# An inquiry into the feasibility of developing a structural tool for communication by startups

**GROOSMAN.CO**

S T A R T U P S

# An inquiry into the feasibility of developing a structural tool for communication by startups

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# Preface

This is it. My final project at the Rotterdam University of Applied Sciences. My graduate project in which I've put a lot of time and effort. It's all about startups. Or actually, it's all about the way startups in different phases of development are communicating now and how it should be.
In my opinion, this is a very new subject. Especially in our education, the relationship between startups and communication is something entirely new.

It was a great adventure and challenge to find relevant sources which could help me with my thesis. A lot of sources were not perfectly fitting for my thesis and research so I had to be creative.

I really liked this assignment. It made me independent, creative and skilled in research and innovation. On top of that my assignment brought me to Athens, where I could do a part of the job under the Mediterranean sun! This needs an explanation: Groosman.co Startups is in Athens for a year to coach a substantial number of startups in various stages of development. This guaranteed the possibility to carry out a valid, representative sample survey, but made it necessary to interview the startups on the spot.

However, during my interviews it became clear that they may be applied to startups in general.

So, what will you find in this report? I will follow the "classical" approach for a thesis. So it starts with an executive summary. After introducing both the subject of the thesis and my client Groosman.co Startups I will address the subject itself. I will define the "ideal" situation (SOLL-situation), describe the present situation (IST-situation) and finally conclude whether a communication blueprint for startups is a realistic option. Recommendations and an implementation plan conclude the report.

I would like to thank Mr. van der Weele for giving proper feedback when I needed it.

Hopefully you'll enjoy reading this thesis. I definitely enjoyed writing it!

Rotterdam, June 12th
Samantha Stulp

# Executive Summary

This research is all about the way startups in different phases of development communicate with their stakeholders, such as customers, clients, suppliers and investors. My client for this task is Mr. Benno Groosman. An experienced entrepreneur with over ten years of experience. With his previous startup, Salusion, he's learned the hard way what works and what doesn't. Nowadays, he is co-founder of Surge-on Medical and Groosman.co Startups. As a startup expert, he coaches and advises young entrepreneurs with his company Groosman.co Startups. He is very internationally orientated and at this moment he is an entrepreneur in residence in Athens, at Orange Grove. A startup incubator, which is an initiative of the Dutch embassy.

The **thesis objective** of this research is *'investigate the feasibility of developing a communication blueprint for startups in their various stages of development and in case of a positive result make recommendations to achieve this goal'*.

The management issue is: '*In which way can startups in different phases of development, within the branche 'Innovative Startups', related to Technology, implement and improve the appropriate external communication strategy?'.*

It is a qualitative research with a research population of twenty-one innovative startups in four different phases of development:
- Ideation and Birth
- Commitment and Concepting
- Validation and Scaling
- Establishment.

To answer the management issue and the research questions, different theories have been used. For example a GAP analysis for every phase, Startup Commons to define the phases of development and the different communication strategies for each phase of development.

In the research findings, it is shown that startups in later phases of development make more use of external communication than startups in earlier phases of development. The main reason startups don't make intensive use of communication, is lack of time. Most of them make use of online communication tools to communicate with their stakeholders. For example Facebook, a corporate website and/or Twitter. The reason for that is that startups gain a large reach for a relatively low price. Also, startups want to have a modern image. Online tools can be more suiting for this time than offline tools. The startups don't communicate yet how they should communicate. In a GAP-analysis for every phase of development, it is shown what the gaps regarding external communication are for every phase.

Because the differences appear to be too big to make just one advice for all the phases of development, it seems a necessity to make a tool. This tool, in the form of a blueprint, will help Mr. Groosman to add external communication advice to his portfolio. Furthermore, his level of expertise will grow when he is able to offer broader advice to the startups.

The last chapter, the implementation plan, is specifically meant for Groosman.co startups. It is a tool which will help the creator, and Groosman, building the blueprint. It contains several aspects which is needed to take the next step, which is building that relevant communication tool for startups in all four phases of development.

This implementation plan contains a proposal for the actual blueprint in the form of a quick questionnaire for the startups with which Groosman.co can discover in what phase of development the startup is, with regards to communication. It also contains an advice per result with a strategy, some tools and best and/or worst practices from the startups I have interviewed during my research. Furthermore, the financial picture will be discussed. What are the financial advantages for Benno Groosman when this blueprint will be implemented?

All these chapters are build up to a structured and informative thesis which will lead to a bigger growth and/or more revenue for the startups in every phase of development.

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# Introduction

Startups are 'hot'. In government, professional business circles and in the media there is an increasing interest in new, innovative enterprises. Startups should be supported and facilitated as much as possible. Conferences, press releases etc. try to stimulate this development. Example of these activities is the StartupFest Europe that started on May 24, 2016 in the Netherlands with top speakers such as Mr. Cook/Apple, Mr. Schmidt/Google and Mr. Blecharczyk/Airb&b. But also the nomination per July, 1st, 2016 of Prince Constantijn as Ambassador Startups in the Netherlands underlines the importance of startups.

It goes without saying that an important aspect of this development will be the effectivity of the (external) communication by the startups themselves.

*''The two-way interaction between the organization and the (potential) target group, which expresses itself in strategies and tools (such as Facebook, Twitter, commercials on the radio etcetera)''.*
When I think about external communication, this is what pops up in my mind. I decided to go with the definition Qfinance gives about external communication. This one is more extended: *''The exchange of information and messages between an organization and other organizations, groups, or individuals outside its formal structure. The goals of external communication are to facilitate cooperation with groups such as suppliers, investors, and stockholders, and to present a favorable image of an organization and its products or services to potential and actual customers and to society at large. A variety of channels may be used for external communication, including face-to-face meetings, print or broadcast media, and electronic communication technologies such as the Internet. External communication includes the fields of PR, media relations, advertising, and marketing management''* (Qfinance, n.d.).

Benno Groosman is an experienced entrepreneur with over ten years of experience in the work field. He is a specialist when it comes to startup coaching. His customers are entrepreneurs in the market 'Innovative startups' whose main focus is to offer technological improvements. Some of his startups do so with an app, others with a hardware product. With his company, Groosman.co Startups, Groosman offers startups advice which can help them to become (more) successful. His advice is very broad orientated. Groosman offers help on aspects such as investments, finance and strategies to ensure a successful future. However, even though he is specialized in plenty of aspects when it comes down to advising startups, he notices that there is an increasing demand on communication advice. Since Groosman is not (yet) specialized on communication related aspects such as strategies and tools, he has a blind spot in his portfolio. This is a problem, since the lack of good external communication can cause an obstruction for the growth and success of a startup. That is why research on the communication of startups is a necessity. Groosman asked for my help to create an advice with regards to external communication, in the form of a communication blueprint which he can integrate in his business plan.

The **thesis objective** is*: Investigate the feasibility of developing a communication blueprint for start-ups in their various stages of development and in case of a positive result make recommendations to achieve this goal.*

Of course, this thesis also has a management issue, which is as following: '*In which way can startups in different phases of development, within the branche 'Innovative Startups ' related to Technology, implement and improve the appropriate external communication strategy?'*

What is considered as a startup in this thesis? In my theoretical framework I will explain exactly what a startup is, but in a few words: According to Investopedia a startup is: *''A company that is in the first*

*stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand. Due to limited revenue or high costs, most of these small scale operations are not sustainable in the long term without additional funding from venture capitalists''* (Investopedia, n.d.).

This research will investigate the IST-situation by having in-depth interviews with the startups. The SOLL-situation will be determined with the help of relevant theories and figures.

Finally, based on the results of the analyses, the conclusion will show whether developing a blueprint is realistic and feasible.

In this thesis certain definitions will be used, as described in appendix A.

# Chapter 1: About Groosman.co Startups

First of all, it is important to understand what Groosman.co Startups exactly is.

With over ten years of experience in the startup- and entrepreneur workfield, the founder of Groosman.co Startups, Mr. Benno Groosman is considered to be a 'Startup expert'. With his previous company, Salution, where he was the CEO and co-founder, he was involved in health-care technology. He has learned the hard way what works and what doesn't work.

Benno Groosman is a consultant. Groosman.co Startups is his company and he works all by himself. He is independent. It is irrelevant to make an internal analysis of Groosman.co Startups since the information will not add any value to this thesis. There is no internal communication since there is no staff. He is internationally orientated. He has a large portfolio of international clients. For example in Brasil and now in Athens. And in Athens is exactly where I did my fieldresearch.

Externally, however, is more interesting. Benno Groosman gives advice to his clients regarding finance and policy. Unfortunately, he is not yet very specialized in giving advice regarding external communication. His clients are often not strongly communicating with their stakeholders. Because nobody knows who they are, they are not having a profitable turnover and nobody knows who they are, because they are not communicating. This is a circle that has to be broken. How can we do that? Well, that is my job. With the Communication blueprint, Benno Groosman will be able to advise all his customers, no matter in what phase of development they are in.

