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## Freelance Writing

## The Bootstrap Advantage: Why Start Ups are Nixing the VC World

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When Giacomo Vacca, Ph.D., began his startup, [Kinetic River](#), a Silicon-Valley based firm that specializes in life science and biomedical instrumentation in 2010, he knew in order to thrive and grow in the direction he had in mind he needed to have full control. He used his own money to create his startup, otherwise known in the industry as bootstrapping. He didn't want a board of directors he didn't know, having any say in how he was running the company or partnerships.

There are times, though, he said, when bootstrapping his company was like “trying to swim in concrete that is already set.” Maintaining control also means making all the decisions—and sorting out which decision is the right one.

Dr. Vacca knew he was on the right track when he received a call from Excelitas Technologies, a global technology company that supplies optics and Photonics components to original equipment manufacturers. Kinetic River was asked to design and build a flow cytometry system with Excelitas components. Simply put, flow cytometry measures the properties of single cells, one cell at a time, at very high speeds. The project was complete and ready to go out the door in less than two months.

### **Building Outside the Venture Model**

For many, bootstrapping is the only option as there may not be a product or service to wave in front of traditional investors such as venture capital or other outside investor backing.

After years of chasing VC money, the landscape is littered with funded startups that failed due to lack of focus on the product and not enough principles “in the trenches.”

David Saxby of [Saxby IoT](#) Consulting, had some wisdom to share speaking to a group of “bootstrapping” entrepreneurs in Silicon Valley. Saxby brought his lessons learned from years in

the trenches with such companies as Altera, Parallax, Scotts Valley Instruments, Storymail, Ultimate HD and starting up the PC Server Division at IBM as its first General Manager.

He detailed his advice into “8 things you should think about (a lot) before you start a company: Lessons learned from founding six startups.”

They are:

1. Why start a company? What unique problem or need, do you want to tackle?
2. Why you? What makes you the best person/team to make this happen?
3. Why now? Why hasn't this opportunity already been tackled by others? What's changed?
4. Who are your customers? Can you identify early adopters that desperately need what you have?
5. How will you let all of your potential customers know how great you are?
6. How big and profitable can this company get?
7. What other people will you need on your team and how will you attract them?
8. What financial resources will you need and how will you get them?

### **Choosing to Bootstrap**

Attendees had plenty of questions. Most had been through the trenches of the startup world before, but now are convinced that bootstrapping was their choice this time around.

Universally the decision was to keep control of their vision and “do it their way.” Eddie Godshalk, CEO of [Growth Maps](#), is using his own money to fund his company. He has created a product that he says will fix a huge problem within real estate.

“There is a lack of current market data or growth data, the core drivers of land prices. We have developed the only real-time data visualization technology that instantly displays the most current demographic and economic growth data online today.” Godshalk says.

### **Help for the StartUp Entrepreneur**

By 2003, Sean Murphy had been attending Silicon Valley networking meetings for more than a decade. He finally became frustrated with the extreme emphasis on venture capital and fund raising. He saw a need to help entrepreneurs build their business.

He had founded his own company [SKMmurphy Inc.](#), to help startups grow but also saw a need for a discussion group where startups could talk about their real challenges. Bootstrappers Breakfast, now global, tackles such issues as time management, finding partners, attracting customers, payroll issues, human resources and issues that entrepreneurs may not normally talk about in other networking meetings.

The attitude has changed in terms of how to launch a startup from the days of VC chasing in the 1990's and early 2000. The new entrepreneur wants to guide the fledgling business, according to his or her own map.