

SCALEUP LAUNCHPAD PROGRAMME

**Online seminar
with Kalev Kaarna:**

Practical startup strategy

19 November 2024

Interreg



Co-funded by
the European Union

Central Baltic Programme



Kalev Kaarna



BUILDING A FAST GROWING TECH STARTUP IS SUPER EASY



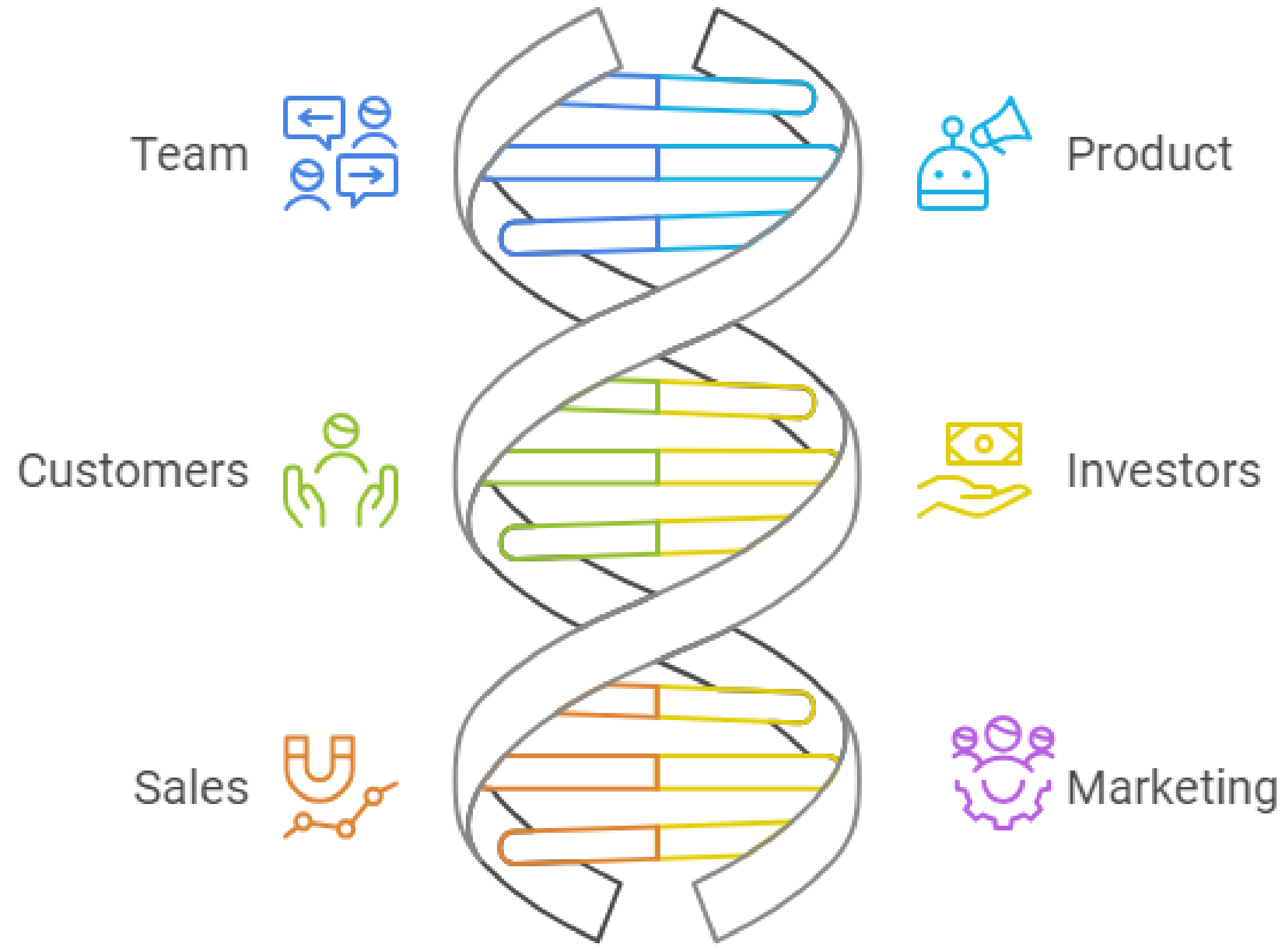
You have to make
the **right decisions**

+

have

winds of luck
in your sails





Do
startups
fail due to
strategic or tactical
decisions?

TASK



**Write into a chat the main
reasons you think tech
startups
fail**



Strategy

What you have to
deliver to achieve
the startup's goal

Tactic

How you are going
to achieve delivery

**Tell me your
value proposition
and I will tell you
your strategy**





TASK (3 minutes)

**Write down your
value proposition to
customers**

in 1-2 sentences.

Copy it to the chat!



VALUE
BENEFITS
FEATURES



VALUE

How multiple
benefits add up to a
bigger goal your
A+ customers
care a lot about



BENEFIT

Something your A+ customers can do, be, or feel thanks to a feature



FEATURE

Something unique
your product has or
can do





TASK

Answer the poll:

- How many **features** you listed in your value prop?
- How many **benefits or values** you listed in your value prop?



40-60% of B2B
sales end with
NO DECISION



V-B-F

or

F-B-V

Value is
about them

Features is
about you



VBF: fancy blender



Eat healthier every day

- Make vitamin-packed smoothies in a snap with commercial-grade blades



FBV: fancy blender



Commercial-grade blades

- Our commercial-grade blades make vitamin-packed smoothies quickly, so you can eat healthier





VBF: performance observation software

Resolve issues before customers notice

- Stop problems before they start by monitoring your entire stack's performance in one dashboard





FBV: performance observation software

Intuitive dashboard

- Our dashboard provides visibility into your entire stack's performance, so you can resolve issues before customers notice



FEATURE WAR

TOO GENERIC



„SO WHAT“ GAME



AI chatbot for recruiters

1. It let's you have a real-time conversations powered by AI with candidates on the recruitment site

SO WHAT?



AI chatbot for recruiters

2. So you can automate
the manual part of
screening candidates

SO WHAT?



AI chatbot for recruiters

3. So you can speed up
your screening process by
asking candidates
questions while they're on
your site

SO WHAT?



AI chatbot for recruiters

4. So you can engage
talent at the right time

SO WHAT?



AI chatbot for recruiters

5. So you can hire the
best candidates

SO WHAT?



AI chatbot for recruiters

6. So you can exceed
your KPIs for talent
acquisition

SO WHAT?



AI chatbot for recruiters

7. So you can help grow
the business with the right
people

SO WHAT?



TASK (10 minutes)

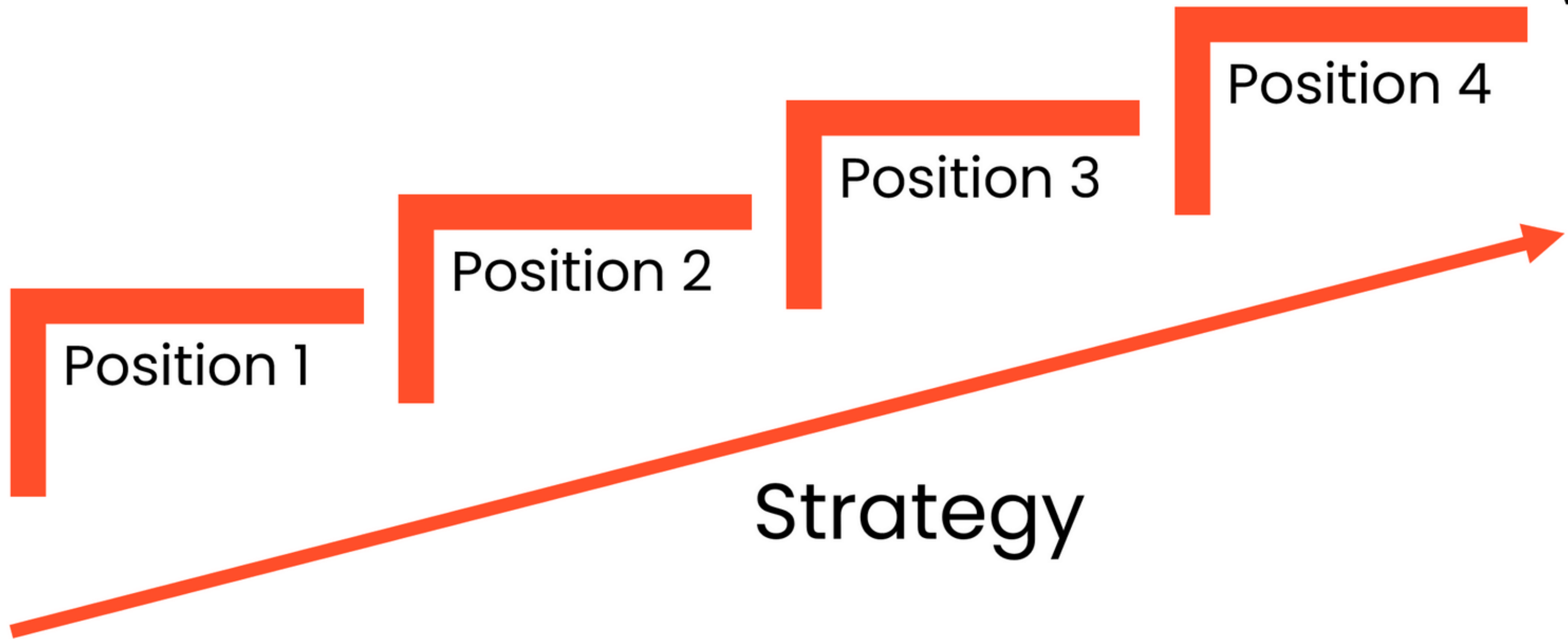
1. Play „so what“ game (7 asks)
2. Post the result to chat



