

Entrepreneurship in the Digital Age

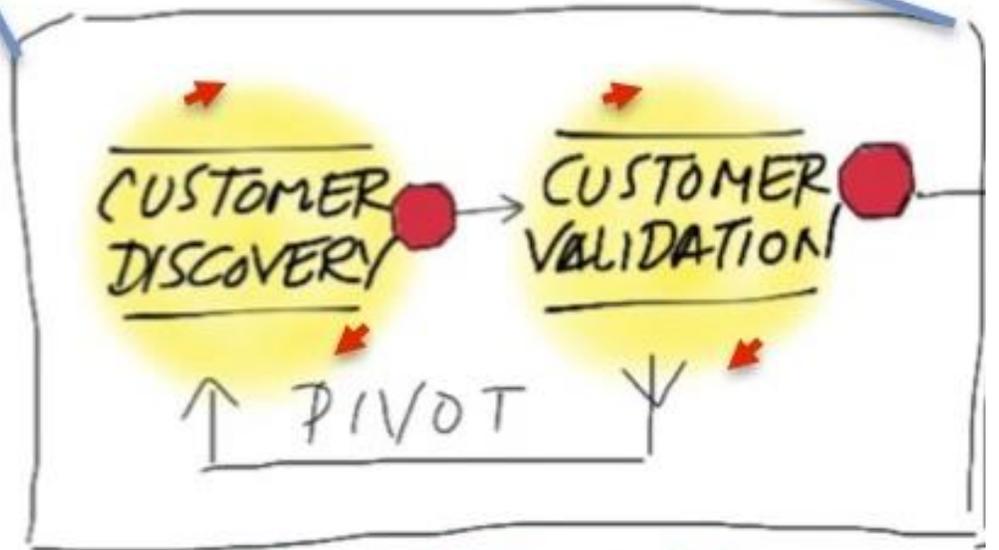
By Victoria Silchenko, PhD





Search

“A startup is a temporary organization designed to search for a repeatable and scalable business model.”
Steve Blank



SEARCH

Key elements of a startup business model

Customer value proposition: What unmet needs will the venture address? In creating a customer value, will the venture emphasize differentiation or costs savings? Which customer segment will it target?

Other questions?

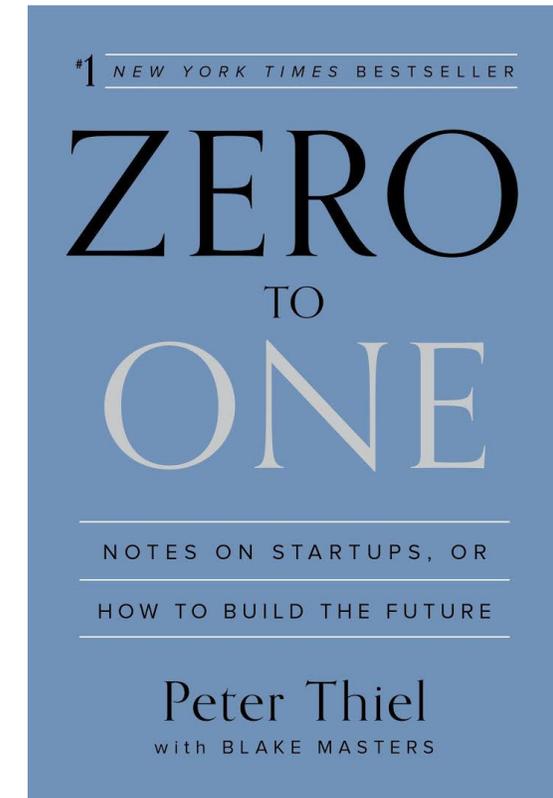
Technology and operations management: What activities required to develop and produce the venture's core offerings?

Go-to market plan

- LTV (Customer Life Time Value): (Average Order Value) x (Number of Repeat Sales) x (Average Retention Time)
- CAC (Customer Acquisition Cost)

Profit formula

- Contribution margin
- Fixed Costs (FC) vs Variable Costs (VC)
- TAM (Total Addressable Market)
- Cash Flow



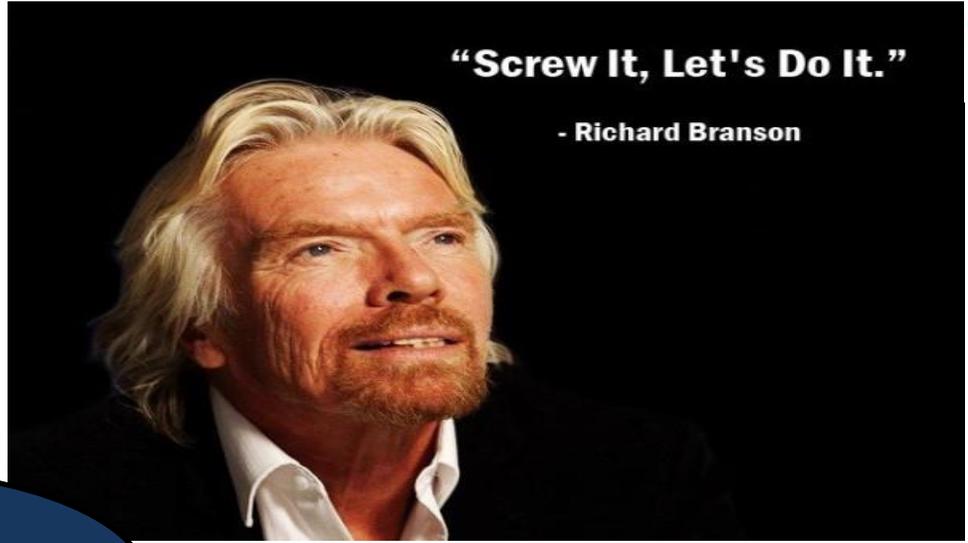
"Opportunities lie in the place where the complaints are."

Jack Ma



"Screw It, Let's Do It."

- Richard Branson



Who Wants to be an ENTREPRENEUR?

"i could either watch it happen, or be part of it."

-Elon Musk





WHAT IS THE MOST IMPORTANT QUESTION
WE SHOULD ASK WHILE DEFINING A VIABILITY OF OUR
NEW VENTURE?



