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**A GUIDE FOR STARTUPS**

**Using Bookndo as a case study**

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## ABSTRACT

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<p>Nowadays, startup is no longer a strange concept because there are too many startups in this venture world. As the demand of people who want to be entrepreneurs to work in their desirable aspects is accelerating, more and more people are setting up their own startups.</p> <p>The thesis aimed to provide a fundamental background of startup companies and was designed for people wishing to acquire strong understanding to open up their own business. The thesis was conducted with Bookndo Oy as the focus startup company in order to show how a startup was founded and fundraised in reality. Especially, lean startup method was introduced to help startups to achieve success in the most efficient way.</p> <p>The thesis focused on up-to-date information taken from public books, journals, and academic websites, so it could provide a useful theoretical frame to gain knowledge about startups. In term of the case study, an interview was conducted with the founder of Bookndo to gain essential information for further analyses. Traditional analytical methods such as project management triangle and SWOT analysis were used to illustrate the company.</p> <p>In conclusion, startup is not always easy to succeed. In fact, people do not get what they expect when they get started, so if a startup is failed, try to do better or use another way to achieve goals. Due to its importance, people should take time and research about startups when they plan to open their own businesses.</p>		

### Key words

Bookndo, entrepreneurs, fundraising, lean startup, practical guide, startups.

## **PREFACE**

I am grateful to Jenni Alasuutari, my advisor during my internship as well as the founder of Bookndo who has decided to recruit me to join her team. I am hugely indebted to Jenni as she was so kind to spend hours with me to answer my questions and gave me good advice relating to startup companies. Her enthusiasm and dedication to Bookndo are inspiration for me to write this topic.

I would like to thank all my professors in Centria University of Applied Sciences for teaching me valuable knowledge and inspiring me to keep learning and practicing. Especially, I must give my gratitude to my supervisor Janne Peltoniemi, whose expertise and generous support made it possible for me to work on a topic that I am passionate about. He always helped, guided and urged me to write and complete my thesis.

Last but not least, this journey would not have been achievable without the support of my parents and my boyfriend. I am deeply grateful to my parents, who supported me emotionally and financially and my boyfriend, who was always there for me and helped me overcome pressure at work. They always encouraged me and inspired me to chase my dream.

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## 1 INTRODUCTION

Startup is no longer a strange concept to us because nowadays there are too many startups in this venture world. The number of people who want to be entrepreneurs and work in their desirable aspects is accelerating. Therefore, learning how to launch companies is in demand and becomes must-have courses for any university these days. And to me, a business student, learning about topics relating to startups seems to be too familiar. However, it was not until April 2014 when I had a chance to work in Bookndo, a startup company, that I was really impressed and attracted by startups. Furthermore, chosen to become a volunteer in Arctic15, which is a big startup conference held in Helsinki in the summer 2014, I was filled with many wonderful startup stories of famous entrepreneurs in the world such as Aber Whitcomb, a co-founder of Myspace, and Trip Hawkins, one of the first Apple employees under the leadership of Steve Jobs as well as the founder of Electronic Arts. These people and their stories became an inspiration that boosted me to dream of my own business in the near future. Then, I decided to gain practical knowledge, listen to entrepreneurs' advices, and read startup books to have a better understanding of startups.

This thesis aims to provide a fundamental background of startup companies and is designed for people wishing to acquire strong comprehension to open up their own business. It will give definitions of a startup, reasons of starting own business as well as approaches to have good startup ideas, and eventually demonstrate the situation of startup companies in Finland. Besides, by analyzing a case study of Bookndo, the thesis will describe how a startup company was founded, and fundraised, and how it is dealing with obstacles when converting the idea into the first version of the product. After providing an apparent case study of a startup, Lean Startup method that was first proposed by Eric Ries together with an example of Dropbox will be mentioned to help Bookndo as well as all other startups improve the product day by day and achieve success in the most efficient way. Finally, the study will provide tips and recommendations on what should be remembered when starting a business.

In term of methodology, the literature part focused on up-to-date information taken from public books, journals, and academic websites, so it can give a comprehensive picture of startups nowadays. About the case study, real experiences gained during my internship and interviews conducted with the founder of Bookndo will provide all the essential information for further analyses. Finally, the data will be processed and analyzed carefully by traditional analyses such as project management triangle and SWOT analysis.

However, there are limitations of this study. This startup thesis is mostly based on experiences, advices, and researches of others and I am only the person who perceives them together with my few own real experiences. Even though I have got the opportunity to do my internship in a startup company to experience myself and got a close look and good understanding at startup itself and its rise and fall, being a three-month intern definitely could not help me grab the whole of startup about the challenges that a startup have to face and how to overcome those. Therefore, it is still best for me if I can startup on my own to experience those myself. The thesis lacks self-experience of starting up a business but it still provides useful and trustworthy information about startups for those who are interested in getting started their own company.

## **2 STARTUP COMPANY**

Nowadays, it is not difficult to realize a real emergence of entrepreneurial spirit and more startup activities than ever before. More and more people are looking for starting their own business rather than working for someone else to satisfy their own need and desire.

### **2.1 Startup definition**

Imagine that you are having an idea of building a photo-sharing app that has not been developed before. You and your co-founder try to build a successful app that can be used widely by customers. In order to do so, you need to get funding from investors who support and believe in your app although it has not yet completed. During the building process, you face a lot of uncertainties and can never be sure about your product's success. You do everything your own way because there are no exactly similar products to follow. Fortunately, after finishing the app, the app impresses customers and is quickly used by customers. You and your co-founder get huge profits of running your newly products. This is a successful startup story of two men, Kevin and Mike, building a photo-sharing app 'Instagram' in only 8 weeks and after that, they increased their profit from 0 to 1 billion dollars in 2 years. This is an example of a startup.

According to Ries (2011),

Startup is a human institution designed to create new products and services under conditions of extreme uncertainty.

Or Dave McClure, an entrepreneur and angel investor who founded the business accelerator 500 Startups, said:

A startup is a company that is confused about what its product is, who its customers are and how to make money.

Indeed, startup is a term used to describe a business working to make products or provide services to solve contemporary problems or serve current demands as the solution is not clear and the success is not guaranteed.

## **2.2 Reasons to start a business**

Every entrepreneur has a different story about reasons that he or she decided to take the entrepreneurial leap. Although there are numerous different reasons for startups to be established, the new venture motivations can be mainly defined as two factors, which are pull and push factors. (Bradberry 2011, 56-59.)

Positive factors that ‘pull’ individuals toward entrepreneurship are described as pull factors. Pull factors may arise from the desire to be self-reliance, the need for achievement and recognition, the impulse for personal development or aspiration for creativity and artistry.

If you ever wanted to have your own freedom to unleash your hidden potential, set your own priorities, or be controlled by no one else, then you might already set your sight at starting up a new company for yourself to become your own boss. The more self-reliance and aspired you are, the more suitable you will be for these types of career. However, if you ever have thought of growing your own company, advancing to a higher level, yearning for more achievement and recognition, then you better find a co-founder or a team to work with. One person cannot handle everything on their own, the amount of work when working alone can be extremely stressful and overwhelming, but with team, it can be shared among the members and therefore, you can have anything done for less time and reviewed and criticized for better quality. That is the reason why TEAM stands for Together Everyone Achieve More. (Bradberry 2011, 56-57.)

