



**economic development  
for entrepreneurship & innovation**

**Startup Ecosystem  
Development Framework**

**what's a startup?**

# A Startup

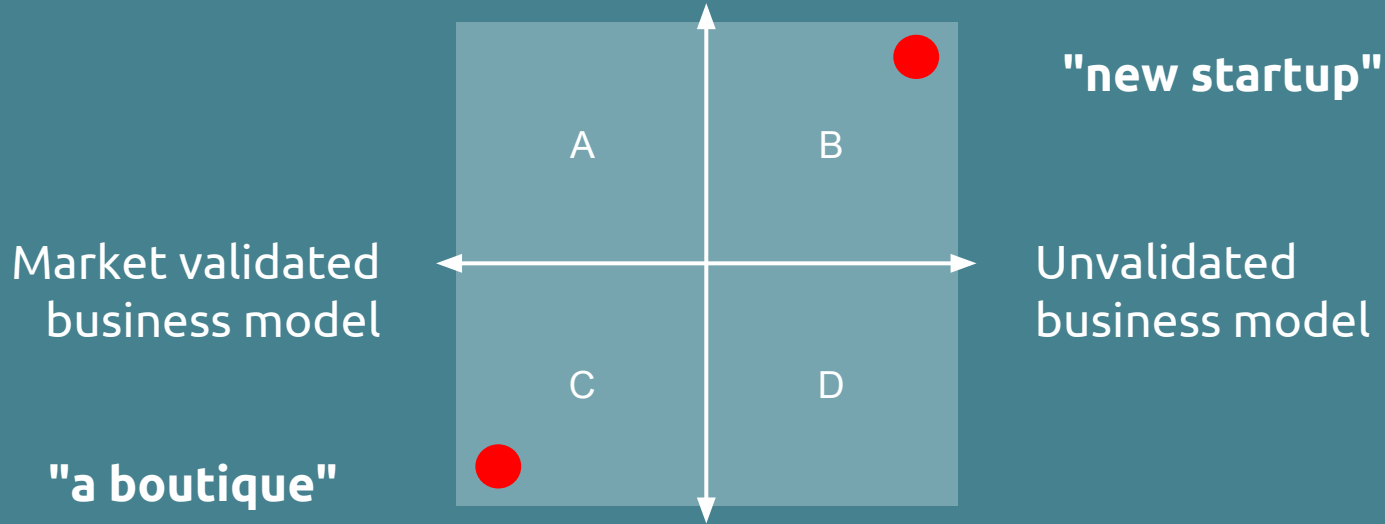
“Startup is an entrepreneurial team with innovative idea and target to grow fast with scalable business model”

Startup is a business in the form of a company, a partnership or temporary organization designed to search for a repeatable and scalable business model designed to grow fast in a big and/or fast growing market.

Being newly founded does not in itself make a company a startup, the essential thing is growth. Nor is it necessary for a startup to work on technology, take venture funding, or have an "exit."

# "New Startup"

High Growth Ambition and  
scalable business model



"new startup"

Market validated  
business model

Unvalidated  
business model

"a boutique"

Low Growth Ambition and/or  
Non Scalable business

***“A Startup is an innovation in identifiable and investable form, that is in process to validate and capture the value of the innovation, with target of scalable growth with positive impact.”***

***- Valto Loikkanen***

# development phases framework



## FORMATION

Mission > Vision > Strategy

- Co-founder team formation
- What, to whom? & Why and how?

## VALIDATION

Lean Startup

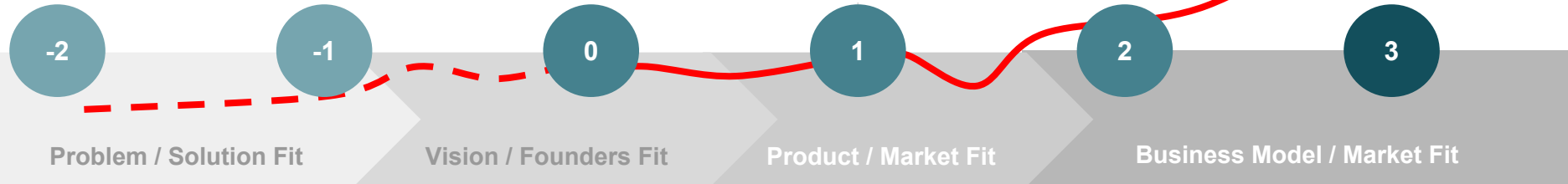
Minimum Viable Product

Validate / Iterate (or pivot)

## GROWTH

Scale Up

Establish & Strengthen



### Ideating

Entrepreneurial ambition and/or potential scalable product or service idea for a big enough target market. Initial idea on how it would create value. One person or a vague team; no confirmed commitment or no right balance of skills in the team structure yet.

### Concepting

Defining mission and vision with initial strategy and key milestones for next few years on how to get there. Two or three entrepreneurial core co-founders with complementary skills and ownership plan. Maybe additional team members for specific roles also with ownership.

### Committing

Committed, skills balanced co-founding team with shared vision, values and attitude. Able to develop the initial product or service version, with committed resources, or already have initial product or service in place. Co-founders shareholder agreement (SHA) signed, including milestones, with shareholders time & money commitments, for next three years with proper vesting terms.

### Validating

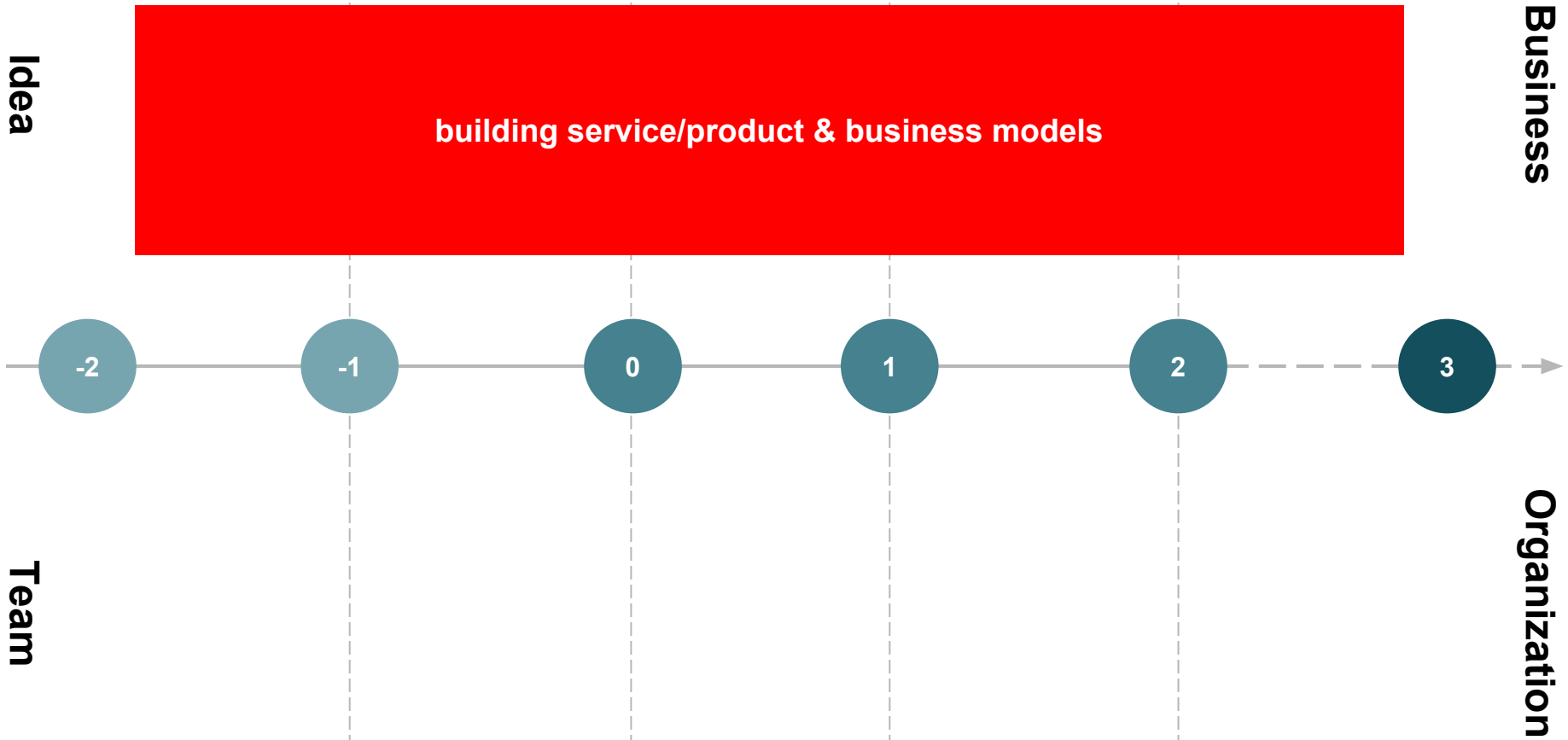
Iterating and testing assumptions for validated solution to demonstrate initial user growth and/or revenue. Initial Key Performance Indicators (KPI's) identified. Can start to attract additional resources (money or work equity) via investments or loans for equity, interest or revenue share from future revenues.

