STARTUP MANUAL

Guide to start and launch your startup business

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1. Introduction

Dear startup founder,

Launching a startup company is a challenging and bumpy road with its successes and failures, with many uncertainties and a lot of testing. We know that, and this is the reason why the partners from Finland, Estonia and Latvia initiated the Central Baltic Springboard project, aiming to accelerate the early stage startup companies, providing cross-border matchmaking opportunities and business support.

The project partners of Springboard include the best universities and business development organisations like University of Turku, Turku Science Park Ltd, Tallinn Science Park Tehnopol, Tallinn University of Technology, Latvia Technology Park and Riga Technical University. Together we have years' worth of know-how working with students, entrepreneurs and startup companies, trying to make the difference and penetrate the global market.

There are obviously some challenges included to the process. The regions of the Baltics and Scandinavia are relatively small and the lack of business support, investments and talent strikes out every now and then. This is the main trigger for the Springboard project.

During the project, we tacked challenges like cross-border cooperation between startups and made the progress for students from the universities to business supporting programs like incubators and accelerators as smooth as possible. We helped tens of companies to establish business links within the region and encouraged tens of student teams to take on the road of becoming an entrepreneur.

Based on the things we learned by doing all this, this manual is combined, giving you the recommendations and insights of how to launch and run a successful company and find valuable partners in the region. We hope you find it useful and helpful during your journey to success!

Johanna Puhtila
Senior Advisor of Startup Companies and Manager of CB Springboard

2. Startups at glance

2.1. What is a startup company?

Before getting started, it is important to understand why are some companies considered to be high-growth potential startups and others not. A startup company is an entrepreneurial venture which is typically a newly emerged, fast-growing business that aims to meet a marketplace need by developing a viable business model around innovative product, service, process or a platform. A startup is usually a company such as a small business, a partnership or an organization designed to effectively develop and validate a scalable business model. Startup companies are normally operating with very limited resources to find repeatable and scalable business model to go global.

Startup companies can come in all forms and sizes. Mainly, some of the critical tasks are to build a co-founder team to secure key skills, know-how, financial resources, and other elements to conduct research on the target market. Typically, a startup will begin by building a first minimum viable product (MVP), a prototype, to validate, assess and develop the new ideas or business concepts. In addition, startups founders do research to deepen their understanding of the ideas, technologies or business concepts and their commercial potential. Startup founding team must be a group of innovators, always in search of new markets, product or service features and clients, to test and implement their ideas as quickly and cost-efficient as possible.

2.2. Main characteristics of a startup company

There are many growth and performance related indicators that help to distinguish if your business idea and the execution plan can be considered as founding the startup company. The most common characteristics of a startup company are the following:

- High growth potential – Your business idea is based on shaky hypothesis, but you have clearly indicated the need on the market and if the execution works out as intended, the product or service has impact on many potential customers. High growth is also potential is also related to quick implementation, meaning that the product or service can be launched quickly and brings massive traction at once.
- Scalability – Your business model is build up so that the product or service can be offered in many different markets at once. There might be some customizations in the customer accusation model (e.g. customer support, language, logistics, marketing activities), but in general the global market can be tackled at the same time with the same core product or service.

