People's Democratic Republic of Algeria
Ministry of Higher Education and Scientific Research
Mustapha Stambouli University of Mascara

Faculty of Exact Sciences
Department of Computer Science

Create and Develop a Startup

Course Lecture Notes : 3rd Year Bachelor in Computer Science

Course Information

Level: Bachelor Year 3rd Computer Science

Hours: 21h

Credits: 2

Coefficient: 1

Language: English

Dr. KHALLADI Rachid

Academic Year: 2025-2026

Foreword

This course handout constitutes the primary learning material for the "Creating and Developing a Startup" module. It is intended for third-year Bachelor's students in Computer Science at Mustapha Stambouli-Mascara University. It covers all the key concepts necessary for understanding, designing, and launching a startup, following a structured progression from the entrepreneurial profile to the operational management of a young company.

Computer science students already possess a considerable advantage (mastery of technological tools) that underpins today's most successful startups. This course essentially aims to complement technical skills with a solid entrepreneurial culture, thus enabling students to transition from the role of developer to that of entrepreneur. Currently, the digital economy is booming, and Algeria needs entrepreneurs who combine technical excellence with business acumen.

Learning Objectives

LO1 : Understand the startup ecosystem and the profile of the entrepreneur
LO2 : Master the key validation tools: SWOT, BMC, MVP, Lean Startup
LO3 : Know the financing mechanisms: fundraising, crowdfunding, valuation
LO4 : Know how to choose a legal structure and manage a startup with KPIs
LO5 : Be able to build and deliver a convincing pitch to investors

Table of contents

Foreword 3

Prerequisite Test 4

CHAPTER I: Entrepreneurial Profile & Motivations 12

I.1 Creating a Startup 12

I.2 The Entrepreneurial Mindset 14

I.3 How to Find an Idea 16

I.4 The Startup Ecosystem 19

I.5 Going Solo or With Co-founders 21

I.6 Growth and Sales 22

I.7 Mistakes, Failures and Best Practices 24

CHAPTER II: From Idea to Market 27

II.1 Customer Development and Product Development 27

II.2 Building and Formalising a Business Model 26

II.3 The Art of the Pitch 29

CHAPTER III: From Market to Growth 37

III.1 Growth Hacking : The Culture of Growth 37

III.2 Fundraising and Valuation 40

III.3 Crowdfunding: Marketing and Financial Lever 43

CHAPTER IV: Administration and Management 46

IV.1 The Startup Pack: Legal / Social / Tax 46

IV.2 Tools to Manage, Grow and Communicate 48

IV.3 Market Access, Sales, BD, Web Marketing, Performance 50

IV.4 Strategic Intelligence (Competitive Watch) 54

Glossary 57

Synthesis exercises & solutions 60

Bibliography & Resources 73

PREREQUISITE TEST

To be completed BEFORE the first lecture

Purpose of this test

This is not an exam. There is no passing or failing grade.

Your answers help the instructor understand what you already know and where to focus the course.

Be honest!. Guessing randomly defeats the purpose entirely.

Duration: approximately 15 to 30 minutes.

Complete it individually, without consulting notes, the internet or classmates.

How the results will be used?

This pre-requisite test is a diagnostic tool. Its sole purpose is to give the instructor an accurate picture of the class's starting point so the course can be adapted accordingly. Your individual score is confidential and will not affect your academic record.

(**Interpreting your score:**This is what your result reveals about your starting level, NOT about your potential.)

0 – 5	Very low prior knowledge. The course will build everything from scratch for you.	
6 – 9	Basic awareness. You have encountered some concepts but without structured understanding.	
10 - 13	Moderate foundation. You have useful background knowledge; the course will deepen it.	
14 - 17	Strong prior knowledge. You likely have real-world exposure to entrepreneurship.	
18 - 20	Exceptional starting level. You may already have entrepreneurial or business experience.	

How the instructor will use your results

- If the class scores below 40%: the instructor will spend extra time on fundamentals.
- If the class scores above 70%: the instructor will go faster and focus on advanced application.
- Individual profiles: students with very high prior knowledge may be invited to share real-world examples in class.
- Students with very low scores will receive a personalised reading list before Lecture 2.

A PART — Business & Economics Basics

General economic and business knowledge : 10 points

Part A instructions

10 Multiple Choice Questions (1 point each).

Circle or underline the letter of the best answer.

These questions test your existing knowledge of economics, business and commerce.

No entrepreneurship knowledge is required for this section.

Q01	**What is a "*market*" in economic terms?**	1 pt
A	A physical place where goods are sold, such as a shop or a bazaar	
B	Any system where buyers and sellers exchange goods, services or information	
C	A government institution that regulates prices and trade	
D	A financial institution that manages money and investments	

Q02	**Which of the following best describes '"*supply and demand*"?**	1 pt
A	The government's plan to produce and distribute essential goods	
B	The relationship between the quantity of a product producers offer and the quantity consumers want	
C	A financial strategy used by banks to control inflation	
D	A method of calculating a company's annual profit	

Q03	**What is "*revenue*" for a company?**	1 pt
A	The total amount of money spent on producing goods and services	
B	The money left after subtracting all costs from sales	
C	The total income generated from sales before any expenses are deducted	
D	The amount borrowed from a bank to finance operations	

Q04	**What is the difference between "*profit*" and "*revenue*"?**	1 pt
A	There is no difference : they mean the same thing	
B	Revenue is total income from sales; profit is what remains after deducting all costs	
C	Profit is the total income from sales; revenue is what remains after taxes	
D	Revenue is only for large companies; profit applies to all businesses	

Q05	**What does "*B2B*" stand for in business?**	1 pt
A	Back to Basics : a management strategy focused on core activities	
B	Business to Business : a company selling products or services to other companies	
C	Business to Buyer : a company selling directly to individual consumers	
D	Budget to Budget : a financial planning framework for companies	

Q06	**What is a "*value proposition*"?**	1 pt
A	The price at which a company sells its products	
B	The clear statement of why a customer should choose your product over a competitor's	
C	The total value of a company's assets on its balance sheet	
D	A legal document guaranteeing the quality of a product	

Q07	**Which of the following best defines "*competition*" in business?**	1 pt
A	Two companies working together to share resources and reduce costs	
B	A government programme to encourage new business creation	
C	The rivalry between companies offering similar products or services to the same market	
D	A financial indicator measuring a company's market share	

Q08	**What is a "*target market*"?**	1 pt
A	The total population of a country where a company operates	
B	The specific group of customers a company focuses its products and marketing efforts on	
C	The maximum revenue a company aims to generate in one year	
D	A government-defined list of approved customers for regulated industries	

Q09	**What is "*inflation*" in economics?**	1 pt
A	A rapid increase in a country's economic growth rate	
B	The general increase in prices over time, reducing the purchasing power of money	
C	A government policy that increases company taxes to reduce public debt	
D	A strategy used by companies to expand into international markets	

Q10	**What is « *market share* »?**	1 pt
A	The percentage of a company's revenue that comes from international markets	
B	The number of employees a company has compared to its competitors	
C	The portion of total market sales captured by a specific company or product	
D	A financial instrument allowing investors to own part of a company	

B PART	**Technology & the Digital World** Tech literacy and digital economy : 10 points

Part B instructions

10 Multiple Choice Questions (1 point each).

These questions assess your understanding of technology, the internet and digital products.

As a Computer Science student, you are expected to score well here.

Q11	**What does "*SaaS*" stand for?**	1 pt
A	System as a Standard	
B	Software as a Service	
C	Server and Application System	
D	Scalable Application and Storage	

Q12	**What is an "*API*" in the context of software products?**	1 pt
A	A programming language used to build mobile applications	
B	A security protocol that protects websites from cyberattacks	
C	An interface that allows different software applications to communicate and share data	
D	A database management system for storing user information	

Q13	**What does "*scalability*" mean for a digital product?**	1 pt
A	The ability to reduce the product's price as more users sign up	
B	The ability to handle growing amounts of work or users without proportionally increasing costs	
C	The process of translating a product into multiple languages for international markets	
D	The security measure that ensures only authorised users can access the system	

Q14	**What is "*open source*" software?**	1 pt
A	Software that is freely available online but cannot be modified by anyone	
B	Software whose source code is publicly available for anyone to view, use and modify	
C	Software developed by government agencies for public administration	
D	A type of software that only runs on Linux-based operating systems	

Q15	**What is « *cloud computing* »?**	1 pt
A	A method of cooling down computer hardware using specialised fans	
B	Delivering computing services (servers, storage, databases, software) over the internet on demand	
C	A network of physical computers connected within a single building	
D	A programming paradigm where all code runs locally on the user's device	

Q16	**What is a "*User Interface*" (UI)?**	1 pt
A	The back-end code that processes data and runs on the server	
B	The database schema that organises a product's information	
C	The visual and interactive elements through which a user interacts with a digital product	
D	The security layer that protects user passwords and personal data	

Q17	What does 'e-commerce' refer to?	1 pt
A	Electronic communication between employees within a company	
B	The buying and selling of goods and services over the internet	
C	A government system for filing tax declarations electronically	
D	A type of banking service available only through mobile applications	

Q18	**What is "*data analytics*" in a business context?**	1 pt
A	The process of designing and creating databases for storing company data	
B	The legal framework governing how companies can collect and store user data	
C	The process of examining data sets to draw conclusions and support business decisions	
D	A cybersecurity practice that detects and removes viruses from company servers	

Q19	**What is « *digital marketing* »?**	1 pt
A	Marketing activities conducted exclusively on television and radio	
B	Promoting products or services using digital channels such as social media, email and search engines	
C	The design of physical store layouts to maximise customer purchasing behaviour	
D	A database management system for tracking customer purchase history	

Q20	**In Algeria, which mobile payment platform is most widely used for peer-to-peer transactions?**	1 pt
A	PayPal	
B	Stripe	
C	BaridiMob (La Poste Algerie)	
D	Apple Pay	

Final Score Summary

Part	Content	Max	Score	Notes
A	Business & Economics Basics (15 MCQ)	10		
B	Technology & the Digital World (10 MCQ)	10		
TOTAL		**20**		

I CHAPTER Entrepreneurial Profile & Motivations

I.1 Creating a Startup

Definition and context

At first, the term startup referred to a company in the field of computing. Over time, the concept evolved. What is a startup? According to the definition proposed by Steve Blank, "a startup is a temporary organization searching for a scalable and profitable business model that enables growth." More precisely, a startup is not yet an established company, but its organization is already well structured.

> 📌 **Definition : Startup (Steve Blank)**
> A startup is a temporary organisation designed to search for a repeatable and scalable business model.

A startup offers a new model for managing business activities, but its tools do not allow it to determine exactly the profitability of its activity. It must therefore go through different stages of testing and research to understand its environment and its customers. This helps overcome the initial uncertainty inherent in any creation project.

The Algerian Startup Landscape

The Startup Act (Loi Startup, Law 20-04, 2020) created a formal legal status for startups in Algeria, with dedicated tax incentives and access to public funding.

The Algeria Venture fund provides seed capital of up to 5M DZD to labelled startups.

Labelled startups benefit from:

- 3-year corporate tax exemption
- Social charge reductions
- Priority public procurement access.

As of 2024, over 700 startups have received the official Startup Label from the Ministry of Knowledge Economy.

Examples: Wilaya Digital Hubs, Algeria Startup Fund, Injaz El-Djazair (entrepreneurship education NGO).

Startup vs traditional company

Criterion	Startup	Traditional Company
Business model	Under active search and validation	Proven, stable and repeatable
Uncertainty level	Very high(hypotheses unvalidated)	Low to moderate
Growth target	Exponential (x10, x100)	Linear and gradual
Funding	Fundraising, Business Angels	Bank loans, self-financing
Innovation	Core activity, key differentiator	Secondary / incremental
Scalability	Designed to grow without proportional costs	Growth tied to resources

Table 1 - Startup vs Traditional Company

Steps to create a startup

The creation of a start-up is essentially based on the following steps:

Step 1: Find an innovative idea.

Step 2: Find a business model (how to create, deliver and capture value).

Step 3: Build a complementary team (technical, marketing, commercial profiles).

Step 4: Develop a prototype or MVP (Minimum Viable Product).

Step 5: Secure early funding (seed capital, Business Angels, crowdfunding).

Step 6: Launch the product, acquire the first customers and iterate quickly.

Step 7: Implement a communication and marketing strategy.

Step 8: Raise additional capital to accelerate growth.

The startup lifecycle

Every startup goes through distinct development phases. Understanding this cycle makes it possible to anticipate the needs, risks and strategies appropriate to each stage.



Figure 1 - Startup lifecycle

Phase	Main Objective	Suitable Funding	Typical Duration
Idea	Identify a problem and imagine a solution	• Love money • Bootstrapping	1-6 months
Validation	Test hypotheses with an MVP	• Business Angels • Seed	6-18 months
Launch	First paying customers, product-market fit	• Series A • Crowdfunding	1-2 years
Growth	Scale the model, optimise CAC/LTV	• Series B • Series C	2-5 years
Maturity	Consolidate market position	Capital markets	5-10 years
Exit	IPO, strategic acquisition or major pivot	/	Variable

Table 2 - Lifecycle phases and associated characteristics

Reflection & interaction
Think of three (3) digital products / services you use every day in Algeria that did NOT exist 5 years ago.
For each, identify: what phase of the lifecycle is it in today? Who founded it, and with what initial funding?
Which of these do you think has the most potential to expand regionally? Why?