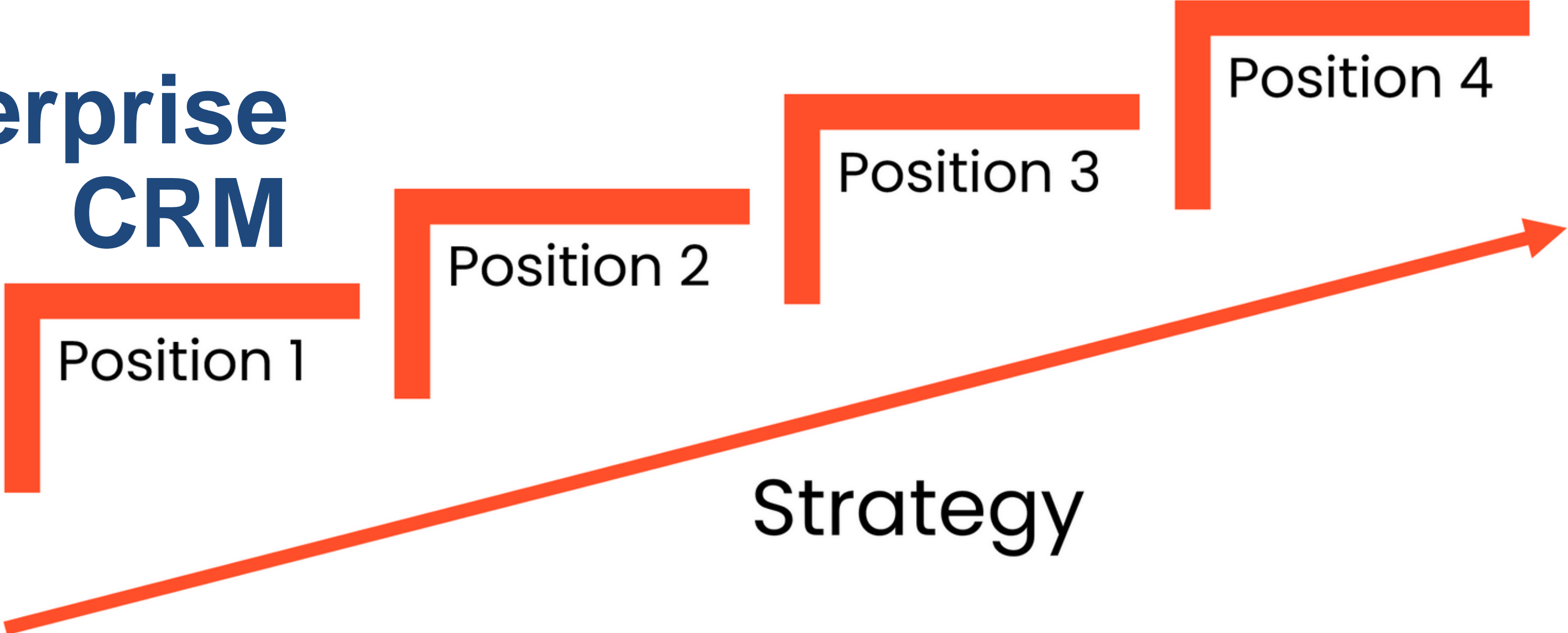
What does it
have to do with
strategy?



