



# 10 Common Reasons Why Startups FAIL



Stephen N. Davis

*"We Help Clients Scale And Grow Profitably"*

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## The Grim Reality



- > Only .91% of Startups get Angel Funding
- > Only .05% of Startups get VC Funding
- > 75% of VC Backed Firms FAIL
- > 50% of All Startups FAIL Within 5 Years

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## 1 Dysfunctional Founder's Team



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## Dysfunctional Founder's Team

- Team Lacks Competence
- Lack of Diversity in Thought (Group Think)
- Relationship Problems
- Founder's Agreement not in Place
- No Clearly Defined Responsibilities
- No Real Passion for the Business
- Being Inflexible

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## 2 Failure to Build a Strategic Advisory Board



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## 3 Building Something No One Wants



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**Startups Wait Too Long  
to Talk With Customers**



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**Over Building Their  
Initial Product**



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**4 Choosing the Wrong  
Market to Go After**



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**Choose a Specific Beachhead Market**



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**5 Not Having the Right BUYER Profile**



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**6 Not Knowing the Value of Their Solution**



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# 7 Business Model Not Workable or Scalable



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# 8 Scaling Too Early



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# No Repeatable Customer Acquisition Strategy



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**Going Viral is NOT a  
Viable Go-to-Market Plan**



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**9**

**Not Building the  
Business**



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**Chasing Investors/Funding  
& Not Customers**



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## Focusing on Pitching



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## Going from Pitch Competition to Pitch Competition



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## 10 Spending too Much



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## Running out of Cash



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We Help Clients Scale  
and Grow Profitably

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## Driving Profitable Growth

We help companies optimize business development and marketing; accelerate sales; and seize the most attractive growth opportunities.

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## CXO Advisory Group

- CXO Advisory Group is a strategic operations advisory and management firm comprised of proven C-level executives with both breadth and depth of experience.
- CXO Advisory Group Team members have achieved success in positions ranging from: President/CEO to COO, and VPs of Sales, Marketing, Corporate Development and Human Resources.
- Has proven success in business development and in building US sales and distribution channels

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## How Can We Help You?

### Business Strategy Services

- Audit business practices and organization
- Evaluate product and pricing strategies
- Evaluate effectiveness of sales channel
- Assess effectiveness of existing sales and marketing programs

### Market Entry Program

- Analyze competitive landscape
- Market launch strategy and plan
- Channel strategy and programs
- Establish sales channels
- Generate sales and manage relationships
- Identify and develop strategic partnerships

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## How Can We Help You?

### Sales Channel Management

- Review and revise sales channel strategies
- Channel partner identification, prospecting and recruitment
- Eliminate channel conflict
- Channel contract development and negotiation

### Interim Management Resources

- Interim CEO, COO, CMO, CSO
- Interim VP of Sales and Marketing
- Consultant on staff
- Launch team coaches

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## How Can We Help You?

### Venture Advisory Services

- Fine tune operations, business strategy and market entry
- Assist with due diligence
- Strategic business assessment of portfolio companies

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Contact Information:

### Stephen Davis

Interim COO/VP Sales & Marketing |  
Business Consultant | Sales Channel and  
Business Development Expert | Author &  
Speaker

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And Grow Profitably"*



Phone: (508) 528-7571  
Email: sdavis@cxoadvisorygroup.com  
Website: www.cxoadvisorygroup.com  
LinkedIn: in/stephendavis  
Twitter: @stephendaviscxo

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