

Start a Startup

A Guide for Cambodia's Future Founders



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Preface

Techo Startup Center was created in 2019 and has the vision to foster startups and promote digital business in Cambodia. Startups can make a big difference in a country by improving living standards and solving social and environmental problems through innovation and digital technology. The term "startup" is often used to refer to a new and innovative business. However, in Cambodia and other developing countries where entrepreneurship and innovation are not as developed, the concept of a startup is either unfamiliar or confused with an SME. This is why Techo Startup Center developed this book, "Start a Startup: A Guide for Cambodia's Future Founders" to provide essential knowledge for those who are interested in learning more about startups and entrepreneurship, as well as introducing startup supporting programs in Cambodia to aspiring founders that could help them start a startup and find an opportunity in the startup journey.

The journey of a startup is never easy, but that does not mean it is an impossible task. However, aspiring founders should be aware of the preparation, including understanding the startup concept, entrepreneurial characteristics, and skills that founders should have. This book also highlights the importance of the initial stage in creating business ideas with small, impactful solutions that address the problems in society.

Besides understanding the fundamental knowledge of startups and entrepreneurship, aspiring founders should make the most of the supporting ecosystem, such as by joining startup support programs. These programs provide mentorship, access to resources, networking opportunities, and funding opportunities, especially for early-stage startups. Moreover, it is a supportive environment to validate business ideas, build networks, learn critical skills, and develop products or services that improve the standard of living through digital innovation.

Acknowledgment

As authors of Start a Startup: A Guide for Cambodia’s Future Founders, we are deeply grateful for the opportunity to create a valuable resource related to startups and entrepreneurship. This book has been made possible through the unwavering support of the Techo Startup Center (TSC), and we extend our heartfelt appreciation to **H.E. Dr. Taing Nguonly**, Director of TSC, for his invaluable guidance and a constant source of inspiration.

The realization of this endeavor would not have been possible without the contributions and insights of numerous individuals and colleagues within TSC. To each one of them, we extend our warmest appreciation for their valuable feedback and unwavering support.

As we present this book, our ultimate hope is that it serves as a valuable resource, increases awareness of startups, and inspires and empowers individuals to start on their startup journeys. Our vision is to foster a vibrant ecosystem of innovation and entrepreneurship, and we are excited to contribute to this journey of exploration and growth.

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Chapter 1. Introduction

What Makes this Book Important?

Startups have attracted public interest and attention, evolving from a little-known concept to becoming one of the driving forces for the modern economy in Cambodia. What makes startups so important and appealing? It is because it brings a lot of benefits to society. According to a study by Mr. Rafique (2020), startups could help a country, especially a developing one, in various ways such as by creating jobs, improving living standards, increasing the talent pool, growing the gross domestic product, developing research and development, and generating wealth.



Recognizing all these advantages, the Royal Government of Cambodia has implemented many programs to support startups both financially and technically, especially for those who are interested in building one. Therefore, to complement the support, we think that compiling the essential knowledge into a book would serve the purpose of providing basic understanding to aspiring founders as well as guiding them in building a startup from the ground up. Aspiring founders can also use this resource to navigate their way into the startup ecosystem.

Objectives

This book will present essential insights into startups and entrepreneurship. The book also draws on some of the best practices and experiences of startup founders, mentors, and other players in the Cambodian startup ecosystem, making it a valuable source of information for anyone interested in the startup world. The book has three main purposes:

- Explain the core principles of startups.
- Guide aspiring founders in cultivating entrepreneurial mindset, and skills and developing business ideas for their startup.
- Introduce startup support programs and provide key resources that can foster the startup journey.

Who Should Read This Book?

- Anyone curious about startups: those who want to understand what startups and entrepreneurship are about.
- Aspiring startup founders: innovators who need practical guides and tips on how to start a startup and how to pave their way to a startup journey.

Approach

This book follows a systematic literature review approach related to startups and entrepreneurship. It uses secondary data from books, reports, experiences, and other reputable resources.

Book Structure

Chapter 1. Introduction

This chapter aims to provide an overall introduction to the book by presenting the importance of the book, its objectives, methodology, and scope.

Chapter 2. Startups: Definitions, Distinctions, and Contributions

This chapter aims to provide aspiring founders with a comprehensive understanding of startups, including the meaning, the distinctions between a startup and an SME, and emphasizes startup role as the new growth driver contributing to the country’s development.

Chapter 3. Becoming an Entrepreneur: Characteristics, Skills, and Essential Preparation

This chapter aims to prepare aspiring founders before entering entrepreneurship by listing down the variety of characteristics and skills a founder should have. It also includes probing questions to help them understand what to prepare before deciding to build a startup.

Chapter 4. Turning Ideas into Actions: How to Build a Strong Foundation

This chapter focuses on the formation phase and includes the ideation and conceptualizing stages, which act as a foundation for the development of startup. Learn more about this phase, to build a business idea for the startup.

Chapter 5. Igniting the Startup Ecosystem: Empowering Aspiring Founders Through Innovative Support Programs

This chapter aims to introduce key support organizations, programs, and events that foster innovation as well as entrepreneurship. This section highlights quotes, personal ideas, and experiences on startups and entrepreneurship ecosystems, as well as essential resources for aspiring founders to explore the startup world.

Chapter 6. Conclusion

This chapter concludes the book by summarizing key takeaways and addressing frequently asked questions to provide aspiring founders with additional insights.

How to use this book

This book is a guide tailored for anyone who is intrigued by startups and entrepreneurship. The content covers a wide range of important topics and provides insights into how startups work, what entrepreneurs entail, and what steps are required to launch one in the initial stage. It is important to note that this book does not offer an orderly guide to follow. Instead, it focuses on key areas that aspiring founders should be aware of. By learning about these topics, aspiring founders can build a solid foundation, make informed choices, and confidently navigate the exciting journey of entrepreneurship.

Chapter 2. Startups: Definitions, Distinctions, and Contributions

The term “Startup” has become a global phenomenon as it is widely used to refer to new businesses that offer innovative solutions. However, in countries like Cambodia where entrepreneurial and innovative culture is not very advanced, the concept of startups is not well understood and often mixed up with Small and Medium Enterprises (SMEs). Nevertheless, it's important to note that Cambodia is currently experiencing significant transformation and development, particularly in the post-COVID era. Many opportunities are given to startup to grow. The government has recognized the importance of fostering a vibrant supportive ecosystem for startups and has introduced various policies and initiatives to promote entrepreneurship and innovation. For the last decade, we can observe a growing number of startups in Cambodia. This reflects the significant opportunities for growth and success as the country continues to develop and modernize.

In this chapter, we discuss:

- The meaning of a startup.
- The difference between startups and SMEs.
- The role of startups in the country.



What is a Startup?



“Institution or the process of establishing and managing business which harnesses the innovations in establishing business models under unclear conditions with higher risks, but with great potential to rapidly grow” (RGC 2021a, 119). Creative problem-solving, redefining norms, and embracing risk are what drive startups to success. Their core elements include innovation, scalability, risk-taking, and rapid growth. Innovation introduces fresh ideas, disrupts established norms, and bolsters market influence. Startups operate

in high-risk environments, embracing uncertainty and challenges that traditional businesses might avoid. Their potential for exponential growth allows them to scale quickly and create a significant impact in a short period of time. These core elements empower startups to make a substantial impact on the entrepreneurial landscape.

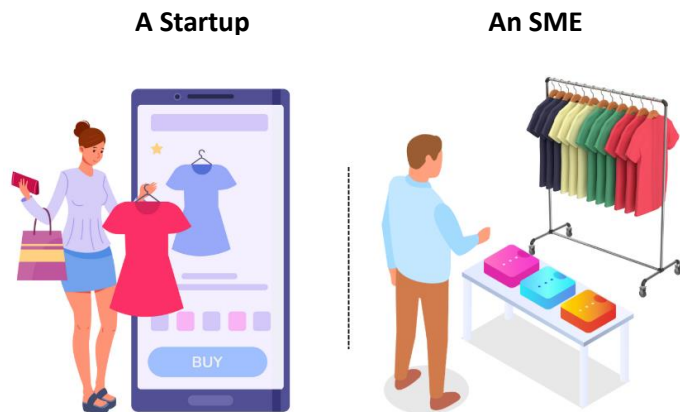
Startups and SMEs

A common misconception is that the term “startups” and “small and medium enterprises (SMEs)” are interchangeable when it comes to a new business venture. However, if we take a closer look at their characteristics, there are some key distinctions. Figure 1.1 shows a comparison of startups and SMEs in terms of their definition, growth orientation and product development process.

