



**spring**<sup>TM</sup>

INSIGHTS

9 common  
**PITFALLS**  
of web startups  
& how to **avoid** them

**Over the years Spring has worked with a range of web and mobile startups, as well as corporate clients venturing into the web. We helped these clients bring their web products and mobile services to the market. Our work with entrepreneurs, and our own web venture experiments has repeatedly confirmed our passion for starting things up, and our knowledge has grown with every project.**

In the process, we also learned that there are reoccurring issues and obstacles that entrepreneurs face. Some of these issues are universal, but some seem to be specific to our region. The tech startup industry in the Arab world is fast-growing and exciting, with more seed opportunities and venture capital available for new projects than just half a decade ago.

However, this rise has exposed difficulties in areas such as product development, choice of technology, operations and marketing, content, and even in over-all business models.

So in the spirit of knowledge sharing, we have compiled a list of traps that many startups fall into when working on their products. Consider them pointers to keep in mind for a better chance at success!

## **PITFALL #1**

### **Never-ending Product Development.**

One of the first and most frequent traps we have noticed is excessive feature development. Seeking the perfect or most comprehensive product from the very beginning is a recipe for potential failure.

We push our clients to view product development as an ongoing, long term process. We believe its important to experiment and give users the chance to provide feedback. Luckily, there is a growing ecosystem of early adopters in our region who are excited to try new product(s), and give feedback.

We always suggest starting with a private beta testing phase, which is similar to a soft opening or prelaunch stage, where you can further develop ideas based on feedback from early users.

*Seeking the ‘perfect’ or most comprehensive product from the very beginning is a recipe for potential failure.*

Don't keep dreaming up more and more features and delaying your launch. Launch an early product even if it has only one function. Get it out there and watch how people are using it. Learn something. Continue developing.

## **PITFALL #2**

### **Ignoring the competition.**

We have noticed that a lot of the time, when people get carried away in the euphoria of dreaming up of new ideas; the competition tends to be forgotten. While we all know that daydreaming has created success stories around us every day; in reality innovative products take time and careful examination of the competition to achieve greatness.

Competition is good, it raises the bar and proves that the field you are operating in is hot and in demand. It might just be that your take on that field - that singular experience - will trigger users to choose your product over the competitions', exactly as was the case when people choose *Facebook* over *mySpace* and *Friendstr*.

It's important to make sure that your start-up is relevant to the region, but not exclusive to it. Competition should be considered with an eye on regional and international products. Even if your competitors are in the U.S., don't underestimate their capacity to reach your target audience sooner and easier than you imagine.

## **PITFALL #3**

### **Overdoing stealth mode.**

Unless you are working on a new highly-complex google-killer search engine, or the next high-tech innovation which is costing you millions in R&D; secrecy around your idea shouldn't last more than few months.

If your idea is well-developed, keeping things on the lowdown should only last as long as you need to gather your team, create the mock-ups or proof your concepts. Otherwise telling people actually creates a buzz ahead of the launch - a definite advantage.

Don't let the idea-stealing ghosts get to you!

⋮ *Even if your competitors are in the U.S., don't underestimate their capacity to reach your target audience sooner and easier than you imagine.*

## **PITFALL #4** **Under/over-valuing technical development.**

Choosing the technology platform(s) to build your product is an important decision to make at the very beginning. Ideally, your co-founder and advisor is a technical guru and they handle these choices, but in reality very few people are lucky to find this match made-in-heaven!

Otherwise, deciding on the best technical platform(s) should not take too long. A few points we have noted can offer you better direction.

In our region, many people tend to automatically think of commercial big-brand software from the likes of *Microsoft* and *Oracle*. These are costly. We recommend *Open Source* solutions because these technologies are the most popular platforms used for web applications, offering you more flexibility and greater efficiency in the long run.

For starters, *Open Source* technologies are free, so you save yourself initial cost, and there is a wide selection of platforms to choose from to suit your needs.

∴ *It's essential to know the availability of expertise for the technology you choose.*

Second, you will benefit from access to a strong worldwide developer community. It's essential to know the availability of expertise for the technology you choose. For example, many great applications are made using *Ruby-On-Rails*, however, *R-O-R* experts are still hard to find in the region. We've seen numerous startups on *R-O-R* who have had to do an expensive re-write of the whole code for their product in *PHP* later on. Even if you hire a company to develop the first version of your product, sooner or later you will need to hire a team of your own to follow up with the day-to-day needs of your product.

To Framework or not to Framework, that is the question! Your product's features will determine if you need a tailored framework, or if a simple ready-to-use technology will be enough. Developing frameworks takes a

lot longer than ready-made Open Source content management systems. For example, if you are building a news website or a community portal, something like *WordPress* or *Drupal* might just do the job.

## **PITFALL #5** **Undervaluing content, and over dependency on user generated content.**

Content is king. And if your startup depends on user-generated content, then you must carefully plan and direct the initial content that is published on your site. Yes, designers and developers can create brilliantly designed and developed shells, but if you underestimate the value of content then your efforts may fail at launch.

A content strategy is essential. Even if the application is designed for user-generated content, profiling the users you want to attract for your app is important.

Find actual living people who fit your user-profile, and do your best to gain their interest in becoming your private beta testers. Work with them not only to help you fill your application with data, but also to consider the different user scenarios, and test the idea as a whole.

## **PITFALL #6**

*∴ If you underestimate the value of content then your efforts may fail at launch.*

## **Build-it-and-they-will-come mentality.**

We have met a lot of startup founders who think their idea will attract users on the fly after the short-lived buzz of the launch. To avoid this trap, you should always have a user-acquisition strategy and tactics ready from day one.

Who can I partner with?

Will I need to advertise?

What is my daily advertising budget?

Will I need an offline event, or a series of activities?

What online/offline platforms can I make use of to get me the first few thousand users?

### **PITFALL #7**

## **I'll figure how to make money later.**

Disregarding the importance of business models, and depending on widely adopted advertising-based examples, without researching different opportunities to make money, might be risking the success of your project. Have a plan, and consider a freemium service where you offer a 'light-in-features' version of your product/service, which gives potential customers the chance to use your product before deciding which plan best suits them.

## **PITFALL #8**

### **Arabic first, or English? or both?**

The rule is to go local for your target market. Deciding on the language that best fits your initial audience is key. There is no use creating the first version in English if the audience is from the Arab region, where people think and talk in Arabic. For example, a startup launched in Saudi Arabia, or Egypt, should be in Arabic (first), while in the U.A.E. we would suggest going bilingual.

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## **PITFALL #9**

### **Thinking tech and design, and forgetting operations.**

Last but not least, startup founders get into the trap of not having an operational plan for running the business. Figuring out how your company will be operating after launch is very important.

Who needs to be working with you on this? How many customer service people should you hire? Who will do product development with the early users? These are some of the questions you should answer as well.



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