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**THE ROLE OF 3Ts FACTORS IN THE BIRTH,
DEVELOPMENT AND SUCCESS OF A STARTUP**

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*Bisogna perseguitare, frustare, torturare
tutti coloro che peccano contro la velocità*

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Manifesto Futurista della Velocità

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INTRODUCTION

According to Schumpeter¹, the specific and main function of an entrepreneur is to build and implement new innovative combinations to achieve economic growth. A possible definition of entrepreneurship is therefore the creation of new combinations of companies and individuals active in social and economic networks. These innovative combinations become a determining factor of growth and competitiveness of the countries in which the trader operates his business. There is significant empirical evidence showing that new businesses have a relevant economic impact. For example, new companies offer new jobs and thus accelerate social mobility, stimulate economic flexibility, competition, technological change and lead to a higher level of economic efficiency².

The literature discusses innovation in business models and suggests factors influencing the creation and survival of new enterprises.

In this paper, we focus on a special kind of company, the so-called *startup*. After having defined what makes a company *being a startup*, we try to understand how a startup can be described as an innovative combination.

We have then chosen three of the key factors that can play a major role in the birth, growth, development, and possible success of a startup. The three factors we have chosen to analyze and discuss in this paper are Time, Territory and Team; we therefore called them *T-Factors*. For each of them, we try to explain in more detail how they positively or negatively interfere with the startup life. Our arguments include the following:

¹ SCHUMPETER, J. A., The creative response in economic history. *Journal of Economic History* 7, 1947, 149-159

² PENA I., "Intellectual capital and business startup success", *Journal of Intellectual Capital*, Vol. 3, 2002, pp. 180-198

- Time: how time and timing influence the launch and the development of a startup enterprise;
- Territory: the importance of local resources and network relationships in supporting access to funds and competitiveness of the organization;
- Team: the influence of human resources in creating new startups and assuring them adequate competitiveness and development rate.

Finally, in the last chapter we look at four startups from the point of view of the selected T-Factors: this interesting exercise aims at getting a feedback on our choice of the three factors as the most promising keys to understand a startup. In fact, our interest is to check whether they are capable of explaining and interpreting the reaction of the startup to the main opportunities and challenges it faces during its life stages.

CHAPTER 1 - Characteristics and Role of Startups

This chapter introduces the concept of startup and defines its more specific characteristics and role in the processes of economic growth. In the first section, we analyze how innovative companies are a vital source of economic growth for a country before and especially during economic crisis phases. In the second section, we emphasize that in a knowledge-based society, innovation is the driving force of the economy at all levels and in all type of organizations.

1.1 Startup: A Possible Definition of Innovative Company

A startup can be defined as a firm with very high potential and an extremely high coefficient of development: this peculiarity derives from the fact that the startup uses the modern means of communication and information in a decidedly aggressive way and through this triggers the mechanisms of value creation³. Compared to traditional enterprises, startups are characterized by having very reduced reaction times, as they are not operating in markets with very significant barriers to entry⁴. These startups are home of the basic processes that make a small business a big company, such as the study of the market to launch a product, or the study of the internal structure of the enterprise. These processes being a kind of skeleton on which the startup bases the entire future enterprise

³ CHANAA L., Startup: progresso tecnologico, innovazione e successo, 2013, 589

⁴ MIETTINEN M.R. – LITTUNEN H., “Factors Contributing to the Success of Startup Firms Using Two-Point or Multiple-Point Scale Models”, in Entrepreneurship Research Journal, Vol.3, n. 4, pp. 449-481, 2013

structure⁵. In view of the evolution of the current economic cycle, the economic literature indicates startups as companies, which are able to change the economic course of entire countries by innovating the industrial structure and creating development. Moreover, the creation of new businesses is one of the most important indices of the vitality of an economic system. Its importance has increased significantly in recent years, characterized by a significant decline in employment in many big mature companies and the rapid development of new industries such as IT, TLC, biotechnology⁶. This scenario being connected with a high rate of innovation and creativity⁷.

It should be noted that startups are born easily but none may lack adequate financial resources, which, as the literature shows, are more important than creativity in order to avoid considerable delays in the growth rate of companies. This happens especially in high technology sectors, i.e. those with greater development perspective⁸. Despite the high birth rate, economic development is not guaranteed because many businesses are born poor in resources and expertise, so that their survival is less likely and their growth very difficult⁹.

To encourage startups or in any case to facilitate their creation and development could mean promoting innovation and thus making the economy free from technical constraints that have no more reason to exist. Moreover, on the hypothesis that entrepreneurship is a process that will be enhanced by

⁵ VERHEUL I, THURIK R., Startup Capital: "Does Gender Matter?", Small Business Economics June 2001, Volume 16, Issue 4, pp 329-346

⁶ CASSARINO I. – PANETTA C., Cracking the code of innovation. Un nuovo modello per comprendere le ragioni del successo delle startup, TheDoers, 2014, 479 e ss.

⁷ MIETTINEN M.R. – LITTUNEN H., "Factors Contributing to the Success of Startup Firms Using Two-Point or Multiple-Point Scale Models", in Entrepreneurship Research Journal, Vol.3, n. 4, pp. 449-481, 2013

⁸ BALDISSERA A., BONAVENTURA B., 2013, Start up marketing. Trasformare le idee in opportunità di business. Errori da evitare e strategie da seguire, Milano, FrancoAngeli s.r.l.

⁹ MIETTINEN M.R. – LITTUNEN H., "Factors Contributing to the Success of Startup Firms Using Two-Point or Multiple-Point Scale Models", in Entrepreneurship Research Journal, Vol.3, n. 4, pp. 449-481, 2013

recombining new and existing skills and assets, it makes little sense to think in terms of sectors to encourage or to give priority to technologies in opposition to manufacturing, services and technologies¹⁰. Rather it makes sense to focus on a few major topics and issues, which can mobilize a multiplicity of actors and business initiatives. For example, the issue of sustainability currently concerns a significant part of the Italian manufacture sector and at the same time offers interesting growth opportunities. The mobilization of actors among the most diverse in one or more sectors of *Made in Italy* manufacturing, for example, will result in the creation of new manufacturing companies: startup service companies with high added value able to respond to the request for renewal of existing manufacturing enterprises.

A number of startups are born for reasons independent of the market, but it is remarkable that businesses inspired by favorable market conditions, such as those related to the new economy, recorded more development capacity¹¹. In this context, it is therefore crucial to draw attention to the dynamics of emergence, support and selection of new trends. In this case the outlook for the policy makers is to sustain ecosystems of entrepreneurship and innovation by working on structural dimensions and longer-term dynamics, such as training and the creation of a culture conducive to entrepreneurship, the infrastructure, streamlining and simplification of procedures, etc.¹².