Startups	SMEs
Use innovation to run a company	Use existing concepts or ideas
High risk, high growth	Less risk, steady growth
Frequent tests and experiments	Few tests and experiments
Grow rapidly and become much larger companies	Maintain a constant and stable revenue stream
Example: Nham 24, BookMeBus, Morokot Technology, Banhji	Example: Roadside Noodle shop, Grocery store, Phone store

Figure 1.1: Differences between Startups and SMEs
Source: Authors (2023)

Small and medium enterprises (SMEs) rely on existing or conventional ideas to run the business, with the aim of finding a market and generating a stable and regular income. Some examples of SMEs are clothing stores, restaurants, grocery shops or common business models. On the other hand, startups aim to disrupt their market by using innovation as their core business model, which has potential for high growth but also involve high risk. Some examples of startups are delivery services, streaming services, e-commerce, and other companies that leverage technology or innovation as their core strategy.



Some examples of startups are delivery services, streaming services, e-commerce, and other companies that leverage technology or innovation as their core strategy.

"You might have a great business idea, but unless it can be scaled rapidly across borders, it's an SME and not a Startup (Innovation Driven Enterprise - IDE)," says Richard von Kaufmann in his article about Startup 101. Figure 1.2 below illustrates the differences between startups and SMEs, based on the study "Tale of Two Entrepreneurs":

- In the first chart, it depicts the growth trajectory of SMEs, which is linear and consistent over time. The company generates revenue and creates jobs at a stable and predictable rate.
- In the second chart, it represents startup. This type of business typically must face some challenges, especially in the beginning. It must invest a lot of money before it can earn any profit, which means it might incur losses for some time. However, if it can overcome these problems, it has the potential to achieve rapid and exponential growth in the future. As illustrated in the chart, its growth curve is slow at first but can accelerate quickly later.

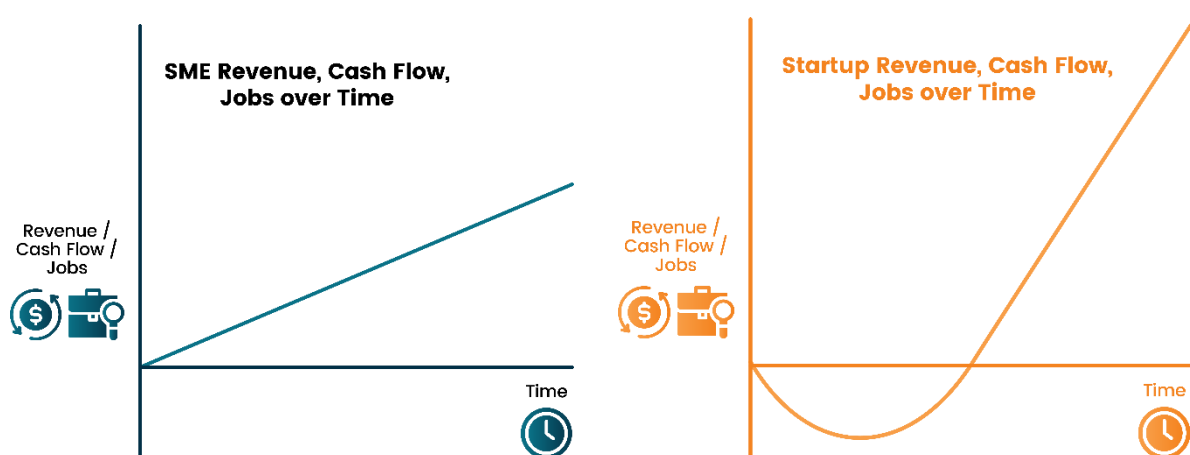


Figure 1.2: Tale of Two Entrepreneurs
Source: Bill et al (2013)

Startups: How They Benefit the Socio-Economic

Startups play a crucial role in driving socio-economic development. They have various and significant impacts on the nation's progress in different aspects:

- **Job Creation:** Startups are a vital source of creating new jobs in the contemporary economy. They offer innovative solutions to different problems and challenges and often disrupt existing markets and industries which inspire more people to pursue their own ideas and ventures. Startups also contribute to the development of human capital as they provide opportunities for learning, skills development, and career growth.
- **Gross Domestic Product (GDP):** Startups can positively impact a country's GDP when their innovative ideas, technologies, and business models successfully become established businesses. This change often leads to job creation, productivity enhancement, higher consumer spending, and overall economic growth.
- **Technology and Digital Solutions:** Startups provide smarter and easier solutions based on the market demand and solve their target customer pain point through using innovation or creating technology as core product to offer tech way for users, and often leverage technology and digital solutions to achieve their objectives and meet market needs, such as developing new software, platforms, apps, or devices. Startups also foster a culture of creativity, innovation, experimentation, and collaboration that can inspire other businesses and individuals to follow.
- **Entrepreneurship:** The way startups operate encourages the entrepreneurial spirit in society. They create a culture of innovation and risk-taking, which leads to the development of the startup and SME sectors. They empower entrepreneurs to follow their dreams, solve problems, create value, and generate wealth and inspire more people to become entrepreneurs.
- **Social impact:** Startups that address social or environmental issues contribute to the development of society. Startups can create social impact in multiple ways, such as by creating jobs, improving living standards, fostering social inclusion, and promoting environmental sustainability.



Startups: Catalysts of Cambodia's Digital Transformation

Cambodia's vision of becoming an upper-income country by 2030 depends on a strong digital sector. Startups are essential for fostering and enhancing this digital environment by introducing new ideas, innovations, and technologies. Over the past decade, Cambodia's digital startup ecosystem has flourished in tandem with a rising culture of entrepreneurship with various startup support initiatives, including pitching competitions, hackathons, and other programs supported by non-profit organizations, foundations, and corporations (Kem et al., 2019). To encourage the growth of the digital economy and startup ecosystem, the Royal Government of Cambodia has also introduced several measures and specific policies. Organizations such as the Techo Startup Center, Khmer Enterprise, SME Bank of Cambodia Plc, National Incubation Center of Cambodia, Cambodia Academy of Digital Technology, and many other non-governmental and privately-owned organizations have been established to support and promote entrepreneurship in Cambodia. Additionally, Cambodia's untapped industries also provide a favorable environment for innovation and growth. Local startups can provide tailored digital solutions to meet consumers' needs. Cambodia's startup landscape is still evolving yet showing a promising opportunity. As the market embraces digital adoption and a supportive environment for entrepreneurship emerges, now is the perfect time for startups to shine.

Chapter 3. Becoming an Entrepreneur: Characteristics, Skills, and Essential Preparations

In the previous chapter, we delved into the core distinctions that set startups apart from SMEs, while also emphasizing their pivotal role in advancing the socio-economic landscape and catalyzing Cambodia's digital transformation. In Cambodia, startup receive support from both governmental and non-governmental organization, make it favorable for starting one. While the landscape is ripe with opportunities, aspiring founders must not only recognize the open door but also prepare themselves to walk through it. For a startup to grow, a founder must possess complementary traits and diverse abilities, much like a well-aligned "steering wheel" that drives the company forward.

In this second chapter, we discuss:

- The characteristics of an entrepreneur.
- The questions to ask before deciding to run a startup.
- The practical guides that an aspiring founder should know.



Launching the Rocketship: What Can be Learn from Rocket Science?



A startup and a rocket have a lot in common: they both aim high, require a lot of expertise and collaboration, and involve a lot of uncertainty and risk. A rocket ship aims to explore the unknown space, sometimes to discover a new world, while a startup's goal is to dispute the market and create a new business venture that might also change the world. Both need a team of people with innovative and extensive knowledge to build the product. Moreover, of course, they both have some level of risk that makes them fail and the potential that makes them succeed.

Launching a rocket is not an easy task because it takes many trials and errors before a successful launch can happen. A single slip-up can lead to catastrophic consequences. Similarly, launching a startup is not for the faint of heart; it is as challenging as rocket science. As the quotes from the book 'Dear Founder' suggest, in the realm of startups, more businesses fail than succeed, and the only way to avoid failure is to work extremely hard and long (Dear Founder, 2018). Despite such difficulties, why do so many people still want to start their own startup? Although startups are hard, they are also potentially rewarding ventures when they succeed. Startups grow fast and can eventually scale up to become much larger enterprises very quickly. Apart from a business opportunity, there is personal fulfillment in creating something new and making an impact in the world. Many founders are aware of the risks involved in building a startup and are willing to take on those risks in pursuit of their passions. What qualities are common within the startup founders? We will explore the characteristics of entrepreneurs, including a set of traits, and skill sets that help founders overcome the challenges and seize the opportunities that arise along their startup journey.

