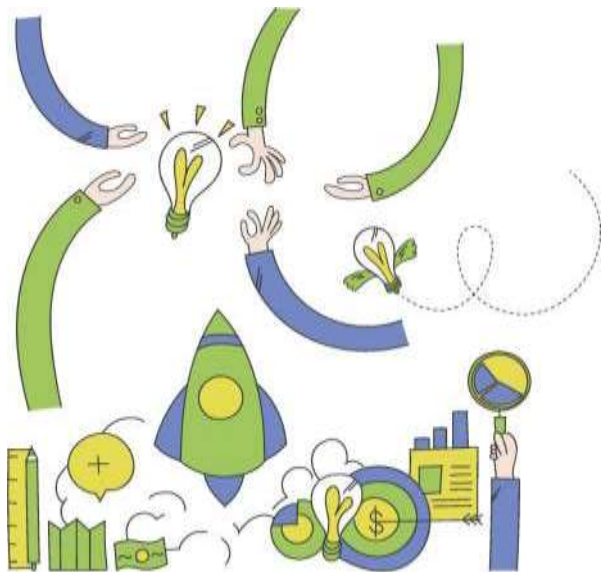


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# THE ENTREPRENEUR'S JOURNEY



# WELCOME

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Journey

What is it?

Openings, opportunities, and context

Methodology

The Entrepreneur's Journey Products

# PROLOGUE

A century later, the Chilean National Football Team was not only crowned once, but twice Copa América winners. However, how is this related to the Chilean Dynamic Start-up Strategy?

Believe it or not, football-sport discipline and dynamic start-up has a lot in common. Here, many dream of living from those activities, but not everyone achieves it. In both cases, success does not only depend on innate characteristics, but it is also due to the existence of a 'championship', a project developed by a competitive and strong 'technical team'. Thus, it is not just passion, but also a discipline.

Another similarity between these two worlds is that

both the ANFP, (the National Professional Football Association), and Corfo -entities that lead these activities respectively- have strategies and business-models. Over the last twenty years, Chile has stood out in its effectiveness for growing quickly both at international football level and through Dynamic Start-up. Regarding milestones, this document is the first in Chilean history that, by means of Corfo Start-up Management 's experience, examines what the strategy was that place Chile as number one in Latin America in start-up and innovation.

As well as telling the story up until now, this book is also an instrument that

## To be able to open a domain charged with “Latin taste”, with original practices and knowledge that allow us to build our own way.

will help us understand better all opportunities offered when starting a business. In this adventure knowledge is able to be received about all business-phases and support-styles, both private and public.

We call this methodology “The Entrepreneur’s Journey”. It describes in a comprehensive manner and in simplified language all lessons learnt after generations of innovative projects that were held by our networks. There were diverse results and, thus, different lessons were learnt.

The decision to write this text arises from the urgency which Chile is living at this very moment. Our country faces today a crucial point concerning start-ups

and the challenge of generating bigger impact and a more sophisticated network in culture. The criticising-masses that have already been established in the country demonstrated how a text like this was a great opportunity.

The actual start-up process held in Latin America has characteristics that differ from what has been written in developed countries’ books. Thus, it was necessary for a definition of an innovator entrepreneur’s standard, which actually exists within our region, for public-policies design, and it aims toward effectiveness and practical-oriented behaviour, so as a result, this support would help the country to find local innovation.

We are convinced that this book might be of



THE ENTREPRENEUR'S JOURNEY  
INNOVATION

<sup>1</sup> Methodology. Developed and created originally by Roberto Musso (<https://www.linkedin.com/in/roberto-musso-5500617>)

great use and help for other Latin American countries which seek their own regions, comprehension of strategy, discover our good work practices and the acknowledgement of our learning processes and local differences among countries.

Through this text, we want to be able to open a domain charged with "Latin taste", with original practices and knowledge that allow us to build our own way, in order to stop following more advanced start-up innovation eco-systems which already exist. We might never be world-class number one just replicating advanced practices: we generate our original model and not a continuous-improvement methodology. A great saying on innovation is as follows: "Light bulbs are not a continuous-improvement obtained from candles".

Before continuing with this book, we must reiterate that we address specifically dynamic start-up. Although traditional start-up is likewise relevant, here we want to demonstrate that

the progress achieved by public teams and countries using an innovative type of start-up.

Finally, it is necessary to highlight that this model does not only relate to managers' own experiences at work, but also sustained by Roberto Musso's work. He is a Chilean investor and researcher with wide experience in Latin America. His research was essential as a theoretical approach. On the other hand, for the creation of our methodology we also used innovation and start-up ideas widely accepted and used such as, 'Lean Start-up', 'Design Thinking', 'Pitch', and others.

I kindly invite you to know more about our methodology: "The Entrepreneur's Journey" Why do we invest only in dynamic start-up? Why does the State and Corfo also participate in this process? These questions will be answered next.

Welcome!

*Tadashi Takaoka, Start-up Customer Service Manager*



Nowadays, start-up politics are world-wide popular. Are there any reasons for it?

There are least three reasons for this trend:

1

Employment and city-economies recuperation sources in developed countries have depended greatly on start-up.

2

The advances of theories in economic development reinserts developed by private accelerators relevance of the 'creative-destruction' such as, 'Y-Combinator', Techstars, (Joseph Schumpeter) concept, which 500 Startups and Chile Start-Up details cluster growth, a trending topic experiences. All policies' results back in the 90s'.

3

become more trustworthy due to the mastery of methodologies, better impact-assessments, and a clear-view on projects.

# INTRODUCTION



THE START-UP

PUBLIC POLICY

START-UP

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In this context, many questions emerge such as: how do we attain growth? What is the next goal of public policy? Are there any changes in this multiplicity of policies?

Chile is a particularly aggressive start-up policy-oriented country. This country established a national network of incubators and seed-funding (by 2005), implemented Start-Up Chile (first public entrepreneur-accelerator in the world, 2010) and now has the challenge of leading The Entrepreneur's Journey (first country-level policy aimed at massively democratising start-up opportunities).

This new Corfo Policy has a close relationship with R. Musso's proposition. The Chilean entrepreneur set stages for start-ups' development and entrepreneur-practices that, once followed closely as a sequential route, enhances and increases all entrepreneur's impact on society.

This proposal, explained further below, is an alternative to incubator/accelerator device-based politics where the main enquiry was how to enhance performance through an evolution-process. This process takes its journey within an opened eco-system, and also expands its policy towards new actors that must be involved: mentor-networks,

public finance, angel networks, co-works, hubs, maker space, accelerators, and others.

This book is the result of three years of hard-work at the hands of Corfo's Start-up Managers (a project sustained by the Early Financing Sub management) and within it essential elements are explained including relevant data for the implementation of its policies. Furthermore, it has become an 'internal guide-manual' for this learning team that faces multiple challenges such as having become the country with the highest level of Start-Ups per year (over a thousand), maintaining an eco-system ranked among the first twenty best-qualified in the world, being able to connect instances and mentors, supplying specialised training courses that have adequate stage-by-stage projects, and it is also quality-accredited.

All this is possible due to the institutional strength and the professionalism of Corfo, both attributes that allow us to deliver new, ambitious, and practical information that will add another grain of sand to Latin America's region-development.

*Iní Núñez, Ex-Start-up Manager, Corfo.*



#### Start-up's Early Finance Sub Management Team

The ground-breaking innovation that transforms countries proceeds mainly from entrepreneurs and secondarily from big companies. Early Finance Sub Management Team promotes financing to dynamic start-ups during its early stages. In other words, from the creation of the start-up until accomplishing sustainability financially. The Sub Management Team have already developed ten instruments for business financing at this earlier stage.

Since its creation in March 2015, the Sub Management Team has invested in available modernisation programmes which has implied more resources for the Semilla line and the generation of new instruments to complete the financing chain.

Furthermore, this unit has progressed towards an inclusive and democratic financing-access, in order to develop dynamic start-ups through the creation of gender-focused programmes, and also support for those projects that benefit social and economic equity.

#### Start-up Ecosystem Sub Management Team

Although there can be many ideas and opportunities, these can be threatened if there are no start-up ecosystems that fortify the entrepreneur's development and prepare the business against competitive possible scenarios and alerts.

Based on the aforementioned, the Start-up Ecosystem Sub Management Team at Corfo was created in the year 2015. It is responsible for programme management, instruments, further actions that foster and promote an environment nationally and regionally to enhance systems and support networks for any entrepreneur.

# ABOUT US

The Chilean start-up policy began in 1997, twenty years ago, thanks to Corfo's support for pilot projects of business incubators and seed capital. Its formal development begins with the creation of the Competitiveness Innovation Council, (2005).

Corfo Start-up Management Team began in 2012. It was born as the InnovaChile-Corfo Start-up Sub Management Team that existed in 2005. This Sub Management Team made groups of start-up incubators and seed capital pilot projects to initiate the national dynamic start-up support national policy. It also has the creation of a set of central instruments under two different line-ups: early financing and a start-up's ecosystem generation process.

The objective in this Management Team is to augment and foster high-impact dynamic start-up in Chile so that new entrepreneurs would produce important changes in productivity and sustainability amidst current economic sectors.

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TEAM

MANAGERS

FINANCING



## Early Start-up Team

The Early Financing Sub Management Team Team is made up of eleven people. This Corfo area has an annual budget of nearly USD \$ 24,768,60. Its tasks are distributed according to the following fundamental ideas in the action field:

The team has as its leader Tadashi Takaoka, Sub-Manager alongside Paulina Carvallo, Team Coordinator.

### 1 Direct Application Programmes

Grant financing and technical follow-up for projects at their earlier stages of start-up. This team is under Capital Semilla Programme, Regional Programme of Start-up Support and Scale Up-Expansion Its team members are Ximena Contreras, Daniela Paz, Julia Alfaro, Luis Arias, Cristóbal Matte and Javier de la Maza.

### 2 Indirect application programme

Support for entrepreneurs who are developing high-impact projects and their earlier stages that apply for funds through institutions such as accelerators/incubators (entities that have experience and dynamic start-up support methodologies). These institutions are known as Fund Managers.

The available funds for these programmes are: Flexible Assignment Seed Funds Subsidy (Subsidio Semilla de Asignación Flexible, in Spanish) - SSAF FUNDS: innovation, development, social, challenge and escalating. The corresponding team to these lines is: Perla Espinosa, Daniela Paz, Julia Alfaro, Ana María Bravo and Susana Tobar.



## Start-up Ecosystem Team

This sub-management team has an eight-person team, who have an annual budget of approximately USD \$ 13,036,110, with assigned tasks that are distributed according to the following fundamental activities:

### 1 Support for entrepreneur-support institutions

This side focuses on supporting those agencies that deliver services for entrepreneurs during their development, at any stage, from its emergence until escalating phases. Such institutions are incubators, collaborative spaces, accelerators of strategic sectors and a network of mentors.

