## THE CURRENT STATE OF THE STARTUP ECOSYSTEM

Starting a new business is a daunting undertaking rife with peril. Despite the odds-against, many ambitious entrepreneurs accept this challenge at some time in their lives. While there are no precise sources to track the number of new startups, research suggests that there are tens of millions of startups at some stage of business development at any given moment in time.

Most great ideas and the businesses that they drive, however, never come to successful fruition. An analysis of startups (specifically high growth tech ventures), shows that 92% of them fail within the first three years (some investment firms claim to have lower failure rates).  We believe that EDGE196™'s 3-Ms can provide a measurable, positive increase to a startup's potential for success.

## CHALLENGES FACING STARTUPS

There have been various research studies that have uncovered the reasons for the failure of startup companies. These studies cite several reasons, including lack of proper product-market fit, lack of productive team, and the inability to "master the message." We believe that some entreprenuers lack general finance experience, some lack HR and other business management expertise, others can't gain access to necessary support services and customers. These challenges are interconnected, or sometimes precursors of the other.

For example, when a startup struggles after hiring the wrong people, it is more likely to run out of cash before its products gain market acceptance.
Another reason common failure is poor marketing and ineffective messaging. For instance, despite having a great idea, great product, a flawless sales platform can cause a startup to fail.

Most failures can be summed up by saying that the startup runs out of cash before its products reach customer acceptance.