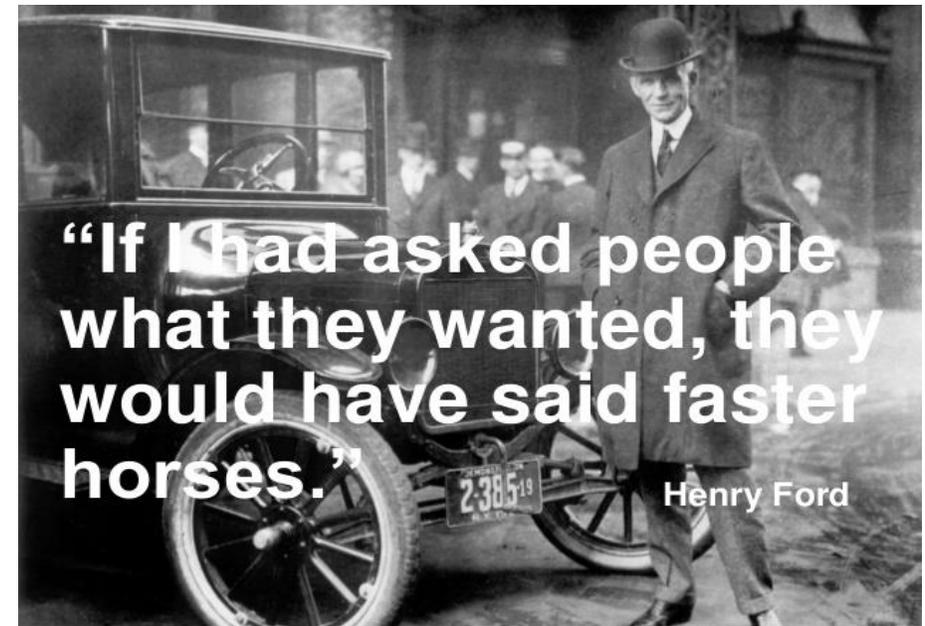


THE QUESTION IS: WHAT MARKET PROBLEM ARE WE TRYING TO SOLVE?

- ✓ Google made search better.
- ✓ Amazon simplified online buying and selling.
- ✓ Netflix solved on-demand streaming media.
- ✓ Uber is trying to make on-demand car service better.

What can YOU make smarter or better?

Solve real painful problems



We Stand on the Verge of a New Era

- We are moving to a post-scarcity economic situation
- Most goods will be produced in great abundance with minimal human labor needed