The members for this team are Martín Vekivía, Cristóbal Raby, Diego Machuca and Sebastián Zavala.

### 2 Support for institutions at the growing stage.

Until the year 2013, Chile went through a great process of building a dynamic start-up culture. The effort was held in order to place Chile as one innovation pole within the Latin America context, it was a success. Today, there is detailed knowledge about what exactly is innovative start-up and any opportunity that this involves. Additionally, Chilean superior-education centres already have at least one start-up course on their syllabus.

### 3 Innovation and start-up culture support

The objective is to broadcast, make dynamics and enhance the national start-up through different initiatives such as workshops, methodologies, technical challenges or study centres for the development of a powerful ecosystem with an increasing number of successful, connected and well-prepared entrepreneurs. This is fostered with Entrepreneur and Innovation Support Programmes Cpaei, Special Programs for Ecosystem and Technological Tournaments Improvement.

The members of this team are Natalia Beovic, Katherine Pávez, Hugo Martínez, Martín Vekivía and Sebastián Zavala.



# 1 Studies

This team has the goal of easing access to knowledge, generating quality information through world-class databases for the variety of institutes related to start-up policies. As a result of this, the learning knowledge ecosystem is to be fortified and to generate enough evidence to assess impacts on different programmes from the Management Team.

Claudia Espinoza, Edison Marchant, and Carlos Navarro are on this new workteam.

# 2 Budget and formalisation

The Budget and Formalisation area is in charge of the annual planification of resources delivered to beneficiaries and intermediators, in line with strategic guide-lines created by the Early Financing and Ecosystem Sub Management Teams. After the assignment of project subsidies, there is another legal background information request process, a guarantee request, and a contract sending stage for their respective stamp-approval, which enables the pay-orders issuing. This area is also responsible for managing guarantees expiry dates, support on administrative project-closing processes and overhead payment processing.

Javiera Baeza and Carolina Gutiérrez work together on this team.

Roberto Musso: Serial Entrepreneur, Digevo's Company President. Electronics Civil Engineer from Technological University Federico Santa María, specialised in digital systems and with an MBA from the Universidad Adolfo Ibáñez University. Author of the book: "El Valle de la Muerte" (The Valley of Death). Author of "The Star-tup Journey", direct influence in Corfo's methodology development.

Rodrigo Musalem: Zeus Capital General Manager Industrial Civil Engineer, minor in Chemical Processes, from Pontificia Universidad Católica de Chile, Master and MPhil, Cambridge College, England. Fund-management business General Manager and director of several businesses.

Michael Leatherbee: Start-up, Technology, Strategy and Organisation Ph. D Management *Science and Engineering Stanford University*, California, EEUU and Industrial Civil Engineer with minor on Hydraulics, Pontificia Universidad Católica, Chile. Co-founder of Think Tank Innovation Factory and Co-founder of Yx Wirseless S.A. He is also board member of Start-Up Chile, Chile-California Council Advisor and Academic Director of Aukan Innovation Management.

Daniela Jara: Business studies graduate with experience in start-up, innovation, and start-up social responsibility as development source nationally. She currently works as project manager a Innovation Division that belongs to the Chilean Ministry of Economics, Development and Tourism.

Emprediem: An entity that has vast experience supporting entrepreneurs who, through their own effort, was a pioneer concerning this methodology and it is also familiar with all downsides regarding this kind of job. We are especially grateful to María San Martín, Sebastian Salinas, Alvaro Cercos and their team who believed in us at our earlier stages. This document and the work invested would not be possible without their help.

Darío Liberona: Electronic and Telecommunications Engineer from Federico Santa María Technical University. He is also Director of Start-up Journey Project, led by the Universidad Técnica Federico Santa María.

Valeria Droguett: Graphic Designer, Universidad Diego Portales. Designer of 'The Entrepreneur's Journey'.

Juan José Rojas: Corfo's Corporate Image Chief, supporter of the design process of 'The Entrepreneur's Journey'

Karen Rios: Corfo's Start-up Journalist and Editor on 'The Start-up's Journey'.



# THE ENTREPRENEUR'S JOURNEY



What it is  
Openings  
Opportunity and  
Context  
Methodology  
Stages  
The Start-up's  
Journey Products

The Entrepreneur's Journey explains the strategy that we are using to solve breaches residing within the Chilean start-up eco-system. Practically, this methodology seeks to link three key-topics for the process: at a development eco-system level, entrepreneur team development level, and at project development level.

## **What is The Entrepreneur's Journey?**

**It is a training methodology and certification for dynamic start-ups that maximises a project's chance of success using an approach related to eco-systems. For the achievement of the goals, its focus is situated on highlighting best practices and milestones to be developed both by the entrepreneur-team and the start-up itself.**

## How do we hand over this methodology?

Through start-up support entities which we call *partners*, and which make up the support eco-system according in each region. Here, business-incubators and business-accelerators, mentor networks, co-workspaces, training programme advisors, angel networks and investment funds, among other entities.

# WHAT EXACTLY CAN BE PERFORMED ON THIS PLATFORM?

**For those who begin on The Start-up's Journey, the following steps await within the platform:**

1

Self-evaluation to check at which development level the team, project and eco-system are immersed in. This will place you at any of the seven stages that are included in this methodology.

2

Following that stage, the entrepreneur will be able to know which types of learning and types of methods should be already accomplished, and what kind of milestones should be accomplished by a project in order to pass to the next phase.

3

The entrepreneur will be able to examine which type of funding exists for entrepreneurs and their projects in accordance with their current stage.

4

The entrepreneur will be granted access to an eco-system map available in his/her region, quite useful to pin-point support networks for the development of the project and the entrepreneur him/herself. These partners will be validated by Corfo and will also be rated by other entrepreneurs who need to pass through their processes to guide others to choose the service.

5

Finally, with all this information the entrepreneur will be able to connect with the Technical Follow-up to learn processes and best practices from other start-ups' success cases.



The most relevant aspect of this process is that Corfo's The Entrepreneur's Journey will formulate a clear and objective view of what the characteristics are that Latin-American entrepreneurs achieve when they change into "unicorns" in this region of the world.

# GAPS

Which scenario is present at the moment of beginning this strategy? Chile has grown at high-speed. However, it is still a “teen” eco-system that needs time to mature. The identified gaps within the country will be detailed further below. All these gaps were effective causes for enabling the current Start-up Management strategy.

## 1 Low impact of dynamic-start-up due to lack of knowledge

An entrepreneur tends to think that a start-up is a mixture of passion, skills, and intelligence. These conditions are indeed necessary, but simply not enough. A start-up/innovative process is a full-time discipline, thus, methods and knowledge about and for them already exist. An entrepreneur team that lacks this information is like a football team that plays amateur football matches: they might be fun and sometimes they seem serious. However, each player plays the way they want to, and it is not very likely that the team will improve the neighbourhood's level.

This happens as well with innovative start-up: if there are no minimum methodologies incorporated in order to manage teams (*for instance, Lean Start-up, Management, Business Model, Venture Deals*), this would be a similar scenario to play in an official tournament match without a technical team, strategy or having practised free-kicks at all. Only skills, passion and stamina would be involved. Championships are not likely to be won this way.

## 2 Eco-systems lacking a transversal standardisation

*"They say two boys in a garage can change the world"*

This is true... If you live two blocks away from Stanford. The message conveyed here is that innovation does not only happen there in a garage or for Stanford entrepreneurs only and instead it also relies on the existent support eco-systems.

Once more, speaking about football analogies, countries that have strong professional national tournaments tend to obtain better performances during international competitions. This depends mainly on the quality of technical teams, physical trainers, award sizes, sponsors and, indeed, that there is an institution that regulates and standardises each teams' level (first, second, or third football divisions, for example).

Furthermore, there is a need for standardising entrepreneur-supportive entity levels: investment funds, mentor networks, business accelerators and incubators, co-workspaces, among other means. A simple definition is not enough, but instead a method to allow the entrepreneur to acknowledge which types of services he/she requires and what must be accomplished to move onto the next stages.

### 3 Lack of creation and broadcast of successful cases

Twenty years ago, Chilean children wanted to be forward football-players for Colo-Colo, Universidad de Chile, or Universidad Católica, for example, which are local teams. Today, however, children do not want exactly this. Now they want to be players for Arsenal, Barcelona, and other big international football teams. Why has this changed occurred? Mainly, the trend of national heroes playing for foreign football teams, such as Alexis Sánchez or Arturo Vidal, just to name a few of them. Children conclude from this: "we can too". They do not see it as unlikely that a Chilean player can form part of a world-class high-performing team, as previous generations tended to think.

In innovation eco-systems this happens similarly: the reason why governments invest first in innovation is due to its quality as a process of high-uncertainty, high-cost of resources and, in many cases, due to a lack of perception of opportunity costs by private entities, thus, governments subsidize the marketplace until a high-performance eco-system is finally generated. All this brings implications for private investment levels and the quite acknowledged challenge of fund-raising at project escalating stages.

Hence, at this point success cases and their proper diffusion are key for their success because they present opportunities, change perspectives, and increase impact levels. Chile has been in the game for twenty years. Silicon Valley took fifty years to generate these conditions.

### 4 Benefit and knowledge access barriers

Chile is one of the countries with the highest support levels for dynamic start-up. Corfo is one of the entities that contributes the most to this type of activity. Nevertheless, it is no secret that the technical jargon used by Corfo (Corfan as nickname), the English terms, and the barriers of use within these platforms and application forms represent an obstacle for high-level entrepreneurs.

A huge machinery has its costs: one of them is that having an elevated number of instruments for entrepreneur support, the information delivered might be complex and hard to understand and apply. Furthermore, some entrepreneurs prefer to avoid Corfo due to bad experiences (from others and self-experienced) that have created the idea that to collaborate with the government is an excessively complex task.

If a football team is famous for being complex, young promising players prefer to avoid its obstacles, so a disadvantage appears in the way to achieve global competitiveness.

## 5 Insufficient project follow-up

Start-up Management is the entity that has the highest numbers of project-financing activities in Latin America, nearly 1,000 activities per year. That is why it is responsible for offering start-up follow-up services.

The problem is about the reduced human capital size: only eight executives control the client portfolio and despite the support offered by the ecosystem (incubators, sponsors, accelerators, etc.) that ensures no money-wasting. There is no capacity available at the moment to follow and technically assess each single project. This sets the limit when trying to deliver value and not just money for entrepreneurs.

Not having a follow-up act is a challenge, speaking about vigilance over State funds and also when it comes to supporting activities. Is it worth having a technical team if they never organise a single training session?