Fundamental Key Characteristics of Successful Entrepreneurs

Understanding the essential characteristics of successful entrepreneurs is vital for aspiring founders to navigate the uncertainties and obstacles when running a startup. These traits enable entrepreneurs to effectively steer their ventures toward success and overcome the hurdles that lie ahead. According to the book of Harvard Business School’s “So you want to Be an Entrepreneur: How to Get Started” by Harvard Business School, there are 11 characteristics of successful entrepreneurs (figure 2.1) including:



1. **Curiosity:** be curious and explore new possibilities, leading to problem-solving.
2. **Structured Experimentation:** curiosity leads to ideas and systematic experiments.
3. **Adaptability:** assess circumstances and respond to change.
4. **Decisiveness:** have the courage to make tough choices and follow through.
5. **Confidence:** is the greatest business advocate, gives the confidence to investors and buyers to purchase the products.
6. **Team Building:** create diverse, complementary teams.
7. **Audacious:** risk tolerance, manage risk and reward, be comfortable with risk, and limit failure.
8. **Comfort with failure:** meet obstacles that are unavoidable, accept failure, and overcome fear.
9. **Persistence:** learn from errors, ask questions, and persevere until success.
10. **Innovation:** innovate by upgrading current goods or services to fulfill market demands.
11. **Long-Term Focus:** long-term focus and concentrate on the whole business, in the long run.



Figure 2.1: Characteristics of a Successful Entrepreneur
Source: Harvard Business School (2020)

Reflection Questions for Aspiring Founders Before Liftoff

Before, aspiring founder embarks on the startup journey, one needs to reflect on the readiness to become a founder. Here are some questions that might help to assess before deciding to launch a startup.



QUESTIONS TO ASK YOURSELF	
Consider our situation and surrounding	<ul style="list-style-type: none"> ➤ Have you calculated the cost regarding time and money? ➤ How are your physical and mental well-being?
Invest in research	<ul style="list-style-type: none"> ➤ Have you thought about the economy and the timing of your target market? ➤ Who are your competitors and is there enough room for your startup? ➤ Are people willing to pay for the problem you're trying to solve? ➤ Have you run any experiments to see if your business plan works or to test your hypotheses?
Team	<ul style="list-style-type: none"> ➤ Do you have the capability to create a good team? ➤ Who else is involved in this business with you? ➤ Does your team have diverse skills and does each skill complement each other?
Financial preparation	<ul style="list-style-type: none"> ➤ Do you have financial planning in place? ➤ Do you have sufficient savings to launch your company?
Failure and flexibility	<ul style="list-style-type: none"> ➤ Do you have a plan in case of failure? ➤ Do you have the adaptability and willingness to pivot into a new idea if something isn't working?
Skill	<ul style="list-style-type: none"> ➤ Do you have the knowledge and skills to oversee the business operations?

Figure 2.2: Questions to Ask Yourself Before Decide to Start a Startup
Source: Author (2023)

Some of the Quotes from various startup's founders that pertains to the questions:

The image displays three quote cards from startup founders, each featuring a quote, a photo of the founder, and a related icon.

Card 1: The quote is "If I were to go back, I would prepare my health, **both mentally and physically**, better. A startup is tiresome; **learn to balance life and work**, and you will have a **good driving force** in the long run." The founder is Dr. Chea Vireak, PillTech. The icon shows a brain with gears and a heart, representing mental and physical readiness.

Card 2: The quote is "You can have the world's **best business model**, but if you don't have a **good team** to execute it, it won't matter." The founder is Ms. Sou Jolyda, Prestige Consulting. The icon shows five hands joined together, representing a good team.

Card 3: The quote is "Being a founder **doesn't mean** you're just sitting around in the office. **Go outside, build connection and sell**." The founder is Mr. Sum Sopha, Jobify (Cambodia) Co., Ltd. The icon shows a central person icon connected to four other icons (heart, plus, thumbs up, and another heart), representing connection and network.

Practical Guide for First-Time Founders

This section covers the basics of entrepreneurship and provides a practical guide that aspiring founders should not overlook and the skills that they need to master.

A startup's first step is crucial for establishing the company successfully. First-time founders might face many obstacles and tasks in their journey. However, they should pay attention to some of the valuable insight and advice that the author of "The Art of the Start" recommends in Figure 2.3, such as:

- **Be clear about the company's vision and mission:** People should strike for meaning instead of money. Pinpoint the problem, implement a solution in line with the company's values, and make a positive impact on the world.
- **Avoid chaos:** Invest in finding good teams with the same vision and make sure they really want or have the passion to work on the project; have a clear business plan to clearly summarize what problem they are trying to solve and how they plan to do it; and set clear milestones, goals, and tasks to follow and achieve.
- **Create personal product/brands:** Getting customers to buy the products is not only about building the product brand but also the founder personal brand. Networking and building a reputation as a founder also help people get to know the creator and trust that person enough to buy the product.
- **Know how to pitch:** By pitching including the art of crafting an effective elevator pitch, it can give customers a reason why they should buy the products or services, let them know the unique or special quality of the products, and encourage others to be excited about the business ideas.

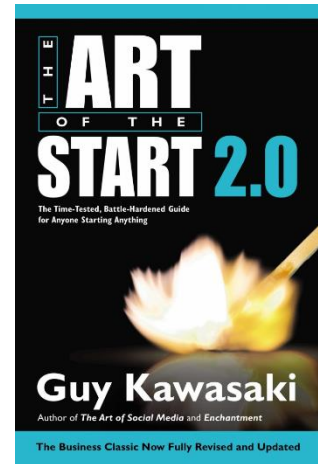


Figure 2.3: Things Aspiring Founders Should Not Miss in Building a Startup
Source: The Art of the Start (2004)

Essential Skills for Early-Stage Founders

Launching and running a new venture for the first time is a daunting task that needs founders to overcome so many challenges. To succeed in this endeavor, early-stage founders need to develop certain skills that will enable them to cope with the challenges and avoid being overwhelmed. Figure 2.4 shows a result of a survey conducted by Harvard Business School, in which 141 HBS alumni-founders, mainly from the tech sector, were asked to rate the skills that aspiring founders should prioritize. Among the skills listed, the top 5 that received the highest ratings were: founding team assembly at 88%, leadership at 82%, product management at 80%, team management at 74%, and selling at 72%. These findings highlight the significance of early-stage founders focusing on forming and managing a strong team as well as selling and networking effectively. By honing these key skills, early-stage founders increase their ability to adapt and deal with the challenges of building a startup. They can create a solid foundation for growth and enhance their chances of attracting customers, investors, and partners, setting their venture on a path toward long-term success.

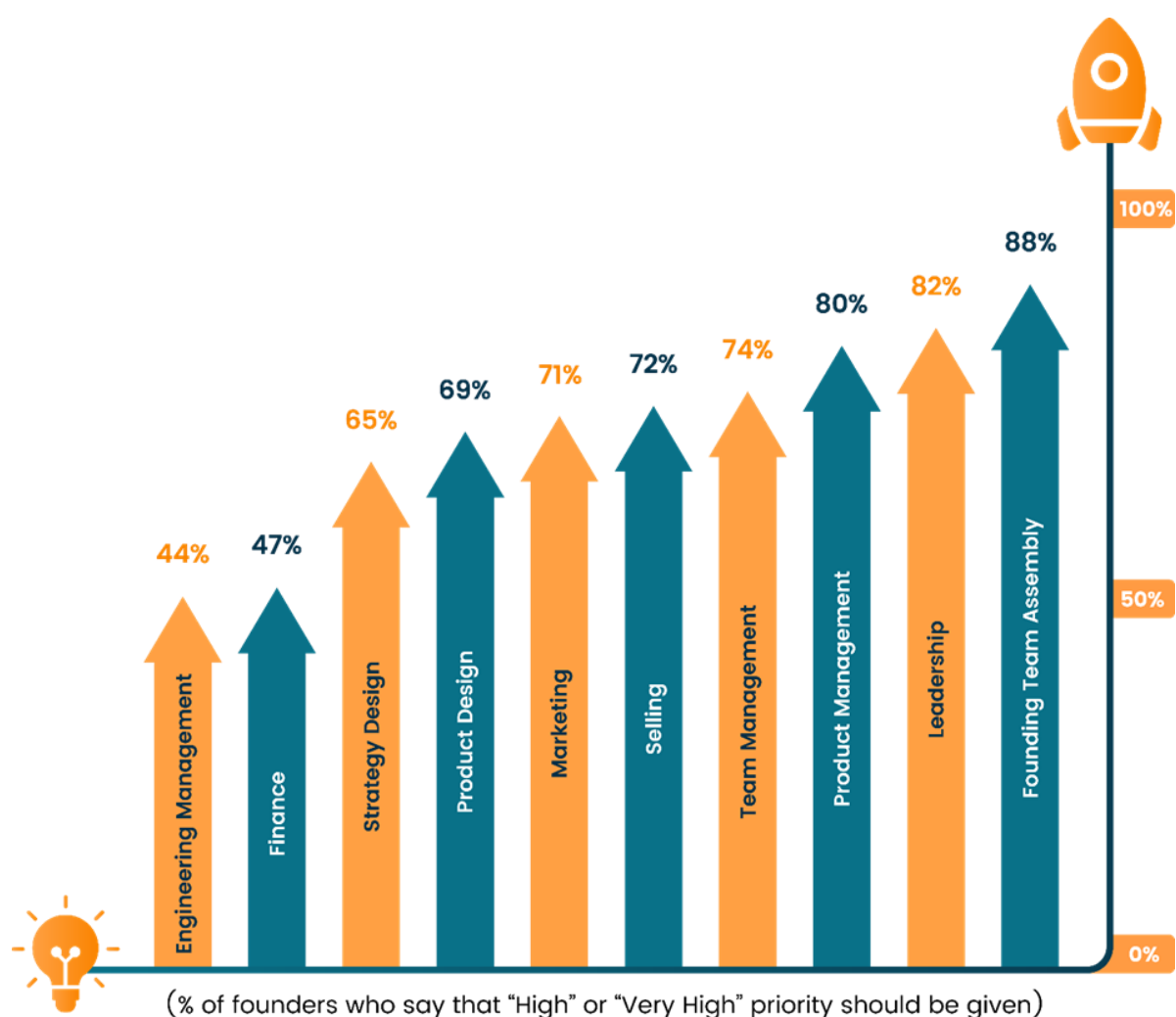


Figure 2.4: What Skills Should an Aspiring Founder Prioritize?

