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An Inside Look into the Startup World: The Process of Starting a Business from the Ground Up

By Annie Henry

From Initial Idea to Execution: The Process of Founding and Growing a Startup

The startup world has developed a reputation for being exciting, chaotic, and risky: all the while still being shrouded in a sense of mystery.

If you've ever seen *The Social Network* (a film highlighting the rise of Facebook) or are familiar with the stories of startup wonder companies like Uber and Air B&B, then you may have a similar idea of what the startup world entails, or what you *think* it entails.

Media has painted the startup world and its founders in a modern, trendy light. Success, profit, and innovation are often associated with this image. Although these qualities can be true for some startups, ultimately the world of young and growing companies is much more complex than mainstream media may portray.

In other words, like most stereotypes, there is more to the story. I sat down with Allii Ray, founder of Wallit and an entrepreneur with years of experience in the startup sector, to discuss the dynamics of the startup world and the different aspects of founding a startup company.

Discovering the Right Idea

If you are an aspiring entrepreneur, with innovative ideas you wish to turn into a successful business venture, you may be wondering how to start a business from the ground up. The concept and purpose your potential business is centered around is the first step. Some of the best startup ideas come by chance. Whether a future founder realizes an unmet need in the marketplace or has a personal experience that drives them to formulate a business plan, sometimes these life changing ideas arise out of the blue.

Allii describes how Ourly's initial team stumbled upon the idea for a modern and collaborative family banking platform. The idea of creating a platform that allowed parents to manage household tasks and digitally transfer money throughout the family, which are currently still prominent aspects of Wallit's product, originally stemmed from an idea that involved a task hiring service.

"The original idea came from the original founder's [Bret Siarkowski] neighbor who was raking leaves and wondered if there was an app to hire local kids to do tasks," Allii explained.

Recognizing an untapped marketplace for local task hiring services, Bret set out with a team to test the idea and see if it could be a potential business venture. After some trial and error, they realized they needed to adjust the concept to better fit their potential consumers. In turn, they focused on an app that revolves around the family unit. What started as an idea that surfaced while raking leaves, eventually evolved into a legitimate business venture. This just goes to show that sometimes the most innovative ideas come at the most random and unexpected times.

The Importance of Building a Good Team

Thinking of a good, and potentially profitable, business idea is hard to do. Yet an idea is only the tipping point, for what follows is months and years of hard work, risk, and stress. There is a vast array of tasks and considerations every entrepreneur faces: starting with finding a good team, product development, and acquiring investors

Allii argues that the first on this list, forming the right team, is the most crucial of these tasks. **“Having a great idea does not guarantee success. Having a strong, dependable team of people who are exceptional in their field is more valuable than I can state”**. Here Allii makes a very important point. Like in any job or project, a good idea will only get you so far. If you do not have a team who works together well towards one shared mission, then it will be nearly impossible to execute an idea to its full potential.

For a startup company, building the right team can mean the difference between success and failure. After the initial idea and business plan are drawn up, there is a long list of tasks a founder, or group of founders, must complete in order to establish and grow a business. It would be too much for any one person to take on themselves. Additionally, the type of work and skill that this list entails is often diverse and specialized. A founder is bound to encounter a challenge or task they have little to no prior experience with.

Allii experienced this herself when building Ourly’s initial team. “My past experiences prepared me for task management...operations, people skills, and business management in general,” skills much needed on any startup team, “but I was not up to date in software and computer skills”. Since the development of Wallit’s product would be a tech-heavy endeavor, software and computer expertise were needed.

To combat this inevitable problem, founders must find team members who excel in areas they lack expertise in. Allii realized that she “needed to learn a lot of new skills and knowledge. That was quite challenging going into the world of Fin-tech, but thankfully, I could lean on the rest of my team”. By developing a team with diverse skill sets and strengths, the founding team of Ourly was able to take on the many challenges in starting and growing their company.

