



The 1337Works Story to our Co-Founders

INTRODUCTION

Few business buzzwords have the allure and mysticism as the word startup. And this is for a good reason. All of us have seen the growth of Spotify, Klarna, Mojang, Ali Baba and the likes, putting a dent in the world and affecting lives and bringing enormous success and wealth to the founders. At the same time most of us know, or know of, at least one person who has tried their idea and failed, sometimes with only a bruised ego as a consequence, oftentimes with greater financial loss.

The facts are clear, **only one in ten startups makes it**, and very few turn into unicorns.

The world of startups is a world of endless opportunity, if you are able to grasp it. Starting from a blank paper without guidance could turn into great art or a botched sketch, and almost everything depends on who is holding the pen.

We believe that people with passion, ideas, drive and knowledge make good entrepreneurs, but as with all new endeavours, having an experienced partner will go a long way to avoid pitfalls and seize the opportunities.

The facts are clear, **four out of ten startups who partner with a Venture Builder make it**.





1337Works is sprung from tech and software savvy persons combined with multi-entrepreneurs to create a Venture Builder with a forefront insight into all things digital. We are company builders and business developers with a vast amount of accumulated knowledge and a large and capable network. The journey with us as your partner and co-founder will transform your passion into entrepreneurship and your idea into a force with direction.

As a partner to a Venture Builder, you will have a co-founder that is competent throughout the entrepreneurial spectrum, doing the journey with you, and sharing in all challenges. 1337Works will be invested in the company already from when the idea was something written on a post-it note to when the company is ready to stand on its own legs. We will together put in place the product, teams, a value adding board, enter into the market and handle necessary administration as well as optimizing the journey with our vast network and our competent advisors. The goal is to transform. Transform you into a successful entrepreneur, your idea into a successful company, and your vision into reality, together.

We believe that failure is part of success. We believe that providing a safety net by taking risks out of the equation, enables competent people to take a leap, because if you fall we will catch. That's why we take a lot of financial risk, take away parts of the journey that take time and focus but add little value, ensure that your personal life can work and make sure you have an income from the start.

**Our goal is to build something special,
together.**

THE STARTUP ECOSYSTEM

With one of Europe's most evolved and active startup ecosystems, Sweden is ranked in the top 5 most innovative countries in the world. The total capital invested in European startups has more than doubled in the last four years (2019) and amount to USD 34,3B of which **10 % is invested in Swedish startups** (Sweden only holds 2.5% of the EU population).

With our 8 unicorns, Sweden has become known as a “unicorn factory”. When it comes to numbers of unicorns produced per capita, we are only beaten by Silicon Valley. It is not by chance that Sweden have landed this position, we have an openness to the world, an education system with free universities offering international top quality

education and research in the forefront in their fields, a cultural history of innovation and our legal and governmental landscape is one of the best in the world in terms of support, security and trust. Having a solid base for a startup is a key advantage to achieve success.

Even if external factors are present, an idea needs an entrepreneur in order to become a startup, and an entrepreneur needs funding and other resources to develop the idea into a company. There are a number of possible partners that can offer this in various degrees in the startup ecosystem. It is important to understand what the differences between the partner types are, to see what best fits you as an entrepreneur.



An **Incubator** is a company that helps new startups from an early stage. By providing services such as mentorship, management training and office space, they increase startups' chances of success. Incubators often offer a multistage program for startups as a recipe for progress and expansion. Incubators also work closely with investors to connect entrepreneurs with external capital. There are today about 40 business incubators in Sweden. The incubators' owners and clients are mainly municipalities, regions and educational institutions.

Another player is the **Accelerator**. Like an incubator they provide startups with these basic coaching and mentoring services, but they differ in some perspectives. An Accelerators startup program is often limited to a shorter time and includes a seed investment in exchange for equity. The program goal is to get to the point of a public pitch event where startups are given the opportunity to make connections with investors for further financing.

Investors is a broad term as it encompasses everyone who provides capital in some way. Investors can, and almost always will, however bring more than capital investments to the company they invest in. For investors that enter a venture at an early stage and bring “sweat-equity”, i.e. offer advice, services and access to a network, the term **Business Angel** is often used.

Venture Capitalist is another end of the spectrum where capital is the main investment needed, often when a company has started to get traction but needs to accelerate and scale the business. Influence from a VC is often in terms of governance and control rather than advice and hands on work, even if this is not uncommon.

	Incubator	Accelerator	Business Angel	Venture Capital
#startups/year	10-20	10-20	1-5	5-10
Maturity of idea	Idea	Development	Development	Commercialization
Relationship horizon	1-2 years	3-12 months	3-5 years	5-7 years
Community	yes	yes	no	no
Coaching and mentoring	yes	yes	few do	few do
Inhouse Human Resources	few do	few do	no	few do
Expert services	yes	yes	no	few do
Angel round funding	no	yes	yes	no
Seed round funding	no	no	yes	few do
A round funding	no	no	no	yes
Level of specialization	weak	weak	weak	medium

THE ENTREPRENEURIAL CHALLENGE

Entering the startup world can sometimes seem like an overwhelming challenge for an inexperienced entrepreneur. In fact 80 % of all new startup founders are first timers and they are all facing the same problems in their ambition to create their business. From an unrefined idea written on a post-it to a world known unicorn it is a long way to go.