But is Groosman.co Startups the right example for his clients? Only since recently he is. He has reinvented his reputation by building up a new website with testimonials, vlogs and blogs. Also, he has created a new logo and professional Facebook page. He is the living proof that communicating intensively with stakeholders can definitely increase your possibilities as a (startup) company. Before his transformation, clients saw him as a startup coach. Somebody to talk with. His profit was low. With his new, and more professional look, people are (already!) starting to see him as an expert. This is the example we want to set for his clients as well.

# Chapter 2: Theoretical Framework

This chapter is dedicated to give a theoretical framework for this thesis. Theories, which can be useful for understanding this thesis, will be discussed. The subjects discussed in this chapter are:
- What is a startup?
- Types of startups;
- Phases of development for startups;
- Strategies per phase of development;
- Startups and strategies per phase;
- GAP analysis;
- SWOT analysis

These subjects are chosen, because they will help the reader to understand the thesis better. By elaborating these theories the actual thesis will be embedded and the research questions can be answered.

## 2.1 Start-ups

Since the thesis is all about communications and startups, it is necessary to explain what we define as a startup. This is our starting point!

According to Investopedia, a startup is: ''*A company that is in the first stage of its operations. These companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand. Due to limited revenue or high costs, most of these small scale operations are not sustainable in the long term without additional funding from venture capitalists*'' (Investopedia, n.d.). This means that startups are trying to solve a problem for which is enough demand. It also says that startups often can't last very long without any funding of large companies and/or capitalists to support them with the implementation of the product or service. This has to be taken into account. Startups are mostly dependent of larger parties who are willing to invest in their ideas.

Steve Blank, serial entrepreneur and Silicon Valley legend, says that : ''*A startup is a temporary organization designed to search for a repeatable and scalable business model*'' (Blank, 2011). The function of a startup is to search for a sustainable and scalable business model. This means, according to Blank, that the founder of a startup has three main functions:

- To provide a vision of a product with a set of features;
- To create a series of hypotheses about all the pieces of the business model: Who are the customers? What are the distributions channels? How do we build and finance the company, etc.
- To quickly validate whether the model is correct by seeing if customers behave as your model predicts.

Furthermore, blog writer, Emily Pope, also has an opinion: ''*The Intent of the startup founder is to disrupt the market with a scalable and impactful business model; whereas the intent of the small business owner is to be her own boss and secure a place in the local market*'' (Pope, 2014).

### 2.1.1 Finance

A startup will likely start with funding from the founder's saving, family and/or friends or a loan. When a startup is proven to be successful, it is likely to also receive additional funding from, for

example, investors. Attracting investors is one of the main priorities of a startup. Without funding, it will be hard to succeed.

### 2.1.2 Failure or success?

Forbes claims that approximately 90% of the startups fail. That means that only 10% of the entrepreneurs who dare to start their own adventure will succeed. The ones who succeed have a product which fits perfectly in the market. For example because it's new and it answers a certain need.

## 2.2 Types of start-ups

Steve Blank (2013) defines six types of startups. In my research, I discovered that, as far as communication is concerned, it is not important which type of startup is concerned. Explanation of the six types of startups can be found in appendix C.

## 2.3 Phases of development

Just like your life, an organization goes through different phases of development.

Majoran.co explains different theories which can be used to define the phases of development. These theories show the specific characteristics per phase.

### 2.3.1 The Genome startup project

This project has issued their first report based on a study of 650 internet Start-up companies. They wanted to understand how startups progressed through the business cycle. They developed a life cycle for start-ups which contains the following six stages:

- Discovery
- Validation
- Efficiency
- Scale
- Maximizing Profits
- Renewal

However, this theory is too vague to serve the purpose of my thesis. It has no model to visually support the theory. This makes it very difficult to fully comprehend The Genome Startup project. That is why it will not be explained any further in this thesis.

### 2.3.2 Startup Commons

More suitable is Startup Commons. This theory describes the phases a startup goes through very precise. The features they give per phase are very easy to recognize when you're interviewing your startup.

This theory is created by 'Startup Commons'. This organization has an initiative called 'Growth Academy'. With this academy they offer training modules per phase of development.
Startup Commons makes use of six relevant phases. The six phases are:
- Ideation;
- Concepting;
- Commitment;
- Validation;
- Scaling;
- Establishing

*Ideation*

An ambition or potential idea which will bring a scalable product or service to the market. Most of the time there is only one person or just a vague team.

*Concepting*

In this phase, the startup will define its vision, mission and strategy for the coming three years. By this time, there are two or three core co-founders with complementary skills.

*Commitment*

In this phase there is a committed and balances co-founding team with shared vision and attitude. The startup is now able to develop the product or service without being dependent of uncommitted external resources.

*Validation*

The fourth phase is validation. The Key Performance Indicators (better known as KPI's) are now identified. A KPI is a measurable value that demonstrates how effectively a company is achieving key business objectives (Klipfolio, n.d.). A startup in this phase can start to attract additional investment based resources for equity, revenue share or future revenue.

*Scaling*

This fifth phase is all about growth. For example customer revenue growth and/or market traction in a big or fast growing market. Startups in this phase try to grow fast. They already have attracted significant funding or are at least able to do so if they want to.

*Establishing*

This sixth, and last, phase is all about keeping up what the startup has already accomplished. For example, they have achieved great growth and easily attract funding and customer revenue.



*Figure 1: Startup Commons*

## 2.4 Communication strategy per phase of development

According to *Marketingcommunicatiestrategie* (Floor & Van Raaij, 2010), every phase in the life cycle of products and/or organizations has its own communication strategy. I will link these strategies to the phases of development of startups to create the so called SOLL situation.

### 2.4.1 (Pre)Birth / Introduction

A company which develops a entire new product is probably also new on the market. Customers have to get in touch with this new product. The strategy needs to point out the benefits of the product or service. People need to get as much information on the features as possible. The features of a product are for example:

- The composition;
- How it works;
- How it looks;
- What the price is:
- The usability (is it easy to use? Safe? Comfortable?).

**Communication objectives**: *Create awareness and generate interest among innovators. Show the benefits of the product.*
**Communication strategy:** *Take care of personal sales, media advertising and opening offers.*

### 2.4.2 Youth leading to growth

In this phase things change. Consumers are aware of your product or service. They know the benefits it will bring them. But there are also competitors in the market. In this phase it is a priority that organizations defend themselves. What advantages does your brand have that the competitor doesn't have? Make sure the customer knows these advantages.

A product or service in this phase can choose between two fitting strategies:

- Emphasize the functional benefits of the product by informing the consumers.
- Emphasize the psychosocial values of the product.

**Communication objectives**: *Strengthen brand preferences and stimulate wider trials.*
**Communication strategy:** *Take care of media advertising, personal sales and sales promotions.*

### 2.4.3 Maturity

In this third phase, the organization has to deal with fierce competitors. The market is not (or hardly) growing anymore. It is important to make sure your customers stay loyal to your product or service. To ensure this, the company can use six different strategies:

- Create an instant boost of the brand awareness;
- Emphasize that your product has a better performance;
- Emphasize that your product has the same performance for a lower prize;
- Focus on product improvements;
- Strengthen the psychological value of your product;
- Confirm the satisfaction of your customers.

**Communication objectives**: *Promote the frequency of use and suggest new users for the product.*
**Communication strategy:** *Take care of media advertising, dealer and sales promotions.*

## 2.4.4 Old age leading to decline

When a startup is in this phase of development, it is established. They have no direct desire to grow any further or expand the business anymore. The competition is often very fierce, since they have seen there is a market for this specific product.

Some startups give up and 'die' eventually. Others are not that much in trouble at all and make a restart. They become an actual company and start all over again in the phase where companies enter the market.
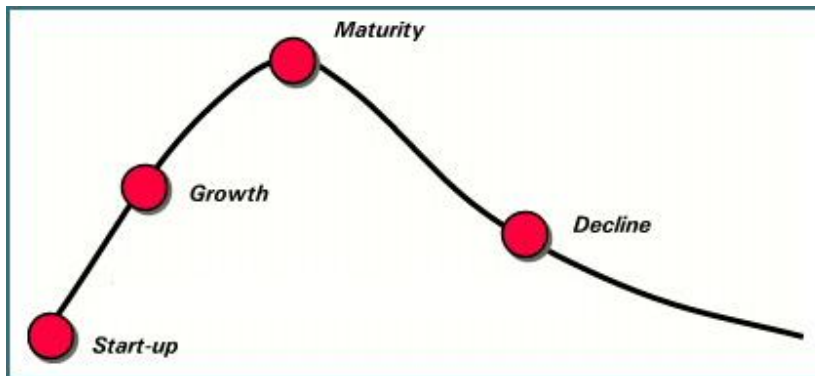


*Figure 2: Life phases of a company*

My research is focused on the first three phases of development, since I only have two startups in the 'Establishment' phase and I have noticed that they are overall doing a good job. But, for the sake of completeness I have added this information in my thesis.



| | 1) Pre Birth / Introduction | 2) Youth leading to growth | 3) Maturity leading to slowdown | 4) Old Age leading to decline |
|---|---|---|---|---|
| **Marketing Objectives** | Gain trial by early adoption<br><br>Minimise learning requirements | Establish market share<br><br>Establish distribution | Strengthen market share<br><br>Build dealer and customer loyalty | Use product as cash cow<br><br>Consider product extensions |
| **Communications Objectives** | Create wide awareness<br><br>Generate interest amongst innovators | Strengthen brand preferences<br><br>Stimulate wider trials | Promote frequency of use<br><br>Suggest new uses for product | Minimum promotion<br><br>Maintain brand<br><br>Create classic niches |
| **Communications Strategy** | Personal sales<br><br>Media advertising<br><br>Opening offers | Media advertising<br><br>Personal sales<br><br>Sales Promotions | Media advertising<br><br>Dealer promotions<br><br>Sales promotions | Reduce media expenditure |

*Figure 3: Strategies per phase of life*

## 2.5 Startups and strategies per phase

An important issue is to establish which communication strategy fits into the phase of development of a startup. On the first hand, Startup Commons describes the phases of development, but does not link this to a specific communication strategy. Floor and Van Raaij on the other hand, give the strategies, but not linked to the specific phases of development.

