

Creating, Scaling And Selling Your Startup: Six Insights From Top Entrepreneurs



IESE Business School Contributor ©

Education -

We share global insights and research.



Shutterstock

By Josemaria Siota, IESE Business School

Is it possible to become a unicorn (a startup worth \$1 billion) in 502 days? Or to build the new “Google of images”, design a painting made up of nanotechnology or be the first startup acquired by the travel search engine Booking.com?

If you are an [IESE 40under40](#), the answer is “yes, it is”. Selected by an international jury in recognition of their highly successful startup initiatives, together these 40 successful entrepreneurs under 40 years of age have generated 2,197 jobs, raised €544 million in external investment and earned €251 million in annual revenues. But looking at the startup funnel overall, the chances of success can seem dauntingly slim for budding entrepreneurs.

According to several studies, the odds of getting venture capital for a seed stage startup is about one in 4,000. Afterwards, around three out of four venture-backed firms fail. Given this challenging environment, I asked some of these IESE 40under40 entrepreneurs for their advice on how to succeed in each of the three stages of creating, scaling and selling startups.

Creating

Arun Renuka Jayadev is the founder of Airlite, a company which has created a painting made up of nanomaterials with the ability to neutralize pollution by more than 80% and reduce bacteria by more than 99%. He says that when trying to create disruptive ideas it is important to first, “consider *challenges that affect a huge population*. In my case, the goal was to

examine how to improve the quality of the air, which is polluted in many cities such as Beijing.”

Sira P. de la Coba is the founder of Shazura, which has been dubbed the Google of images due to its ability to process a visual search platform that offers instant image and video recognition, and can scale billions of images in seconds. She adds that having a *solid education complemented with hands-on experimentation* improves the way you design new concepts. “My IESE education enabled me to combine business insights with my instinct for innovation.” In her case, her light bulb moment came when she realized that “our brain processes visuals 60,000 times faster than words. So why do we lead artificial intelligence based on words?” The company has since patented visual intelligence fingerprints that mirror how the brain works.

Furthermore, ExperCash’s founder André Boeder suggests: “Focus on a *market opportunity that has not been covered* or find a way to improve how current players are implementing that solution. Then search those possible buyers that are seeking to improve their business models through inorganic growth.” The entrepreneur’s first startup, bootstrapped with only €500 in cash, was sold to MasterCard. Afterwards, Verifone acquired his second startup Paymorrow.

Scaling

Secondly, in scaling your startup, Letgo’s cofounder Enrique Linares says, “expanding a business at high speed is a constant, obstacle-filled adventure for any company.” He should know — Letgo’s valuation has grown to over \$1 billion in just two years. Additionally, the mobile app of this secondhand marketplace has been downloaded over 75 million times. He says, “Hurdles are inevitable, so don't be discouraged or distracted by them. Instead, focus on empowering your team to identify them and find solutions long before they become urgent problems. *Study what other companies have done right (and wrong)* in comparable situations and integrate these lessons into your strategy.”

Likewise, Cobone’s cofounder Pieter Sleeboom shares his experience after successfully scaling and selling two of his companies and opening a search fund in Italy: “When you are moving from being people to process-dependent, it is important to divide very well the responsibilities of each person and align the whole organization (internally and externally) so that everyone talks with one voice. Furthermore, when expanding to several regions in a short period of time, it is important to not only think global but also to pay attention to *adapting your models to the local areas: their culture and their preferences.*” He also adds that the networks you create at business school can be a rich source of connections for your business “studying at IESE provided me with many occasions to talk to other entrepreneurs, sharing insights and opportunities.”

Selling

Thirdly, in selling your startup, Hotel Ninja’s cofounder Christian Eneström reveals: “As an entrepreneur, you do not have to know everything. The key is to develop a passion for learning, while understanding that different contexts require entrepreneurs to adjust (roles and leadership styles) in different ways. In the selling process, it is important to *set lofty, ambitious goals, and constantly measure progress with metrics.*” In two years after its foundation, the startup was the first company to be acquired by Booking.com.

By following this advice, you might just beat the odds and be the next successful entrepreneur.