I.2 The Entrepreneurial Mindset

Age or socio-professional profile does not define motivation to undertake. The desire to create and to be free exists in everyone. It expresses itself differently depending on life stages.

Each entrepreneurial project requires essential skills and abilities for success.

The key pillars of the entrepreneurial mindset



Figure 2 - The 5 fundamental pillars of the successful entrepreneur's mindset

1) Vision

Being visionary is one of the key pillars of the successful entrepreneur. A long-term vision enables you to remain confident and believe in your objectives. It is the mental blueprint the entrepreneur has of the future they wish to build. It sets the direction for all actions and fuels creativity and innovation.

2) Patience

Patience is a fundamental virtue of the entrepreneur. Meaningful results take time: a minimum of 3 to 5 years before a startup reaches its cruising speed. Patience does not mean inaction: it is the ability to act consistently despite the absence of immediate results.

3) Motivation

Motivation is the key to seeing projects through to completion. The entrepreneur must have a constant source of motivation such as their vision, a loved one, an inspiring figure. The ultimate source is the life they want to build through their project.

4) Determination

The successful entrepreneur knows how far they are willing to go to bring their project to life. Neither funding rejections nor a lack of understanding from those around them can stop them.

5) Ambition

The successful entrepreneur has iron ambition. They step outside their comfort zone every day to expand it, set ambitious goals and never settle for small outcomes. They embrace risk and take calculated bets.

Example :

Skill	Typical Level (CS Year 3)	How to develop it
Technical expertise	High (major asset)	• Open-source projects • Hackathons • Competitions
Problem-solving	Good	• Algorithms • Complex team projects
Communication & presentation	To develop	• Pitch training • Public speaking practice
Market & business sense	To develop	• This course • Reading • Meeting entrepreneurs
Project & team management	Intermediate	• Group projects • Agile methods (Scrum)
Networking	To develop	Tech meetups, LinkedIn, university incubators

Table 3 - CS Year 3 student skill profile and development areas

Reflection & interaction

On a scale of 1 to 5, honestly rate yourself for each of the 5 pillars (Vision, Patience, Motivation, Determination, Ambition).

Which pillar is your weakest today? Write down one concrete action you will take in the next 30 days to strengthen it.

Identify an Algerian or African entrepreneur you admire. In your opinion, which pillar constituted their main strength?

I.3 How to Find an Idea

Every business creation project starts with an idea. The challenge is not to find the perfect idea, but to identify a real problem you can solve better than existing solutions. The best startup ideas almost always come from personal frustration: the founder experienced a painful problem themselves, could not find a good solution, and decided to build one.

Sources of entrepreneurial ideas

- Observe digital friction in everyday life: complex interfaces, manual processes that can be automated
- Analyse emerging technology trends: generative AI, IoT, blockchain, cybersecurity
- Identify industries that are under-digitalised in your region and introduce adapted digital solutions
- Draw inspiration from models that succeeded abroad and adapt them to your local context
- Explore forums (Reddit, Product Hunt, Hacker News) to detect unmet needs
- Participate in hackathons: ideal setting to generate and test ideas in 24 to 48 hours

Fertile Ground for Tech Startups in Algeria

Agriculture & AgriTech: 3.5M farms, most with no digital tools for inventory, market access or weather alerts.
HealthTech: very limited digital appointment booking, medical records management, telemedicine infrastructure.
EdTech: low-quality content for Baccalaureat preparation, fragmented tutoring market, no dominant platform.
FinTech: 70%+ of transactions still cash-based; mobile payment, micro-lending and digital wallets are nascent.
Logistics & Delivery: rapid e-commerce growth but fragmented, unreliable last-mile delivery : huge opportunity.
Ask yourself: what problem do I encounter every week that has no good digital solution in Algeria?

Validating your idea before launching

Step	Concrete Action	Tool / Method	Positive Signal Expected
1. Validate the problem	Conduct 20-50 targeted user interviews	Qualitative interviews, Google Forms	Most confirm they experience this problem
2. Validate the solution	Show a prototype and gather reactions	Landing page, Figma wireframes	Interviewees say: I would need this
3. Validate willingness to pay	Test a pre-order or waiting list	Stripe, Gumroad, email list	People pay before the product exists
4. Validate the channel	Test 2-3 acquisition channels on small budget	Google Ads, Facebook Ads DZ	A channel generates qualified traffic

Figure 3 - 4-step startup idea validation process

Initial strategic analysis : The SWOT Matrix

Before launching, every entrepreneur should conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). This simple but powerful tool provides an overview of the internal and external situation of the project.

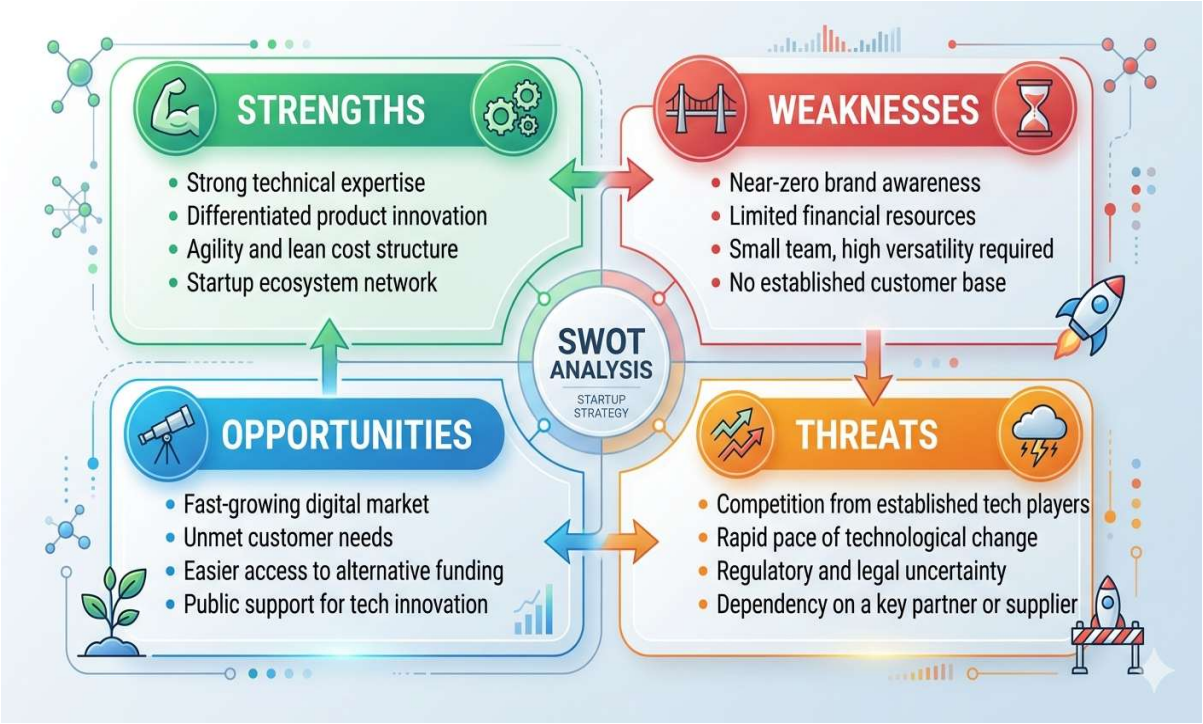


Figure 4 - SWOT matrix applied to a technology startup project

How to leverage the SWOT effectively

Strengths + Opportunities => Offensive strategy: go for it, conditions are favourable
Strengths + Threats => Competitive strategy: use your strengths to counter threats
Weaknesses + Opportunities => Catch-up strategy: upskill to seize opportunities
Weaknesses + Threats => Defensive strategy: consolidate before attacking

Reflection & interaction

- Pick any sector in your city (healthcare, transport, education, food...). Spend 5 minutes listing every friction point you can think of.
- For the most painful problem on your list, write one sentence describing a digital solution that could solve it.
- Who would pay for this solution? How much? This is your first instinct about a business model.

I.4 The Startup Ecosystem

A startup ecosystem is made up of a set of elements, actors and conditions that make it favourable for new businesses to emerge and grow. It is a supportive, facilitative and accelerative environment for the formation and development of companies.

> **Definition : Startup Ecosystem**
> A startup ecosystem is the set of interdependent actors, resources and conditions within a given geographic area, that influence the formation and trajectory of entrepreneurs and the companies they create.

Key actors in the startup ecosystem

Actor	Main Role	Concrete Examples
Incubators	• Hosting, early-stage support • Training, Networking	• University incubators • Local tech hubs
Accelerators	• Intensive 3-6 month programme • Seed funding, coaching	• Y Combinator (USA) • Station F (Paris)
Business Angels	• Capital + mentoring and network in early-stage phase	• AngelList • Local networks
Venture Capital Funds	• Capital investment for fast growth	• Partech Africa • Sequoia (USA)
Universities & Schools	• Education, applied research • Technology transfer	• MIT, Polytechnique, • Mascara University, ESI Algiers
Public Institutions	• Grants, soft loans, • Regulatory support	• ANSEJ • ANADE • CNAC (Algeria)
Communities & Media	• Networking, sharing experiences • Media exposure	• DZ Startups • Wamda • Disrupt Africa

Table 4 - Map of key actors in the entrepreneurial ecosystem

The Algerian Startup Ecosystem : Key Actors

ANSEJ (Agence Nationale de Soutien a l'Emploi des Jeunes): loans of 1-10M DZD for projects led by 19-35 year-olds, zero interest for first 3 years.
ANADE (Agence Nationale de Developpement de l'Entrepreneuriat): support for micro-enterprise creation.
CNAC (Caisse Nationale d'Assurance Chomage): funding for unemployed creators aged 30-55.
Algeria Venture (AlgierVC): first institutional seed fund dedicated to tech startups.
Flat6Labs Algiers: leading pan-African accelerator with an Algiers hub.
Incubators: USTHB Tech Hub (Algiers), ESI Incubator, University incubators in Mascara and others universities.
DZ Startups Community: 15,000+ members, largest Algerian tech entrepreneur network.
Injaz El-Djazair: national NGO running entrepreneurship training in universities and high schools.

Competitive analysis : Porter's Five Forces

Porter's Force	Impact on the Startup	Key Questions to Ask
Rivalry among competitors	High if market is saturated	• Who are the incumbents? • How quickly do they react?
Threat of new entrants	Depends on entry barriers	• What barriers exist(technology, patents, capital)?
Bargaining power of suppliers	Varies with dependency	• Do you have any alternatives? • Risk of single-source dependency?
Bargaining power of customers	High in B2B	• How dependent are you on your largest customers?
Threat of substitutes	High in tech (rapid innovation)	• What alternatives could replace your product?

Table 5 - Porter's Five Forces applied to a tech startup

Ecosystem	Country	Specialty	Iconic Startups
Algiers / Oran	Algeria	EdTech, FinTech, DeliveryTech, AgriTech	Yassir, Temtem One, Angazini, Eddirhadjek
Shenzhen	China	Hardware & IoT, rapid manufacturing	DJI, Huawei, Tencent
Station F	France	World's largest startup campus (1,000 startups)	BlaBlaCar, Doctolib, Alan
Lagos / Nairobi	Africa	Fintech, mobile-first, fast-growing market	Flutterwave, M-Pesa, Andela
Silicon Valley	USA	Abundant VC, risk culture, dense network	Google, Apple, Meta, Airbnb, Uber

Table 6 - Major startup ecosystems in the world.

Reflection & interaction

Map your own network: how many people do you personally know who work in startups, tech companies, or are entrepreneurs in Algeria?

Identify one actor in the Algerian ecosystem (incubator, fund, community) you could reach out to this week. What would you ask them?

In your opinion, what is the single biggest barrier to entrepreneurship in Algeria today? How could it be overcome?

I.5 Going Solo or With Co-founders

Data shows that startups founded by 2 or 3 co-founders statistically have better chances of success: complementary skills, mutual support and greater credibility with investors. However, the choice between going solo or partnering is also deeply personal and depends on your specific situation and project.

Criterion	Solo Founder	2-3 Co-founders	Recommendation
Decision-making	Fast, No alignment needed	Requires consensus	Solo for speed, team for complexity
Equity	100% retained	Diluted (e.g. 60/40)	Team if skills are missing

Workload	Entirely on one person	Distributed and specialised	Team recommended for tech startups
Skills	Complete versatility required	Complementary tech / biz possible	Look for tech + commercial pairing
Resilience	High burnout risk	Mutual support, shared motivation	Team preferable long-term
Network	Limited to one individual	Combined and expanded	Team for more opportunities
VC credibility	Less valued by investors	Valued, signals complementarity	Team for fundraising

Table 7 - Solo Founder vs Co-founders

⚠ **Common Mistake : Choosing Partners**

Choosing a partner purely based on friendship without assessing complementary skills.