Source: Harvard Business School (2017)

Chapter 4. Building a Strong Foundation: How to Turn Ideas into Action

In the previous chapter, we discussed how aspiring founders need to prepare themselves well by developing the right traits, skills, and strategies for success, before deciding to start a startup. This is not all. They also need to have a clear and compelling business idea that solves a real problem in the market. In this chapter, we will focus on the formation phase of the startup development framework, which guides aspiring founders to design an effective business model.

In this chapter, we discuss:

- How to turn the idea into a concrete business plan.
- Formation phase (ideation and conceptualization stages).
- Business plan and roadmap for the startup.



The Phases of Startup Development

The startup development phase is a framework for a holistic view to build from ideas to products and to grow the business (Startup Common, 2023). Figure 3.1 illustrates the three main phases of startup development: Formation, Validation, and Growth. This book will only focus on the formation phase, which is where a founder develops a viable solution for a problem.

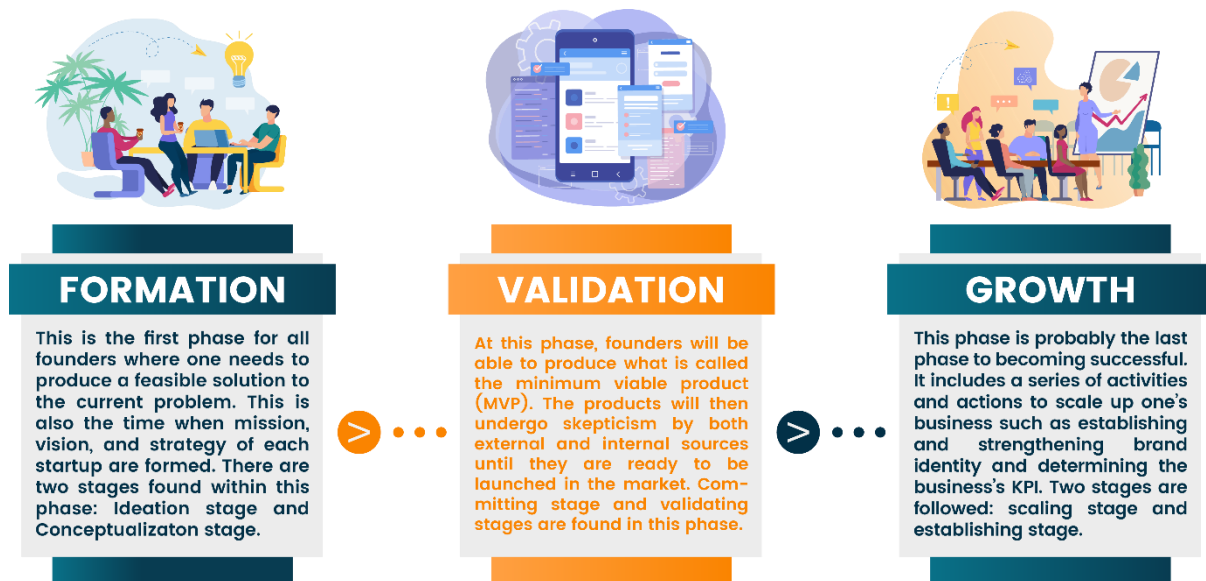


Figure 3.1: Startup Development Phases
Source: Startup Common (2023)

The Formation Phase

The formation phase is the foundation of a startup journey because it is where all the founders begin their ventures. However, this phase is also very difficult because of a lot of dedication and perseverance; otherwise, founders will fail to launch their business. The formation phase includes the ideation stage and conceptualization stage, which would guide the aspiring founders on how to transform an idea into a viable business model.

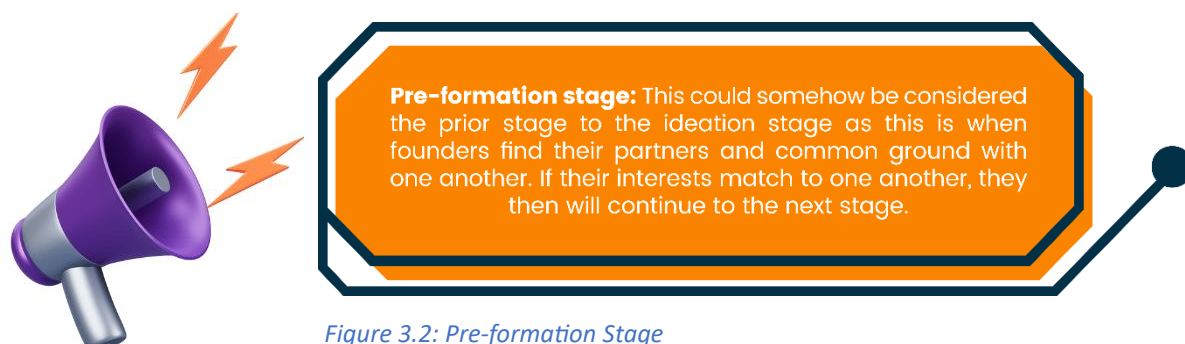



Figure 3.2: Pre-formation Stage
Source: Authors (2023)


Ideation Stage


The ideation stage is the first and most important step for most founders as this is where they discover, develop, and refine their business idea to make it feasible. First and foremost, what a founder needs to do is to think creatively. Look for the gaps or problems that have been overlooked or have recently emerged in society. They do not have to come up with a gigantic solution that seems unrealistic or impractical. Start with something small that can make a difference and add value to society. As the saying goes, “How do you eat an elephant? One bite at a time.” In this stage, founders should focus on finding real problems and validating them through research to see whether they are real issues or just assumptions. Then, after identifying the problem, assess the viability of the solution whether it can scale economically or not. It is important to remember that not every solution guarantees to bring fortune to its founder; so be mindful of this.



DID YOU KNOW?

How was Uber started? It all began when Travis Kalanick and Garrett Camp found themselves stuck in Paris on a snowy evening, unable to find a taxi. Thus, they came up with an idea of using a cell phone to order a ride from the exact location one was standing.





In 2007, Brian Chesky and Joe Gebbia were broke and looking to raise money to make their rent in San Francisco. They decided to rent out air mattresses in their apartment to attendees of a conference because all the hotels were booked. They called their service “Air Bed and Breakfast.” **And, that’s how Airbnb was born.**

Figure 3.3: Fun Fact about Uber and Airbnb Story
Source: Knowledge at Wharton (2017)

At this point, one may be curious how an idea is defined in the context of startups.