Agricultural Age



Agricultural Worker

Age of the Plow
18th Century

Settle
Grow things
Feed

Industrial Age



Factory Worker

Age of the Machine
19th Century

Automate
Make things
Move

Information Age

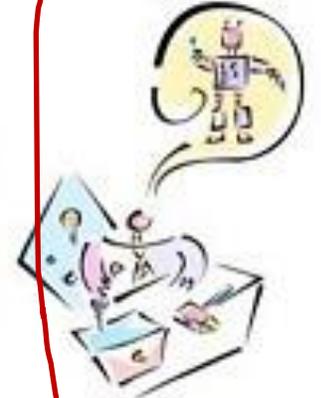


Knowledge Worker

Age of the Computer
20th Century

Aggregate
Program Computers
Inform

Conceptual Age



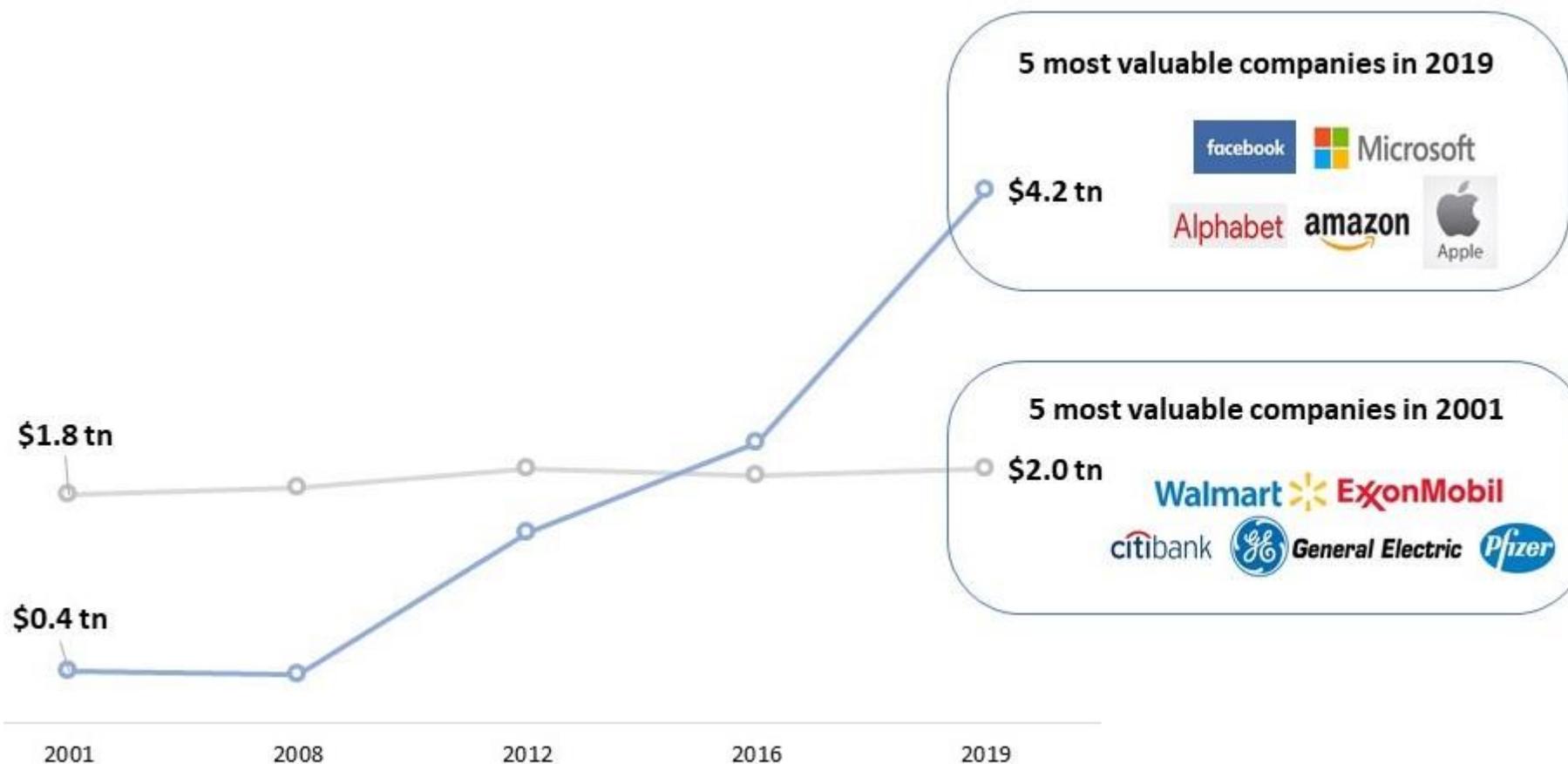
Conceptual Worker

Age of the Idea
21st Century

Create
Invent, Innovate
Serve



The Top most Valuable Companies Are All in Tech





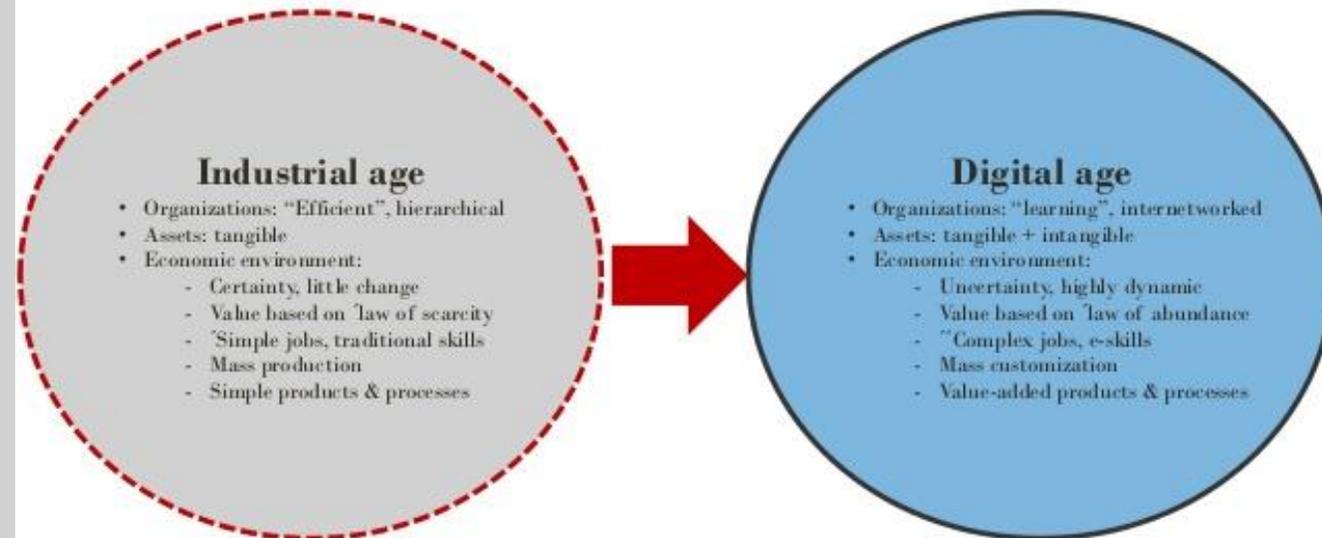
The New Paradigm:

Knowledge & Creative Economy

- Services orienteered economies
- Demand for ideas & innovation
- Competition for reputation

FROM THE PRODUCER-DRIVEN ECONOMY TO A CUSTOMER-CENTERED WORLD TO THE AGE OF IDEAS

Industrial vs. Digital age characteristics

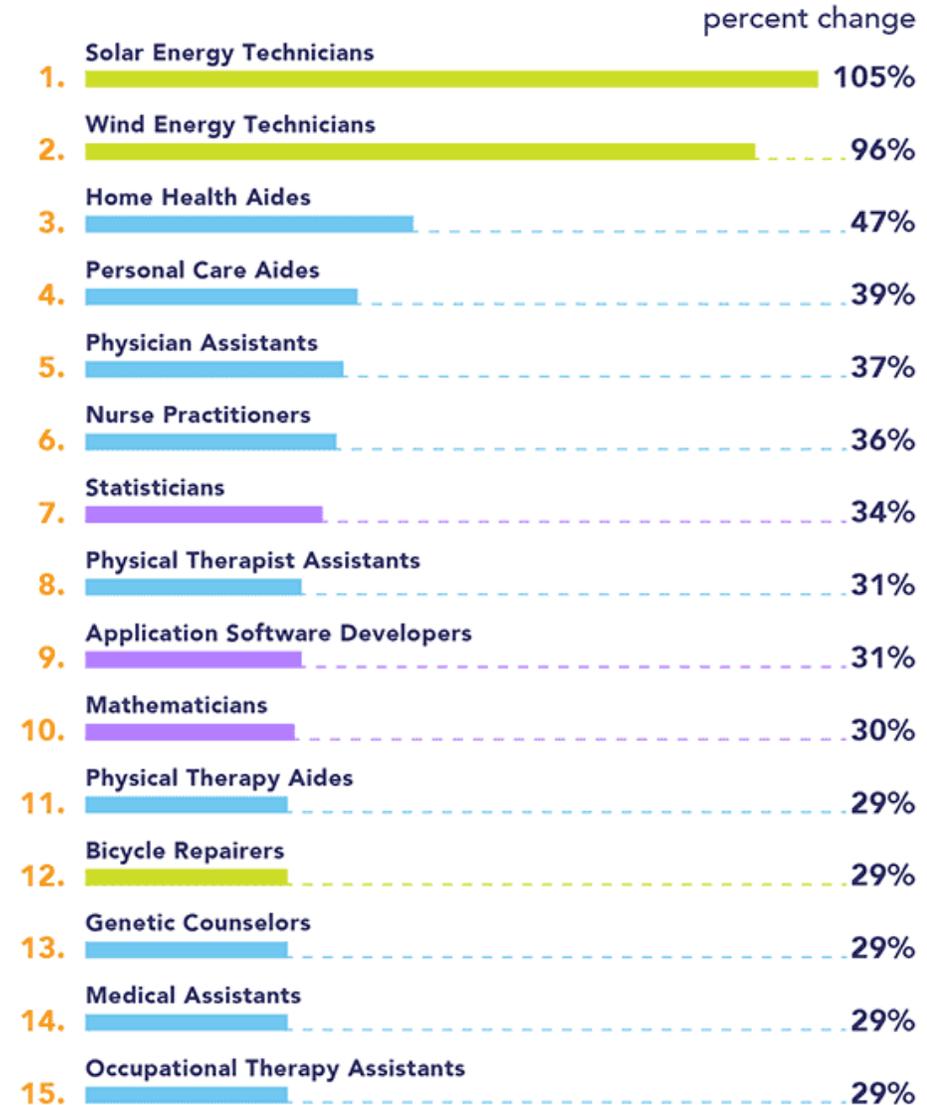


New Jobs that Don't Exist Yet (according to Monster.com)