### Scaling

Focus on KPI based measurable growth in users, customers and revenues and/or market traction & market share in a big or fast growing target market. Can and want to grow fast. Consider or have attracted significant funding or would be able to do so if wanted. Hiring, improving quality and implementing processes

### Establishing

Achieved great growth, that can be expected to continue. Easily attract financial and people resources. Depending on vision, mission and commitments, will continue to grow and often tries to culturally continue "like a startup". Founders and/or investors make exit(s) or continue with the company.



**Idea**

**Business**

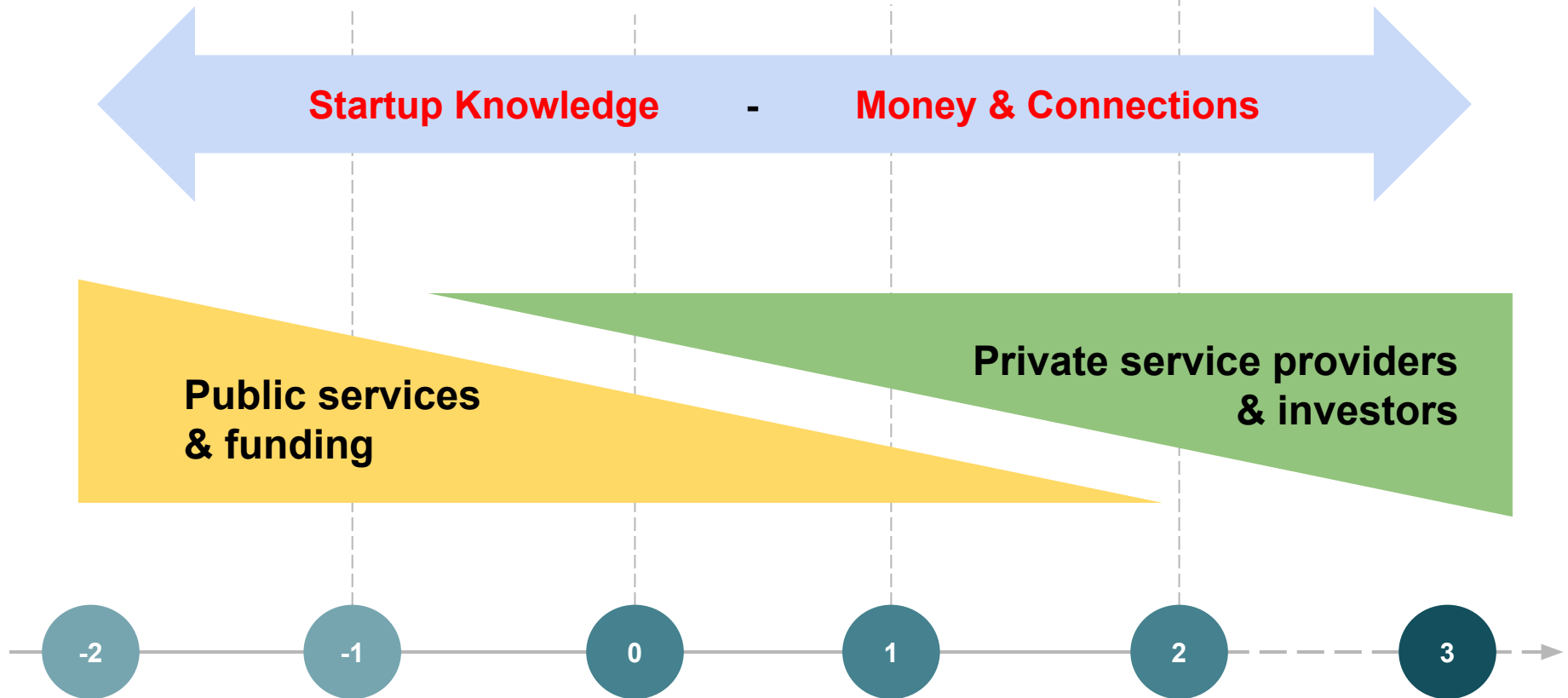


**Team**

**Organization**

**building team, skills, commitment, values, culture, agreements, organization, business processes etc.**

# Supporting Startup Development



**map our current services**

**Business idea**

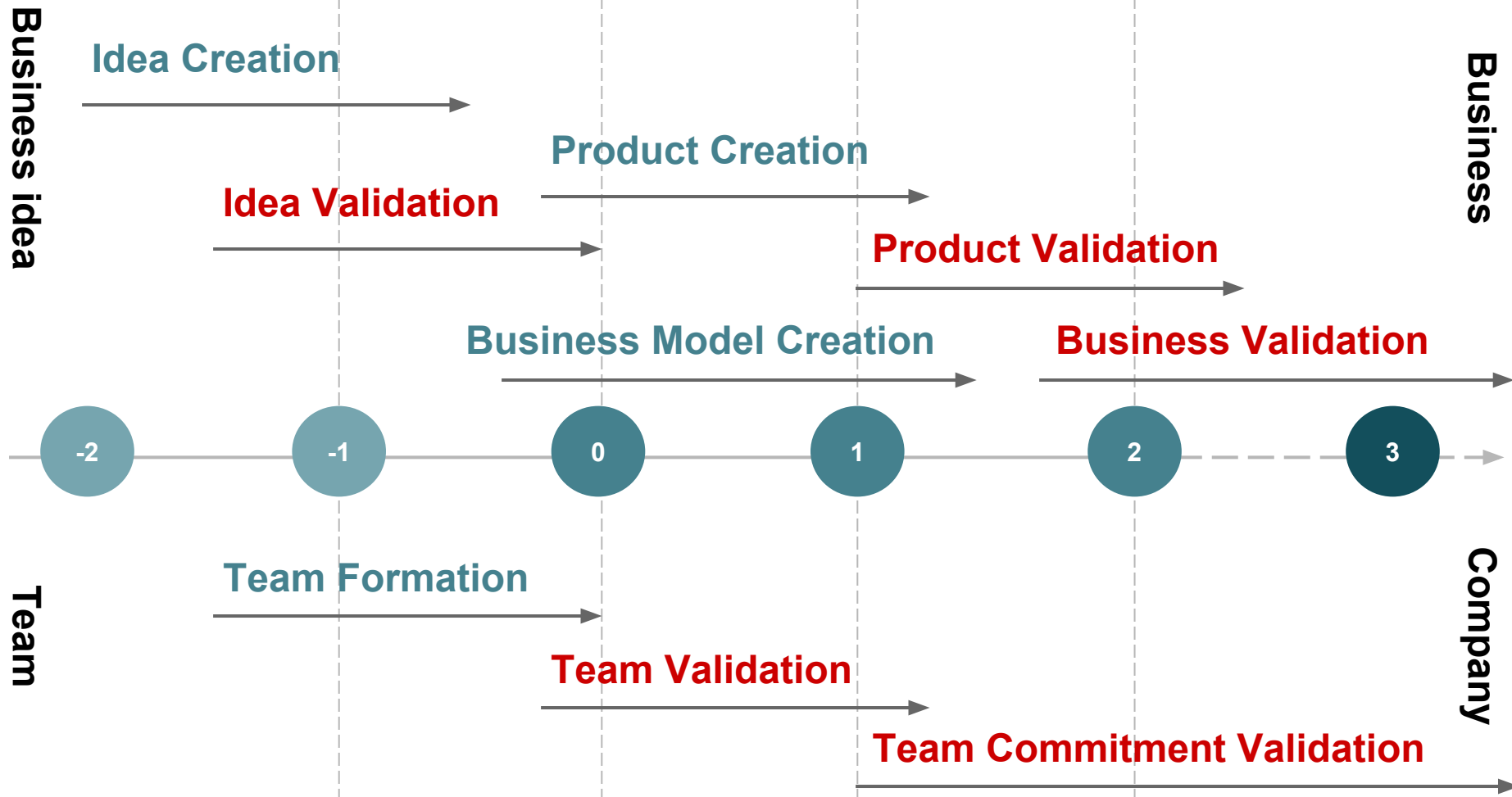
**Business**



**Team**

**Company**

**service targets**





**general approach**

**Business idea**

## Open Services

No Time Fixed Format

“One Off” Services  
ie. Service “Buffet”

