BioSpectrum
the business of Bio & Health Sciences

Self-Sustaining Guide for Young Startups in Today’s Competitive Market

16 September 2019 | Views

Amit Sharma, Founder and CEO of eExpedise Healthcare gives self-sustaining guide for young startups

A dream of becoming an entrepreneur in itself is one of the most courageous decision someone can take in his or her life and success of the same is mostly driven by their passion, dedication and discipline.

An entrepreneur goes through various stages, the journey of becoming an entpenure starts from convincing himself or herself of his capabilities and idea and then making people believe in the ideas & dream to start a Company. After convincing stage, the biggest stage is funding, for any dream to become a reality and then take this to the next level of survival and sustainability.

In this competitive environment and increased competition, majority of startups are eyeing on angel investors as they bring financial support and play a vital role from conception to fulfillment while at the same time, it is important to understand that not all of them ever make it to the final round of the angel investment. Yes, less than 1% of startups get funded and the rest are left with only one option, 'whether to continue or to drop the idea?'.

For many, an exit plan seems a better choice; but, for the strong-headed, it's not a choice. So, what exactly is an option for those?

On the other hand, some of the statistics suggest that more than 80% of the startups are self-funded, majorly surviving on personal savings, credits, money from family and friends, and still make it big.

What becomes the motivating and deciding factor and how do such startups flourish is the important aspect to look at.

Self-funding or bootstrapping is now gradually becoming a trend where owners try to maximize their current human capital before moving to the self-generated funds to move their idea from conceptualization to success.

Here's is why bootstrapping makes sense for any modern age idea:

1. Unlike any traditional business, business owners today prefer to incorporate their idea in parallel to their job. Why? Experts suggest to not quit your job until you are making enough in your business. There is a significant risk in quitting your day job in the beginning when most of the procedures are still under process and logistics are also establishing. Your one source of income may not be enough to cover all the overhead costs and your previous bills. And in case you try to subsidize your startup with credits, keeping a check on cash flow could become a hassle.
2. Not until the business is capable of adding an extra digit to your current pay, it is advisable not to ditch the day job. In other words, paying your way could sustain the business and smoothen your transition from employment to entrepreneurship.
3. ‘You spend wisely when it's your money’. Doesn't this imply that you are more careful with your money than anybody else's? When your startup is funded by an investor, your vision may blur and you may be tempted to scale a little bit or diversify before it's time. From hosting success parties for anything and everything becomes a habit, you over-burden yourself with premature expenses, and a lot more. It is not the case with your money, where you try not to sink in a lot of money on a lot of unnecessary things. Hence, to keep your boat afloat, it is important to take baby steps and analyze the market accordingly.
4. Your money, your decisions: At the time when your business is under debt you incur risks, in addition to that you are obliged to work in accordance with the creditors, which means you lose control. There is a business term known as debt-to-capital ratio, which means a business’s total debt to total assets in proportion. When a company’s ratio is above a certain limit, it is considered to be in losses. Almost certainly, your startup will start with next to no capital, in which case any debt you bring about will make your debt ratio to soar in all respects rapidly!

Rather than looking for the best investments, look for the best possible ways to sustain yourself on your own, such as:

- Offer something unique. Idea is to keep providing unique solutions to attract masses and in case your product or service is already unique, new areas would incorporate adding additional services on the web to improve customer services, and choices for business to supplement buyer’s involvement. These enable you to get new development without battling the existing contenders. Characterizing new areas is considered to be incredible.
- Keep re-defining. This technique, regularly called breakaway positioning, has the purpose of extending your product catalog into a formerly inaccessible area. It additionally has a bit of leeway over contenders for holding existing clients, while in the meantime pulling in new clients from another vertical.
- Inculcate disruptive technology. As opposed to the idea of depending just on one form of machine learning, the best businesses are continually hoping to offer in parallel an increasingly advanced option. Since these normally require a huge speculation, and additional time, including employee training, they should begun while your present business is as yet sound.
- Market it better. Social Media Marketing (particularly Facebook) is basically useful for structured brands. Try not to utilize Facebook to sell your items. Rather, sell your convincing story, which individuals will like and share. Ensure you incorporate components that are engaging; this will expand the post’s share-ability. Individuals go to Facebook to rejuvenate. So abstain from putting in unnecessary information, such as selling an item.