April Dunford



Enterprise CRM



Position 1

Position 2

Position 3

Position 4

Strategy

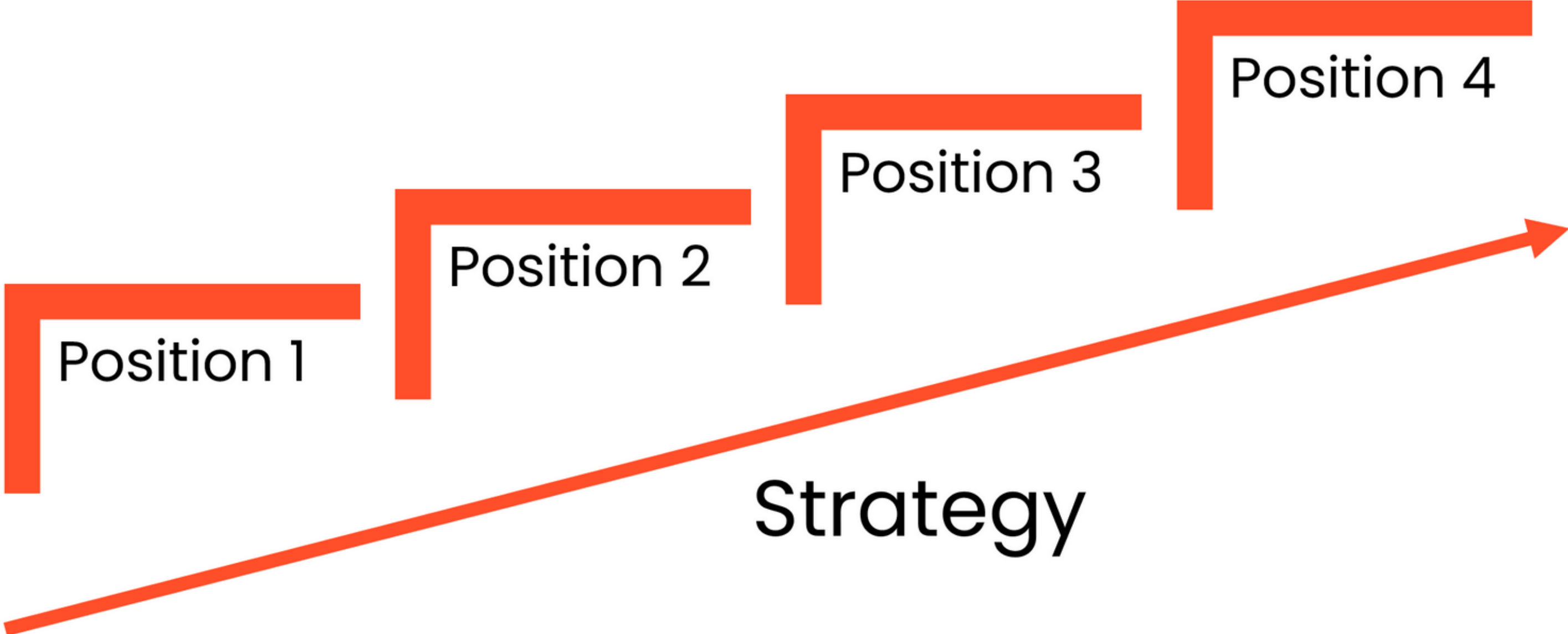
CRM for investment banks



CRM for financial services



Enterprise CRM



\$3m

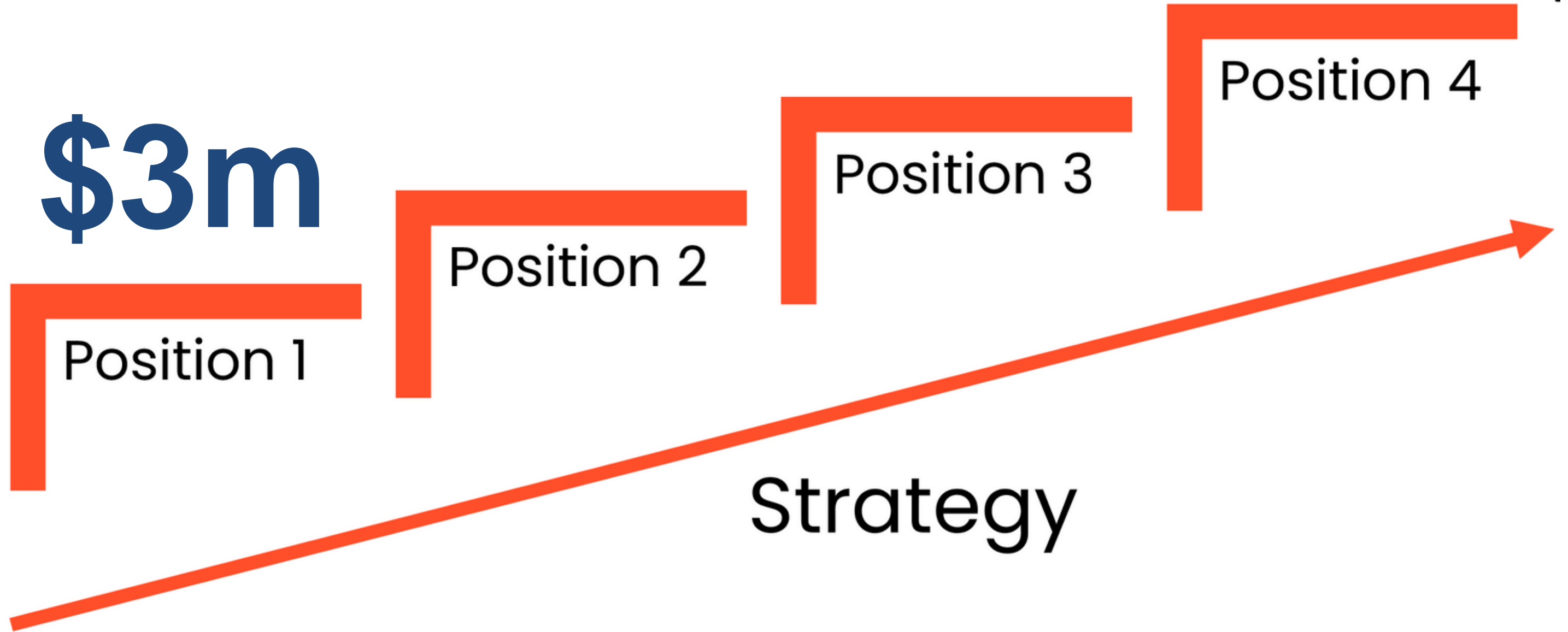
Position 1

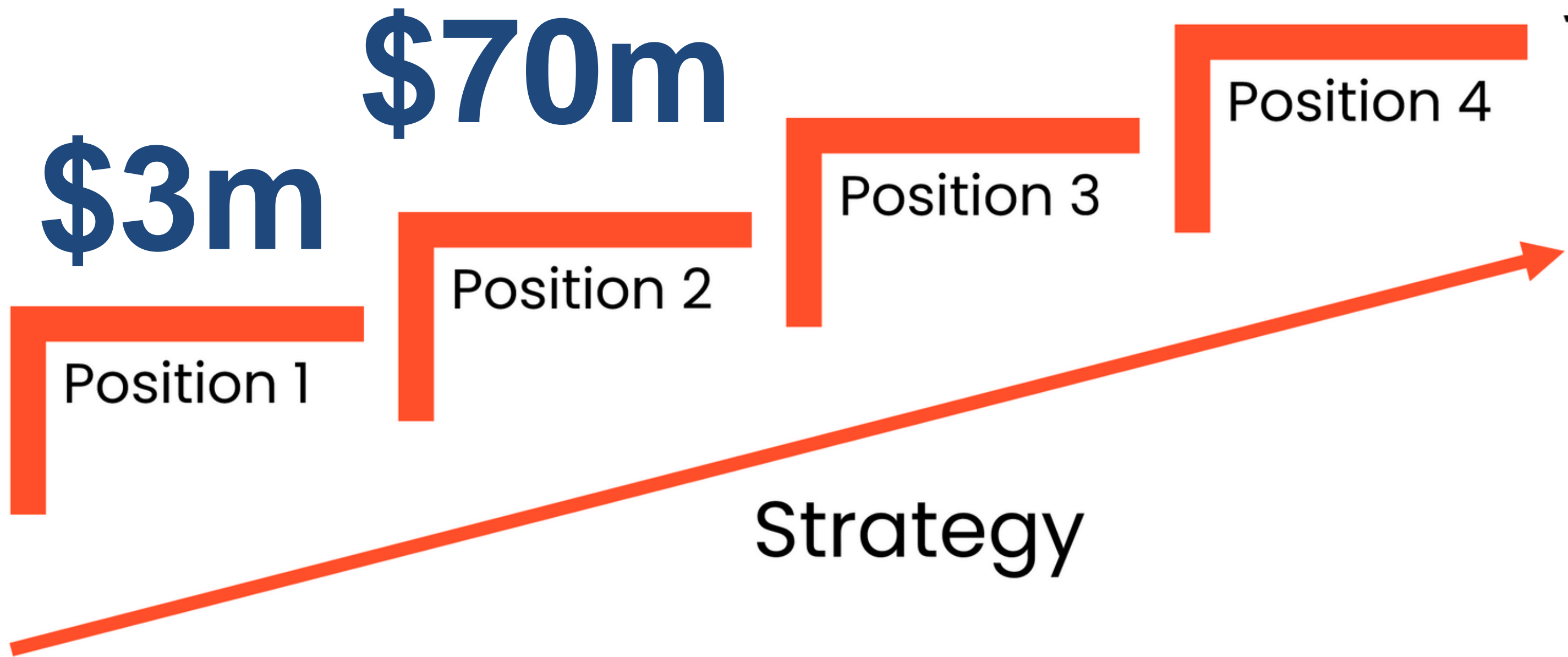
Position 2

Position 3

Position 4

Strategy





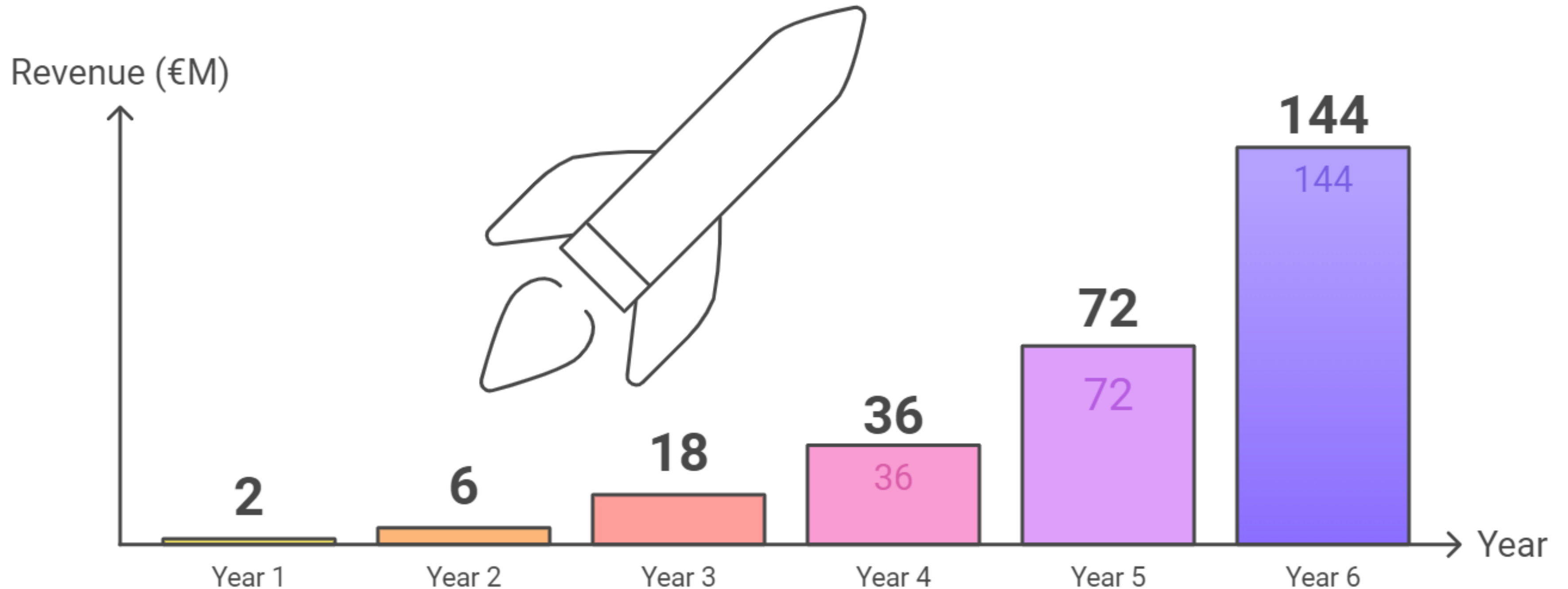
Acquired for \$975 million



Strategy

What you have to
deliver to achieve
the startup's goal

What investors are expecting?



SAAS FUNDING IN 2023

	Pre-seed	Seed	Series A	Series B
ARR	-	~ \$0-1.5M	~ \$1-5M	~ \$6-12M
ARR Growth (y/y)	-	n/a if pre-revenue, otherwise ~2-3x	~ 2-3x (occasionally 1.5-2x)	~ 1.5-3x
Valuation	~ \$5-15M	~ \$8-20M	~ \$20-60M	~ \$80-200M
Round size	~ \$750k-1.5M	~ \$2-5M	~ \$5-15M	~ \$10-40M
Team	<p>Special insights into a problem based on industry/domain expertise</p> <p>Product/tech expertise to build the product</p> <p>Founder pedigree matters a LOT (too much, if you ask us)</p>	<p>Team has shown that it can build fast with a small team and can iterate quickly based on new insights</p> <p>Strong product vision</p> <p>Can get people on their side (pot. customers, employees, partners,...)</p>	<p>Built a high-performing tech team</p> <p>Recruited 2-3 excellent ICs in product/marketing/sales</p> <p>Team has strong reason why they will win</p>	<p>Proven ability to recruit and lead</p> <p>Hired at least 1-2 proven VPs</p> <p>Can handle 20x the size of today</p> <p>Excellent understanding of the key drivers of the business</p>
Product/Market	Strong indications of a large market	Product is loved by early users	Clear evidence of PMF (high usage, low churn, high NPS)	Evidence of strong PMF in a niche

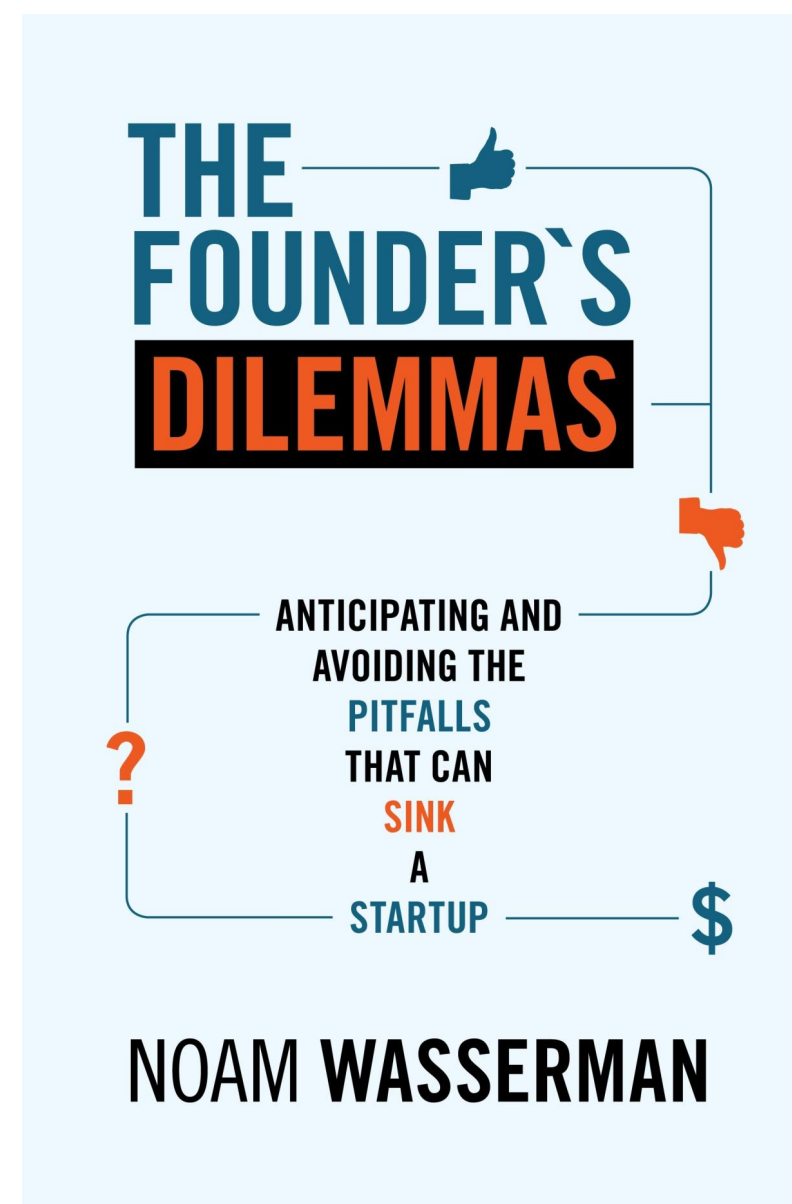
DEEP TECH HARDWARE NAPKIN

Deep Tech companies that raise from VCs are tackling large markets with breakthrough technology products that can fundamentally change industry dynamics (order of magnitude changes in economics, opening up completely novel applications and markets etc.)!

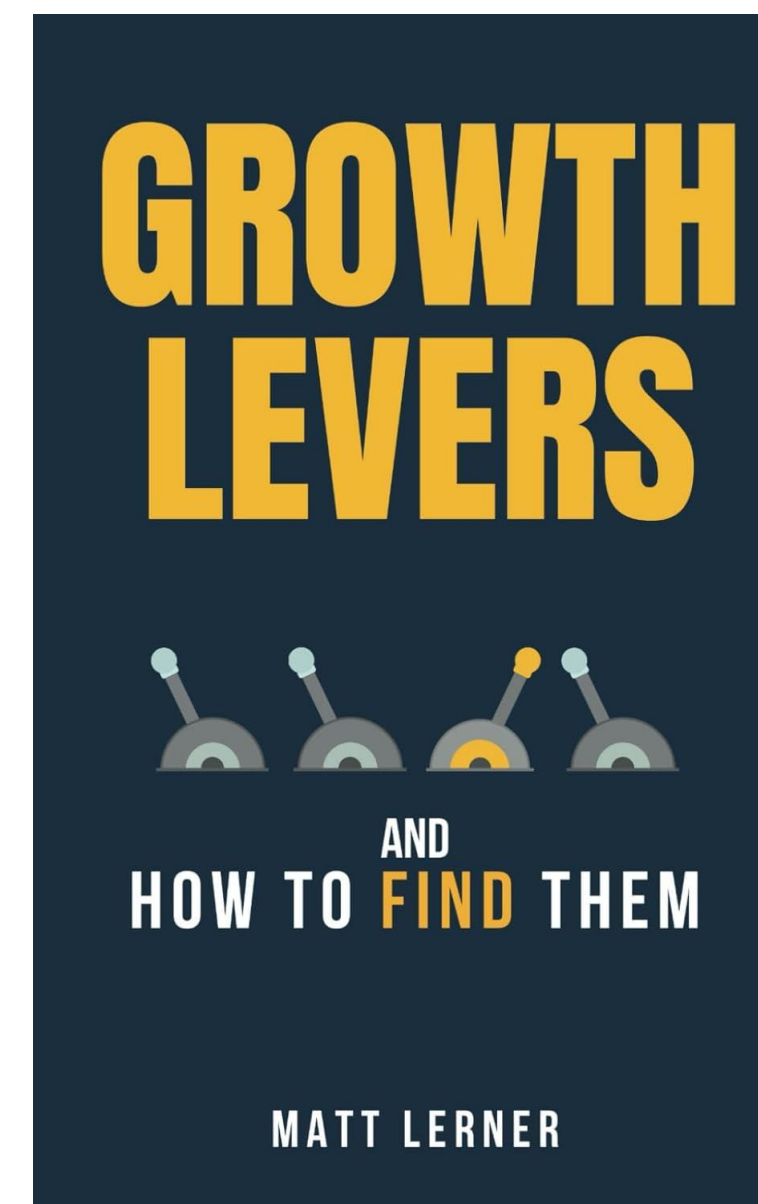
	PRE-SEED	SEED	SERIES A	SERIES B
VALUATION (€)	8m - 14m	9m - 25m	40m - 100m	50m - 400m
ROUND SIZE (€)	0.5m - 3.5m	2m - 6m	9m - 25m	15m - 60m
PUBLIC FUNDING (€)	<0.5m	0.5m - 1m	1m - 5m	1m - 5m
YEARLY REVENUE (€)	-	0 - 0.5m	0.1m - 2m	>2m
TEAM	Founders w/ deep technical expertise & early signs of "commercial savviness".	Top notch technical hires & first non-tech individual contributors (commercial/ops).	Strong leaders hired for key functions across ops, sales & tech. Gradual shift to more balanced hiring across functions.	Clear path to 100+ FTEs, first and second line of management in place. Strong focus towards holistic scaling of org across functions.