- High risk of failing – Your startup idea is unique or different/better than the competitive solutions on the market. This makes the implementation (making the customer to prefer your product or service instead of the competitive ones) uncertain and naturally quite risky. There are startup companies that are following the success stories of other companies (using the same business model, entering the same markets, having similar product or service features). In this case the traction takes longer but some risks connected with sales and marketing can be reduced as well.
- Lack of resources – Startup companies are always lacking the resources (mostly time and money) because their target market is large and the product development requires a lot of testing and re-deployment. The key is to find a correct balance between the development and implementation. Your ultimate goal is to reach the revenue phase as quickly and cost-efficient as possible.
- Lot of uncertainties in the business model – Many startups are providing unique services or product to the customers. That is the main reason why the business model (way of providing the solution and earning money) is not clearly defined in the beginning. You need to test your clients with various sets of business models to find out the one that fits the best. After finding the suitable model, scaling up is relatively easy.
- Learning by doing mentality – There is no complete guide that helps to build up a successful startup company (there are lot of good advice available though). Building the startup company is in constant change dictated by market conditions, investments, habits, development of technology etc. The most certain way of getting accurate feedback on your activities is to run real-life test with real-life customers and real products or services (or the prototype, MVP of the product or service).
- Client oriented approach – Client is the king because they help to validate your hypothesis, give you the valuable feedback, and eventually, pay you money for the product or service. Reaching your target customers can be a harsh process but it needs to be done as soon as possible. If you want to spare some time and money, face your clients even before your core team is happy with the MVP or prototype that has been built. Customers are willing to be part of the product development process and are really eager to give you valuable feedback.
- Different growth funding schemes – Reaching profitability with your startup business can be a road with very many sidetracks. To support the quick growth and fierce product development in a startup company, there is an option to use external money. This could be in the form of a loan, an investment, a grant, a crowdfunding solution etc. Main thing is to keep an eye on the financial resources and performance ratio and to find out as quickly as possible if additional resources will be needed. Raising capital can be a long process and starting at the right time can make all the differences.

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- Importance of team/founders – The core team of a startup company is the biggest asset the company has. There are two things that are crucial to well-performing startup teams: mix of different professional skills that are needed to build the product or launch the service and the similarities in the expectations and working models of the team-members. As long as a startup company has not launched the product or service and has not reached the revenue phase, the value of the company can be only estimated by the performance of the team. This is the number one thing for external investors as well.

Main differences between a startup and SME

Setting up and developing a startup venture can be often very different than running a traditional small or medium sized enterprise (SME). The main differences can be indicated as follows:

- Growth and scalability.
  Startups are different from traditional businesses primarily because they are designed to grow fast. By design, this means that they have something they can sell to a very large market. For most businesses, this is not the case. This is also one of the reasons, most startups are tech startups. Online businesses can more easily reach a large market because people can buy from you or use your product regardless of whether you're awake or not and whether you're in London or New York. The distinctive feature of most startups is that they are not constrained by these factors. According to investor and angel entrepreneur Paul Graham, "that's the difference between Google and a barbershop. A barbershop doesn't scale." To grow rapidly, you need to make something you can sell to a very big market.
  Generally speaking, to operate a business, you don't need a big market. You just need a market and you need to be able to reach and serve all of those within your market.
- The relationship with funding.
  Apart from having different ways of thinking about growth, startups seek financial investment differently than most small businesses. Startups tend to rely on capital that comes via angel investors or venture capital firms, while small business operations may rely on loans and grants, solely on their own revenue stream. The interesting thing about venture capital is that those providing it, tend to have a more active role in whatever company they are backing. While a small business awarded a grant or loan may occasionally need to report back to their bank, a startup with angel backing will probably be getting a bit more help. They'll be receiving advice from the investor (after all, the investor is the one taking the biggest risk) and, if you're young and inexperienced, there's probably nothing better than a helping

hand. This is especially true for those teams or individuals that become a part of an accelerator or incubator program.

- Planning for the "end," or the exit strategy.
  Another thing you'll want to keep in mind is your vision for your business. If you're pitching for investment without an exit strategy, you're unlikely to get it. Investors usually need an exit strategy as they need to maximize their return of the investment. If you'd still like to be running the company in 10 years' time, you're probably going to want to ensure that exit plan comes in the form of a steady revenue stream that allows you to pay off investors. "Exit strategy" development is a problem you won't have with your own business, at least not until you've made it big or until you change your mind about owning the business. The point is, in a traditional business (not a startup), you don't need an exit strategy at the start. You'll be entirely responsible for the future of your company and it will be down to you whether or not you run it for the rest of your life or decide to sell, merge or launch it on the stock market.