## Acceleration Style

For Most Potential Ones

Fixed Time period Format

Dedicated & Planned Services

## Showcase

Best Startups

For Investments  
& Inspiration

**Business**

-2

-1

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1

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**Team**

Focus on

- Basics learning
- inspiration
- exploration

Focus on

- execution

Focus on

- scaling

**Company**

# types of services

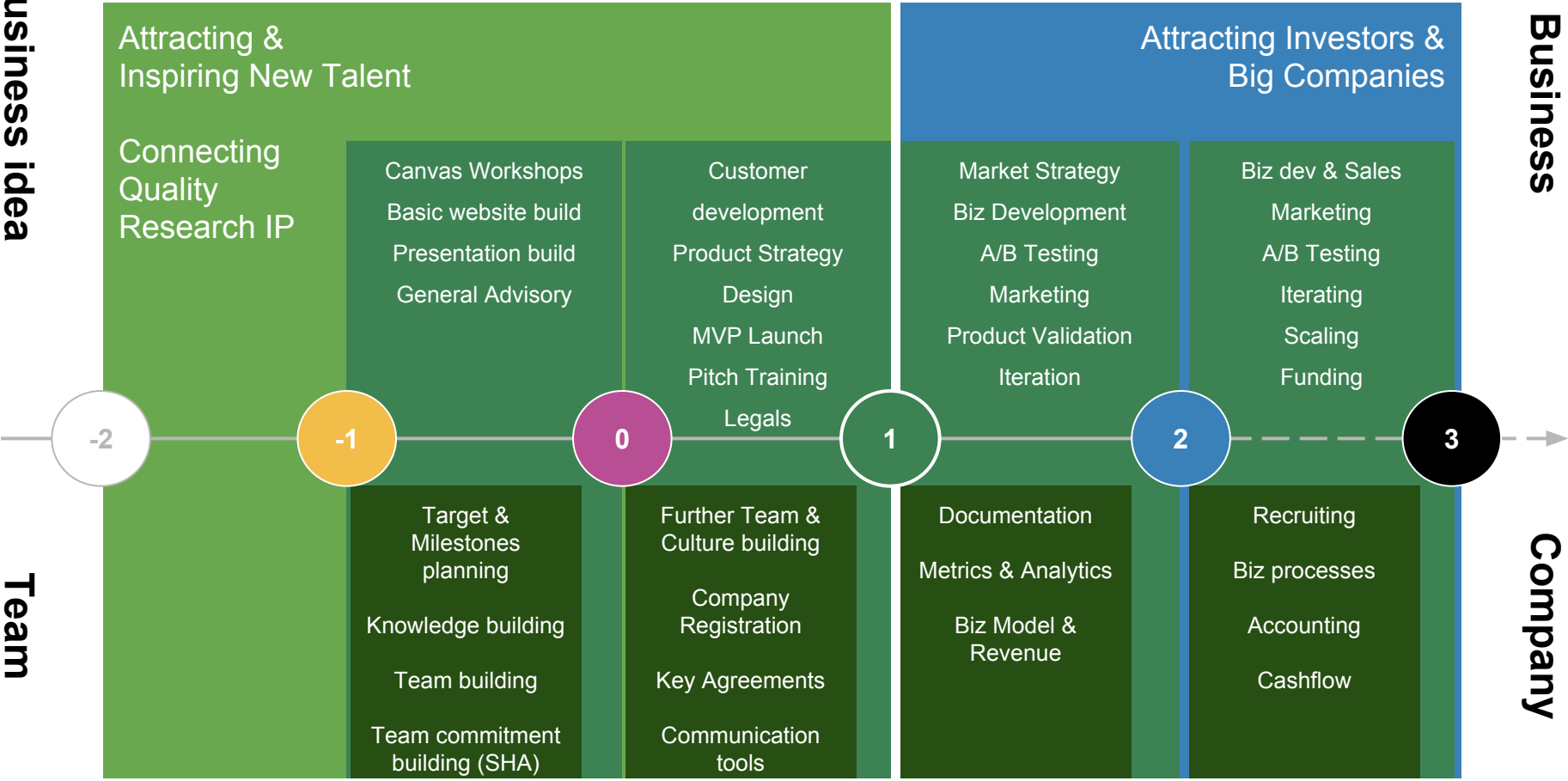
# Focus To Support

**Business idea**

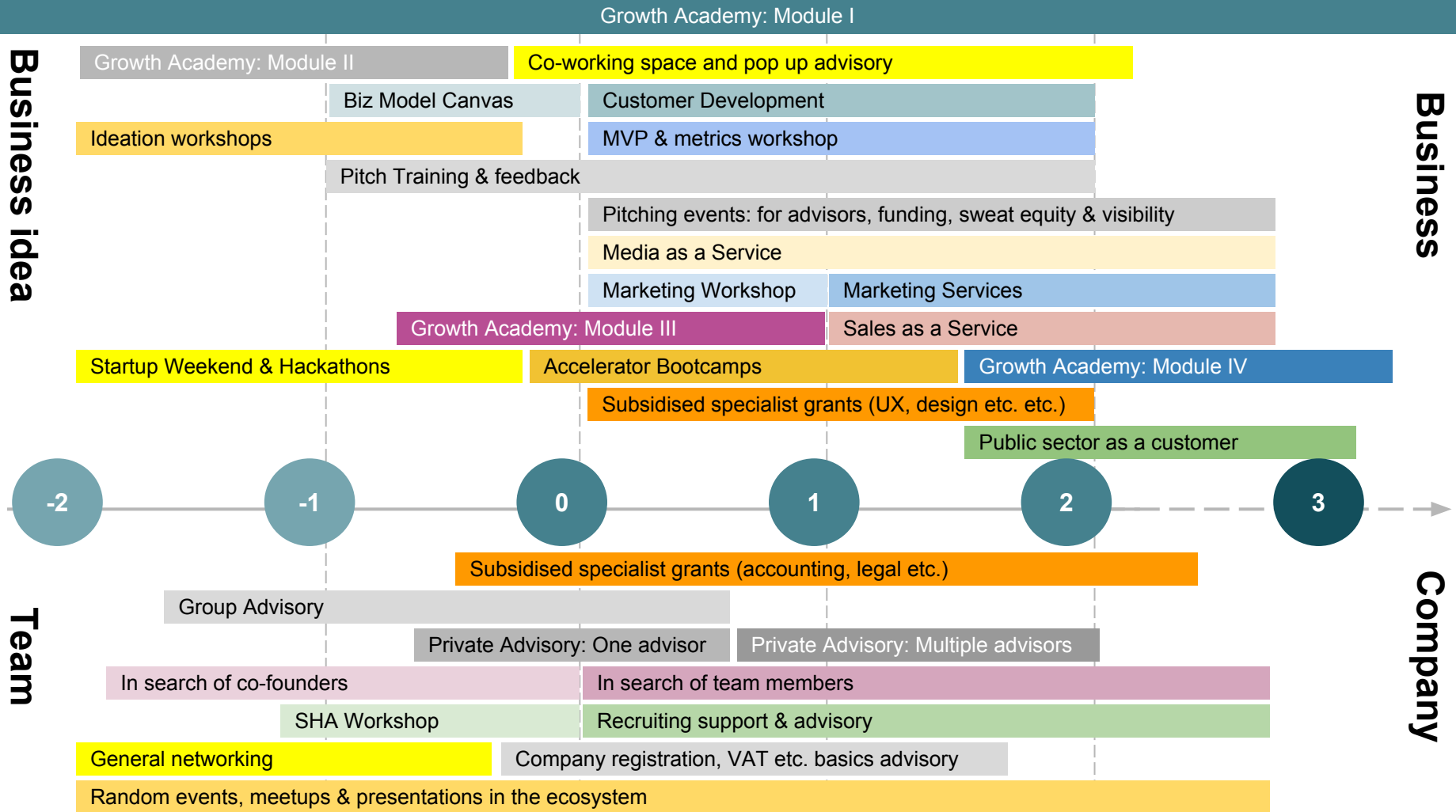
**Business**

**Team**

**Company**



**suite of services**



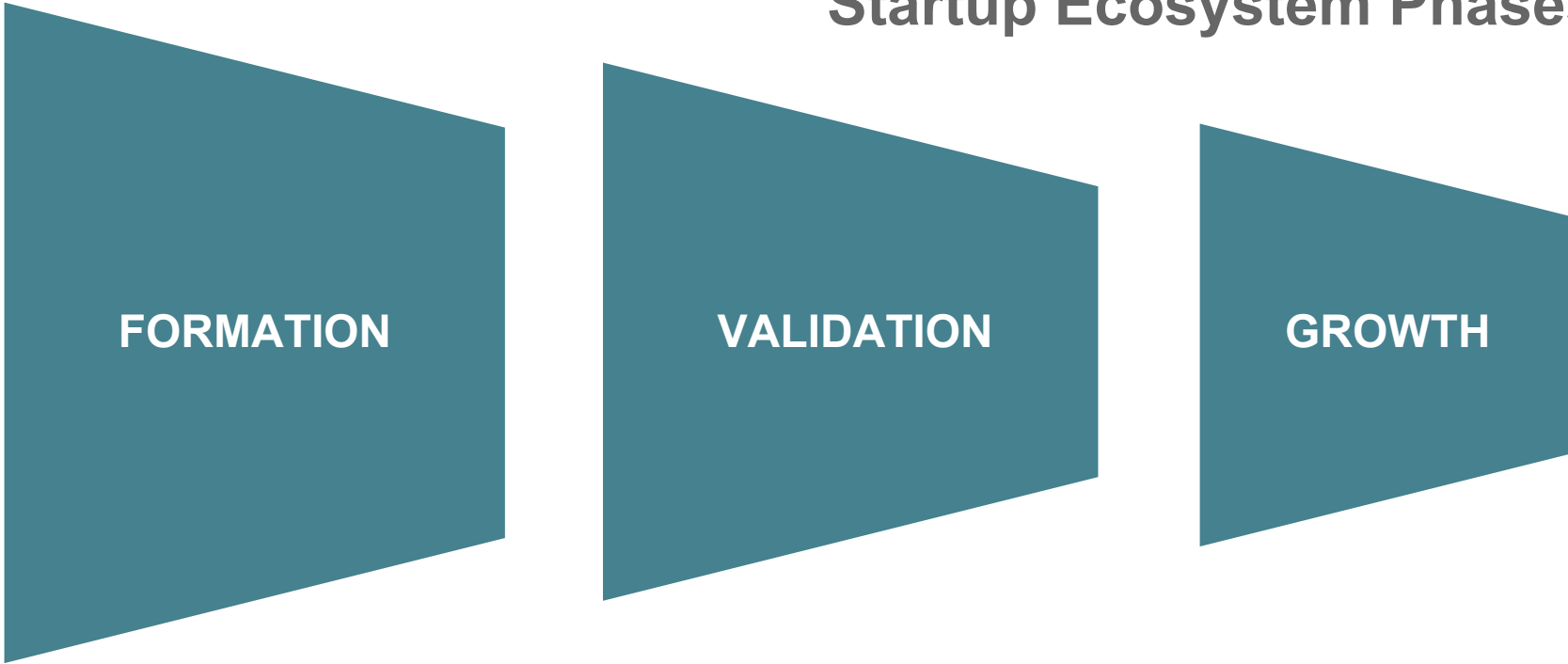
# **NOTE:**

How is the availability  
in monthly, weekly, etc?

**public funding  
for startups & services**



# Startup Ecosystem Phases



**FORMATION**

**VALIDATION**

**GROWTH**

**-2**

**0**

**2**

Problem / Solution Fit

Vision / Founders Fit

Product / Market Fit

Business Model / Market Fit



## FORMATION

a startup is “born”  
when IPR’s and  
founding  
entrepreneurial team  
members commit to  
contribute to build  
value and confirm this  
value to be captured  
to “a company” with  
founders shareholder  
agreement

# Service funding

- Fixed amount per organized event
  - Organizers time for prepare, actual event and KPI's reporting
  - Catering
  - + fixed Small Speaker fee
- Prize money for
  - Best idea per event/series of events
  - Most active contributors

