WILDCAT
VENTURE PARTNERS

TRACTION. STARTUPS NEED IT. LEARN HOW TO GET IT.

THE PROBLEM:
EPIC STARTUP FAILURE RATES

80%+ STARTUPS FAIL | Most stumble when taking the product to market

Top 2 reasons*:

No Market Need
Startups need a product-market fit with a market-first mindset.

Ran out of Cash
Startups need to show traction to secure critical funding.

How can startups develop strong product engineering processes & market engineering expertise to secure critical funding?
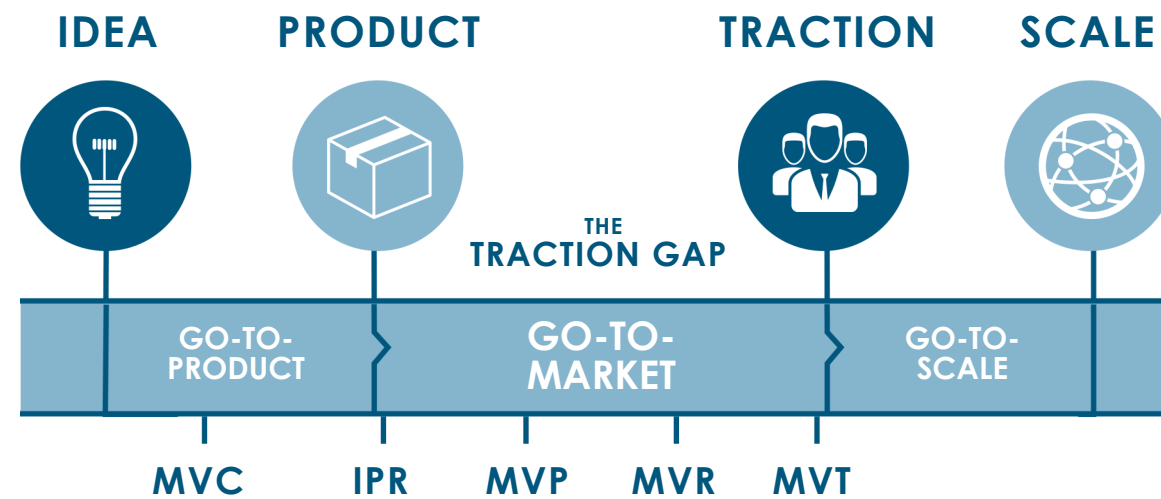
*Source: CB Insights

INTRODUCING THE TRACTION GAP™

STARTUPS MUST REACH A SERIES OF MILESTONES ALONG THE TRACTION GAP:

Wildcat Venture Partners founded the Traction Gap Institute (TGI) & created the Traction Gap Framework to combat the 80%+ startup failure rate.

The Traction Gap is the critical period that determines whether the company will thrive or die.

Startups must reach a series of milestones along the Traction Gap:

IDEA — PRODUCT — TRACTION — SCALE

THE TRACTION GAP

GO-TO-PRODUCT | GO-TO-MARKET | GO-TO-SCALE

MVC — IPR — MVP — MVR — MVT

TRACTION GAP MILESTONES

MVC — **Minimum Viable Category:** Name & definition of category created or redefined + evidence category can support a startup

IPR — **Initial Product Release:** First publicly deployed product iteration

MVP — **Minimum Viable Product:** Product with minimal customer validation metrics

MVR — **Minimum Viable Repeatability:** Solution-grade product, business model & repeatable sales/marketing

MVT — **Minimum Viable Traction:** MVR + multiple quarters of growth

Startups must manage capital wisely & show they can reach the next Traction Gap milestone to secure another round of financing.