First of all you have to formulate your own understanding of which approach you want to take and which process you want to follow based on your personal preference. You also have to figure out how to manage risk versus reward, how to balance time invested and how to ensure personal growth to evolve in line with the path of your startup. It is all about finding the right path for you in a sea of loosely coupled opportunities given in the start-up ecosystem.

More startups fail than make it and after five years only one in ten still survive. The main reasons why startups fails are the following:



These reasons are pinpointing some of the key components of the entrepreneurial challenge. To be able to have a shot at success the product, or in essence the business plan, needs to be a good fit for the market. To evaluate, iterate and verify the fit, access to individuals with domain knowledge and previous experience in the field is of essence. You also need access to potential customers and partners for the idea and your product. Considerable testing and know-how significantly improves the odds of success, but even the best ideas can fail if the market is uninterested or simply not ready.



Money is always in short supply in a startup. If your know-how and drive are the bricks, capital is the mortar of building your company, and when the business is taking off it is the fuel of driving your growth. This means there is always a need for funds. Unfortunately this means entrepreneurs need to focus on acquiring capital, and avoiding pitfalls of losing too much equity or inviting the wrong partner, which means less time and effort can be put towards actually working with the core business. The compromise often leads to lack of progress or shortage of cash, both detrimental to the startup.

To work efficiently you need the correct tools, and in a startup scenario, oftentimes the only tools you have is your team. The team can create a company or help destroy it, you need to be diligent in finding your team and assign roles and responsibilities. A builder would need heavy duty power tools to be efficient, whereas a violin maker needs small precise hand tools to be successful in his craft. Knowing what you need is derived from experience. Finding it requires networking, managing recruitment in a startup scenario is an act of persuasion and passion as the entrepreneur needs to sell their vision and idea rather than a defined role in an established company.

Except for gasoline, a good idea and a strong team there are more components needed. It may seem very basic but access to capabilities such as office space, financial management, legal and HR advice will also be imperative.

So is there **a clear path** to take that addresses all these challenges?