# Startup funding

- Grants for legal services (sha/ipr agreements)
  - channeled via incubators, mentors etc.
- Small Grant Rewards for achieving next development phase
  - Confirmed by mentor, incubator etc.



## VALIDATION

a startup is ready for growth, after the core teams ability and commitment to build and execute the vision is validated and product have clear customer and market validation.

# Service funding

- Fixed amount per organized acceleration batch
  - Organizers time for prepare, actual event and KPI's reporting
  - Catering
- Prize money for
  - Best and two runner ups of the program
  - Best team effort

# Startup funding

- Grants for 3-6 months (matching acceleration duration) for co-founder teams living costs
  - For max 3 core co-founder persons
  - Channeled via accelerators
- Grants for
  - legal fees for investor agreements
  - For UX/Visual design services
- Small Grant Rewards for achieving next development phase
  - Confirmed by mentor, accelerator, investor etc.



# GROWTH

growth is about scaling, multiplying **all required things** that **are validated to work** in most **efficient manner**, while having **clear methods in place** to actively **measure and validate** the **scaling processes & overall progress**.

# Service funding

- Fixed amount per organized event
  - Organizers time for prepare, actual event and KPI's reporting
  - Catering
  - + fixed Small Speaker fee
- Prize money for
  - Fastest growing
  - International press visibility