- Drone manager
- Private industry air traffic control
- Medical mentor
- Self-driving car mechanic
- Autonomous transportation specialist
- Personal medical interpreter
- Human-technology integration specialist
- Wholeness mentor
- End-of-life coach

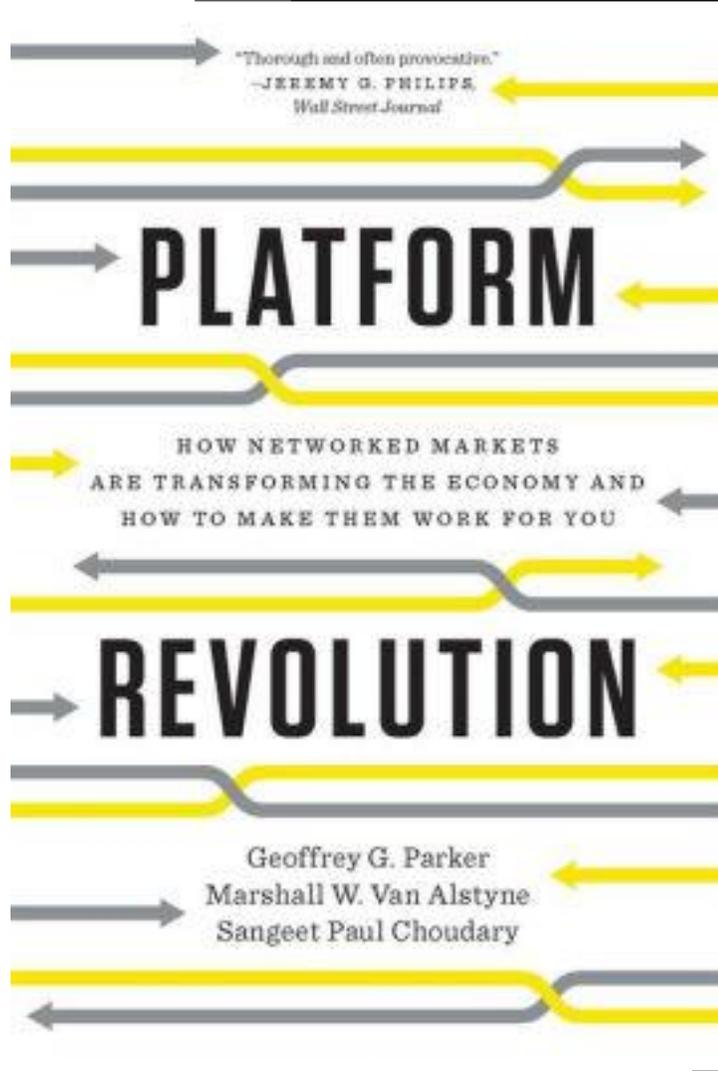


15 Fastest-Growing Occupations From 2016 to 2026



Source: U.S. Bureau of Labor Statistics, Employment Projections, 2016–2026.

The Rise of the Digital Platform Economy



- We are moving from an economy of tangible assets (=land, buildings, & equipment) to an economy of intangible assets (brands, patents, licenses, data, information)
- The new world of ownership of intangibles, plus economies of scale & network effects typical for a digital world has made a lot of markets oligopolistic in form
- New incumbents are creating a “platform economy” - online matchmakers and multisided digital networks such as **Amazon, Etsy, Facebook, Google, Salesforce, Uber or AirBnb**
- If the industrial revolution was organized around the factory, present changes are organized around these digital platforms
- Such platforms are already having dominant impact for society, markets, and firms
- We have also moved to an open global economy where countries with a lower cost of living can compete via wages <https://lnkd.in/eTXv595>



Entrepreneurship Today Has no Borders

- There is a free flow of the ideas, knowledge and a customer data
- New customers can be reached with a mouse click
- Global financing platforms are on the rise

Can You Afford NOT To Go Digital



*BUILD YOUR CAUSE

*TAP INTO YOUR COMMUNITY

*EDUCATE YOUR FOLLOWERS

**Always remember:
your number one investor is your customer!**



Top Digital Platforms for Creative Entrepreneurs to Find Customers



- Etsy
- Patreon
- Shopify
- Big Cartel
- Zibbet
- Amazon Handmade
- Bonanza
- DaWanda
- Aftcra
- Storenvy
- Tictail

Emerging Trends in Entrepreneurial Finance



- Sources of capital are emerging outside of traditional geographical hubs
- The VC industry is shifting at the biggest and smallest ends of the market
- Online platforms—for crowdfunding, angel syndication, and lending—are increasingly important options for seed-stage and early-stage startup needs
- Women are playing more decision-making roles in entrepreneurial capital
- There is robust experimentation with differentiated (plus mixed) capital models

UNLEASHING THE POWER OF FEMALE ENTREPRENEURSHIP



- Women are undervalued, untapped investments that yield huge returns for any community
- Today women-owned entities represent approximately 40 percent of enterprises globally
- Two main reasons: to support life while remaining flexible or to create high-growth ventures/ wealth
- We have hair salon owners, high tech visionaries and everything in between
- Women control the vast majority of household spending – we are more likely to better understand customer perspective

Increased access to knowledge, networks, capital and technology are critical to empower female entrepreneurship and create a culture of success among women

BEST PRACTICES IN SUPPORTING WOMEN'S ENTREPRENEURSHIP: A COMPENDIUM OF PUBLIC AND PRIVATE SECTOR ORGANIZATIONS AND INITIATIVES



- According to the National Women's Business Council, today we have an unprecedented 13 million U.S. businesses in which women are equal or majority owners (2019 data)
- Key success factors: • Access to Influencing Public Policy and Opinion • Access to Capital • Access to Markets • Access to Education, Mentoring, or Technical Assistance • Access to Research • Access to Networks/Networking • Access to Board Membership • Access to Certification • Access to Honors
- REPORTS ON BEST PRACTICES: Click [HERE](#)



A FIRST-OF-ITS KIND MODEL IN A MAJOR AMERICAN CITY FOR EMPOWERING WOMEN THROUGH ENTREPRENEURSHIP



- Focuses on African-American and Hispanic women-business owners as well as low-income and immigrant women
- Provides training, mentoring and networking events PLUS financing helping to address the needs of women raising between \$25,000 and \$250,000.
- The program has already inspired Boston to do something similar
- To learn more click [HERE](#)