2.3. Am I likely to become a startup entrepreneur?

Taking into account the rise of startup incubators and accelerators, the availability of startup investments for early-stage companies, and the fact that big companies everywhere are buying startups instead of focusing on in-house innovation, you may want to consider launching a startup instead of a traditional business. Here are some signs a startup may be the right type of business for you:

- You like working hard, but also to move on.
  A lot of startup founders are called serial entrepreneurs – entrepreneurs who have founded many startup ventures. If you know you'll get bored or want to see many of your ideas to become live, a startup may be a better approach. Naturally, this means you need staying power and the ability to work your butt off! For all you know, your startup is going to have a five-year lifespan, and it's going to be down to you to make it work and to make it work fast. If that's a problem for you, you might want to think twice about starting any type of business.
- Your product or service (or idea) has a huge market potential.
  In order to grow rapidly you're going to need to "think big" or, as angel investor Paul Graham says, "to make something you can sell to a big market." A really big market, ideally in the realm of millions. This is part of the reason tech startups are the most popular type of startup—it's easy to reach millions on the internet, regardless of where they live or when they do business. A local cafe does not have this luxury.
- You like input and guidance from business experts.
  Incubators and accelerators are great for those that have never started a business

before, or perhaps who have never started a startup. If you're unsure about what to focus on or how to think about rapid growth, this might be a good place to get started. The same goes to mentors. There are plenty of people around who have done something slightly similar to you and who are willing to provide you their insights and experiences. If you are willing to use support like that, and you react according to the advice, it is likely you reach the success and avoid the mistakes that a lot of entrepreneurs have made before you. Working with advisors and mentors can be hard, but it pays off as long as you keep an open mind.

- You are an innovator.
  In the world of startup companies, the idea is everything, as is rapid innovation. Many companies today have stopped innovating internally and instead spend millions, sometimes billions acquiring startups that do it for them instead. This is why many startup founders launch with exit strategies that focus on a buy-out. If you like innovation and you are eager to test-drive many of your innovative ideas every now or then, you are likely to be a startup entrepreneur.
- You have a special skill.
  Successful startups are launched by teams, but it is important that each team-member (especially in the beginning) has a strong skill that helps to accomplish the goals of the company. Special skill also means that you have deep understanding on one or two subjects and you are ready to turn your knowledge into success of the startup. It doesn't really matter if you happen to be a geeky engineer or passionate CEO. As long as you convert this passion to the benefit of the company, it is likely to be a success.
- You love a certain amount of uncertainty.
  Building a startup company is often related to flexible working hours, unpredictable obstacles, emerging challenges and appearance of incredible obstacles. What founding a startup company definitely is not, is 8-hour workdays, fixed salary, solid bonus system, perks and good night sleep. So, you need to be prepared for that. If you like fixed route of the carrier and you have daily responsibilities that keep you from committing full time to the startup, it is definitely an obstacle. According to startup entrepreneur and investor, Ben Horowitz: "As a startup founder I slept like a baby. I woke up every two hours and cried."

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3. Launching a startup company

3.1. Recommendations for startup founders

A lot of startup companies are failing. The ratio of successful startups can be estimated something around 15-20% of all the ventures established. So, it is very likely that the first startups launched, might end up nowhere. What is still important is the experience the startup founders gain. Learning by doing and working together with business advisors and mentors give the founders a set of skills and know-how that makes it easier to succeed with the next startup company to be launched.

To increase the likeliness of your startup to become a successful one, it is important to follow the steps of other entrepreneurs. It helps you to prevent the mistakes that the others have made and gives you the opportunity to follow the same route that proved to be successful for others. The majority of successful startup founders highlight the following aspects as important ones, if you consider launching your own startup company.