Failing to define roles, equity split (cap table) and exit conditions from the start.

Advice: Draft a shareholders' agreement at incorporation : especially between close friends.

Finding Co-founders in Algeria

Hackathons: Hack4Algeria, HackUSTO, Mascara Hachathon, Startupweekend Algiers : best places to meet technical and business co-founders.

University clubs: Many Algerian universities have coding clubs, ACM chapters and entrepreneurship associations.

DZ Startups Discord/Facebook group: 15,000+ members, active co-founder matching threads.

LinkedIn Algeria: growing professional network : search for profiles with complementary skills in your target sector.

Key principle: look for someone whose skills are your blind spots. If you are a developer, find someone with sales, marketing or finance experience.

I.6 Growth and Sales

The Ansoff Matrix : 4 growth strategies

Igor Ansoff proposes four growth strategies based on a product/market matrix. Depending on the quadrant chosen, the level of risk and innovation required varies significantly.



Figure 5 - Ansoff Matrix : 4 growth strategies (Product x Market)

1) Market Penetration

The objective is to keep the same product for an existing market in order to increase market share. This strategy carries the lowest level of innovation and risk. It is achieved through improved marketing, lower prices or an expanded sales force.

2) Market Development

Launching an existing product in new markets: targeting new customer segments or new geographic markets. This strategy requires good knowledge of the new markets being targeted.

3) Product Development

Products with enhanced attributes are developed for existing customers. As product lifecycles shorten with technological progress, companies are driven to innovate continuously. Significant R&D investment is required.

4) Diversification

Combining new product development with new markets. Very high risk. For a startup, this strategy should only be considered after firmly anchoring the business model in existing markets.

Strategy	Risk	Startup Example	Success Indicators
Market Penetration	Low	Yassir (DZ): more ride bookings, same service in Algiers	Market share, volume of transactions
Market Development	Medium	Yassir: expansion from Algiers to Oran, Constantine…	Cities covered, geographic growth rate
Product Development	Medium-High	Temtem One: added food delivery to existing transport app	New features, cross-sell conversion rate
Diversification	Very High	Amazon: from e-commerce to AWS, Prime Video, Alexa	Revenue from entirely new business lines

Table 8 - Ansoff strategies applied to real startups (Algerian example)

Reflection & interaction

Yassir started with ride-hailing in Algiers and now operates in 4 countries with multiple services. Which Ansoff quadrants did it move through, and in what order?

If you were the CEO of a hypothetical AgriTech startup operating in 2 Algerian wilayas, which growth strategy would you prioritise next, and why?

I.7 Mistakes, Failures and Best Practices

According to a study by CB Insights (2023), the 7 main causes of startup failure are distributed as follows. These statistics are global, but the patterns are identical in the Algerian context : with one important addition: underestimating the time it takes to change customer behaviour in a predominantly cash and offline economy.

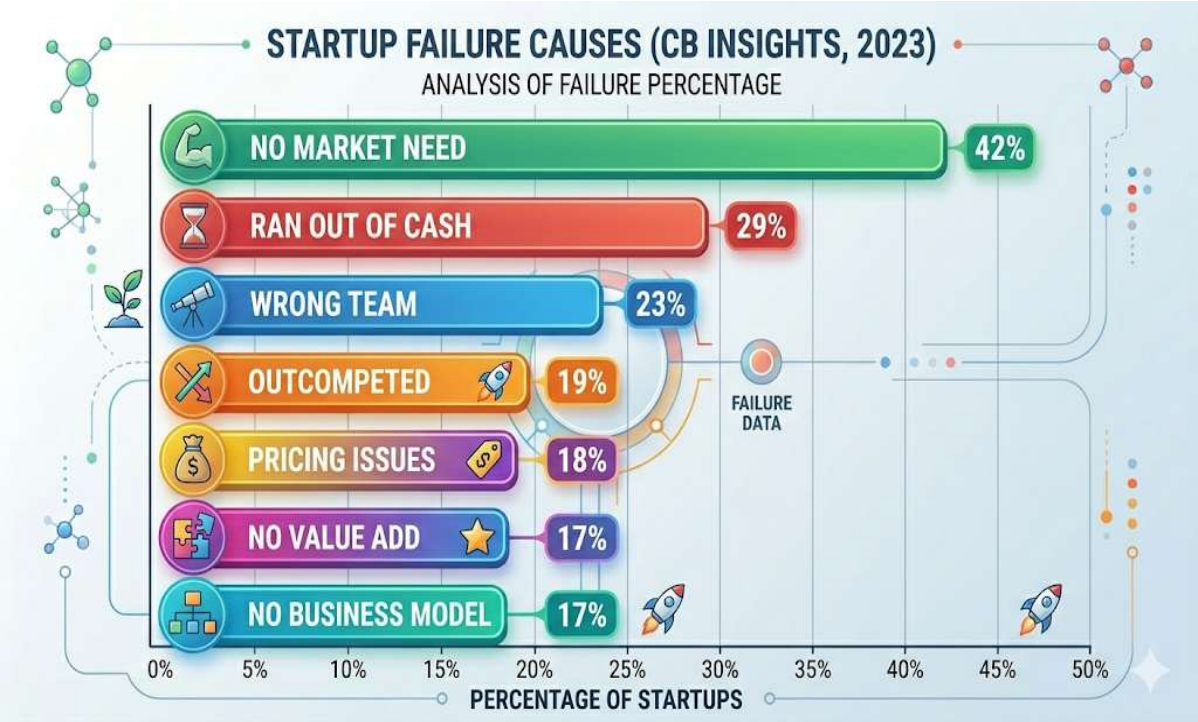


Figure 6 - Top 7 causes of startup failure (CB Insights, 2023)

Failure Cause	% Startups	Explanation	Preventive Solution
No market need	42%	The product solves a problem nobody actually has	Customer discovery before any development
Ran out of cash	29%	Burn rate exceeds revenue, fundraising too late	Manage runway, raise early, cut fixed costs
Wrong team	23%	Lack of complementarity, conflicts between founders	Shareholders' agreement, values-based hiring
Outcompeted	19%	Insufficient differentiation, exhausting price wars	Unique positioning (USP), defensible niche
Pricing issues	18%	Price too low (not profitable) or too high	Pricing tests, rigorous LTV/CAC calculation
No value add	17%	Poor UX, bugs, bad user experience	User testing, rapid iteration, feedback loops
No business model	17%	Growth without monetisation, unsustainable revenue	Validate revenue model before scaling

Table 9 - Failure causes analysis and preventive solutions

Best practices for building a viable company

- Find the right partners : complementary skills, aligned values and shared vision
- Talk about your idea to get honest feedback : break the secrecy taboo
- Conduct market research to define your target and study competition objectively
- Create a Business Model Canvas and update it regularly as you learn
- Build a functional MVP before developing the full final product
- Ship early : do not wait for perfection: done is better than perfect

Specific Challenges for Algerian Startups

Cash economy: 70%+ of transactions are offline. Validate your monetisation model specifically for cash-first users.

Talent retention: engineers are frequently recruited by European and Gulf companies remotely. Build a strong company culture early.

Banking access: limited access to Stripe, PayPal and international payment gateways. Consider CIB (Carte Interbancaire), Satim, or BaridiMob integrations.

Regulatory uncertainty: some digital sectors (fintech, health data) have limited regulation : both an opportunity and a risk.

Success stories to study: Yassir (logistics), Temtem One (super-app), Angazini (media), Mylerz (logistics), Eddirhadjek (real estate).

Chapter I Summary

- A startup is a temporary organisation searching for a scalable business model in an uncertain context.
- The entrepreneurial mindset rests on 5 pillars: vision, patience, motivation, determination, ambition.
- Your idea must be validated in the field before any significant investment in development.
- 42% of startups fail for lack of market need : customer validation is an absolute priority.
- Algeria's Startup Act (2020) and growing ecosystem offer real opportunities for CS graduates to launch tech ventures.

II CHAPTER From Idea to Market

II.1 Customer Development and Product Development

II.1.1 : Customer Development

Very few startups fail due to a lack of technology. They almost always fail due to a lack of customers. Surprisingly, few companies go through the basic step of learning about their potential customers. All entrepreneurs in the world go to bed and wake up with one question in mind: How can I find customers? The answer is: You must find the right channels! You are a startup offering a product or service to customers. To communicate with your customers (and incidentally convince them), you will use a communication channel. A channel can be the telephone, email, LinkedIn, Google (SEO), trade shows, mailbox advertising, etc.

Acquisition Channels:

The Network: This is the time to pull out your high school planner with the phone numbers of the whole class and return to all possible Facebook groups. The network is the simplest and safest channel: you already know the people you are going to contact, and in principle, they are more inclined to help you. If they cannot help you directly, you can obtain recommendations.

Advertising: We will only talk about internet advertising. There are 3 main types of advertising campaigns: SEA, display, and platforms.

1. **SEA (Search Engine Advertising):** This involves buying keywords on a search engine so that when a user performs a search that interests you, they see your link at the top of the list (before the normal results). The advantage is that the ad only appears for people looking for what you offer. The disadvantage is that it is somewhat expensive.
2. **Display:** This involves buying advertising space on a high-traffic site. The advantage of display is that it is affordable; the disadvantage is that the targeting is not great.
3. **Platforms:** Technically, this is display, but targeted. On Facebook, LinkedIn, and Twitter, you can select a population to broadcast your advertising to based on criteria. The most impressive in this area is Facebook, which offers to select its audience according to quite precise criteria.

Channel	Type	Cost	Key Advantage	Best For
Personal network	Outbound	Zero	Pre-existing trust, high conversion	Early adopters, B2B
SEO (organic search)	Inbound	Low	Sustainable organic traffic long-term	Content, SaaS
SEA (Google Ads)	Outbound	Medium	Targeting by purchase intent	Fast launch
Social Ads (Meta/LinkedIn)	Outbound	Medium	Very precise demographic targeting	B2B (LinkedIn), B2C (Meta)
Email marketing	Out/Inbound	Very low	Personalisation, effective nurturing	Retention, conversion
Partnerships / Affiliation	Mixed	Variable	Pre-qualified third-party audience	Fast growth
Events / Trade shows	Outbound	High	Direct human contact, live demos	B2B, high-ticket

Table 10 - Full comparison of customer acquisition channels

Digital Channels in the Algerian Context

Facebook dominates: Algeria has 22M+ Facebook users : the single most effective B2C acquisition channel for most consumer startups.

Instagram & TikTok: strong with 18-30 demographic; highly effective for visual products, food delivery, fashion, education.

WhatsApp for Business: the dominant B2B communication tool in Algeria : more effective than email for most sectors.

Google Ads DZ: growing rapidly; Arabic-language keyword costs are 3-5x lower than French equivalents.

LinkedIn Algeria: 1M+ professionals : best channel for B2B SaaS, HR tech, and enterprise software.

II.1.2 : Product Development

The success and sustainability of an organization owe much to the product and associated services—assets that contribute to reputation, image, and the trust generated. The major stages of the product development process are:

1. **Generate Ideas and Conduct Team Research:** Everything starts with an idea. Sometimes chance plays a role, and sometimes you can start from a personal need you experienced that the market does not meet. The essential thing is to start from a well-defined problem and be able to solve it effectively through your solution. For the process to work, your entire team must participate, including sales and marketing staff and senior management. All stakeholders must sit around a table, perform a complete SWOT analysis (strengths, weaknesses, opportunities, and threats), and determine the probability of success given established competitors.

2. **Take the Pulse of the Market:** Do not take for granted that people will want your product. Go out and meet them to identify their needs. Talk to your current and potential customers to gauge their interest in the product you propose to create. Inquire about the benefits and features they find most interesting, as well as the price they would be willing to pay.

3. **Develop and Test a Prototype:** The time has come to create a prototype and put it to the test. This is when you must build a Minimum Viable Product (MVP). This approach consists of launching an embryonic prototype on the market to get feedback as quickly as possible from your testers. You then use this feedback to refine your prototype before submitting it to new tests. Repeat this step as often as necessary.

4. **Make the Leap into the Market:** This is the time to settle the details related to manufacturing, distribution, sales, and support in order to market your product.
5. **Eliminate Small Defects:** The final step in the product development process consists of refining all aspects related to production, testing, sales, and distribution.

Stage	Key Actions	Tools	Typical Duration
1. Ideation & Research	Brainstorming, SWOT, competitive benchmarking	Miro, Notion, FigJam	1-4 weeks
2. Market pulse check	Interviews (20-50), gauge interest, identify WTP	Typeform, Google Forms	2-6 weeks
3. Prototype & MVP	Build the MVP, test with early adopters	Figma, React/Vue, Firebase	4-12 weeks
4. Test & Iteration	Analyse feedback, fix bugs, improve UX	Hotjar, Maze, Jira	Ongoing

5. Launch	Final production, distribution, customer support	Product Hunt, PR, Social	1-2 weeks
6. Optimisation	Measure KPIs, improve product experience	Analytics, A/B tests	Permanent

Table 11 - Product development process

The MVP : Minimum Viable Product

The MVP is the simplest version of a product that allows you to collect the maximum amount of useful information with the minimum investment. The idea is to release an embryonic version to the market so as to obtain real feedback from actual testers as quickly as possible.

