### patsnap

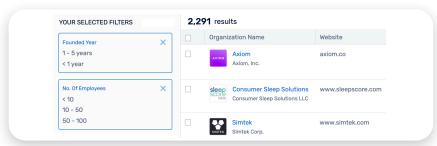
#### **Understanding Start-Up Businesses and Market Potential**

A startup can be broadly defined as a newly formed, emerging business that has recently begun operation. Therein to be considered a startup you should be small, with usually fewer than 100 employees, financed by seed capital and in operation for under 5-6 years. Although, it must be noted that revenue, profit, and employee numbers greatly differ between industries.

Startups mostly focus on disrupting markets and offer a unique product or service. As such, it is important to consider the technical solutions that startups bring to the market. Also, identifying new competition can allow potential investors to develop a strategy to form partnerships and acquisitions.

## Search across 4 million companies and refine your results to identify start-ups

- Conducting a search in a relevant technology space will provide you access to numerous business intelligence and can be used to obtain company profiles.
- Company profiles can be accessed by clicking on the 'View all' hyperlink which will take you to a results page. Here you can refine by subject matter, such as Founded Year (1–5 years) and Number of Employees (10–100).



 Where appropriate, click on a company profile and select the 'View Corporate Tree' function to understand the organizational structure of a company. For instance, you can find out whether a company is acquired.



#### **Tips**

The quickest way to find start-ups in Discovery is by using the "Startup company" filter. Selecting 'yes' will refine the list of results to only display companies that have been labeled as a start-up.

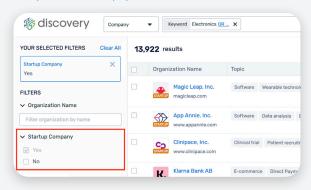
Criteria for start-up labeling in Discovery

For those that have received funding:

Any company founded after the year 2000

For those that have NOT received funding:

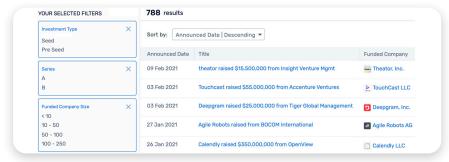
- Must be a private company and not be acquired.
- Investors, colleges, hospitals, and financial institutions are excluded.
- Founded after the year 2006 and employee number <= 500.



 Noteworthy areas for business research are Investment and Acquisition as they allow you to see how a company is evolving and which geographic market they could influence.

# 2 Using VC Investment data to identify early-stage start-ups

- To identify companies who are in receipt of a VC investment, perform an initial keyword search and select the 'VC Investments' area.
- To hone in on a company at a specific development stage, you can sort the results by relevancy, time period and even size of investment.
- Moreover, you can apply filters, such as Investment Type, Funded Company
  Size and Funded Company Location. These will allow you to identify
  companies that are gaining momentum in a specific technology area. Thus,
  you can make future predictions on how an innovation will evolve and can
  cause disruption based on its funding activity.



- Analyzing where investors are located will help you determine which geographic markets are more open to collaboration.
- The 'Analysis' tab will provide the market trends based on your search.



- It is particularly convenient to create a <u>Pinboard</u> before conducting any searches to allow you to save and later access a collection of business intelligence gathered.
- Importantly, you can create <u>Alerts</u> to receive daily or weekly business intelligence on a specific company and track their activity in the market.