THE 4 PILLARS

Startups must develop competencies in 4 architecture pillars & continue to measure, refine & optimize them on the way to Minimum Viable Traction (MVT).
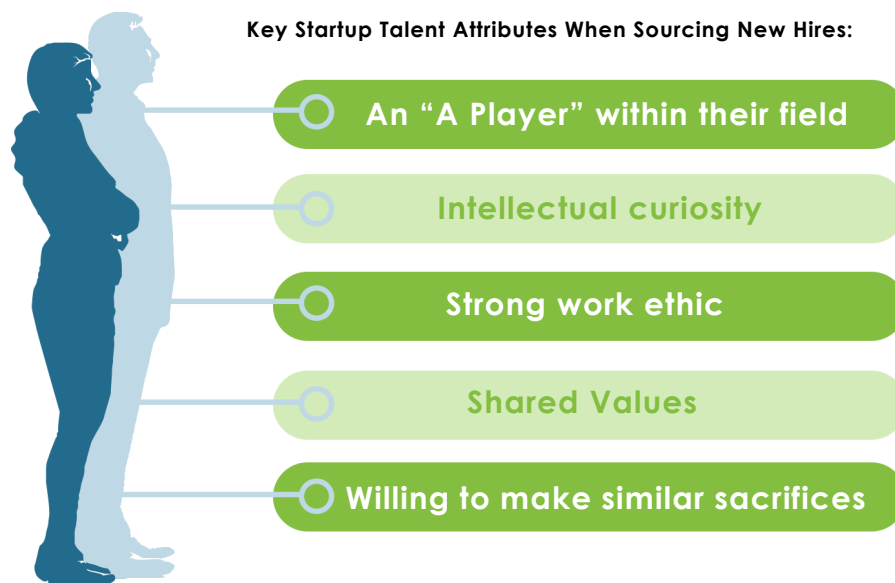
Product — Revenue — Team — Systems

Product, revenue, team & systems requirements associated with each milestone must be satisfied before moving on to the next.

TEAM

The right talent at the right time for the right phase.

90% of CEO's stated one of the biggest lessons learned around talent, was not moving fast enough to exit an employee that was not a "fit".

Key Startup Talent Attributes When Sourcing New Hires:

- An "A Player" within their field
- Intellectual curiosity
- Strong work ethic
- Shared Values
- Willing to make similar sacrifices

Getting the team architecture right is key. Startups must systematically build up their teams & reduce team dynamic risk.

PRODUCT

The set of technologies, applications and features that comprise it's offerings.

A Market First Product Process uses market signals from customers & non-customers to help manage productdevelopment.

A well-thought-out product architecture achieves rapid market-product fit through customer validation and secures partners needed to complete the whole product offering.

REVENUE

The business model & its ability to monetize awareness, engagement and sustained usage.

- Funnel Rates To Optimize & Convert
- Customer Acquisition Costs (CAC)
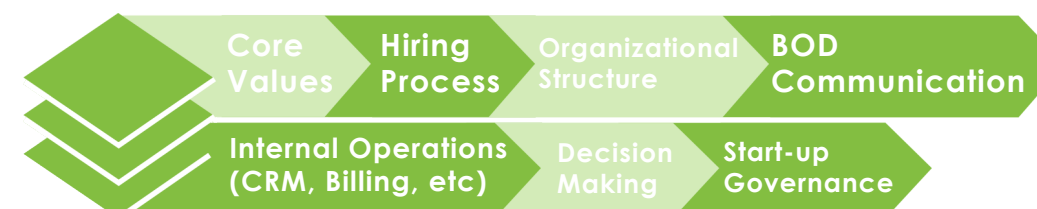- Customer Retention Costs (CRC)
- Sales Cycles
- Pricing

A deficiency in revenue architecture poses the greatest near-term risk of failure.

SYSTEMS

Systems & processes that integrate front & back offices, establish transparent performance metrics & cultivate progressive cultures.

Core Values | Hiring Process | Organizational Structure | BOD Communication

Internal Operations (CRM, Billing, etc) | Decision Making | Start-up Governance

System & process investments should start small & grow as you reach Minimum Viable Repeatability (MVR). Operational efficiency keeps pace & fuels growth.

WANT MORE?

The Traction Gap Framework offers guard rails & mile markers to help startups successfully navigate this critical phase.

Download the full Traction Gap Framework

Traversing the Traction Gap expands on the concepts introduced in the Traction Gap Framework and provides a step-by-step approach startup teams can use to go from ideation to preparing to scale.

Get your copy of the book *Traversing the Traction Gap*

The Traction Gap Institute (TGI) was founded by Wildcat Venture Partners to help entrepreneurs traverse the traction gap. TGI tracks, captures & publishes the stories, tactics & metrics startups need to successfully traverse the Traction Gap.

Visit **www.wildcat.vc** for more info & **subscribe** to gain access to new content & upcoming events.