METHODOLOGY  
 ECOSYSTEM  
 SUCCESS CASES  
 CORFO  
 FOLLOW-UP

The aforementioned are the openings which we find in our country and which lead us to our current strategy of Start-up Management

# OPPORTUNITIES & CONTEXT

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As the context generated better opportunities for Chilean football-teams (for instance, the golden age of Colo Colo's 2006-2007 team, a team that was at the heart of the current winning team of the South American Football Cup, Universidad de Chile, which continued what Bielsa started with Sampaoli), the national start-up eco-system also demonstrated how new long-term investments would allow for Chile to have a more aggressive growth-strategy implemented.



**If we had heard Jack Dorsey's pitch when Twitter began, would we have bet on his idea? The prediction of Twitter's scope was undoubtedly hard to make. Thus, it is recommended we define certain strategies to measure who has enough to begin the match.**

#### **Massive customer-support without quality-loss**

Innovation interprets quantity as quality. This is a complex statement, since we might get the impression that distributing money and some prayers would be enough for results. This is simply not true.

This phrase means that, speaking of innovation, there is too much difficulty to predict who will create a disruption. We are not talking about an entrepreneur that earns profit using his/her project, but market-revolutionary entrepreneurs instead.

This is an example. If we had heard Jack Dorsey's pitch when Twitter began, would we have bet on his idea? The prediction of Twitter's scope was undoubtedly hard to make. Thus, it is recommended we define certain strategies to measure who has enough to begin the match, in order that within this project-portfolio total universe the highest elevated number of projects can benefit themselves from this strategy-definition. This is the reason behind the goal of our strategy which aimed at reaching 1,000 supported start-ups by the year 2017.

The same applies to football: it is quite difficult to predict who will become the highest-impact football-player from a group of eight-year-old children players. At this stage, there is still too much to do for them. Even if there are expert head-hunters that seek innate talent, they do not have any certainty either. Therefore, there are so many professional football training-courses that take a great number of very young players and they "filter" them along their development process.

However, this creates the challenge of how to deal with mass numbers. The answer can be found in a trend combination: mentors and digital platforms.

In this digital era, it makes sense to think that a mass business-model would not suit a personalised service properly, and on the contrary, the best option possible would be a self-supportive system. Still, this leaves one question unsolved: Can just eight executives pay full attention for 10,000 applicants per year and perform proper follow-up activities for more than 1,000 supported teams? The answer is: yes, they can. Partially we have put a bet on platform automatising capacities, capable of efficiently prioritising information. However, the key element is a bit less technological: mentors.

As of date, we have financed ten mentor networks in Chile. These networks are made up of more than 1,000 mentors that work one-on-one with each entrepreneur in order to have in-depth information about the entrepreneur to know him/her appropriately, checking if any wrong or right is being done. Furthermore, mentors not only influence the success probabilities of an entrepreneur, but also can keep track of public resources available for the start-up.

Why use mentor networks instead of coordinating start-ups by ourselves?



Because specialization is needed to define the mentors' standards, needed for constant training-programmes, and it is required for optimum coordination between entrepreneurs and mentors.

Let us return to the platform topic. In Start-up Management we develop two platforms that will allow us to cover, support and follow-up as never before. It is about a technical follow-up platform that allows teams to orderly account start-up data, allows mentors and executives to perform follow-up tasks and we also prepared The Entrepreneur's Journey as support for whoever wants to run a business. The latter platform will be explained in-detail further in this book.

### **Convey what we have learned after thousands of start-up experiences**

Silicon Valley is the great influence that the Chilean eco-system has. Silicon Valley is Chile's great influence both in vision and methodology, since expert 'gurus' and books proceed from there. We have also learned that not everything can be applied directly to Chilean reality; there are many basic suppositions that simply do not apply in this country.

Here, the Latin-American entrepreneur genetics begin to unfold. Corfo, being the entity that leads project-support, knows best the entrepreneurs' identity, having tremendous potential to gather all these knowledges and share them with eco-systems. Therefore, our effort is put both into the implementation of project follow-up task entities and the construction of detailed information on start-up performance that we have supported in the past few years. With this information, we can know the performance of the different sales-generations, investment raise, internationalisation, and other relevant numbers.

Our objective is to implement an open database that will allow us to examine eco-systems based on their results to build a learning-scheme for entrepreneurs to know good practices from successful cases.

### **Sophisticated Eco-systems**

As we mentioned before, until 2013 Chile focused on creating a dynamic start-up culture to acquire the status of innovator country within the Latin American context. Today we face a second phase: innovation sophistication to have a broader impact.

**How is innovation sophistication achieved?** The challenges to be resolved are the most important factors when we talk about innovation. Furthermore, if the challenge is not big enough, solutions might lose their relevance if there is no greater impact. Thus, a first way to generate sophisticated innovations is to define strategic

and big-sized challenges for the country.

A second way is to raise the technological complexity level from value generating solutions. Technology does not only allow us to have a greater impact, but also eliminates insertion obstacles for competitors. It also increases the perceived value by the client, and thus, payment willingness.

A third way that orchestrates the two former ones is the generation of an eco-system that possess a good challenge-identification process, divergent creativity and convergent creativity for the creation of ideas, the ability to switch between business models and acquire enough flexibility for fast growth.

These three ways generate an impact when coordinating entities that exist within an eco-system and coordinated the quality standard required for entrepreneur-support. It is not only about better finance instruments for entrepreneurs, but also about ways that give different support according to the degree of maturity which start-ups have.

As in football: the success rate of a team and a generation of players depend both on their technical-team's professionalism (strategy, physical training, nutrition, psychology, etc.) as well on the existence of high-performance national tournaments with well-defined rules that would oblige each team to make an effort to improve internationally. If this football-similar eco-system does not exist, at this level of competition, the hopes of being champions in World Cups or American Cups are rather low, or even, almost non-existent.

### **Democratisation and inclusion**

When you are an innovator entrepreneur, no one asks you your last name, how much money you have in your account, nor do they enquire about what school you attended or where you were born. The only thing that matters is a big challenge and a high-impact proper solution. This happens only in a few disciplines. This is why dynamic start-up has become one of the strongest democratisation tools.

Beyond moral duty of maintaining equality, there is a major effect when avoiding opportunity democratisation: ground-breaking innovation does not emerge from big companies but from entrepreneurs that work at high-speed and take risks. Although educational level has certain influence on these team capacities, knowledge also plays a role on high-impact challenge generation. As a result of this, people who are closer to social problems and are immersed in an eco-system that challenges actual innovation-access barriers, can be an ocean of

new realities and destructive creation.

Another relevant factor is that valuable innovation is created from heterogeneous sources. Status-quo is a bad way to change markets or societies. Given this, inclusion is key to obtaining more sophisticated innovation:

**Types of inclusion that represent great chances**

Inclusion of women in disruptive technological innovation.

To strengthen social innovation start-up. At this point, achieving a minimum standard for what is sophisticated enough to be considered social innovation and real and lasting change generator is a key factor.

Improving quality and density of regional eco-systems, enhancing our own particular capacities to generate specific solutions originated in natural laboratories that can escalate globally.

All these make up the current context and demonstrate the existence of sufficient conditions to generate complex solutions that have a higher level of impact.

# METHODOLOGY

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# Where does The Start-up's Journey come from and why do we think it will be revolutionary? Imagine seeing hundreds of innovating start-up projects per year having different topics, teams, and dreams.

These projects are supported with money and with available entities that have experience to help them at their different development stages. Many fail, some survive and only a few -quite a few- become successful examples.

In time, it is obvious that those who are successful do not share all the same characteristics with Silicon Valley text-book descriptions. On the contrary, there are cases where they followed blindly these texts and they failed completely.

In this scenario, certain patterns can be seen: those start-ups that blindly-follow a method are destined to perish. Those who do not follow any method at all, also perish along the way. There are particular events that we have observed in Chile and in Latin America. However, they are realities perceived by us, so we need to empirically test them.

The Start-up's Journey was born from this observation: after following-up thousands of start-ups over the years we have acquired knowledge about what is repeated by successful cases and what aspects fail in common. We also identified which initial characteristics are better to start. These conditions are necessary but simply not enough to triumph.

While we faced uncertainty, Roberto

Musso, successful Chilean entrepreneur and investor, created our methodology in 2015 (The Start-up's Journey) base-lines with a proposition about his system to identify characteristics and milestones that must be accomplished by entrepreneur teams in order to maximise their chances of success.

One of Musso's baselines was establishing a set of characteristics and challenges along the innovation curve that entrepreneurs must solve to triumph.



Modern Start-up Theory (Slicing Pie, Global, Adaptation, Appropriateness, Valuation, Digital Strategy, etc.)

Original map: The Start-up Journey by Roberto Musso.

Generally speaking, it is a draft that aims to build something valuable: green dots indicate which level an entrepreneur should have in topics such as problem identification or while orchestrating tasks.

Purple dots indicate which level the entrepreneur is actually at.

In fact, in his work, Roberto Musso indicated which level Chile had at that moment. For instance, he mentioned that the sunding topic, at Seed Stage, was highly developed, almost at an optimum required level, but, on the other hand, the use and quality indicators that the mentors use were still at the developing stages.

This model created and gave foundation for a new one built by Corfo, alongside Start-up Management. During this process, the creation of an Advisor Committee was a key milestone while developing this project support:

*Roberto Musso - Base-line Methodology Creator Inti Niñez - Corfo  
Start-up Manager (2014-2016)*

*Mike Leatherbee - Stanford PhD, specialised in Start-up Research  
Rocio Fonseca - Start-up Chile Executive Director Felipe Jara -  
Corfo Start-up Eco-system Sub-Manager (2015)*

*Maricarmen Torres - Corfo Start-up Eco-system Sub-Manager  
(2016 - until today) María San Martín - Emprediem Expert Start-up  
Coordinator*

*Darío Liberona - "The Startup Journey" Project Leader, Universidad  
Federico Santa María*

This committee developed the model that later was tested on dynamic entrepreneurs. This process was divided on modules in which all Corfo Early Financing Sub Management Team participated. The module development was ordered as follows:

**Challenge definition, objectives and what later would be known as The Start-up Journey**

It was necessary to establish a vision for the execution of the project and where would it lead us. The most relevant point was establishing that it was a methodology that aimed to maximize success-probabilities on dynamic entrepreneurs. The challenges and objectives can be examined at the beginning of this document.

**Definition of stages, contents, and milestones of The Entrepreneur's Journey**

To define the stages which would the methodology count with to establish milestones and the standardization of levels to be reached by entrepreneurs, and the allowance of start-ups to be oriented quickly through this way.

As all long-term project, it was necessary to establish several experiments that would validate some suppositions. The most relevant one was the validating process of stages 0 and 1, phase at which the hypothesis that projects could build a basic pitch -independently from how the ability development were- were tested. At this level, through mentoring activities and training courses, the high-level pitch elaborating capacity should be conveyed.

The experiment took place in three regions: Arica and Parinacota, Bio Bio, and in Los Lagos. These regions were selected due to their different development levels among their start-up eco-system, where Bio Bio displayed the highest level of development, Los Lagos an intermediate level, and Parinacota held an initial phase status.