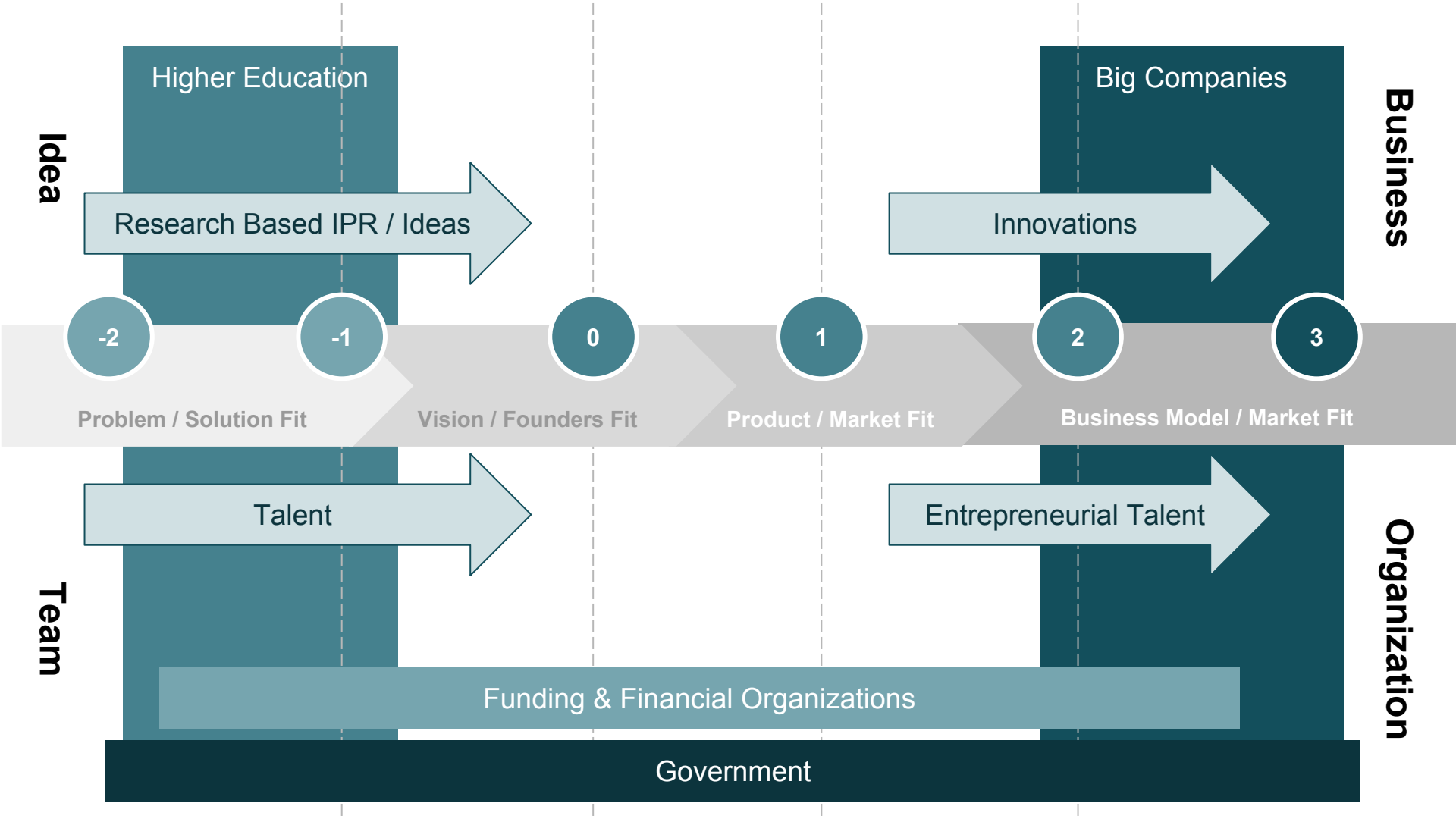
# Startup funding

- Grants channeled via advisory services, investors, mentors etc. for:
  - international travel costs
  - marketing services
  - Business Planning
- Tax Rewards for achieving specific growth milestones
  - X number of international customers
  - X international revenue

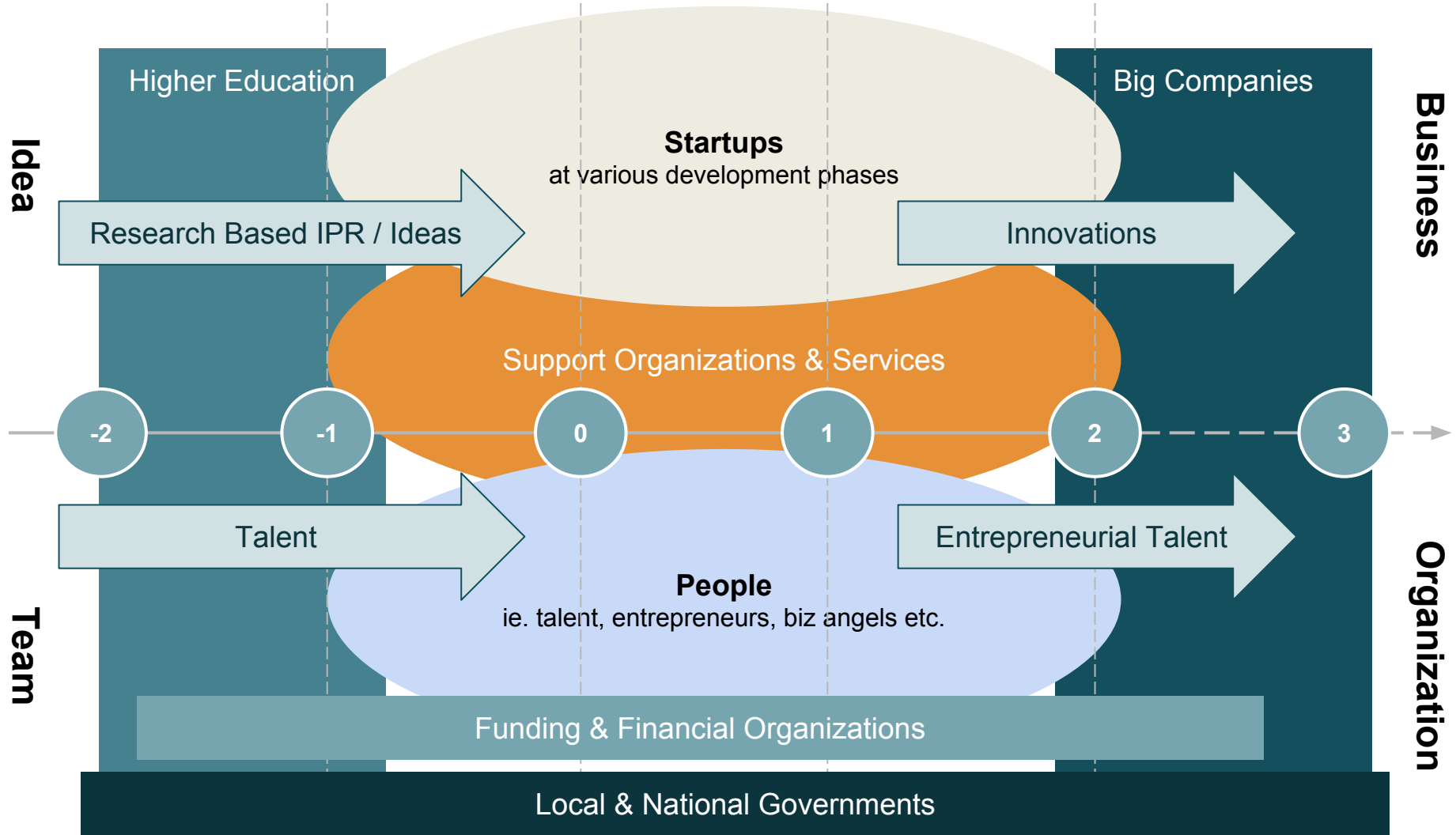
**Setup and reported via  
community modules on  
digital ecosystem**



**key stakeholders**



**startups & services**



# Digital Startup Ecosystem

**visualize & coordinate  
ecosystem services**



SERVICES

EVENTS

COMMUNITIES

STARTUPS

NEWS

ABOUT

# STARTUP ECOSYSTEM Vietnam

SEARCH EVENTS

05/09/15

-

13/12/15



Keyword Search, Industries and Location Hierarchy

SHOW FOR STARTUP STAGES

-2

-1

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## EVENTS – 123 RESULTS

19 DEC

WED, 19 DEC 2105 | Time 16.30–19.30

STARTING A COMPANY INFO

Ensi linja 1, JUHLASALI, 00530 HELSINKI

REGISTER



VIGROUP

-2

-1

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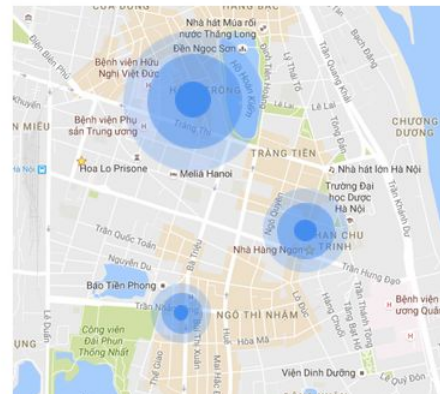
3

19 DEC

WED, 19 DEC 2105 | Time 16.30–19.30

STARTING A COMPANY INFO

## ACTIVITY TRACKER



**Via digitally  
Connected Communities**














## Market

[new startups](#) ▾

[views \(last month\)](#) ▾

[momentum](#) ▾

## Recent Updates

Paragraph ▾ **B** *I* U **A** ▾         

Path: [p](#)

Unfollow

Post

## Followed

[All](#) / [Funders](#) / [Entrepreneurs](#) / [Experts](#)

No followed people.



