

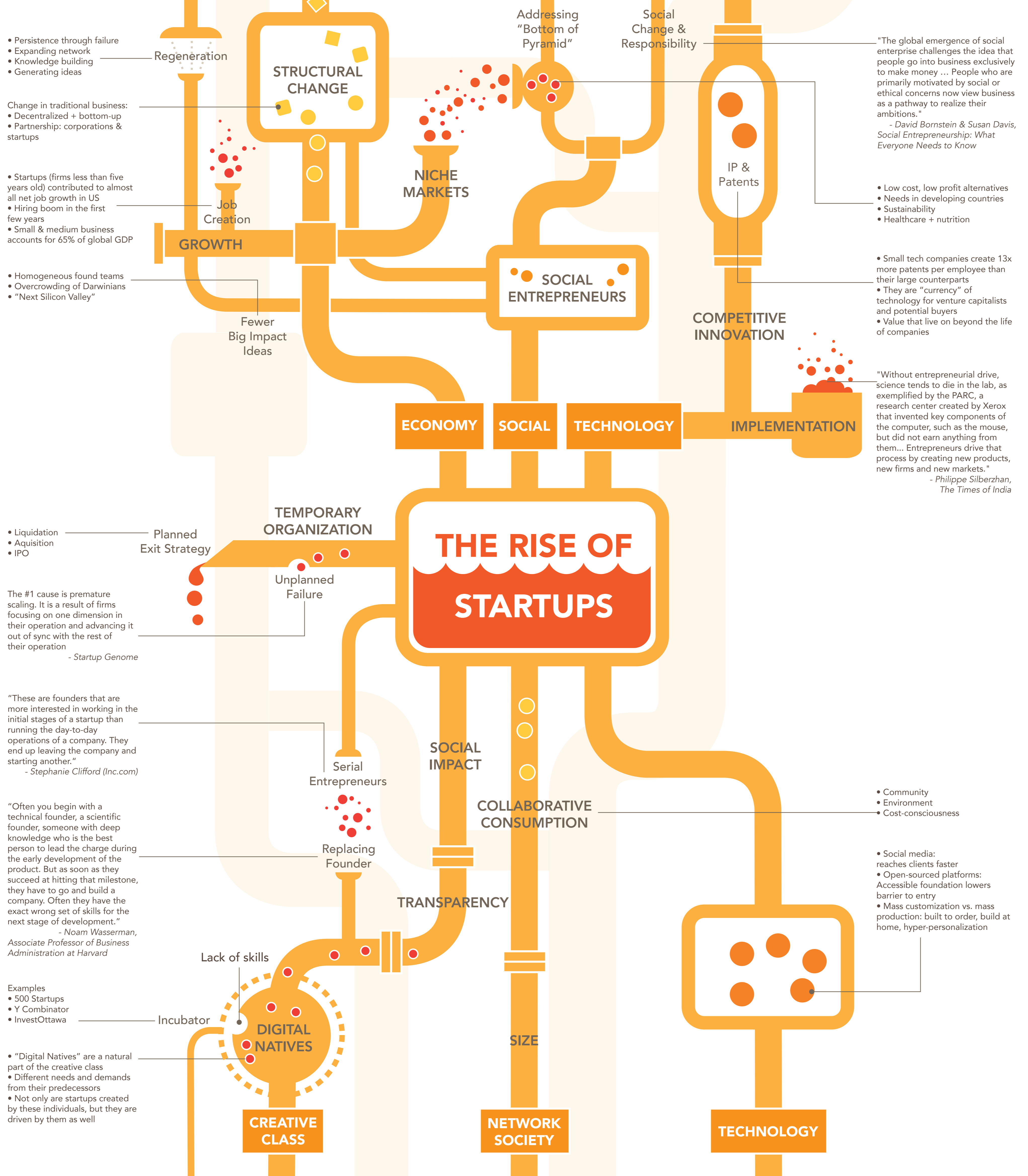
ABSTRACT

Startups are everywhere. This is a crisis because it induces a change in the traditional business sphere. Innovation pushes out low performing companies and fuel economy by applying pressure to markets. The rise of startups is prompted by the **growth of a creative class** – in which the market is stimulated by those that both **create and consume**. Current technology equips small businesses with the tools to meet demands and can allow them to produce as effectively as large companies.

These large companies follow static patterns and have many **limitations and traditions** that get in the way of risk taking involved in innovation. The rise of startups is significant because it adapts the business scene to the present society. It allows **flexibility** and enables **empowerment**.

Entrepreneurs focus more effort towards **networking and building a support system** within a **creative community**.

By crowdsourcing and making the most out of the collaboration process, bigger ideas can be more easily realized. Small business startups **encourage novelty, create competition and change the world**. The culture of startups can be an opportunity for social growth as well as an economical one. The promotion of startups increases a nation's economy.



BACKGROUND

A startup is a **temporary organization** designed to search for a **scalable** business model.

Often, they are associated as high growth, technology oriented companies. Typically, they have lower bootstrapping costs, **higher risk**, and higher potential return on investments. Successful startups are usually more scalable than an established business, in the sense

that they can potentially **grow rapidly** with limited investments in capital, labour or land. They are even able to produce large returns for their creators and investors like Google or HP. But in reality, the **failure rate** of startup companies is very high.

A startup facilitates a **"learning and discovery"** culture because it usually begins as an idea and is tested many

times through **trial and error** until it succeeds. Since these are new ventures, elements such as market, customers, pricing and features are unknown.

Technology enables a culture of people who are **thinking differently** and changing our society; and as a result, old market behaviours are being **reinvented** on a new scale.