For each region, twenty entrepreneurs that were at their start-up phases were chosen.

Out of these, ten would receive pitch and mentoring training-courses, and the remaining ten would be a "control group" that would receive no support at all. All twenty selected subjects were invited to participate in a Demo-day (a three-minute presentation), where they presented their respective pitches and were assessed by a jury that never had previous knowledge about which projects had or had not received previous support.

The results were similar for the three regions. Independently from the level of development of the projects and the place where they were established, intervened teams were always more confident and received better scores than those who trained all by themselves.

To ensure seriousness and commitment by participating entrepreneurs in these regional contests, a reward of free labour hours in their respective co-work regions (collaborative workspaces) was offered.

Before proceeding, on ethical grounds, support was offered to those projects that were chosen as control groups -not receiving any previous training before Demo-day- after the test concluded.

But isn't it obvious that a well-trained team will have better performance during Demo-day than those teams that are not? Not necessarily. A team can have ability enough and can sell their project with certain ease, however, after the received consultancy, what was interesting was that these groups performed solid answers for the judges and elaborated more precise definitions of their projects.

A fundamental step for entrepreneurs is to validate a good pitch. This is the main tool that they have to obtain funds and set up a good team. If this is not achieved at first, the project can fail before beginning.

Another interesting result from the pilot was noting that three levels actually had to be developed: the entrepreneur team, the project itself and the eco-system. Either if this already existed in literature, we defined the milestones that were to be measured in Chile, according to each achieved level.

With a definition of the journey, stages, and milestones for the start-up, we have the spine of this project. However, the complete process must be described yet.

At this stage we defined that the solution had to be digital so that the model would accomplish according certain characteristics: decentralised (many coordinating actors), scalable (all Chilean regions at once must be attended) and with the capacity to save data to learn constantly about the process.

The objective is to generate a recursive model that is organised for entrepreneurs, has feedback, and can be constantly perfected in order to obtain a clear diagnosis about

**Definition of methods and definition of product in order to specify methodology use**

dynamic Latin American entrepreneur's DNA.

According to this, we defined the following fundamental steps in the platform:

1. Entrepreneur's self-evaluation, project, and eco-system.
2. Identification of the team and project's status on The Entrepreneur's Journey
3. Deployment of the Regional Eco-system Map that contains support networks for entrepreneurs.
4. Technical Follow-up Model for data safe-keeping and result assessment.
5. Data-base system that uses public data to be studied by third-party members (safe-keeping of privileged project information).

**Self-evaluation model definition** Getting this far had its difficulties. If there was any mistake in the way to establish the corresponding stage for entrepreneurs, delivered support might not have been effective, since it would have been too basic or too complex and impossible to perform at the actual start-up stage.

Although information was gathered from bibliography such as "Lean Start-up" by Eric Ries, "Four Steps to Epiphany" by Steve Blank, or "Business Model Generation" by Alex Osterwalder, we also developed the model according to the contemporary Chilean perspective. Some examples of this were:

1. The challenge to reach an income-cost exact match under market salaries (breakeven) is more urgent in Latin America than in countries with developed start-up eco-systems, since the private investment route is reduced and there is a trend to finance profit-based businesses rather than free-traction sales businesses.
2. Another characteristic of the model is that thanks to State support, our country has an elevated number of financing ways at earlier stages, thus, part of the development of self-evaluation model was to identify if start-up had any affinity with state-funds. Consequently, at the moment of self-evaluation performance, fund types (private and governmental) that can be accessed to are displayed, according to start-up development level.

To test our proposal, a hypothesis, experimentation, and validation model was once more used. Our hypothesis was that we could define a model that would assign a project and its team into one of these models. Under this logic, we designed and applied an experiment where interviews were held, and assessments were performed twice to

an entrepreneur: the self-evaluation process first, through a survey with no human intervention, and then, in second place, contrast was made with the interview performed by a Corfo Start-up Management executive, without the latter knowing about the previous survey results at all.

The pilot experiment results demonstrated that equality was accomplished in the assessments, where the executive's decision assigned a maturity level correspondent to the self-evaluation to the entrepreneur.

Another interesting discussion in this on-going process was that, although in the short-term we performed start-up and entrepreneur-team support, we could also accelerate eco-systems in the medium-term. Thus, the key problem was the eco-system mapping process.

Undoubtedly, to have knowledge about the entire start-up system that belongs to a region is a complicated topic. However, Corfo has an advantage as it supports financially and performs follow-ups to mostly all relevant actors in Chile. Therefore, we could accomplish three key points:

**Eco-system mapping model definition**

1. Tracking of all eco-system actors per region: incubators, accelerators, co-workspaces, investment funds, training-programmes and talks for entrepreneurs, mentor networks, global hubs, laboratories, angel networks and other entities.
2. Establishing an entity that at the same time delivers information to the entrepreneur about regional eco-system actors and clarifies the service level, generating competition between them, including ratings by users after receiving support.
3. To define a standard that improves the level of service and thus the impact that each entity's service delivers.

It is important to define this model of eco-system acceleration as almost a self-journey for the actors involved, since, although as of this date improvements have been widely made, it has been a solitary and personal task for each entity, which had little connection with the rest of the entities.

The final design is explained in-detail in the following pages, but it answers the question: How do we generate a safe-keeping relevant model that studies the start-up impact and generates improvement-patterns for the future?

**Technical follow-up model definition**

**Definition and construction of support platforms for this process** Basically, there are three defined platforms: The Start-up Journey itself (which carries out all the method's steps), Technical Follow-up (inserted within The Start-up's Journey platform), and Eco-system Mapping.

So far, we have described the route that this methodology has gone through until evolving into what we present today. Although this process includes tests and validations, the first massive-use data under this model generation is still under development.

# THE ENTREPRENEUR'S JOURNEY STAGES

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WHAT ARE THE STAGES CONTAINED IN THE ENTREPRENEUR'S JOURNEY?

ETAPA 0

## INDUCTION



FOR BEGINNER ENTREPRENEURS

(Or for those unaware of being an entrepreneur)

-GOAL-

MINIMUM SCORE ACCOMPLISHMENT IN A BASIC ON-LINE TEST

MINIMUM CONCEPT KNOWLEDGE ABOUT THIS WORLD

ETAPA 1

## BASIC PITCH



FOR ADVANCED ENTREPRENEURS

WITH AT LEAST AN IDEA AND FUNDAMENTAL KNOWLEDGE OF DYNAMIC-START-UP CONCEPTS

'ON PAPER' START-UP

GOAL

GOOD PITCH MAKING

INITIAL FUNDING TO START



ETAPA 2

## PROBLEM AND SOLUTION



THE ENTREPRENEUR SEARCHES

An INITIAL VALIDATION

THERE IS A FORMAL PROJECT

PROJECT RESOURCE EXPENDITURE

BUSINESS MODEL

GOAL

ACHIEVE FIRST SALE

### 3 GOOD PITCH

v o o  
k )



ENTREPRENEUR SEEKS FOR

#### ESCALATING BUSINESS-MODEL

FIRST SALE HAS ALREADY BEEN ACCOMPLISHED  
THE PRODUCT/SERVICE AND CUSTOMER IS BETTER UNDERSTOOD  
GOAL

- TO REACH THE PIVOT
- PRODUCT/CUSTOMER/SALE MATCH
- INCOME RAISE AND ESCALATING

### 4 BREAK EVEN

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LOGO

#### SURVIVAL

GOAL

TO BREAK EVEN

MATCH INCOME AND COSTS before escalating-investments with salaries that let them subsist

### 5 ESCALATING

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STEP A

#### INNOVATING COMPANY

STOPS BEING A DYNAMIC START-UP  
STRATEGIC DECISIONS MUST BE TAKEN

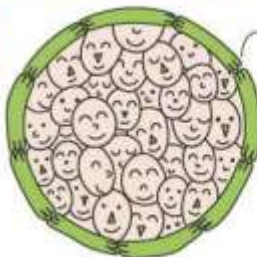
GOAL

PRIVATE FUNDING

STOCK EXCHANGE OR BEING PURCHASED

### 6 EXPERT COMMITTEE

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SUPPORT

#### SUCCESS

DYNAMIC-START-UP EXPERTS IN CHILE

OTHER START-UPS SUPPORT

ECO-SYSTEM FEED-BACK

GOAL

KEEP GROWING AS A COUNTRY

# PRODUCTS

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Given gaps and context, the policy mix that Start-up Management developed to face this challenge gave birth to one of the most sophisticated strategies in the world. It must be noted that a major stage at the creation of the model was dividing the entrepreneur strategy into two parts: Eco-system Sub-management Team and Early Financing Sub-Management Team. The first part would deal with mounting the whole entrepreneur support structure and the second part would focus on gathering talents and finance them along their journey.

The Entrepreneur's Journey overflows with challenges. However, one of the most relevant challenges is to obtain necessary funding to advance from one stage to the next. Hereby, we present the Corfo's instrument portfolio.

**1** **Diverse and sophisticated funding portfolio**

The Entrepreneur's Journey overflows with challenges. However, one of the most relevant challenges is to obtain necessary funding to advance from one stage to another. A dynamic-start-up generally goes through an initial investment phase (FFF, friends, family, and fools), then a seed-stage and then escalating stages.

Although Corfo began with an innovative entrepreneur mass-funding strategy, through an instrument called Seed Capital (Capital Semilla, in Spanish), we soon realised that proposal diversification was necessary.

To date, the Early Financing Sub-Management Team has ten different instruments for funding dynamic-start-ups at early stages:

1.1

**SSAF CHALLENGE:** For idea-stage projects, and for those who are addressing a strategic country-level strategy. They receive funding ranging from approximately USD \$6,500 to \$19,500 per team, and also an "animation" process to create prototypes with solutions for the defined problems.

1.2

**SSAF SOCIAL:** Unique focus on projects that seek social impact through innovation. They receive approximately USD \$ 13,000 per team and also an "animation" supportive process on methodology for this type of project.



# 1.3

**TWS Factory (From Start-Up Chile):** Thought up for teams that include at least one woman as a main partner, and that want to develop a technology-based idea. They receive USD 13,000 USD approximately per team and a pre-incubation process.

# 1.4

**SSAF - Development:** Project-financing fund that benefits projects that have distinctive values from the rest of the competition and that aim to capture at least a national-market. USD \$ 13,000 approximately are granted to each team.

# 1.6

**SSAF - INNOVATION** Intended for projects that have initial validation and that operate alongside a specialised incubator or accelerator at this commercial stage. They receive approximately USD \$ 78,200 per team.



# 1.5

**PRAE - Regional Start-up Support Programme (Programa Regional de Apoyo al Emprendimiento, in Spanish):** Like Semilla Corfo (Corfo Seed), this programme is intended for region-associated projects. Each region has their own contest where only local-innovative projects that can grow to a national-level can participate. Each team receives approximately USD \$32,590.

