# BOOTSTRAP YOURSELF INTO A UNICORN

WERK1 LUNCH & LEARN DECEMBER 4, 2019

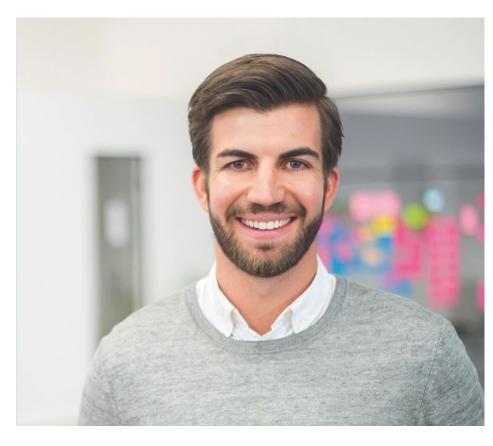
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## DO YOU ACTUALLY WANT EXTERNAL CAPITAL ... NOW?



Start raising money only when it is actually going to make a difference for your company!

Hanno Renner, Founder/CEO, Personio

#### DO YOU ACTUALLY WANT EXTERNAL CAPITAL ... NOW?

#### **Ask yourself:**

- Do we actually need the money?
- Will it make a huge difference for our company?
- Do we need the money now − or can we wait?

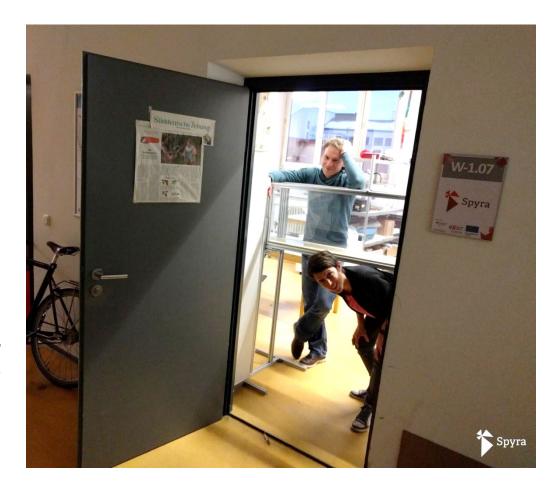
#### HOW TO GET STARTED WITHOUT EXTERNAL CAPITAL

- **1** Saving and saving
- 2 Day job

## HOW TO GET STARTED WITHOUT EXTERNAL CAPITAL

- Savings and saving
- Get creative
- Inspire people

Team Spyra working from a universitysponsored lab only accessible by crawling underneath a test channel (2017)



## HOW TO GET STARTED WITHOUT EXTERNAL CAPITAL

2 Day job

Without a day job I wouldn't have been able to afford founding a company.

Rike Brand, Co-founder, Spyra



- 1 Few physical investments
- **2** Product market-ready soon
- **3** Supportive pilot customers

- 1 Few physical investments
- Software development, innovative services
- "Hardware is hard"



2 Product market-ready soon

Our product was good enough from the start, so we could finance ourselves with customer projects.

Bastian Nominacher, Co-founder/CEO, Celonis



**3** Supportive pilot customers

Our customers need to be ready to pay for the innovation partnership.

Oliver Stahl, Co-founder/CEO, Robotise



#### THE ADVANTAGES OF INTERNAL FINANCING

- **1** Demand orientation
- 2 Freedom of decision-making

## THE ADVANTAGES OF INTERNAL FINANCING

**1** Demand orientation

Bootstrapping allows you to grow close to the market instead of building pipe dreams for investors.

Lin Kayser, Founder/CEO, Hyperganic



## THE ADVANTAGES OF INTERNAL FINANCING

2 Freedom of decision-making

We only started to realize what pressure we were under before when we began to only spend our own money.

Freya Oehle, Co-founder, 3tausendsassa



#### THE DOWNSIDES OF INTERNAL FINANCING

- 1 Dependence on customers
- 2 Lack of strategic focus

#### THE DOWNSIDES OF INTERNAL FINANCING

- 1 Dependence on customers
- ⇒ If customers "invest" in you, they become your investors
- Avoid financial dependence on any individual customer
- Avoid exclusivity in contracts



## THE DOWNSIDES OF INTERNAL FINANCING

**2** Lack of strategic focus

Without discipline you lose sight of your goal.

Bastian Nominacher, Co-founder/CEO, Celonis



#### TAKE-AWAYS: IF YOU WANT TO BOOTSTRAP YOURSELF INTO A UNICORN ...

- remember that not every startup needs capital from the start
- make your company as valuable as possible with your own funds before you take up external capital
- find out whether your startup is suited to make bootstrapping your core company strategy

Read more in my book "Startup-Finanzierung":