As think link is essential to define the communication need per phase, it is necessary to combine both theories into one.

|  | (Pre) Birth/Introduction | Youth leading to growth | Grown up product |
|---|:---:|:---:|:---:|
| Ideation and Birth | X |  |  |
| Commitment and Concepting |  | X |  |
| Validation and Scaling |  | X |  |
| Establishment |  |  | X |

*Figure 4: Startups and strategies per phase*

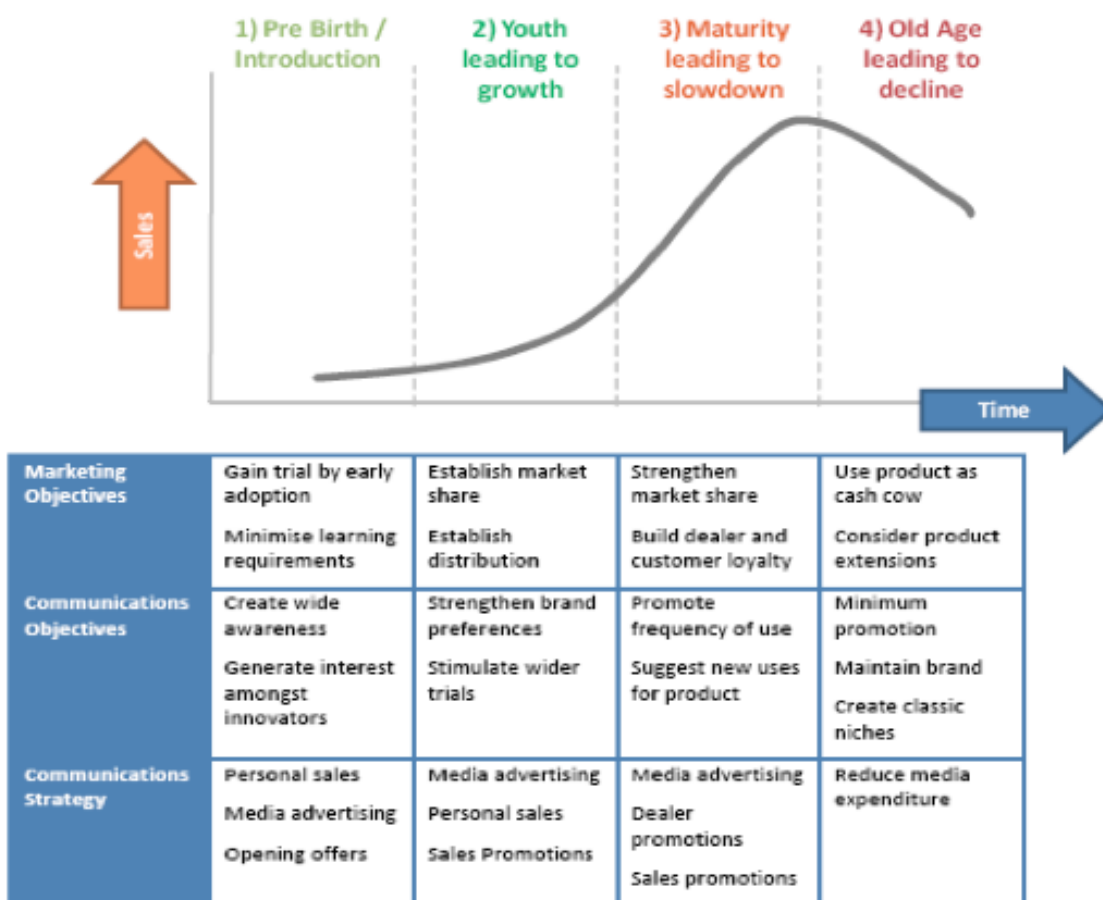In figure 4, it is shown which phase of development I have linked to which strategy. Since Commitment and Concepting and Validation and Scaling are both in the phase of growth, I have chosen to put both phases in the 'Product in growth' strategy.

## 2.6 GAP analysis

In this thesis, I will use a GAP analysis to figure out which aspects per phase can be improved regarding communications per phase of development of startups. I have chosen to work with this method, because it shows in an excellent way which 'gaps' there still are with regards to external communication. Getting insight in these 'gaps' will help me to build up a relevant advice.

In a business, a GAP analysis compares the actual performance with the potential performance. A company will determine the factors that define its current state, list down the factors needed to reach its target state and then plan on how to fill the gap between the two states. This is important because it helps to identify if a company is performing to its potential and if not performing, why it is not performing to its potential. This helps identifying flaws. When the flaws are identified, the management can create specific action plans to fill up these gaps. In this case we try to identify flaws in the way of externally communicating (Taylor, n.d.).

Following, you can read a four step plan which can help me to build up my GAP analysis.

- **Step 1**

Before beginning the GAP analysis, all goals must be clear and quantifiable so that the gap can be measured. Goals with narrower scope are easier to understand and measure.

- **Step 2**

Benchmark your current state. Use historical data if possible as it will span a longer period and require less effort to compile. If historical data is unavailable, you will need to collect sample data to measure your company's performance. Collecting data on a less concrete metric like customer satisfaction would require you to create surveys for customer feedback.

- **Step 3**

Analyze the gap data. The challenging question is not how far actual performance fell below target, but why the gap exists. A complete gap analysis can usually be summarized in one sentence.

- **Step 4**

Compile the report. Each goal should be addressed fully in its own section, followed by a conclusion that summarizes the report and calls for action, usually in the form of a call to create an improvement plan to address the gaps.

## 2.7 SWOT analysis

The SWOT analysis is a very important tool to build a strategy. It shows your strengths and weaknesses internally and your opportunities and threats externally. As Tim Berry says, and I quote :
*'Strengths and weaknesses are internal to the company (think: reputation, patents, location). You can change them over time but not without some work. Opportunities and threats are external (think: suppliers, competitors, prices)—they are out there in the market, happening whether you like it or not. You can't change them'* (Berry, n.d.).



*Figure 5 : SWOT analysis example*

I started to use both a GAP analysis and a SWOT. During the orientation process, I discovered that a GAP analysis proved to be more effective than SWOT to clarify the real problems. I therefore decided not to use SWOT any further. For the sake of completeness, the SWOT findings are to be found in appendix D.

## Conclusion

For the rest of my thesis, I will keep Startup Commons, the strategies per life phases and the GAP analysis as my starting point. These theories will be used to answer the thesis objective.

# Chapter 3: Methodology

This chapter is dedicated to provide the reader with the methods and methodology for this research.

## 3.1 Research Questions
The research has been divided into separate themes which each contain some of the determined research questions.

### 3.1.1 Theme 1: Industry/Market research
- How can the phases of development of a startup be identified and do these phases have influence on the communication within the startup?
- What are the chances and threaths for startups regarding external communication ?
- What are the gaps between the IST and SOLL situation for startups regarding external communication?

### 3.1.2 Theme 2 : Implementation strategy
- Is it feasable to build an implementation seperately for every phase of development ?
- What should an implementation, like a blueprint for startup communications, look like?
- Which communication strategy is fitting for each phase of development of a startup?

## 3.2 Scope
Of course, I have a scope for my research :
- I will only focus my thesis on **external communication**, which means the communication with all kinds of stakeholders.
- I will find out what **the relevance of the phases of development** is when it comes to communication strategies and tools within a start-up. These phases will be the most important aspect in my final advice.
- My research only concerns startups in the specific market of **'Innovative startups'**, related to Technology.

### 3.2.2 Out of scope
This thesis only contains an advice based on the external communication. Internal communication hasn't been taken into account, since startups often don't have any more then four people within the organization. The financial crisis in Greece will also not be taken into account.

## 3.3 Motivation
Mr. Groosman coaches his startups in, for example, the financial aspects. Unfortunately, he is not yet capable of giving startups in depth advice on communication strategies and tools. However, he notices that it is becoming more and more important for his clients to have a relevant communication strategy with fitting communication tools.