# 1.5

**Corfo Seed (Capital Semilla):** The biggest and oldest Start-up Management fund. It is aimed at any national-level innovative start-up. It awards approximately USD \$32,590 per team. Teams can apply for it from very early stages (idea-stage).

# 1.7

**Seed (From Start-Up Chile):** Start-Up Chile's Original Programme centred on supporting technology-based projects that have at least a prototype and a global vision. Approximately USD \$26,000 per team are awarded and also an acceleration process.

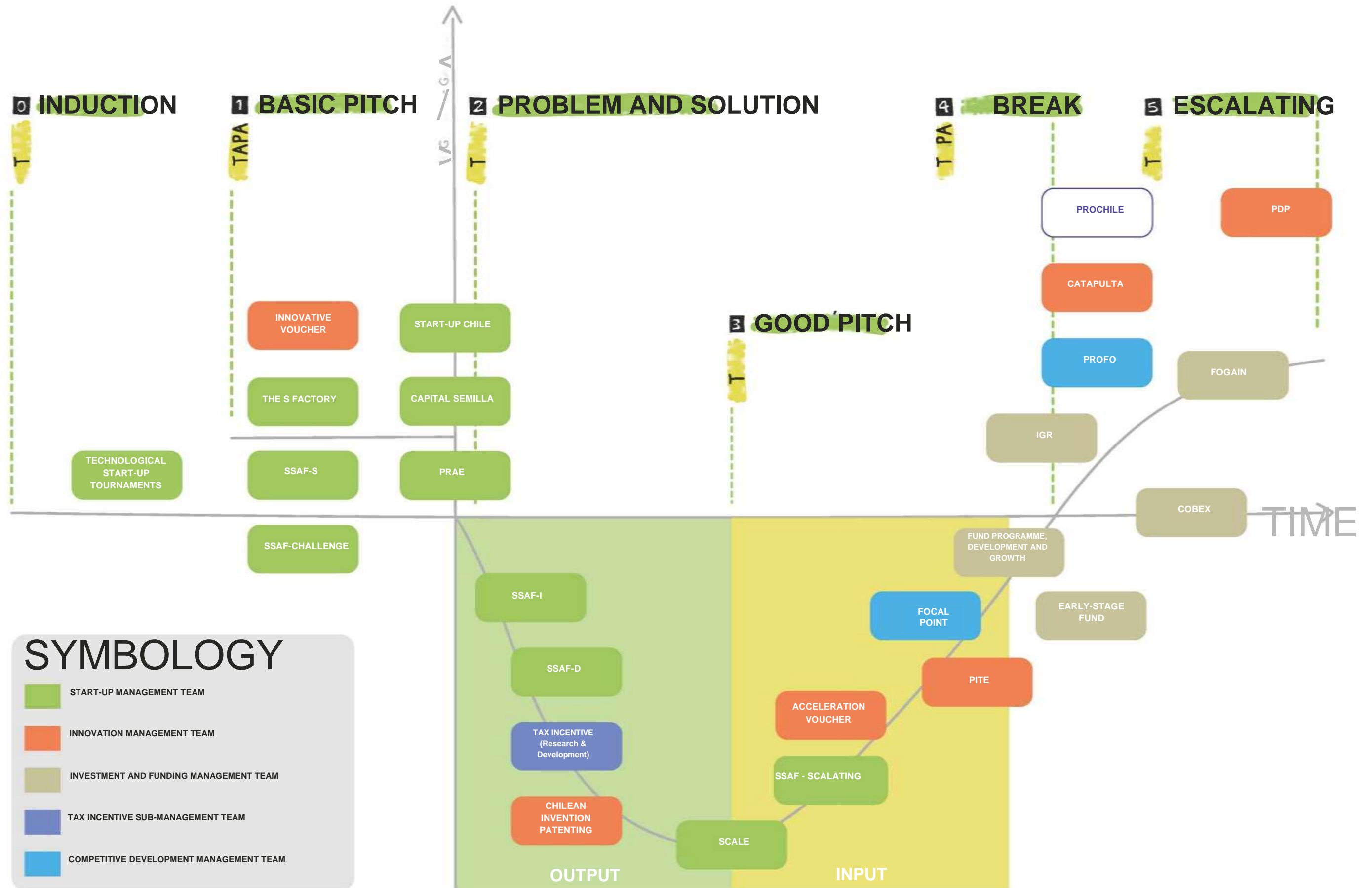
# 1.9

**Scale:** This fund was created as a support for escalating initial phases. It is considered a "prize" for the ecosystem, in terms of supporting projects that have shown improvements in sales and/or investment raising. It awards approximately USD \$ 78,200 per team and an acceleration process.

# 1.10

**SSAF - SCALATING:** The newest fund from the Start-up Management Team. It is a matching fund (public and private funding split evenly) where the requirement is that once Corfo resources are invested, the participation of at least **one** private investor is ensured. It awards approximately USD \$ 78,196 USD per team and an accelerating process.

# 2 Start-up financing map according to level of maturity



This description attempts to differentiate the focus and the beneficiary, as well as attempting to specify the partner entity that manages it (for instance, accelerators). However, all mentioned funds share the same requirement: once granted to entrepreneurs, they must add a mentor, which can be hired using the public funds.

It must be highlighted that using these instruments Coifo supports 1,000 projects per year (a figure from the year 2016 which was repeated in the year 2017).

### 3 Eco-system powering instruments

The start-up eco-system is the environment where the entrepreneur takes his role and it is made up of multiple support actors of their development path such as, incubators, accelerators, and angel-investing networks.

To face the different elements which make up this eco-system, three fundamental edges are considered as constituting elements of the eco-system: start-up dynamic-culture fostering strategies; supply of support platforms for entrepreneurs to receive varied services during their development; and make access to funding easier at earlier stages (growing start-ups financing-chain accomplishment).

#### 3.1 For a dynamic eco-system

**PAEI - Innovation & Support Environment Programme** At this stage, the objective is to fortify and improve environment conditions. In order to do so, four topic areas are defined:

- 3.1.1. High-demand events where Chile is positioned as an attractive investment and start-up country.
- 3.1.2. Innovation and Start-up Methodologies that can be labelled and be at the eco-system's service.
- 3.1.3 Start-up education for students in order to grant familiarity and contents about start-up to young children and kids.
- 3.1.4 Start-up culture and innovation broadcast through training talks, seminars, workshops, audio-visual or radio programmes.

Corfo grants up to USD \$ 65,400 for high-demand events and USD \$ 39,200 for the rest of the line-ups.

**Special Start-up Eco-System Improvement Projects (PES):** All these projects aim to improve the coordination between eco-system actors, fortify innovation and also start-up by means of the following four topics:

- 3.1.5 Emergent sector articulation
- 3.1.6 Support for initiatives that increase inclusion
- 3.1.7 Development of study-centres that foster knowledge generation
- 3.1.8 International alliance management which us related to innovation and start-up, aiming to develop coordinated initiatives that would grant national-level eco-system improvements

In this case Corfo finances up to USD \$ 100 million per initiative.

The objective of this programme is to increase the project flow that gives birth to solutions and local challenges, using new technologies and that have potential to be scalable globally. Corfo finances up to USD \$ 97,860 per project.

**Technological Start-up Tournaments**

#### Service platforms

#### 3.2

Funding for carrying out business incubators, strengthening their consolidation and self-sustainability model generation. These institutions are relevant for the eco-system, since through their funds they keep a constant flow of supported early-stage projects active that are linked to universities. There are also funds for accelerators whose proposals are presented by businesses that, through quick programmes aim to increase the growth speed of entrepreneurs to the next level, granting direct connection with the marketplace. Corfo funds up to USD \$ 195,500 per year for incubators and USD \$ 130,000 for accelerators.

**National Incubators Programme**

Programme in charge of business incubators and/or accelerators to link dynamic technological entrepreneurs with industries that belong to strategic national producing sectors. The objective is to generate business plans according to the market requirements with a global perspective, to prepare entrepreneurs and to connect start-ups with private escalating investment sources. The programme grants up to USD \$ 104,300 per entity to support a minimum number of ten entrepreneurs in process of acceleration. However, this funding may reach USD \$156,494 if more projects in process of acceleration are added above the minimum required (USD \$ 6,500 per each additional project, with a maximum number of eight start-ups).

**Strategic Sector Start-up Acceleration**

It is aimed at the development of networks of professionals that, based on their experience, support dynamic-entrepreneurs at creation-stages, start-up, and escalating processes of their initiatives, increasing collaboration possibilities and the access to networks. This programme aims to complete a mentor payroll on dynamic start-up nationally. These payrolls would allow us to accelerate the learning cycles, increasing survival rates and to obtain better start-ups results. These networks must function in a transparent environment that fosters eco-system learning, easing platforms that allow for contact with mentor's competence certification, the interaction of different available supports for entrepreneurs and also an increase in the number of entrepreneurs attended over time.

**Mentors Networks**



Up to USD \$ 130,000 are granted per mentor network for yearly operations.

**Support for carrying out start-up collaborative spaces**

This programme seeks to create common workspaces for entrepreneurs nationally, where peers can be met, and start-ups can be developed in a collaborating environment with network access and services that favour development of their projects. Global hubs and co-workings are financed. Global hubs integrate co-working spaces, technological laboratories, universities, accelerators, and investment funds, among other actors. This Corfo instrument grants resources for operation, articulation and associativity between institutions that offer entrepreneurs access to initial physical infra-structure for their businesses, capital intelligence, specialised services, start-up management education, support for capital raising proposal development, laboratories management for technological start-ups, access to mentor and entrepreneur networks, links to potential suppliers and customers, project follow-up tasks, among other resources; plus, it contributes to the creation of communities within creative neighbourhoods and cities. This line delivers funding for three years: for co-work funding, the amount is up to USD \$ 213,200 annually and USD \$ 260,000 per each global hub.

Therefore, this programme supports formation, carrying out and strengthening of angel investor networks and crowd-funding platforms where interaction exists between entrepreneurs and investors. The **Support for angel-network operations and crowd-funding platforms** objective is to deliver new alternatives of access to capital to dynamic entrepreneurs and raise their possibilities of adding non-institutional investors -with less aversion to risk- that contribute with knowledge, experience, and contact networks. This line funds up to USD \$ 129,900 for a year of operations.

### 3.3 Early-stage funding

**Support carrying out investment funds at early-stages**

One of the main obstacles for the development of start-up is the access to private financing. On one hand, investment funds require a higher flow of projects in order to reduce the high risks faced. Through this line of financing, it is expected that these funds broaden their operations and act as business accelerators to generate a greater flow of entrepreneurs with better business plans, access to broader markets and funding; gaining a higher level of investments and higher revenue. The programme finances up to USD \$ 104,000 annually for the operation of funds (for maximum five years) and it is possible to access incentives created by concrete investments that reach an additional USD \$ 104,000 which totals USD \$ 208,000 annually.