Building a strong and committed team

There is no startup company who has succeeded without a strong team. It is the number one thing you need to consider before moving on. The founding team of a startup should have the skill-set and motivation to work together and to achieve the common goals. It is always recommended to combine team out of the people who are different. The people who have different experiences, different knowledge and different cultural background. The ideal teams of startup companies definitely combine the roles of business developer, engineering or technology professional, marketing and sales specialist and product or service development specialist. The roles, of cause, can be a bit different, depending on the core of your product or service.

The formation of startup teams should be done not according to friendships, but according to the skills needed to build up a successful company. In some cases, it is more convenient to do business with people you know well, but if you want to find best from the best, one should look further than that. As a startup founder, it is important to describe the skill-set that is required to execute the idea and then seek for the right persons matching the profile. In most of the cases it means that team members should be looked from other countries and even from other continents, but it all pays off, as it grants you the cultural and experience mix required to be successful.

Team commitment is always an issue if some members of the team have other daily obligations and roles to be filled. Launching a startup company often requires 100% commitment form the key-founders. If the commitment level is under that, the progress takes longer and the startup is likely

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to run out of resources. It is recommended that the startup company should operate in sprints, where all the team-members commit their time fully to develop the company, but the time periods are shorter (e.g. one week, one month, three months). Working in sprints also helps to keep the progress, product or service development on track.

Knowing and understanding the trends

If you are launching a technology related startup, it is important to foresee and understand the going trends in the sector. There are plenty of research papers, reports, intellectual property material and other documents available to see if the idea or concept fits in the habits or trends of customer behavior. The most popular publishers of technology and market trends are for example: technology and hype data company Gartner, startup trends facilitator Startup Genome, customer and markets insight provider Nielsen or market research company NPD Group. There are also intellectual property registers available for browsing and plenty of national studies on different countries. In order to test your idea quickly and find whether it suits to the ecosystem and fits the global trends, it is crucial to do the basic research and follow the studies already published.

Competition is also something that gives you the indication about market trends. It is easy to track the progress of your closest competition and see if they are performing good in specific markets and what are the challenges that they are encountering. It is possible to find out the regions and markets most suitable for your product or service (because potential customers are used to similar services), estimate the potential market impact of your solution, or find out the markets where similar solutions are not yet there and can be easily conquered by you.

Making constant changes

Startup companies don't have fixed products or services, fixed business models or fixed target groups. Everything is likely to change over time, over the experiences gained from the market. Startup companies still draw their business plans and action plans, but the founders are always ready to review and change the plans, even with weekly intervals. That is the main reason why startup companies work in sprints and use lean development models. Usually this means that startups have hypothesis on product development or business process defined, and the team works for a fixed period of time to build an MVP and test that out in real market conditions. If the development proved to be successful (customers and market reacted on that and positive traction could be measured) then the final model will be developed and launched.

Fixing the product, service or business model too soon (before it is confirmed in real market conditions) can lead to enormous risks of running out the resources. If the startup team fully refines the end product or service and launches it around 6-month later than they would have launched the MVP or prototype, and the market reject the solution, it means a 6-month worth of working hours and money is wasted. Small achievements and quick tests prevent that from happening.

Working with mentors and advisors

Startup community is closely tied together regionally and globally. There are plenty of field-specific experts, serial entrepreneurs, universities, business incubators, accelerators available that are willing to help you. These professionals have seen many projects like yours, they have worked with the market you like to enter, they have failed doing what you want to do and they are keen to share their expertise.

Startup founders should find the team of mentors and advisors based on the development plans and challenges that they are facing. For example, if you are developing a software solution for Finnish construction sector, it would be wise to connect with a person or mentorship program experienced in construction sector (how to sell and define the value proposition, open the doors of first clients) and Finnish market (understanding the market conditions, competition). Depending on the development goals of a startup company the criteria of the advisor could be different and connected to the knowledge needed the most.

