



**Velocity
Growth**

Module 1: Intro to Growth

Craig Zingerline

How I got here

Software engineer → co-founder of failed startup → scaling two agencies → last 10 years focused on product company growth & product

150+ founder conversations on growth past 2 years

2x LAUNCH Accelerator founder

4 exits: e-Dialog, New Signature, Red Tricycle, Bullseye Admissions

Part 1: Laying a foundation for growth

CB Insights startup postmortems

Why Startups Fail



1. No market need (42%)
2. Ran out of cash (29%)
3. Not the right team (23%)
4. Got outcompeted (19%)
5. Pricing / cost issues (18%)
6. User unfriendly product (17%)
7. Product without a business model (17%)
8. Poor marketing (14%)
9. Ignore customers (14%)
10. Product mistimed (13%)
11. Lose focus (13%)
12. Disharmony among team / investors (13%)
13. Pivot gone bad (10%)
14. Lack passion (9%)
15. Failed Geographic Expansion (9%)
16. No financing / investor interest (8%)
17. Legal challenges (8%)
18. Didn't use network (8%)
19. Burn out (8%)
20. Failure to pivot (7%)

Paul Graham from YCombinator

18 Mistakes That Kill Startups



1. Single Founder



2. Bad Location



3. Marginal Niche



4. Derivative Idea



5. Obstinacy



6. Hiring Bad Programmers



7. Choosing the Wrong Platform



8. Slowness in Launching



9. Launching Too Early



10. Having No Specific User in Mind



11. Raising Too Little Money



12. Spending Too Much



13. Raising Too Much Money



14. Poor Investor Management



15. Sacrificing Users to (Supposed) Profit



16. Not Wanting to Get Your Hands Dirty



17. Fights Between Founders



18. A Half-Hearted Effort



from
eponymous essay
by Paul Graham
<http://fzf.vc/PG-01>

visualized by
Mark Vital

Build with Annalogy, icons made by Freepik

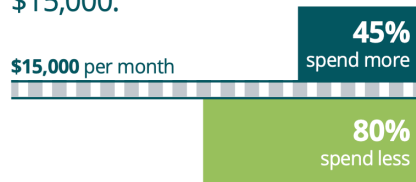
October '06 Essay

<http://paulgraham.com/startupmistakes.html>

More stats from Startup Genome

Customer acquisition

45% of startups that scale prematurely spend more than \$15,000 per month on customer acquisition before optimizing their conversion funnels & acquisition costs. 80% of consistent startups spend less than \$15,000.



Team size

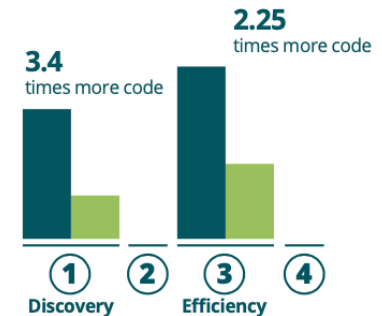
Inconsistent startups have 50% larger teams before scaling and 50% smaller teams after scaling.



A sign of premature scale: Perfectionism

- too much focus on scalability
- building nice-to-have features
- too little user testing

Lines of Code Written



Inconsistent startups write 3.4 times more lines of code in the Discovery stage and 2.25 times more lines of code in the Efficiency stage.



Additionally..

Only 1 in 12 startups make it long term.

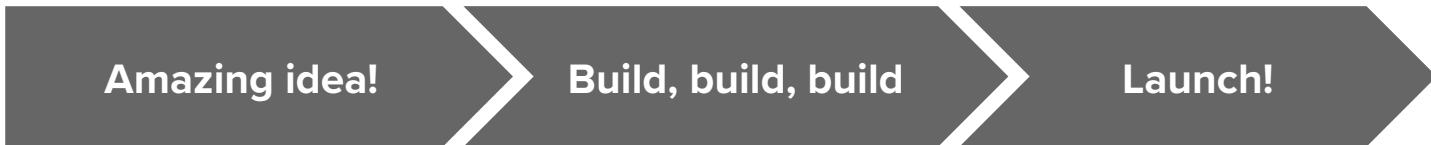
Put simply: 75% of failure is market or product market fit related!