470 interviews

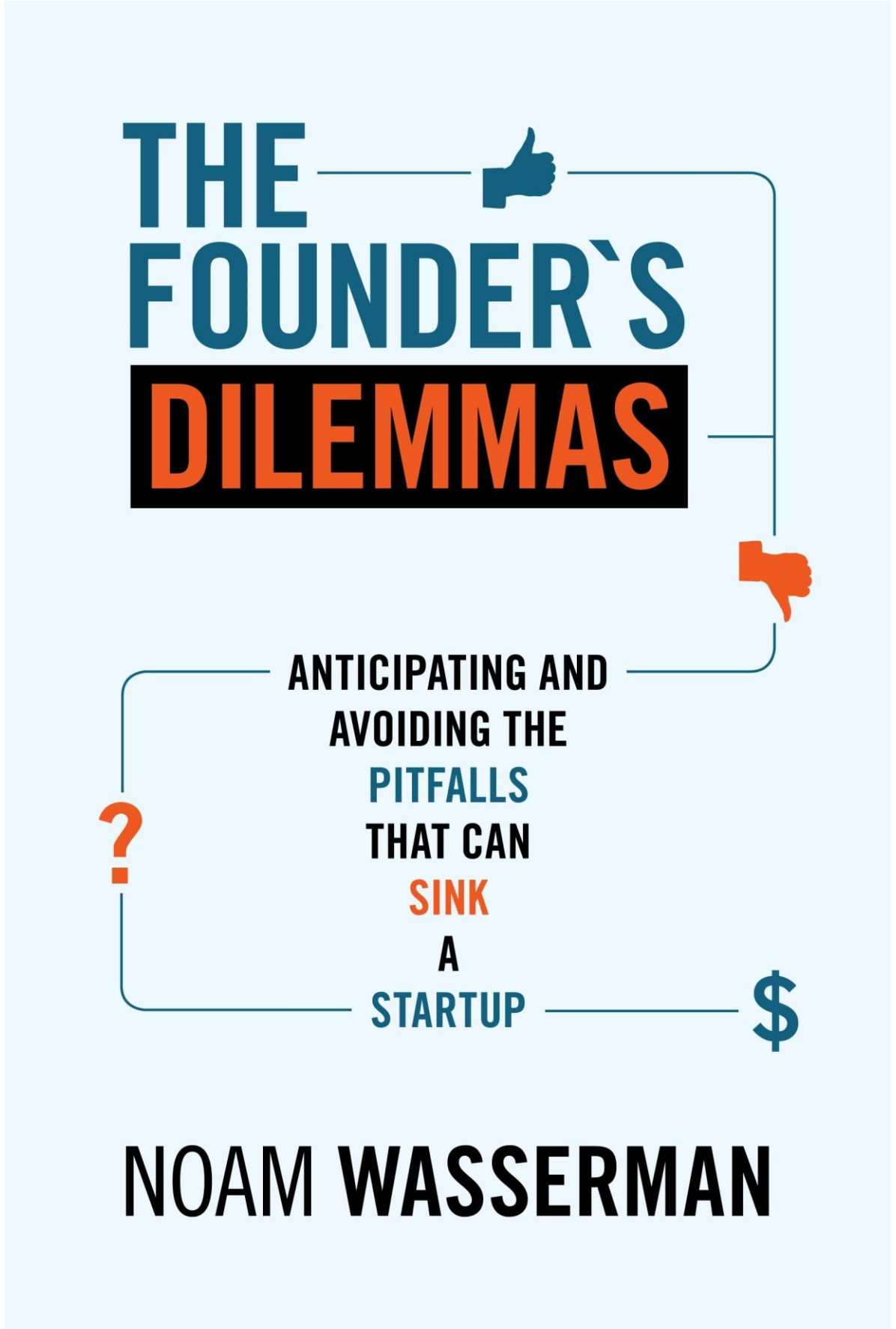




3600 startups





200 startups

35% tech did not work or weak demand
65% relationships (*people problems*)



THE  **FOUNDER'S**
DILEMMAS 

 ANTICIPATING AND
AVOIDING THE
PITFALLS
THAT CAN
SINK
A
STARTUP 

NOAM WASSERMAN

Relationships

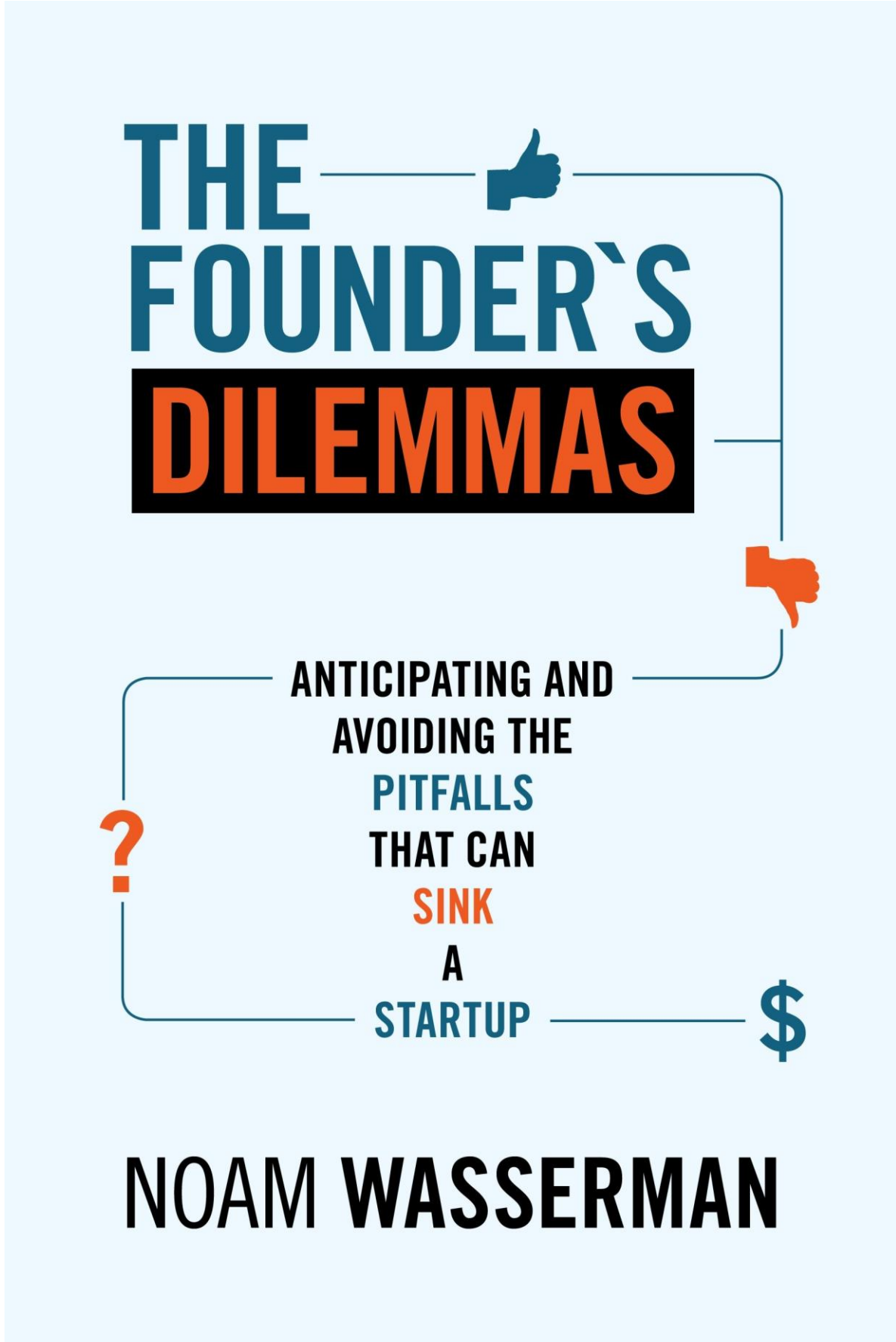
- Should you establish a company with friends or specialists?
- Consider how the situation might change when involving investors.
- Create a plan for the scenario "if we have a conflict."

Roles

- "We lead together" is a bad idea.
- Agree that as the company grows, it might be necessary to hire a new leader.

Rewards

- Dividing ownership 50/50 is a very bad idea.
- Clarify who wants to get rich quickly and who is building a long-term foundation for retirement.



