ABOUT ENTREPRENEURSHIP

November 17th, AFAC
ABOUT ENDEAVOR

What do we do?
OUR GLOBAL FOOTPRINT

Endeavor operates in 40 markets with 500+ team members around the world.
OUR VALUES

Entrepreneur First
We put Endeavor Entrepreneurs at the center of everything we do and make sure we always have their back.

Go Big
We see crazy as a compliment, risk as opportunity, and our impact as unlimited.

Network of Trust
We are a community built on mutual respect and empathy and we safeguard founders’ interests.

One Endeavor
We are borderless — unified by our belief in the power of entrepreneurship and tech-enabled innovation.

Pay it Forward
We multiply our impact by empowering the next generation of founders.

Always Agile
We are dynamic and flexible, adapting to changing market dynamics and fresh data points.
WHY WE DO IT
To build thriving entrepreneurial ecosystems in emerging and underserved markets around the world.

WHAT WE DO
We create a Multiplier Effect:
Inspiring high-growth entrepreneurs to dream bigger, supporting and investing in them to scale faster, and providing a platform to pay it forward.

OUR CORE BELIEF
High-Impact Entrepreneurs transform economies.
ENTREPRENEURS AND START-UPS

The evolution of an idea from start-up to scale-up
WHO IS AN ENTREPRENEUR?

- A person who sets up a business taking on financial risks in the hope of profit
- Making a choice between safe and expected or venture into the unknown
- Different types of entrepreneurs:
  - **Opportunity entrepreneurs**: start businesses because they spot an opportunity in the marketplace.
  - **Necessity entrepreneurs**: start businesses because they cannot find work any other way.
  - **Serial entrepreneurs**: repeatedly start businesses and grow them to a sustainable size before striking out again.

“*When economies turn down, entrepreneurs turn up*”
A start-up is launched to evolve an idea with the potential for significant business opportunity and impact.

The evolution of a start-up — from an idea to exit — is a continuous process.

The early stage begins with a potentially scalable idea for a product or service targeting a market that is poised to generate value.

The idea is 20%, the execution is 80%.

“A startup is taking an idea of the shower”
1976: They sold some of their prized belongings – for Jobs, a Volkswagen minibus, and for Wozniak, a programmable HP calculator – to raise $1300 to launch the enterprise.

They built their first machines in Jobs’ family garage.
EXAMPLE: BEESLINE

• Mohamad and Maha Arayssi started the brand out of their kitchen
• Today, Beesline employs more than 200 people in Beirut and sells its products in more than 10 countries
DIFFERENT STAGES OF A COMPANY’S LIFE CYCLE – AFTER LAUNCHING THE IDEA

Source: Strategy&
FUNDRAISING AT DIFFERENT STAGES

**Pre-Seed Funding**
This stage is commonly known as bootstrapping. You must use your own existing resources in order to get the operations off the ground.

- **Startup Stage**
  - Exploring the feasibility of building an idea into a product/service.
  - Market testing
  - Develop marketing and sales plan for the product launch

- **Startup Valuation**
  - $10K - $100K

- **Potential Investors**
  - Startup Owners
  - Friends and Family

- **Approx Fundraising**
  - $50K

**Seed Funding**
During this stage, a startup receives help in determining its final products and demographics.

- **Startup Stage**
  - Launch product
  - Build traction until revenue starts coming in

- **Startup Valuation**
  - $3M - $6M

- **Potential Investors**
  - Angel Investors
  - Friends and Family
  - Micro VCs
  - Crowdfunding

- **Approx Fundraising**
  - $3M

**Series A**
It’s the first round of venture capital financing. In this stage, the startup is all set in terms of product development and has to provide preferred stock to investors.

- **Startup Stage**
  - Working business model
  - The key team in place
  - Further development of product/service
  - Scalable market blueprint

- **Startup Valuation**
  - $10M - $30M

- **Potential Investors**
  - Accelerators
  - Super Angel Investors
  - Venture Capitalists

- **Approx Fundraising**
  - $15M
FUNDRAISING AT DIFFERENT STAGES

**Series B**
This stage allows startups to grow so that they can meet the various demands of their customers.

- **Startup Valuation**: $30M - $60M
- **Startup Stage**: Scaling up
- **Potential Investors**: Venture Capitalists, Late stage VCs
- **Approx Fundraising**: $30M

**Series C and beyond**
In this stage, startups search for more funding to help them build new products, reach new markets, even acquire other under-performing startups.