Most startups fail because they don't find customers quick enough, or don't build enough value for consumers to stick around long term.

These are all growth related themes, and I know this story well myself.

We are founders, CEOs, growth
& marketing leaders, product
managers. We are not the
normal buyer.

How we often approach to building



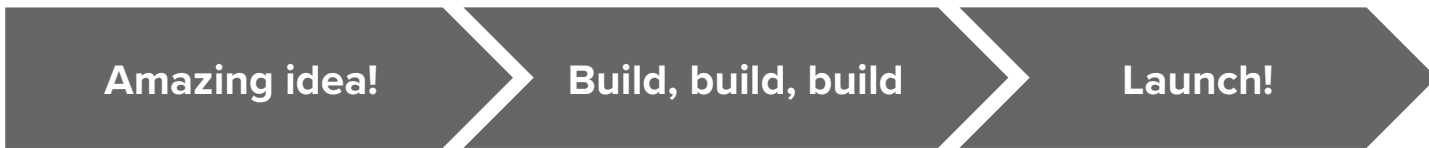
Once we build this thing, we're going to scale the business!

It's only going to take **THREE SPRINTS!**

We're going to crush our goals!

1 month later...

Wait..that didn't work?? Ok - we need to build one more thing...



Ok...that didn't work because it needs just one more feature!

It's only going to take TWO MORE SPRINTS!

This time we're guaranteed to crush our goals!

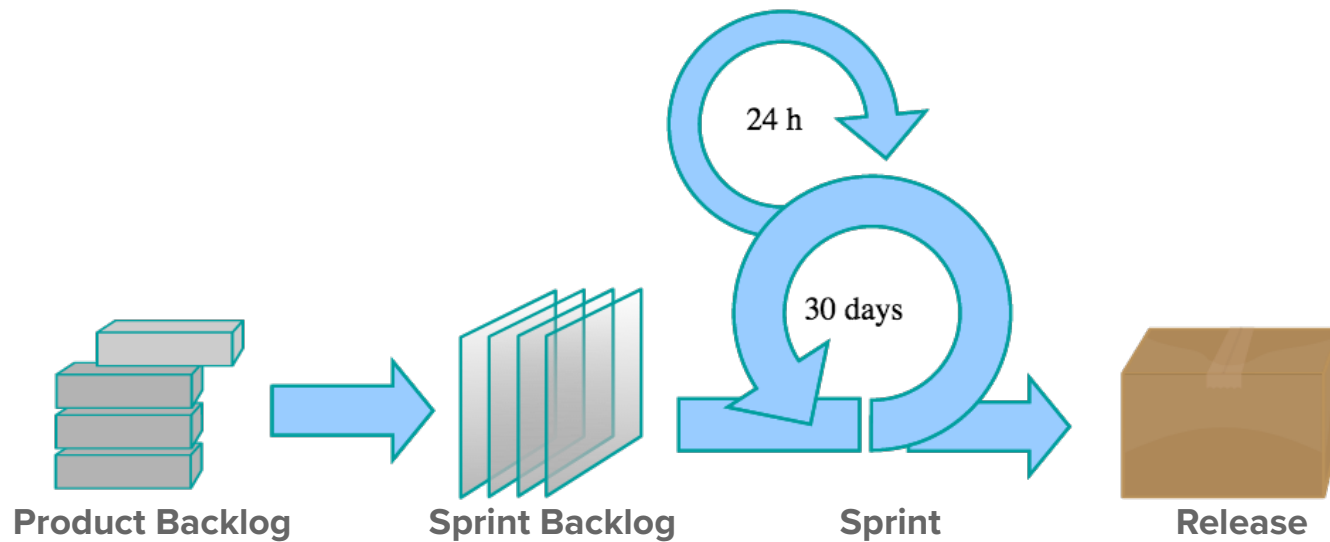
What happens then?