By contrast, negative influences that ‘push’ individuals into entrepreneurial activity are called as push factors. Examples of push factors are unemployment, job insecurity, family pressure, insufficient salary, job dissatisfaction or career limitations. More and more young individuals have attempted to establish their own companies nowadays. They could try to break free from a gridlock situation and hopefully regain from a bad failure. Or it could be because of their bosses that have bad judgments toward them and they do not feel much comfortable and secured. They could also have been laid off and felt bored at home that leads to, in a situation where they cannot find any suitable jobs in the current market, the thought of taking the startup plunge on their own. However, starting up your own company is not easy as it sounds. These types of “away-from” reasons in such bad situations do not typically generate much

success since it involves a lot of emotions and these people frequently lack of the real motivations. They simply just do it because they are unhappy and unsatisfied with their situations that sometimes they even make a shot at another field which they completely have no ideas of. Therefore, whenever you are depressed about your career, or even life situation, try to avoid doing something that needs emotional and intellectual enforcing, but identify and cultivate clearer and more forward-looking motivations such as the desire to be self-reliance, the need for achievement and recognition, the impulse for personal development or aspiration for creativity or artistry. (Bradberry 2011, 59.)

In conclusion, although there are many reasons to start their own business, you should first of all determine your true motivation, true ability, and personal commitment to pursue your dream. Because although there are outstanding successes of startups such as Instagram, Dropbox, Airbnb, or Pinterest which have changed the world, it is more likely that a startup would fail.

## **2.3 Startup ideas**

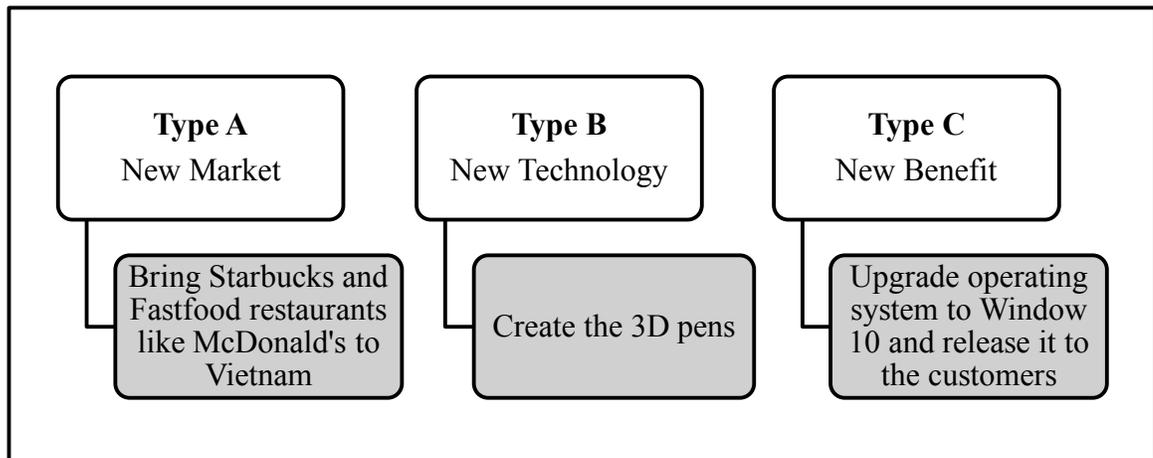
Choosing an idea for a startup is an important foundation because the success of a startup is attributed largely to ideas. There are 3 types of startup ideas to think of and whatever the type of ideas is, ideas should be compelling to fill needs and provides unique values to customers.

### **2.3.1 Types of startup ideas**

There are 3 types of startup ideas:

- Type A: Startup ideas focus on providing customers with a product from somewhere else and not available in its area.
- Type B: Startup ideas deal with new technology, make a new product and show it to customers.
- Type C: Startup ideas are mainly about providing improved or upgraded products to customers.

(Moore, Petty, Palich & Longenecker 2008, 67-68.)



GRAPH 1. Three types of startup ideas

### 2.3.2 How to get startup ideas

If you ever have any ideas for startup, it is better not just some ideas that suddenly come across your mind. When thinking that your product or service you are planning to work on is in the circumstance in which the market does not yet realize that it cannot live without your product or service, you might choose wrong ideas to start your own business. It is about looking for problems you already have rather than thinking of new one. (Graham 2012.)

Why cannot you just think of a newly fresh idea and work on to solve it, you may ask? Of course, some people can suddenly think of an idea then use their own premises to prove that their idea is feasible to run a business. However, they are not fully aware of new ideas being so attractive and plausible enough to fool them into working into them. For example, you come up with an idea of creating a website that collects and shares all of the recipes of different cuisine. When you ask around, people most likely say they will support. However, when the website is put into use, their interest is low since sometimes the recipes are different among regions and people can get a variety of reputable sources from famous masterchefs elsewhere in the world. And yet this is by far the most common mistake startups make. Therefore, in order to make sure you are solving a real problem, it should be a problem that

you, your family, your friends, or anyone you know are facing. If you decide to open a business, be sure that there are customers that need your product immediately, rather than in the future. This group is normally small, because simply if there is a product that a lot of people need, there will not be in turn for new startups to create the product or service.

In fact, not all successful startups follow this approach, which is creating something that only few people need but they really need, to choose startup ideas, but most of them do. Facebook is an exemplary example. It started to be used exclusively for Harvard students which were only few thousand people but these students went crazy over it. Then, Facebook has spread the world and become the most well-known online social networking service all over the world. (Graham 2012.)

## **2.4 Startup companies in Finland**

Finland had good conditions for startups to grow. It provides a first-class innovation and business environment. Moreover, starting a business in Finland is really easy and fast. There are also a lot of extremely useful resources and highly educated people that are easy to get access to. Public research and development funding are also readily available.

### **2.4.1 Why does Finland attract startup companies?**

According to The World Economic Forum's Global Competitiveness Report 2014-2015, Finland has been ranked as the fourth most competitive country in the world and the second most competitive country in Europe. (Schwab 2014.)

TABLE 1. Global top 10 and Europe top 10 in Global competitiveness index 2014-2015 (adapted from Schwab 2014.)

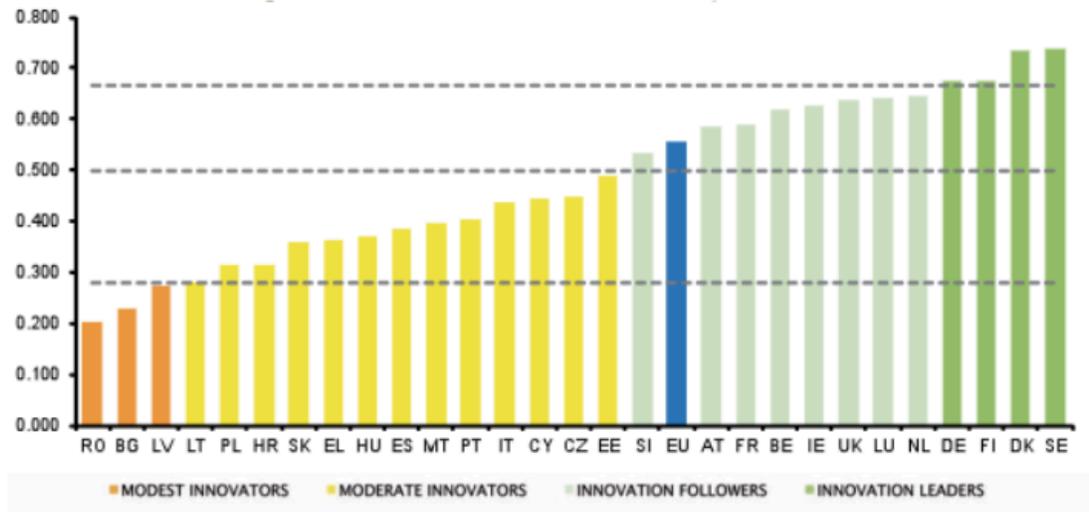
Global Top 10		Europe Top 10	
The Global Competitiveness Index 2014-2015	Global rank*	The Global Competitiveness Index 2014-2015	Global Rank*
Switzerland	1	Switzerland	1
Singapore	2	Finland	4
United States	3	Germany	5
Finland	4	Netherlands	8
Germany	5	United Kingdom	9
Japan	6	Sweden	10
Hong Kong SAR	7	Norway	11
Netherlands	8	Denmark	13
United Kingdom	9	Belgium	18
Sweden	10	Luxembourg	19

Source: The Global Competitiveness Report 2014-2015  
Note: \* 2014-2015 rank out of 144 economies

The Nordic Growth Entrepreneurship Review 2012 also rated that Finland has the best framework conditions for entrepreneurship in Nordic countries (Napier, Rouvinen, Johansson, Finnbjörnsson, Solberg & Pedersen 2013). With a nominal bureaucracy and stable and highly competitive economy, Finland offers businesses a simple working environment.