If the startup company is raising additional capital from the investors, it is also important to bring the knowledge in together with the money. Investors, like mentors and advisors, have field specific characteristics and startup entrepreneur should take in the money that helps them the most. For example, there are investors used to work in specific sector (ICT, health-tech, electronics, financial services etc.), investors working with specific markets (USA, India, Chine etc.), even the acceleration programs and incubators have their focus set. So, if you are looking for funding or applying to the growth program, select the one that falls in line with your business development plans.

Measuring the progress

When you are working with different challenges simultaneously it is hard to keep an eye on the progress you are making (or if you are even making any progress). This is why startup companies are using metrics – tools and systems to measure their performance. Tracking the performance helps founders to keep a pulse on the viability of the startup and signal when a course correction is needed. Normally startup companies don't conduct the developments or activities that cannot be measured, that means, if you cannot measure it, it is probably useless and doesn't have any impact on your performance.

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First and foremost, metrics help startups to set goals. In early growth stages goals are just dreams with deadlines and without metrics, it would be next to impossible to set goals and measure the progress towards them. Metrics also help entrepreneurs make smart, informed decisions about their startups. They can identify trends and patterns, problem areas and successes, and potential next steps. Before making major decisions (e.g. product iterations and raising capital), startups can consult their metrics. Without metrics, it is hard to tell how far the company has progressed. It is also hard to tell when the company is in trouble until it's too late.

There are different metrics established and companies measure different performance indicators (KPIs). Most common ones are: customer accusation cost, retention, activation, referral, life-time value of the customer, revenue stream, etc.

3.2. Matchmaking and partnerships

Startups cannot make purely on their own and well-performing networks and cooperation links should be established. The aim of building sustainable networks and match with partners can be different. There are opportunities to find gateways to market, start common product development procedures, find team-members and business professional, connect to R&D facilities and research institutions, etc.

Business matchmaking

Entrepreneurs do the business matchmaking daily to connect with wide range of business professionals that can be beneficial for the success of their startup company. The main reason to be well connected in the early stages of a startup company is connected to the opportunity to find team-members or co-founders for the startup. To build a strong team for the startup company it is needed to find the people with different professional background that can be useful to proceed. The perfect place to start is definitely universities with many students, well-qualified, and ready to take on the business challenges you have. In this stage, it is crucial to crystalize the idea that you are working on and present the complex overview of the plans to potential cofounders. In perfect case of scenario, the startup entrepreneur ends up with a mix of professionals (even cross-country professionals) willing to work with the startup project.

Finding employees for the startup requires strong matchmaking abilities as well. Startup companies run on limited resources and that makes hiring the professionals difficult. The core of strong collaboration of the first employees is the common belief in the business idea and willingness to work for an option or equity of the established startup company.

There are plenty of matchmaking systems and solutions available to promote the call for cooperation. The most common ones are social networks like LinkedIn, AngelList, Facebook, CoFoundersLab and Founder2be. Publishing your call for expertize through these networks is easy and free, and the traction could be huge. If the matchmaking channel in the social media is once opened it has to be maintained and sustainable information should be provided constantly. Another option of doing the cross-country matchmaking is setting up the communication channels with universities, business incubators and accelerators. These organizations have their own channels that can be used to promote the call of action, and the channels are reaching the right target audience.

Building sustainable partnerships

Strong partnership links with industry, R&D units and corporations are vital to a startup company. These links require establishment, maintenance and execution. Very often the startup team assigns a full-time person to handle the partnerships that help the company to meet its business goals.

Establishing the partnerships links with different organizations require the strategic view of the goals. The partnerships should be beneficial to both parties and if they aren't, the partnerships just don't work. If you start establishing the links, it is smart to categorize the needed benefits. For example, if the company needs R&D support that can be found in the universities, it is smart to pick the universities close to you or the ones that have the track record of executing something similar to your product, service. If you need connections to the distant markets it would be useful to establish links with the set of regional resellers or organizations that provide similar services in needed market.