Therefore, I will investigate what the wishes and needs of the startups are regarding external communication. I will also analyze the current situation and the ideal situation. Based on these analysis, I will build up recommendations and an advice. At the end I will also work on the implementation by providing guidance with which Benno Groosman can build the blueprint.

## 3.4 Thesis objective
*Investigate the feasibility of developing a communication blueprint for start-ups in their various stages of development and in case of a positive result make recommendations to achieve this goal.*

## 3.5 Management issue

*'In which way can startups in different phases of development, within the branche 'Innovative Startups', related to Technology, implement and improve the appropriate external communication strategy?''*

## 3.6 Qualitative or quantitative research

It is a qualitative research. The in depth interviews with the startups will be processed in a case study.

My plan:
- ✓ *Step 1*: Find relevant theories and collect enough data about the market.
- ✓ *Step 2*: Interviewing several startups per phase. These conversations will give me a lot of insight in wishes and needs of the startups.
- ✓ *Step 3*: Explain all the startups in depth.
- ✓ *Step 4*: Get conclusions and recommendations at the end of the findings and build up a GAP analysis based on these findings and the theoretical framework.
- ✓ *Step 5*: Build up an implementation plan which is linked to the entire thesis.

The research will contain individual interviews with the startups. I expect to get more response with this method and I will be able to observe the behavior. Furthermore, I have to chance to ask more when I hear something really interesting.

I have chosen to execute a qualitative research, because the goal of the research is to get insight in the problems and challenges startups face regarding to communications. I did not have the feeling that I could solve the thesis objective with a quantitative online survey, since it is less personal. In this research it was necessary to ask some personal information about the company. The chance they will give this information to somebody they don't know, seems quite small to me.

## 3.7 Research population

In total, twenty-one startups in the branch 'Innovative Startups' related to Technology in Athens participated in my research.

## 3.8 Research methods

First of all, I will use desk research to find information about startups and phases of development. I am going to use questionnaires for the in depth interviews, which is a qualitative way of researching. After I have gathered my findings, I am going to structure my depth interviews and explain the results. After that, I will analyze my findings and create a GAP analysis. Following, there will be the conclusions and recommendations. Last but not least, the strategic implementation will be build up.

## 3.9 Reliability and Validity

The reliability and validity are two important aspects of a research. But what do they exactly contain and what does that mean for my thesis?

### 3.9.1 Reliability

The reliability refers to the extent to which your data collection techniques or analysis procedures yield consistent findings. It can be assessed by posing the following three questions:

- Will the measures yield the same results on other occasions?
- Will similar observations be reached by other observers?
- Is there transparency in how sense was made from the raw data? (Saunders, 2009)

There can be four threats for reliability. The first one is called 'subject or participant error'. This means that the external circumstances can influence the participants. For example the day or time.

Similarly there may be 'subject or participant bias. Some interviewees may say things that they believe is the right thing to say for, for example, their boss. Third, observer error. The interviewer should maintain a clear structure. And last but not least, observer bias. In this case, it means that the interviewer/observer can have different ways of interpreting the results (Saunders, 2009).

In my case, there is certainly no subject or participant bias. They all work for themselves and own their own company. They don't need to prove themselves for anybody. Secondly, I believe that I, as the observer, maintained a structural manner of interviewing and observing my participants. I also believe that there is no observer bias, since I am using mostly facts from the theoretical framework to describe my findings. The only aspect that could be a problem is subject or participant error. Of course, it could be the startups had a bad day that day. But the chance that more than two startups had a bad day exactly on the day we had our interview, is quite small. Furthermore, the results are not dependent of the observer. Considering all these facts, I can say that I think that my research is quite reliable.

### 3.9.2 Validity

Validity is something slightly different from reliability. It's concerned with whether the findings are really about what they appear to be about. So, do you measure what you **want** to measure.

In my case, the research is definitely valid. I want to find out how the startups per phase of development are communicating with their stakeholders right now and how they should do it. This is exactly what I did. I tested this with my conclusions and recommendations and my research questions. Do I really answer the questions? I think the answer is yes.

# Chapter 4: Research findings (IST-situation)

To tackle the problem it was necessary to develop a set of questions, the answers of which should lead to defining the actual communication activities of startups during the various phases.

With this set of questions I interviewed twenty-one startups in their various stages of development:
- 7 startups in the first phase, 'Ideation'
- 5 startups in the second phase, 'Commitment and Concepting'
- 7 startups in the third phase, 'Validation and Scaling'.
- 2 startups in the fourth, and last, phase, 'Establishment'

The criteria per phase can be found in chapter two, the Theoretical Framework.

I put the emphasis on startups in the first three phases as I expected that startups in the higher phases should be more aware of the importance of communication, compared to startups in the earlier phases.

For the detailed questionnaires and responses, see appendix F.

The most interesting thing we notice right away, is that in phase one, Ideation, the average is very low regarding to their communication activities right now. On a scale from one to five, where one is zero and five is 100%, they only score a 1,6. Whilst in the second phase they already scored a three and in phase three it's already a 3,5. And in the last phase, they score an average of even 4,3. So, as you can see, this average significantly grows. The results are laid down in figure 6 below.
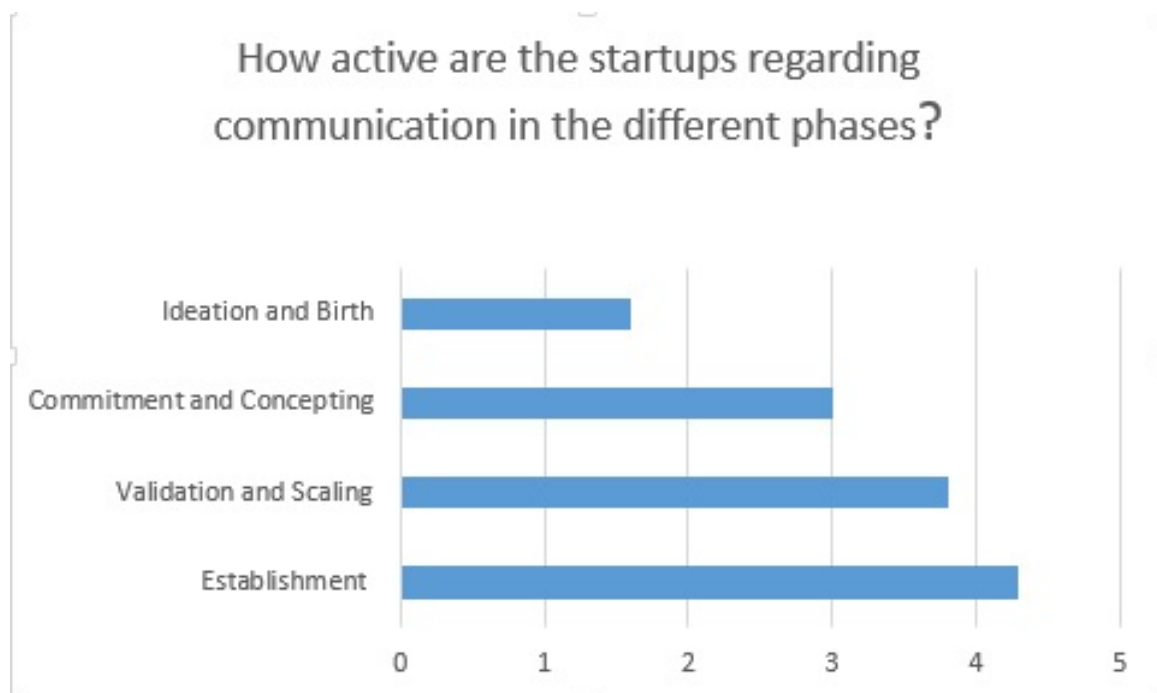


*Figure 6: How active are the startups regarding communication in the different phases?*

Figure 6 illustrates how active startups <u>think</u> they are. Question is, whether this level of activity is sufficient to obtain the necessary results. Comparing the actual situation with the SOLL-situation will show whether this is the case.

Most of the startups only exist for under a year now (38%). 34% exists between the one and two years now. 2-3 years and over three years share the third place with 14% of the startups. For the graphic of this finding, see appendix K.