The easy access to R&D funding is one of the key elements that bring benefits to startups. There are many public and private sectors that invest in R&D such as Tekes, Finnvera, ELY centers, and so on. Among that, Tekes is the main public innovation funder in Finland. Furthermore, Finland invested 3.3% of GDP in R&D in 2013. This is a very high figure among OECD countries while most countries even have the percentage of GDP lower than 2%. (OECD.)

Denmark, Finland, Germany, and Sweden are Innovation Leaders with innovation performance well above that of the EU average, according to The Innovation Union Scoreboard 2015 (Hollanders, Es-Sadki & Kanerva 2015, 5.)



GRAPH 2. EU member states' innovation performance (adapted from Hollanders, Es-Sadki & Kanerva 2015, 5.)

#### 2.4.2 Funding organizations and incubators

Tekes is the main funding and expert organization in Finland. It promotes innovated ideas in wide-ranging activities in research, industrial projects, and public sectors. The projects are funded through low interest grants. Tekes also provides funding for foreign companies located in Finland. In 2014, it funded 550 million euros for companies and research organizations. (Tekes.)

Te-palvelut provides startup grants for new entrepreneurs but for less than 18 months. In order to get these grants, you need to be an unemployed job seeker or you can be employed but you are a full time entrepreneur after a paid employment or education period. (Te-palvelut.)

Finnvera, a financing company owned by State of Finland, provides grants, guarantees, venture capital investments for other companies in general. It also gives export credit guarantees to SMEs in particular. (Finnvera.)

ELY is a subsidy that funds corporate material and immaterial investments. It also funds 3-year lease expenses of machines and equipment. There are 15 ELY centers in Finland that are responsible for Business and industry, labor force, competence and cultural activities, transport and infrastructure, and environment and natural resources. (Ely.)

Startup Sauna, probably the best known of 14 business incubators in Finland, is located in Aalto University's campus near Helsinki. In the entire of Europe, Aaltoes, the biggest student community, is the most dynamic community for youthful entrepreneurs who are planning for promising startups. Startup Sauna had given degrees to 145 companies in 2014, and more than USD 37 million in funding was raised. It has provided affordable working space, training, mentoring, matchmaking and other useful services for promising start-ups from Nordics, Eastern Europe and Russia. (Startup Sauna.)

### **3 FUNDRAISING**

Raising capital is not an easy task through every stage of any companies, especially the early stages of business since it requires a lot of factors such as creativity, tenacity, and experiences that entrepreneurs of newly startup companies usually lacks. The following sections will provide two types of funding sources – internal sources and external sources – to help a startup raise its capital. In this study, internal sources and external sources are characterized as using your own money and using others' money at some points in your business respectively, rather than debt and equity.

#### **3.1 Internal sources: Bootstrapping**

Bootstrapping simply means funding your company by yourself. There are 2 forms of bootstrapping. A typical approach to help a business develop is by using the profits gained to expand the project and open new chances for a company. This way is one form of bootstrapping. You first have to figure out what needs you may have to finance new investments and advertising for company's development, then you wish the business would generate adequate assets and profits for the company's growth. (Feldman 2013, 111-113.)

You can also raise money from the outside with the right amount that is predicted to help you achieve your goals rather than hope the business will provide sufficient recourses to reach the stated aims. However, getting money from the outside requires you to spend a lot of time and if, unfortunately, nobody accepts your ideas, products or services, there will be nothing after all of your try-hard and endless efforts. Hence, this is one of the reasons some entrepreneurs choose to fund their companies by themselves. (Feldman 2013, 111-113.)

Another form of bootstrapping is when the owner puts his or her own money into the business. This form seems to be similar with using profits generated to fund the company because the profits you reinvest are also your money but indeed, using all of your money to build up your company is more sudden and striking. Using up your credit card or emptying your bank

account to put in your business is highly risky. It seems that you put your life at stake for this company. (Feldman 2013, 111-113.)

The advantages to bootstrapping are maximizing your freedom and retaining your ownership. There is no bank asking you to strengthen the balance sheet, no venture capitalist ordering you to do things that you do not want to do, and no pressure from other investors to gain profit quickly. Especially, by bootstrapping, the full ownership of your company belongs to you (Feldman 2013, 111-113). For instance, when one of my friends sold his €50 million revenue company for €45 million, most of it went in his pocket. However, if a company gets funding from investors, money from selling the company will mainly go into the investors' pocket rather than the founder of the company. Only a small percentage of that amount will find the way back to the person who builds the business.

Bootstrapping additionally permits you to choose the timing of the way out situation, if by any means. Some entrepreneurs have no enthusiasm for sharing possession in the organization. Meanwhile, investors practically all are searching the exit plan sooner or later. On the off chance that you would rather think about your organization as your life's work, and not a four-to-six-year push leading a deal, then having outside investors may not work for you. Therefore, bootstrapping is suitable to use typically for family business, as there is a desire to keep the ownership and pass it to future generations. (Feldman 2013, 111-113.)

Nevertheless, there are drawbacks of bootstrapping. By using bootstrapping rather than seeking outside investors, fewer profits are generated to fund the company's growth. The money you earned internally for the future will be never enough to compare to the money from outside investors. A company could raise 10 million euros at a time from investors but it is very unlikely for a company to use the owner's own money to strengthen the growth of a company because of the limited funds. Indeed, uncertainty is a big challenge for startup companies using bootstrapping. You cannot simply anticipate how many profits your startup can earn per quarter or per year to support and run your company. If you are rich and have an abundant personal income, bootstrapping is definitely your right approach. However, the uncertainty of bootstrapping can make founders who do not own large amount of money

become more miserable. (Feldman 2013, 111-113.) Therefore, do the freedom and ownership outweigh the certainty and growth potential of a startup company? It all depends on each business's circumstance.

### **3.2 External sources**

Beside internal sources, there are external sources for startups to get funding. External funds, such as family, bank loan, angel investors, venture capitalists, and crowdfunding, simply means funds that you get from other people to support your own startup.

#### **3.2.1 Family**

One mainstream technique for financing an early-stage organization is essentially to pass the hat around to individuals whom know you directly, such as your family members and friends. Funding from family members or friends is categorized as debt because they have no control over your business and you only need to pay back the loan later with the agreed interest rate. There are some advantages of this financing method. To begin with, as the majority of the investors are not prone to be proficient investors, you can have a less complex investment and can build a company in your own way. Most may be doing it just for fun, or because of friendship, and not seeking a big target and profits. (Feldman 2013, 116-117.)