Maintaining a set of good-quality partnerships is hard work as well. The win-win collaboration should be sustainable and a system of value exchange should be established. One of the key aspects in establishing this situation is openness. Startup entrepreneurs are not usually keen to disclose their intentions and details of their product and services. By establishing and maintaining a B2B cooperation this setup should be reviewed. If you want to get something from the partnership (access to market, client relationship, R&D support etc.) the details play significant role. It is good to present the partners the details of your business plan and make your intentions understandable for them. Even if they are not able to help you in some of the cases, they can still represent you and recommend you other links of partnerships. To protect your idea and your business strategy it is good to develop a partnership agreement to ensure that both sides are protected and share the same vision of how the partnership will work.

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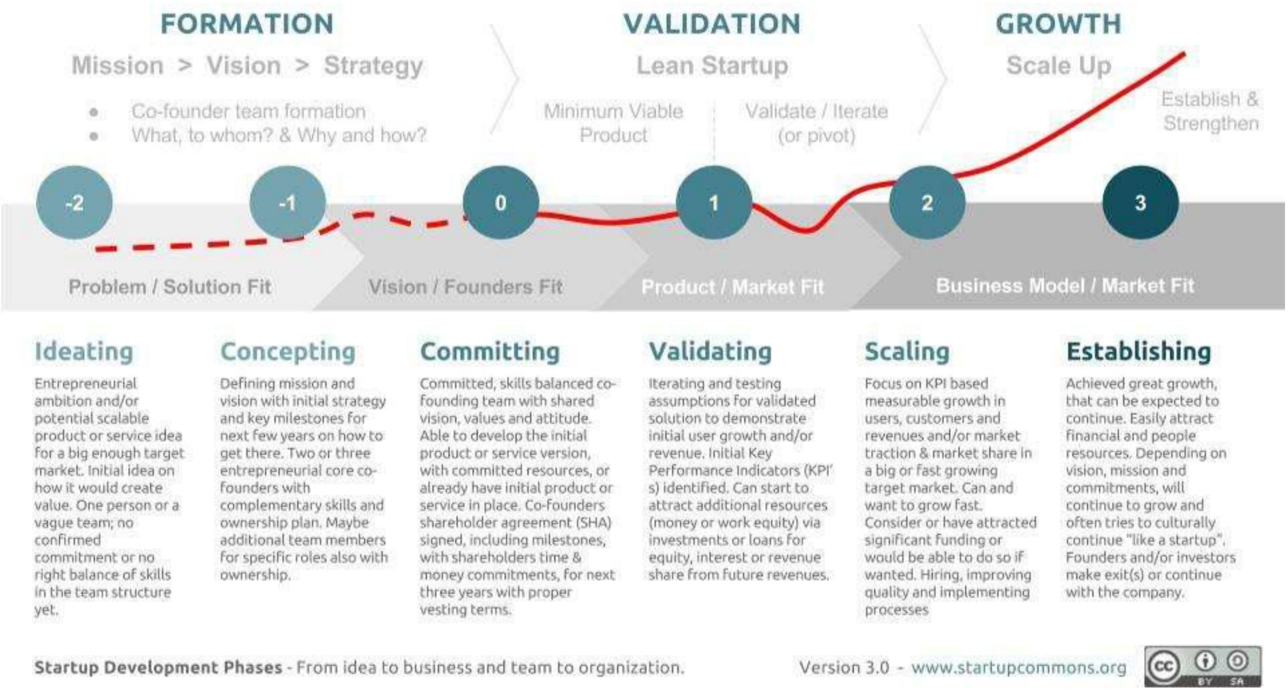
3.3. Universities, incubators and accelerators

The most relevant supporting organizations for early-stage startup companies are universities (entrepreneurship and innovation centers in the universities), business incubators and business accelerators. These organizations may come in different forms, starting from providing a set of business support services (mentorship, consulting services) ending with offices, R&D centers and makers laboratories for the startup entrepreneurs. Before making the decision, which program is suitable for your company, it is important to understand the core of each opportunity. What is also important, is to indicate the growth phase of your startup company to find the best match of services according to that.