As we can see in the next figure, startups in all phases of development find communication useful. The scores are between the 4,6 and 5. Apparently, the entrepreneurs definitely understand the relevance of the use of reaching out to their stakeholders.
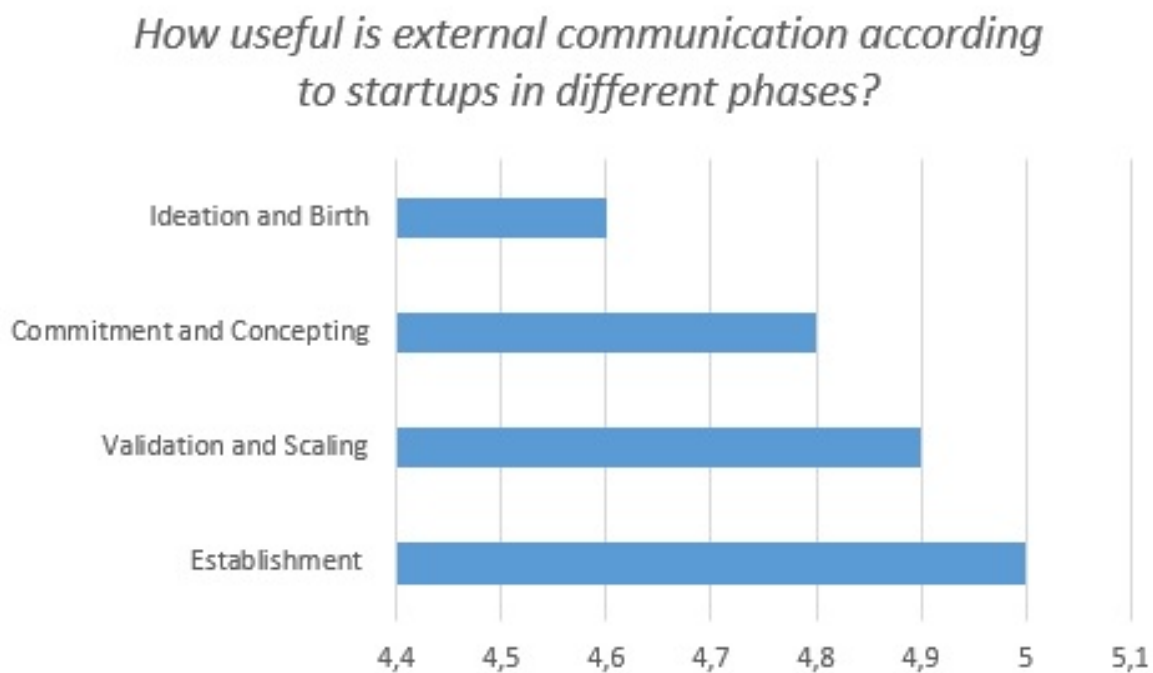


*Figure 7: How useful is external communication according to startups in different phases?*

It is not a surprise to find that startups in the higher phases put more emphasis on the usefulness of external communication. They have already experienced certain benefits of external communication in earlier phases and are able to make a more extended use of their networks etcetera.
In the interview the startups also told me what the biggest reason is why, especially startups in the earlier stages, don't make (intensive) use of communication.

During the interview the startups explained the main reason is why, especially startups in the earlier phases, don't make (intensive) use of external communication.

Surprisingly, most startups blame it on the lack of time as figure 8 shows on the next page. 33% of the startups say they haven't got enough time to work on their communication. Lack of money has, as expected, also a lot of influence. It's on the second place with 21%. Most of them, again especially in the earlier stages, are far too busy with, for example, product development and collecting investments. Once this is established, it's time to expand the business with external communication. Most of the startups explained that their priority right now is to complete or improve the product.

*Figure 8: Why are the startups not active regarding communication?*

But, when they do communicate, which tools are being used then? In the figure below (figure 9) it is shown which tools the startups use when it comes to communication.
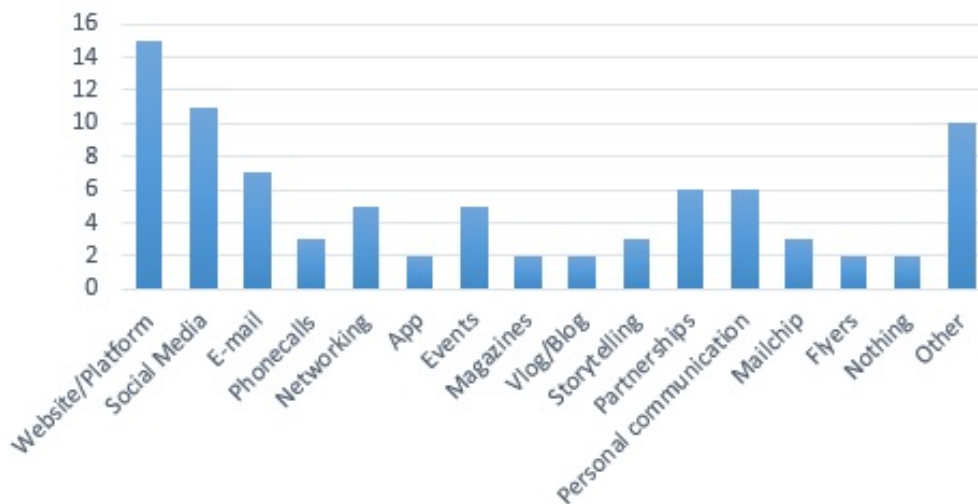


*Figure 9: The communication tools*

You can see that 15 of the 21 startups make use of their own website or platform. Apparently, a website or platform is the most important communication tool for them. Also, some startups use a website to offer their services, for example JoinCargo (Establishment). 11 startups already use social media. Most of them use the regular package: Facebook, Twitter and Instagram. Some have LinkedIn, but not everybody. That's strange, since LinkedIn is a business platform and therefore a perfect opportunity for them to expand their network. We also see that the top three of communication tools are all online (Website/Platform, Other and Social Media). Answers we saw amongst the category 'Other' were for example press, Skype and Google Ads.

So what's important and what's not important for startups when they consider using communication tools? It's notable that the wishes of the target audience, when it comes down to communication tools, are the less important for the startups in the first phase of development. They score a 3,9 whereas the different phases all score above 4,5. The chart can be found in appendix four, figure seven. Apparently, these startups aren't very interested in taking the trends in the communication world into account, since all of them only scored a 3,8. The chart can be found in appendix four, figure eight.

<u>Nice to know</u>: most of these startups were Small Business startups. With 42% of the interviewed startups, they are in the majority. Scalable and Social startups share the second place with both 25%. Only 8% of the startups were considered to be lifestyle startups. See appendix C for more information and the graphic about this specific finding.

Also, the core business of 9 startups is a App or platform. Six of them sell hardware and the other six sell a service, such as a 'babysitter' for your pet while you are on a holiday. See appendix L for the graphic.

## Conclusion

Overall, the startups all find communication useful, even though a lot of them don't make intensive use of it yet. Also, in which stage they may be, the costs of a tool is very important. Mainly because these startups don't generate a lot of income yet. They simply don't have the money yet to use expensive tools (intensively). The importance of the costs decreases per phase of development. Probably that's because they generate more income when they grow to another phase of development. With more money, the costs of tools can become less important. See appendix H for the graphics on this specific topic.

The most important finding in this chapter is that the necessity of communication appears to become more important when the startup grows. Also, the level of using communication grows per phase of development. A lot of online tools are being used, for example e-mail, social media and the website are popular. The costs of a tool stay important, no matter in which phase the startup is. The wishes of the target audience however, become more important when a startup grows. Same for the trend within the communication world. Most startups are Small business startups and exist less than a year or somewhere between the one or two years.

# Chapter 5: SOLL situation and GAP analysis

In this chapter we will dig deeper into the findings I have discussed in chapter four. In this chapter it's important that we define what the gap is between the IST and the SOLL situation. That's why we call it a GAP analysis. So how do we make sure that the startups are going to communicate the way they should communicate? I'll check the differences with the findings per phase with the criteria in my theoretical framework.

The SOLL situation, regarding to the external communication of startups in different phases of development, is based on the theory of 'Startup Commons', and the communication strategies per phase of life.

To be able to discuss the GAP analyses, it is necessary to explain the SOLL-situation first.

## 5.1 SOLL situation

The SOLL situation is pictured as the ideal situation. In this case, the ideal situation regarding external communication of startups would be when they follow the instructions of Startup Commons and the Communication strategies per phase combined. That's why I will compare my research findings (IST-situation) with these theories (SOLL situation).

At the end of this paragraph, I will summarize my findings in a graphic. This graphic will help comprehend the relationships between the two theories which led to this SOLL situation.

In the table on the next page (figure 10) I have summarized the main elements of the SOLL situation. Though I have already indicated that I will focus on the GAP analysis, I have taken the liberty 'to steal' two elements that normally belong to the SWOT: opportunities and threats. This for practical reasons.