MVP Type	Description	Famous Example	Effort Required
Landing Page	Pre-launch page : measures conversion rate	Dropbox: demo video before any build	Very low (1-3 days)
Wizard of Oz	Simulate automation while doing the work manually	Zapier: founders made connections by hand	Low (manual process)
Concierge MVP	Fully personalised service delivered manually	Food on the Table: menus by the founder	Low (human energy)
Figma Prototype	Interactive mock-up without code	Intensive UX testing before any development	Medium (design)
Functional MVP	Real application with core features only	Yassir: basic ride booking app, no surge pricing	High (development)

Table 12 - MVP types

The Lean Startup Method : Build Measure Learn

Phase	Action	Expected Outcome	Next Decision
BUILD	Develop the MVP, the minimal testable version	Functional prototype ready for testing	Launch first user tests
MEASURE	Collect real data: behaviours, conversions, feedback	Real usage data, reliable and actionable	Analyse the data collected
LEARN	Analyse data, validate or invalidate initial hypotheses	Evidence-based decision from real market data	Pivot (change) or Persevere (continue)

Table 13 - The Build-Measure-Learn cycle : Lean Startup method (Eric Ries, 2011)

Reflection & interaction

You want to launch an app for university students to find and book tutoring sessions. Which MVP type would you build first? Estimate how long it would take you with your current skills.

After 2 weeks of testing your MVP with 20 students, you discover they love the concept but refuse to pay more than 200 DZD per session (vs the 500 DZD you planned). Do you Pivot or Persevere? What would you change?

II.2 Building and Formalising a Business Model

The business model refers to the way in which the entrepreneur's initial idea is transformed into value on the market. What do we produce? How? With what resources? At what price? For whom?

II.2.1 : The Business Model Canvas (BMC)

The Business Model Canvas is a tool that marks the culmination of all the reflection you have carried out so far to advance your project and transform your initial idea into a company offering added value. It allows you to formalize your business model in a simple and clear way. We have chosen to study Alexander Osterwalder's Business Model Canvas, which is very simple to use.

The canvas (by Alexander Osterwalder) is presented as follows:



Figure 7 - Full Business Model Canvas : Alexander Osterwalder (2010)

Block 1 : Customer Segments

Customers are at the heart of your project. Without a customer paying the right price, there is no viable business. Identify your target: a homogeneous group of people or businesses with the same needs, served through the same channel and willing to pay the same price.

Block 2 : Value Proposition

The value proposition is what makes customers choose your product over a competitor's. It combines: novelty, performance, customisation, cost reduction, accessibility and brand. It is inseparable from the customer segment being targeted.

Block 3 : Channels

Through which channels will you communicate and distribute your value proposition? Channels must be aligned with the purchasing habits of your target segments.

Block 4 : Customer Relationships

What type of relationship will you establish with your target: self-service, personal assistance, community, co-creation? The type of relationship directly impacts the customer experience and the long-term cost.

Block 5 : Key Resources

These are the resources indispensable to running your business: premises, equipment, financial capital, human resources, software, brand, intellectual property.

Block 6 : Key Activities

These are the activities indispensable to running your business: production, logistics, engineering, website management. If you cannot perform this activity, your business cannot function.

Block 7 : Key Partnerships

These are strategic stakeholders: key suppliers, technology partners, distributors. They provide resources or activities via partnerships to optimise costs, reduce risks or acquire missing capabilities.

Block 8 : Revenue Streams

How does each of your segments pay? One-time purchase or subscription? Diversifying revenue streams (sales + subscription + commission) is good practice for reducing risk.

Block 9 : Cost Structure

What are the most significant costs? Is your model cost-driven (low prices, automation) or value-driven (premium offering, personalised service)?

II.2.2 : BMC vs Business Plan

Criterion	Business Model Canvas	Business Plan
Format	One page (A4 synthesis sheet)	Full document (approx. 30 pages)
Objective	Explore and visualise the business logic	Detail and formalise the strategic vision
Use	Rapid validation, internal communication, pivots	Fundraising, partnerships, bank applications
Audience	Founding team, mentors, first customers	Investors, banks, institutional partners
Update frequency	Frequent (every week in exploration phase)	Quarterly or annual
When to use?	In the exploration and validation phase	When the model is validated and formalised

Table 14 - Business Model Canvas vs Business Plan : comparison

Practical Rule

ALWAYS start by filling in the Business Model Canvas.
Write the full Business Plan only when the model is validated and you need it for investors.
A well-completed BMC is often more convincing than a 40-page BP not validated by the market.

Reflection & interaction

Choose any Algerian startup you know (Yassir, Temtem, Angazini, or any other). Fill in as many BMC blocks as you can from memory.
Which block do you think was the most difficult for them to get right? Why?
Now do the same for your own startup idea. Which block feels most uncertain to you right now?

II.3 The Art of the Pitch

The term PITCH literally refers to the 10 to 20 presentation pages that startups use to present their project—notably to their potential investors. The structure of a pitch depends on the circumstances in which the presentation takes place. For a face-to-face presentation (a "demo day"), the visual aspect will be prioritized, limiting the use of text. The goal is for investors at the back of the room to be able to see your presentation. If the presentation is sent by email, all presentation elements must be present in the pitch. In this case, text will be used much more. Most pitch creation and sharing software, like Slidebean, allow you to know the time spent by recipients on each slide.

Pitch Type	Duration	Context	Recommended Format
Elevator Pitch	30 - 90 seconds	Informal encounter, networking event	Verbal, no slides : memorised and natural
Demo Day Pitch	3 - 5 minutes	Event in front of multiple investors	Highly visual slides, minimal text
Deep Dive Pitch	15 - 30 minutes	1-to-1 meeting with a VC or Business Angel	Detailed slides + financial appendices
Email Pitch	/	First contact to spark interest	PDF deck (6-12 key slides)

Table 15 - Types of pitch by presentation context

Pitch structure : David McClure Model (500 Startups)

The average number of slides is around 12. You can see that the content of pitches is quite variable. There are several pitch templates, such as those by: David McClure, Guy Kawasaki, Sequoia Capital, NextView Ventures, Crowdfunder, and Airbnb.

Example: David McClure's Template Here is his slide plan:



Figure 8 - Full pitch deck structure : David McClure model (500 Startups)

- The 3 "S" rule: Simple, Structured, Supported by data and credible sources
- Never say: we have no competitors : it signals a lack of market knowledge
- Show current traction (MRR, users, growth) as early as possible
- Highlight team complementarity : investors invest first in people, then in ideas
- Close with a clear call to action: We are raising X DZD / USD to reach Y by Z months

The 3 Fatal Pitch Mistakes

⚠ **1. Too much text on slides**: investors read instead of listening and lose the thread.

2. No traction shown: without numbers, even modest ones, it is very hard to convince.

3. No exit strategy: investors need to know how they will get their money back.

Pitching to Algerian and African Investors

Flat6Labs Algiers Demo Day: the most visible pitching event in Algeria; 6-8 startups per cohort pitch to a room of 100+ investors and press.

Total Energies Startupper Challenge: annual competition open to Algerian youth, prizes up to 100,000 USD.

Africa's Business Heroes (Alibaba Foundation): pan-African competition with 1.5M USD in prizes.

Key difference from Silicon Valley: Algerian investors expect detailed financial projections earlier, and a clear answer on how you handle the cash economy.

Tip: Always have your pitch in both English and Arabic/French. Some investors will ask you to switch languages mid-pitch.

Chapter II Summary

- Startups fail for lack of customers, not for lack of technology.
- The MVP allows you to test a hypothesis with minimum investment to maximise learning.
- ✓ The BMC formalises in 9 blocks the logic of creating and capturing value for the company.
- The pitch must be simple, structured, data-driven and close with a clear call to action.
- In Algeria, Facebook and WhatsApp are the dominant customer acquisition channels for most B2C startups.

III CHAPTER From Market to Growth

III.1 Growth Hacking : The Culture of Growth

Definition : Growth Hacking (Sean Ellis, 2010)
Growth Hacking is a process of rapid experimentation across the marketing funnel and growth channels to identify the most effective methods for growing a business using the most limited resources possible.

How Growth hacking Works

Growth hacking operates according to the **AARRR model** created by Dave McClure. The growth hacker follows the different stages of the model: Acquisition, Activation, Retention, Referral, and Revenue.

The AARRR Model (Pirate Metrics)



Figure 9 - The AARRR conversion funnel : Pirate Metrics (Dave McClure, 500 Startups)

Acquisition
The growth hacker seeks to attract new prospects by creating a value proposition via a landing page and distributing it across all relevant channels. The key metric is CAC (Customer Acquisition Cost): it must be less than one third of LTV.

Metric	Definition	Benchmark
CAC (Customer Acquisition Cost)	Total cost to acquire 1 paying customer	Must be < 1/3 of LTV
CTR (Click-Through Rate)	Percentage of clicks on an ad or distributed link	1-5% (Search), 0.1-0.5% (Display)
Landing page conversion rate	% of visitors who sign up or make a purchase	5-15% (B2C), 1-5% (B2B)

Table 15 - Key metrics for the Acquisition stage

Activation

Users must have a first great experience with the product: the AHA moment. Examples: Facebook (7 friends in 10 days), Slack (2,000 messages exchanged), Dropbox (1 file stored in a shared folder).

Retention

This phase focuses on keeping users engaged with the product or service. Retention is fundamental: acquiring a new customer is 5 to 25 times more expensive than retaining an existing one.

Referral

Turning customers into brand ambassadors. Famous examples: Dropbox (+1 GB per friend invited = +3,900% growth in 15 months), PayPal ($10 per referred sign-up = 10 million users in 3 months).

Revenue

Converting active users into revenue. This is the economic purpose of the product: monetisation, during which prospects become genuine paying customers.

Revenue Model	Example	Advantage	Drawback
Subscription (SaaS)	Slack, Notion, HubSpot	Predictable MRR, high LTV	Churn must be managed
Freemium	Spotify, Dropbox	Easy acquisition, viral effect	Conversion rate only 2-5%
Marketplace (commission)	Yassir (15% per ride)	Scalable, no inventory	Chicken-and-egg problem early on
Advertising	Google, Meta, news sites	Free for users, scalable	Dependency on advertisers

Usage (pay-per-use)	AWS, Twilio	Aligned with value created	Variable, unpredictable revenue

Table 16 - Revenue models for tech startups

Reflection & interaction

Imagine you launched a free tutoring app and acquired 5,000 users in 3 months.
Only 200 of them have used it more than once (low Activation). What 3 specific changes would you make to the onboarding experience to improve activation?
What would be a realistic 'AHA moment' for a job-matching app targeting fresh CS graduates in Algeria? How would you measure it?

Category	Tool	Main Use
Web analytics	Google Analytics 4	Traffic tracking, behaviour and conversion analysis
Product analytics	Mixpanel / Amplitude	Funnel analysis, retention, user cohort tracking
Heatmaps	Hotjar	Heat maps and session recordings for UX analysis
A/B Testing	Optimizely / VWO	Test two page or email variants simultaneously
Email automation	Brevo (ex-Sendinblue)	Email sequences, behavioural triggers
CRM & automation	HubSpot	Lead management, nurturing workflows and follow-up
SEO	SEMrush / Ahrefs	SEO audit, keyword research, backlink analysis
No-code automation	Zapier / Make	Connect applications, automate repetitive tasks

Table 17 - Essential growth hacker tools

III.2 Fundraising and Valuation

Definition : Fundraising

Fundraising consists of bringing investors into the share capital of a company. Investors contribute funds and receive equity (shares) in return. It enables accelerated growth but implies dilution of the founders' stake and shared governance.