**Huong Nguyen** joined Saigon Innovation Hub network

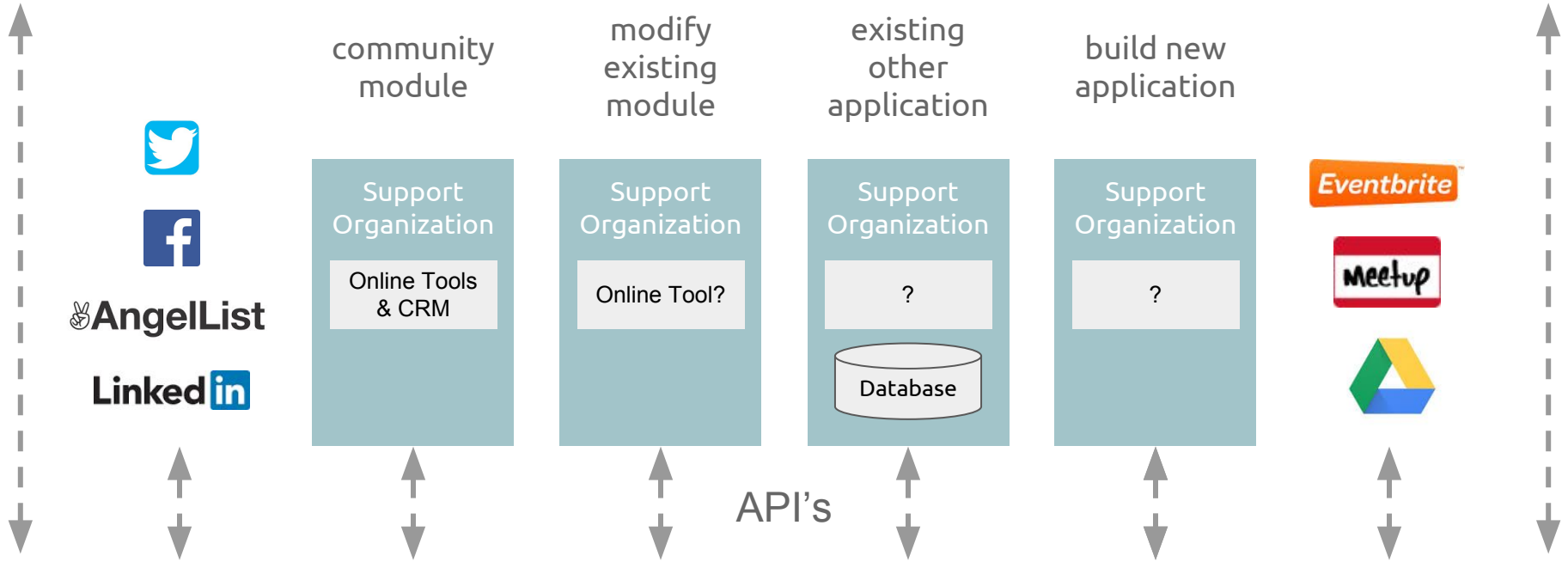
2 hours ago



You are following Saigon Innovation Hub

# Real-time Digital Startup Ecosystem Portals

for cities, counties & different business verticals



## Digital Ecosystem Infrastructure

Single connection via one "grid" for multiple services.

Connecting Database

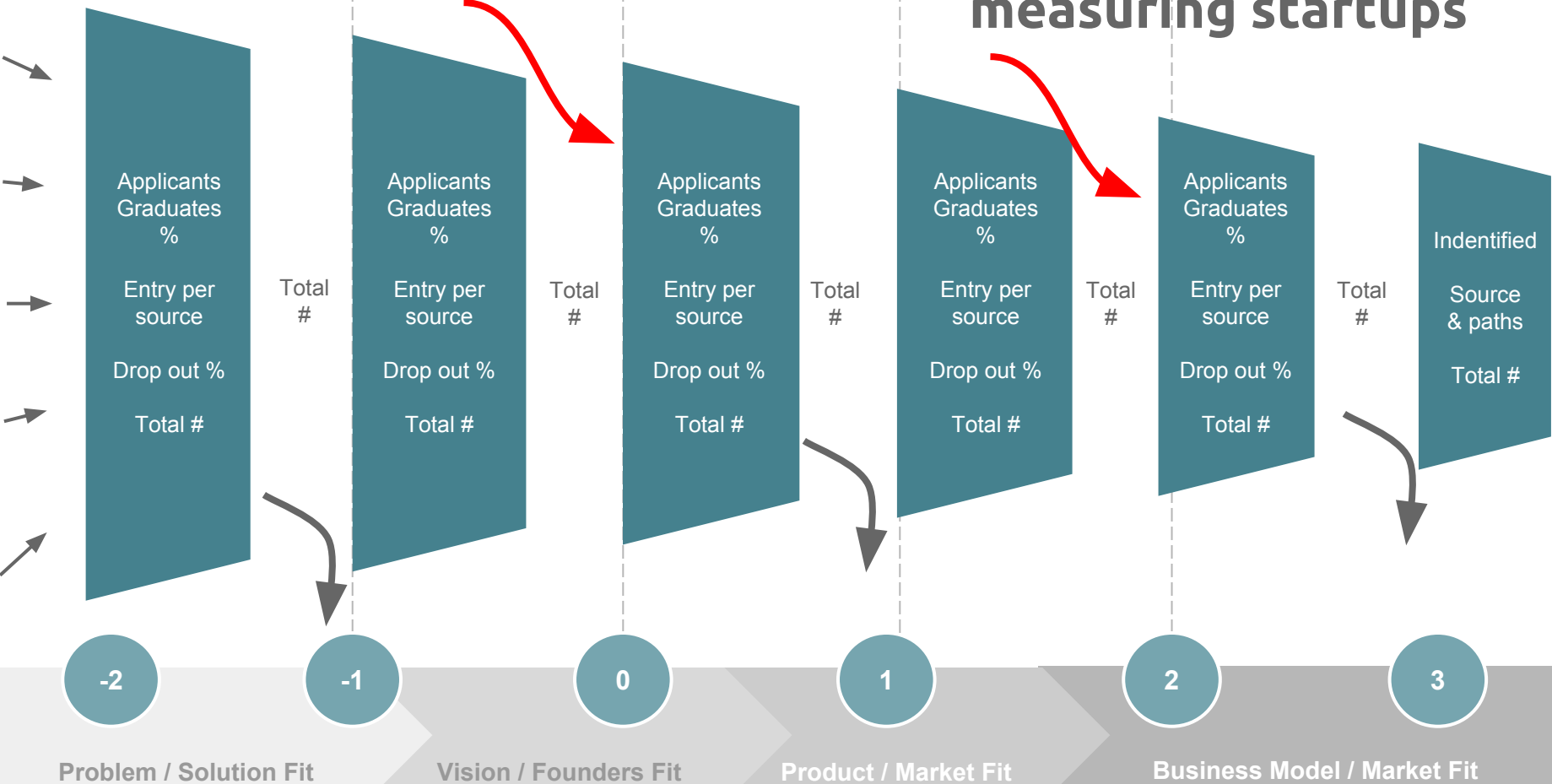
kpi's

# What needs to be measured?

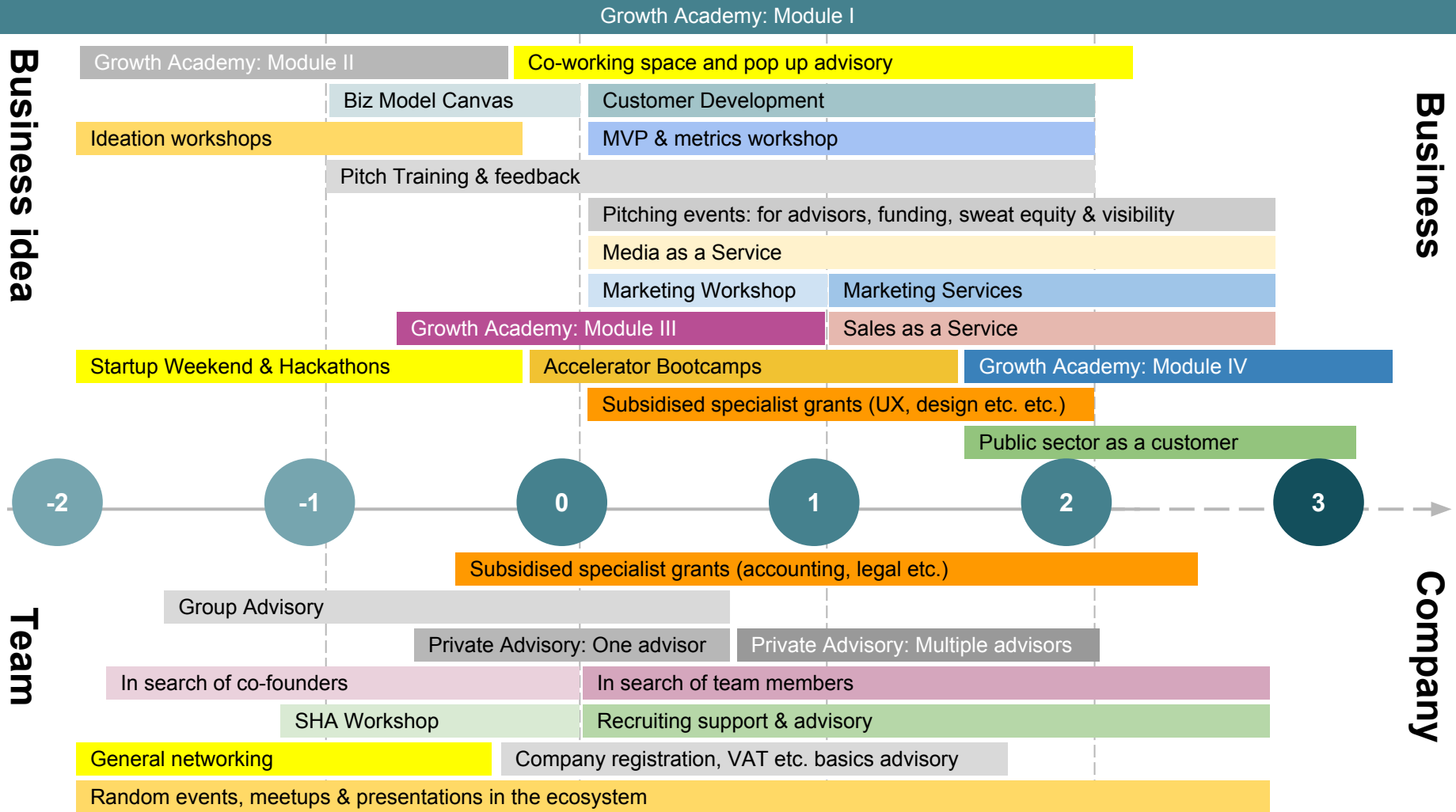
1. Startups progress and contributing factors
2. Service intake, output, efficiency & feedback
3. Outcome of Ecosystem development actions
  - Compared to targets, split by vertical, development phase and support/funding type.
  - Benchmarked locally, nationally & internationally