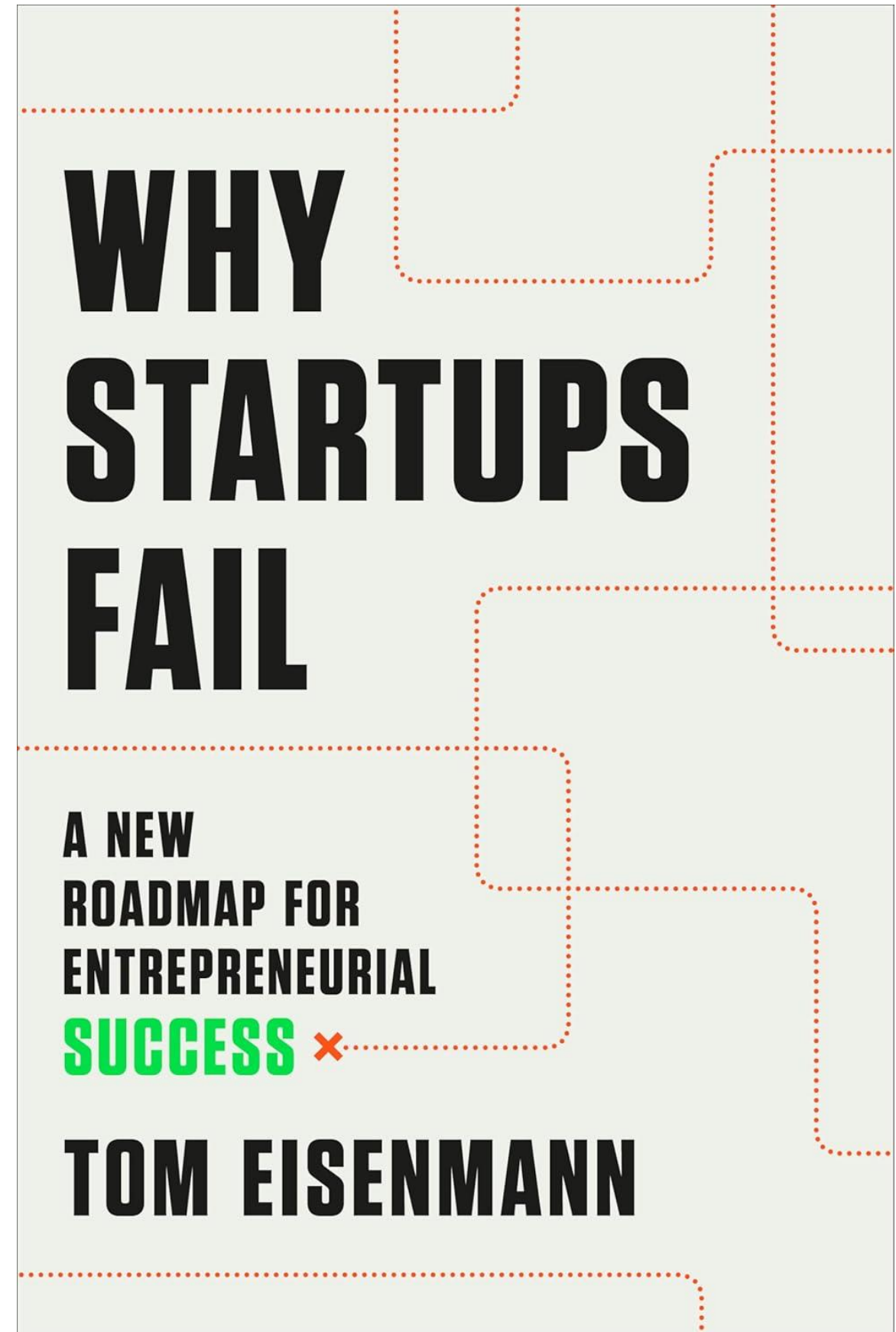
THE FOUNDER'S DILEMMAS

ANTICIPATING AND AVOIDING THE PITFALLS THAT CAN SINK A STARTUP

NOAM WASSERMAN

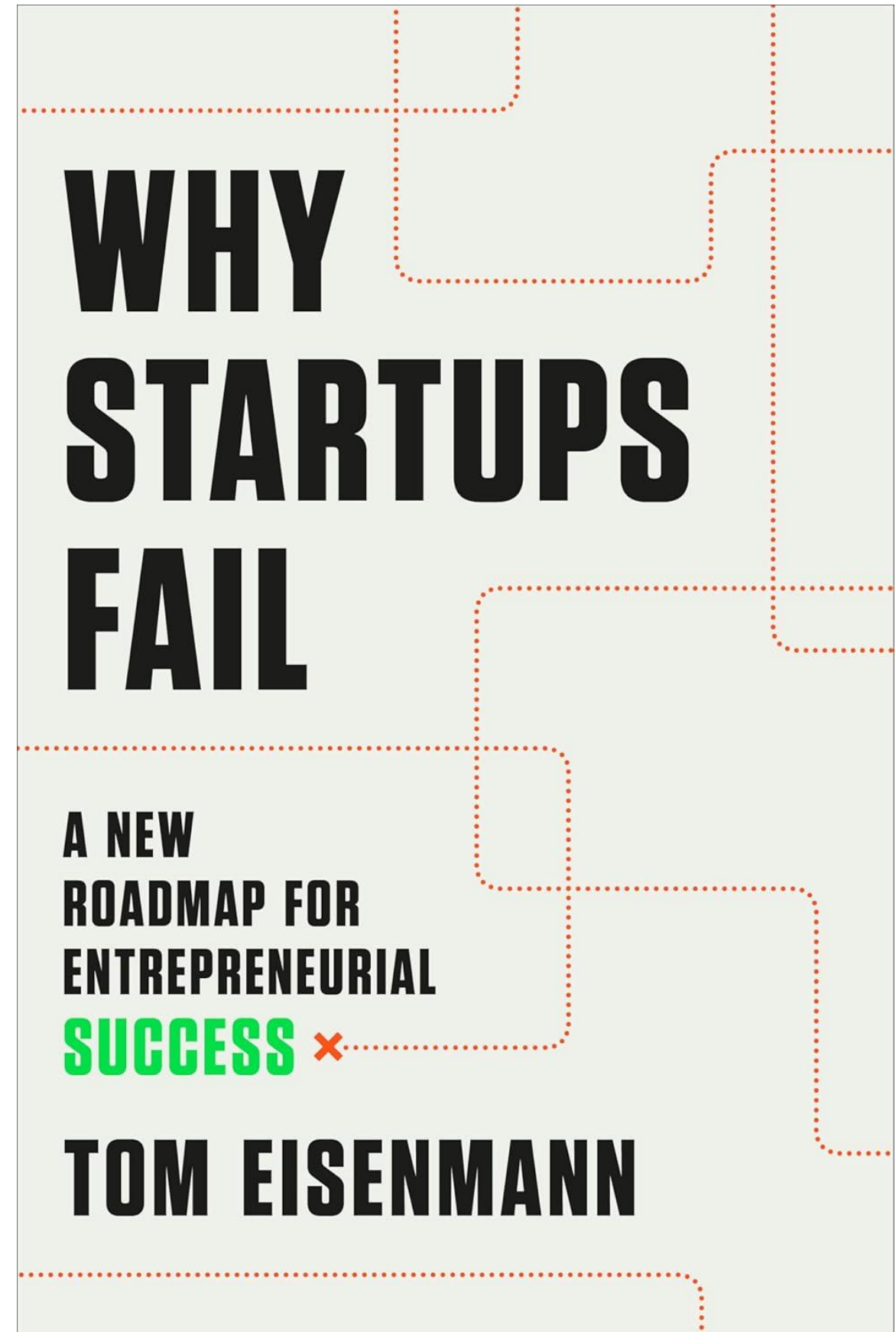
Early-stage

- **Bad Bedfellows.** Wrong team, investors, or partners.
- **False Starts.** “Launch before you’re ready,” founders risk wasting time and capital on the wrong solutions.
- **False Promises.** Success with early adopters can be misleading.



Later-stage

- **Cascading Miracles.** Silicon Valley exhorts entrepreneurs to dream big. But the bigger the vision, the more things that can go wrong.
- **Speed Traps.** Hypergrowth can spell disaster
- **Help Wanted.** Lots of capital and talent needed



Overthinkers

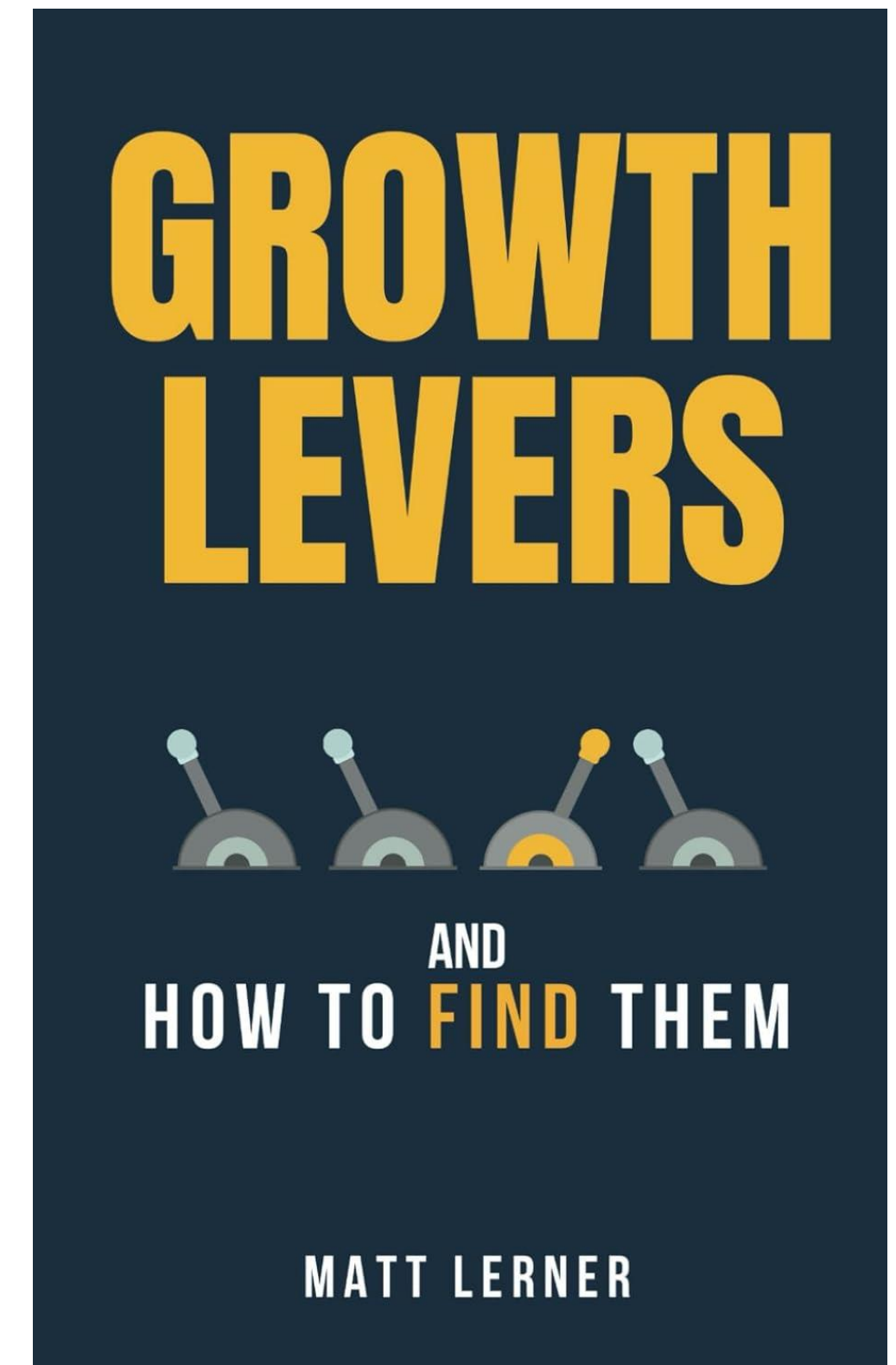
- Measure nine times, cut once.
- Prefer listing reasons why a new idea won't work instead of trying it.
- Argue repeatedly over the same topics.