This platform allows for the coordination of the mentors' work and the projects that have been funded by Corfo's Start-up Management Team. The entrepreneurs keep data (such as levels of sales, investment, employees, internationalisation, milestone achievement, among others) which allow us to examine the performance of start-ups and the portfolio, making the definition of which projects have more sales possible, which have average market sales, how many jobs have been generated, etc. This data is extremely important for two reasons: to observe the impact of long-term policies on dynamic-start-up and to examine which are the project characteristics that have better performance within the Chilean eco-system.



Another relevant topic of this platform is the possibility that it gives the executive to follow up efficiently, thanks to a traffic-lights system where those projects that need more support in their development are highlighted. An executive can handle more than a hundred projects simultaneously, thus, the model allows us to economise efforts.

In the near future, this tool will not only supply project follow-ups, but will also display comparisons for each market, which will allow the entrepreneurs to understand which impact-level they have already and if they are on the right path.

Finally, it is important to point out that the success of this platform depends mostly on the coordination of the work between mentors and management executives, since they will be the ones who keep an eye on and make sure that the information is sent.

# 4

## Platforms - Technical Follow and The Entrepreneurs Journey

One the greatest advantages of virtual platforms is their high-speed attention and wide scope delivered. In this case, the use of these tools seeks to revolutionise two topics: to achieve real accompanying tasks for entrepreneurs and to generate a constant learning model both for the entrepreneur and in the eco-system. To undertake these challenges, we built two platforms: Technical Follow-up and The Entrepreneur's Journey



## 4.2

### The Entrepreneur's Journey

Start-up Management Team and Corfo are mainly perceived as a subsidies-granting institution, which is only a part of what is offered, thanks to the strong and constant contact with start-ups among different markets.

This is why The Entrepreneur's Journey's methodology is an important milestone, since it's the shift from the perception of being a solely funding support entity towards an entity that delivers funding and also knowledge through a coordinated eco-system.

All this constitutes a major challenge, considering that the Entrepreneur's Management Team supports more than 1,000 start-ups annually, thus the digital platform use is the best business model in order to manage a massive process of support and online orientation. This corresponds to this new methodology's function. On one hand, to follow-up for entrepreneurs and, on the other hand, to display progress made both by teams and by projects.

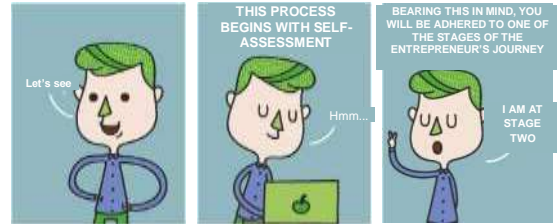
In this sense, this platform allows us to perform concrete and specific actions. From the point of view of the entrepreneurs, they will be able to self-evaluate themselves, to know what stage their project is at, what kinds of knowledge as a team they should have and what project milestones should be accomplished. Finally, this tool will also display who, amidst the regional eco-system, will be able to help them in their journey.

All this occurs with constant data saving and the safe keeping of the progresses and milestones achieved by start-ups.

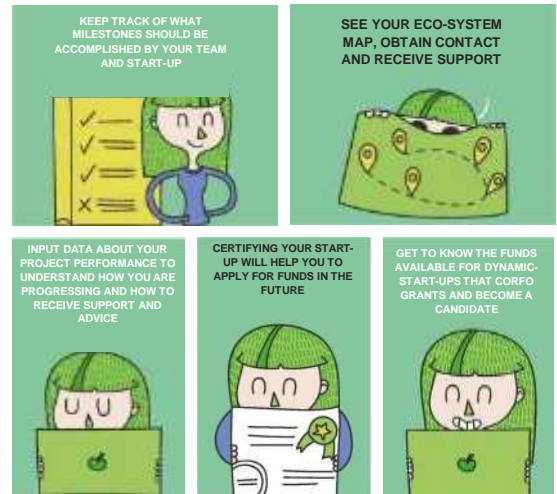
A relevant fact is that The Entrepreneur's Journey platform will be able to be used by start-up teams that have not received funding by Corfo and that look for methodological support to make progress in their projects. Thus, we will attend more entrepreneurs and we will generate a broader capacity of success in our eco-system.

From the service providers' point-of-view, this tool will be a great chance as well since they will be able to be assessed and, if they are approved by the Entrepreneur's Management Team, they will be transformed into official providers for the entrepreneurs that use the platform to support them, depending on their development level and level of service-deployment in the country.

## HOW DOES IT WORK?



## ONCE INSIDE, YOU WILL BE ABLE TO



The illustration corresponds to the steps to be followed by entrepreneurs within The Entrepreneur's Journey's platform.

# RESULTS

This effort has two clear objectives: to achieve a higher impact on the invested resources in our entrepreneurs - publicly and at innovation system level- and to generate a policy that lasts over time which allows us to create new economies that are not visible enough today.

## SUCCESS CASES



The Chilean Start-up Policy has been a governmental strategy that has highlighted the country beyond its frontiers. Today, we are recognised as leaders in start-up development in Latin America as one of the most exceptional economies in the world.

# RESULTS

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LAUNCHING OF PILOT-PROJECT FOR TECHNICAL FOLLOW-UP PLATFORMS AND THE ENTREPRENEUR'S JOURNEY

**10**  
SUPPORTED NETWORKS

**60%** ACCOMPLISHED HISTORICAL DATA BASE RESULTS



CONSOLIDATION SSAF-CHALLENGE

**+10.000** TOTAL APPLICANTS

**1.000** PROJECTS SUPPORTED BY THE END OF 2016

**+1.000** START-UPS AT EARLY STAGES

**5** EARLY-STAGE FUNDS  
US\$ 16MM

**1** SOCIAL FOCUS FUNDS  
US\$ 8MM



**US\$ +30MM**  
START-UP DIRECT SUPPORT

**+1.000**  
MENTORS

**17%** ESCALATING STAGE TOTAL INVESTMENT RESULTS



**100%**

Supported start-ups by Capital Semilla, PRAE, SSAF, Start Up Chile, Scale Up and The S Factory programmes grant access to mentors

**3**

NEW ACCELERATORS WITH SSAF-ESCALATING FUNDS



+14.480<sup>M</sup>



AT LEAST ONE COWORK SPACE IN EACH REGION

**1** START-UP AND OPEN INNOVATION CENTRE HEALTH FOCUSED (LINK BETWEEN PUBLIC AND PRIVATE)

**2** VALPARAISO AND CONCEPCIÓN PILOT PROJECTS FOR REGIONALISATION OF START-UPS

**21** START-UP CHILE PROJECTS IN REGIONS

**4** ACCELERATION PROGRAMMES STRATEGIC SECTOR

- Mining
- Food
- ICT's

**3** CORPORATIVE ACCELERATORS

**11** TECHNOLOGICAL START-UP TOURNAMENTS

**2.000** CANDIDATES  
**50** WINNERS  
**22** COMMERCIAL OFFERS ACHIEVED

CAPITAL SEMILLA GUARANTEES AT LEAST 1 WINNER PER REGION

**10%**

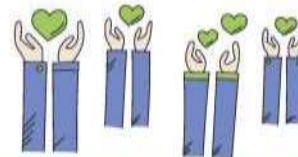
of the investment portfolio was intended for Social Innovation projects through SSAF-S

**23%** PORTFOLIO 2016 IN REGIONS

INVESTMENT IN ECO-SYSTEM FOR MORE INCLUSION



**1°** EARLY FUND SOCIAL SPOTLIGHT STAGE



Demo-Days and External Evaluation in Capital Semilla as pilot project to improve transparency and learning of candidate teams



**1** GLOBAL HUB



FEMENINE START-UP

INCREASE OF PERCENTAGES OF PARTICIPATION IN 'THE 5 FACTORY'

**28%**

TOTAL PROJECTS WITH AT LEAST ONE FUNDING ENTITY (2016)

2011 **71%**  
2015 **45%**

percentage of start-ups that were at concept or prototype development stages. This trend has been reduced, shifting to more developed start-up financing.

2011 **15%** 2015 **25%**

FEMALE-LED START-UPS



**76%** Out of the start-ups which have kept in touch with Corfo, still register sales in the year 2015



AVERAGE MEMBERS PER ENTREPRENEUR TEAM

2011 **1.89** vs 2015 **2.42**

2011 **9%**  
2015 **32%**

START-UPS CARRIED OUT IN REGIONS



START-UPS CARRIED OUT IN REGIONS METROPOLITAN REGION

2011 **91%**  
2015 **68%**

**82%**  
FROM START-UPS, SALES ARE CONFIRMED BY

**7.956**

CANDIDATES TO CAPITAL SEMILLA, PRAE, SUP AND SCALE UP ON 2015



**36** AÑOS

AVERAGE AGE WHEN STARTING A BUSINESS



**423** Start-ups with international sales



©During the year 2015

16% FROM THE START-UPS HAVE SALES ON

**\$ 20MM**

FROM THE SUPPORTED START-UPS DURING 2015 AND 2016

BY 2015 AND 2016, FROM THE BENEFITED START-UPS

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**36%** HAVE GENERATED

**1-3** jobs in Chile

**38%** REGISTER ABOUT

**4-10** total workers as a business

**564** START-UPS HAVE PERFORMED A FORMAL ASSESSMENT OF

©During the year 2015

**\$ 200MM**

SUPERIOR IN **85%** OF CASES



**521** START-UPS HAVE RAISED FOREIGN CAPITAL BY **32%** FOR AN AMOUNT OF MORE THAN

**\$ 100MM**

©During the year 2015

**696** START-UPS HAVE RAISED NATIONAL CAPITAL

BEING THE **33%** FOR AN AMOUNT OF MORE THAN


**\$ 50MM**

©During the year 2015



# SUCCESS CASES

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**Social Buyers is a platform that connects buyers with travellers who travel around the world with the products in less time than usual. The aforementioned is carried out by signing up the journey and the purchase needs, which are adjusted according to possibilities.**



At the age of 26, Diana resigned from her formal job in a multinational corporation to adhere to a start-up run by some of her university friends. In this first approach to the start-up world, she opened her mind and changed her paradigms. She even began to understand the concept of "multi-task" and the possibility to generate changes quickly and see immediate impacts.

This new way of working gave birth inside Diana to a new idea to build something on her own. To be better prepared for this challenge and to avoid common mistakes in the world of start-ups, she

signed up at Founder Institute. There she learnt the basics on several topics. She acknowledged that what impressed her the most during her education was the Lean concept to generate early validations before incurring in higher costs and also the importance of contact networks to build-up her business.