It should be emphasized, as the academic debate registers, a lively contrast between analytical perspectives and epistemological reference. In particular, in the last decade entrepreneurship has not been viewed any longer as a linear

¹⁰ HONJO Y. – KATO M. – OKAMURO H., “R&D investment of startup firms: does founders’ human capital matter?”, in *Small Business Economics*, Vol. 42, n. 2, pp. 207-220, 2014

¹¹ MUNARI F., *The impact of public venture capital programmes: the case of the United Kingdom*, *Economia e politica industriale*, 2011, 21, p. 185 e ss.

¹² HONJO Y. – KATO M. – OKAMURO H., “R&D investment of startup firms: does founders’ human capital matter?”, in *Small Business Economics*, Vol. 42, n. 2, pp. 207-220, 2014

process, but rather as a dynamic process distributed among multiple actors and multiple levels, possibly recursive and apparently "erratic". This new vision consists in a pragmatic perspective of entrepreneurship, assigning primacy to action, and making the individual measured up with the cognitive processes of conception and development of new ideas. That is why startups are born as entities nominated to be different. The relationship between action and thought is opposite than in the mainstream theory: if in the latter action follows the formulation of a business idea and the recognition of an opportunity, in the startup the action is teleological. This action is the means by which the individual builds up knowledge, develops ideas, keeps options open, and gathers around him other actors willing to "put its own". In this perspective, a startup's entrepreneurship is to be understood as a process closely linked to the context in which the action takes place and where the social networks are involved well before the actual decision to start a business by an individual.

Even before setting clear objectives, it is important that the entrepreneur is assisted in his testing activities by others who share his values, identity, expectations and contribute with work, intellectual resources, contacts to the gradual emergence of a venture. In this context, the creation of an enterprise is the result of the mobilization of the various components of the environment in which the entrepreneur operates and in which many actors constantly renegotiate ideas, meanings and expectations accepting high levels of ambiguity.

Not surprisingly, the economic law in several European countries, including Italy, attempted to formalize the definition of startup. This to give it a special status and privileged access to financing and exclusive and simplification measures. The basic assumption is that the re-launch of the Italian economy

requires to award innovative startups rather than traditional small companies that usually do not innovate.

The issue here is that innovative companies are characterized by a higher level of risk, linked to the very nature of the activity, and therefore may be subject to negative cash flows or high volatility in returns. Furthermore, they tend to be based on a kind of intellectual rather than physical capital. This could cause some financial opacity that makes more difficult for both lenders and investors to determine the current and future value of the enterprise and the strength of the financial viability of the project that has to be funded. In contrast, however, these critical aspects come together with greater chances of success and profit in respect of the ones granted by traditional companies, which are vice-versa increasingly subject to international competitive pressures aimed at a constant compression of profit margins¹³. It must be added that frequently startups have to endure conditions of access to capital relatively unfavorable¹⁴, especially when operating in risky business, rather than companies already on the market, which instead can enjoy greater legitimacy thanks to a history of transactions and strong relationships with relevant actors within the market.

The presence of funding from a venture capital can strongly influence the activities and the innovation performance of new businesses. Hellmann and Puri¹⁵ show that companies financed by venture capital produce faster more radical innovations of process and product, reducing the time of entry into the market of new products and gaining a competitive advantage. Venture capital is also one of the most popular sources of financing through advisory role,

¹³ TUCKI T., "Success of startup firms: the role of financial constraints", in *Industrial and Corporate Change*, Vol. 23, n. 1, pp. 25-64, 2014

¹⁴ MUNARI F., *The impact of public venture capital programmes: the case of the United Kingdom*, *Economia e politica industriale*, 2011, 21, p. 185 e ss.

¹⁵ HELLMAN T., PURI M., "The interaction between product market and financing strategy: the role of venture capital", *Review of Financial Studies*, 13(4), 2000, pp. 959- 984

providing technical know-how and management companies financed. Generally, it can be said that when businesses are demanding debt capital, the problems of information asymmetry may also generate adverse selection. If challenged by more or less risky companies, banks may find difficult to differentiate the risk for the various undertakings and may accordingly decide to increase the cost of financing to all potential borrowers. This to the extreme consequence of financing a high percentage of not risky firms¹⁶.

These problems can be particularly severe for innovative companies for various reasons. Firstly, the success of innovative companies is linked to the difficulty of evaluating potential growth that results from scientific knowledge and intellectual property. Moreover, these companies, especially in the early stages of their life, may have a limited physical capital to use as collateral to mitigate the problems of moral hazard or adverse selection. Finally, innovative firms produce goods subject to a high obsolescence and therefore more risky. If innovative companies are small, the above-mentioned problems are amplified.

Berger and Udell¹⁷ propose a theory of the life cycle of the financing conditions of firms under which businesses it is optimal to use different sources of financing at different stages of their growth in size/age/information. According to the authors¹⁸, small businesses suffer most from the problem of information asymmetries and therefore are financed mainly through internal sources, trade or business angels.¹⁹ Along the path of business growth, the problem of opaque information decreases and businesses can turn to either formal investors such as

¹⁶ HONJO Y. – KATO M. – OKAMURO H., “R&D investment of startup firms: does founders’ human capital matter?”, in *Small Business Economics*, Vol. 42, n. 2, pp. 207-220, 2014

¹⁷ BERGER A. N. E UDELL G. F. The Economics of Small Business Finance: The Roles of Private Equity and Debt Markets in the Financial Growth Cycle. *Journal of Banking & Finance* 22, 1988, 6-8: 613-673

¹⁸ Ibidem, p. 689

¹⁹ CASSARINO I. – PANETTA C., Cracking the code of innovation. Un nuovo modello per comprendere le ragioni del successo delle startup, *TheDoers*, 2014

venture capitalists or intermediaries for debt capital. During a more sound stage, the company can finally turn public and directly to the equity market and debt. Summing up, the methods of financing of innovative companies can be particularly problematic²⁰. In particular, two contrasting characteristics must be taken into consideration. On the one hand, the highly innovative content of the activity leads to greater opacity and asymmetric information, making the company less attractive to external sources of financing. On the other hand, innovative companies are often subject to rapid growth rates and therefore they should attract more foreign and venture capital than traditional ones²¹.

1.2 The Role of Startup for Innovation in Economic Growth

The analysis presented in the previous section highlights how innovative companies are a vital source of economic growth for a country before and especially during economic crisis phases.