Simply put, an idea is an overall plan for a startup, and the more innovative, the better. How to generate a startup idea? Figure 3.4 shows the sources of inspiration that founders can refer

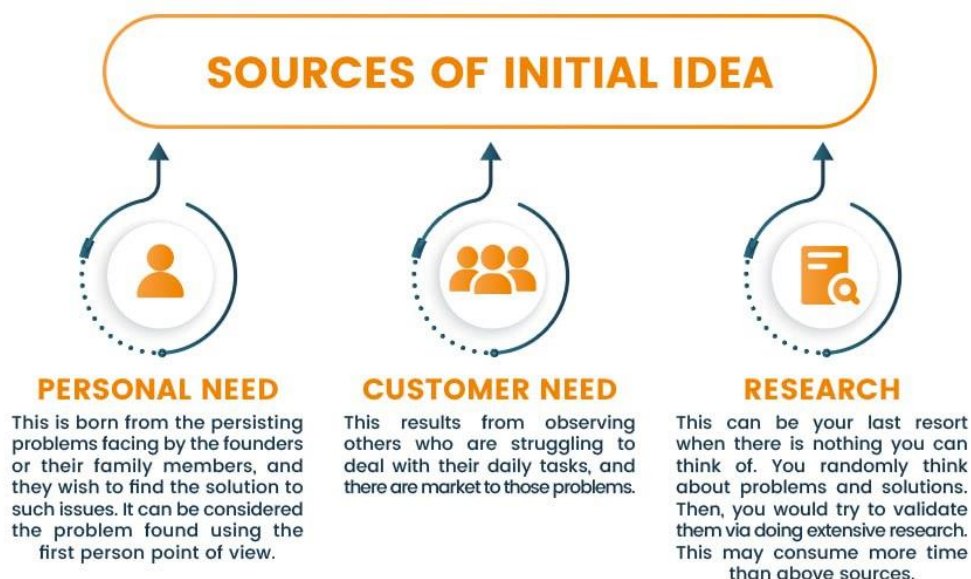
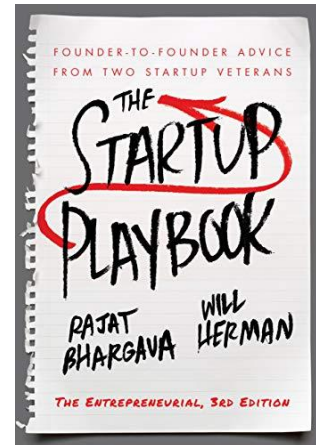



Figure 3.4: Initial Idea for Startup
Source: Startup Playbook (2012)

to when developing the initial idea. There are three different types of sources: personal need, customer need, and research.


Conceptualization Stage

The conceptualization stage is where founders assess, evaluate, validate, and plan their business ideas. In this stage, it is important that founders do market research to see if there is a market demand for the proposed products or services and estimate the resources and investment required to launch their business. In other words, they should have a clear idea of what their startup is about, what their core mission and vision are, and what their goals and strategies are for the next few years. In figure 3.5 below, shows some tips on how to evaluate and improve the startup idea.





FOOD FOR THOUGHT



HOW DO I KNOW IF MY IDEA IS GOOD OR NOT?

IDEA: You should always question yourself if your idea is worth it to start. As a rule of thumb, self-doubt is a negative thought for all of us, but for a business idea, it is actually the best way to filter out any unwanted thoughts that you believe it is successful, but it is not. This would also allow us to better visualize our future solution.

VISION: After selecting the right idea, you then construct what is known as the vision for your organization. This shall lay the foundation on how the future of your startup would look like.

BUSINESS MODEL: Your ultimate goal is clear, and you are ready for next step. Design how you would implement on your canvas, and sketch it out to see whether you need it or you can skip for a while.

EXECUTION: Everything is all set. Now, it's time to practice it out. Success or not, you will at least know that your idea has been implemented. If it works, you can continue; if it doesn't, you can restart and start all over again. Remember, it's better to fail early than to fail later as the loss could be disastrous.

Figure 3.5: Food for Thought: How do I Know If My Idea is Good or Not?
Source: Startup Playbook (2012)

Essential Tools for Conceptualization Stage

The following tools are useful for startup founders who are developing their ideas in this stage.

a. Business Plan

A business plan is a formal document outlining an organization's intended plan of action to achieve the goals it has set. It usually covers the company's goods or services, its target market, its marketing and sales strategies, its financial projections, and how it is operated. A business plan functions as a guide for the startup founders in giving a comprehensive and detailed view of the steps that need to be taken to start and grow the business. More importantly, it can also help investors or financial institutions to evaluate business ideas and to offer founders the required funds. In short, it is an essential tool for any founder who wants to a successful business.



Figure 3.7: Human-Centered Design
Source: iDE Innovation (2023)

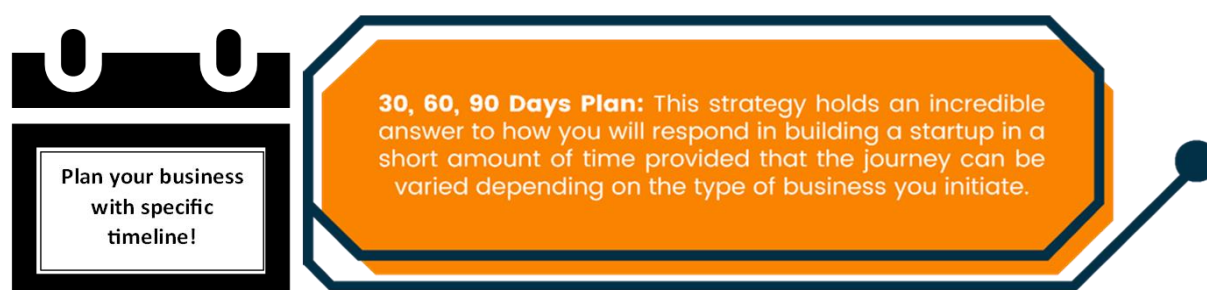
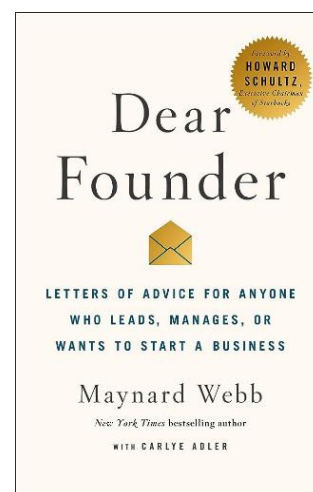


Figure 3.6: 30, 60, 90 Days Plan
Source: Medium (2021)

b. Roadmap to the Future

As Mr. Maynard Webb, the author of the bestseller "Dear Founder", wrote, "if you shoot for the moon and miss, you will still land among the stars." Hence, having a clear vision of what your startup will become is vital for the future of the organization.

A startup roadmap is a visual representation of a company's business plan. It usually contains timelines, deliverables, and dependencies. It can help a company stay on track and make sure that everyone on the team is on the same page and working toward the same goals. To create a better roadmap for their startups,



founders can attend networking events, learn from media, and research the trends that happened in the entrepreneurship field (Figure 3.8).



Figure 3.8: Ways to Improve the Construction of a Startup Roadmap
Source: Authors (2023)

It is important to note that roadmap can always be revised along the way to fit with reality, but the foundation is a must-have. The roadmap is not a smooth process, but rather a series of ups and downs. Nevertheless, this does not mean the founder cannot prepare in advance. Figure 3.9 demonstrates an example of a typical startup roadmap. To see the difference between theory, personal perspective, and real life, let look at the figure below.

HOW TO SUCCESSFULLY BUILD A STARTUP?



BASED ON PERSONAL PERSPECTIVE



BASED ON REAL LIFE

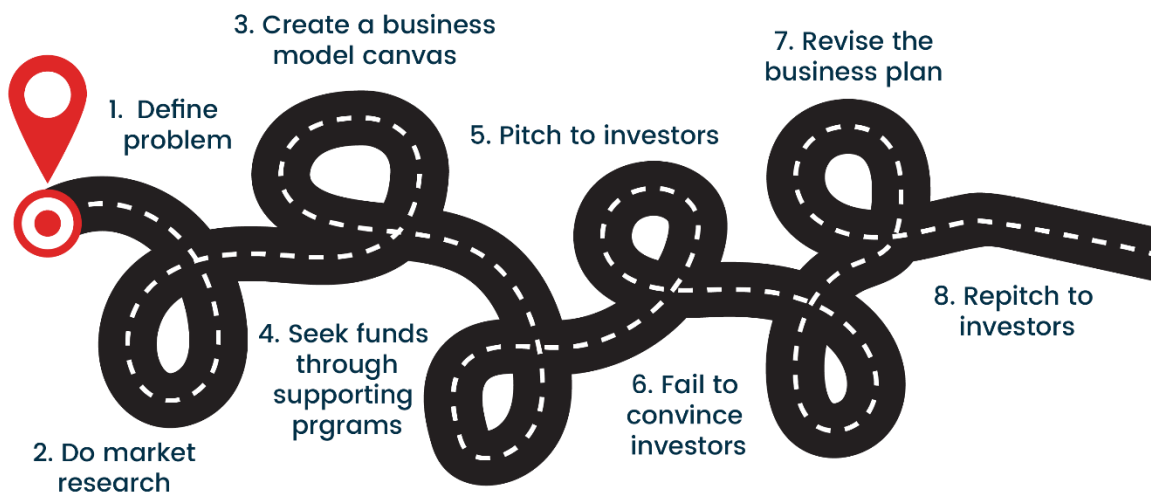


Figure 3.9: Startup RoadMap
Source: Authors (2023)

Chapter 5. Igniting the Startup Ecosystem: Empowering Aspiring Founders through Innovative Support Programs

In the previous chapters, we have discussed the important skills and qualities for aspiring founders and the essential steps in building a startup. Now, we want to introduce some startup support programs and useful resources that can assist founders to achieve their entrepreneurial goals. These resources are part of startup ecosystem in Cambodia that promotes the development and growth of startups.