Type	Description	Typical Amount	Investors
Love Money	Funding from close relatives (family, friends)	< 500,000 DZD	Family, close friends
Bootstrapping	Building without external funding, on own capital	Variable	/
Public grants (Algeria)	ANSEJ, ANADE, CNAC, Algeria Venture	1M - 20M DZD	Government agencies
Business Angels	Individual investment + mentoring and network	500K - 5M DZD	Experienced private investors
Seed Capital	Round to start the business and validate the model	5M - 50M DZD / 100K-2M USD	BAs, seed funds, Flat6Labs
Series A	Round to scale the validated model and accelerate	50M DZD+ / 2M-15M USD	Venture Capital funds
Series B+	Acceleration and international expansion	100M DZD+ / 15M+ USD	Large VC, growth funds
IPO	Introduction on stock exchange	Variable	General public, institutions

Table 18 - Types of fundraising rounds by startup maturity

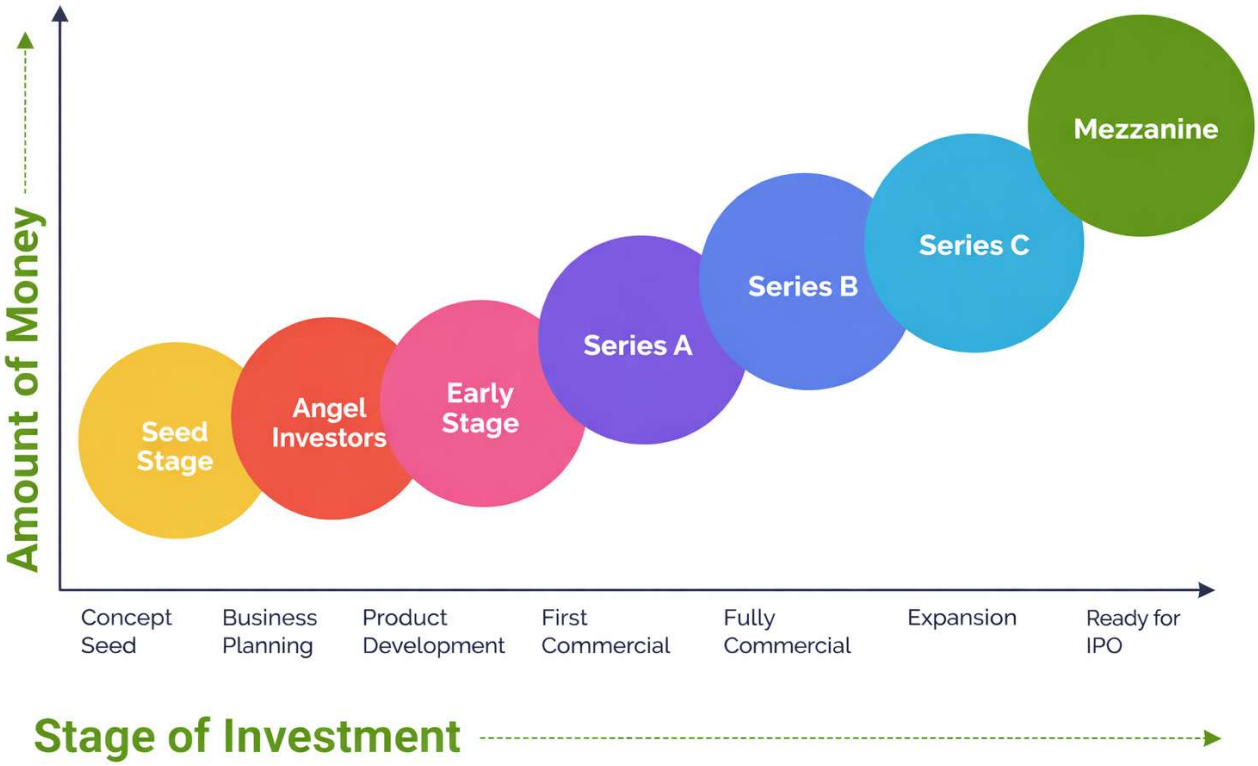


Figure 10 - Types of fundraising rounds by startup maturity

Key steps of a fundraising round



Figure 11 - The 5 key steps of a successful fundraising round

Valuation Method	Description	Best Suited Stage
Comparable (multiple)	Multiply ARR by a sector multiple (e.g. 10x ARR for SaaS)	Series A and beyond
DCF (Discounted Cash Flows)	Discount future cash flows at the cost of capital	Maturity, stable revenues
Berkus Method	Assign a value to 5 qualitative criteria (0 to $500K each)	Pre-revenue, idea stage
Scorecard Method	Compare with similar recently funded startups	Seed, early-stage
Direct Negotiation	Value agreed by both parties during discussions	All stages

Table 19 - Startup valuation methods by maturity stage

📌 **Pre-money vs Post-money Valuation**
Pre-money: company value BEFORE the injection of new funds.
Post-money = pre-money + amount raised.
Example: pre-money = 4M USD, raise = 1M USD, post-money = 5M USD. The investor owns 1/5 = 20% of the capital.

Funding the Algerian Way " Practical Guide"
Step 1: ANSEJ / ANADE: the most accessible first step for Algerian students. Loans of 1-10M DZD at 0% interest for 3 years, with a 5-year repayment period.
Step 2: Startup Label: apply for official labelling via the Ministry of Knowledge Economy (startup.dz). Opens access to Algeria Venture and public procurement.
Step 3: Flat6Labs Algiers: apply to the accelerator programme (2 cohorts/year). Provides 50,000 USD in equity-free funding + 3 months mentoring.
Step 4: Business Angels Network Algeria (BANA): growing network of private investors; 1st meeting is always a pitch, not a negotiation.
Step 5: International VC: once you have proven traction (1,000+ paying users, 3M+ DZD ARR), international funds become accessible (Partech Africa, 4DX Ventures, Algebra Ventures).

Advantages of Fundraising	Drawbacks of Fundraising
Significant capital with no repayment obligation	Dilution of founders' equity (10-40%)
Investor expertise, network and credibility	Partial loss of decision-making autonomy
Significant acceleration of growth	Constant pressure on results and KPIs
Enhanced legitimacy with partners and customers	Risk of conflicts of vision with investors

Table 20 - Advantages and drawbacks of fundraising

III.3 Crowdfunding: Marketing and Financial Lever

Crowdfunding refers to the collection of funds : generally small amounts : from a large number of people, with the objective of financing a specific project. Beyond the financial aspect, a successful crowdfunding campaign is a strong signal for professional investors.

Key Players

A crowdfunding ecosystem is structured around three actors.

Entrepreneurs appear as the starting point. They propose ideas and seek funding for their projects. Platforms act as intermediaries. They host projects, guide founders, and manage transactions. Investors provide financial contributions and promote projects to help reach funding goals. Arrows connect these actors and show a continuous flow. Entrepreneurs submit projects to platforms. Platforms attract investors. Investors send funds back to entrepreneurs. The circular flow highlights a closed system where ideas move from conception to funding through interaction between all participants.

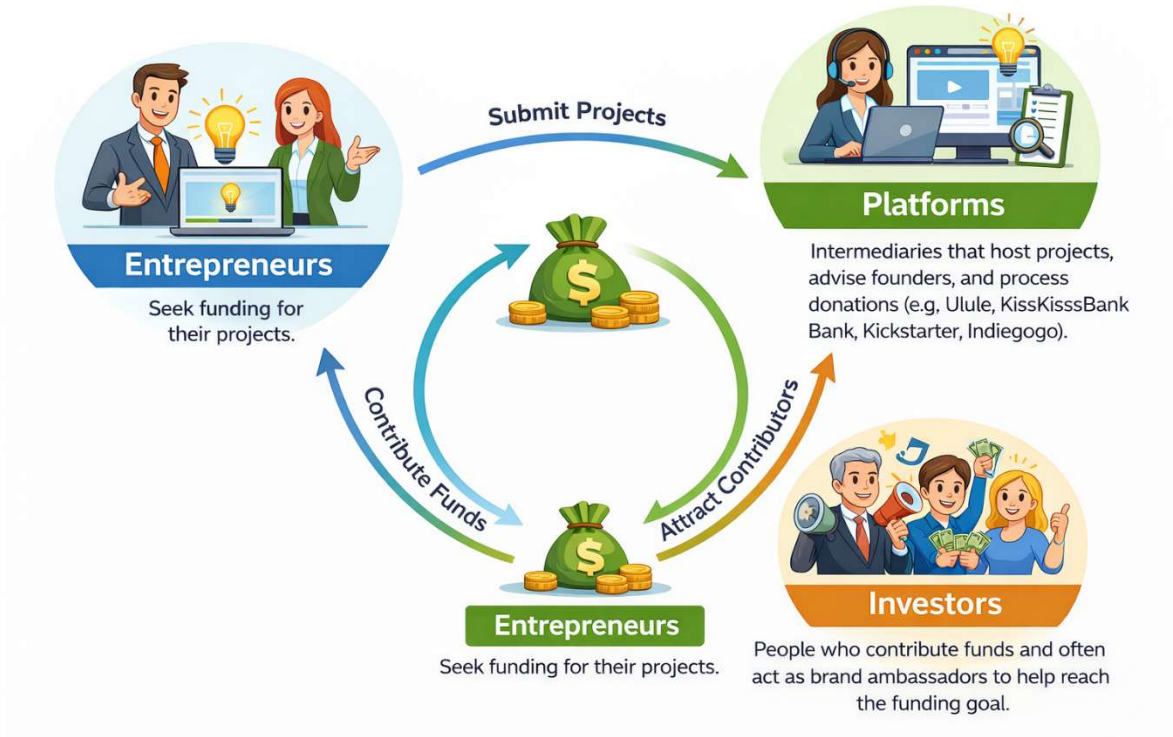


Figure 12 - The crowdfunding ecosystem

Crowdfunding models

Model	Mechanism	Counterpart	Platforms	Typical Amount
Donation (Crowdgiving)	Donation with no financial return	Symbolic or none	GoFundMe, HelloAsso	Variable
Reward	Donation in exchange for a product or service	Product, early access	Kickstarter, Ulule, KKBB	5,000 - 500,000 USD
Loan (Crowdlending)	Repayable loan with interest (4-12%)	Interest payments	October, WeShareBonds	50,000 - 1M USD
Equity (CrowdEquity)	Purchase of startup shares	Capital gain on exit	WiSEED, Sowefund, Anaxago	100,000 - 2M USD
P2P Lending	Direct loans between individuals	Interest payments	Younited Credit, Mintos	From 500 USD

Table 21 - The 5 crowdfunding models : detailed comparison

Anatomy of a successful crowdfunding campaign

1. Set a realistic target at 80-120% of the project's minimum required amount
2. Prepare in advance: presentation video (2-3 min.), professional visuals
3. Build a pre-launch list of interested supporters (email list, social media)
4. Reach 30% of the target within the first 48 hours : strong algorithmic credibility signal
5. Maintain engagement: weekly updates, active interaction with backers
6. Prepare post-campaign communication: reward delivery, customer onboarding

Crowdfunding in Algeria

- Equity and lending crowdfunding platforms are not yet legally regulated in Algeria (as of 2024).
- However, reward-based crowdfunding campaigns have been run successfully via international platforms (Kickstarter, Ulule) by Algerian creators.
- Community crowdfunding (informal collective investment) is culturally common in Algeria under the name 'Tontine' or 'Dari' : a model worth adapting digitally.
- FinTech opportunity: a regulated Algerian crowdfunding platform is one of the most cited unmet needs in the ecosystem.
- Regulatory watch: the Banque d'Algerie published initial guidelines on digital payment in 2022 : fintech regulations are expected to evolve significantly by 2026.

Reflection & interaction

The Algerian concept of 'Dari' (rotating savings group) is essentially a form of community crowdfunding. How could you design a mobile app that formalises, secures and scales this practice? What would your BMC look like?

If you were launching a hardware product (e.g. a solar-powered device for rural areas), would you choose crowdfunding or ANSEJ as your first funding source? Justify your choice.

Chapter III Summary

- Growth Hacking combines marketing, technology and data to maximise growth at low cost.
- The AARRR model (Acquisition, Activation, Retention, Referral, and Revenue) structures the customer journey.
- Fundraising accelerates growth but implies equity dilution and shared governance.
- In Algeria, ANSEJ / ANADE / Startup Label are the primary first-step funding mechanisms for young entrepreneurs.
- Crowdfunding is both a financing tool AND a powerful market validation instrument.

IV CHAPTER Administration and Management

IV.1 The Startup Pack: Legal / Social / Tax / VAT

Have you found your first client or are you about to monetize your product? To do so, it is essential to have a legal structure to demonstrate your stability to clients and to collect your revenue legally. Many startups develop their product and quickly transition into a formal company as soon as they generate revenue.

It is not always necessary to create a legal structure immediately. Generally, you should wait until your project is finalized and you have your first clients. In some cases, depending on the nature of the project, you might temporarily set up an association, as many startup projects are not initially commercial.

However, even if you do not create your structure immediately, it is important to anticipate this step and define which legal form your business will take. This choice depends on several factors, such as whether you want to manage the business alone or with shareholders and partners. Generally, consulting an accountant (or a lawyer for complex projects) is the best way to choose the structure that fits your business.

> **Practical Advice : When to create your legal structure?**
> Do not create your structure too early. Wait until you have validated your model and secured first clients.
> Always consult an accountant or lawyer before choosing: fiscal and social implications vary widely by country.
> For an ambitious tech startup planning to raise funds: SARL or SPA is recommended in Algeria.

