

Born in a pandemic, tested by the war: how to run a hyper-growth product in a crisis

In early 2019, at the beginning of the pandemic, I became a cofounder of a tech startup in Ukraine, even though everyone around was talking about the crisis of new businesses. However, the crisis has formed new opportunities beyond the challenges, and we have gained the most viral growth during the biggest instability in the market.

Today, we continue developing a tech startup in even more unstable and dangerous conditions — working in Ukraine during the war.

Moments of crisis can teach startups a lot. To make these lessons more applicable to business goals, I'd like to share three essential skills for building a successful product in the hard times.

1. Overcome business fragility

According to *McKinsey's global industry survey*, 90% of executives believed that the COVID crisis would fundamentally change the way they manage their

business in the next five years. And that is already happening globally — companies are learning to be antifragile.

Anti-fragility is a methodology of preparing for unexpected events that doesn't require the creation and analysis of chains of causality. By introducing the principle of antifragility, American risk manager and analyst Nassim Taleb shifted the conceptual focus to the ability to withstand strong influences or cope with economic uncertainties.

The pandemic didn't just motivate Ukrainian businesses. It also gave new skills and opportunities, which found application in the face of war.

Instead of being resilient or adaptive, Ukrainian companies have become more assertive under extreme stress and uncertainty. Instead of just dealing with it, startups use their current experience to improve: setting process optimisation, relocating to safe places and working remotely, switching to cloud services for secure data management, and reorganising the team to continue following the product roadmap. During these months, transparent communication has become another indicator of flexibility. Sharing the company's official statements can affect its future, even in moments of stability.

Many Ukrainian companies have rebuilt and continued to perform productively during the war. In the first quarter of 2022, the Ukrainian IT sector generated a record \$2B in export earnings. Another productive indicator was the creation of a new powerful technology hub in the west of the country, where over 35,000 Ukrainian IT specialists moved after the full-scale war began.

To mitigate business fragility, the best you can do as a startup CEO is to prepare a plan-X and add the maximum scenarios. But it's considered that overcoming all the stressors is impossible and doesn't always have a positive effect because it can disrupt your startup's very skill of flexibility. Therefore, the risk is sometimes necessary and helpful.

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2. Re-evaluate the risks for product growth

According to *Mark Sherman*, managing director at Telstra Ventures, “You are still getting the valuation you want” if you are a unique company. Breakthrough technology can make a product stand out, but it’s not the only thing. Startups that have experienced a crisis have advantages over other companies, including a higher survival rate.

Many innovative products shortlisted in the *30 Brightest Ukrainian startups '21* wouldn’t have shot up without re-evaluating the risks and implementing new solutions. In startup dynamics, a stable solution can be used for several months. Then you implement a new one, and if your indicators show a positive shift, the new approach can continue to work, providing you with stability until its expiration date. Don’t be afraid of applying new solutions. When there’s a lot at stake, you learn to make decisions and take responsibility for them.

The ability to deal with adversity and streamlining provide startups with sustainable growth. It’s crucial to focus the risk management frameworks on these activities:

Analysing and prioritising the risks (including third-party risk assessment)

Increasing capabilities by decentralising your company structure

Implementing new cybersecurity requirements to your product

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3. Keep an eye on people's emerging needs

When building a startup, it is important to consider that people change, their needs change, and you should realise this before your product becomes outdated. For example, filling the need for communication or stress relief during pandemic restrictions involved, analysing the trend, betting on it, taking risks, and launching a new product.

Nearly 5.4 million new businesses were registered in 2021 in just the United States. This became an all-time record, and plenty of these new products are still meeting user needs.

To help Ukraine, many local products were launched since February 2022. For example, the Air Alert app created by the Ukrainian startup Ajax Systems with the support of the Ministry of Digital Transformation is now used by almost every other Ukrainian.

Living during a full-scale war has proved that Ukrainians are incredibly strong, and that humour remains one of the most powerful motivators in difficult times. Humour has become an effective weapon in the information war against Russian propaganda. Hundreds of thousands of memes have been created and shared by Ukrainians over the past three months, including new entertaining tools for instant meme creation.

People always underestimate the likelihood of bad things happening because they hate to think about them. Crisis managers know this. However, sudden success doesn't happen to stable companies, and your experience makes sense when it's timely.

Running a startup, it is impossible completely eliminate the mistake of predecessors from your expertise because your experience of building a product takes place in real-time, and it belongs only to you.

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