# measuring startups progress

# measuring startups

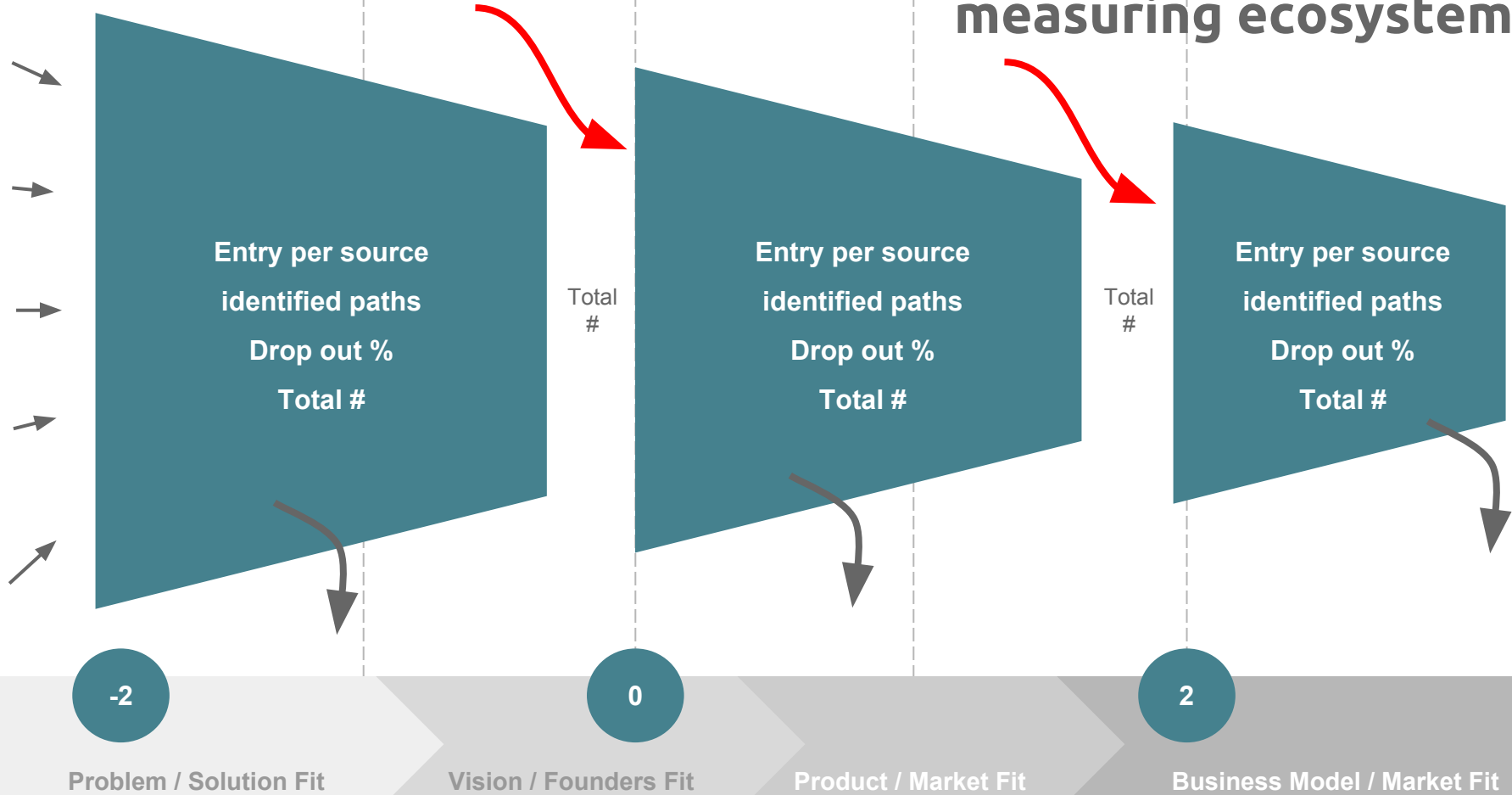


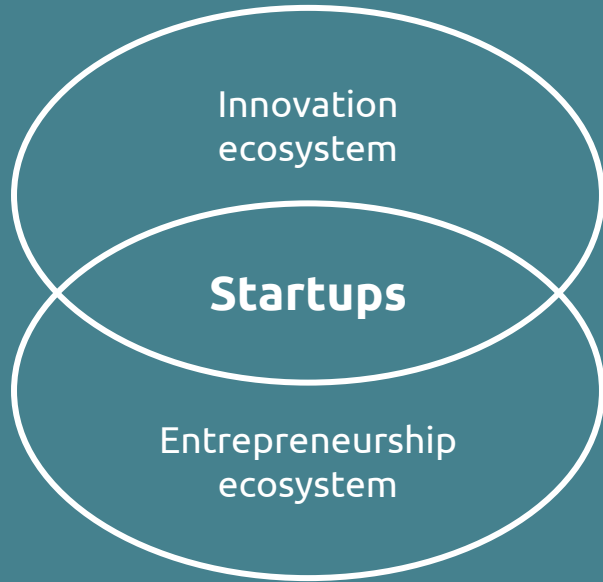
# measuring ecosystem services





# measuring ecosystem





Startups are  
“**seeding**” within  
innovation &  
entrepreneurship  
ecosystems being  
**influenced** and  
**fed** by both  
ecosystems best  
**ingredients**



FORMATION

**a startup** is “born”  
when **IPR's** and  
founding  
entrepreneurial **team**  
**members commit to**  
**contribute** to build  
value and **confirm** this  
value to be **captured**  
to “**a company**” with  
founders shareholder  
agreement

# Functions

- collect assets and sources for assets (ipr, API's, data, market challenges etc.)
- promote & market the function
- promote pre-sha model
- track marketing effectiveness via web traffic and KPI's

# Idea Formation Services KPI's

- volume: number of assets, resources & tools in pool/library
- volume/quality: sources of talent (came from / heard from)
- quality: of sources & channels
- volume: number of challenge or problem definitions to work work on
- volume: number of events organized
- volume: number of potential ideas formed
- quality: of ideas formed
- volume: number of ideas and/or teams moving forward
- volume: number of participants
- volume: total number of new participants
- volume: total number of unique participants
- velocity: time from new new challenge to quality ideas (level definition)
- velocity: time from new talent to potential team member
- ROI: cost of service function / number of quality ideas output
- ROI: cost of service function / number of potential teams with idea to continue

# Startup Idea Related KPI's

- quality: of ideas formed (problem/solution fit, market potential, market timing)
- volume: of co-founder reach
- volume: of co-founder discussions

# Team Commitment

# Team Formation Services KPI's

- volume: number of potential teams entering to commitment validation
- volume/quality: sources of teams (where did they come from, how did they hear about)
- volume: number of committed teams
- quality: of teams (past learnings)
- quality: of SHA
- quality: of legal support by partner (customer & advisors feedback)
- quality of service function (customer feedback)
- velocity: time from entry to signed SHA
- ROI: cost of support function / output & conversion rate (in -> out)



# Startup Team related KPI's

- number of meetings needed (independently & with advisor)
- number of team member restructuring needed
- number of SHA draft version iterations



VALIDATION

a startup is ready for growth, after the core teams ability and commitment to build and execute the vision is validated and product have clear customer and market validation.