Moreover, the economic literature, from Schumpeter on, attaches great importance to business in terms of economic development, innovation and structural change²². According to Schumpeter, the entrepreneur's main function is specifically to build and implement new combinations. In the perspective of the knowledge society, entrepreneurship, defined as the creation of new combinations by companies and individuals active in social and economic

²⁰ TUCKI T., "Success of startup firms: the role of financial constraints", in *Industrial and Corporate Change*, Vol. 23, n. 1, pp. 25-64, 2014

²¹ NUCCI F., POZZOLO A. E SCHIVARDI F. Is Firm Productivity Related to its Financial Structure? Evidence From Microeconomic Data. *Rivista di Politica Economica*, 95, ,2004, 269-290

²² TUCKI T., "Success of startup firms: the role of financial constraints", in *Industrial and Corporate Change*, Vol. 23, n. 1, pp. 25-64, 2014

networks, becomes a crucial factor for growth and competitiveness of the countries²³.

Indeed, there is significant empirical evidence showing that new businesses have a substantial economic impact. New businesses provide new jobs and consequently accelerate social mobility, stimulate economic flexibility, competition and technological change and lead to a higher degree of economic efficiency. The literature²⁴ in studies of economics and management of innovation offers many additional factors to explain the founding and survival of new businesses such as access to funding sources, intellectual property rights and participation in networks collaborations and partnerships with other companies and institutional actors. While recognizing and accepting the emphasis on the role of technology and knowledge in business processes, especially in areas with high innovation intensity and attention to the role of the founder, it is therefore appropriate to incorporate these factors in explaining the birth, survival and performance of a new business.

It can be assumed that innovation must be regarded as a kind of final outcome of the constituent phases of entrepreneurship and can manifest itself in different ways depending on the context and the circumstances in which business processes are developed²⁵.

From a macroeconomic point of view, you cannot only support the startup success. To stimulate and support innovative companies is reflected in practice in the creation of a favorable environment for innovation free transfer, at least initially. If the problem was only conceptual or logical would matter, perhaps,

²³ CASSARINO I. – PANETTA C., Cracking the code of innovation. Un nuovo modello per comprendere le ragioni del successo delle startup, TheDoers, 2014

²⁴ TUCKI T., “Success of startup firms: the role of financial constraints”, in *Industrial and Corporate Change*, Vol. 23, n. 1, pp. 25-64, 2014

²⁵ PENA I., “Intellectual capital and business startup success”, *Journal of Intellectual Capital*, Vol. 3, 2002, pp. 180-198

only in the discussions among academics²⁶. However, a simplification of the entrepreneurial phenomenon threatens to marginalize context, actors, skills that could create value through entrepreneurship, innovation and employment in different ways.

Even the intellectual property rights can be a very important resource in order to find a new business innovation, particularly in sectors characterized by intense technological dynamics. In highly dynamic contexts from a technological point of view, it is not infrequent the case of companies constituted around a patent or a group of patents, which then represent critical assets for new businesses. When intellectual property rights are strong and well protected, it is possible that new companies do enter the market specializing in the development of a specific technology and sequentially sell it to other companies²⁷. This strategy avoids the costs and risks of large-scale investment needed to develop the assets required to pass the stages of production and marketing.

²⁶ MIETTINEN M.R. – LITTUNEN H., “Factors Contributing to the Success of Startup Firms Using Two-Point or Multiple-Point Scale Models”, in *Entrepreneurship Research Journal*, Vol.3, n. 4, pp. 449-481, 2013

²⁷ *Ibidem*, 481 e ss.

CHAPTER 2 - The Role of T-Factors in Startups

This chapter analyzes three selected Factors – called *T-Factors* – individually, in order to identify their role in birth, development and success of a startup.

The first section is dedicated to the Time T-Factor and points out that time has a key role in the form of both timing, the guess of the right moment for launching a startup, and speed. During its initial development stages, speed prevents the startup to fail, allowing the enterprise to survive along its first months of life, certainly the most critical time period.

The second section shows how the Territory T-Factor plays an important role in the birth and development of a startup. Often, within a certain geographical area, very important relationships between the enterprises and the local institutions take place. These are very important to support the creation of new businesses and crucial to obtain the initial necessary funds. If a startup is well connected with both local institutions and local markets, it will have great chances to survive and to develop successfully; otherwise its probability of failure is extremely high.

The last section is dedicated to the Team T-Factor and demonstrates that creating a good team since the first stages of a startup, fitting with the startup business, can be vital for the survival and development of the enterprise. The expertise and the experience of the team members are important, but it is above all necessary to look at their involvement and adherence to the values that the

project expresses. Finally, to overcome the inevitable moments of tension and the difficulties, the team must have a very good guide²⁸ and fun.

2.1. T-Factor #1: Time

Reflecting on the concept of time during the birth, development and promotion of a startup means to consider an essential element of the discussion developed in this analysis.

The time variable in the stages of creating and launching an innovative firm has taken more and more importance over time. We mentioned in the previous paragraph that innovative companies and startups in particular are characterized by a high risk of obsolescence of the products and services they provide. The digital economy is in fact subject to constant pressures for changes related to the intrinsic characteristics of the products and services they offer. Hence, it appears clear the relevance of time in the launch and development of a startup. At the origin of this kind of companies generally there is an intuition that in most cases will be easily replicable.

The importance of the Time Factor is clear if we look at the effectiveness of many state programs launched in USA to promote the growth of innovative companies. This has been improved over time as the public officials responsible for development continued to learn from their own experiences and those of their colleagues in other homologue programs. An analysis of this initiative has identified the following relevant factors that have contributed to improve the performance:

²⁸ www.blog.organizzazionedieventi.com/startup-il-team-perfetto-in-4-punti.html

- for both public and private partnerships the collaboration between research organizations and company businesses/entrepreneurs to promote research and development-oriented markets;
- for networks (information, participants, knowledge) to facilitate the exchange of knowledge of market information, services, etc. (and thus pursue the reduction of transaction costs)
- indicators are effective tools to provide coordinated assistance both technically and financially²⁹

According to the mentioned analysis, it is not sufficient to introduce in the curricula of the younger students a general familiarization with the economy and the company management. It is rather important to promote new forms of learning and education guided by curiosity, experimentation, opportunity, and concrete reality.

To reduce the time between the intuition or the planning of the business idea of a startup and its practical implementation turns out to be a key factor in promoting growth and development in different sectors. In fact, before the growth and dissemination of web-based companies, the term startup indicated who was heading a company. English language flags with the word "start" the period of time that is necessary for launching a new business. Term other than "run" which instead refers to an idea of movement.³⁰. This to remark how the time variable is inherent in the concept of startup.