Disappointment or failure

Typical product development lifecycle

UNVETTED



This is the build-driven, feature based cycle of death. But we can beat this.

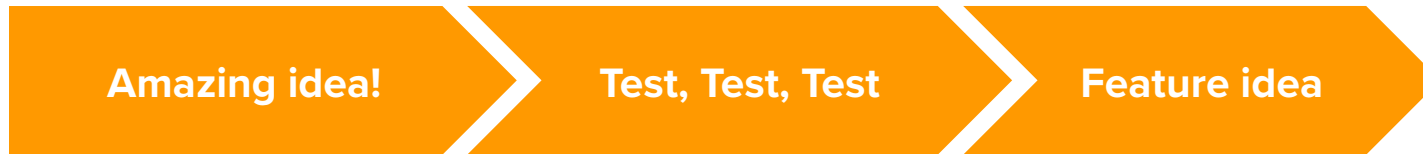
I'd argue **almost your entire focus**, especially early, needs to be on cross-functional growth

Obsess about providing value to a set of core users, in a viable market, until you find a signal.

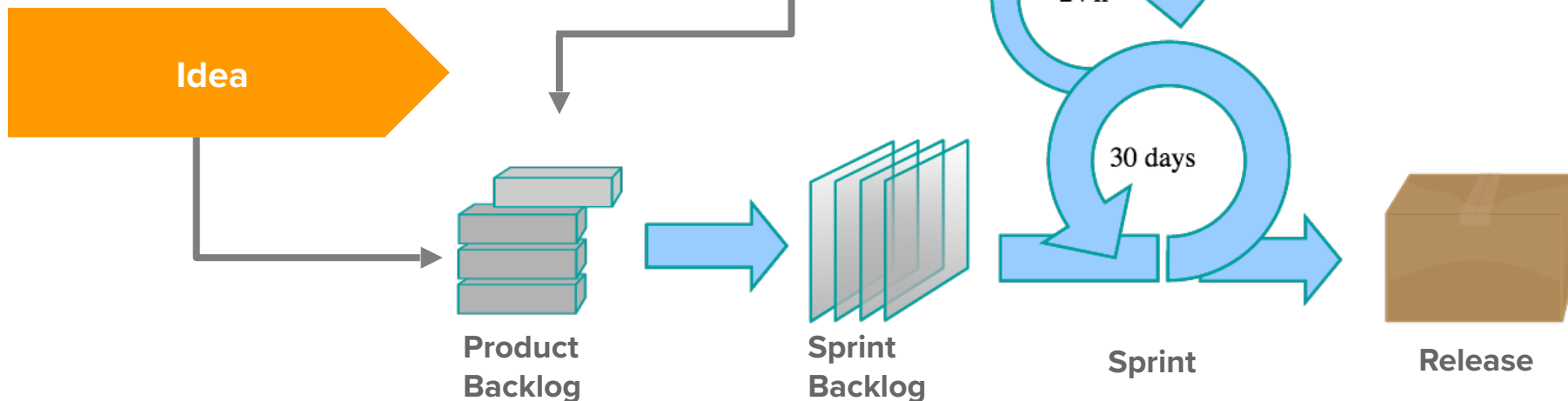
Build based on that signal & data.

The way we should build

Experiment based features



Core features you can't run your biz without



Tightly align product & growth

Being in lock-step on features and product dev is critical! You want to create fast customer feedback loops.

- Gain customer feedback from the start of an idea
- Hypothesis help ensure features will work
- Bind metrics & measurement to goals and teams
- Enable a culture of experimentation
- Have a hybrid product roadmap that ensures growth is a major stakeholder in what's built

Growth Overview

What is Growth?