Though it is a total overview, I will concentrate on the communication elements.

|  | Ideation and Birth | Commitment and Concepting | Validation and Scaling | Establishment |
|---|---|---|---|---|
| General focus | *Startup has to:* Get the product ready. -Get a balance in the skills and structure of the team | *Startup has to:* -Get two or three entrepreneurial core co-founders with complementary skills and balanced ownership plan. -Define a strong mission and vision with initial strategy and milestones defined for at least next three years to get there. | *Startup has to:* -Identify Key Performance Indicators. | *Startup is:* -A strong, steady company with staff and revenue. -Able to easily attract financial and people resources. |
| Opportunities | *Startup has the:* -Opportunity to become market leader. | *Startup can:* -Extend team members for additional roles and ownership. | *Startup can:* -Start to attract additional investment based resources for equity. -Revenue share or future revenue. -Grow with a large target market. | *Startup can:* -Get new deals and partnerships which will continue stimulating growth or at least will help keeping it steady. |
| Threats | *There's a chance that:* -Product or service doesn't add value to potential customers. -There are plenty of others who already have a business in the same market. | *There's a chance that:* -There are financial problems. Low start capital and/or not being able to attract interesting, or enough, investors for the company. | *There's a chance that:* -Competition will grow. | *There's a chance that:* -Competition will become too strong. -Market becomes saturated. |
| **Communication objectives** | ***Startup does :*** **-Create awareness and generate interest amongst innovators. -Show the benefits of the product.** | ***Startup does :*** **-Strengthen brand preferences and stimulate wider trials.** | ***Startup does :*** **-Strengthen brand preferences and stimulate wider trials.** | ***Startup does:*** **-Promote the frequency of use and suggest new users for the product.** |
| **Communication strategy** | ***Startup has taken care of :*** **-Personal sales -Media advertising –Opening offers** | ***Startup has taken care of :*** **-Media advertising, -Personal sales -Sales promotions** | ***Startup has taken care of :*** **-Media advertising, -Personal sales -Sales promotions** | ***Startup had taken care of:*** **-Media advertising -Dealer promotions -Sales promotions** |

*Figure 10: The SOLL-situation*

## 5.2 Finding the GAP

The GAP analysis will be discussed per phase. I will do this with the help of Startup Commons and the Communication Strategies per phase of development, which were discussed in the theoretical framework.

The communication aspect contains two different elements:
- Communication objectives
- Communication strategy

For both these elements the gaps will be discussed.

### 5.2.1 Communication objectives

The gaps regarding communication objectives will be discussed separately for every phase of development.

### *Phase 1: Ideation and Birth*

The first gap becomes immediately clear. One of the communication objectives in the SOLL situation for startups in this phase of development, is that a startup needs to show the benefits of their products. Almost half of them don't even have their product finished yet. They spend all their time and energy in finishing this product before communicating. The other half is busy getting their very first sales and creating a network. By communicating with their stakeholders before the product is ready, they could already build up a network. This can be an advantage for them once they release the product. Of course, they have to make sure they don't give their potential stakeholder an 'overkill' on communication.

The second communication objective is that they have to create awareness and generate interest among innovators. Most of them are trying to do this and are working very hard to create awareness. Sometimes not even on purpose. For example, one startup works with a friend who helps them with the production of their product so they have more time to work on the awareness of their network. Another startup goes to bakeries with her freshly baked cookies. By doing that, she tries to gain customers, but also influences her network. Overall, this phase is doing a quite good job on this one, but they can do a lot better.

### *Phase 2: Commitment and Concepting*

The communication objective that fits with the second phase, Commitment and Concepting, is **'***strengthen brand preferences and stimulate wider trials'*. I have experienced that by far not every startup is trying to build a build with their customers. Startups in this phase are in the first real grow state of their 'life'. It's very important to build a band with followers in this phase and turn them into 'fans' of your product or startup. By creating commitment, startups will also create loyalty. Loyal customers is what a startup needs to grow to the next phase of development: Validation and Scaling.

I would say there's definitely a gap in this part. The startups could do much better on this aspect.

### *Phase 3: Validation and Scaling*

The third phase of development has the same communication objective as the second phase.

I have noticed, that startups in this phase are far more concerned with bonding with their followers/customers. For example one of the startups in this phase: they are non-profit and try to improve the health system in Greece with their concept. The startup shares videos in which a lot of people can identify themselves and they organize a lot of events. They also work together with

admirable companies. This startup understands the importance of committing your target audience to your startup.

Overall, the startups in this phase do pretty well. Of course, it would not harm them to give them some advices on this aspect as well so they can improve themselves.

## Phase 4: Establishment

In this last phase, it's a necessity to promote the frequency of use and suggest new users for the product.

These startups have already experienced some kind of growth and they are steady now. Growing is always nice, but not a top priority anymore. They often have staff and generate an good income with their startup.

Because the startup is doing well in this phase, my respondents forgot how important communication can be for the wellbeing of their startup. This is why it's crucial to keep advising them on external communication.

In the table below, I summarize the gaps I have found regarding the <u>communication objectives</u>.

|  | Ideation and Birth | Commitment and Concepting | Validation and Scaling | Establishment |
|---|---|---|---|---|
| SOLL-situation | *Startup does :* -Create awareness and generate interest amongst innovators. -Show the benefits of the product. | *Startup does :* -Strengthen brand preferences and stimulate wider trials. | *Startup does :* -Strengthen brand preferences and stimulate wider trials. | *Startup does:* -Promote the frequency of use and suggest new users for the product. |
| IST-situation | Half of the startups haven't even finished their product yet. They only put their focus on this point and leave the external communication behind. | Startups have their product finished and are often occupied with sales. Most om them forget to create a bond with their stakeholders by communication with them. | Startups are growing, but are also noticing the importance of communication. They are better able to create commitment among their stakeholders. | Startups have experienced a certain growth. They know the importance of communication and often have means (staff, money and tools) to execute it. |
| **GAP** | **-They don't generate enough interest** **-They don't generate enough awareness.** | **-Startups forget to communicate with stakeholders and because of that, they are often not committed to the startup.** | **-Startups are already bonding. Find a way to improve this.** | **-Keep advising them on communication. It's easy to forget communication. Even when you're startup is doing well.** |

*Figure 11: IST-situation, SOLL-situation and GAPs for every phase of development regarding **communication objectives***

### 5.2.1 Communication strategies

In this part I will discuss the noticeable gaps in the communication strategies of all the startups through their various phases of development.

#### *Phase 1: Ideation and Birth*

According to the SOLL situation startups in the first phase should already have figured out some kind of communication strategy.

Unfortunately, I have seen that neither of the startups in this phase have a well-coordinated strategy like the table suggests. This is an enormous gap. Some of them had opening offers. For example, they announced their product and promoted some kind of advantage (such as discount) for their first followers, but nothing more than that. Amongst the startups who already had a prototype or a product, approximately 75% of them already had some personal sales. Never many. Not a single startup had media advertising.

#### *Phase 2: Commitment and Concepting*

In this phase, startups should already have taken care of certain aspects, according to the SOLL situation. They should have a strategic plan to implement media advertising, personal sales and sales promotion.

However, the findings showed that over 75% hasn't thought out a strategy which they can follow regarding communication activities. A big gap appears here. It's a necessity to build up a strategy to follow a structured line of activities which can help stimulate the growth of the startup.

#### *Phase 3: Validation and Scaling*

The third phase is all about large growth. To keep everything in control, it's important to have a communication strategy to guide you.

I have seen that about 50% of the startups in my research in this phase already figured out something that looks like a strategy. Some of them have written it down, some just think about it and execute it that way. They should be stimulated to write down their strategies and to start thinking long-term.

The gap here is that they don't always write their strategies down and plan them on the long-term.

#### *Phase 4: Establishment*

In this last phase, Establishment, the startups has already accomplished a lot. They have to take care of media advertising, dealer promotions and sales promotions.

The two startups I have spoken with in this phase are pretty well organized. They have thought about strategies to get more sales, but also about how communication can help getting these sales.

As far as I have seen, and expected as told in chapter 4, there is only a small gap or not a gap at all in this case. Of course, a startup coach could help them with the blueprint to maintain their strategy or help them improving it.

In the table on the next page, I summarize the gaps I have found regarding the communication strategies.

|  | Ideation and Birth | Commitment and Concepting | Validation and Scaling | Establishment |
|---|---|---|---|---|
| SOLL-situation | *Startup has taken care of :*<br>-Personal sales<br>-Media advertising<br>–Opening offers | *Startup has taken care of :*<br>-Media advertising,<br>-Personal sales<br>-Sales promotions | *Startup has taken care of :*<br>-Media advertising,<br>--Personal sales<br>-Sales promotions | *Startup had taken care of:*<br>-Media advertising<br>-Dealer promotions<br>-Sales promotions |
| IST-situation | There are some personal sales already. Sometimes small opening offers on for example on Facebook, but not a structured plan whatsoever. | There are some plans that might look like a potential strategy, but there's almost never something written out yet. Most of them had personal sales and sometimes even sales promotions. There was no media advertising involved yet. | There are plan. Half of the time already (half) written down, half of the time just in their mind. The startups all had a short-term strategy. They have personal sales and sales promotion. They don't always have media advertising. | The startups have a plan and staff to execute the ideas and strategic plans. They need to learn how to maintain this or how to improve their plan. |
| **GAP** | **-These startups need advice on the importance of a strategic plan and how to make it.** | **-These startups need advice on how to work out a strategic plan.** | **-Startups need advice to help them put their strategic plans on paper.**<br>**-Startups need advice on how to learn long-term planning.** | **-Startups need advice on how to stick to the plan and/or improve it.** |

*Figure 12: IST-situation, SOLL-situation and GAPs for every phase of development regarding* **communication strategies**

## Conclusion

As we have seen in this chapter, there are plenty of gaps. From creating awareness and making use of media advertising in phase one, to maintaining the strategies in a structural way in the fourth, and last, phase Establishment.