MORE WOMEN ARE BECOMING INVESTORS



- Today one in four angel investors are now women, almost 320% growth in the last 10 years.
- Over 30% of all companies seeking angels funding were women
- 28% of all companies receiving funding were women-run
- Organizations to help women become angel investors are springing up: [Female Funders](#), [Radical Generosity](#), 37 Angels, Pipeline Angels (now in 21 cities) and Women First from Angel Resource Institute
- 7% of investing partners at the top 100 venture and micro-venture firms are women
- 12 % of venture rounds and 10 % of venture dollars globally between 2010 and 2015 went to startups with at least one woman founder
- There is scant evidence yet to suggest that on an industry-wide basis firms with a female partner are more likely to invest in startups with a female founder (techcrunch.com)



QUESTION:

**How to define
whether a business idea
is innovative?**

Is your business idea innovative?



- INNOVATION = Invention * Commercialization
- IMPORTANT: Innovation is NOT limited to a technology
- Invention is an idea, technology, business model or some sort of intellectual property
- If there is commercialization but no invention (=0) or invention but no commercialization (=0), than there is no innovation
- IMPORTANT: the entrepreneur does not need to create the invention BUT it is important he/she can identify it
- ...and knows how *to capitalize on it*

5 key questions to ask BEFORE launching:



Who is your customer?

How does your customer acquire your product?

How do you make money off your product?

How do you build your product?

How do you scale your product?

**But THE most important question is:
What market problem you are resolving which has not been resolved yet?**

And remember: WE NEED GOOD VENTURES!

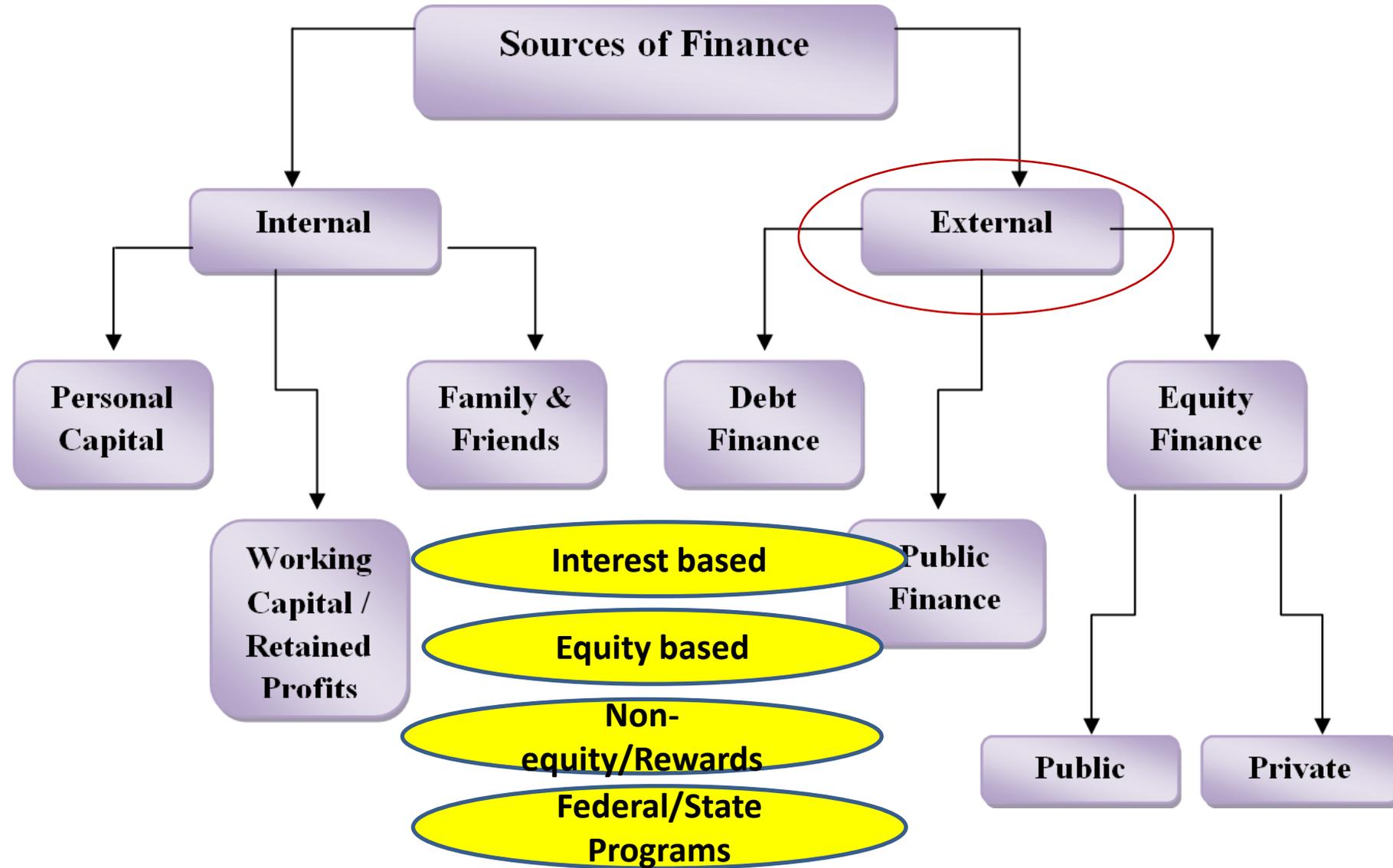


"Yes, the planet got destroyed. But for a beautiful moment in time we created a lot of value for shareholders."