How I define growth:

“Growth starts by ensuring that the product provides value to the customer the entire way through the customer lifecycle.”

What is Growth?

It's not just acquisition.

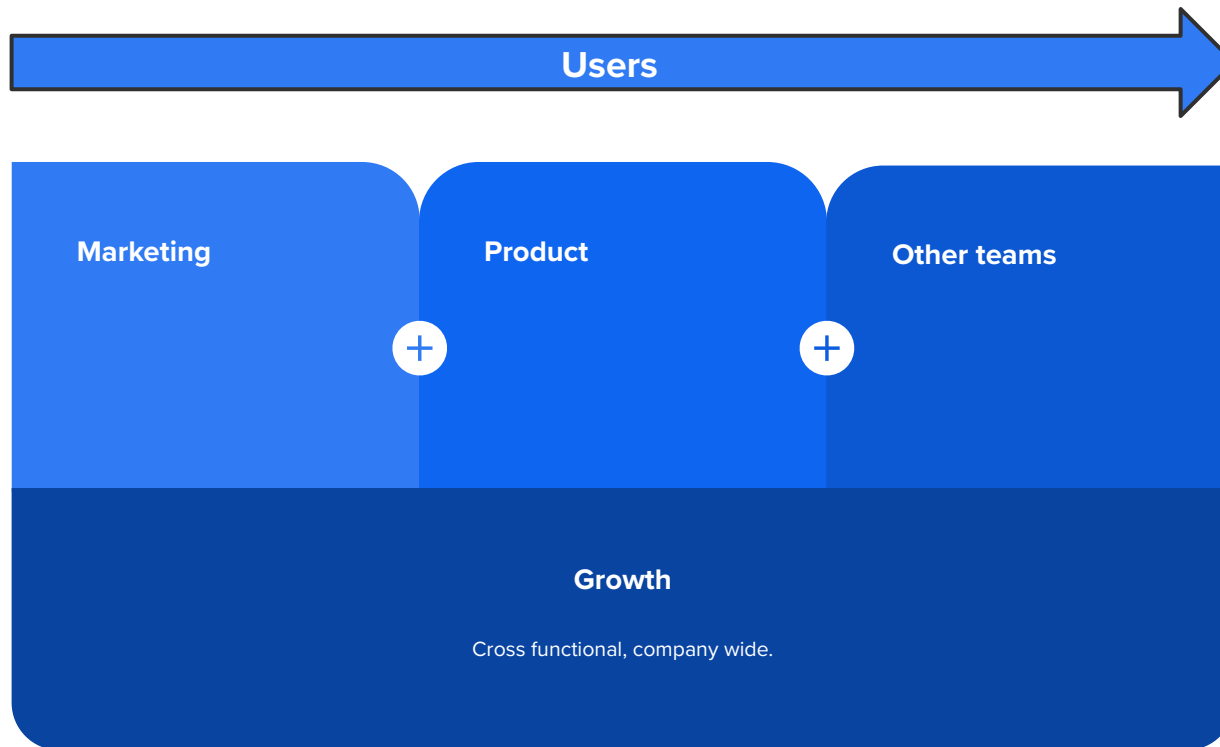
It's not scheming on "hacks."

It's about providing value before a user is a user, while they are a user, and ensures they don't become a former user.

What is Growth?

It's likely that growth will touch every point of your business at some point.

Core functional areas



Likely owns all or part of pirate metrics

Acquisition

Getting people to your site/app/experience.

Activation

Getting people to take some action you want them to take.

Retention

Getting people to come back again and again to experience your product value.

Revenue

Getting people to spend money with you (or, time, if that's your currency)

Referral

Getting people to tell others about you.



Who leverages growth?

The world's fastest growing companies have growth te

NETFLIX



 Dropbox



Uber



And many r



Thanks!

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