The gaps are bigger in the communication strategies part. Especially startups in phase one and two are far behind on the SOLL-situation.

***Since there are more phases dealing with specific gaps and not just one, it is definitely feasible to create a blueprint.***

# Chapter 6: Conclusions and Recommendations

After the gaps have been analyzed, it is time to draw conclusions and recommendations based on the findings, the GAP analysis and the theoretical framework. This is actually the most important chapter of the entire research, because all the previous chapters come together here.

## 6.1 Conclusions

Dividing startups in different phases of development is essential to define how they actually communicate and compare this with how they should communicate (IST versus SOLL). This became clear during the interviews. Depending on their state of development startups showed different needs for communication and ways in which actually communicated.

Several theories may be used to identify the various phases of development of startups. For this thesis Startup Commons proved to be the most logical choice.

Startups grow through different phases. Four important phases are identified:
- Ideation and Birth.
- Commiment and  Consulting.
- Validation and Scaling.
- Establishment.

In theory, the four phases are quite easy to separate. But in practice, during the interviews, it was not always easy to clarify to which phase of development the interviewed startup belonged. This was especially the case with startups in the first two stages of development.

Startups are very popular and their number is increasing rapidly. The interviewed startups were all under three years old. This leaves open the question when a startup is "grownup" and no longer is a startup. For this thesis, however, this was not relevant.

All startups consider communication as a useful tool to improve their business. The degree of appreciation however differs per phase of development. In the early phases they pay less attention to communication than in the later phases.

For the communication activities themselves the same applies. The higher the phase of development, the more emphasis is put on communication.

The reasons for insufficient communication are diverse; main elements are lack of time and financial resources.

To define the differences between the preferred (SOLL) and the actual (IST) situation a GAP-analysis combined with some SWOT-elements was used. The outcome clearly shows a considerable variety of communication gaps and underlines the necessity to develop a blueprint based on a communication strategy and applicable to all phases of development.

The need for communication in the various phases of development is so different that it should be reflected in the blueprint (specific "chapter" per phase).

## 6.2 Recommendations

Of course, these conclusions are nice to read and to know, but the recommendations are maybe even more interesting. These recommendations are build up from all the noticeable and interesting findings I've found during the process of writing my thesis. The recommendations are actually the core of my research and they show the tools with which the procedures can be improved. These recommendations are written for Groosman.co Startups.

Based on the results of this research, I would advise to create an external communication tool in the form of 'communication blueprint', which will help Benno Groosman to advise startups in different phases of development. This will enable Groosman.co Startups to offer a complete package of services including an external communication advice and thus strengthen the competitive position of Groosman.

So, why do I believe that a blueprint is the solution for the problem startups experience as a consequence of their lack of external communication? Well, first of all I have seen in my theoretical framework and findings that the different phases of development are quite divers. They have different priorities and also different needs. Therefore, it is pointless to create only one advice. The different phases of development definitely have to be taken into account. I would recommend to use Startup Commons to identify in which phase of development a startup is. This will save a lot of headache since my phases, and therefore implementation plan, are based on the phases Startup Common offers.

Startups are a trend by themselves. It's incredibly popular at this time to have your own, little company. A lot of startups want to stay small and don't want to grow into a large companies. Most of the startups at Orange Grove are younger than three years old. I've learned that the most important reason they don't communicate intensively with their stakeholders is because there's no time. There are often other priorities, plus the fact that nowadays everybody lives in the so called 'fast lane'. Even the way we communicate is fast, think of internet. There's nothing we can't find. That's why the advice for every phase should be easy to implement. Cheap in money and in time.

Several gaps popped up when I took a closer look on every phase. The biggest gaps are definitely in the strategic part. But, as is seen in these GAP-analyses, every phase needs their own special advice. Another reason to build up an implementation plan regarding external communications per phase of development.

# Chapter 7: Strategic Implementation

Startups are entrepreneurs with ambitious intentions and a heart full of dreams. However, not every startup is the same. As an organization grows, so does a startup. On the one hand with practical matters such as financial means or staff, on the other hand with external communication which is also an important part of the business.

This strategic implementation is the sequel of my thesis about the feasibility of creating a blueprint with advice for innovative startups in all four phases of development. The phases of development are as followed:
- Ideation and Birth
- Commitment and Concepting
- Validation and Scaling
- Establishment

One of the main conclusions of the research was that it is indeed feasible and also relevant to build a blueprint which addresses every phase of development. Also, it needed to be easy to use and implement for Groosman.co Startups.

In the figure on the next page (figure 14) there has been created a short set of questions for the startup. It has been visualized so it is easier to follow the right path. By answering these questions, Groosman.co Startups is able to identify the kind of advice the startups need. The goal of the questionnaire is to find out which advice suits best for them, regarding their phase of development. Since there has been explained in the thesis that startups sometimes overestimate themselves. They have the feeling they are already further than they actually are. That's why the phases of development are not mentioned specifically in the figure 14 on the next page.

This figure needs to be translated into an interactive form on the Groosman.co Startups website. A startup can fill in this form himself, but it is also a possibility to do it together with Groosman.co Startups. After the five questions a mail will be sent to Groosman.co Startups with the results and the contact details of the startup. The startups will only see a screen with objective results. Benno Groosman will know, because of this implementation, what he and the startups have to do.

## *You are a beginner!*

*Hi there! Thanks for filling in the questionnaire. According to your answers, you are a beginner regarding external communication. You need to focus on creating a strategy which helps you generate interest and awareness. Groosman.co Startups will offer you the right tools to achieve this.*

Figure 13: Example outcome survey

Based on the mail with the results, Benno Groosman and the startup can start building he strategy with the right tools. The name of the form has to be on the homepage so it generates a lot of attention. The title of it also has to be attractive.

In addition to this figure, the six final scenarios will be deepened so Groosman.co Startups knows better how to advise his startups.

The recommendations of this implementation plan are based on the field research of the thesis.
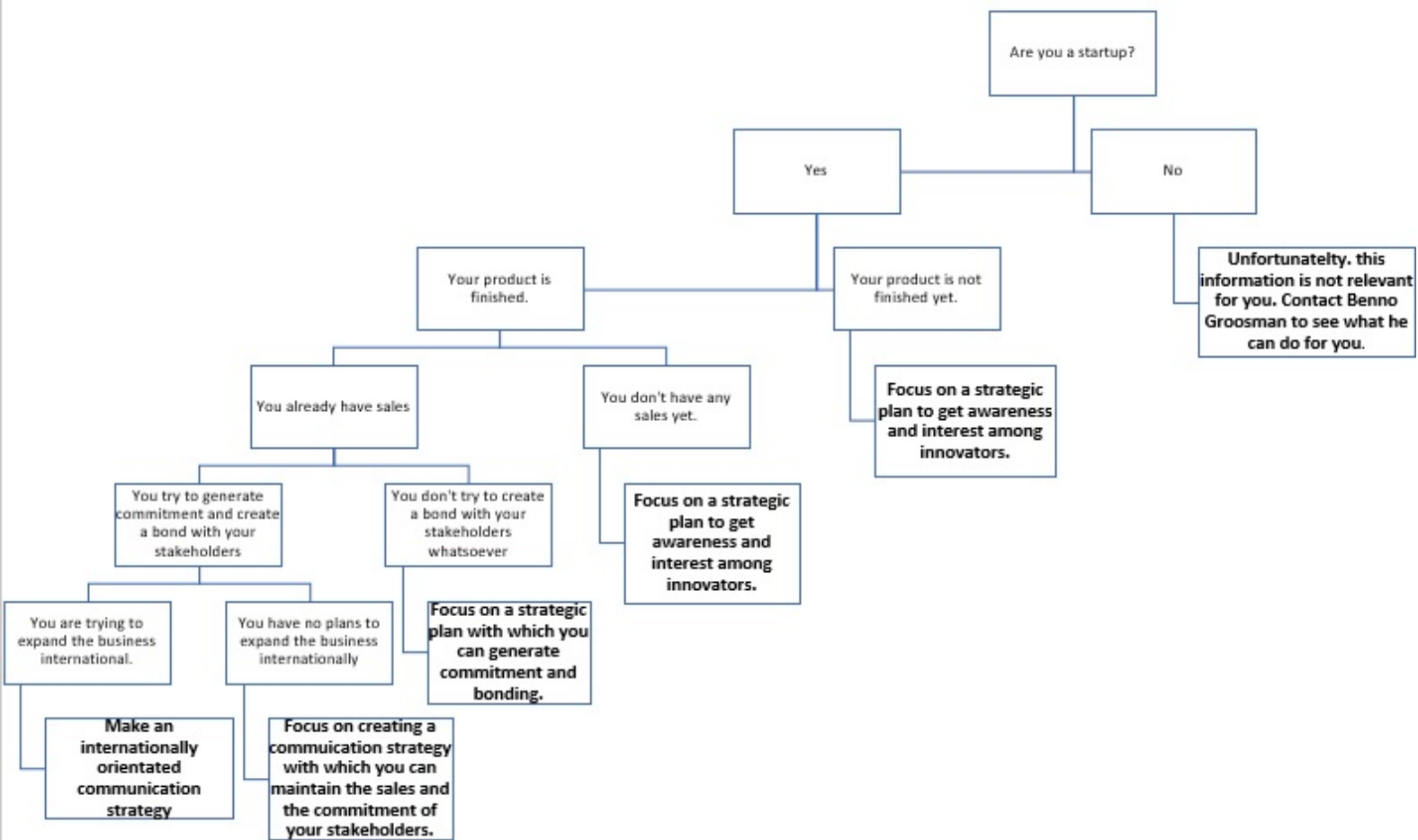


*Figure 14: Way to identify which advice is necessary*

## The six final scenario's

After answering these set of questions a final scenario will pop up. In this part these four scenario's will be discussed in depth.