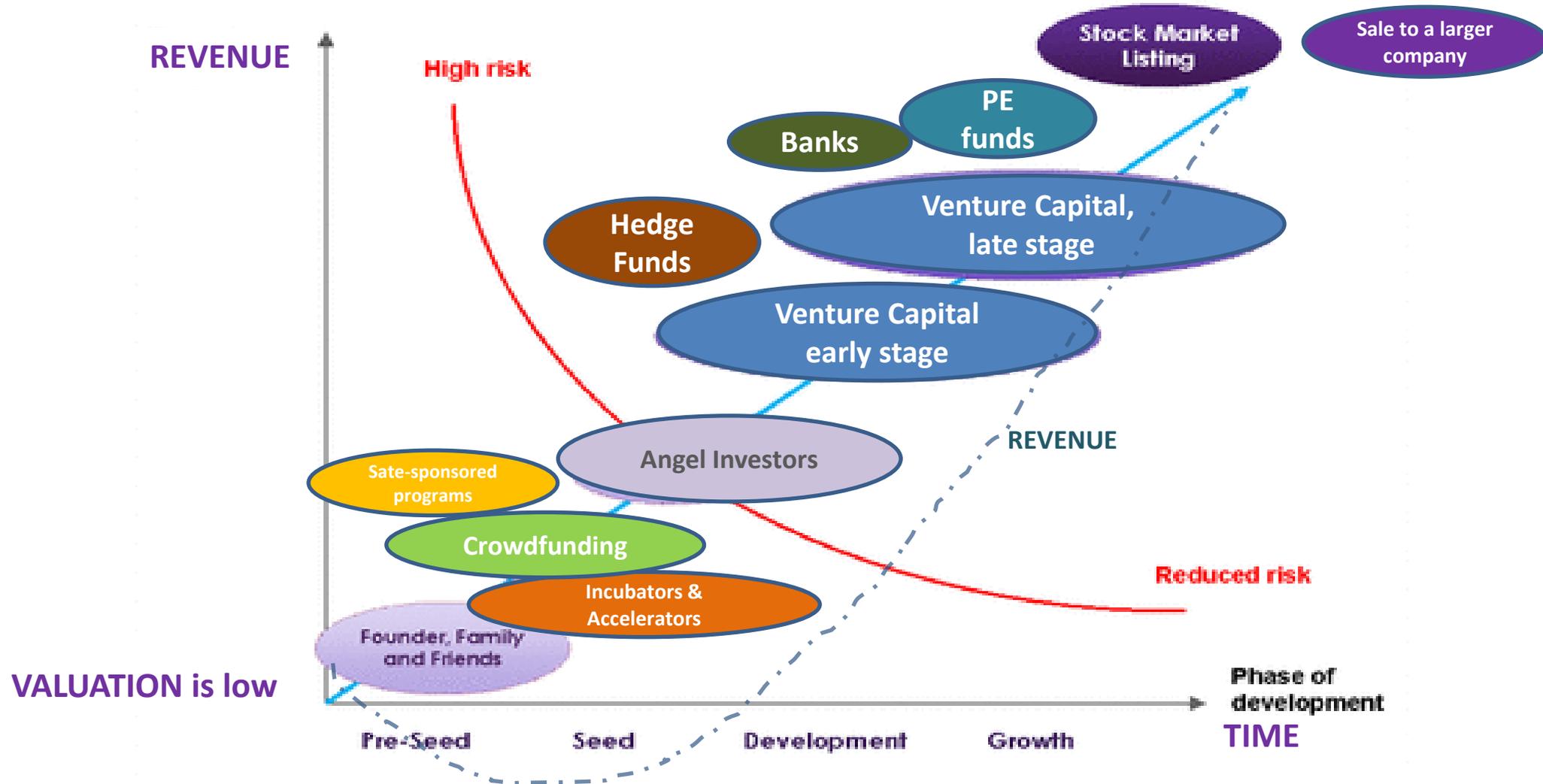
THE FORCE WILL BE WITH WOMEN ENTREPRENEURS



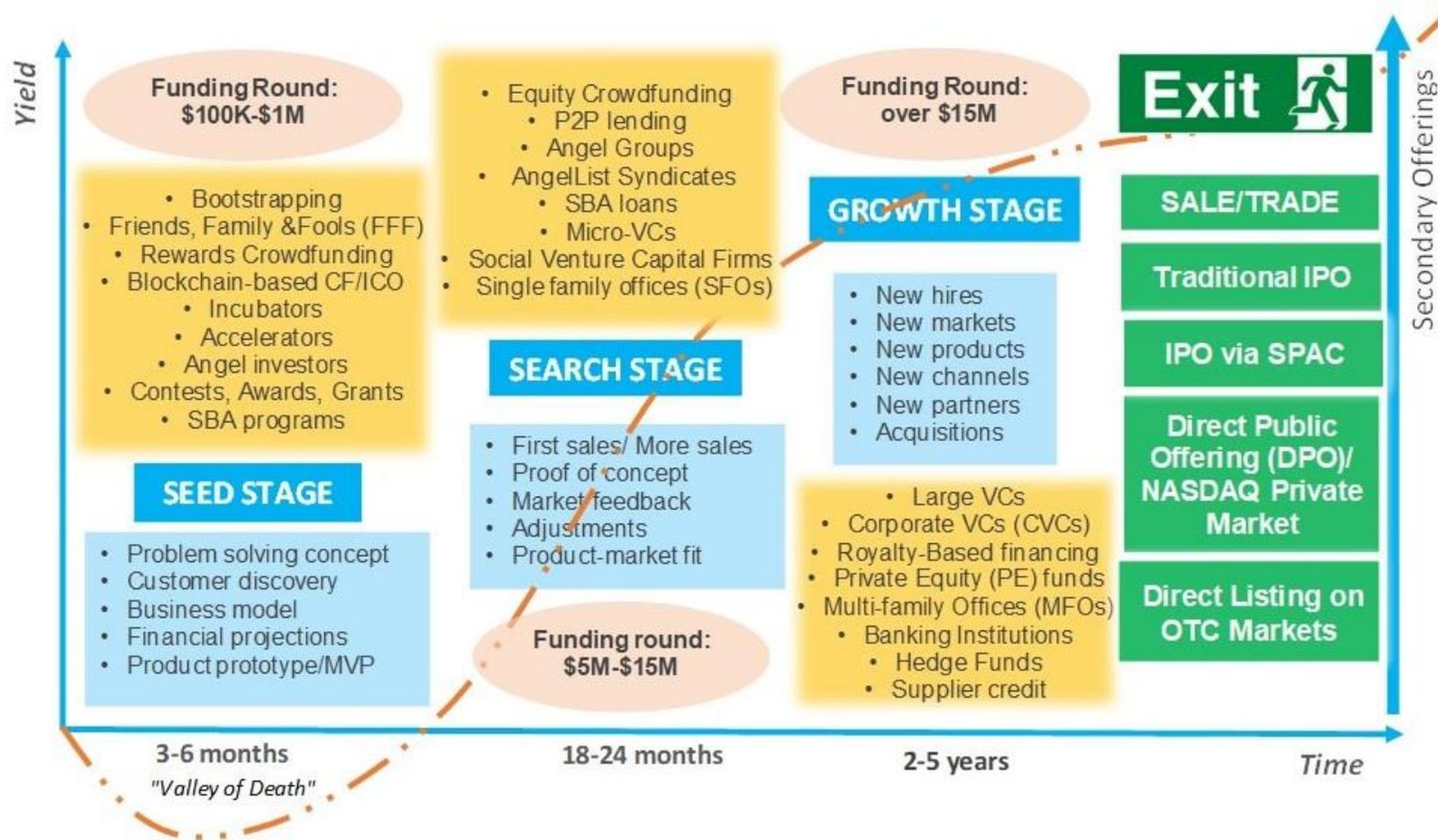
**More women pursue social
entrepreneurship**



Who Finances Startups?