When it comes to the importance of the people and team behind a startup, Allii hit the nail on the head in stating: **“A great idea with a mediocre team will get you very little, but a decent idea with a super-star team will go the distance.”**

Funding Your Venture: Raising Capital via Investors

Once you land on a stellar idea and formulate a super-start team, it is time to get to work. Yet like most things in this world, resources do not come for free. Though it is not uncommon for founders to work for little or no pay in the beginning, to launch a serious business venture an idea ultimately needs to be backed by capital. That’s where investors and fundraising come into play.

Some founders choose to start their fundraising efforts by approaching friends and family or starting a crowdfunding campaign. However, the “big bucks” needed to maintain operations for the long run are most often received from investors: angel investors or venture capitalists. It can be difficult to decipher how much capital to raise in the beginning stages. “It all depends on the amount of money you need and the company’s needs and goals,” Alli explained. “This can look very different depending on the type of business you are starting.”

There is a special jargon in the startup industry to describe the process of fundraising. If you’ve ever read a book or blog revolving around startup culture, you may recognize terms such as “seed round” or “series A, B, or C”. All of these terms refer to the stages of raising funds. Each “round” of funding typically involves a progressively larger amount of money invested, increased investors, and more equity at stake. Such jargon may be confusing to someone new to the world of startups, but know that it can all be learned or outsourced to an experienced professional.

The most important thing to take from this section is that fundraising is a long-term, multi-step process. Until your business starts turning a profit, which may take years, you will need to continue to seek funding. The process of sourcing, pitching to, and working with investors is a full-time job.

For someone who is only just beginning to think about developing a startup, this may be an overwhelming realization that every entrepreneur faces. “Raising funds is grueling and, other than gathering a phenomenal team, the hardest part of starting a company,” Alli explained. Yet as Alli pointed out, for founders who are truly passionate and confident in their idea, this is a challenge worth taking on. “Integrity comes into play here. You have to believe in what you are doing when you ask others to put money behind it.”

Accepting Risk and Failure

It is hard to describe just how large of a feat starting a business can be, let alone growing it into a successful and self-sustaining company. Behind trendy logos, innovative products, and modern company culture, there is an immense amount of hard work behind every startup company.

In addition to endless hard work, long days, and late nights a founder must also accept a daunting amount of risk including time, effort, and monetary investment. With limited capital and human resources, every penny must be spent well. In some cases, it could be a matter of weeks or months before the monetary investment has been spent, what the industry calls “runway”. The line between failure and success is a thin one and it is very risky to walk that line. If the venture fails, all the financial investments and hard work go with it.

One of the riskiest aspects of starting a company is that failure is a possibility. In fact, startups are more likely to fail than to succeed. “I had to prepare myself for the risk that this venture may not work out...most start-ups do not succeed,” Allii explained. Up to [90 percent of startups fail](#).

Allii’s approach to dealing with the risk was to embrace it. “The idea of failure as a company keeps me motivated all the time,” she said. “When the stress gets high and we hit bumps in the road, and there are many bumps, that commitment keeps me going.”

Yet taking on risk is a natural mentality in the world of high-stakes business. Whether it be starting a company or investing on Wall Street, it is often thought that the higher the risk, the higher the potential reward. Though many founders do not find long-term success, those who do can be left with something truly incredible.

Is Starting a Company Worth It?

All in all, being an entrepreneur is a hard job title to take on. As Allii put it: “It is not for the faint of heart.” Starting, growing, and running a company is a rollercoaster ride. “It is so chaotic and fast-paced. I would call it organized chaos,” Allii states. “You either thrive in this type of environment or you don’t.”

But for those people who can handle the stress, risk, and “organized chaos”, it can be a very rewarding and fulfilling career. “You need to love what you are doing,” Allii explains. “The payoff is enjoying being a part of what you are building. Someday, the success of the company and the work you did as a team will be worth all the time and work.”