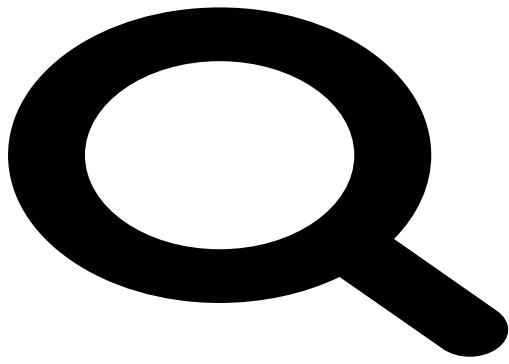


SALES ARE NOT A GOOD METRIC FOR STARTUPS

Posted on 31/10/2013 by Naider



Reading the blog of Eric Ries, one of the great gurus of the lean entrepreneurship methodology and author of the book "Lean Startup" commented in a post that **sales are not a good metric for startups**. In other words, it is a mistake to evaluate the potential and level of development of a startup based on the sales it achieves.

I fully agree with this statement and I consider that this is one of the main reasons why there are fewer successful startups in Spain, and also in Europe, than in the US. In Spain, the income metric is key even from the first year. Even in seed rounds, investors and accelerators tend to give a lot of importance to sales. The problem with startups, both technological and web, is usually that their income is usually very little or even zero during the first years while they build the product and customer development. **In the US they understand this singularity, they understand that there are other more important metrics, and they give oxygen to these startups through important rounds of investment while there are no sales.** In Spain, the startup inevitably dies since there are no investors who understand the rest of the metrics or who want to assume that higher degree of risk.

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