Common Legal structures

Legal Structure	Partners	Liability	Min. Capital	Best For
Sole Trader / Self-employed	1	Unlimited (personal assets at risk)	0	Freelance, testing an activity
Single-member LLC (EURL/SASU)	1	Limited to contributions	1 euro	Solo entrepreneur planning to raise

Private Ltd Company (SARL/Ltd)	2-100	Limited to contributions	1 euro	SME, established activity, partners
Simplified Joint Stock (SAS)	2+	Limited to contributions	1 euro	Ambitious startup, VC, rapid growth
Public Ltd Company (SA)	7+	Limited to contributions	37,000 euros	Large company, stock market listing

Table 22 - Legal structure comparison

Legal Structures in Algeria

EURL (Entreprise Unipersonnelle a Responsabilite Limitee): solo entrepreneur, limited liability, minimum capital 100,000 DZD. Ideal for freelancers and solo tech founders.

SARL (Societe a Responsabilite Limitee): 2-20 partners, limited liability, minimum capital 100,000 DZD. The most common structure for Algerian startups with a team.

SPA (Societe Par Actions): equivalent to SA, minimum capital 5,000,000 DZD. Required for companies wanting to raise significant institutional capital.

Startup Label structure: any company (SARL or SPA) can apply for the official Startup Label at startup.dz, which grants special tax and social status.

Key tax rates (Algeria, 2024): IBS (Impot sur les Benefices des Societes) : 19% for production activities, 23% for trading, 26% for services. Startups with the Label are exempt for 3 years.

TAP (Taxe sur l'Activite Professionnelle): 2% on revenue for services. IRG (Income Tax) applies to sole traders.

Social security (CNAS): employer pays ~26%, employee pays ~9% of gross salary. **Startup Label** reduces employer contribution to 0% for first 3 years.

Key tax and administrative obligations

Obligation	Description	Frequency	Key Points
TVA / VAT (Algeria)	Collect TVA on sales and remit to tax authority (DGI)	Monthly or quarterly	Standard rate: 19% in Algeria (9% reduced rate)
IBS (Corporate Tax)	Taxation of company net profit	Annual + quarterly advances	19-26% depending on activity sector
Social Contributions (CNAS)	Employer + employee contributions on salaries	Monthly	Approx. 35% total; 0% for labelled startups (3 years)

TAP	Taxe sur l'Activite Professionnelle : turnover tax	Monthly	2% of revenue for service companies
Annual accounts	Balance sheet + income statement + tax filing	Annual	Filed with DGI; accountant strongly recommended
CNRC registration	Commercial registration (Registre de Commerce)	Once at creation	Required before any commercial activity

Table 23 - Key tax and administrative obligations for Algerian startups

Reflection & interaction
You and a classmate want to co-found a B2B SaaS startup. Which legal structure would you choose in Algeria and why? What minimum capital do you need?
Your startup just received the official Startup Label. List 3 concrete advantages this gives you in terms of taxes and social charges in the first 3 years.

IV.2 Tools to Manage, Grow and Communicate About Your Business

To focus on growing the startup and the most essential tasks, there are software solutions and online services that facilitate the start of operations and automate certain processes: recruitment, invoicing, collaboration and project management.

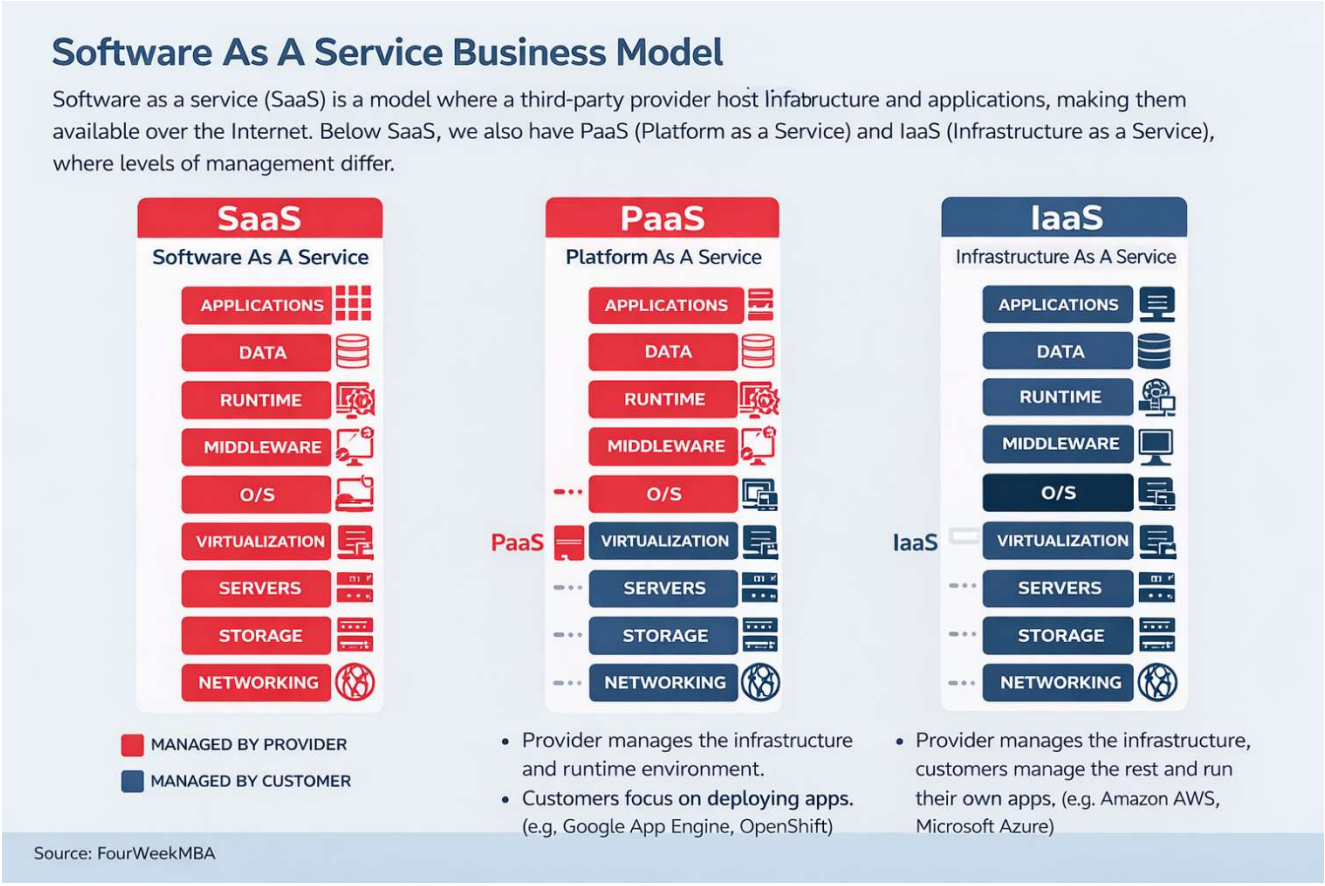


Table 13 - Essential digital tools to manage a startup

Category	Tool	Description	Indicative Price
Project management	Trello	Visual Kanban boards to organise tasks and sprints	Free / Pro 10 USD/month
Project management	Asana	Tasks, sprints and team reporting all-in-one	Free / Business 25 USD
Project management	Notion	Wiki + database + project management combined	Free / Plus 10 USD
Collaboration	Slack	Team messaging organised by topic channels	Free / Pro 8.75 USD
Collaboration	Google Workspace	Unified Drive, Docs, Meet, Gmail suite	6 - 18 USD/user/month
Collaboration	WhatsApp Business	Most used business communication tool in Algeria	Free

Email marketing	Mailchimp	Email campaigns and marketing automation	Free (under 500 contacts)
Email marketing	Brevo (Sendinblue)	Email + SMS + integrated CRM	Free / Starter 25 USD
Recruitment	LinkedIn Jobs	Post jobs and find talent in Algeria and MENA	Free basic / Paid plans
Invoicing	Zervant	Free, simple and fast invoicing	Free
Invoicing	QuickBooks	Accounting + invoicing for small businesses	From 12 USD/month
Social media	Hootsuite	Multi-network social media scheduling	From 99 USD/month
Social media	Meta Business Suite	Manage Facebook + Instagram for Algerian market	Free
Accounting (DZ)	Compta Cloud DZ	Cloud accounting software adapted to Algerian tax law	Contact for pricing

Table 24 - Essential digital tools to manage a startup

IV.3 Market Access & Sales - Business Development - Web Marketing – Performance

The Go-to-Market (GTM) Strategy

There are five key steps to creating a winning market entry strategy:



Table 14 - The 5 steps of the Go-to-Market strategy (GTM)

Step 1: Set clear objectives

Determine what you want to achieve: commercial objectives, target sales levels, the specific product or service being launched, your target market, the key actions and their timeline, the budget and available resources.

Step 2: Research the market

Conduct initial research on your target market: market size (TAM/SAM/SOM), trends, consumer needs and perceptions, national and international competition, and regulatory barriers.

Step 3: Choose the entry mode

Entry Mode	Description	Advantages	Risks
Distributor or local agent	• Local partner selling on your behalf	• Existing network • Risk reduction	• Margin sharing • Less control
Local partnership	• Franchising, • Licence • Joint venture	• Shared resources • Local legitimacy	• Strong dependency on partner
Physical presence	• Local office • sales representative • Team	• Full control • Professional image	• High fixed costs
Direct e-commerce	• Direct sales via your own commercial website	• Maximum margins • Direct client relationship	• Traffic acquisition to build
Freemium then monetisation	• Free version then conversion to paid	• Low adoption resistance	• Conversion rate to optimise

Table 25 - Comparison of Market entry modes

Step 4: Consider financing and insurance needs

To determine the amount and type of funding required to support your export project, calculate how the initial investment in production, shipping, hiring, and other costs will affect your working capital. Keep in mind that foreign buyers may request longer payment terms. Consult your bank to assess potential financing needs and cover any cash flow gaps. It is better to secure a line of credit or a loan in advance than to face a liquidity shortage while waiting for sales to grow. You can also consider insurance to protect your business against unexpected risks.

Step 5: Write the strategy document

Record the details of your market entry strategy instead of relying on memory. This document will help you secure funding and will serve as a framework for your export marketing plan. Seek feedback from your accountant, lawyer, banker, or an external expert to improve the document.

Performance Management : Essential KPIs

KPI	Formula	SaaS Benchmark	Significance
MRR (Monthly Recurring Revenue)	Sum of all monthly recurring revenues	Growth > 15%/month (early)	Monthly financial health
ARR (Annual Recurring Revenue)	MRR x 12	--	Annual financial vision
CAC (Customer Acquisition Cost)	Marketing spend / New customers acquired	< LTV / 3	Marketing efficiency
LTV (Lifetime Value)	ARPU x Average customer lifespan	LTV/CAC ratio > 3	Long-term profitability
Churn Rate	Customers lost / Customers at start of period	< 5% per month	Customer retention
NPS (Net Promoter Score)	% Promoters - % Detractors	Above 50 = excellent	Satisfaction & referral
DAU / MAU Ratio	Daily / Monthly active users	Above 20% = good engagement	Product engagement level
Conversion Rate	Converted visitors / Total visitors	1 - 5% (landing page)	Funnel effectiveness

Table 26 - Essential KPIs for managing a tech / SaaS startup

Reflection & interaction

You have 100,000 DZD in marketing budget for the first 3 months. You are launching a B2C food delivery app in Oran. Allocate your budget across 3 channels (Facebook Ads, Flyers/on-ground, WhatsApp influencers) and justify your allocation.

After 6 months, your app has 2,000 downloads, 400 orders, and 80 repeat customers. Calculate your approximate Churn Rate and your Activation Rate. Is your startup on the right track?

IV.4 Strategic Intelligence (Competitive Watch)

Definition : Strategic Intelligence

Strategic intelligence is a continuous process of collecting, analysing and disseminating information about an organisation's competitive, technological, regulatory and commercial environment, in order to anticipate changes and guide strategic decisions.