Underthinkers

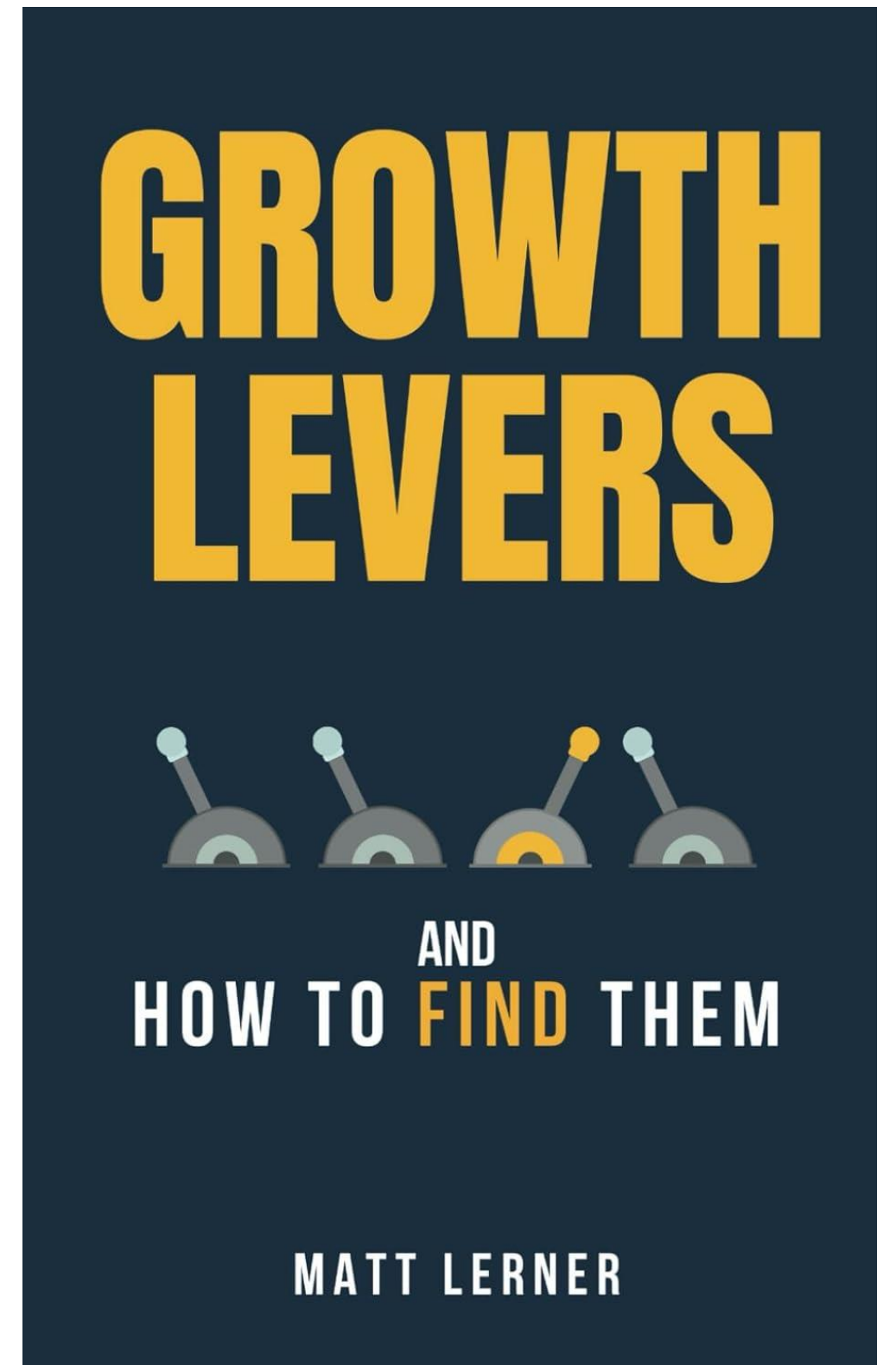
- Action is the top priority.
- Continuously adding features to products renders them useless.
- Lack sufficient resources to arrive at the right solution.

Delegators

- Hire the best and provide them with resources.
- Strategic conflicts cannot be delegated.



◆ Discovery vs Optimization



Write into chat which problems listed above you have seen in action?



Metrosert for startups



- ◆ Testing and development labs
 - Autonomous driving
 - Drones
 - Hydrogen tech
 - Biorefining
 - Health data

Metrosert for deep techs



- ◆ Testing and development labs
- ◆ Scaling manufacturing
 - Measurements: samples
 - Certifications: ISO, AQAP-2110 etc

Metrosert for deep techs



- ◆ Testing and development labs
- ◆ Scaling manufacturing
- ◆ NATO DIANA Test Centre

"Smart and deeply practical. This book is
a gem for anyone looking to up their messaging game."

APRIL DUNFORD, author of *Obviously Awesome*

MAKE IT PUNCHY



How to Write Simple
Tech Messaging That Wins
Hearts, Minds & Markets

EMMA STRATTON

THE HONEST TRUTH
ABOUT VENTURE CAPITAL
FROM STARTUP TO IPO

founder
VS
investor



ELIZABETH ZALMAN
VS **JERRY NEUMANN**

FOREWORD BY SANDY LERNER,
FOUNDER OF CISCO AND URBAN DECAY

"This book will spark a transformation in the way we sell."
—Dan Heath, *New York Times* bestselling coauthor of *Switch*,
Made to Stick, *The Power of Moments*, and *Upstream*

THE JOLT EFFECT

HOW HIGH
PERFORMERS
OVERCOME
CUSTOMER
INDECISION

Bestselling Coauthor of
THE CHALLENGER SALE

MATTHEW DIXON

and

TED McKENNA

"Sales Pitch is chock-full of practical, real-world advice on how to use a story to sell."

BRUNO AZIZA, head of data and analytics at Google Cloud

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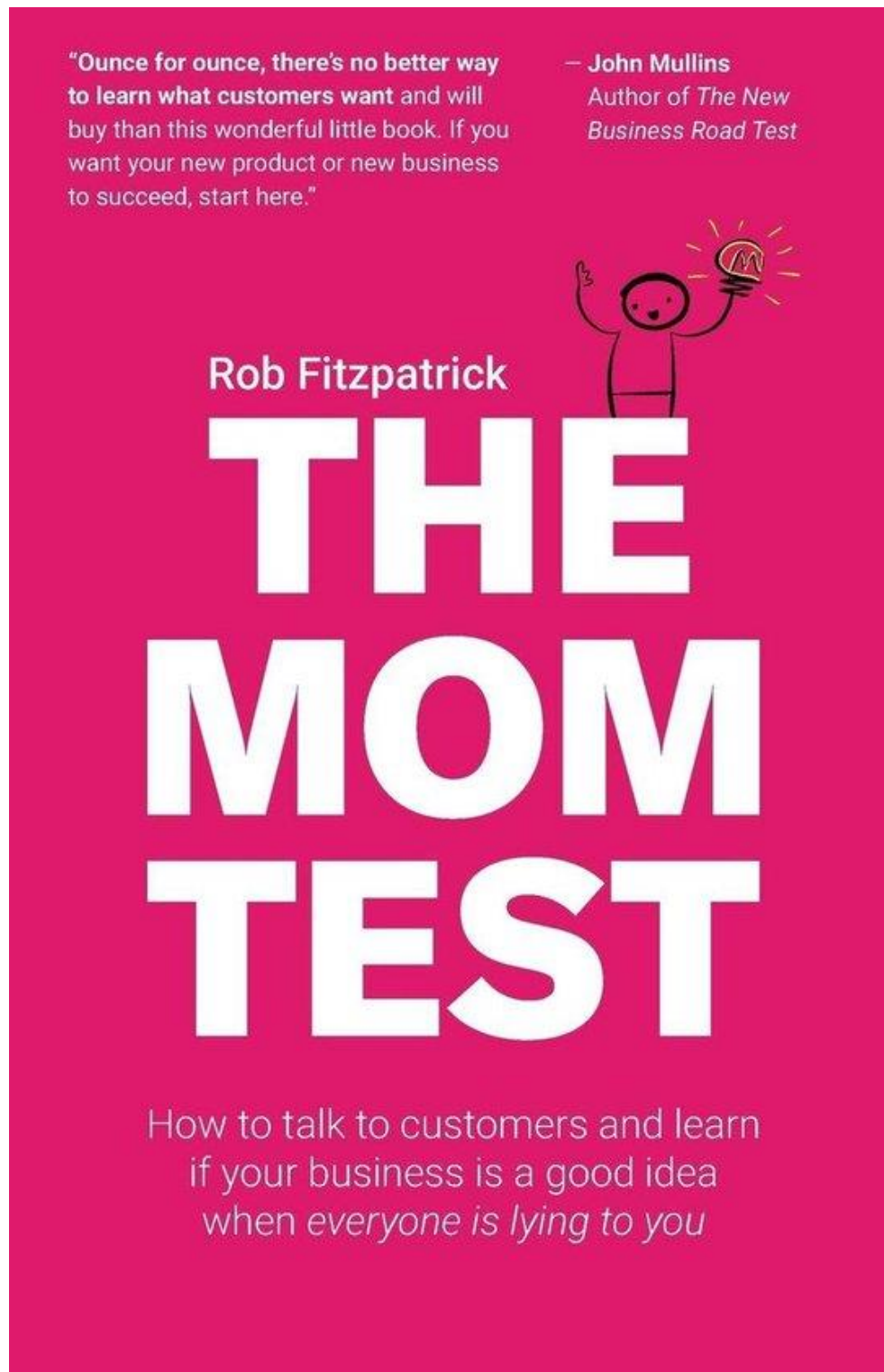
SALES PITCH

