manage data. To build good products, we must have developed and effective application development and testing tools. Lastly, we need an integrated office framework that provides a convenient environment for our programs and organisation. Keeping all this in mind, we need to define our technology infrastructure requirements.

1 CRM & Software:

CRM helps us manage customer contact information, history, tickets, orders, and other details. Through software, we acquire useful tools for specific tasks such as accounting management, website development, marketing tools, and office management. These software solutions help us streamline and update business processes.

2 APIs & Tools

These help integrate different services and data sources. APIs and tools provide us with compatibility with various technical services like payment gateways, social media integration, and cloud services. With the help of these APIs and tools, we can make our products and services robust, comprehensive, and user-friendly, facilitating smooth operation and accelerating the development process.

3 Hardware & Server

We need a robust and efficient server infrastructure to operate and manage our data and applications. This includes high-capacity servers, network switches, racks, routers, and other hardware.

4 Data Privacy

A secure and private technical framework is also necessary to ensure data security, user privacy, and cyber security. This may include firewalls, antivirus, intrusion detection systems, data encryption, and user identification systems.

Myths and Truths

Myth: A lot of money is needed to make a startup successful.

Truth: No, to make a startup successful, you have to use what you must effectively utilize your resources, and India is a country known for innovation (jugaad). If ISRO had thought that way, it would never have reached Mars.

Myth: To succeed, a startup must follow all market trends.

Truth: Innovation is important, but following all trends is not necessary. You should follow market trends based on your startup's goals, objectives, and the market demand for your product or service.

Myth: To make a startup successful, it is necessary to first create a big name and a recognized brand.

Truth: Having a big brand and name is not necessary for a startup to be successful. You can succeed if you have innovative, good products or services and promptly meet customer needs.

Myth: A good idea makes a startup successful.

Truth: It's not the great idea that brings success, but effective implementation, innovation, sustainability, creativity, and the method of application.

Myth: All successful startups depend on brilliant and innovative products.

Truth: Brilliant and innovative products alone are not the foundation of a startup's success. Along with products, effective marketing, understanding the market, customer service, financial management, competitive positioning, and functional systems are also important.

Myth: If a startup is successful, it is solely dependent on luck.

Truth: Startup success does not solely depend on luck; hard work, correct decisions, strategic planning, understanding the market, being connected to customers, and continuous improvement are also necessary. You have to support your startup and work hard if you want to achieve success.

Myth: Failures are permanent losses.

Truth: Failure is just a signal to learn more and become better. Nearly every startup experiences failure on its journey to success, often serving as a stepping stone to greater achievements.

Myth: Every question must be answered to make a startup successful.

Truth: It is not possible to have answers to all questions while executing a startup. Sometimes you have to try different approaches through trial and error. When venturing into something new, you may face uncertainties. Successful entrepreneurs confront new challenges head-on.

Myth: A large number of people are required to make a startup successful.

Truth: A startup requires skilled and organized employees to succeed, not just a large workforce.

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