

The startup technology guide





Among the Top 20 reasons startups fail in the short-term are reasons such as running out of money, pricing and cost issues, poor product, and not using advisors (CBInsights). A reason for failure in the long-term is impatience and a short-term view.

Often, a startup starts around a single idea, but it has the potential to grow into much more than that. The technological systems and processes of a startup must follow suit for long-term success. Unfortunately, it's often hard to build sustainable technology systems that ensure efficiency and data security in the long-run – especially for startups whose core competency is not software – development. Moreover, it's often a necessity to get technology right the first time – whether it's the actual startup product or the back-office administration technology. Working technology is by now a consumer expectation, and if technology fails it may be hard to gain consumer trust again. Yeah okay. Getting right technology is important. But it's also expensive. Startups need to also be frugal and focus on devel-oping the best possible product, rather than concern itself with their back-end technology.

In short, startups must get their technology right, but they also need to remain flexible. For many (especially non-technical startups), finding a tech partner is the ideal solution.



Not many startups are able to develop sustainable information systems and technological expertise to maintain their systems from the outset. As a result, it is often better to rely on advisors or partners to get the technology right. To do that, startup founders need to understand what to look for in a potential technology partner. As the old saying goes: measure twice, cut once. Same applies for your technology partner search.



About Intetics

Intetics creates and operates effective distributed technology teams focused on software product development, IT support, quality assurance and data processing. The company enables startups to capitalize on available global talent, based on a proprietary business model of Remote In-Sourcing[®], advanced Quality Management Platform, measur-able SLAs, and Intetics' in-depth engineering expertise. Their core know-how lays in design of software products in conditions of incomplete specifications. For more information, please visit <u>www.intetics.com</u>.

A checklist for information systems in a new company

The digital basics: Website, e-mails, computers & high-speed internet

Just in case you've been sleeping for the past 10 years: having a out your hosting and e-mail domain situation and get the right hard-ware and software mix.

On the hardware side consider how many computers or mobile devices you'll need and what kind of internet access. You'll also need to decide who gets access to what software. Are you going to license Adobe Photoshop for everyone? Probably not. Don't be en-amored with professional software, use as much free open source results for a much smaller price tag.

Most important, though, is your website. Building your own website is fairly easy these days with online build-your-own website serviccare of the hosting and e-mail domains for you. The bigger issue is when you need your website to be more than just a calling card, customer service requests and secure payments.



The more central your website is to your business, the more expert attention it needs. Here, having a dedicated admin, or a dedicated a pleasant experience with your company.

Data Security

2.

It's a good idea to start instilling data security practices in your company as early as possible. Cyberattacks on small businesses are becoming more and more popular – and many occur at the point of sale.

Either invest in a complete cyber security system that you can procedures and can help you implement them across your company. Learning and disseminating information into your organization is another good idea. You can start by <u>examining</u> the ISO Information Security practices.





Email and communication

3.

As you grow, chances are you will need to figure out how to manage your marketing communications with your customers

While you are small social media is fairly manageable. Neverthe-less, with multiple social channels, posting and remaining active on all of them can take up a lot of time. (And yes, nothing can be a substitute for actually interacting with your followers, but some-times automation is a necessity.) There are plenty of free social media management solutions that let you automate a fair amount of social media activities without first having to pay for them. For example Hootsuite allows 4 social profiles and automates your posting schedule. Combining Buffer and If This Then That (IFTTT) also allows you to automate virtually anything, from your Google Spreadsheets to social media posts. While all these solu-tions also have their "pro" and paid versions, remember that while you're starting out, these expenditures are unnecessary.



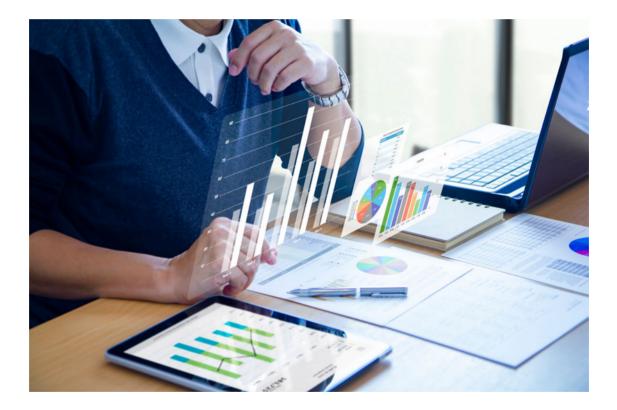
Same as with social there are mane e-mail companies that will help you automate and focus your e-mail communications. Remember that at first personal communication is the best, and simplest automation the cheapest. Consider paid solutions and expanded offeings only once you've grown and your team can no longer keep track of everything on their own.



Finance and Accounting

4.

While at the beginning keeping all your finances in an Excel spreadsheet is the easiest and cheapest option, it is rarely sustainable, not to mention a huge headache when it comes to taxes. Consider a cloud-based or an out-of-the-box financial solution instead. If you require something more custom, consider the benefits of developing it in-house vs. working with a tech partner who can develop this system for you. Often it is cheaper to outsource the work for as long as you can. Plus, it keeps your business more flexible at the stages.