In the early life of a startup the degree of risk is much higher, being completely uncertain the potential of a new idea and its technological conditions and demand. In later phases, the risk drops dramatically, as it is well known in

²⁹ KRZYŻANOWSKA M. – TKACZYK J., “Identifying competitors: challenges for startup firms”, in *International Journal of Management Cases*, Vol. 15, n. 4, pp. 234-246, 2013

³⁰ BERMAN R.- DOGRULTAN E.- HERRMANN B. L.- MARMER M., *Startup Genome - A New Framework for Understanding Why Startup Succeed*, Startup Genome, 2011

the literature. Traditionally, the process leading from the birth of an innovative idea to the sale of the product on an industrial scale is characterized by four main phases. These phases significantly differ in terms of rate of sales growth, capital intensity and self-financing capacity and the reflected level of financial demand. The first phase, which occurs in the conception of an innovative idea, is characterized by high uncertainty of the prospective results and a limited financial need, often connected to the expenses for carrying out the technical and economic evaluation of the investment project. In this phase, the volume of sales is zero as well as the capital intensity. In the following stage (startup), the idea is subjected to the market. This second stage, which is always characterized by a high degree of uncertainty about the chances of success of the innovative idea, is characterized by high financial needs that is associated, in the initial phase, to a substantial absence of revenues and an increasing capital intensity. The initial expansion phase (early growth) shows a gradually lower exposure to operational risk and a higher intensity of capital for investment in production capacity and a rapid development of capital³¹.

The risk during the initial stages is directly connected to the Time Factor. The more time passes by, the less are the chances for the implementation of the business idea to achieve success. Immediately after the conception of the idea, the entrepreneur is studying the feasibility; there are no financial investments (and therefore costs) or sales and revenues. The business idea is, in general, little more than just sketched³². Uncertainties on the future development of the

³¹ MIETTINEN M.R. – LITTUNEN H., “Factors Contributing to the Success of Startup Firms Using Two-Point or Multiple-Point Scale Models”, in *Entrepreneurship Research Journal*, Vol.3, n. 4, pp. 449-481, 2013

³² BERMAN R.- DOGRULTAN E.- HERRMANN B. L.- MARMER M., *Startup Genome - A New Framework for Understanding Why Startups Succeed*, Startup Genome, 2011

business idea and/or the novelty of it are at their maximum levels and external financial resources are difficult to obtain.

A good usage of time is indispensable in those initial stages during which the business proposes to the market a number of prototypes that are continuously transformed and adapted based on suggestions and feedbacks of early adopters.

This process usually goes on until it reaches a minimum viable product (MVP).³³

It is the release of a new product that allows a team to collect the body of knowledge validated on customers with little effort.

The significance of the temporal element in this case is very relevant precisely because of the rapid obsolescence the offered products or services are subject to.

The company literature agrees³⁴ that both efficiency and speed are important features of economic action. The concept of efficiency implies the ability to realize a particular objective quickly and without wasting resources. It should be added that technological progress has accelerated a number of issues in both social and individual economic action. The digital revolution and the consequent spread of communication tools have created a strong connected network and have accelerated the procedures for the use of services. These changes have generated the emergence of a market in which the newborn economic entities must be able to exploit those new characteristics.

Change is the buzzword for modern businesses, including startups. It is something connected with competitive environments and must take place in a

³³ RIES E., *The Lean Startup, How Constant Innovation Creates Radically Successful Businesses*, Penguin Books Limited, 2011

³⁴ BERMAN R.- DOGRULTAN E.- HERRMANN B. L.- MARMER M., *Startup Genome - A New Framework for Understanding Why Startup Succeed*, Startup Genome, 2011

very short time. It depends on market demand and must be quick, otherwise the company risks to miss opportunities or, even worse, to be killed by the competition dynamics.

The importance of time is therefore to be understood not only as a peculiarity of the action of the startup management, but also as an essential element that creates value and permits to preserve the intrinsic core of the innovative idea.

Hence, the presence of "incubators" can play an important role, as they can significantly facilitate the phase of creation and initial development of startup companies.

It is clear from the above analysis that the first year of activity of a startup is of crucial importance for every business plan. Stefan Kazakis³⁵, business coach of great experience in the startups field, affirms that in order to well begin the first year of a startup life, founders must first identify "*the n° 1 objective*": yearly profit task, and then, based on it, sequentially determine the business strategy and decisions, and the resources to use. Together with the main objective, it is always recommended to elaborate a "Plan B" to be implemented in case of failure. Kazakis defines the immediately subsequent step the startup needs to go through as the "*scomposition*" of time: the startup activities must be carefully planned dividing the year into four blocks of 90 days each. Once defined the activities to carry on during the first block of the year, it is possible to focus in details on the activities on a weekly basis. In this way, founders will have a structured planning of times and activities to be followed week by week in order to reach the "*the n° 1 objective*". The author underlines the importance of focusing at least the 50%

³⁵ www.incubatorenapoliest.it/il-primo-anno-di-vita-di-una-startup-focus-su-chiarezza-pianificazione-e-identificazione-del-target

of time on those activities defined IGA (income growth activities), which are essential to reach the predefined startup's growth objectives.

Of course, the strategy must work: it is thus necessary, in the initiation of a startup, to test everyday activities also on a weekly and monthly basis. As mentioned earlier, the environment evolves continuously and startups must be ready to adapt with right times to market changes. Two important suggestions that Kazakis offers for the initial phase of a startup are:

- *Go slow to go fast*: proceed day-by-day slowly and wisely, performing well-organized activities and implementing winning strategies in order to quickly achieve success;

- *The 50% of something that happened is better than the 100% of something that does not exist*: at the beginning, it is necessary to proceed without fear of making mistakes, but carefully monitoring the chosen activities and eventually modifying the chosen plan, being very reactive and fast in making decisions.

2.2. T-Factor #2: Territory

The assessment of the validity of an innovative business idea involves the development of a business plan, crucial to both internal planning and to obtain the initial necessary funds. Obviously, both potential investors and lenders must have the know-how and information needed to build and evaluate a business plan. And territory plays an important role here: often within the territory there is a very relevant relationship with the local institutions, able to support the creation of new businesses. This is the reason why, in order to accelerate the growth and success of entrepreneurial companies, business incubators are located within the

territory and offer an array of business support resources and services, which include physical space, common services and networking connections.

At local level, a "social partnership" between companies, employees, trade unions and research systems and professions can be the engine of a sustainable economic development, socially acceptable, even environmentally sustainable. The confrontation between policy makers, administrators, academics, researchers, professionals, entrepreneurs and trade unions within a geographically delimited area, reinforces the ability to learn and innovate enterprises, from technological, management and organizational standpoints. In the strategic planning of startups, the knowledge of the reference area, together with the actors within it, can provide key information to the company. Local knowledge is a key factor also because it allows to have a clear picture of financial institutions able to extend credit. Currently, to say that the investment in knowledge is the main engine of economic growth and productivity seems almost obvious. This statement is shared by economists and policy makers from different or even opposing schools of thought. If we consider the neoclassical models of endogenous growth and those elaborated on the theme of growth from the school evolutionary or neo-Schumpeterian, we see not only that the causal links are very similar but also that, in both cases, it is recognized that the market left to itself does not guarantee a path of optimal growth. As human capital and territory are normally strictly connected, the importance of the latter becomes an indisputable fact.