In this chapter, we explore:

- The startup support programs that nurture the growth of startups.
- The inspiring quotes from the startup ecosystem stakeholders.
- The key resources that every aspiring founder should know to navigate the startup journey more effectively.



Fostering Innovation: Startup Support Programs

For an aspiring innovator, one might want to consider joining a startup support program. These programs are crucial for cultivating innovators and promoting the development of the startup industry. These programs aim to help startups grow and succeed by providing them with essential resources, such as mentoring, funding, skills development, and networking. Some examples of popular startup support programs are hackathons, incubators, and accelerators.

One of the benefits of joining a startup support program is that startup founders can gain a lot of knowledge about the startup industry. The startup world is vast and complex; there is more to learn than one can ever fully master. As an entrepreneur, it is also essential to remain receptive to new information and learn through hands-on experience and to keep up with the latest trends in the field. Startup supports program will help founders do that by exposing them to different perspectives and insights from experts and peers within the startup ecosystem.

Another benefit of joining a startup support program is that founders can expand their professional network within the ecosystem. Networking is crucial for any entrepreneur, as it can help them find potential partners, customers, investors, and mentors. A startup support program can connect them with other like-minded innovators who share their passion and vision. Founders can also learn from their network’s successes and failures and get feedback and advice on their business ideas.



Figure 4.1: Food for Thought: The benefits of engaging in startup support programs
Source: Authors (2023)

Common startup support programs in Cambodia:



Hackathons

- A hackathon program is an event where individuals or teams work together to create innovative solutions to address specific challenges or themes in a short period of time. Hackathons typically last from a few hours to a few days.
- Those who aspire to become a founder or want to create solutions should join a hackathon program. By participating in hackathons, individuals or teams can benefit from working with people who have diverse skill sets, networking with professionals, and potentially winning prizes or gaining recognition for their innovative solutions.



Incubators

- An incubator is a structured initiative that provides resources, guidance, and mentorship to support early-stage startups in their growth and success journey. Incubators offer flexible, long-term assistance.
- Founders in the early stages of their startup should consider joining an incubator program. By participating, startups can establish a solid foundation for sustainable growth, including gaining a clear understanding of their target market, refining business models, and validating their products.



Accelerators

- An accelerator program is a focused and time-limited initiative designed to rapidly help startups grow and scale by offering mentorship, resources, and networking opportunities.
- Startups that have already developed a product or service should consider joining an accelerator program. By participating, startups can enhance their growth strategy, validate product viability, and establish connections with potential investors to accelerate their progress toward achieving goals and securing additional capital.

As shown in figure 4.2, show some of the noteworthy startup support programs in Cambodia that provide a nurturing environment for founders to validate ideas, form teams, connect and network with stakeholders, acquire knowledge, and innovate digital products or services. Depending on their industry and specific thematic focus, the founder can explore these programs and determine which one is the most suitable for their stage of startup.



STARTUP CAMP (ITC)

is a vital four-day (Every afternoon) long training program that high school and/or university's students can attend to discover opportunities. This includes a basic understanding of technology's related to ICT and creating business for young entrepreneurs developing effective business ideas and potentially creating startups into reality.

ORGANIZED BY



ECOTHON CAMBODIA

is a hackathon-type business model competition for fostering early-stage startups with SCP (sustainable consumption and production) solutions. It's 36 hours of intensive boot camp for young entrepreneurs to develop and innovative sustainable business model.

ORGANIZED BY



TURING HACKATHON

is a 3-day event where you can showcase your creativity and skills in developing digital solutions that transform enterprises' operations and compete in the 21st century.

ORGANIZED BY



SMART ULP HACKATHONS

is a 4-day intensive hackathon where the selected Uniprenuer Learning Platform graduates from partner universities across Cambodia turn innovations into Business Ideas and pitch them to a jury. The winner of this hackathon will stand a chance to receive a regional exposure trip abroad to learn about the technology industry.

INITIATED AND ORGANIZED BY



IDEATHON SEASON 2

is a 2-day event where program business idea contest program focuses on the idea created by youth to solve social problems with technology.

ORGANIZED BY





SPIN-OFFS

is organized by Cambodia Academy Digital Technology (CADT). It is a comprehensive program designed to help startups in the initial stage thrive and progress to the early stage. The entire program is divided into three main stages: Product Market Fit Hackathon, Incubation Program, and Demo Day.

ORGANIZED BY



BANDOS DIGITAL STARTUP

is organized by National Incubation Center of Cambodia (NICC). It is an annual program to promote the implementation of ICT technology which allows young talented Cambodians to create innovative Digital Solutions for viable business ventures.

ORGANIZED BY



REVERSE INNOVATION (RI)

is organized by Techo Startup Center is an accelerator program focused on FinTech with an aim to source key challenges and needs from partners and seek startups or innovators to solve them.

ORGANIZED BY



DIGITAL PLATFORM ACCELERATOR (DPA)

is organized by Techo Startup Center. It is a program designed to support digital startups that can offer innovative digital platforms that SMEs/MSMEs can embark on digital adoption in their business operation (Enterprises Go Digital).

ANGKOR 500 ACCELERATOR

is organized by 500 Global, in partnership with Khmer Enterprise. It is a 10-week program focusing on business' foundations, startup growth, and global scaling. This program is specifically developed to accelerate the growth of early-stage startups in Cambodia including strengthening their business models, providing strategic advice on their capital attraction strategy, and more, through our proven curriculum, tailored mentorships, and global community.

ORGANIZED BY



GCIP CAMBODIA ACCELERATOR PROGRAM

was developed as a part of the GEF-UNIDO GCIP Framework. Techo Startup Center was selected as the Project Executing Entity for GCIP Cambodia. The objective of GCIP Cambodia is to accelerate the uptake and investments in cleantech innovation and promote coordination and ecosystem connectivity under GCIP.

INITIATED AND ORGANIZED BY



Figure 4.2: Startup Support Programs for Aspiring Founder
Source: Startup Cambodia Platform (2023)

What Startup Founders need to know Before Applying for the Program.

Startup support programs are initiatives that provide training, mentoring, networking, funding, or other forms of assistance to startups or individuals who want to start a business. There are many types of startup support programs, such as incubators, accelerators, bootcamps, hackathons, competitions, fellowships, and more. However, not all programs are suitable for everyone. Therefore, it is crucial to select programs that



Figure 4.3: Some Do's and Don'ts that Inspiring Innovators Should Know

Source: Authors (2023)

match startup founder’s goals and values. Figure 4.3 offers valuable insights on preparation, dos, and don'ts, and how to make the most of these opportunities. Normally, startup support programs also offer participants a chance to explore their passions and motivations and guide their decisions. As aspiring founders, especially if they are young, they are encouraged to gain experience before starting a business to avoid mistakes as well as to develop key skills. Moreover, they should understand their business core values as it helps them focus on ideas that match

Awareness and Key Preparation that aspiring founders should know

Some Do's to be aware of before applying for early-stage startup programs:

Do you research: Gather information about the program and its requirements, past participants, mentors or investors involved, etc.

Have a clear pitch: Prepare a concise and compelling pitch that explains your idea, product/service, potential market, revenue model, etc.

Be open to feedbacks: Be willing to receive feedbacks on your pitch, business idea, and strategy from program staff, mentors, and other entrepreneurs involved in the program.

Build a network: Do take advantage of the opportunities to network with other entrepreneurs, program staff, mentors, and investors during the program.

Some Don'ts to keep in mind while participating in early-stage startup programs:

Don't exaggerate: Avoid exaggerating or misrepresenting your skills, achievements, or the potential of your business idea.

Don't be too rigid: Be open to adapting your business idea and strategy based on feedbacks from others and changing the market conditions.

Don't burn bridges: Always make sure to maintain professional communication and relationships with program staff, mentors, and investors.

Start A Startup – A Guide For Cambodia's Future Founders

their long-term goals instead of short-term profits. Hence, building self-awareness is essential for founders, as it guides them in making informed choices when participating in startup support programs.

Inspiring Quotes for Aspiring Founders

Starting a business is hard, but it is doable. Many entrepreneurs have gone through the same challenges and struggles. Here are the quotes from experienced startup founders, project coordinators, and participants in startup programs. These pioneers offer valuable insights into the realities and victories they have experienced on their own startup paths.

The quotes below are from the reflections of startups that participated in Techo Startup Center's Startup Support Programs.

It's important to discover your **life goals** before **starting a business**; if you haven't determined them yet, consider **working** first.



Localize Tech Solution,
1st Place, Digital Platform
Accelerator Cohort 1

Innovation thrives when **diverse perspectives** come together to solve a **common problem**. That's why we love participating in **hackathons** and working on **Hobbies Info** - it allows us to discover, express and bring our **unique skills** and **backgrounds** to the table and create something truly **impactful**.