Another edge of a friend and family fundraise is that, in our litigious society, these people are basically less inclined to come after you or your business if the investment failed. This litigation risk is irritating and cannot be predicted because it is not under the organization's control. As a few patients sue doctors for medical malpractice when a treatment is unsuccessful, even where there is no confirmation the doctor did something besides use applicable protocol, some investors basically sue when they lose money and care about the evidence after. The reason they do this is simply out of anger toward the investment being unsuccessful. Thus, the friends and family round of financing accompanies a more secure feeding with respect to litigation risk. (Feldman 2013, 116-117.)

Even though this methodology is good, it still has some drawbacks. Like every other types of business, family businesses encounter some common risks. They even have some of their own. People do family business solely because of the blood connection and they hope things will be much easier for them in term of running the organization. While the connection is good, it is not always a smart decision for business in practice. Family members are usually gentle and tolerant to each other that results in carelessness and lack of efforts from some members, whereas there are still someone in the family who are much more knowledgeable, more determined, and care for the organization. On the other hand, the profits the organization gains sometimes are shared within the family members out of some feelings of fairness and reasonableness. Therefore, the thought of unfairly bearing the burden and being inappropriate rewarded coming from them is inevitable and this brings resentment on. In addition to that, the complete trust between family members sometimes is just an illusion. They may be nice and positive to each other as a family should do whenever they face to face but some of them cheats and backstabs other for some extremely selfish profits and absurdly personal purposes of their own. (Feldman 2013, 116-117.)

It is not always that friends and family members are some sorts of professional investors or at least have good knowledge about the scene. They are chosen usually not with that standard, but more because of how close they are to you. Moreover, despite the fact you have a good connection with each other, you can practically only get the funding from family and friends once. Always using the funding from friends or family members for business does not sound so well in most cases. Sometimes, the mutual trust between you and your close ones is built up more and more, but sometimes it is weakened every single moment. They may cheat or backstab you for gaining their own selfish benefits or oven worse taking over your business. (Feldman 2013, 116-117.)

At the end, no matter how many attempts you try to warn your friends and family in advance that there is an off chance that they may lose every single penny they invest in your company, they still may get angry if things do not go well or as part of they expect at least. Therefore, despite what are said and told, when people lose money or something valuable that they can sometimes stand to lose, they still cannot get their heads straight and often go nuts over the

loss. In conclusion, always try to verify that, if nothing else, the money family and friends put in is the money they can lose without any impact on their life-style, retirement, or perspective toward you. (Feldman 2013, 116-117.)

### **3.2.2 Bank loan**

Ability to get bank loans depends on economic cycle. As the economy is growing or reaching the peak, the bank is more open to lend borrowers money. By contrast, when the economy is in recession or seriously in trough, banks tighten up the lending standards and requirements. Only the most creditable, loyal and largest customers who can prove confidently that they can cover the loans can receive the loans. The benefit of bank loans is that you do not lose the company ownership. Bank that grants a loan does not get involved in running your business. Once a business borrower has repaid a loan, there is no more obligation to or involvement with the bank lender. (Feldman 2013, 115-116.)

However, when the economy is in trouble, even though you are qualified to get the loan and eventually lucky enough to receive the grant from a bank, sometimes the bank may decide not to allow you to renew the expired longstanding loans. You have a certain short amount of days to repay the loan. If the finance situation of your business performs stable and grows strongly, you will be able to pay the loans fortunately. Nevertheless, not every business can always manage to repay the loans, so if it is not possible, the business will definitely come to an end and bankrupt. Therefore, always remember to be ready to pay the loans rather than renew the loans because there is possibility that the bank stops providing loans as I mentioned above. (Feldman 2013, 115-116.)

### **3.2.3 Angel investors and venture capitalists**

Angle investors are typically individuals who either have experiences of starting a business or are entrepreneurial managers who have a tendency to contribute their own money. Some prefer to be classified into groups; others like to take a shot on their own. This approach mainly focuses on early stages of business. (Feldman 2013, 117.)

Venture capital is formed by raising money from groups of wealthy investors, large institutions, and pension funds. After gathering money, venture capital firm then choose carefully to invest the fund in startup companies, especially high-tech companies, biotech companies or companies that have compelling innovative ideas and have abilities to gain attractive profits. The clear difference between angel investors and venture capitalists is that angle investors use their own money to invest but venture capitalists use other people's to fund. Venture capitalists and angle investors are often involved by equity financing or convertible debt. Both of them have a high investment concentration on seed and early stage ventures, where the risks associated with innovation are highest. Particularly, in 2013, 86% of all angel investment and 36% of all venture capital were invested in seed and early stage ventures (Dutta & Folta 2015). Besides that, venture capital is a huge capital that can help startups to grow in many development stages:

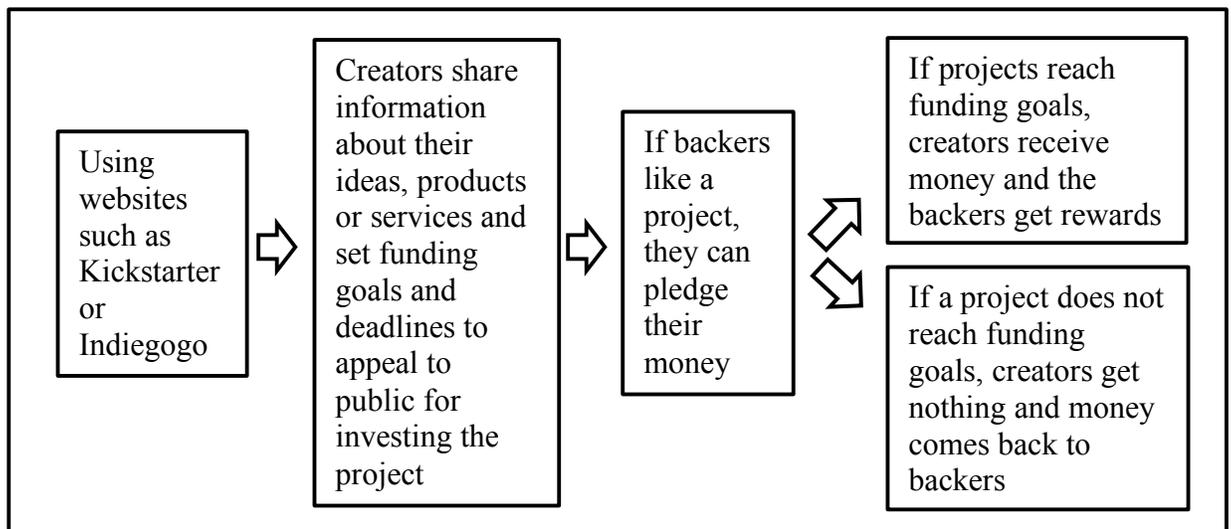
- Seed financing: It is mainly provided to companies that are still new ideas and not able to transfer from idea and conceptual stage to possible business plan. Crowdfunding (as mentioned in the following part 3.2.4) is also popular to raise seed funding. The funding in this stage is usually small, at about less than \$100,000.
- Start-up financing: It is given to newly established firms legally. The total fund in this stage is generally a few hundred thousand dollars.
- First-stage financing: It is provided to firms that are ready to penetrate the market. The fund is essential to build production equipment, recruiting employees, developing distribution channels, marketing and promotions.
- Mezzanine financing: It is offered for companies that are growing and gaining profits. Mezzanine financing is basically debt that is provided to firm very quickly but with high interest rate. Also, if the firm is not able to repay loans on time, venture capitalist have rights to convert debt to an ownership of a company.
- Bridge financing: It is provided to firms that are looking to go public. They require capital well to be listed on the stock exchange market. (Klonowski 2010, 13-14.)

