

Business Startup – Why You Must Get It Right

A business startup is a risk but it always provides a new opportunity too. It has been seen often that startups companies that have their domain as 'new technology' comes out with huge returns. These companies are typically research driven and bring out something new that has a big demand, or comes out with a new way of doing something old. It is also often the case that these companies are owned by people who have been working as senior executives themselves, and so have adequate experience in running a show. So investing in a business startup offers a golden opportunity for venture capitalists (VC's) and bankers. But sadly, there are many who think twice before doing so, simply because the entity is a startup.

Business Startup and VC

Venture capitalists usually come in at two stages. In the first phase they come in when the new business just has an idea and nothing much. For a new business, financing is always a problem, and so if the VC is happy with the prospect of the new business proposal and what it has the potential to achieve, then it can finance the business startup. In the next phase in which the VC comes in is where the startup already has been in business for a few years and has a few Case Studies and Testimonials to show. In such a case the business startup needs the additional funding because it now needs to spread its wings and grow.

Business Startup – Where Do We Come Across The Most?

The truth is, business startups can be found almost everywhere. It can be a restaurant or a boutique shop where a previous employee or a group of them come out and open their own business. Or it can be a new transport or a travel company where the new entrepreneurs think that they have adequate knowledge and experience and can sustain on their own.

But in technology and the Internet it has been seen that the number of startups are usually much more. And today IT startups are to be seen everywhere, the maximum number of them being in the Silicon Valley in California. Some of these business startups have been hugely successful and today have become big businesses themselves. Many of these companies have gone public and today have a large customer base with clients from across the world. Their example is inspiring others to come out and open their own startup ventures.

Business Startup and Failures

When it works it looks really great. But often it doesn't and this is what worries most people and makes them stay where they are and not go in for it themselves. In fact according to statistics, the failure rate of business startups is much higher. Startups' failing is one reason why the dotcom bubble burst at the end of the last century. So this is one reason new entrepreneurs should constantly worry about.

But that is no reason why they should not open business startups. After all, 'failures are the pillars of success'. If you have the confidence and have a practical plan, then it is more likely that you will be successful.

About the Author

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