Funding Sources Are Aligned with Startup Life Cycle Stages



Some of the most famous examples of startup investors



- **INCUBATORS & ACCELERATORS:**
- [Y Combinator](#), [500 Startups](#), [Techstars](#), [AngelPad](#)
- **ANGEL INVESTORS:** [Jeff Bezos](#), [Paul Graham](#), [Kevin Rose](#), [Dharmesh Shah](#)
- **HOLLYWOOD STARS & ATHLETES STARTUP FINANCIERS:**
Ashton Kutcher, Demi Moore, Justin Timberlake, Kim Kardashian, Magic Johnson, Snoop Dogg
- **THE MOST POPULAR PLATFORM TO SEARCH FOR ANGEL INVESTORS:** [AngelList](#)
- **REWARD-BASED CROWDFUNDING:** [Kickstarter](#) [Indiegogo](#)
- **EQUITY CROWDFUNDING:**
[Indiegogo](#), [CrowdCube](#), [Crowdfunder](#), [Seedrs](#)
- **VENTURE CAPITAL FIRMS:** [Accel](#), [Andreessen Horowitz](#), [Benchmark](#), [Sequoia Capital](#)
- **CORPORATE VENTURE CAPITAL:** [Google Ventures](#), [Intel Capital](#), [Johnson & Johnson Innovation](#), [Samsung Venture Investment](#), [Microsoft Ventures](#) [Amazon Venture Capital](#)
- **THE LARGEST VC FUND TO DATE (<\$100 billion):** [Softbank Vision Fund](#)



Y Combinator



Four Types of Crowdfunding

Types	Contribution	Retribution	Representative platforms
Donation-Based Crowdfunding	small amounts of money (typically between \$1 and \$1,000, sometimes more)	none	 
Reward-Based Crowdfunding	small amounts of money (typically between \$1 and \$1,000, sometimes more)	Reward (often a product or service)	 
Equity-Based Crowdfunding	larger amounts of money (at least \$1,000 and often a lot more)	a small piece of equity	 
Lending-Based Crowdfunding (P2P)	make a loan	principal plus interests	 





ALWAYS BE LEARNING

The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.

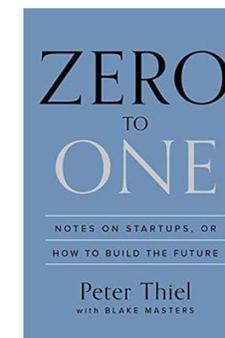
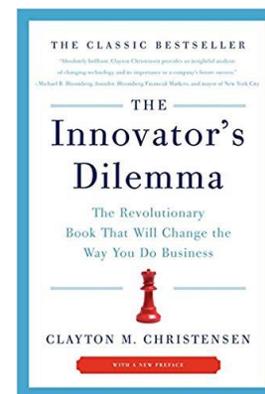
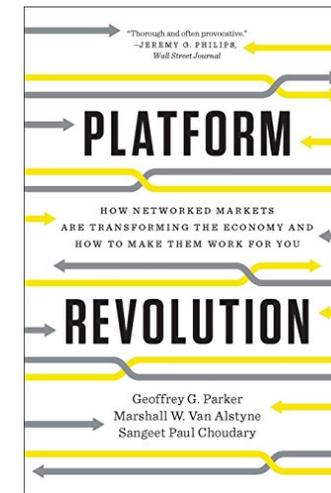
- Michelangelo

make your own quotes at Quozio.com

Read some of my articles published on:

[CrowdfundInsider](#)

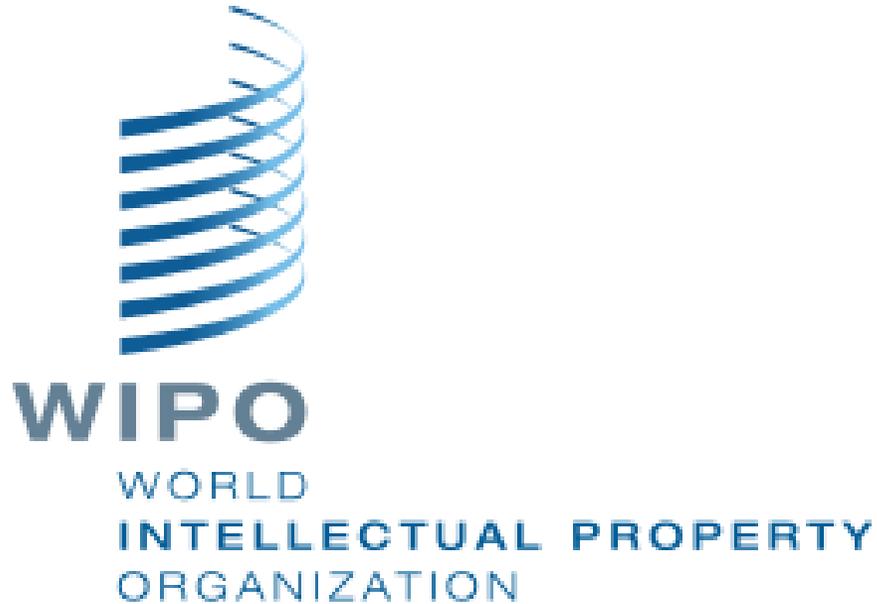
[Huffington Post](#)