How to Craft a Story to
Stand Out and Win

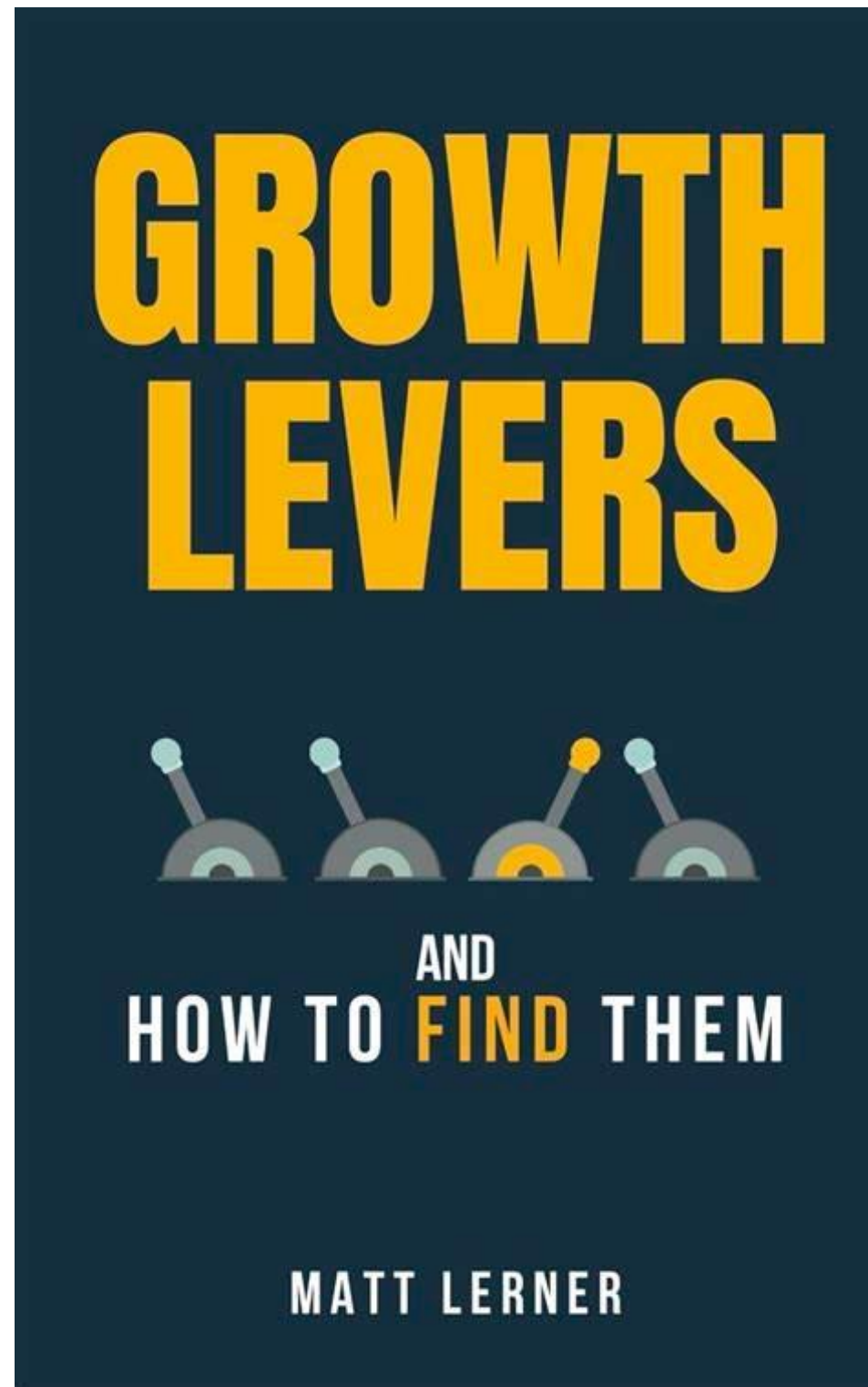
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APRIL DUNFORD

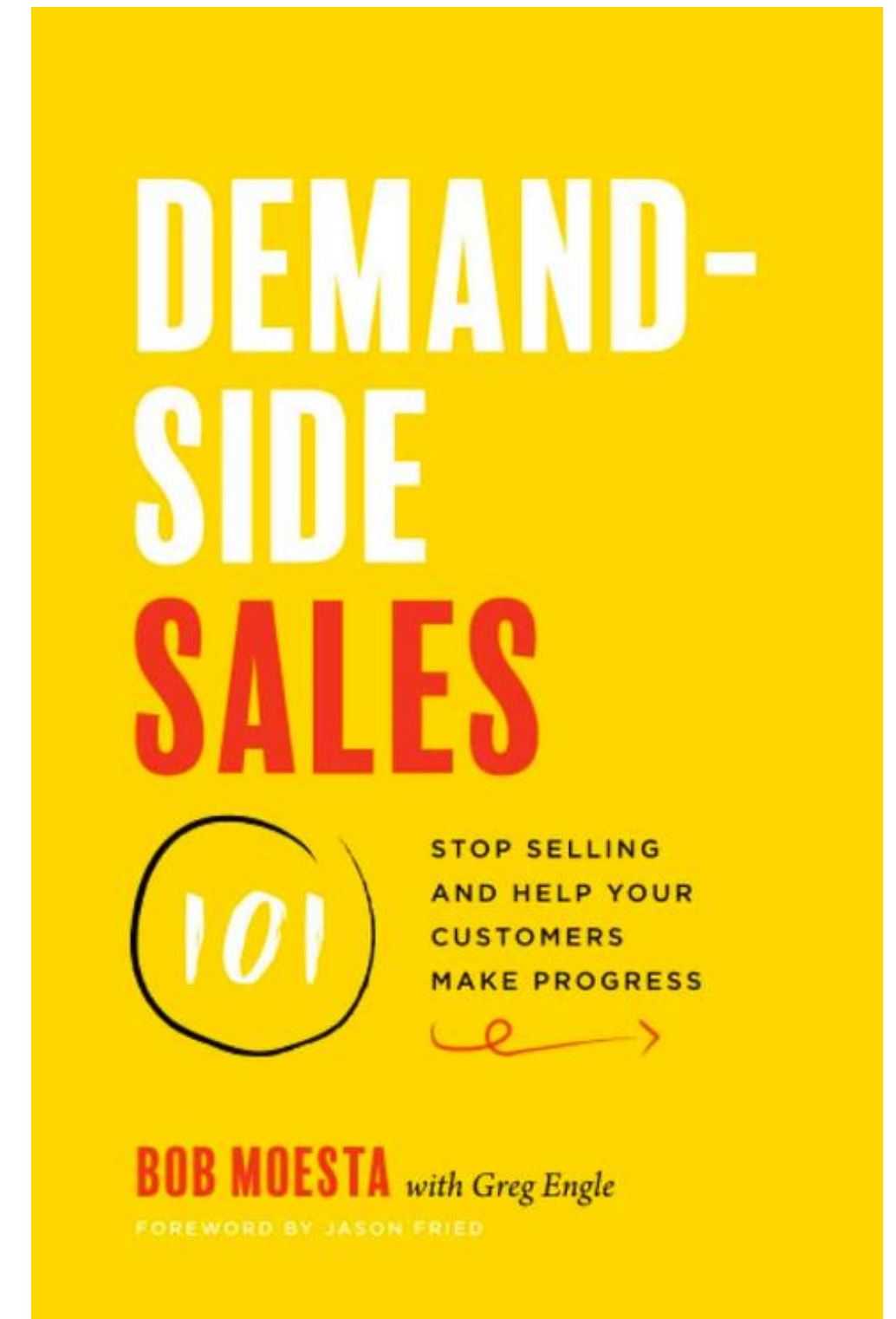
BESTSELLING AUTHOR OF **OBVIOUSLY AWESOME**