On the other hands, angel investors and venture capitalists can bring benefits to startup companies who do not have many experiences. They give valuable advices and provide good relationship for startups to do their business. Especially, the investments can be up to several

hundred thousand euros with angel investors and even more with venture capital firms. However, there is also drawback of angle investor and venture capitalists' funding. The disadvantage of getting fund from angle investors and venture capitalists is that investments of angel investors are significant and highly risky so the profits they require are also high. (Feldman 2013, 117-118.)

### 3.2.4 Crowdfunding

On websites such as Kickstarter and Indiegogo, project creators share information about their ideas, products or services and set funding goals and deadlines to appeal to the public for investing the project. If backers like a project, they can pledge their money (from few dollars to thousand dollars) and receive rewards that depend their support levels. Rewards can be souvenirs from project creators, products of projects, discounts for using services or simply a dinner with creators. Projects have to reach their funding goals to receive any money. If not, they get nothing and money comes back to the backers. (Kickstarter.)



GRAPH 3. Steps to get crowdfunding

It is the fact that if the target is not reached, backers will receive money back and projects go away empty handed. Also, as the project fails to get the money, it also fails to attract and protect the reputation of the business from people who are pledged money. Furthermore,

publishing the ideas, products or services widely to people is very risky because other people can copy them.

However, crowdfunding brings startups lots of benefits. The advantage of crowdfunding is that if projects hit target money, founders can approach investors/backers without losing the ownership of the company. Backers invest in projects simply because they are attracted by ideas or products and hope that creators can develop the projects by their money, rather than because they want to become the shareholder and earn profits. On the other hand, a founder of a project does not need to spend time to find investors. All a founder needs to do are sharing his or her ideas on the websites and waiting for the backers to pledge their money. Also, crowdfunding can help entrepreneurs not only test their ideas or products on the market but also build potential customers from backers. Therefore, crowdfunding might be beneficial to projects that can reach the funding goals but it might damage to the businesses that are failed to attain the target money. The idea of all-or-nothing funding makes you should always think before act because by using crowdfunding, you can lose not only your money but also your ideas. Hence, if entrepreneurs believe that the nature of their company and the nature of their products are not suitable for crowdfunding or entrepreneurs are restricted by time required to investigate a new financing paradigm, entrepreneurs may actively or passively resistant to using crowdfunding (Gleasure 2015).

## **4 CASE STUDY: BOOKNDO**

Bookndo is a website that helps everyone to find, compare, book and pay for sports activities easily. Founded by Jenni Alasuutari, an energetic woman with the hope to create the “Hotels.com” for sport activities, Bookndo.com has promised to bring valuable benefits for both users and service providers. The following sections are based on the interview with Jenni Alasuutari to provide better picture of Bookndo. (Alasuutari 2015.)

### **4.1 Overview of Bookndo**

Regarding the reasons to start a business, health issue on Jenni’s back was one of the main factors that motivated her to open her own business. After working for more than 10 years in some companies, she realized that she simply could not sit 8 hours per day in front of a computer or in an office any longer. Especially, her boss gave her the 4-month trial period for a project. However, because her back was in a bad shape, she was sick and the project was running late. Therefore, on the last day of the trial period, her boss let her go. At that time, she felt frustrated and thought that she could not work for someone else anymore. She thought that by becoming an entrepreneur, her work would be more flexible. In particular, she could decide what, when, where and how she wants to do her job. She even could work from her own bed and no one could complain about that. Or she can also take a rest during daytime then work in the evening. As a result, she decided to run her own business.

It took her a very long time, more than 3 years, to figure out the idea. She spent most of her time in Startup Sauna, the Entrepreneurship Society, in Aalto University's campus in Espoo, Helsinki to build her company. Although Jenni is not a daughter of entrepreneurs’ family, starting a business was the only option at that time. She also dated a guy who was a taxi driver and he opened a small business. Thus, by seeing other people doing their own business, she was inspired to open her own company. It took her awhile to have courage to startup because in Finland, as soon as you found a company, all your social security benefits are cut off. She was living on unemployment benefits and eventually, on November 2013, she founded a

limited company and since then, she had no income, so the decision on running a business was really a big and challenging step in her life.

Her idea came from her own experience and her own need. As planning for travelling, she looked for last minute flight deals to find activities that she would love to do but she could not do it in Finland, for example: wind surfing, diving, etc. However, it is always hard to find out in advance what activities she can do at the destination because there was not information available practically. She even called the Finnmatkat, a big travel agent belonging to TUI Travel PLC Group which is the world's largest tourism industry. She searched for the destination's descriptions on their website and it might say something like water activities available. Then, she called the office and said that she was interested in these offers and asked whether it is possible to go diving close to her hotel or there were nearby rental stores. Unfortunately, the staff answered that he had no idea and the local guide can provide her information when she arrived there. Nevertheless, it did not help her because she needed to know before she booked the trip.

Furthermore, she used the Google Map to find surfing area in Tenerife island, Spain. She put the keyword 'Surfing' in search bar and only one surfing place was displayed. However, in reality, there were dozen or more surfing areas in Tenerife island. She realized the reason was that micro companies did not know how they can put their companies on Google Map, or they even did not pay attention on it, so they really need some helps on marketing. From that moment, the story of Bookndo began.

## 4.2 Fundraising

In November 2013, Hui He, a Chinese student as well as Jenni's friend, joined the project early and became the shareholder with 5% share. At that time, Jenni had 2 options to apply for grants from Ely and TE-palvelut. The first option was Ely-keskus, which is Elinkeino-, liikenne- ja ympäristökeskus (Centre for Economic Development, Transport and the Environment). It is the governmental entity responsible for Business and industry, labour force, competence and cultural activities, Transport and infrastructure, and Environment and natural resources. The grant of Ely was 15000 Euros. The second option was applying for grant from TE-palvelut, a startup grant supports new entrepreneurs. Two grants were almost the same size, but she could not have both and had to choose which one to apply for. Eventually, she decided to choose the Ely-keskus grant with 15000 euros. This amount of Ely grant was meant for half a year salary for the chief executive officer, but she did not see any of that money coming to her pocket because all money was going to general costs: service agreement done by legal firms, shareholder agreement done by legal firm, insurances, electronic accounting system, accountant's salary, email, heroku, and phone calls.

Jenni also paid for trainees who did the internship in her company. Unfortunately, it was her biggest mistake because the trainees did not accomplish anything and get anything done. Therefore, since then, she has not paid any income to the trainees. On the other hand, she has been offering the trainees as key members in the team to become partners of her company. If the company makes profit, Jenni could pay dividends for the shareholders. It is more clever way to work with the trainees because they all head to the same goal, they all work hard together to make money. By joining the team in this way, the trainees become more responsible and get involved in the project, so they not only can gain knowledge during their internship but also can get money as the product is launched. However, not many trainees are certain about their future so they mainly refuse her offer because after three months of internship, they have other studies or work plans to do. The only important things the trainees really need during their internship are the knowledge and real experiences.

As a result, the money Jenni got from the Ely centre has been used up a long time ago, which lasted only almost one year. In order to earn more money, Jenni has taught Finnish for

foreigners so she can make a couple hundred euros per month. This amount of money is just enough to pay for the accountant. As soon as she gets money from teaching Finnish lessons, it goes to the accountant. Hence, basically the company's bank account is close to zero all the time because she cannot make any income from the system which is still in under construction. In addition, her biggest financial and emotional investor seems to be her family. Jenni spends mainly on food which is usually paid by her family, so she does not have any other big personal expenses to cover.

