

MVP 2.0: A founder's symphony of short-term pressures and long-term vision

As the VC landscape in Europe shifted significantly in 2022, with startups raising €81B, 18.6% less than in 2021, the recent implosion of Silicon Valley Bank serves as a cautionary tale for European startups and founders.

While the need to focus on profitability over growth, cutting expenses, and exploring non-equity financing is more urgent than ever, it's important to avoid falling in the trap of short-term panic and instead focus on the steps needed to achieve a long-term view, once the smoke clears out. In this context, hitting the reset button and embracing a clear strategic focus is crucial. Defining a clear and authentic MVP 2.0 (Mission, Vision, Purpose) can help steer startups through uncertain waters and set a balance between short term caution and long term focus. Are we stating that this is the solution to all your problems? No, we are not – but defining your MVP 2.0 can serve as a pivotal opportunity to rethink your strategic priorities.

Let's face it, the business world is full of buzzwords that often feel like empty slogans. But when it comes to defining your company's MVP 2.0, we're not talking about your run-of-the-mill jargon. No, no, no, these are not your grandma's buzzwords!

Your company's purpose is not just some vague idea of why you exist. It's your *raison d'être* and the guiding star on your business compass. And no, we're not just saying that to sound poetic.

Your vision is not just some lofty goal that you hope to achieve someday. It's a tangible, measurable, and achievable destination that you're working towards with a specific timeline in mind. And no, we're not just saying that to sound futuristic.

Your mission is not just a list of tasks that you hope to accomplish in the near future. It's a concrete plan of action that outlines the steps you'll take to respond to short term pressures while reaching your vision within a set time frame. And no, we're not just saying that to sound strategic.

Defining your MVP 2.0 is not just about sounding cool or impressing investors. It's about avoiding focus dilution by uncovering the timeless purpose of your company, setting an achievable vision with a deadline, and acknowledging the specific mission steps you'll take to get there. It's about creating a roadmap for success that will guide the company's actions at all levels, from the top floor to the shop floor. When embraced, a successful MVP 2.0 enables a sharper framework for decision making and innovation for leadership, it instils a values-driven anchor for employees, advocacy - not just loyalty - from customers, and a more consistent and authentic story for stakeholders. So, let's ditch the buzzwords and get real!

Purpose: uncover your timeless *why*

Example: Spotify's purpose: "To unlock the potential of human creativity."

Successful tech startups evolve to scale a product, but a product is not a purpose, rather a vehicle that can bring a company's timeless purpose to life. A conception of purpose that is too narrow may lead to a failure in its design and oftentimes to a failure in its application, diluting focus. At its core, a company's purpose is its reason for existence beyond generating financial returns. Uncovering it is about delving into the company's roots and DNA, revealing its authentic strengths beyond product fit and identifying the unique need in the world that those strengths fulfil beyond market fit. For it to be real, purpose should be the beating heart that drives everything you do, from investment decisions to innovation strategies, from organisational culture to stakeholder communications. By staying true to their purpose, startups can forge a legacy that extends far beyond their products, inspire their workforce to own a mission beyond a paycheck, and leave behind a tangible impact on society that transcends business success.

Vision: set your achievable *where*

Example: Doconomy's vision: "A sustainable lifestyle for all by helping people and businesses connect consumption with its impact on the planet."

"If a man knows not to which port he sails, no wind is favourable," said Stoic philosopher Seneca. And just like a sailor needs a clear destination to set sail, a company needs a clear vision to chart its course. A vision alone is like a sail without wind - it needs to be clear, measurable, and achievable in a timeframe. Like a lighthouse that guides ships to safe harbours, a company's vision should illuminate the way forward and inspire stakeholders to join them on their journey towards greatness. To avoid getting lost on the way, companies must use their purpose as a compass to guide their journey. By aligning their vision with their timeless reason for existence, founders can ensure that every step they take leads them towards their true north. And when a company's vision aligns with its strengths and possibilities, it can light a fire in the hearts of investors and stakeholders alike, turning doubters into believers and spectators into fans.

Mission: acknowledge your *what*

Example: Doctolib's mission: "To improve the daily life of care teams by providing them with a new generation of technologies and services: we create more medical time and a new work experience for care teams, we support them in offering new services to their patients, we open new ways of caring for their patients, we help them make clinical decisions, we grow their revenues."

An authentic mission serves as a map to achieve the summit. It enables the company to keep its feet on the ground, avoiding the trap of lofty aspirations that are disconnected from its current capabilities. By breaking its long-term vision into short-term actionable steps, the company can ensure that each action it takes brings it one step closer to the summit. And as the company improves its capabilities over time, its mission will evolve and adapt, providing a framework for achieving even greater heights.