The following graph indicates the main growth phases of a startup company.



Taking into consideration the growth stage of the startup company and finding the corresponding supporting organization (programs of the universities, business incubators and business accelerators), the outcome would be the following:

- startup companies in the ideating and concept phase match best with the services provided by the university entrepreneurship and innovation units;
- startup companies in the committing and validating phase match best with the services provided by the business incubators. And;

- startup companies in the scaling phase match best with the services provided by business accelerators.

Innovation and entrepreneurship centers of the university

A number of colleges and universities around the world are leading the way as they introduce learning facilities labeled as innovation + incubator + maker centers. These centers focus on multi-disciplinary inquiry that can foster partnerships with industry and fully leverage available grants and funding for research. Advancing these new models can help universities recruit fresh talent, establish new partnerships for success and promote an environment where emerging leaders can explore the complex social challenges of our time.

Business programs provided at the universities are best for people who would like to take the first steps towards becoming an entrepreneur or startup founders who would like to test out their ideas and find potential team-members, co-founders. Usually, the universities hold business development and entrepreneurship programs outside curriculum as well, meaning that all the interested people can attend. It is very popular to start these programs with hackathons – the intensive ideation and prototyping sprints; followed by courses, seminars, workshops that help to refine the business model.

Universities can combine their business development programs with the R&D or testing facilities available. This means, that the startup companies can build the prototype or test the functionality of the product in the university lab, and develop the business plan in the university growth program. The services provided by the universities are often free, or with minimum commitment fee for connected to the lab facility usage.

Business incubators

Business incubation is a unique and highly flexible combination of business development services (mentorship, trainings, matchmaking etc.), infrastructure (office facilities, open office, meeting rooms, makers labs etc.) and people designed to boost the growth of a startup company by helping them to survive and grow through the difficult and vulnerable early stages of development.

Business incubators are usually designed for the startup companies or full-scale teams who have validated their business model, built the MVP or prototype, and are ready to launch the product or service on the market. Incubation programs run normally for half a year till two or three years. During that time period the startup validates and fixes the business model, reaches the initial revenue by effective sales and marketing, finishes the initial product development and raises the first, seed-stage capital for growth.

Business incubators are suitable for the startups that are not yet ready to launch their product on the market and need to figure out the exact strategy to get the sales and revenue going. Incubators also fit the startups that have already launched, but need to pivot (change) their business model or product to reach the market fit.

Business incubators are normally not investing money to the startup companies, but some programs tend to have a system of grants or other financial support available. The services of the business incubator are usually not for free and the entrepreneurs need to pay some fee (that is relatively low compared with the service fees in real market conditions).

Business accelerators

Startup accelerators are fixed-term, cohort-based programs, that include mentorship and educational components and culminate in a public pitch event or demo day. While traditional business incubators are often government-funded, generally take no equity, accelerators can be either privately or publicly funded and focus on a wide range of industries. The application process for startup accelerators is open to anyone, but highly competitive. There are specific types of startup accelerators, such as corporate accelerator, which are often subsidiaries or programs of larger corporations that act like startup accelerators.

The main differences between business incubators and accelerators are:

- The application process is open to anyone, but highly competitive. The strongest acceleration programs like YCombinator and TechStars have application acceptance rates between 1% and 3%.
- A seed investment in the startups is usually made, in exchange for equity. Typically, the investment is between €10,000 and €30,000 and the equity taken, around 7% and 15%.
- The focus is on small teams, not on individual founders. Accelerators consider that one person is insufficient to handle all the work associated with a startup.
- The acceleration program typically runs for a very specific time, usually 3 months. During this time, the participants receive intensive mentoring and training, and they are expected to iterate rapidly.
- All accelerators end their programs with a "Demo Day", where the startups present to investors.