In the future, Jenni is planning to apply for grant from Tekes, the Finnish funding agency for innovation. As the announcement "Finland offers a first-class innovation and business environment. Starting a business is easy and fast, and highly educated people and public research and development funding is readily available.", Tekes offers a lot of opportunities for startup companies in Finland. Jenni used to apply by herself but she failed, so now she wants to hire a consultant to help her to write the application to apply for the program called "Planning for international growth". If the consultant can help her to get the funding from Tekes, she or he can get a part of the funding for the success fee. The grant from Tekes will be never 100%. It most probably accounts for 50% or 70% of the total sum that is needed for a project. For instance, if a project costs 5000 Euros in total, the owner of the project firstly needs to have all the capital of 2500 euros and then, he or she can apply to get other 2500 euros from Tekes.

In order to get the first 2500 euros, the owner of the project can either take loans and speak with Finnvera, a specialized financing company owned by the State of Finland providing its clients with loans, guarantees, venture capital investments and export credit guarantees, or get fund from investors. However, getting investors is a big risk because the company can lose the ownership as the investors can come in and steal power of the company. Particularly, by holding the share of the company, investors can always dictate the founder of a company to change the strategy as the way they want, otherwise investors will not provide any funding. It is always not only a big risk with investors to invest in startup companies but also a huge pressure on companies for making big and huge profits because getting huge profit is the only reason that investors decide to invest. Thus, it may have a negative effect on the actual

business so if Jenni has to decide, she would prefer people who work for the business earning the money to outside investors who simply put down some money and expect a significant return.

Therefore, the optimal solutions are getting money from actual customers and getting loans from Finnvera because Finnvera loans are normally guaranteed by the government rather than by the company. The best possible scenario would be that people get the product or service done and launch out of the market, then organically they could grow and start making income. At the beginning, the startup companies can only make little amount of money but if you can manage to grow by ourselves without needing other external funding, it is the healthiest possible way of company's life cycle. Jenni once again reaffirmed that she is not looking into growing quickly and then exiting, that means selling company but she would like to build company that can give the lasting stability to the core team and help the product to stay in the market for a long time, for example, 15 years. Hence, if they as a team succeed, the company will provide a good living for every member and if they fail, they can do something else together again.

On the other hand, Jenni had chances to participate in several workshops, especially the Health Bootcamp, an idea accelerator program organized by Helsinki Think Company and Health SPA on the aspect of health and wellbeing. The highlights of the Health Bootcamp 2015 were the actual bootcamp in Copenhagen, Denmark and the Upgraded Life Festival at Biomedicum Helsinki. The team had wonderful networking opportunities both in Copenhagen and in Helsinki. In particular, Jenni had an opportunity to take part in the Angelnext, an angel investor event at a co-working space called the Rainmaking Loft Copenhagen. During the Health Bootcamp, Bookndo got to know the people behind the Microsoft BizSpark program better, first at their Big Data workshop and later at the Upgraded Life Festival. Then, Jenni decided to migrate Bookndo.com to the Microsoft Azure platform. As a member of BizSpark, Bookndo gets to use several Microsoft products free of charge and this is an important benefit for a bootstrapping startup like Bookndo. Also, Jenni received an email telling her that Bookndo was chosen amongst the BizSpark members to receive a free ticket to

the Arctic15 conference, a two day conference in Helsinki that focuses on real business value. (Pöntiö 2015.)

Although Jenni had chances to speak with several financer and venture capitalists, the reality is that all of them say that basically first Bookndo has to get the first version out and then have some turnover to prove that Bookndo as a team can accomplish tasks, make its service grow, and penetrate international markets. It is really difficult to make any investors invest in just an idea because mostly investors invest in a team who they can believe that this team can get the product done and generate big income. Investors would not invest in Bookndo now because it is really risky for them. Now, the product is in fixing progress. The website is still lagging and has bugs that need to be fixed to run properly. After completing the website without bugs, Jenni will start negotiating with investors and try again to apply for funding from Tekes.

### **4.3 Results**

From the beginning to now, Bookndo has faced many obstacles. However, Bookndo has always found ways to overcome those challenges and learned precious lessons as the rewards. Although the product has not been launched yet for the moment, there are 100 service providers decided to join Bookndo, signaling a bright future for Bookndo and becoming a motivation that encourages Bookndo to keep aiming for its goal - the day the website can be completed and used by the public.

To be asked about the future of Bookndo, Jenni Alasuutari, the founder of Bookndo always has positive look to keep her company running. She said that things can go wrong because life is a consecutive day chain of up and down that people need to be persistent to conquer negative issues. She is happy that she has never abandoned Bookndo during the worst time, and she is confidently looking for the success at the end. With the hardworking and never-give-up mentality built up, and knowledge gained along the road, when the product is completed, Bookndo will definitely bring benefits to users as well as service providers and achieve success in long term.

## **4.4 Analysis**

To have a more comprehensive picture of Bookndo, the important factors of the startup will be analyzed and illustrated by traditional tools, including idea analysis, team analysis, project management triangle, and SWOT analysis.

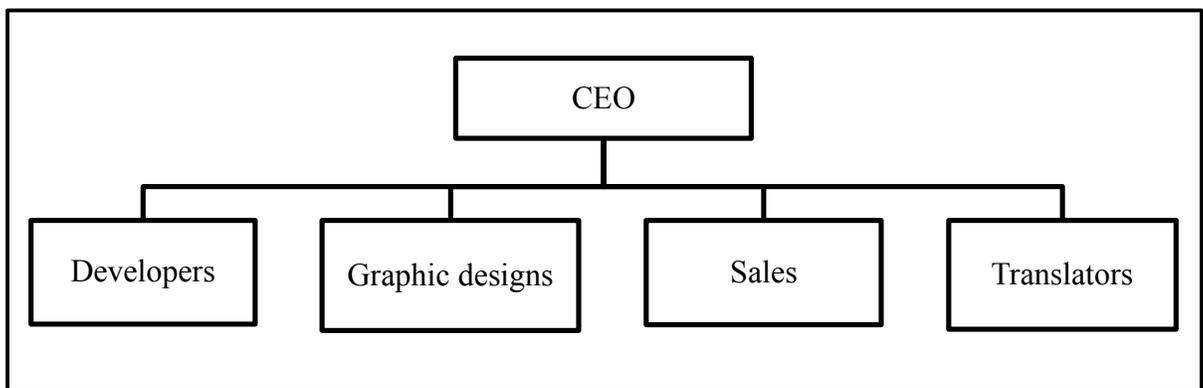
### **4.4.1 Idea analysis**

Jenni's major in her university is not Computer Science but she wants to build a website. Is it her weakness that can lead to project's failure? Actually, Jenni does not see it is a difficulty. Although her major was not in Computer Science, she had ten-year working experiences in IT industry, so she can understand conceptual levels. However, her company is almost reliable on developers. Furthermore, if she is good at information technology and can develop the website by herself, she will also need other skills such as sales, marketing, partnership negotiation, and graphic design skills because whatever she does, she could never do it alone. Therefore, she always needs to have a good team to run her business. As a result, her important task is keeping her team to work together in a proper manner, rather than studying Computer Science major to build the website by herself.

Importantly, a website to find and book sport activities is in the current demand because there are customers who want to use it now. During website building's process, there are up to 100 service providers who decided to join Bookndo because they think by registering with Bookndo, many customers can find them easily and book sport activities in their company. Hence, the idea of creating this website can be a stable foundation to start setting up the business.