Thus, at local level, it is necessary to implement active policies diversified within the territory and investing in research and human capital.

For this purpose, networks between companies have a fundamental role in the innovation within a sector or a territory. Those networks aim at creating

productive relationships with clients, suppliers, advisers, other businesses including competitors and, moreover, at deepening relationships with all the actors within the territory. Taking active part of a companies network permits to businesses, in particular small ones, to exploit those relationships in order to have easier access to technological and market resources, which on their own they would not be able to take advantage of, thus not improving their competitive advantage. Here it appears clear the tight connection between two of the T-Factors: Team and Territory.

It is remarkable that the European Union has left the traditional setting for predominantly scientific and technological themes relating to innovation with the publication of Green Papers, which emphasize the multidisciplinary and complex phenomenon of the innovative business and the plurality of the factors involved. These factors have to do with research, diffusion and application of knowledge, production, market, culture, entrepreneurship, prevailing values in society, business organization, human resources and training, institutions, intellectual property, finance. In this wide vision, the importance of the area is paramount, because a significant importance is attached to regional and/or sectorial clusters. Most regions of Europe, including Italy, have set up development programs of scientific and technological infrastructures with the support of the European Union, involving local economic, social and cultural resources, as well as considering environmental aspects, infrastructures and urban planning.

2.3. T-Factor #3: Team

One of the success factors of a startup is to transform something complex into something simple, easy and reliable. At the same time a more and more

complex web of behaviors, needs and desires that consumers show with increasing frequency results in a growing instability in the demand for goods and services. Fast changes in the social and geographical composition of the consumers are an additional instability factor: consumers, originally located mainly in the middle class of the most industrialized Western countries, are nowadays more and more spread all over the World and belong to new affluent social classes emerging in a number of different countries and cultures.

Therefore, variability of demand is certainly one of the major challenges the enterprises - and especially the startups - have to face. In order to cope with this growing demand instability and complex articulation of requests for service, companies definitely need skills able to respond with a constant and fast innovation in offer, technology, production process.

Hence the key role of human resources: teamwork is critical in a startup from the design phase on, when the team members are called to make an economic and financial plan based preferably on a common mentality.

In the early stages of a startup life, the team must decide how to work together and how to manage the common responsibility. It is appropriate to have an agreement on the rules to follow to get the best from the entire team. Inside a startup, conflicts between colleagues are often inevitable: the skills and the type of work to be done usually involve creative people who may be hardly prepared to join shared approaches. At the same time in the eyes of the potential investors, the presence of a solid management is absolutely critical: a good experience within the management team reduces risks typical of business activities, above all startups. The team must be able to follow the actions and the activities, broken down by business function, necessary to achieve the startup objectives. It is necessary to include the timing of each planned activity. Especially in the early

stages, the team should be able to make decisions in line with the objectives of the future company. The actions and decisions taken during the startup phase have relevant consequences on the long-term impact of the enterprise. The efficient planning of the startup process is fundamental to the objectives, such as the adequate development of the business idea and the evaluation of the risks and opportunities for success. An overall strategy for startups results from the interaction of three basic elements: the business idea, the characteristics and reasons of the aspiring entrepreneur and the business plan. Not all people are able to work in a team or to start a company. Empirical researches have shown that an entrepreneur with a strong personality will be decisive and successful in the development of the company. From a psychological point of view, ability in taking risks and dealing together with energy, ambition, charisma, and leadership become points of strength of the entrepreneur who decides to start a new business. From the management point of view, the work team needs the appropriate level of skills and knowledge requested by the specific business. Factors like education and work background play an important role: a possible knowledge gap affecting a team, can be a serious obstacle to the growth of a startup, to be mitigated appropriately training the managers.

For what we said, within organizations - and especially within startups – a good human capital can generate endurance and competitiveness, ensuring long-term advantages to the enterprise. The process of value creation occurs through the contribution of human resources who support the growth of the organization and trigger the generation of relational capital.

If basing its business growth since the early stages on the contribution of human capital increases competitiveness and social cohesion of the startup, human capital is crucial also in the following stages of the startup life, for its

economic and social development. Nowadays in many successful startups the weigh of human and intangible capital largely outweighs the physical capital: for many new businesses, success is hidden in the characteristics of the team and in the human relationship network the team was able to build up. When expanding their staff, businesses should therefore look not only at professional skills, but also at the talent and self-motivation of the candidates.

Furthermore, the relationship network becomes a crucial aspect once individual employees start their own business in the same sector of their employer. In geographical areas characterized by clusters of enterprises, the creation spin-offs happens more often than in other places, just because it is easier for the employees with entrepreneurial aspirations - the future members of the founding team - to meet. It clearly appears here again the tight connection between two of the T-Factors: Team and Territory.

In an interesting study, Sorenson³⁶ divides business processes into two parts: the phase of identification of the opportunity, in which the potential entrepreneur is expected to develop the idea for the new venture, and the subsequent development of the organization and its resources, that is the exploitation of this idea. Interpersonal relations play an important role in both stages. Social relationships facilitate the first step as they help the potential entrepreneur to get information about the activities of a certain sector, making him more aware of potential opportunities. Once a project is accepted as a good entrepreneurial decision, instead, the creator requires access to a number of resources to start his activities. In particular, to compete more effectively, the entrepreneur will need knowledge of the industry, financial capital and human

³⁶ SORENSON O. Social networks and industrial geography. *Journal of Evolutionary Economics*, 13(5), 2003, 513–527

capital. The first, by definition, can only be transferred through social relationships, while the two types of capital can be purchased more easily if the entrepreneur has an adequate social network. If there is a relationship of trust, perceived risk from potential investors will be weaker. Furthermore, the only way to ensure that human capital move to a startup, leaving a stable position in a business, is that there is a relationship of trust and respect with the entrepreneur. The entrepreneur endows his business with a network of relationships, but the founder of a spin-off is able to provide (according to scholars of this genre) a more adequate and appropriate knowledge of the sector, compared with those entrepreneurs who have had no previous connection with similar companies³⁷.

³⁷ AGARWAL R, Knowledge transfer through inheritance: Spinout generation, development, and survival. *Academy of Management Journal*, 47(4), 2004, 501–522

CHAPTER 3 - Analysis of Some Empirical Cases

This chapter focus on four startups from the point of view of the selected T-Factors: this exercise aims at check, basing on real cases, whether the three T-Factors are capable of explaining and interpreting the reaction of startups to the main opportunities and challenges they face during their life stages. The choice of four enterprises born in three continents and running four completely different kind of business, help us to verify whether the selected T-Factors are also business and location independent keys.

3.1. Case #1: Airbnb

The relevance of the three T-Factors we have analyzed - Time, Team and Territory - is clear for a startup of sharing economy that has rapidly become a business model for success: Airbnb.