For Diana, the experience, in this initial phase of The Entrepreneur's Journey, was a key moment for her, since it obliged her and her colleagues to validate quickly her business idea and also obliged her business to set itself as a company that had to begin to start to yield as quick as possible.

**“What I remember the most about what I learned about start-up was the *lean* concept, that consists of early validations before any movement. And, undoubtedly, I also remember the importance of contact networks”.**

- Diana. Social Buyers

Founder  
Team

Fernanda Lesmes  
Andrés Echavarría

Javier Ojeda  
Diana Berrios



**‘Pago Ranking’ offers digital marketing services that consist of positioning SMEs on Google. Using this system, the popularity of the customers’ websites increases, according to Google indicators. The system places them among the first browsing results. Furthermore, this start-up offers advertisings on Google Adwords (Google Ads), presence on social media, on-line results monitoring and the creation of an optimised landing page.**

Basic Pitch Stage

01

**“We realised that this market was a big opportunity not only for big companies, but also for an elevated number of small and medium-sized businesses that were not participating in any digital marketing at all.”**

*Cario. Pago Ranking*

After learning how to use Google Adwords, the MVP and testing their service in a sales-market entrepreneur team of 'Pago Ranking' realised that a big opportunity existed and also an attractive market for small and medium-size companies that did not invest in any digital marketing campaign.

This start-up had a familiar funding of USD \$ 2,600 and then they added a loan for \$6,500 USD. Having this amount, they generated roughly \$58,600 during its first year (2012) and then they were candidates for the

This is how both entrepreneurs, partners, and brothers (at the same time) choose new job routes and decided to be the founders of 'Pago Ranking'. Their initial strategy was based on generating a first



Founder  
team

Cario Casorzo  
Agustín Casorzo

**Hello Wine is a club that sends its subscribers every month four samples of wine of different kinds, origin and style, as well as a magazine with the latest trends on liqueur and gastronomy. The wines are chosen from different topics that allow us to taste riches from this world.**





The idea for Hello Wine was born in September 2013 and just six months later (March 2014) with the investment of its partners the start-up was launched on the marketplace. This start-up began with a pre-sale subscription of 200 customers, following the quick-test practice.

Hello Wine validated its product in three phases. The first one (December 2013) was through different face-to-face sale instances and by means of six to twelve-month subscriptions which were to be delivered by March that year. The second stage included dispatching the boxes to the subscribers and, since it obtained good rapport, a word-of-mouth effect was caused on social media and also in newspapers.

The third stage (validation) was accomplished when the customers began to make their selections, generating information about their preferences, an increase of the start-up's sales, and the appearance of the company in the newspapers. With

all three phases accomplished; the start-up added a validation of the model from the vineyard which showed more interest in participating.

After this process, Hello Wine did not significantly modify the basic product design. What did change was the mix of sales-channels and the relative importance of each one of the products.

At the beginning, entrepreneurs focused on selling a box (for tasting) and then positioning it in the great supermarket chains. However, they later identified that there was a sales opportunity through subscriptions made directly on the website.

Finally, the Hello Wine partners decided to fortify customer subscription, shifting it into a club through the magazine and a blog, Saló. They also made efforts to generate constant content, launching new packs and in constant interaction on social media.

**“Accomplishing three validating phases also caused the business-model to be validated by the vineyards, who became more interested in participating.”**

*Gonzalo, Hello Wine*

Founder  
Team

Domingo Cruzat,  
Felipe Ibañez and  
Juan Pablo Molina



**'Políglota' is a collaborative language platform. It connects people around the world that want to start a business or practise a language in conversation groups, denominated "Open Groups". The meetings are held in pubs, cafés, parks, or other ideal environments for interacting in groups.**



“With the investment we got we were able to extend the time limit to pivot various business models and advance to what we have today”.

*Carlos. Poliglota*

For three years, the entrepreneurs that created Today the offer is defined as one of the best social 'Poliglota' switched between different business models. In the year 2015 they were capable of designing a business model that took advantage of the value that their service offered to people in order to implement a system that would work both for free and paid products.

In this process, the entrepreneurs highlight the importance of the product validation before labelling the business model and also the importance of having a good pitch or presentation.

educative experiences for language learning. One of Poliglota's milestones was the capacity to raise private capital using the international fund Nazza Ventures (2014). Using this investment, the entrepreneur could have the necessary time limit to complete their validation process.

Nowadays, their founders' goal is to expand their business internationally.



Founder  
Team

Carlos Aravena  
José Manuel Sánchez  
Nicolás Fuenzalida

04

# Proceso PARA SOLICITAR MEJORAS



REUNION  
EQUIPO  
PRODUCTOS  
y NV



Borrador  
de proceso  
de desarrollo  
+  
desarrollo



Diseno  
FINAL  
y  
SUBIR A  
JIRA

\*cheques de  
TAREAS que  
ESTAN EN  
JIRA y reuniones



'Auto Fact' is a platform that allows people and businesses to access relevant information about any used car just by tracking the car registration number. The resulting information is helpful for a car purchasing decision.



Founder  
Team

Cristóbal de Solminhac  
Francisco Echeverría

Auto Fact had to wait a year and a half from its creation to perform its first sale. They achieved this after performing a free try-out test for two months for two car-sale shops (just one of them paid for the service).

After the milestone, the speed of customer influx increased considerably. Monthly, they added at least one contract with a car-sale shop and added twenty-five customers.


These entrepreneurs confess that only when they achieved these results, they prioritised the quest to breakeven between expenses and income. This breakeven point was reached by February 2015, a milestone that granted them confidence to move on and hire more personnel for the team (up to this time, there were only five people). During this period, they also obtained a new fund that supplied resources to

improve their product, adding the necessary functions to compete and think about other kinds of customers (clients).

The entrepreneurs highlight that they reached the breakeven point without using investors. Their initial growth was financed thanks to their savings and a few funds that function as start-up incentives. Nowadays they do count on partners.

In their analysis, this group states that start-ups lack an essential point which is that to expand a business they must sell as quick as possible. Furthermore, they say that this process sometimes takes more time than what is estimated. They declare that the key is to dedicate at least 80% of the time to sales and to counting on enough flexibility to define the focal point of the business that would allow for the adaptation of products/services to the real customer needs.

**“Having as objectives the balance and the generation of a margin allows you to insight healthy practices as a permanent income and a focus on appropriate**



**'U-Planner' is a smart-software to improve the quality of education and students, teachers, and administrative staff's academic experience. It is a system that allows us to assign resources more efficiently, to save time, to increase surplus through process optimisation and the optimisation of infrastructure use.**

U-Planner shifted from a dynamic start-up into an innovative business for two reasons: 90% of their invoices come from other countries in Latin America and the United States. Secondly, a key was the important cooperative-alliances that allowed for the creation of mutual benefits, such as Iaspau (Harvard University), Microsoft, University of Sydney, and DICTUC S.A.

However, although they achieved this shift, the U-Planner partners ensure that they keep funding themselves privately, thanks to their sales-level, which allows them to grow 100% each year.

U-Planner has important milestones at its growing and innovation stage. Among these, talent attraction, international Teams in each branch country,

The use of the latest methodologies and technologies on In-bound Marketing, sales-process professionalism, contracts with the most prestigious universities in Latin America and the United States, alliances with important university groups (Aliat Universities; Laureate International Universities and LASPAU, among others).

Additionally, U-Planner was a great help to re-focus their concept and conduct their smart solutions in academic higher education areas such as curricular management, student retention, academic planification, university strategy, terminal efficiency, learning results,

infrastructure costs, human resources and other solutions.

**“The transition process from a dynamic-start-up to an innovative business was based mainly on two factors: international invoice (Latin America and United States), and international alliances that award mutual benefits.”**

*Juan Pablo. U-Planner*



Team  
Names

Juan Pablo Mena  
Rodrigo Hernández  
Carolina Arce

Cristian Espinoza  
Wilbaldo Bravo



Roberto Musso is an entrepreneur with wide experience. In 1997, he became the founder of STI, his first start-up, which years later would be purchased by Soluziona, today called Indra.

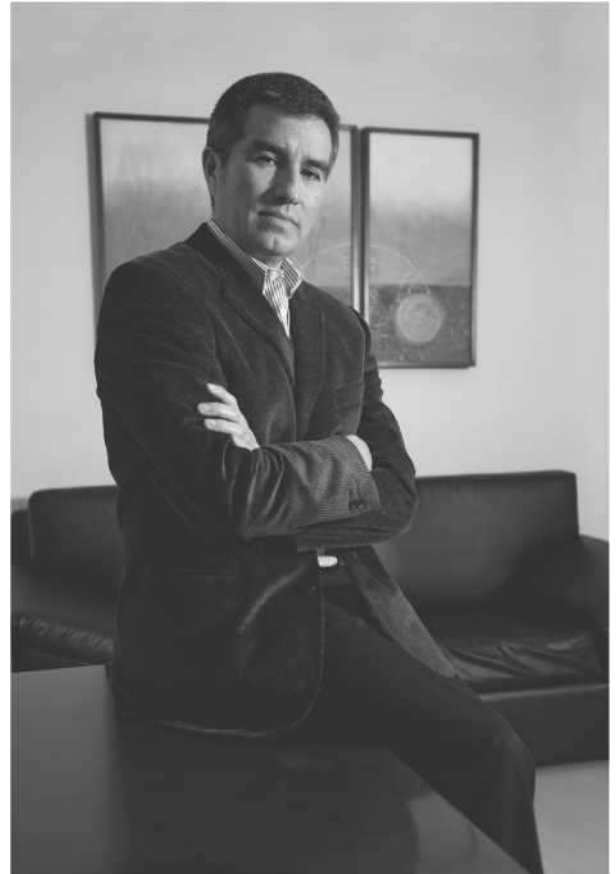
From then, Musso has already established more than twenty-five start-ups, of which a few nowadays make up the Digevo group, operative in fifteen Latin American countries. From the year 2000, this entity registers at least one start-up created or co-created annually.

“I have studied the system and conveyed the acquired knowledges on necessary methodologies to start a business with better probabilities of success to eco-system actors situated in emergent economies.”

*Roberto Musso, Entrepreneur*

During his twenty years of experience in eco-systems, Through The Start-up Journey methodology, Musso has studied constantly the system to convey the acquired knowledges on necessary methodologies to start a business with better chances of success to eco-system actors situated in emergent economies. Also, Musso has collaborated directly during this time as a mentor, director, advisor, and professor, supporting multiple start-ups, incubators, universities, and angel networks. Today, his focus is set on

Within the process he has supported hundreds of emergent economies problem-solving, powering digital start-ups through an start-up methodology which has innovation, and in the development of new been detailed in the book that he published in methodologies of start-up for Latin American collaboration with Germán Echeopar, “El Valle de la Muerte” (The Valley of The Death), and also economies.





## CONCLUSION

We are aware that our main objective must be improving the impact of those start-ups that are invested in as a country. This implies more sales, more value and internationalisation for innovative projects.