Watch Type	What to Monitor	Main Sources	Recommended Tools
Competitive	**Competitors' actions** and strategies	Websites, Linkedin, annual reports	**SimilarWeb**, SEMrush, CrunchBase **Feedly**, Google Alerts
Technological	**Innovations, patents,** new technologies	Arxiv, Google Patents, GitHub Trending	**Arxiv**, Google Patents, GitHub Trending **Feedly**, Google Alerts
Commercial	**Customer behaviour,** consumption trends	Market studies, social media	**Statista**, GWI, Social Mention **Statista**, GWI, Social Mention
Legal & Regulatory	**Laws, regulations,** sector standards	Official Gazette (JORADP), ANJE	**Alertes JORADP**, startup.dz
Social	**HR trends, social** movements, lifestyles	Market studies, social media	**Bloomberg**, Google Finance, ONSdz **Linkedin** Insights, Glassdoor
Social	HR trends, social movements	HR press, professional social media	**Linkedin Insights**, Glassdoor

Figure 15 - The 6 types of strategic intelligence : objects, sources and tools

Stages of the strategic intelligence cycle

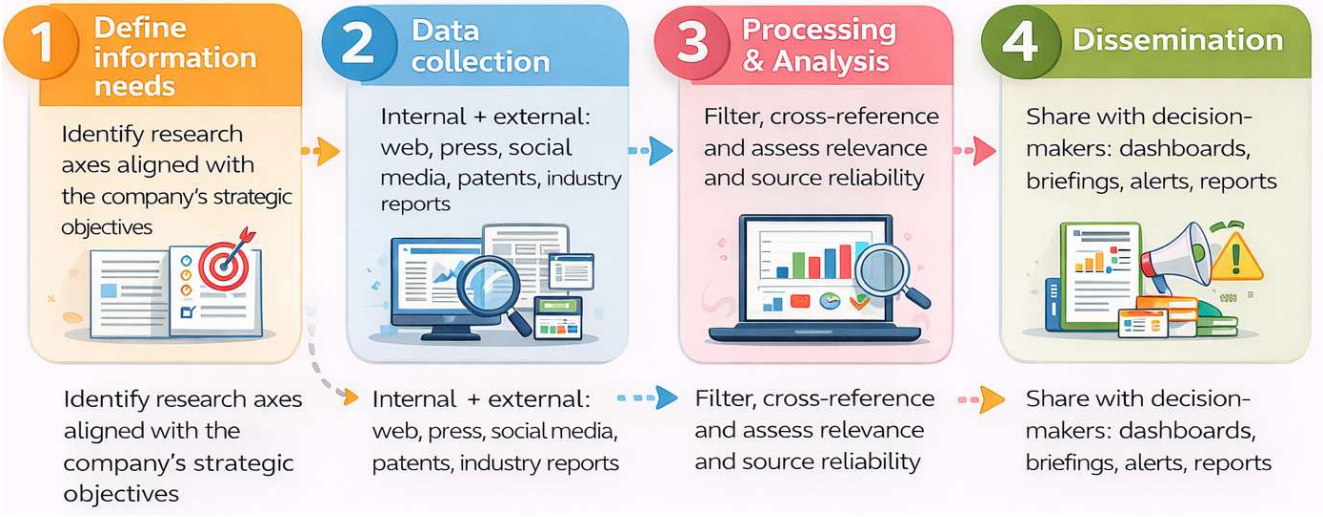


Figure 16 - The strategic intelligence cycle (4 iterative stages)

a) Defining information needs

Identify research axes based on strategic objectives, specify the scope of the watch, plan the research process with budget and time constraints.

b) Data collection

Sources are multiple: websites, social media, newsletters, specialist press, patents, annual reports. The internet is the fastest way to obtain information, but source reliability must be rigorously assessed.

c) Processing and analysis

Collected information must be filtered, cross-referenced and assessed for relevance. This stage is the most value-creating: it is where raw data becomes actionable intelligence.

d) Dissemination

Results are shared with collaborators or decision-makers via dashboards, email, reports or briefings. Dissemination must be targeted by recipient and confidentiality level.

Setting up effective intelligence with zero budget

Google Alerts: free alerts on your competitors' names, sector keywords, and regulatory terms.

Feedly: aggregate RSS feeds from 10-20 most relevant sources in your sector.

LinkedIn: follow competitor profiles : their job postings signal new strategic directions.

JORADP (Journal Officiel): free access to all Algerian laws, decrees, and regulatory updates at joradp.dz.

startup.dz: official portal for the Algerian startup ecosystem : new labelled startups are published monthly.

GitHub Trending: real-time technology watch : which technologies are gaining momentum globally?

Regulatory Watch in Algeria

JORADP (joradp.dz): all laws and decrees; essential for fintech, health, education and media regulations.

Banque d'Algerie (bank-of-algeria.dz): monetary policy, fintech circulars, payment regulations.

startup.dz: new startup labels, calls for projects, funding announcements from Algeria Venture.

ANJE (Agence Nationale de la Jeunesse Entrepreneuriale): events, training programmes, competitions.

DZ Startups newsletter: weekly digest of Algerian startup news, funding rounds, and regulatory changes.

Tip: set a Google Alert for 'decret executif startups Algerie' and 'loi numerique Algerie' : changes happen fast.

Chapter IV Summary

- In Algeria, the EURL and SARL are the most common structures for tech startups; the Startup Label provides significant tax benefits.
- The IBS corporate tax in Algeria ranges from 19% to 26%; labelled startups are exempt for 3 years.
- SaaS tools allow a startup to operate professionally at low cost from the very first day.
- The Go-to-Market strategy must be documented, quantified and shared with the whole team.
- Actionable KPIs (MRR, CAC, LTV, churn) form the management dashboard of any serious startup.
- Strategic intelligence in Algeria must include JORADP monitoring and DZ ecosystem news.

Glossary of Key Terms

Term	Definition
AARRR (Pirate Metrics)	Growth framework: **A**cquisition, **A**ctivation, **R**etention, **R**eferral, **R**evenue (Dave McClure)
ANSEJ	**A**gence **N**ationale de **S**outien a l'**E**mploi des **J**eunes (main public funding agency for young Algerian entrepreneurs (19-35))
ARR	**A**nnual **R**ecurring **R**evenue (annualised recurring revenue (MRR x 12), core SaaS metric)
BMC (Business Model Canvas)	Business model formalisation tool with 9 building blocks (Alexander Osterwalder, 2010)
Bootstrapping	Building a startup without external funding, solely on own capital and revenue
Burn Rate	The rate at which a startup consumes its cash reserves (amount spent per month)
CAC	**C**ustomer **A**cquisition Cost: total marketing spend divided by number of new customers acquired
Churn Rate	Attrition rate (percentage of customers lost during a given period)
Design Thinking	Human-centred problem-solving methodology based on empathy and iterative prototyping
Due Diligence	Thorough audit of a startup conducted by an investor before formalising investment
Exit	Investor liquidity event via sale, merger & acquisition (M&A) or initial public offering (IPO)
Freemium	Hybrid model: free basic version + paid premium features
Growth Hacking	Data-driven rapid growth approach using creative, low-cost methods : Sean Ellis, 2010
IBS	**I**mpot sur les **B**enefices des **S**ocietes (Algerian corporate income tax (19-26% depending on sector))
IPO	**I**nitial **P**ublic **O**ffering (listing on a stock exchange, opening equity to the general public)

KPI	**K**ey **P**erformance **I**ndicator (actionable metric aligned with a strategic objective)
Lean Startup	Build-Measure-Learn methodology to reduce waste and accelerate learning (Eric Ries, 2011)
LTV	**L**ife **T**ime **V**alue (total revenue generated by a customer over the entire duration of their relationship)
MRR	**M**onthly **R**ecurring **R**evenue (monthly recurring revenue, key health indicator for SaaS)
MVP	Minimum Viable Product : minimal version of a product used to test a hypothesis
NPS	**N**et **P**romoter **S**core (% Promoters minus % Detractors; score above 50 = excellent)
OKR	**O**bjectives & **K**ey **R**esults (goal-setting and tracking system popularised by Google)
Pivot	Major strategic change to the business model based on market learnings
Product-Market Fit	State in which the product perfectly meets a real and significant market need
Runway	Duration a startup can survive with its current cash (Cash balance / Monthly Burn Rate)
SaaS	**S**oftware **a**s **a** **S**ervice (software distributed via the internet, accessed by subscription)
SARL	**S**ociete **a** **R**esponsabilite **L**imitee (the most common Algerian company structure for tech startups (2-20 partners))
Scalability	Ability of a business model to grow without increasing costs proportionally
Startup Label	Official Algerian certification (startup.dz) granting tax exemptions and access to public funding
SWOT	**S**trengths, **W**eaknesses, **O**pportunities, **T**hreats (fundamental strategic analysis framework)
TAM / SAM / SOM	**T**otal / **S**erviceable / **O**btainable **A**ddressable **M**arket (market size segmentation)

TAP	**T**axe sur l'**A**ctivite **P**rofessionnelle (Algerian turnover tax (2% for service companies))
Term Sheet	Non-binding negotiation document outlining the terms and conditions of an investment
VC (Venture Capital)	Risk capital : investment fund specialised in high-growth startups

SYNTHESIS EXERCISES & SOLUTIONS

EXERCISE 01 SWOT Analysis Case Study

Read the case study below and complete the tasks that follow.

> Ahmed is a 3rd-year Computer Science student who wants to launch "**EduTrack**", a mobile app that helps university students track their attendance, grades and deadlines in real time.
> He has strong programming skills (React Native, Firebase), a network of 200 student contacts at his university, and 3 months of free time before his final year.
> However, he has no business experience, zero marketing budget and no team. He has noticed that most students use WhatsApp groups and paper notebooks to manage their schedules.
> The digital education market in Algeria is growing rapidly. The government recently launched a national digitisation plan for universities, though regulations on student data storage are still unclear.

Task 1: Complete the SWOT matrix below for EduTrack

STRENGTHS	WEAKNESSES
OPPORTUNITIES	**THREATS**

Task 2: Based on your SWOT, recommend ONE growth strategy Ahmed should adopt (and justify in 3-4 sentences).

EXERCISE 02 Startup Lifecycle : Matching Exercise

Match each description (column A) with the correct lifecycle phase (column B) and the most appropriate funding source (column C). Write your answers in the table.

N°	Description (Column A)	Lifecycle Phase (Column B)	Best Funding (Column C)
1	The founders are developing the first working prototype and testing it with 10 beta users.		
2	The startup has validated its model and is growing at 20% per month in a new market.		
3	The founder is researching the market problem and building the first landing page.		
4	The company is being acquired by a large corporation for 50M euros.		

5	Monthly revenue is stable and the startup is expanding to three new countries.		
6	The startup has just signed its first 5 paying contracts and is hiring its first employee.		
7	Investors are listing the company on the stock exchange.		
8	Founders are raising 5M euros to double the engineering team and scale marketing.		

Column B : Lifecycle Phases:
Idea | Validation | Launch | Growth | Maturity | Exit

Column C : Funding Sources:
Love money | Bootstrapping | Business Angels |Seed | Series A | Series B | Series C | IPO

EXERCISE 03 — Entrepreneurial Mindset : Personal Reflection

The 5 pillars of the entrepreneurial mindset are: Vision, Patience, Motivation, Determination and Ambition.

Task 1: Choose TWO pillars you believe are your strongest today. For each, give a concrete personal example that demonstrates why.

Task 2: Identify ONE pillar you need to develop most. Propose a specific, actionable plan to improve it over the next 3 months.

Task 3: Why do you think complementarity between co-founders matters more than friendship? Use one real-world startup example to support your answer.

EX 04 EXERCISE — Business Model Canvas : Build & Analyse

Ali wants to launch **"Fix_It"**, a platform that connects home owners with certified local handymen (plumbers, electricians, painters). Customers book services via a mobile app and pay online. Fix_It takes a 15% commission on each transaction. Handymen must pass a verification check before joining the platform.
Ali has 8,000 euros in savings, knows two developers who will work for equity, and has already signed partnerships with 12 handymen. His target customers are urban home owners aged 30-55.

Task 1: Complete all 9 blocks of the Business Model Canvas for FixIt.

BMC Block	Your Answer for FixIt
1. Customer Segments	
2. Value Proposition	
3. Channels	
4. Customer Relationships	
5. Revenue Streams	
6. Key Resources	
7. Key Activities	
8. Key Partnerships	
9. Cost Structure	

Task 2: Identify ONE major risk in Rania's model and propose a concrete mitigation strategy.

EXERCISE 05 MVP Strategy Selection & Justification

The five types of MVP are: Landing Page, Wizard of Oz, Concierge MVP, Figma Prototype, Functional MVP.

Task 1: For each startup scenario below, identify the most appropriate MVP type and explain why in one sentence.

N°	Scenario	Best MVP Type	Why? (one sentence)
1	A student wants to test whether local restaurants would pay for an AI-powered menu translation tool. He has no technical skills.		
2	A developer wants to validate that users will pay for a habit-tracking app before spending 3 months building it.		
3	A team wants to build a logistics matching platform but needs to see how users interact with the booking flow first.		
4	An entrepreneur wants to offer a personalised nutrition plan service. She can create plans manually for the first 20 users.		
5	A startup wants to test an automated document sorting tool. The AI model is not ready yet, so staff will sort documents by hand.		

Task 2: In your own words, explain the Build-Measure-Learn cycle and why it reduces startup failure. (5-6 sentences)

EXERCISE 06 Pitch Deck : Structure & Critique

Slide 1: Our app is called NutriScan. We scan food labels and give personalised health advice.
Slide 2: 1.9 billion people worldwide are overweight. Nobody reads nutrition labels properly.
Slide 3: NutriScan uses AI to scan any food label in 2 seconds and give a personalised health score.
Slide 4: We target health-conscious millennials aged 25-40 in urban areas. TAM = 500M users globally.
Slide 5: We generate revenue via a freemium model: free basic scan, premium subscription at 4.99 USD/month.
Slide 6: We have been building for 4 months. We currently have 0 paying users and 50 beta testers.
Slide 7: We are a team of 2 developers. We are looking for 150,000 euros.
Slide 8: No competitor does exactly what we do.

Task 1: Identify FOUR specific weaknesses in this pitch and explain how to fix each one.

N°	Weakness Identified	How to Fix It
1		
2		
3		
4		

Task 2: Rewrite Slide 8 ('No competitor does exactly what we do') into a professional competitive positioning statement. Include at least 2 named competitors and explain NutriScan's differentiation clearly.