#### 4.4.2 Team analysis

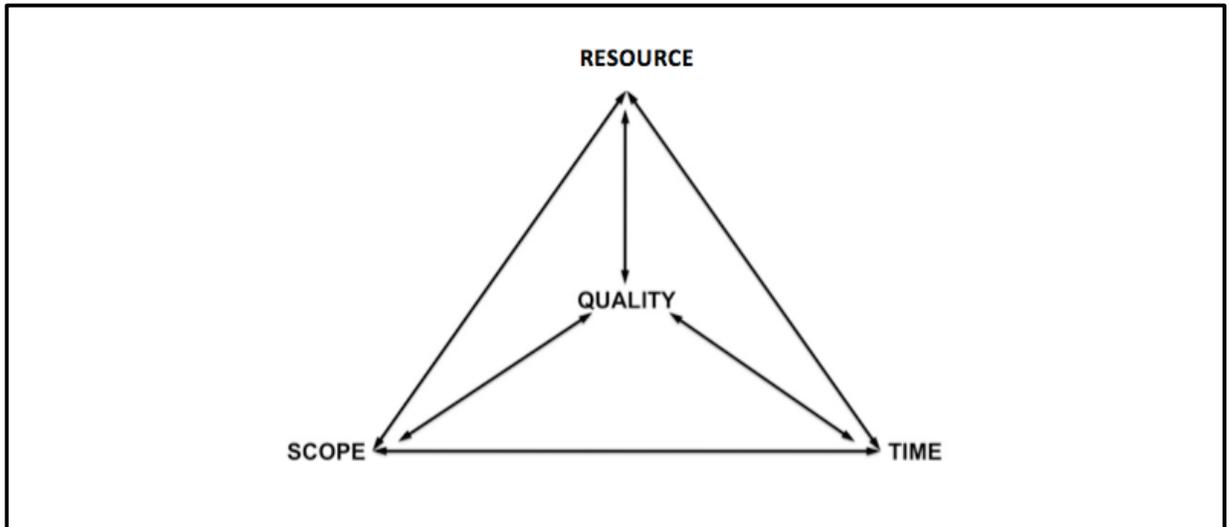
There are 4 teams in Bookndo, including developers, graphic designs, sales, and translators. All teams are managed under the control of the CEO – the founder of Bookndo. Most of them are student trainees, who are studying in undergraduate universities or graduate schools. Sales people should know Finnish because the first market of Bookndo would be Finland. In terms of translators, as Bookndo desires to launch its product in other countries in the near future, student trainees who come from different countries in the world are the strength of Bookndo because they can help Jenni to translate documents into their mother tongues.



GRAPH 4. Team structure of Bookndo

The most challenging is that because Jenni is not able to pay any salary, she mainly recruits student trainees as developers, graphic designs, translators, and sales. Therefore, the fact is that people always come and go after the internship period, so it makes the situation become more difficult because when trainees just learn how the system works and go into a good speed with a whole team, they leave and Jenni has to teach other people all over again. Furthermore, because the trainees are mainly students who come straight from school and have not had many professional experiences, the speed of doing tasks is relatively slow. However, there are no other options because there is no money.

Let's look at project management triangle, a model shows 3 constraints of project management – resource, scope, and time - that need to be managed to keep the balance and achieve success of a project:



GRAPH 5. Project management triangle (adapted from Newell & Grashina, 2004, 8.)

If resources, time, and whatever you need for your project are unlimited, these three factors will not become a constraint. However, unfortunately, most projects have certain and limited time, budget, and scope. According to project management triangle, if you adjust any one side of the triangle, the two other sides will be affected. For instance, when you decide to finish the project early or on time, you might need to increase costs and decrease scope. Or if you want to complete your project within the budget, time might be increased and a scope might be ended up smaller. Also, to increase scope, your project might take longer time and cost more money to hire employees. (Newell & Grashina, 2004, 8-10.)

In Bookndo, as mentioned above, human resource is a big challenge, so together with the limited financial resources and physical resources, resource is a fixed factor that cannot be changed recently. Therefore, because the fact is that the scope and resources are constant and inflexible, the only factor that can be added to improve the quality of the project is time. This is the reason why the building process is occurring slowly and cannot be launch as the time expected.

#### **4.4.3 Project SWOT analysis**

SWOT analysis is a useful tool to identify the internal strengths, internal weaknesses, external opportunities, and external threats of a business. The analysis can provide the team a comprehensive picture about the company to make changes if needed, improve the products or services' quality, and carve a sustainable position in the market.

##### **Internal strengths**

As a search engine, Bookndo.com is website exclusively for sport activities. Bookndo is made to cater to two types of customers: users and providers. Because Bookndo has different customer segments, it offers different value to each type of customers. Particularly, in terms of users who love sports, when they travel or go on business trips to other countries outside their hometown, they usually want to try different kinds of sport in their destination or keep practicing sports that are played at home. Bookndo is the right solution for them to find comprehensive information about what kinds of services the sport providers offer, where they are located and how much services cost. Nowadays, there are several travel agencies' websites to find information but no website provides completed function. However, via Bookndo website, users had everything just only by few clicks. How amazing it is when it just takes few seconds to book and do. Meanwhile, concerning providers, Bookndo offers sport providers a useful channel to sell their products or services. As the promise of keeping the website cheap and affordable, Bookndo is an efficient and feasible for service providers to use and impel their products or services to customers easily and quickly.

Bookndo also takes the 'first mover advantage' in Finn market because there are no competitors in Finland now. There are lots of website for searching restaurants or hotels but there is no website for finding sport activities. Even in the world, there are not so many famous and efficient websites to find and book sport activities. For instance, Google maps is very famous for navigating the way to anywhere you want to go, but it cannot show sufficient places and information for certain sport activities. By typing a key word 'iceskating' in the search bar, Google maps can only show you few places to go in Finland. In reality, there are hundreds ice skating rink in Finland. Hence, if Bookndo can be launch, may customers will support and use the website.

**Internal weaknesses**

Lack of money leads to short of professional and experienced employees. Human resource is one of the huge problems of Bookndo. As mentioned above, student trainees who have not had professional experiences are main employees in Bookndo. As people always leave after the internship period, the team always changes so it is very hard to get the product done as expected deadline. Therefore, in order to overcome these weaknesses, the lean startup mentioned in the following section will provide an efficient approach for Bookndo to consider.

**External opportunities**

Accessing to technology and information has never been this easy nowadays. The more people have computers, smartphones and internet, the more online services are needed for the super convenience. Online booking is one of them. Furthermore, demands to do exercises, play sports, or go to the gym are increasing in the fast pace, making the website to find and book sport activities essential than ever before.

**External threats**

If Bookndo is not able to launch its website soon, others who are rich or own huge capital to hire professional technical employees and sales team can imitate the idea and develop the website to serve customers before Bookndo can do so. Thus, completing the website to launch as soon as possible will be the most optimal solution for Bookndo to prevent this external threat.

## **5 LEAN STARTUP**

The above section provided a case study of Bookndo to give an apparent example of a startup. Issues relating to startup ideas, fundraising, as well as problems that Bookndo is facing when converting the idea into the first version of product were mentioned above. In order to prevent weaknesses and improve the product day by day, Bookndo as well as all other startups should learn and apply the lean startup method to achieve success in the most efficient way. This part will give us a better view of lean startup method.

Lean startup method was proposed by Eric Ries, an entrepreneur as well as a member of the advisory board of technology startups. Because Eric Ries has gained real experiences in startup world and consulted to new established firms and venture capital companies, he wrote the book titled “The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Business” to provide efficient approach for startups to absorb and apply.

### **5.1 Lean startup method**

Lean startup method focuses on how to help startups be more innovative, stop wasting people's time, and be more successful. It is not about being cheap but is about being less wasteful and still doing big things. Lean startup method refers to managing the loop BUILD – MEASURE – LEARN in the most efficient way to minimize the total time and maximize the success.



GRAPH 6. Build – measure – learn steps in lean startup method (adapted from Ries 2011.)