This is why the challenges that we try to solve -and which we focus on- are clear:



1

To increase the methodology level among entrepreneurs since there is great will but a lack of discipline.

2

To increase the number of candidates, since there is a low number of critical mass, especially in regions.

IMPACT  
CHALLENGES  
EXPERIENCE



# In innovative entrepreneurs we trust...

## 3

To accomplish that those who desire to start a business have a wider vision, according to circumstances and contexts.

## 4

To highlight start-up as experience versus start-up as a path to become an entrepreneur.

## 5

To design new business models to counteract against the scarce eco-system articulation.

To build a support and funding network at escalating stage for innovation entrepreneurs.

To bring research and development to strategic verticals that would allow us to have a bigger impact and protection of solutions, making them more sophisticated and scalable globally.

To give continuity to inclusion and democratisation as innovation generation model, where people themselves receive opportunities to generate disruptive solutions for the eco-system from regional, female, indigenous and social innovation perspectives.

## 9

Finally, to increase the entrepreneur's chances of success with innovative projects that possess profit possibilities, out-sourcing capacities and that are capable of projecting themselves.

Thus, we reach the end of the first version of this tale that tries to explain how Chile has become what it is in innovative start-up and what challenges are seen in the future. Many relevant actors from different scenarios have cooperated in building and carrying out this strategy. Undoubtedly, we are in a golden age for start-up and innovation where every moment more entities adhere to grant consistency and diversity to this eco-system.

As Brad Feld said in his book "Start-up Communities", the leaders of this eco-system cannot be the government, incubators, universities nor investors. On the contrary, those who must lead this revolution must be entrepreneurs themselves, who show to others opportunity and impact with their projects. The other participants are suppliers and support sources who help them be born, grow and last over time.

Just like the Chilean National Football Team, we hope to continue with international recognition, but most important is that all Chileans feel proud of being part of something big. All analogues to the football ecosystem will be supporting them: the public, trainers, the ANFP, technical directors, and others. However, it is the players who will join the match to fight off, to endure pressure, to overcome the urge to give up, and to make these "goals" that will bring development to the country.

Everybody who participates in this book and who collaborates daily with the eco-system struggle each day for it.



# GLOSSARY

The following glossary will ease the definition of the following terminology that is used in The Entrepreneur's Journey methodology and at Corfo.



### Accelerator

Entity that supports start-ups at their initial phases. It provides entrepreneurs with a co-work space, access to mentors, a small initial capital fund (seed funding) and the opportunity to present the start-up after that stage to investors, *business angels* and risk capital on *demo-day* or *investors' day*. They are different from incubators since they work with *batches* (start-up groups who go together on the same date) and for a short time.

### Break even

Anglicism used in financial terms. It is the moment when income and costs are equal, this is, there is no loss nor gain as financial result for the business. It is also known as the break-even point.

### Capital Semilla

"Capital Semilla" is known popularly as the fund (for USD \$ 32,600) awarded by Corfo or this is also how the programme offered by Sercotec is known, actually Capital Semilla refers to the initial funding that an start-up receives (seed capital). This fund fluctuates in Chile between USD \$20,000 and \$100,000. The amount depends on the country. In the United States the seed capital fund can be up to USD \$ 500,000. Since it is awarded during the initial phase, these resources are mainly invested to create the first functional prototype and seek feedback from potential customers. It can sometimes supply the start-up until its first sale.

### Centaur

Name for a start-up valued at between USD \$ 100 - 1,000 million.

### Training advisers

People or institutions that support start-up growth or that develop entrepreneur-team abilities. Generally, they tend towards giving knowledge or guidance rather than to generating contacts.

### Corfo

State entity in charge of strengthening country development. Corfo is divided into several areas and management team. In this book in particular, the Start-up Management Team is referred to, which aims to support dynamic start-up (start-ups with high-innovation and high-speed growth characteristics).

### Co-work

Specialised collaborative workspace for start-up and innovation. They grant advising services for public fund acquisition, initial mentoring activities, business-model validation, training talks, training-programmes, and seminars, among other services. It aims to generate a community within their infrastructures, so it becomes a specialised place to be able to start a business. Synergy and collaborative work between eco-system actors is strengthened.

### Crowdfunding

It refers to collective funding, where a group of people economically support a project, in order to develop it. This system is centred on generating help for ideas from their communities, allowing for new funding options, loans, credit, private investment, among other instruments. In some cases, whoever asks for resources awards incentives for their investors: from greetings, gifts or pre-sales of the service/product to be launched to participation as project shareholders. Examples: Kickstarter, Indiegogo or Idea.me.

### Crowdsourcing

It is pure collaboration of an undetermined group of people in an open meeting whereas a team their try to resolve complex tasks. Therefore, the intention of crowdsourcing is to gather a collective input of fresh and relevant ideas.

### Demo-day

Start-up demonstration instance (may be an informal investment instance) where entrepreneurs present their projects

to a jury in a short period of time (up to three minutes long).

### Eco-system

It refers to a set of entities and actors that operate and support the start-up and the interaction that occurs between them. In the beginning, the Chilean eco-system was based on incubators and entrepreneurs. Nowadays the Chilean eco-system has shifted to one of the most sophisticated systems in the world, having incubators, accelerators, investment funds, universities that collaborate with start-ups, co-workspaces, mentor networks, angel networks, among others. The eco-system can be local, regional, or national. It normally refers to a city. Performing this division allows us to perceive the level of scope and maturity that a region has concerning start-up matters.

### Technical executive

Corfo professional member in charge of follow-up tasks for carrying out activities and achievement of committed results for a project. It keeps in touch with entrepreneurs and intermediary entity members.

### Entrepreneur

A person that seeks to solve a challenge or to take advantage of a market opportunity. In this book, as well as in innovation books, it refers to an innovation or dynamic start-up. Its distinguished from the traditional entrepreneur by the innovation level that his/her solution supplies, since it aims at a complex global problem or challenge, and because it aims to find business-models that create quick expansion of the start-up.

### Dynamic start-up

Start-up with level of escalating (see Escalating) and innovative characteristics. It is normally associated with start-ups with the potential to sell USD \$1,000,000 by its third year of operation.

### Escalating

The capacity of a business to generate income quicker than its cost-structure growth. These two factors are disconnected; in other words, even production increases 50%, the necessary resources for production should grow by 50%, but at a lower rate.

### Investment funds

Investment alternative that gathers assets from different persons, individual or legal, to award resources to a diversified portfolio.

### Incubator

Entity that has mostly physical space to group businesses, offering them different services. These services might be free and sometimes they are not. Generally, they support projects that are an idea- or at the prototype-stage. They are different from accelerators since they do not work with groups within a specific time-lapse but accept projects at any moment. In Chile, there is a strict difference between them. This is why incubators and accelerators are generally referred to indistinctly.

### Innovation

Defined as the creation of unique and relevant value. Generally, innovation follows the creation or substantial improvement of a new product, service or process (operational innovation), or to a new business model linked to an existing product or service that allows to solve better an existing challenge or to take advantage of a recently created market space. Its characterised for presenting a value proposal that is different from what already exists and that has some country-level difference. Another way to define it is that innovation is equal to creativity plus a business model that generates commercial sustainability. A distinct product or service that only generates value is just creativity. Although value-creation can be measured differently, generally (concerning the survival of the solution) it considers profit as one of the best validators for this area.

growth processes. Instead of directing, they try to test the product/service or business model.

#### **Sponsor**

Entities that perform as specialised intermediaries between Corfo and the entrepreneurs, supporting them and easing the most adequate and proper means for the creation, functioning and development of their projects in order to increase their chances of success.

#### **Pitch**

Verbal presentation (it might be audio-visual as well) where an idea is presented, as well as the stages to accomplish it within a defined space and time. In the start-up world this concept is used to explain business ideas to incubator committees, venture capital funds and also for instances that allow for new partners to join the companies.

#### **Pivoting**

It refers to modifying the basis of a business model, considering what was learned after a validation process. It aims to adapt as best as possible the business model to the target market in order to increase success rates.

#### **Digital platform**

A system that allows us to perform multiple applications and interactions within a same environment. Users can access them through the Internet.

#### **Mentor network**

Network of professionals that have a mentor list and coordinate their services for entrepreneurs. They aim to accelerate learning cycles, raise survival rates, and enhance start-up results.

#### **Ground-breaking innovation**

Innovation that, due to its high rate of value creation, presents a quick growth for users, sales, or both. It is different from innovation itself because disruptive innovation change market rules and transforms them, not by just growing the number of customers, but also having as consequence the weakening or destruction of previous existing companies. This is why it is sometimes referred to as "creative destruction".

#### **Lean Start-up**

Start-up methodology that consists of fast-testing of products or services in the target market in order to accomplish its commercial validation and to be able to pivot (see, pivoting) at low cost in search of a business-model (see, business-model) that allows for the dynamic growth of the start-up.

#### **Little ponies**

Denomination for a start-up with a value that fluctuates between \$10 to 100 USD million.

#### **Management**

All tasks related to managing and start-up administration.

#### **Business-model**

It corresponds to the main definitions (and strategies) that run a start-up. The most common way to represent it is through a canvas business-model (proposed by Osterwalder and Pigneur) which includes definitions as value proposal, customer segmentation, customer relationship, key partners, key resources, key activities, channels, cost structures and income structures.

#### **Mentor**

A mentor is person with experience that guides entrepreneurs along their businesses

#### **Angel investors networks**

Investor groups that are willing to invest and get involved in innovative start-up with high potential of growth.

#### **Technical follow-up**

Process through which a Corfo professional can monitor the progress of activities and results of a project, allowing us to detect delays or weaknesses, contributing to its amendment. This process involves meetings with the entrepreneur team, report revisions, field visits, and others.

#### **Silicon Valley**

Geographical area located in the south bay of San Francisco, the United States, cradle of great technological corporations such as Apple, Google, Intel and more. Thanks to the influence of these great companies, "The Silicon Valley" has become the global epicentre for start-ups that look for a place among the most technological companies in the world.

#### **SSAF**

"Subsidio Semilla de Asignación Flexible" (Flexible Allocation Seed Subsidy). An instrument that allows funding for creation, start-up, development and/or escalation of dynamic and/or high-potential start-ups during its early stages. Its managed by institutions that have experience in innovation project support, such as incubators and business accelerators.

#### **Start-up**

Start-ups that due to its innovation level and business model can grow at high-speed. In Chile, this word is used to refer to dynamic start-ups or start-ups.

#### **The Entrepreneur's Journey**

Methodology that aims to maximise the chances of success chances of a start-up and also its corresponding entrepreneur eco-system. This journey connects three development

key levels for the process: eco-system, entrepreneur team and project levels through the coordination of resources for each critical stage of start-up.

#### **Unicorn**

Concept for start-ups with a value of USD \$1,000 million or more.