Hobbies Info, 1st Place,
Turing Hackathon Cycle 4

Starting a startup is easy. **Sustaining** a startup is the problem. The **KEY** to make sure your team understands the reason they are working on this project together. **What bonds them?** Make sure each reason is shared and understood by each member. **Why are we in this together?**



Skinorea, Alumni,
Turing Hackathon Cycle 4

The quotes below recap personal experiences and observations. They contain key messages that can inspire and ignite innovation as a future founder.

Be **brave**, live in your **passion**, take **actions**, stay **focused** and be **patient**.



Mr. Sum Sopha,
Jobify (Cambodia) Co., Ltd

Being an **entrepreneur** is sometimes a lonely job. Everything is on your shoulders, and you have only yourself. So, **eat, sleep**, and **think** well. **Be happy** and **love yourself** more.



Mr. Pech Soveaddh,
Uot App

In the **Startup** world, there is nothing for us to complain about but all are **opportunities** to **learn** and **grow**.



Mr. Run Virak,
Unseentra

If you have a **business idea**, **start now**. You'll either become **successful** or **learn a great lesson**.



Ms. Seang Sokcheng,
Content & Digital
Campaign Consultant

The quotes below are from the program leads of startup support programs and community program in Techo Startup Center.

As the program lead of **SparkMeet**, I believe that **networking** is **essential** not only for gaining a better understanding of the **startup ecosystem** but also for **personal growth** and **development**.



Mr. Ouch Sovannarith,
Techo Startup Center

Although **hackathons** often associate with developing an **innovative business model**, they also provide a **valuable opportunity** for **networking** and **connection** with like-minded individuals who could become **future friends** or **business partners**.



Ms. Lay Houy,
Techo Startup Center



Introducing Startup Cambodia and its Digital Platform: A valuable Resources for Aspiring Founders

As a young innovator or aspiring founder, it is important to absorb as much startup knowledge. Let us introduce the Startup Cambodia and its Digital Platform. Startup Cambodia is the National Program led by the Ministry of Economy and Finance with a mission to support local startups and build a vibrant ecosystem in Cambodia. Startup Cambodia operates a one-stop digital platform (startupcambodia.gov.kh) for all actors in the startup ecosystem in Cambodia to interact with each other, share knowledge, exchange discussion, and explore potential partnerships. Figure 4.4 provides a visual overview of the offerings value of the Startup Cambodia Digital Platform.

GATEWAY

Startup Cambodia Digital Platform (SCDP) provides a gateway to Cambodia’s startup ecosystem, where they can explore information about essential characters from the ecosystem.

EXPOSURE

SCDP can expand your startup’s visibility to both the local and global communities due to easy international access.

CONNECTIVITY

By logging in to the platform using CamDigiKey app, each actor is allowed to connect or exchange information and create opportunities for partnering in the future.

RESOURCES

SCDP provides all actors in the ecosystem with useful, up-to-date information and publications related to the startup ecosystem.



All actors in the Startup Cambodia ecosystem can interact with each other, share knowledge, exchange discussions, and explore potential partnerships.

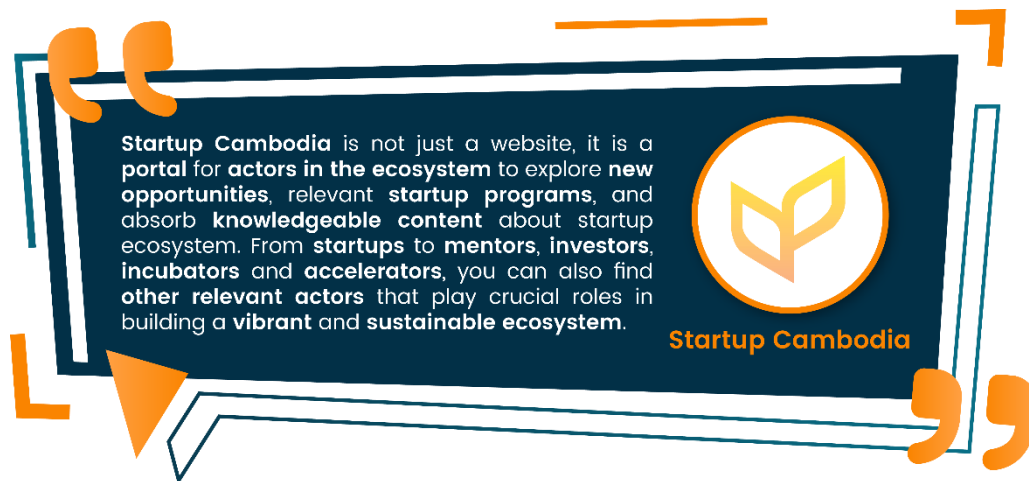
Figure 4.4: About Startup Cambodia Digital Platform

Source: Startup Cambodia Platform (2023)

The objectives of Startup Cambodia and its Digital Platform are to:

- Connect stakeholders and foster collaboration within the ecosystem through community events and the digital platform.
- Provide timely and relevant information about startup-related events and programs through the digital platform.
- Provide updated data about stakeholders and activities in the Cambodia startup ecosystem.

How can aspiring innovators or founders leverage the features in startupcambodia.gov.kh?



The Startup Cambodia Digital Platform plays a key role in connecting stakeholders and collecting resources, including startup support programs, events, and blogs post about relevant stakeholder in the startup ecosystem. Users can use this platform to find out more about existing startups and relevant programs or events. For more details on its features and functions, refer to Figure 4.5.



Figure 4.5 Features in Startup Cambodia Digital Platform
Source: Startup Cambodia Digital Platform (2023)

To access the Startup Cambodia Digital Platform, users need to create an account through CamDigiKey. CamDigiKey is a digital identity service that allows multiple online services with one login. Figure 4.6 shows how to sign up for CamDigiKey, and Figure 4.7 explains why it is important.

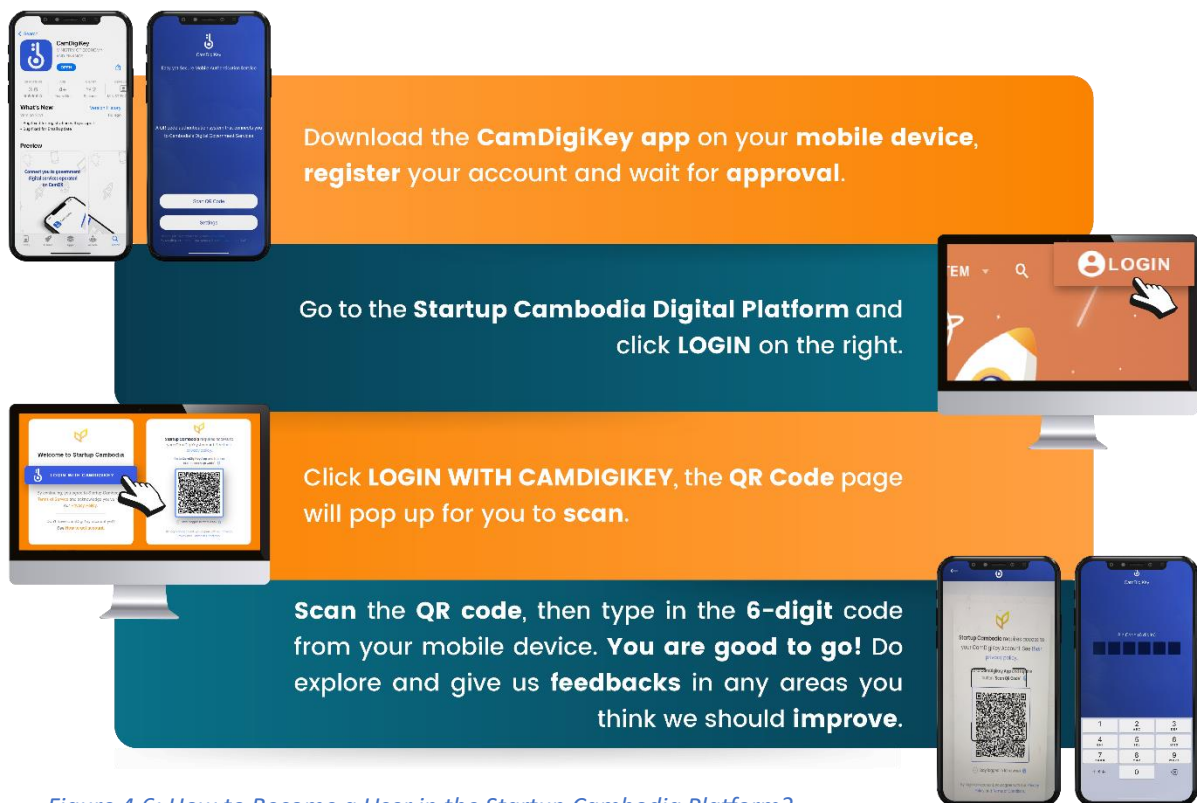


Figure 4.6: How to Become a User in the Startup Cambodia Platform?
Source: Startup Cambodia Platform (2023)

DID YOU KNOW?