Once your MVP 2.0 is defined, you must do something with it

A lens for decision making and responsible innovation: Doconomy, a Swedish fintech company, serves as a prime example of how a clear MVP 2.0 can inform a company's decision-making, partnerships, and innovation. Doconomy's purpose of *Future-proofing life on planet earth* and its mission of *providing*

digital tools to drive change, direct capital towards solutions and enable a sustainable lifestyle for all have served as the foundation for their most impactful strategic choices. One illustration is their partnership with Mastercard to create the Carbon Calculator, a tool that allows users to track, understand, and reduce their carbon footprint by offsetting their carbon emissions through various projects worldwide. By staying true to its MVP 2.0, Doconomy has differentiated itself from competitors and created more opportunities for value creation and sustainable growth.

A solid cultural anchor for employees: According to Imperative's Workforce Purpose Index, employees who find meaning in their work outperform 80% of their peers and stay with a company for twice as long. By weaving purpose into the fabric of their culture and providing opportunities for personal and professional growth, early-stage companies can cultivate a strong sense of belonging and inspire their employees to achieve their full potential. Spotify is a prime example of a company that has taken several initiatives to cultivate a culture aligned with its purpose. To *unlock the potential of human creativity*, the digital music streaming service has established "GreenHouse," a dedicated team for extensive learning opportunities for all employees, to enhance their skills and creativity; their "flexible holidays" program enables employees to swap days off according to their values and beliefs, promoting work-life balance; finally, the company also offers "Spotify on tour," which allows colleagues to attend festivals and events together, fostering camaraderie and a sense of shared experience. These initiatives demonstrate how Spotify prioritizes its employees' personal and professional development and fosters a culture of creativity and innovation that aligns with its timeless purpose.

An authentic story for stakeholders: Doctolib – a French unicorn that provides a cloud-based appointment scheduling and patient referral service – has always had a clear purpose: *striving for a healthier world*. And now, with its recognition as a *société à mission* (mission-led company) by French law, the company is legally bound to continue pursuing its timeless north star. Doctolib has built its entire brand and communication strategy around its purpose and mission, with a laser focus on addressing the needs of both caregivers and patients. As it expands into new markets, such as Italy, Doctolib launched a multi-channel awareness campaign called 'Feeling Good.', which narrates how the service simplifies access to healthcare, giving users an active and inclusive role in their own health journey. By showcasing how their services are the first step towards feeling better, Doctolib cemented its position as a trusted and compassionate partner in the pursuit of better health for all, leveraging its purpose as a lens to coherently communicate to stakeholders.

The case of climate tech

It seems like startups with an embedded sense of purpose have discovered the ultimate cash hack, as they appear to be impervious to the current cash shortage. Climate tech is leading the way in this regard, with global investment skyrocketing to an eye-popping \$82B in 2022, marking a year-over-year increase of 55% in the energy sector and an influx of carbon reporting and accounting startups. In Europe, purpose-driven investments continue to flourish, with a total of \$54B invested since 2018. In France, for example, climate tech raked in a remarkable 20% of the amount raised in 2022. To deliver positive returns for all stakeholders from the pre-seed stage, investors are increasingly eager to back sustainable ventures with a clear purpose and a rigorous monitoring system to measure real-world impact.

In 2022, the Paris Techstars Accelerator made 24 investments that aligned with 14 of the 17 United Nations Sustainable Development Goals (SDGs). In October of the same year, the accelerator was renamed Techstars Sustainability. Having the unfair advantage not only to be a traditional VC but working together with its portfolio companies during the 13 weeks of its accelerator programs, Techstars Sustainability Paris implemented several measures to ensure that its investments would be Climate VC-ready for the next fundraising rounds. These include defining clear mission, vision, and purpose for each portfolio company, as well as including an impact metric in their business plan.

Avoid panic and unlock the harmonious blend of MVP 2.0

Like a well-crafted symphony, MVP 2.0 forms the harmonious notes that guide a company's journey towards success. Purpose sets the tone, directing the melody towards a meaningful and impactful outcome. Vision acts as the conductor, ensuring that every note played is aligned with the company's goals and priorities. Meanwhile, mission serves as the virtuoso soloist, showcasing the company's strengths and capabilities in achieving its vision with precision and grace.

While responding to short-term pressures and avoiding panic is important, it's equally crucial to maintain a long-term perspective and stay true to the guiding principles of purpose, vision, and mission. Just as a symphony must adapt to the fluctuations of tempo and mood, a company must be nimble and responsive to market shifts while keeping its core values and priorities in harmony. By doing so, early-stage companies can create a timeless masterpiece that not only withstands the test of time, but also captures the hearts and minds of its audience.

And you, what are you waiting for to create the next melody?

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