Startups are accepted and supported in batches or classes (the accelerator isn't an on-demand resource). The peer support and feedback that the classes provide is an important advantage. If the accelerator doesn't offer a common workspace, the teams will meet periodically.

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The primary value to the entrepreneur is derived from the mentoring, connections, and the recognition of being chosen to be a part of the accelerator. The business model is based on generating venture style returns, not rent, or fees for services; so they are normally provided for free. Accelerators do not necessarily need to include a physical space, but many do. The process that startups go through in the accelerator can be separated into five distinct phases: awareness, application, program, demo day, and post demo day.

3.4. Funding the startup company

Funding a startup company, especially in the early growth stages, is a painful topic for most of the founders. Almost 90% of startup companies need external funding in order to survive. This is due to the reason that the revenue phase is hard to achieve and if it is achieved, the high-growth across multiple markets need capital base large enough the company could survive and handle the growing demand for its products and services. The main sources for capital for a early-stage startup company are the following:

- Funding the startup by yourself and co-founders
  These days, the costs to start a business are at an all-time low, and over 90 percent of startups are self-funded (also called bootstrapping). It may take a bit longer to save some money before you start and grow organically, but the advantage is that you don't have to give up any equity or control. Your business is yours alone.
- Friends, fools and family (FFF)
  As a general rule, professional investors will expect that you have already some commitments from this source to show your credibility. If your friends and family don't believe in you, don't expect outsiders to jump in. This is the primary source of non-personal funds for very early-stage startups.
- Grants, public small-business support
  These are public funds allocated to support new technologies and entrepreneurship in certain regions. It is always a good place to start and find out what kind of financial and non-financial support is available in your country for startup entrepreneurs. Applying for the grant (and bureaucracy) can be a long and tough process, but it doesn't cost you any equity.
- Crowdfunding
  Crowdfunding is a method to raise capital by raising money from a large number of people who each contribute a relatively small amount, typically online. You can crowdfund the money by running a pre-sales campaign (selling the concept of your service or product based on the MVP or prototype) for your products or services, or selling the equity of the startup (people can buy the fixed amount of equity with fixed price) in crowdfunding platform. The most popular platforms for crowdfunding are Kickstarter, Indiegogo and Funderbeam.

- Angel investment
  Business angels are high-net-worth individuals interested in supporting startups, and willing to syndicate amounts up to a million euros for qualified startups. Business angels invest their own personal money and seek for the return of the investment in 3-5 years' time. There is often a regional business angels network or associations that the startups can approach, but you can always use platforms like Gust to find them. Keep in mind that the angel investors should fit into your business model with their know-how and contacts.
- Venture capital investors (VC-s)
  These are professional investors, who invest institutional money in qualified startups, usually with a proven business model, ready to scale in may markets. VC-s typically look for big opportunities, needing a couple of million euros or more, with a proven team. VC-s are ready to stick with the company for longer time periods and expect the returns in 10-15 years' time.
- Startup incubators and accelerators
  Some business incubators and almost all the business accelerators have some funding on top of the services they are providing. Business accelerators take a fixed amount of the equity form your company for a fixed amount of money (these terms are often very hard to change and often non-negotiable). Still, the funding granted by the accelerators helps the startup teams to survive for some time and focus 100% of the time of the team to develop the company.
- Bank loan or credit
  In general, having a bank loan is not an option for early-stage startup companies as they tend to have no credit history or existing assents that can be used for collateral. Even tough, in some counties there are governmental guarantees that help to get the loan with lower risk and collateral then in normal conditions.

All of these options require work and commitment on your part, so there is no magic or free money. Every funding decision is a complex tradeoff between near-term and longer-term costs and paybacks, as well as overall ownership and control. With the many options available, there is no excuse for not living your dream, rather than dreaming about living.