Airbnb is the number one service in the world of short-term rental of rooms, entire houses as well as castles, historic houses and much more. All the proposed accommodations are offered by private individuals. Anyone who owns a room or a nice place to stay can offer and rent it for a few days, directly on the Airbnb platform.

Airbnb is a perfect solution for those who have little money to spend, as well as for those wanting a dream vacation, worldwide, in another house.

The Airbnb site was opened in October 2007 by Brian Chesky, Joe Gebbia and Nathan Blecharczyk.

The startup idea originated from an ordinary life issue. In a normal apartment of San Francisco, two young roommates, Joe Gebbia and Brian Chesky, fresh of studies at the Rhode Island School of Design, received from their landlord the request of increasing their lease by 25%. On the verge of losing their home, they eventually decided to sublet the untapped spaces of their apartment with inflatable beds for sleeping. They advertised the offer on a website directly created by them for this scope and enriched with the photographs of themselves and of the inflatable beds (hence the name AIR). That is how two young people, joined later by the super programmer Nathan Blecharczyk, began their adventure.

Airbnb has now 11 million users in the world since 2008; it has expanded into 192 countries (Italy among the first ones to respond), with an offer of possible 600,000 units. Italy, with 60,000 units, it is the first market right after the United States.

The entire website look&feel has been designed not to convey a trade offer but a set of values associated with the choice of the traveler. Crossed reviews have been of paramount importance for the success of this initiative: customers can leave comments, both on the accommodation and on the owner, who in turn can review his guests. Each host and each guest is free to leave as much feedback as desired about the other party. The reviews system is complete and advanced, providing the possibility of replying to a negative review.

According to Joe Gebbia, ideas come from urgency and *“you have to be hungry and observe what moves around, take risks and persevere”*.³⁸

Regarding timing, a startup should ask itself questions such as Grass has set: *“Is it too early to launch the idea and may the market is not ready yet, or,*

³⁸ <http://linnovatore.it/vera-storia-airbnb>

even if it is not ready, maybe this is an opportunity for educating the market? Is it vice-versa too late, and there are already too many competitors in the business?"

The Time T-Factor actually played a key role in this startup: according to the experience of Airbnb, the team had seemingly such a crazy idea that very few investors were willing to consider. In addition, the team had a lot of resources and capacity, but very little experience in the field of leadership. However, the service was launched in times of economic recession, when people needed to make extra money, and were therefore inclined to consider the idea of renting a room or a bed to a stranger.

Therefore, the startup success was in large part due to the team's capacity to realize that market and consumers were both seriously ready to accept the new service.³⁹

Since the early stages of the project, the team was the biggest point of strength. It was precisely the teamwork that founders recognized as important and worth of total confidence when Airbnb was more an idea than a business. As stated, in a few years this idea has become a global enterprise, present in all areas of the world. To manage this growth and to preserve the spirit of the startup, employees were chosen among people with a strong entrepreneurial spirit, who could successfully direct and manage the new international offices which were continuously opened to assure the right proximity of Airbnb to its community.

It is very interesting to look at Airbnb from Team and Territory T-Factors perspective. Airbnb local offices are purely commercial, and deal only with users support and assistance; they are not involved in the area of product definition or design: this remains a prerogative of the headquarters in San Francisco. The

³⁹ www.incubatorenapoliest.it/startup-tips-qual-e-il-fattore-che-distingue-una-startup-di-successo-da-una-destinata-al-fallimento

company has adapted in time to the embodied values. The passion of entrepreneurship and the organizational flexibility are difficult to find in a company that is not a startup. Any member of the staff in the various countries embodies this spirit and both the management and the human resources are geared precisely to enhance these concepts. At an organizational level, the result is a network, headed by Airbnb headquarters in San Francisco, which develops its own business, and at the same time grows, learns and compares with a community of offices. In addition to what occurs during the daily office opening time, special activities are periodically organized to promote the harmony of the team, who is also encouraged and motivated by the possibility of traveling thanks to quarterly coupons. This, together with the opportunity to work in offices abroad for short periods, stimulates cultural exchanges.

Moreover, each skill is chosen with special care. For example, an important role is played by the photographs published on the website, which should reflect faithfully the spaces offered and at the same time improve its marketability to potential customers. It is for this reason that Airbnb has trained a team of professional photographers from around the world, who are available on request, at no cost for the user, to help taking pictures of the house and the space offered. Both photographs and the website are perfectly accessible also by smartphones. This allows Airbnb customers to have a clear view of the house in real time. The high-resolution photographs can thus improve the quality of the supply, ensuring its existence and characteristics.

Again, about Territory T-Factor, it is important to emphasize that Airbnb aims at obtaining a precise record of the locations rented by users and the advice of experienced members who live their experience on that location.

3.2. Case #2: RedBus

RedBus – India’s number 1 bus-ticketing platform, was founded in 2005 and since 2013 is part of ibiboGroup, a venture of the South African multinational company Naspers. In 2015, RedBus started its operations in the international market with business opening in Singapore and Malaysia. It currently employs 650 staff and provides bus ticket fares with zero booking charges from 1500+ bus operators and 80,000 routes in India. Currently it is possible to book a RedBus ticket at over 30,000+ outlets.

The story of RedBus tells us interesting aspects related to all the analyzed T-Factors.

About Territory T-Factor and the importance of network relationships: all the three founders used to work in Bangalore at the time - with top IT Companies: IBM, Texas Instruments and Honeywell. They were friends from BITS Pilani, one of India's finest engineering colleges.

That is when they thought of the possibility of providing consumers the convenience of booking a bus ticket over the internet. The objective was two-fold - to ensure that they do not have to leave the confines of their comfort to book a ticket, and to help them get a ticket when they need it the most.

Concerning Time T-Factor, it is worth to mention that at that time the internet was being voted as a medium people could not do without. PC and net penetration were increasing not only in urban areas, but also in rural India. In addition, people were getting used to book train and flight tickets on internet. However, according to the founders, the most compelling reason for starting the enterprise was that nobody in India had done that before.

Again, regarding Territory T-Factor, it is interesting that the three founders did not want to take the plunge without understanding the feasibility of such an

undertaking. They therefore met with various people - bus operators, consumers and venture capitalists - to gauge how well the concept could do. As expected, they got a favorable response and started writing the code for the software that would be required to run the operations. Once this was ready, they put together a business plan that was presented and accepted by TiE (The Indus Entrepreneurs), a non-profit, global organization taking care of mentoring, networking, educating, incubating and funding new enterprises. All the founders quit their well-paying, secure jobs and started RedBus.

A clear indication of the Time T-Factor relevance is that later on RedBus has always been ready to move timely together with technological, social and cultural changes occurring in time, providing value over the internet by reaching out customers using all the available media that could provide them convenience: phone, smartphone, home delivery, physical outlets or SMS.