# Validation Services KPI's

- volume: number of teams entering to validation validation
- volume/quality: sources of teams (where did they came from, how did they hear about)
- quality: of teams
- quality: of SHA
- quality: of potential innovation (problem/solution fit, market potential, market timing)
- quality: of partners/trainers (customer & advisors feedback)
- quality of service function (customer feedback)
- velocity: time from entry to validation
- ROI: cost of support function / output & conversion rate (in -> out)

# Startup Validation Related KPI's

- volume: number of assumptions to validate
- quality: methods to validate in place
- volume: number of actions validating assumptions
- quality: results of validations (number of recorded learnings and new assumptions)
- volume/quality: volume of data to evaluate vs. effort of getting it vs. usefulness
- quality: happy customers/users
- quality: paying customers/users
- volume: sold projects (if prior to product)
- volume:/quality: number & conversion rate of interested responded (prior users)
- quality: of pitch
- volume: of business model canvas iterations



**Growth**

**growth** is about scaling, multiplying **all required things** that **are validated to work** in most **efficient manner**, while having **clear methods in place** to actively **measure and validate** the **scaling processes & overall progress**.

# Growth Services KPI's

- volume: number of introductions for investors, channels & customers
- quality: matching result from introductions
- quality: of advisory
- quality: of trainings
- velocity: independency / hand-off to others take role in advisory/strategy support

# Startup Growth Related KPI's (1/2)

- quality: of go to market strategy
- volume: inbound traffic growth
- quality: inbound traffic growth
- volume: outbound contact volume
- quality: outbound conversion funnel development per channel, product, segment etc.
- quality: time from lead to deal
- quality: time from deal to delivery
- velocity: development of core processes
- quality: measurements of process effectiveness

# Startup Growth Related KPI's (2/2)

- quality: pricing/profitability level development (quality and value of customers).
- quality: quality and value of customers
- quality: balance between happy vs unhappy customers
- quality: partner network quality and volume development
- volume/quality: productive headcount development
- volume/quality: revenue growth
- quality: cashflow management
- quality: of pitch
- quality: of business plan
- quality of KPI's
- volume: of recruiting
- quality: of recruiting & onboarding
- quality: of key stakeholder communications



**measuring ecosystem**

# Development Focus Areas

## Items to improve (vertical)

1. **innovation** (problems, research, ideas, concept, products)
2. **talent** (entrepreneurial people, attitude, skills, passion etc.)
3. **entrepreneurship** (mission, vision, culture, values, etc.)
4. **support** (knowledge, services, education, workforce etc.)
5. **money** (funding/revenue; grants, investments, sales)
6. **growth** (growth in “everything”, in volumes, quality and velocity, in companies, in go to market, channels, international networks, jobs, etc.)

## Values to improve (horizontal)

1. **Volume**
  - a. methods to improve: culture building, communications & marketing, etc.
2. **Quality**
  - a. methods to improve: knowledge, guidance & feedback loops, etc.
3. **Velocity**
  - a. methods to improve: tools & processes, matching etc.
4. **ROI** (budget/resources vs output)
  - a. methods to improve: measuring, analysing, strategy & orchestrating

- How to measure each? What type of metric is in question from current metrics. What other metrics are needed.
- Prioritize metrics with top > mid > sub metrics & identify connections for balance
- value/roi index? (weight % per row & column to balance relevance)

# Ecosystem Development KPI Framework

	Innovation	Talent	Entrepreneurship	Support	Money	Growth
Volume						
Quality						
Velocity						
ROI						

# Ecosystem Benchmarking

## Mission > Vision > Strategy

- Co-founder team formation
- What, to whom? & Why and how?

## Lean Startup

Minimum Viable Product

Validate / Iterate  
(or pivot)

## Scale Up

Grow / Expand / Exit

-2

0

2

3

Problem / Solution Fit

Vision / Founders Fit

Product / Market Fit

Business Model / Market Fit

	Innovation	Talent	Entrepreneurship	Money	Support	Growth	
Volume	value	value	value	value	value	value	<u>Total</u>
Quality	value	value	value	value	value	value	<u>Total</u>
Velocity	value	value	value	value	value	value	<u>Total</u>
ROI	value	value	value	value	value	value	<u>Total</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>	<b><u>Index</u></b>

# Ecosystem Development Framework KPI Dashboard

## Mission > Vision > Strategy

- Co-founder team formation
- What, to whom? & Why and how?

## Lean Startup

Minimum Viable Product

Validate / Iterate (or pivot)

## Scale Up

Grow / Expand / Exit



	I	T	E	S	M	G	I	T	E	S	M	G	I	T	E	S	M	G
Volume	<a href="#">%</a>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Quality	<a href="#">%</a>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Velocity	<a href="#">%</a>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
ROI	<a href="#">%</a>	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%

### FORMATION

### VALIDATION

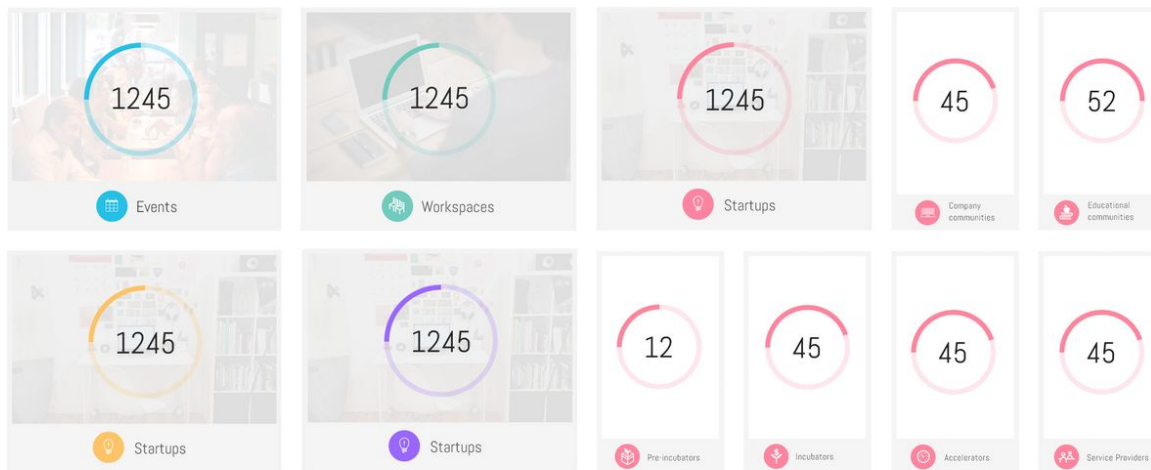
### GROWTH

I = Innovation, T = Talent, E = Entrepreneurship, S = Support, M = Money, G = Growth

# visualizing ecosystem kpi's

[SERVICES](#)[EVENTS](#)[COMMUNITIES](#)[STARTUPS](#)[NEWS](#)[ABOUT](#)

## Metrics



# Digital Startup Ecosystem

[www.startupecosystem.com.vn](http://www.startupecosystem.com.vn)



# International Expert



## Valto Loikkanen

International Serial Entrepreneur  
Startup Ecosystem Developer

### As an Entrepreneur

- 20+ years as **international Serial Entrepreneur** (US, EU, Asia) & **Portfolio Entrepreneur**, with personal hard earned **success & failures** (currently 10 companies)
- 17 years **experience in developing digital tools** to support various business processes
- 6 years of **developing equity crowdfunding and other digital investment market solutions** globally
- 5 years for **Startup Ecosystem development** combined with online support **tools, platforms & metrics**

### As a Business Advisor

- 10 years of startup mentoring
  - **2000+ one to one mentoring sessions** and workshops
  - **1000+ entrepreneurs and hundreds of startups** around the world at various development stages and industries
- 10 years **developing Startup Support services**, with **entrepreneurial mind and lean methodology**
- 5 years of “living lab” **development for Startup Ecosystems**
- 3 years in **European Commission Horizon 2020 Advisory**:
  - Access to Risk Finance,
  - Spreading Excellence & Widening participation
  - International Cooperation

# Global Digital Finance Ecosystem



**Startup Ecosystems Globally**

**Startup Commons Global**

[www.startupcommons.org](http://www.startupcommons.org)

@startupcommons

Part of the **growvc**  
group