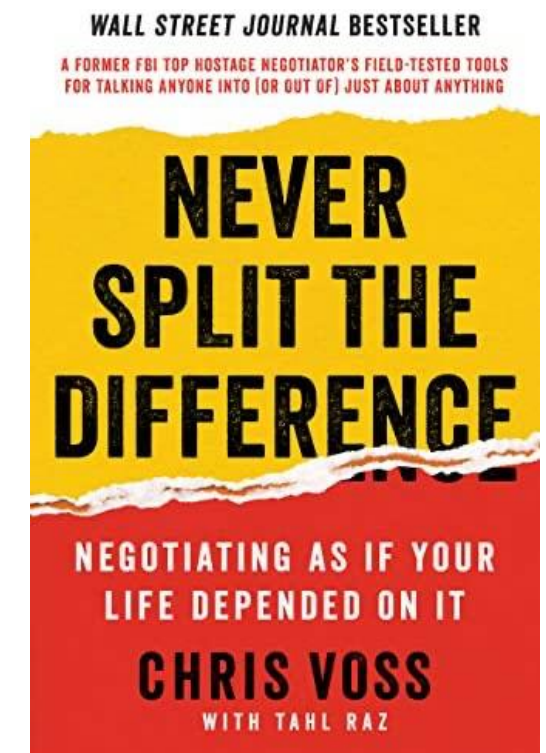
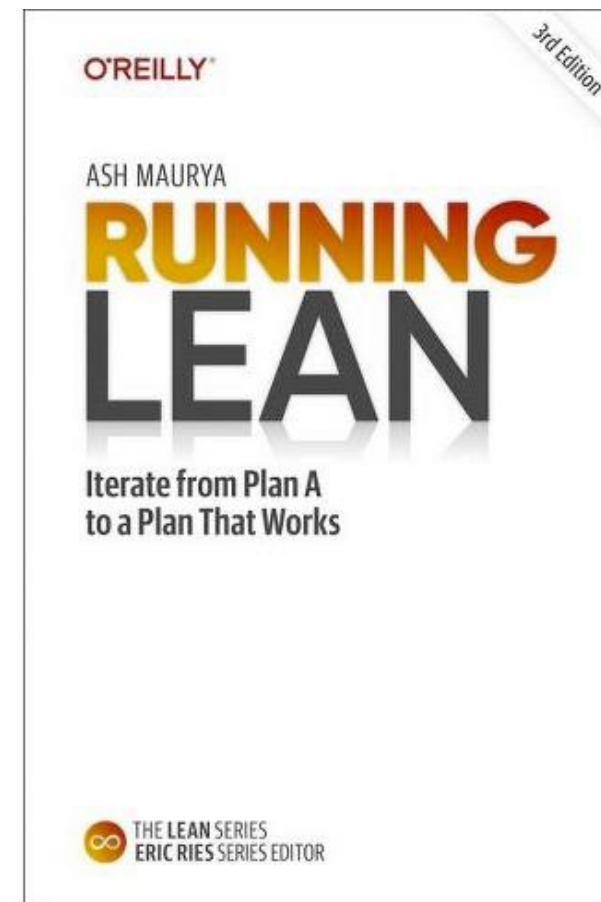
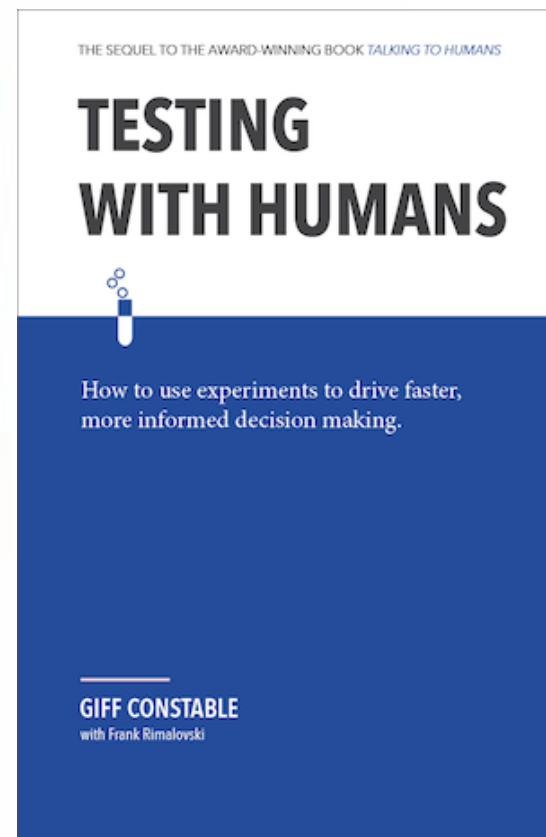
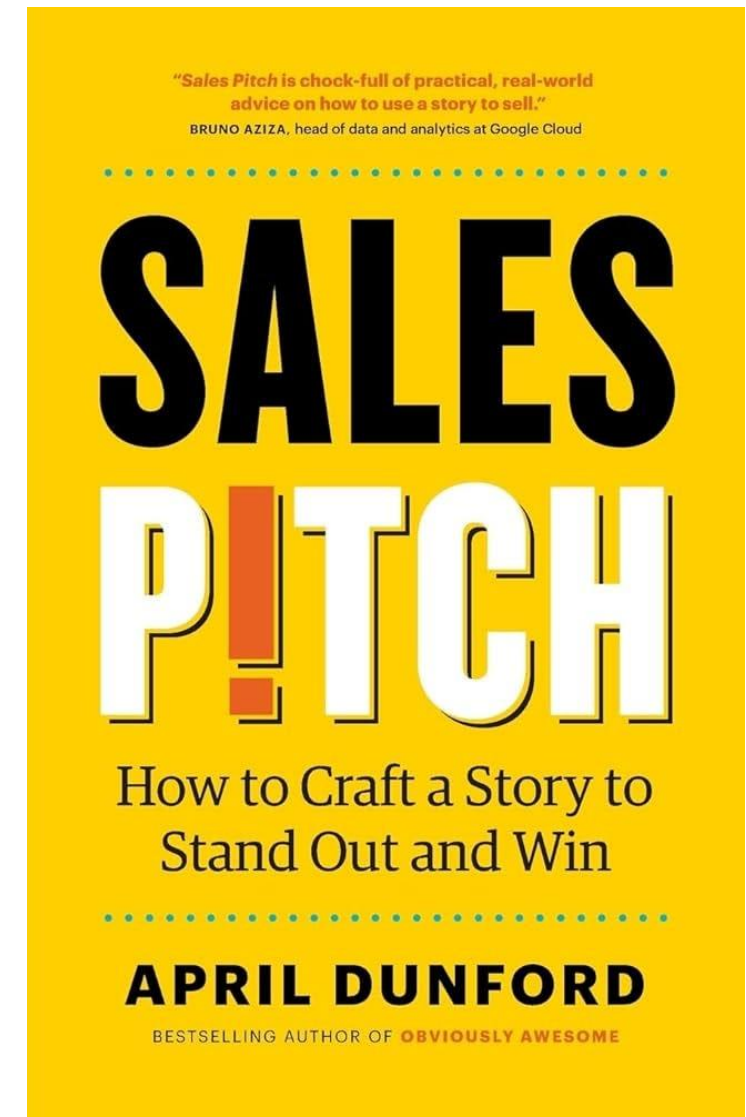
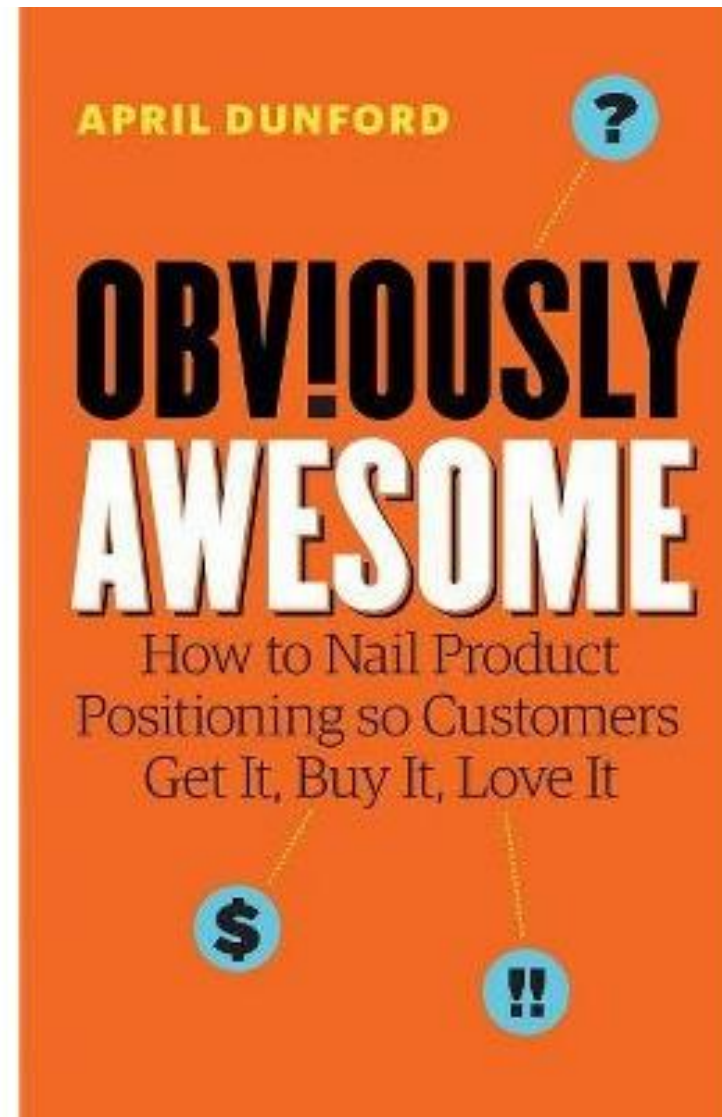
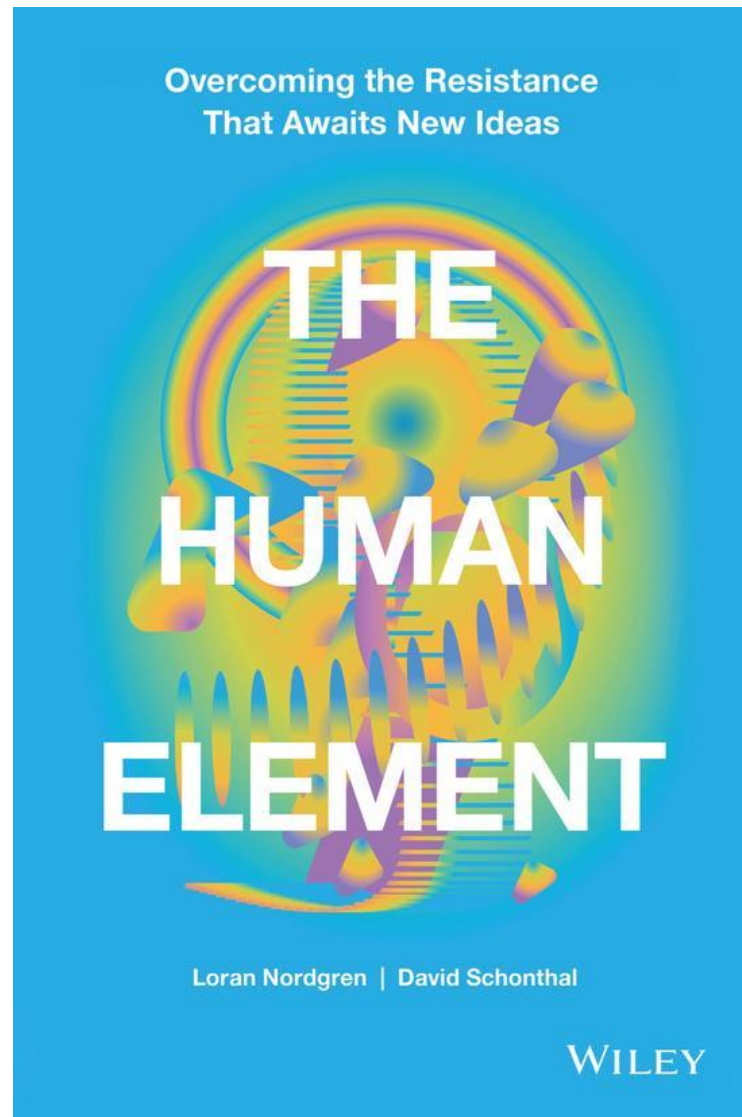
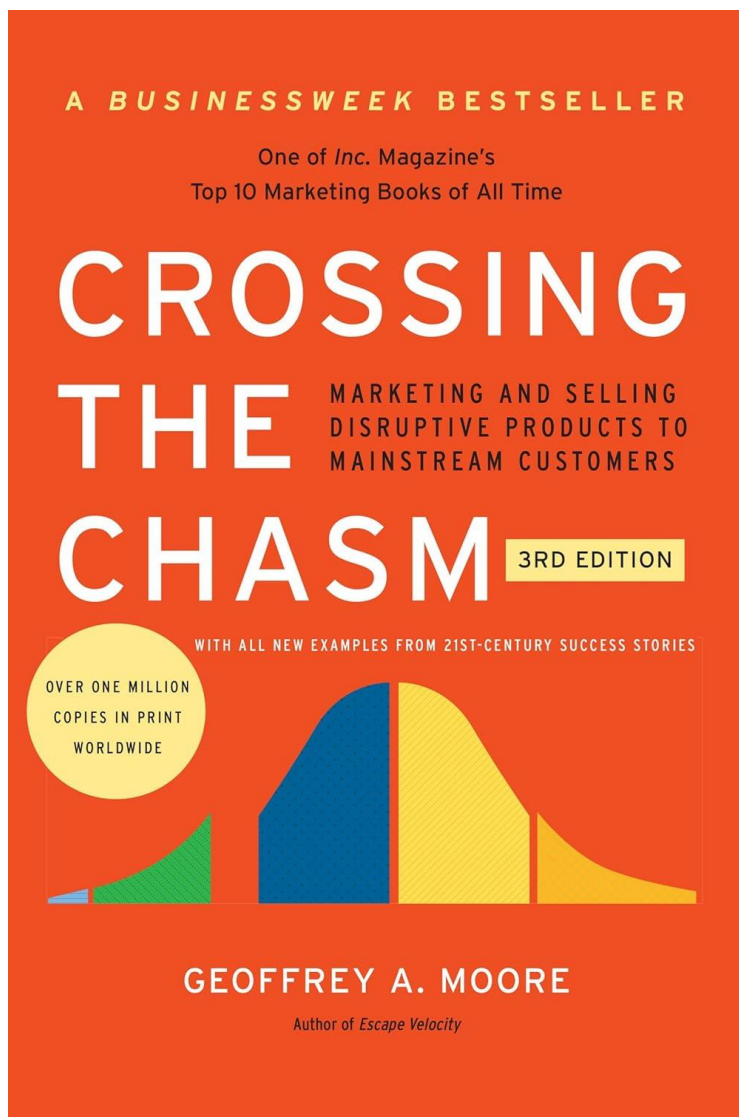
Ch. 1-3



Ch. 4



Ch. 3 & 2



MASTERCLASS!!!

Everything you need to reach product-market fit

GO-TO MARKET STRATEGIST



MAJA VOJE



Kalev Kaarna