And here the Team T-Factor steps in: being run by a team of young people, the culture is informal and everyone is ambitious and committed to make it larger than imagined. What started as a team of three, grew into a team of 650 in 8 years. Employees are encouraged not to fear sharing their mistakes, so that everyone can benefit from the learning, no matter how small. Office outings are a regular phenomenon and dancing is a must.⁴⁰

3.3. Case #3: Zalando

Zalando is a startup that has turned into a large European enterprise in a very short time. It appears interesting that much of its extraordinary success seems to be influenced by the three analyzed and by their interrelationships.

⁴⁰ www.redbus.in/AboutUs.aspx#OurStop

Zalando GmbH is an electronic commerce company seated in Berlin that runs a cross-platform online store that sells shoes, clothing and other fashion items. It is currently operating in fourteen European countries and worldwide with spin-offs and subsidiary companies.

Zalando – at that time Ifansho - was founded in 2008 by David Schneider and Robert Gentz - Class '82 and Class '83. They were both based in Berlin and attended college together. They had a simple and effective idea, inspired by some American enterprises: to sell shoes online in Germany without charging extra costs for shipment. This made Zalando unique in the local landscape. The business started in early 2009, when the online site began selling exclusively shoes (a number of good categories have been subsequently added) of a limited number of brands. Everything - including product storage and shipping - occurred within a single building of modest size. The meeting between the founders and the brothers Oliver, Marc and Alexander Samwer, millionaire founders of Rocket, allowed Zalando to have the initial needed thrust, assuring adequate financial resources.

Already in 2009, Zalando started offering its services in Austria, while in 2010 it launched its product offering in the Netherlands and France. In 2011, as well as in Switzerland and the United Kingdom, Zalando landed in Italy, with a very impressive catalog of products, including 800 brands and over 70,000 products.⁴¹

In 2012, it expanded even more its market in Sweden, Denmark, Finland, Belgium, Spain and Poland. In 2013, through Zalando.be, it reached Luxembourg.

⁴¹ www.linkiesta.it/it/article/2014/06/22/zalando-una-colonia-italiana-nel-tempio-dellecommerce/21844

Nowadays Zalando employs 10,000 people, more than 100 of whom are Italian. The year 2015 closed with net sales of about 3 billion euro, with 36% increase on 2014. Whereas in 2010 the revenue was just over 100 million euro, its growth rate was among the highest of all startups so far created.

The Time T-Factor is definitely a key to Zalando's success: one of the main challenges Zalando is able to face is to constantly update its huge products catalogue, offering the right and up-to-date set of clothing and footwear for the current season. This allows its customers to purchase foreign products when they are still difficult to be found in any other shop of their own country.⁴²

Looking at Zalando from the Territory T-Factor point of view is quite interesting: a key factor of Zalando's success is to focus its strategy on customers within a given territory. The breakdown of the offer for individual local markets is, indeed, a central topic in the strategy of Zalando. According to its team, Italian consumers have, for example, a low affinity towards online shopping. Therefore, they have created specific sales processes in order to give their Italian customers the possibility to products by phone.

In addition, the Team T-Factor plays a paramount role: a crucial aspect of Zalando's business is in fact the product selection process. For this, the company specifically relies on the expertise and the experience of its buyers, who anticipate emerging trends and work to bring them timely to the online store. This would also result in providing suggestions and aiming to inspire a new style or a new trend.

Within Zalando team, specific skills of buyers with a global vision and a local focus at the same time, have crucial importance; just to have an idea, Christoph Luetke Schelhowe, head of Customer Experience, deals with the

⁴² www.sickbrain.org/web/levoluzione-delle-commerce-zalando-it

innovations directly appearing on the website. His team is responsible for the innovation of the customer experience. In this context one of the pillars is the identification of the different characteristics of the client depending on its location on the territory; customizing the customer allows one of the most requested services: pre-selection of the most relevant products for each client. The customization is based on anonymous profiles, compiled during researches carried out on the site. Each research leaves a trail that for the company is worth gold.⁴³

Another example of a skill that is able to define service and product demand from territorial requests is Alessio Madeyski, SEO (Search Engine Optimization) manager for Zalando. In an interview, Madeyski says *“Zalando has always been at the forefront of the rapid changes in the marketing world, and this has allowed us to offer good services, aimed primarily at satisfying the customer. We need to create contents that meet the needs of the user and, at the same time, can give information and fun. We must think as a user does: this is the winning idea. And for thinking as a user we must listen to him, through contacts, messages and blogs. The interaction of team and customer is very important in order to create content that is useful to the customer and a chance to improve information. Zalando has always pushed for the creation of a genuine relationship with blogs and sites. Many contacts have become not only regular customers but also excellent 'consultants' who help to grow Zalando day after day, explaining requirements and needs of a typical user. We can say that one of the key success factors of Zalando is his phenomenal team that accept help from each user.”*⁴⁴

⁴³ www.linkiesta.it/it/article/2014/06/22/zalando-una-colonia-italiana-nel-tempio-dellecommerce/21844

⁴⁴ www.webinfermento.it/la-link-building-coi-contenuti-secondo-zalando-intervista

Another manager of Zalando is Giuseppe Tamola, an Italian with experience in Copenhagen and Koblenz. He was among the first Italians who arrived at Zalando with the task of entering the Italian market. According to Mr. Tamola, the difference with the Italian business culture resides in the “culture of mistake”. *“We were allowed to make experiments a bit crazy, even at cost of failure”*, he explains. In other occasions, were run projects specifically designed for Italy: *“We pushed to adopt cash on delivery in Italy”*, continues Mr. Tamola, a model that does not exist in Germany since the eighties of last century and that for executives was incomprehensible. *“When we started to sell in this way, we immediately saw an acceleration in sales.”*

Zalando team is continuing to work to convince even the most skeptical Italians to try buying on the Internet. The link with the Italian territory of Zalando is definitely very strong. Zalando recently added over 150 new Italian brands to a relevant number already part of its catalogue. Furthermore, the German multinational e-commerce company decided to establish a logistics center in Italy, the first one outside Germany. This new facility is located in northern Italy, in Stradella (Pavia) and it is the beginning of a possible expansion of the logistics network of Zalando. This pilot project, starting in January 2016, will allow Zalando to serve Italian customers more quickly and efficiently, favoring the increase in sales on a territory where the trade online is booming.⁴⁵

3.4. Case #4: Uber

Uber is a ride-hailing company conceived in 2008 by Travis Kalanick and Garrett Camp. The two founders, waiting for a taxi ride in Paris, had the intuition

⁴⁵ www.trasporto.europa.it/index.php/logistica/archivio-logistica/13909-la-logistica-di-zalando-apre-anche-in-italia

to create a service able to connect users and drivers and to guarantee an efficient transportation system avoiding as much as possible cash payment troubles and time wasting waiting.

