

THE SPEED OF INNOVATION IN STARTUPS AND THEIR FINANCING

Posted on 10/10/2013 by Naider





The speed of innovation is one of the most critical variables in the success of technology startups. Technological startups are immersed in such a competitive market capture process that the slowdown in their innovation can mean a fatal future for the viability of the company.

A technology-based startup cannot afford to build a market slowly and over the long term and innovate incrementally. Many Internet companies, for example, have gone up in flames following this type of strategy. It is easy to find examples: hundreds of Internet companies in the travel sector were devoured after the irruption of the big Americans (booking, expedia, etc.) as well as the majority of map companies on the web, no matter how consolidated their base was. of customers, after the irruption of Google Maps.

This is perhaps one of the aspects that means that there are not many globally successful startups in Europe. In the absence of a solid ecosystem of investors and venture capital, European startups must innovate and grow at a slower pace than their American competitors. In many cases, this lower innovation speed can mean the disappearance of the European startup.

Today, this speed can be critical in technological areas such as Cloud Computing, the Internet of Things or mobility. **While innovative companies in Europe are financed in many cases through public or public-private programs and instruments, which typically work with slow procedures, American technology companies turn to a much more agile private financing market that allows them to accelerate their speed of innovation.** Many European products disappear simply because their innovation financing model is inadequate for a time of rapid technological change.

In Spain, the difficulty for technology startups is even more pressing as their financing possibilities are very quickly linked to their success in the market. This means that many companies have to abandon the construction of truly innovative and competitive products due to short-term results. The viability of truly disruptive startups in Spain is practically impossible except in very few exceptions.

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