BUT...MANY STARTUPS DO SUCCEED

In spite the strong headwinds, many startups are able to rise from the dust and soar high. The triumph of such startups is no surprise, given the combined effect of many success-inducing factors.

For instance, startups succeed when technology innovators are allowed to leverage successful business people through mechanisms of mentorship, advisory, and a repository of other services.

The Startup Genome report, initiated by Compass' E-commerce Genome, provides an in-depth analysis of data from more than 650 startups. One of the most evident results was that entrepreneurs who continued to learn were able to innovate and become more successful. Startups that had helpful mentors learned from other startups and leaders, and tracked metrics more effectively, raised 7x more money and had 3.5x better user growth.

Another important conclusion of the research was that many investors invested 2-3x more capital than necessary in startups that haven't reached their potential. They also overinvested in solo founders and founding teams without technical co-founders, despite indicators suggesting that these teams will have a much lower success rate.

This demonstrates that choosing the right investment opportunity is itself a challenging exercise. To maximize the chances of an investment to succeed, it will be wise to choose startups with the most potential for success and provide them with the best services and conditions to increase their chances of success.

We believe the EDGE196™ due diligence process identifies innovators with the greatest potential for success. As demonstrated here, if the right solutions are offered, the potential for long-term success is greatly increased.