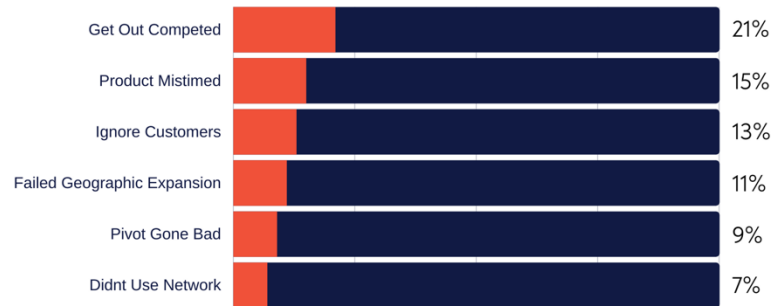
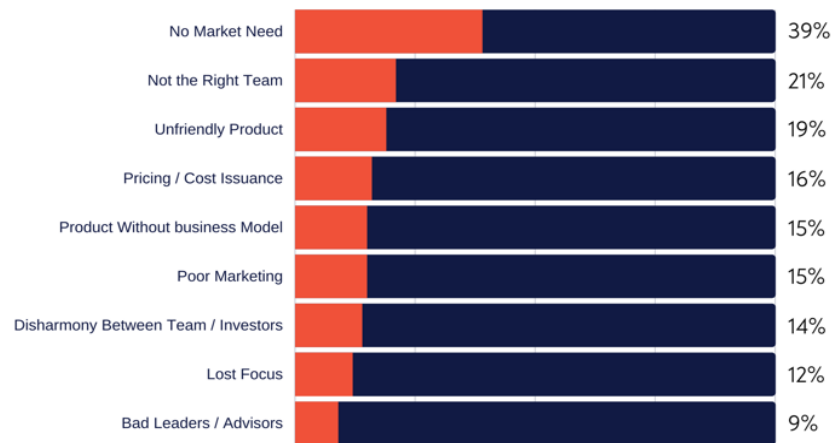


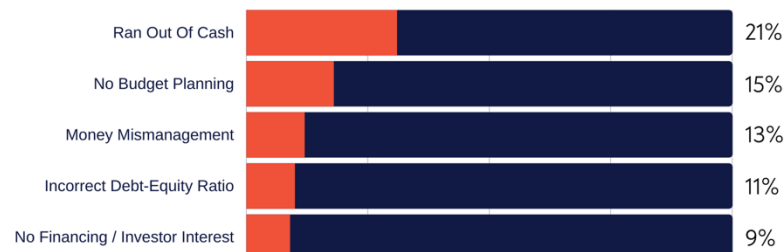
## Ignorance about the market



## Lack of effective mentoring



## Insufficient Money



Many entrepreneurs invest their friends and family, to a greater or lesser extent, in the success of their projects. The failure of startups as a result of the challenges listed to the left not only impedes innovation and funding, it also hurts the friends and family who invest in the enterprise.

If an entrepreneur passes the friends and family round, the next set of investors are usually angels and venture capitalists. These angels and VCs usually use a "shot gun" approach by taking small stakes in many startups and try to overcome the overwhelming failure percentages by riding heavy on the backs of the few successes the pool.

Along the way, investors eager for success often become Impatient and apply counterproductive pressure on the startups. This pressure can cause startups to miss longer-dated opportunities.

The charts to the left show the main reasons why startups fail according to EDGE196™ proprietary research.

< Figure 1: CB Insights analysis of 1,098 tech companies