EXERCISE 07 AARRR Funnel Analysis

TalentLink is a B2B SaaS platform that connects companies with freelance developers.
Monthly data: 10,000 website visitors | 800 free sign-ups | 320 posted a job offer
240 completed at least one successful hire | 90 subscribed to the premium plan (50 USD/month)
15 companies referred TalentLink to another company (resulted in 12 new sign-ups)

Task 1: Complete the AARRR funnel table for TalentLink.

AARRR Stage	Metric Definition	Your Calculation	Rate (%)	Comment
ACQUISITION	% of visitors who sign up	800 / 10,000	8%	Decent for B2B SaaS
ACTIVATION	% of sign-ups who post a job			
RETENTION	% of active users who complete a hire			
REVENUE	% of active users who subscribe			
REFERRAL	% of customers who refer another			

Task 2: Identify the TWO weakest stages in TalentLink's funnel and propose one concrete growth hack for each**.**

Task 3: Calculate TalentLink's Monthly Recurring Revenue (MRR) and Annual Recurring Revenue (ARR). Then explain what a churn rate of 8% per month would mean for the business**.**

EXERCISE 08 — Fundraising Scenario & Valuation

SolarEdge (fictitious) is an Algerian startup that develops AI software to optimise solar panel efficiency for residential buildings.
Current financials: ARR = 480,000 euros | MRR growth = 18%/month | Team: 6 people
The founders want to raise 1.2M euros to hire 5 engineers and expand to Tunisia and Mauritanya.
An investor proposes a pre-money valuation of 4.8M euros.

Task 1: Answer the three questions below:

Question	Your Answer
What is the post-money valuation after the raise?	
What percentage of the company will the investor own?	
What is the ARR multiple used by the investor (pre-	

money / ARR)? Is this reasonable for a SaaS?	

Task 2: Name the fundraising stage this round most likely represents (Seed / Series A / Series B) and justify your choice in 3 sentences:

Task 3: List THREE specific items the investor will examine during 'due diligence' for SolarEdge:

1.
2.
3.

Task 4: SolarEdge is considering a crowdfunding campaign on Anaxago (equity crowdfunding). Explain the advantages AND the risks of this approach compared to a traditional VC round. (5-6 sentences)

EXERCISE 09 Legal Structure Selection

Four entrepreneurs describe their situation. For each, recommend the most appropriate legal structure from the list and explain your reasoning.

Available Legal Structures
Sole Trader / EI | Single-member LLC (EURL/SASU) | SAS (2+ partners)
SARL (2-100 partners) | SA (7+ partners, stock exchange)

N°	Entrepreneur Profile	Recommended Structure	Justification (1-2 sentences)
1	Yasmine is a freelance UI/UX designer. She wants to start invoicing clients immediately with minimal admin. She has no plans to raise funds.		
2	Omar and his two co-founders are building a cybersecurity startup. They plan to raise a Series A in 18 months. Investor-friendly governance is critical.		
3	Karim wants to launch a local pizza delivery app		

	with 3 childhood friends. They want shared management, limited liability and a simple structure.		
4	Lina is a solo developer who wants to launch a SaaS product. She plans to raise from Business Angels in 12 months and will need to issue stock options to future employees.		

EXERCISE 10 — KPI Dashboard : Calculate & Interpret

CloudClass is a SaaS platform offering online coding bootcamps. Monthly data:
New students enrolled (paying): 120 | Total active students: 600 | Students who cancelled: 48
Total marketing spend this month: 6,000 euros | Average revenue per user (ARPU): 80 euros/month
Average student retention: 18 months | Promoters (NPS survey): 55% | Detractors: 10%

Task 1: Calculate each KPI below and write the formula + result.

KPI	Formula	Calculation	Result	Healthy? (Y/N)
MRR	Active students x ARPU	600 x 80	48,000 euros	Yes
CAC	Mktg spend / New customers			
LTV	ARPU x Avg retention (months)			
LTV/CAC Ratio	LTV / CAC			Is ratio > 3?
Churn Rate	Cancellations / Total active			> 5%? Concerning
NPS	% Promoters - % Detractors			Above 50 = good

Task 2: Based on your calculations, which KPI is CloudClass's most urgent problem? Propose ONE specific action to address it.

Task 3: What is the difference between a 'vanity metric' and an 'actionable metric'? Give one example of each from the CloudClass data above.

EXERCISE 11 — Strategic Intelligence Plan

You are the founder of EduTrack (from Exercise 1). The app has been live for 6 months. You need to set up a strategic intelligence system to monitor your competitive environment, technology trends and user behaviour : with a budget of zero euros.

Task 1: Complete the strategic intelligence plan table below for EduTrack.

Watch Type	What Exactly to Monitor	Free Tools / Sources to Use	Frequency
Competitive			
Technological			
Commercial			
Legal / Regulatory			

Task 2: Explain in 4-5 sentences why strategic intelligence is a competitive advantage for a startup with limited resources (as opposed to large corporations with dedicated research teams):

e

ANSWER KEY :

Exercise 1 : SWOT (Model Answer)

Quadrant	Model Elements for EduTrack
STRENGTHS	Strong React Native & Firebase skills; 200 student contacts as early adopters; lean cost structure; free development time available
WEAKNESSES	No business or marketing experience; zero budget for marketing; no team (solo founder); no prior enterprise sales experience
OPPORTUNITIES	Growing digital education market in Algeria; national digitisation plan for universities; 0 direct competitor in this niche; WhatsApp groups = painful workaround = clear pain point
THREATS	Regulatory uncertainty around student data; university IT departments may block app installations; risk of Google/Microsoft building similar feature; low student willingness to pay

Task 2: Recommended strategy: Strengths + Opportunities => Offensive / Market Penetration strategy. Ahmed should leverage his technical skills and student network to build a free MVP, acquire early adopters at his own university, validate engagement metrics, then expand to other universities before considering any monetisation.

Exercise 2: Lifecycle Matching Answer Key

N°	Lifecycle Phase	Best Funding
1	Validation	Business Angels / Seed
2	Growth	Series B
3	Idea	Bootstrapping / Love money
4	Exit	M&A / Strategic acquisition
5	Maturity	Series C / Growth fund
6	Launch	Series A
7	Exit	IPO
8	Growth	Series A

Exercise 4: BMC for FixIt (Model Answer)

BMC Block	Model Answer for FixIt
1. Customer Segments	Homeowners aged 30-55 in urban areas (primary); Certified handymen seeking additional income (secondary)
2. Value Proposition	Book a verified handyman in under 5 minutes; transparent pricing; guaranteed service quality with reviews
3. Channels	Mobile app (iOS/Android); website; social media ads (Facebook/Instagram for homeowners); LinkedIn for B2B partnerships
4. Customer Relationships	Self-service booking + automated reminders; post-service rating system; loyalty programme for repeat customers
5. Revenue Streams	15% commission on each completed transaction; optional premium listing for handymen; advertising revenue long-term
6. Key Resources	Mobile app platform; database of verified handymen; brand and trust; 2 developers (equity); 8,000 euros seed capital
7. Key Activities	Platform development & maintenance; handyman verification and onboarding; marketing & user acquisition; customer support
8. Key Partnerships	12 initial handymen; payment gateway (e.g. Stripe); insurance provider for service guarantee; local trade guilds
9. Cost Structure	App development (equity cost); marketing & CAC; payment processing fees; handyman verification ops; customer support

Exercise 5 : MVP Answer Key

N°	Best MVP Type	Reasoning
1	Concierge MVP	No technical skills : manually translate menus and send reports to test restaurant willingness to pay before building anything
2	Landing Page	Validate demand with a simple sign-up page describing the app and a call-to-action before writing any code
3	Figma Prototype	Test the booking user flow and identify friction points with an interactive mock-up at zero development cost
4	Concierge MVP	Manually create the first 20 plans to validate whether users find them valuable and will pay before building AI
5	Wizard of Oz	Present an automated interface to users; staff sort documents manually behind the scenes to simulate the AI

Exercise 7 : AARRR Calculations

Stage	Calculation	Rate	Comment
ACQUISITION	800 / 10,000	8%	Good for B2B SaaS
ACTIVATION	320 / 800 = 40%	40%	Strong : posting a job = clear activation event
RETENTION	240 / 320 = 75%	75%	Excellent : 3 in 4 active users complete a hire
REVENUE	90 / 240 = 37.5%	37.5%	Decent conversion from free to paid
REFERRAL	15 / 90 = 16.7%	16.7%	Strong referral rate : consider a referral programme

Exercise 8 : Fundraising Calculations

Question	Model Answer
Post-money valuation	4,800,000 + 1,200,000 = 6,000,000 euros
Investor ownership	1,200,000 / 6,000,000 = 20% of the company
ARR multiple	4,800,000 / 480,000 = 10x ARR. This is typical for high-growth SaaS at Series A (common range: 8-15x ARR).

Fundraising stage: Series A, justified by ARR of 480K euros, 18% monthly MRR growth, clear product-market fit, and the purpose (expand team, enter 2 new markets). Seed rounds are typically < 1M euros and pre-revenue. Series A suits validated models seeking scale capital.

Exercise 9 : Legal Structure Answer Key

N°	Recommended Structure	Justification
1	Sole Trader / EI	Simplest structure for a freelancer with no employees and no fundraising plans. Minimal admin overhead.
2	SAS	Flexible governance, easy to issue stock options (BSA, BSPCE), favoured by VC investors, no minimum capital.
3	SARL	4 partners, shared management (gerant), limited liability, well-suited for local service businesses with multiple partners.

4	SASU	Solo founder with plans to raise and issue stock options. SASU offers flexibility, limited liability and investor readiness.

Exercise 10 : KPI Calculations

KPI	Formula	Result	Healthy?
MRR	600 x 80	48,000 euros	Yes
CAC	6,000 / 120	50 euros	Depends on LTV
LTV	80 x 18	1,440 euros	Good
LTV/CAC	1,440 / 50	28.8 : EXCELLENT	Yes (well above 3)
Churn Rate	48 / 600	8% : HIGH	No (target < 5%)
NPS	55% - 10%	45 : GOOD	Near excellent (>50)

Most urgent problem: Churn Rate of 8% per month. At this rate, the startup loses nearly half its customer base every 8-9 months. Suggested action: conduct exit surveys with churning customers, identify top 3 reasons for leaving, and build a targeted retention programme (e.g. onboarding emails, feature education, loyalty discount).

Bibliography & Resources

Foundational Books (English)

- Blank, S. & Dorf, B. (2012). The Startup Owner's Manual. K&S Ranch Press.
- Ries, E. (2011). The Lean Startup. Crown Business.
- Osterwalder, A. & Pigneur, Y. (2010). Business Model Generation. Wiley.
- Maurya, A. (2012). Running Lean. O'Reilly Media.
- Thiel, P. & Masters, B. (2014). Zero to One. Crown Business.
- Doerr, J. (2018). Measure What Matters (OKRs). Portfolio/Penguin.
- Feld, B. & Mendelson, J. (2019). Venture Deals, 4th ed. Wiley.

Recommended Reading in French

- Isckia, T. & Lescop, D. (2011). Open Innovation dans les Ecosystemes d'Affaires. Revue Francaise de Gestion, 37(210), 92-107.
- Picot-Coupey, K., Huet, E. & Piveteau, L. (2019). Entrepreneuriat Numerique. Dunod.
- Osterwalder, A. & Pigneur, Y. (2011). Business Model Nouvelle Generation. Pearson France. [French translation of BMG]
- Bompar, L. & Duperrin, B. (2018). L'entreprise libree de Jean-Francois Zobrist. Editions Eyrolles.
- Le Boeuf, C. (2020). Growth Hacking: Les Strategies de Croissance des Startups. Editions ENI.

Academic Articles and Studies

- Ansoff, H.I. (1957). Strategies for Diversification. Harvard Business Review, 35(5), 113-124.
- Porter, M.E. (1979). How Competitive Forces Shape Strategy. Harvard Business Review, 57(2).
- CB Insights. (2023). The Top 12 Reasons Why Startups Fail. CB Insights Research Report.
- Blank, S. (2013). Why the Lean Startup Changes Everything. Harvard Business Review, 91(5), 63-72.

Algerian Institutional Resources

- Ministere de la Connaissance et de l'Economie Numerique : startup.dz: Official Algerian startup label portal, funding programmes and ecosystem news.
- **ANSEJ** : ansej.org.dz: Complete guide to loans, eligibility criteria and application process for young entrepreneurs.
- Algeria Venture : algeriaventure.dz: Seed fund for labelled startups; call for applications published twice yearly.
- Banque d'Algerie : bank-of-algeria.dz: Monetary policy, fintech circulars, payment system regulations.
- Journal Officiel de la Republique Algerienne (JORADP) : joradp.dz: All laws, decrees and regulations. Essential for regulatory watch.
- ONS (Office National des Statistiques) : ons.dz: Demographic and economic data for market sizing in Algeria.