Funding Creators Worldwide: Key Players



- **UNESCO International Fund for the Promotion of Culture** provides financial support on the basis of a call for proposals opening once a year en.unesco.org
- **Green Art Lab Alliance** funding guide greenartlaballiance.eu
- **Botín Foundation** provides financial aid for training, research or personal projects around artistic creation www.fundacionbotin.org
- **Rudolf Nureyev Foundation** - supports individual dancers, organizations or companies and performances, with a focus on the former Soviet Union and Eastern Europe www.nureyev.org
- **Foundation for Arts Initiatives** supports contemporary visual arts and culture ffaiarts.net
- **Open Society Fellowship** supports individuals pursuing innovative and unconventional approaches to fundamental open society challenges, in any of the 5 issues identified by the Open Society Foundations (Health, Education & Youth, Governance & Accountability, Media & Information, Right & Justice) www.opensocietyfoundations.org
- **The Awesome Foundation** - a global community "advancing the interest of awesome in the universe, \$1000 at a time."
- **Ticket Fund by Prince Claus Fund** - the cross-cultural exchange of artists and cultural practitioners www.princeclausfund.org



3 key ways to protect your intellectual property (IP)

- Registering Copyrights/Trademarks and Applying for Patents – source <https://www.wipo.int/portal/en/index.html>
- Acquiring Insurance
- Implementing Security Measures:
 - Conducting background checks on key personnel/partners
 - Restricting IP access to essential parties, contractors or supply chain partners
 - Prohibiting unauthorized copies of IP, e.g. on USB devices, shared network drives
 - Encrypting all IP that is transmitted digitally and electronically





ALWAYS BE LEARNING: Nontraditional education tools and platforms are on the rise

- **Self-learning Destination Sites** (offers courses from many different providers): Udacity.com, Udemy.com, Coursera.com, edX.org
- **Learning Management Systems**: there are over 700 providers in the market for corporate Learning & Development www.talentedlearning.com/lms-vendor-directory/
- **Open Source Learning Management Systems** (for developing and hosting an online courses) Moodle, Sakai, and Open edX
- **Modern Learning Management Solutions** such as Docebo, Totara, Litmos, Motivis, NovoEd and many others
- **Custom Built Learning Platforms** such as extensionengine.com, classroom24-7.com, www.elogiclearning.com/, www.onpointdigital.com, www.yourmembership.com and many others



Bringing Your Startup to the U.S.



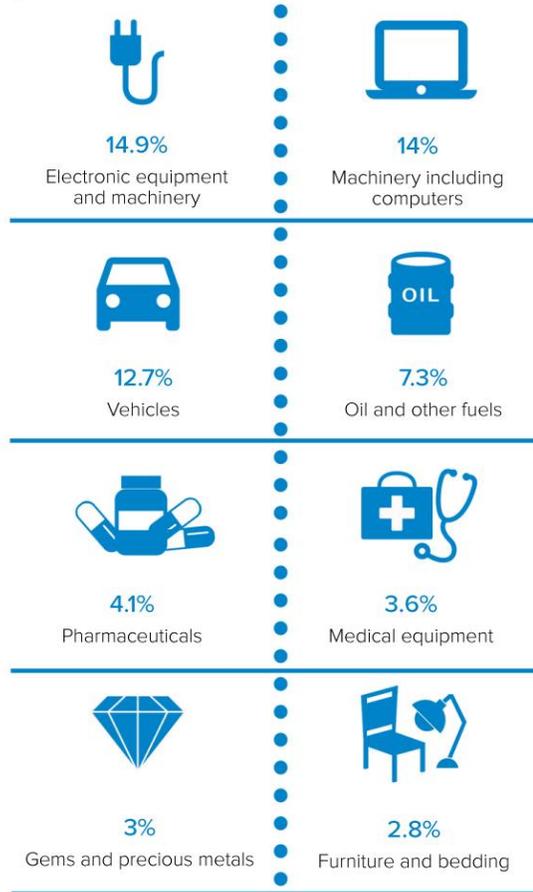
- **Common Business Structures:** [Corporation](#) or [Limited Liability Corporation](#) (LLC)
- **TAXES:** If you are a non-resident business owner, the U.S. Internal Revenue Service (IRS) will tax you on income that is sourced in the U.S.
- **FEES:** You may also be required to pay an annual fee to the state where your business is incorporated
- **GOOD SOURCE TO STUDY:** [SBA.gov](#)
- **REGISTRATION:** Delaware has been the most common region for registering a holding company/ plus Las Vegas
- **Funding vehicles:** *convertible debt* from angels/*preferred equity* with VCs
- **IMPORTANT:** inventory your IP, verify your ownership and make sure you have the U.S. based “entrepreneurial friendly” aka *cost effective* attorney



Exporting to the U.S

- In 2018 the U.S. was the world's second largest importer after the European Union, importing a total of \$2.7 trillion in goods and services
- Get legal guidance from a lawyer who is familiar with U.S. law
https://www.americanbar.org/groups/legal_services/flh-home/flh-bar-directories-and-lawyer-finders/

Top U.S. Imports, By Percentage



Get Familiar with International Commercial Terms ("Incoterms")



Carrier Paid To (CPT)—The seller of a product is responsible for the payment of freight to ship that product to the import country. Once the product has been delivered to the carrier, the buyer accepts responsibility for the shipment and its destination.

Ex Works (EXW)—The buyer arranges the full shipment from the supplier's warehouse to the cargo's destination.

Free Carrier (FCA)—The seller arranges most or all of the shipping stages from the exporting country. The buyer accepts liability once the goods arrive at the carrier's terminal for export



Exporting to the US: Useful Online Sources

- [U.S. Customs and Border Protection \(CBP\) Contacts](#) – Contact information to find assistance from any of CBP's offices in international trade, trade relations, and brokers.
- [International Trade Administration \(ITA\) Services](#) – ITA's import services, including counseling and a program/partner search
- [International Business Brokers Association, Inc.](#)
- [Customs Rules Online Search System](#)
- [Customs Trade Partnership Against Terrorism](#)
- [Basic Importing and Exporting Information](#)
- [Small Business Administration: Importing Goods into the U.S.](#)

More Sources

- <https://www.fas.usda.gov/> Foreign Agricultural Service
- Calendar for Tradeshows <https://eventsinamerica.com/events/trade-shows/2021>
- <https://www.franchiseresales.com/> Find a franchise in the US
- <https://www.exim.gov/who-we-serve/lenders> Connect with EXIM Bank
- <https://www.buyusa.gov/> - search for partners in the US



CONTACT INFO

<https://www.metropecapital.com/>

<http://worldfundingsummit.com/>

Business E-mail: vsilchenko@metropecapital.com

University E-mail: vsilchen@callutheran.edu

Connect with me on LinkedIn:

www.linkedin.com/in/victoriаметropolecapital

On Facebook: <https://www.facebook.com/avrora.starr>

Follow us on Twitter: [@FundingSummit](https://twitter.com/FundingSummit)

THANK YOU!!!