Data analytics

5

While perhaps not as vital as the other items on this list, data analytics can be a very important part of your back-office technology. It can help you figure out where you're wasting time and where you can be more efficient. Where possible.



Working with a technology provider

You may choose to outsource your IT altogether, which means you've got to find a partner. When you outsource part of your operations to a technology provider, the main goal is to ensure that you're getting the right result. There are 4 main steps that you should ensure exist in your cooperation with them:



Choose carefully

The first step to success is choosing your provider carefully. An experienced provider will be there to guide you and will help create a work process where everyone knows their responsibilities and expectations. Moreover, they will help create an environment where members of the team view each other as colleagues and equal partners – arriving at a better result. With their help your startup and the provider should form a team that will effectively work on your technology issues.



Sign a Service Level Agreement (SLA)

At the very least the SLA should contain two main things. First, it should outline everything that needs to be done and how "done" is to be measured. (For example how is "quality" going to be defined?). Second, it should include penalties for when the given metrics were not achieved.



Develop trust

Work on developing trust between your team and the provider's team. If there is an "us vs. them" mentality, the results will be much worse. Rely on the provider's technological expertise, and trust them to deploy your solutions – you chose them, so trust them, they know what they're doing.





Enable rich communication

Each miscommunication reduces business value derived from the product. Remember that e-mail is good, but face-to-face is better. From richest communication to poorest communication it is:

- Face-to-face conversation with physical whiteboard
- High-resolution, large screen videoconference with a virtual whiteboard
- High-resolution, large-screen videoconference
- Low-resolution, small-screen videoconference
- Clear telephone connection, using high quality phone hardware and a landline
- Clear VoIP connection over good Internet lines
- Noisy telephone connection, using poor quality hardware and VoIP
- Instant messaging and real-time text chat
- Wikis and electronic discussion boards
- E-mail

(from: Deemer, P. Distributed SCRUM Primer)

Whether the communication is rich or not, make sure to communicate daily and create opportunities for face-to-face meeting whenever possible.

While these steps may seem that working with a provider will actually give you more headaches (yes, you do actually have to work with them), remember that their expertise will reduce how much you have to focus on technology yourself and free up time to actually focus on customers and make your product or service better.



A checklist for working with a technology partner:

Do

- Select provider based on how well they understand your problem and can provide measurable results
- Select a provider that can become your partner
- Find a provider that understands your strategic visions alongside technological challenges

Don't

- Assume you'll face no more challenges once you've engaged a provider
- Assume lowest cost = best firm for the job
- Settle for lower quality

- Keep communicating
- Write SLAs backed by real numbers without vague definitions



Things to know about your technology partner:



What kind of provider are they?

- Are they willing to work with you and your idea?
- What applications will they implement to achieve your goals?
- Will they provide the right amount of service despite your size?
- How will they commit? Will they lead you through the SLA process?

How engaged is the provider with your project?

- Does the provider show initiative to solve your business problems?
- When can you meet them? How long can they help you with your project?
- Are you confident that this provider will help you overcome your emergent technology challenges?

What's their delivery capability?

- Do they have the experience working with the technologies you need help with?
- Can they help you identify which technologies you need now and will need in the future?
- Is the contract flexible to help you manage changes such as rapid ramp up or down?

What are their resources?

- Do they have access to the sort of infrastructure your require now and in the future?
- Who are their partners and are they acceptable to your organization?



Can they demonstrate being a long-term trusted advisor to young companies?



Bonus tool

Understand what your customers want with Kano Analysis

In our blog, we described in detail how to use Kano Analysis to assess what features best satisfy your customers. Next page contains just a little extra tool to help you get started.

What do my customers want?

Kano analysis worksheet

Kano Analysis helps identify crucial and wasteful features in a product or service by examining what customers find valuable, what they dislike, or what they don't care about.

Go through this exercise to assess your product or service objectively. It will help use your funds and energy more efficiently.

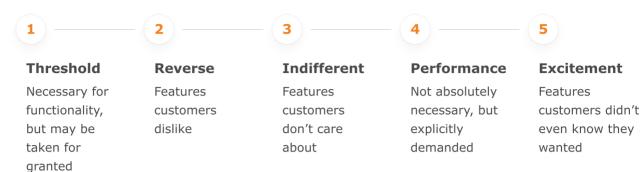
For more on how this analysis works, check out <u>www.intetics.com/blog</u>.



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5 types of features



List your product/service features

Feature type

Your evaluation:	Avg. customer evaluation:

Should you keep or delete a feature?

- Good products must have features that are ALL THRESHOLD and NONE REVERSE.
- INCLUDE EXCITEMENT features to attract more customers.
- Where possible, CUT OUT INDIFFERENT features to reduce expenses.
- CHOOSE PERFORMANCE features carefully to deliver a product or service at a price the customer is prepared to pay, while still maintaining a good profit margin.



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