### Scenario 1: No startup

This plan is specifically written for startups. When the respondent answers 'no' at the first question, the questionnaire is finished. This implementation has no focus on other potential customers besides startups. They are being advised to contact Benno Groosman to discuss the options.

### Scenario 2: The Beginner

When the test says you are a beginner, you have no product yet. In this it is important to keep in mind that there is probably almost no time or financial means for external communiation. In this phase it is important to stimulate them to make social media, since those tools can be used for free and don't take much time to maintain.

They should focus on a strategic plan to create awareness and generate interest among, for example, innovators.

Some of the startups did this pretty well. For example Startup A. They did not had a legalization yet so they could not sell anything. But they did have a lot of communication already which generates a lot of awareness for them. It also helps them building a supportive network. On the other hand Startup B. They did not have a product yet, but also didn't communicate because they thought it would be useless to communicate already. They have no awareness of the public. Almost nobody knows them. They will have a slower start when they are ready to sell, because they still have to get people to know them first.

| Strategy | Tools | Costs for startup |
|---|---|---|
| • Create awarenss<br>• Generate interest among stakeholders | • Facebook<br>• Instagram<br>• LinkedIn<br>• Twitter | • No costs yet. |

*Figure 15: Overview strategy, tools, costs in the Beginner stage*

## Scenario 3: The Junior

If you are a 'Junior', it means the startups has their product finished. Unfortunately, they haven't got any sales yet. In this stage as well, there are probably little resourses. They have put all their money in finishing the product and haven't got any income yet because there are no sales. It is recommended to still let them use social media. Also a website becomes more important. It doesn't have to be an expensive and luxiourious one. Most people know somebody who can build a website for them.

It is important that they are more often visable on social media now. Think about at least three times a week. Of course, there are different types of post they can use: a post about themselves or share a relevant post on their page from somebody else. They can also post pictures or video's now of their product to show the world what it is exactly. We still maintain the free channels until the startups have savings for extra external communication tools.

In this phase the focus still lies on creating awareness and generate interest to stimulate sales. They now have an actual product, make them show it.

This is a very difficult phase to be in. There is a product, but no sales. And there is no communication. I have seen some startups struggle in this phase. They had no money to hire somebody and help them with their communication and because they don't communicate, only few people knew their product. And because nobody knows them, they don't sell. In this phase, it is very important to teach them how they can promote themselves on freeways, such as social media and a vlog.

| Strategy | Tools | Costs for startup |
|---|---|---|
| • Create awarenss<br>• Generate interest among stakeholders | • Facebook<br>• Instagram<br>• LinkedIn<br>• Twitter<br>• Website<br>• Vlog: video's and pictures of the product. | • Low costs for a website, between **50-500 euros**. Depending on the budget. |

*Figure 16: Overview strategy, tools, costs in the Junior stage*

## Scenario 4: The Senior

If the startup is a so called 'Senior' they are already doing quite a good job. They have a product and they already have sales too. However, they could do even better when they spend more attention on creating a bond and generate commitment with their customers. That bonding is exactly the focus in this stage.

Of course, they have to stay active on social media. Instead of posting information, the startups can post interactive posts. For example a call-to-action or a poll. The startups can also ask for reviews. It is the best if the startup is approximately four to five times a week active on social media. Of course, this has to be crossmedial. They also have to keep their website in mind. Since they are probably earning money now, it would be ideal if they can spend some money on for example Facebook- or Google Ads. Furthermore it obviously depends on the core business of the startup what kind of media they use.

In this stage, the main priority is to build up a strategic plan which has as goal to commit the stakeholders to the startup and allow them to build a bond together.

Startup C was very good in committing the people. They had extended external communication tools among which a professional video in which they show people what they do. It was a non-profit organization and they made sure the people knew exactly what their purpose was. They were very convincing and evoked people to take action. Another startup, startup D, has a product and a beautiful website. Unfortunately, they don't (yet) understand the relevance of commitment. They have sales, but it can be a lot more if they would communicate the right way with stakeholders.

| Strategy | Tools | Costs for startup |
|----------|-------|-------------------|
| • Generate commitment<br>• Build a bond with the stakeholders | • Social media<br>• Vlog: video's and pictures of the product<br>• Facebook- and Google Ads<br>• Website | • For the Ads, approximately **50-100 euros** per week. Depending on the budget.<br>• Maybe expand the website. Approximately **500 euros**. |

*Figure 17: Overview strategy, tools, costs in the Senior stage*

## Scenario 5: The Internationally Orientatied

As the name already says, these startups are internationally orientated. They are planning to expand in another country. For them it is important to start communicating in English (if they didn't already do that) and start building on a international communication strategy. That is very important, because of the potential cultural differences.

The biggest difference for these startups can be that they have to start communicating entirely in English. They also have to translate all their important documents in English, including their website. They also have to take cultural differences in account.

A startup which is as far as this one, has to stay active quite frequently on social media. They can also do blogs and vlogs in English. Furthermore they have to do some market research on the countries they want to expand to. It can also be relevant to build a network in these specific countries or start advertising on specific websites or in specific print media in that country. It's important to teach them how to fit in in another country with another culture.

Some startups were very busy with expanding to other countries. One startup wants to go to Israel, another one to America or Holland. They did a good job. All were trying to build a network in that other country. For example Startup E. They found representatives in the countries they want to expand. Because of that, the startup already had some customers in other countries.

| Strategy | Tools | Costs for startup |
|---|---|---|
| • Marketresearch<br>• Research on cultural differences | • Social media<br>• Vlog<br>• Facebook- and Google Ads<br>• Ads in specific print media or on specific sites of that country.<br>• Website | • For the Ads, approximately **100+ euros** per week. Depending on the budget.<br>• A translater, when necessary. Approximately **500 euros**. |

*Figure 18: Overview strategy, tools, costs in the Internationally Orientated stage*

## Scenario 6: The Established

In this final scenario, the startup is considered established. They have sales, they have commitment of their stakeholders and they are happy with the way things are. For now, they don't have any plans to expand to other countries. Their focus has to be on creating a strategic communication plan to maintain their sales or grow in their own country on the long term.

Startups in this stage of course have to maintain their website and social media. Furthermore they can expand with ads, vlogs, blogs and perhaps the press and events. These larger media will give a boost to the brand awareness of the startup.

A good example is Startup F. Their founder had interviews which came on the radio and television. Besides that, they have a platform which looks beautiful and works perfectly. They are also online on social media and are present on several events which are relevant to them. Also quite important: they have plenty sales. There are no plans yet for expanding to another country. They first want to keep growing in Greece. This startup is a great example of a nice and established startup.

| Strategy | Tools | Costs for startup |
|---|---|---|
| • Maintain the success. | • Social media<br>• Vlog<br>• Facebook- and Google Ads<br>• Website<br>• Press<br>• Events | • For the Ads, approximately **100+ euros** per week. Depending on the budget.<br>• Costs of events depend on the event. Approximately **1000 euros** |

*Figure 19: Overview strategy, tools, costs in the Established stage*

## Financial picture

Of course, it is important what this blueprint will bring Groosman.co Startups. Well, it will bring multiple things. First of all, it will bring status. It is a valuable addition to the portfolio. Groosman.co Startups is even more professional when he is able to give advice on the external communication part. It contributes to his expert status, which he needs for his plans to become a startup expert in Colombia.

To make the blueprint, he need to hire people to make it. Since young people, especially in Greece, are willing to work for a very low price, the estimate costs are €1000,-

These additional advice will cost a startup about €100,- per hour. That is the normal rate per hour for Groosman. But, when an incubator, such as Orange Grove, hires him it will not cost anything for the startup. It is part of the total package.

## Conclusion

This implementation has showed a guideline on how the blueprint could look like and how it could be implemented. Six different scenarios have been discussed including examples directly from my field research. For the sake of completeness, there has been added a financial picture for the startups and Groosman.co Startups. Not only will the blueprint add value to Groosman.co Startups as a company, because it improves the services it can offer, it can also improve the financial situation.