CamDigiKey mobile application is an **authentication mechanism** of the **Royal Government's** first **electronic know-your-customer (e-KYC)** system. Through this mobile application, you can **create an account easily** to **log into digital public services** and **other services integrated with the CamDigiKey** platform without having to own many accounts. **One user, one CamDigiKey account, access to numerous services! Easy and secure!**

Figure 4.7: About CamDigiKey
Source: CamDigiKey (2023)

Chapter 6. Conclusion

In summary, Startups can be distinguished by their innovative and scalable solutions that create value through innovation. SMEs, on the other hand, like clothes shops and restaurants, often adopt existing business models that operate in stable markets. The key difference is that startups aim to disrupt their respective sectors through innovation, taking high risk approach to achieve rapid growth. Some notable examples are delivery services companies, streaming services companies, e-commerce ventures, and many more.

Startups thrive in difficult and uncertain environments because of their innovative spirit and potential for exponential growth. Starting a startup is not for the faint of heart; it requires perseverance, dedication, and flexibility. To build a successful startup, the founder needs a solid foundation to build upon. The groundwork for aspiring founders has been laid with this book, which provides essential insights into the world of entrepreneurship. It emphasizes the importance of the individual's own growth and preparation for the entrepreneurial journey and encourages aspiring founders to mold their personalities and skills to be ready for the entrepreneurial path.

Throughout the book, the aspiring founder will find three main phases in startup development: formation, validation, and growth. Since this book focuses solely on the formation phase, we delve into important tools such as business plans, roadmaps, and tips that are essential for aspiring founders to navigate this initial stage successfully.

Anyone who is thinking about starting their own startup should also familiarize themselves with the helpful startup support programs to find the resources they need to get their businesses off on the right foot. In this book, we also discussed what aspiring startup founders need to know and do before applying to these programs and shared inspiring quotes from the startup community. In addition, we also introduce the Startup Cambodia and its digital platform which are the main sources of information and inspiration for anyone who wants to explore or start their own startup journey.

With this book, aspiring founders will gain the knowledge and support that will enable them to pursue their entrepreneurial adventure with passion and confidence. The unpredictable road ahead holds the promise of growth, innovation, and the fulfillment of entrepreneurial dreams.

Key Takeaways

01

Startups: Definitions, Distinctions, and Contributions

This chapter explores the concept of startups and how they differ from SMEs while also emphasizing their crucial role in the development of the country.

- Startups rely on innovation and scalability; innovation not only introduces groundbreaking ideas but also disrupts norms, while scalability enables rapid growth and market impact.
- SMEs are typically predictable in terms of steady growth in revenue, startups often need a lot of financial investment and potential financial loss before they can experience exponential growth.
- Startups are essential for advancing economic and social progress, and their profound influence also benefits the development of the whole country. New ideas, innovations, and technologies are introduced by startups, and also contribute to brain gain, promoting talent retention and growth in the digital environment.

02

Becoming an Entrepreneur: Characteristics, Skills, and Essential Preparations

This chapter discusses the analogy between rocketships and startups as a symbol of setting ambitious goals, teamwork, and risk-taking. These require innovative and extensive knowledge to build their respective products. The same goes for rockets. While launching a startup can be extremely challenging and involve a risk of failure, many people still choose to do so for potential rewards such as personal fulfillment, making an impact, or financial freedom.

- Aspiring founders need to cultivate entrepreneurial characteristics such as curiosity, adaptability, risk tolerance, long-term focus, persistence, and many more.
- Early-stage founders should acquire expertise in different management areas such as team assembly and management, leadership, product management, and many more.
- Networking is essential to building both personal and startup branding and attracting potential partners and investors.
- Before starting a startup, it is important to assess if one is suitable to become an entrepreneur and examine potential risks of the business strategically.

Key Takeaways

03

Turning Ideas into Action: How to Build a Strong Foundation

This chapter emphasizes the necessity to generate ideas by considering long-standing problems or newly emerging issues in society. It's also important to define a startup's core mission, vision, and plan through the conceptualization stage.

- The journey of a startup will be bumpy, but experimentation is critical to finding the right path forward.
- Success is about sustaining the company over the long term, not just making money in the short term.
- A business plan is like a road map for business owners. It helps new businesses understand the steps they need to take to get started and grow.
- Having multiple founders with diverse expertise, such as tech and business, can help share the burden and enhance the chance to grow for scale.
- To develop ideas for the startup, identify problems, validate them through research, and measure the feasibility of the solution.
- The source of the initial idea can be of three different types: personal need, customer need, and research.

04

Igniting the Startup Ecosystem: Empowering Aspiring Founders Through Innovative Support Programs

This chapter discusses the essentials of startup support programs for aspiring founder and young innovators in the startup industry, which include resources, mentorship, and funding opportunities.

- To succeed as an entrepreneur, one should build knowledge about startup concepts and continuously learn by doing and exploring.
- Joining early-stage startup support programs offers a supportive environment for innovators to validate ideas, gain critical skills, and connect with like-minded individuals and potential co-founders to build successful startups.
- Participating in a startup support program could also develop valuable skills, help avoid pitfalls, reflect on their passions and motivations, and identify long-term goals.
- Startup Cambodia Digital Platform serves as a resource hub that allows users to explore new opportunities, learn technology skills, absorb continuous education, and exchange/share relevant information in the startup ecosystem.

Frequently Asked Questions

How to build a team?

There are some steps a founder can take, including defining the goals and objectives for the recruitment expectations, identifying the skills and qualities of a founder that need, fostering open communication, and establishing clear roles and responsibilities.

Is it necessary to have co-founders, or is it possible to do it alone?

Launching a startup with co-founders is optional but may be useful. A co-founder will complement the team's talents and cover any gaps. A co-founder may also provide credibility and aid in decision-making and problem-solving. Sharing work may reduce burnout. However, if one is determined to do it alone, one must assess their skills and expertise to seek the aid they need. Whether or not they choose to work with a co-founder is ultimately up to them, the resources, and the demands of the startup.

Where to find funding for the early-stage startup?

For early-stage startups, the founder can explore common sources through:

- **Bootstrapping:** Bootstrapping is a term for starting and building a business without investment or money from outside sources. This means that the entrepreneur uses their own savings or money made from the business to pay for the growth of the business.
- **Crowdfunding:** Crowdfunding is a way to raise capital by getting friends, family, supporters, and individual investors involved.
- **Accelerators and incubators:** Accelerators and incubators are programs that help startups grow and succeed by giving them money, guidance, and other resources.
- **Business Loan:** The business loan has a few loan schemes to help small companies, including startups, access capital.
- **Venture capital:** firms with a high growth potential that provide financial assistance to startups in exchange for equity or ownership stakes.
- **Angel investors:** individuals with business experience who put their own money into start-up businesses while also offering advice and networking opportunities.
- **Philanthropic organizations:** Some startups with strong social or environmental missions look to these organizations for funding. These groups are committed to making a positive impact and may offer grants or investments that are in line with their mission.

Frequently Asked Questions

What is an elevator pitch?

An elevator pitch is a concise and persuasive speech that explains what the product, service, or idea is, who it's for, and what problem it solves in a short period of time, usually in about 30 seconds to 2 minutes, or the amount of time it takes to ride an elevator with someone.

What should be in the elevator pitch?

The following are essential components of a startup elevator pitch: a captivating introduction that introduces the startup and its core problem-solving mission, a precise articulation of the identified problem and its importance, a description of the startup's unique solution and its benefits, an identification of the target audience or customer base, a mention of any noteworthy achievements or market traction, and an explanation of what makes the startup unique.

What are some common challenges faced by startups in their early stages?

Some of the common challenges faced by early-stage startups include:

- **Building products:** Establishing a reliable product or service that satisfies consumers is also essential to a business's success; yet, creating a product or service that is indeed innovative and distinguishes the startup from competitors can be difficult.
- **Acquiring customers:** Finding a customer base is quite difficult since startups are usually unknown because of a lack of funds for marketing and advertising.
- **Hiring the right people:** Having a good team is a top priority for the startup. In today's competitive business environment, it can be challenging to attract and retain good talent.
- **Setting unrealistic expectations:** What is the definition of success? Startups must have high but regulated expectations. Sustainability over the long term should be everyone's top priority.

What to do if the startup fails?

An entrepreneur's path often includes failures. Take a growth mindset approach to this process in case the startup fails. Founders need to acknowledge the truth and give time to think about it and assess what went wrong and what they learned from the experience. The best way to solve the problem is to get feedback and perspectives from as many people as possible, including themselves. Do the reflection, keep exploring the opportunities that arise, and move on with plans. Remember, failure is not the end.

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