The first step in the loop is BUILD. What to build? A MVP, not Most Valuable Person, but Minimal Viable Product. What is a MVP? It means that you come up with an idea, then you make a product based on that idea with the least effort but viable enough to use still. This product is a baseline for you to work on, fix, and enhance to make it better. This is your clear goal. (Ries 2011.)

The next step is MEASURE. After building a baseline product, you put it in practice and gather the results. Whether the product provides what the customers need or not, whether the product is the current market's taste or not, you name it. These are all the data you need to collect. Then you measure these and see what you need to do next for the product. You may need many attempts and a lot of time to make the product better and more viable. After a while of testing and upgrading this MVP, let's come to the step 3: LEARN. (Ries 2011.)

LEARN means studying the data by validated learning, which is running experiments that allow to test each element of the vision, then come up with the decision: Pivot or Preserve. Preserve means the product is either perfect and ready to be launched to the market or good to

keep and upgrade because it is making good progress. The other outcome is the product does not live up to the expectation and needs a serious change. In this case, you pivot the idea and start the process all over again, reestablish a whole new baseline and then continue working on it. If the new idea after the pivot shows better feedbacks and more promising and rewarding outcomes than the ones before, then it is a successful pivot. (Ries 2011.)

## **5.2 Case study: Dropbox**

Dropbox is a cloud storage app that people can store files without worrying about losing them and easily share data with others. It is a good example that shows how the creators could apply the lean startups and make it successful.

Dropbox founder, Drew Houston, made a 3-min video posted in a tech forum talking about the project that he was planning to do. He got a lot of good feedbacks as well as criticisms on how to make it better. This is the MVP in the lean startups concept. The creator did spend less effort on the product but still made it interesting and viable for customers. In 2008, the creators communicated with customers in an authentic way, so they can be aware of what are missing and flawed about the product. This is the MEASURE step. They collected the data and feedbacks of the MVP to get a better understanding of customers. In September 2008, the app got publicly launched. Many experienced and smart marketing people were hired to help expand the brand. Many attempts and experiments were done left and right, but the results disappointed in a marketing way.

Even though the results showed failure, they were still doing well. Dropbox reached 1 million users 7 months after launch, and was beloved by the community. They still put a ton of effort into the product. That is why it makes sense that the application continued and did not stop functioning. This is the Preserve in the LEARN step of the Lean Startup. Nowadays, by applying the Lean startup method of Eric Ries, Dropbox is becoming an app that has changed the whole world and creators still try to work their best to make Dropbox better and better. (Ries 2011.)

Returning to the case study of Bookndo, the company can absorb a part of lean startup method to achieve its goal. For instance, the main reason that Bookndo cannot launch the website is the technique, so Bookndo needs a serious change. The company should pivot the current strategy that is hiring student trainees to make the website. This task should be done by professional IT employees to make the website ready to be published to the market soon. However, lack of money is a challenging factor leading to poor technique. Thus, Jenni Alasuutari should be more active and focus on seeking for funding from different sources, such as crowdfunding and outside investors. Big investors might not believe in Bookndo because they think it is very risky to invest in a product which is still lagging and has bugs, but smaller investors may work for Bookndo. “Many little makes a mickle” – Attempts to work harder and smarter can help Bookndo overcome this barrier. The new strategy after the pivot will have chance to show better results because there are many users and service providers who wants to use the website right after it will be run.

## 6 RECOMMENDATIONS

According to Jenni Alasuutari (2015), the founder of Bookndo, there are important points that an entrepreneur should not forget when starting his or her own business. This is not a step-to-step list of how to startup, this is valuable lessons and precious advices that Jenni, after gaining experiences so far in her career, wants to tell entrepreneurs.

- It always takes more time to do thing than you think so let's roll up the sleeves and start working now, rather than tomorrow.
- Believe in yourself and your business idea. It will make the others also believe in your idea and excited about your products or services.
- Overcome challenges. As an entrepreneur, you encounter new challenges every day. Take them against stride and learn from them.
- Listen to advices, but remember to keep your vision clear. At some points, you understand your industry better than most relevant advisers.
- Everyone has an opinion about your business idea and your customers are the ones that you will need to listen carefully.
- Doing things alone cannot help you to go far. Co-operation is power. Collect the splendor of the team and ask for help. People are always willing to help more than you imagine. The characteristics that the CEO should pay attention when recruiting members for the team: problem solving ability, creative, energetic, own-initiative, positives, honest, and reliable.

And after products or services are ready to launch in market, in order to attract customers and gain profits, it is also important to pay attention on how to market and sell products or serve services to customers. Buyers interested in establishing long-term relationships are increasingly demanding value-added services from salespeople. Salesperson can provide an extrinsic value such as the choice of adequate products and an intrinsic value such as the enjoyment derived by the customers from their communication with the salesperson. It becomes apparent that depending on their performance, salespeople can contribute to the total value of their firms (Echchakoui 2015).

- Try to spend time and communicate with your customers as much as possible because they are your targets and only from them you can learn how to improve your service or products.
- To be a good seller, you have to aware of what are the customer's problems and figure whether your products or service are able to solve the problems.
- You should make friends with customers to create a close relationship.
- You could also be friend with new people too since if they like you and trust you, they definitely will let you help with your services and buy products from you.
- The better person you are, the better the seller and the entrepreneur you are.

Last but not least, lean startup method should be considered and applied to help startups achieve their goals in the most efficient way. Always keeping in mind to manage three important stages, which are BUILD, MEASURE, and LEARN, to minimize waste and maximize the probability of startup success.

## 7 CONCLUSION

This thesis provides people a basic guide for starting their own businesses. It gave a basic idea about the sector, which exists because of several reasons, including pull and push factors. For instance, a person desires to open up a company in an art aspect, which is his favorite subject as well as his talent, and becomes his boss rather than is stuck behind a desk doing something boring in a dead-end job. In addition, this paper also mentioned the way to seek the best startup idea according to Graham Paul's opinion, which is not trying to create an idea randomly but to think of problems that people are facing to have a good startup idea. Furthermore, the thesis specified startup situation in Finland to provide an apparent connection to the case study. Finland always offers good business environment and desires to accelerate innovation, so it is easy and fast to establish your own business in Finland.

Bookndo, a startup company, presented as a case study is a typical example for startup companies in Finland. Bookndo is a website where it is easy for everyone to find, compare, book and pay for sports activities. The case study provided how a startup actually works in a real life to show how a startup deals issues to convert an idea into a successful product or service. A detailed analysis regarding to the idea, the team, and SWOT analysis were identified to provide a more comprehensive perspective about a startup. Although the website has not launched yet and nobody can predict whether Bookndo will achieve a victory or doom to failure, the story of Bookndo brought meaningful experiences for those who desire to open up their own business.

The lean startup method was mentioned to contribute into this basic guide for new entrepreneurs. Lean method, a tool to help startups achieve success in the least wasteful way, was explained clearly and understandably. Together with the method, the case study of Dropbox, a well-known service that keeps your data in the cloud and makes it easy to share with anyone was mentioned to show how lean startup method helps a startup become successful and indispensable in the world.

Finally, recommendations in terms of general tips for an entrepreneur, importance of sale skills as well as lean startup method were established to help people who desire to startup on their own avoid common mistakes and improve their project's result. In conclusion, startup is not always easy to establish and manage. In fact, you do not get success or what you expect when you get started. "Perseverance is failing 19 times and succeeding the 20<sup>th</sup>", said Julie Andrews. Failures precede successes. If you fail, you try to do better or use another way to get your goal. Put your best into your startup because it will be the very base that determines the whole thing you work for. Due to its extreme importance, everyone should take time and research about startup when they plan to open their own businesses.

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