- **Startup Valuation**: $100M - $120M
- **Startup Stage**: Expansion
- **Potential Investors**: Late stage VCs, Private Equity Firms, Hedge Funds, Banks
- **Approx Fundraising**: $50M

**IPO**
IPO is the process of offering corporate shares to the general public for the first time.

- **Startup Valuation**: $100M in Revenue
- **Startup Stage**: Growth-oriented team, Proper and stable financial statements, Good corporate governance developed, Positive market sentiments
- **Potential Investors**: General Public
- **Approx Fundraising**: $50M - $500M or more
Elie Habib and Eddy Maroun founded the business in Lebanon while riding a ski-lift.

They decided to launch the Spotify of the middle-east.

Today, Anghami is the leading music streaming platform and service in the Middle East and North Africa.

Raised several round of funding and were listed on Nasdaq on February 4th, 2022.
SUPPORT AT DIFFERENT STAGES: INCUBATORS

• Business incubator:
  • Early-stage startup companies to expedite profitability and success
  • Provide resources such as free office space, equipment, mentorship, a collaborative community, and networking opportunities with potential funding sources, like angel investors and venture capitalists.
  • Business incubators focus on brand-new businesses that still need to develop a product idea and business model
  • Many types of companies and organizations sponsor startup incubator programs, including universities, non-profit organizations, for-profit development corporations, government-run economic development organizations, and venture capital firms
SUPPORT AT DIFFERENT STAGES: ACCELERATORS

• A startup accelerator program:
  • Expedites the growth of existing companies that have developed business models and validated products in the marketplace
  • Provide companies with valuable resources such as mentorship, free coworking spaces, legal services to help secure intellectual property, a collaborative work ecosystem, and access to industry influencers and potential investors
  • Startup accelerators take on businesses that already have a solid foundation to build upon, so accelerators focus their guidance and resources to help ventures scale up as quickly as possible
SCALE-UPS AND ECOSYSTEMS
WHAT ARE SCALE-UPS?

- Scale-ups have the potential for fast growth
- Scale-ups are highly innovative
- Scale-up founders contribute to the entrepreneurship ecosystem

Source: Strategy&
Multiplier effect of Endeavor entrepreneurs – tech sector network map in Jordan and Lebanon

In Jordan, between 1990 and 2012, nine companies gave rise to up to 107 companies. In Lebanon, between 2006 and 2016, five companies gave rise to up to 80 companies.

Note: Entrepreneurs are represented by their most prominent companies.

Source: Endeavor
The "PayPal Mafia" is a group of former PayPal employees and founders who have since founded and/or developed additional technology companies such as Tesla, Inc., LinkedIn, Palantir Technologies, SpaceX, Affirm, Slide, Kiva, YouTube, Yelp, and Yammer.
EXAMPLE: THE CAREEM MAFIA

- Uber acquired Careem in March 2019 for $3.1 billion
- The exit was significant not only for the size of the deal, but for its ripple effect on the wider ecosystem
- Proliferation of new startups emerge across the region, founded by former employees of Careem

Source: https://www.wamda.com/2020/11/glimpse-careem-mafia
The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each stage of growth.
EXAMPLE: HOW CAN ONE ENTREPRENEUR INSPIRE AN ECOSYSTEM?

- Casares is the eldest of four from a family of sheep ranchers. He grew up in a farm in Patagonia, Argentina.
- He launched Argentina's first Internet Service Provider, Internet Argentina S.A. in 1994 then founded Patagon in 1997. Patagon established itself as Latin America's leading comprehensive Internet financial services portal and expanded its online banking services to the United States, Spain, and Germany. Patagon was acquired by the Spanish bank, Banco Santander for $750 million.
- Following that Wences founded Wanako Games, Lemon Wallet, Xapo.
- Wences inspired the youth in Argentina and led the development of the entrepreneurial ecosystem in Argentina.
- Listen to: https://mastersofscale.com/wences-casares-how-to-start-a-revolution/
Tony grew up in Lebanon and left at the age of 17.

He founded and scaled his first company to over $100 Million in under 5 years and sold it for $230 Million.

Tony founded his second company OysterHR that is now worth $1BN. OysterHR is a mission-driven company that employs people all over the globe.
CHALLENGES

What do scale-ups need to grow and to be able to support the future generation

• Access to markets => to scale internationally
• Access to talent => to grow the team (+mentors, consultants, advisors)
• Access to finance => to raise money to be able to grow

Importance of a network