

Insight 2020 - Startups - Fixing

Brought to you by Herman Bloemink – Overview of start-ups and success

Be aware that 50% of all startups fail in the first 5 years in the USA– source: Investopedia. Why is that? Found a great list with the top reasons why startups fail, it is created by Forbes and Statista, a can be trusted partner. Looking at the European situation its higher than 50%. Mainly because of the investors available for high risk capital. In Europe entrepreneurs have more problems to find capital and take risks themselves, running out of cash quicker.

The Top Reasons Startups Fail

About the ranking:

This list is from 101 startups that failed and is giving a view on the USA situation. European startups fail list will be slightly different because of capital availability.

1)- No market needs 42%

“ Why building a new company if there is no market need? ”

Lots of founders think they have something unique but did not do good market research. Even in this situation there are escapes.

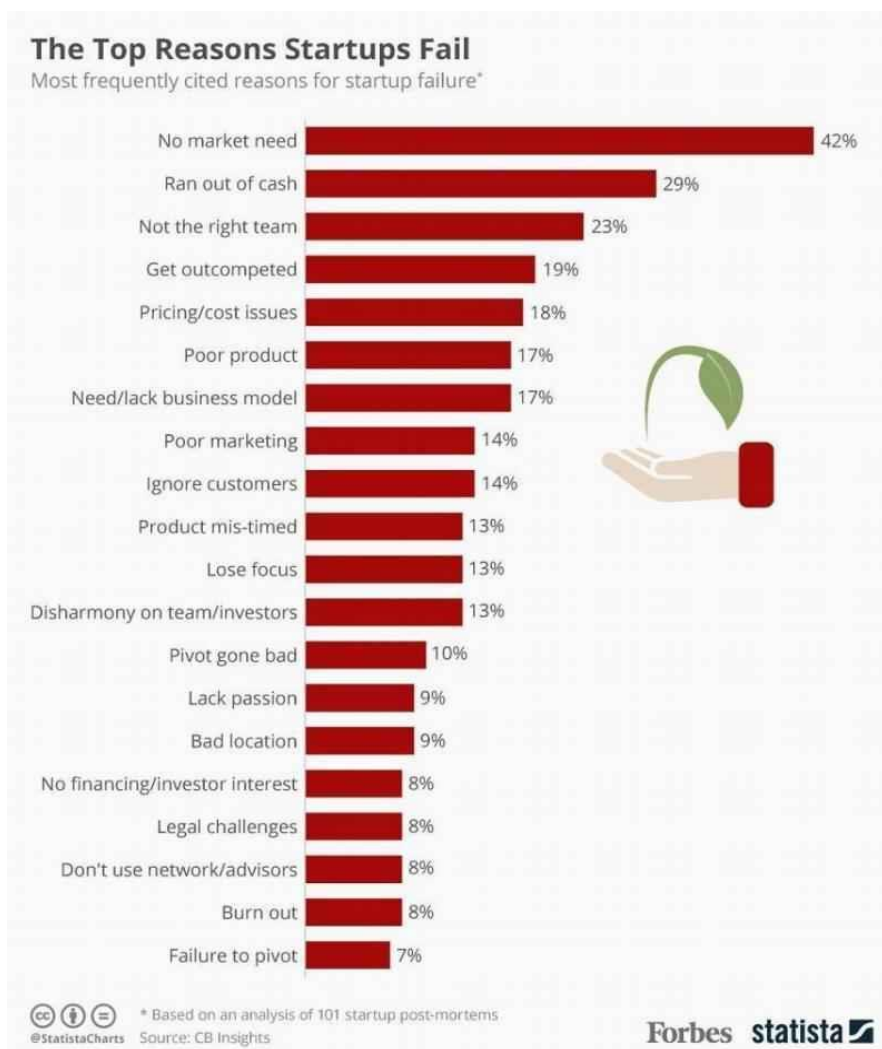
2)- Ran out of cash 29%

Many startups have a problem to reduce cost levels, and spend more than they have. Having someone on board who can be strict in financial resource use and application of available funds can help a lot.

About the other points

All important, only one or some of them combined can bring your Company down.

Example: Failure to pivot can bring your company down even if it's only 7% change. PayPal pivoted to auctions just in time. The rest is history as you know...



For entrepreneurs, founders, investors, boards of companies it's clear that if you observe one or more of the symptoms in above list in your own organization you need to take action and come up with the changes needed.

Flying in an independent boardroom advisor is an excellent alternative to review and discuss the current position.

Hire an external advisor for intelligent support in rethinking, imagination and reworking your hottest problem areas.

Boardroom Advisor for Start and Scaleups

Herman Bloemink - Boardroom Advisor

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"Companies don't fail because they choose the wrong course; they fail because they can't imagine a better one" - Quote: Marty Neumeier "ZAG "

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