The service runs through a mobile phone app, which enables costumers to ask for the trip they need and drivers to get the request and eventually accept it. Transparency of costs, easiness of payments, and timesaving are key variables that allowed the company to successfully establish its service worldwide.

Looking at the strategy implemented by the startup, there is clear evidence of a smart and efficient use of the analyzed 3Ts Factors.

In particular, about the Territory T-Factor, it is relevant to highlight the choice of the founders to launch the startup in 2009 in San Francisco. The Californian city was a fertile soil for the initial launch both because of the presence of a tech community and because of an already existing cab service notoriously poor and inadequate.

Since the beginning, Uber's main source of marketing has been sponsorship implemented by offering free rides to selected local events highly catered to a very tech-hungry social class. Subsequently the startup relied on a word-of-mouth local diffusion in order to enlarge its clients network. After the initial launch, the company carefully selected other cities where to provide its service trying to avoid as much as possible the risk of failure. Special attention was devoted to the identification of circumstances that make driving yourself problematic and that incentivize the need for Uber service, accelerating its diffusion.⁴⁶ The variables, named "accelerants", which coexistence ensures a

⁴⁶ www.growthhackers.com/growth-studies/uber

high demand for Uber are among all intensity of weather, nightlife and restaurants, sports, and holidays.⁴⁷

Also, about territory expansion, it is significant the diversity with which the company adapts to each new location, trying its best to perfectly suit each local market. As the co-founder and CEO Kalanick explains in an interview, the company hires launchers that directly go to each targeted city, *“drop in with parachutes and machetes [and] get highly involved with the suppliers, people who own cars and run car services, and really just make sure that we can launch a service that is high quality from the start. Being local and speaking with local voice is important when you're doing transportation and means you know what's going on for the city.”*⁴⁸

Furthermore, the importance given by Uber to the territory and to local markets appears evident in the recently announced company's intention to restyle the logo, and the web and app graphic through a features' diversification for each different location.⁴⁹

Regarding the Time T-Factor, Kalanick learned the relevance of entering the market at the right time and the ability to recognize it through his past unsuccessful founding experiences of Red Swoosh and StumbleUpon companies.⁵⁰ In an interview for *Financial Times*, the Uber co-founder explains that while running his last company, when he was not earning even a cent for the first four years, he quickly learned that it was not the right moment, being capable to timely recognize it.

About the Team T-Factor, it is remarkable that Uber has an extremely multicultural team spread worldwide.

⁴⁷ www.newsroom.uber.com/us-illinois/chicago-ubers-biggest-launch-to-date

⁴⁸ www.inc.com/nicole-carter-and-tim-rice/how-uber-grows-internationally-city-by-city.htm

⁴⁹ www.webnews.it/2016/02/03/uber-nuovo-logo-nuova-filosofia

⁵⁰ www.economyup.it/startup/1153_uber-un-successo-nato-dai-flop.htm

The company implements an independent model consisting in an entire division working exclusively on the growth of the company. Headed by the VP of Growth Ed Baker, which reports to the CEO Kalanick, the division is charged with stimulating both supply-side and demand-side growth. This particular model enables to stimulate iteration and speed. The main focus is on creating loops of users and drivers through a recommendations and feedbacks system that autonomously enlarges itself.⁵¹

Uber pays careful attention in maintaining a good balance between already existing users and growth expansion.

Another remarkable feature of Uber's Team T-Factor is the company philosophy stating: "*There's room at Uber for every talent — and talent from everywhere.*"⁵² An entire website section is dedicated to the company's careers in different sectors and places with the possibility for the web-visitor to directly look for the open roles that better fit his skills and eventually apply.

⁵¹ www.medium.com/swlh/how-do-you-choose-the-best-growth-team-model-632ad5a85be9#7jbjve

⁵² www.uber.com/careers

CONCLUSION

In the view of all it has been illustrated, it can be concluded that the selected T-Factors are decisive in the launch, development and success of a startup.

A brilliant idea and some money are not enough to start an innovative enterprise with certain chance of success; having a good team, finding the right time for the launch and optimizing the initial time, starting from local resources and needs while always keeping a global perspective are all characteristics which become crucial in order for the startup to succeed.

About the team it is absolutely proved that only the right people with the right skills can implement good ideas. It is fundamental that the team is cohesive and that there are no personal problems between people working together on the project.

Everyone must get involved and all team members must play together as an orchestra. Each component must do his best to contribute with his own personal abilities and skills. Also, an initial careful recruitment procedure and an accurate choice of the team composition is fundamental to facilitate the growth of the enterprise since the beginning avoiding as much as possible to lose time in the subsequent life stages of the startup.⁵³

We have learned that also time is essential for startups. It is the short time of growth, which determines the core of "being startup": an enterprise with high and rapid rate of growth.

⁵³ www.corsentino.net/2011/11/i-fattori-di-successo-di-una-startup

Speed is cardinal for startups as they live and die of "burn rate" (monthly cash consumption) and have the life of their "runway" as their horizon (cash divided burn rate). Thus, may the worst thing you can possibly do is to slow down a startup.

In 1916, the Futurist Tommaso Marinetti wrote in its manifest: "*We must persecute, whipping, torture all those who sin against the speed.*"

Today startups subscribe.⁵⁴

Besides this, it is crucial to find the correct timing to start and, then, to precisely take the plunge and dare even though the risk of making mistakes is concrete: what really matters is to learn from those mistakes, which are quite inevitable along an unknown path, made of hazards and continuous changes.

"You must launch fully in your venture with all your energies and passions, not hesitating to give up your jobs and move to where things happen, if it is necessary." (Alex Ljung from Soundcloud)⁵⁵

Again, knowing the local context is an important key for launching a startup. Having keen eyes for the local market needs and the territorial deficiencies is the first step to design a startup and to develop it over time expanding spaces and ways. At the same time, having a global mindset in responding at local requests is one of the strategic factors for the success of a startup.

Local entities may be more or less favorable to the birth and development of startups. Choosing a local context as favorable as possible is fundamental in order for the startup to get money and all the necessary resources, so to avoid failure and grow rapidly to success.

⁵⁴ www.economyup.it/blog/3256_elogio-della-velocita-e-disperazione-da-lentezza.htm

⁵⁵ www.mmm.unifi.it/blog2/news/come-fondare-una-startup

Finally, it should be stressed that a startup wanting to early achieve success must not only pay attention to the good use of the three factors considered, but it also must do it in a harmonious way without giving more weight to one rather than the other factor. Sooner or later, not taking good care of either one of the three factors leads a startup to easy failure.

Only if a startup has a careful eye to each one of the 3Ts-Factor simultaneously it can turn good ideas and dreams into concrete successful realities.

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