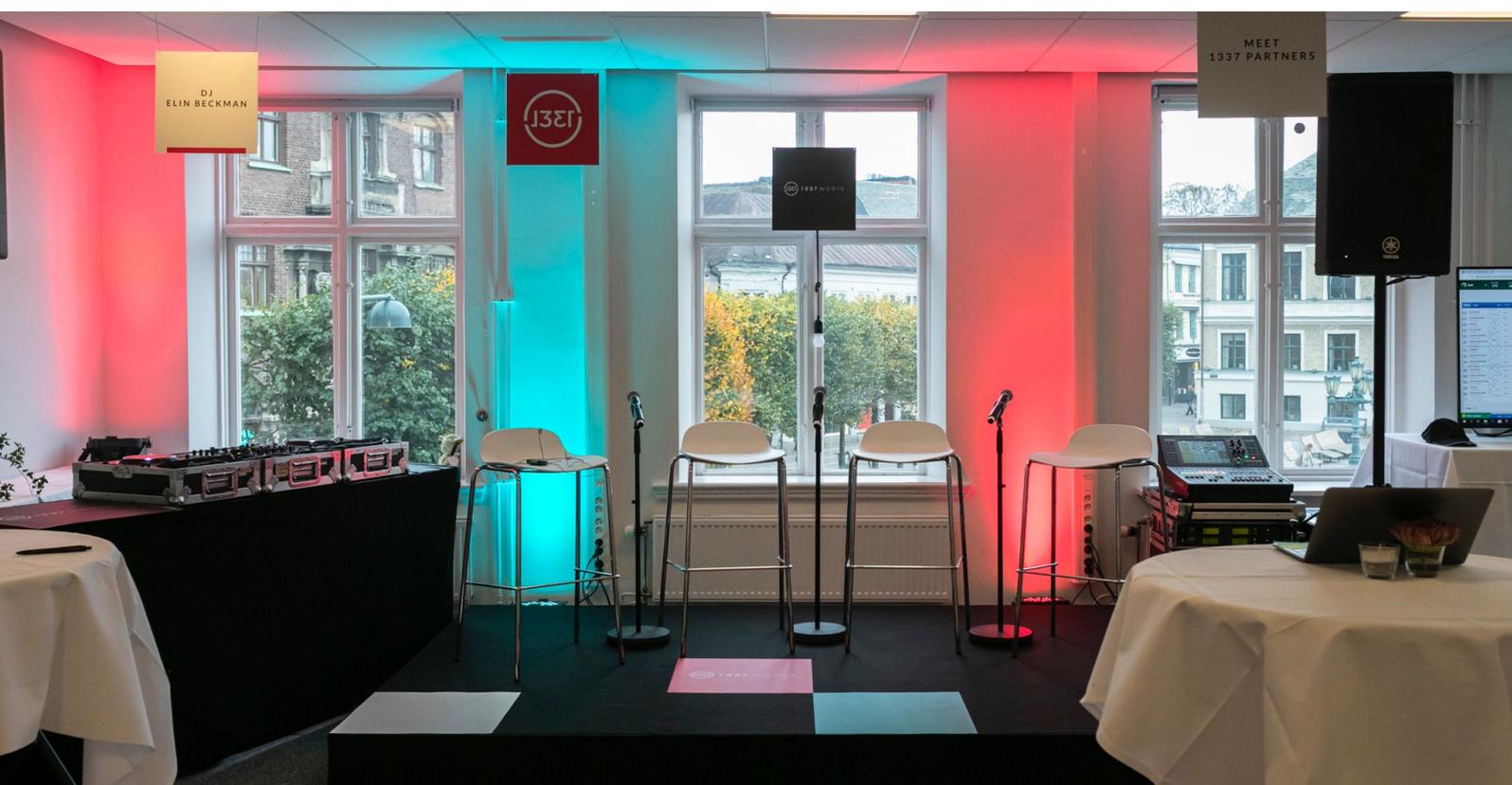
THE ALTERNATIVE PATH

The last decades we have seen a new path emerging in the startup ecosystem. A new way of creating and building startups. This way has over the last ten years become one of the most successful ones in the field: the Venture Builder.

A **Venture Builder** is a company that creates startups repeatedly, by combining human and financial capital. This new model has emerged out of experience that the success rate of startups increases by providing extra human capital and support from the first step in a startups development. The business idea is to create and develop new startups in the same way as a car factory designs and develops new cars. The more cars a company builds, the better and more experienced they will be at just that and hopefully some of their models will roll on every road around the world.

A Venture Builders enters as a **co-founder** at a very early stage, already at the idea stage. Using the Venture Builder's network and experience, ideas get pivoted to fit the market and the network of the Venture Builder is put to use when it comes to finding a team, customers and partners. The Venture Builder often takes care of tedious tasks such as dealings with authorities and financial reporting, and also provides seed funding directly or through partnerships.

The Venture Builder has a proven formula for getting from idea to pitch, and from pitch to launch, which eliminates some of the early risks in a venture. The track record for Venture Builders shows that it is four times more successful than the overall average in producing startups that makes it; four out of ten Venture Builder startups make it.



OUR BLUEPRINT

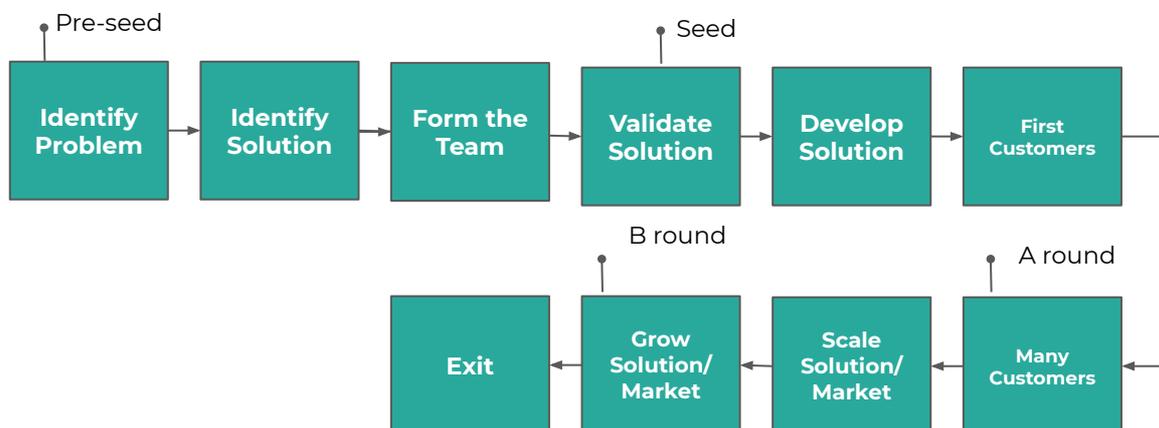
By focusing on the core problems of the entrepreneurial challenge that makes nine out of ten startups fail we have put together our blueprint and building blocks needed to build companies that become successful and sustainable in the market.

Our blueprint includes **1337Works** as a co-founder of the company. As a founder we are risk prone, multitasking and experienced at our core business. Bringing this to the startup team provides the best conditions for success and allows the other founders, the entrepreneurs, the freedom to focus on the most vital and fun part: developing a product and entering the market.

We are not new to building startups, we draw on our collective experience to handle the challenges that a startup faces, the problems that make nine out of ten fail. We have put that experience into our blueprint and have recruited and affiliated with key talents to have all necessary building blocks under one roof, so that we can build entrepreneurs, companies and teams to be equipped to achieve success and thereby realize entrepreneurial dreams.

It all starts with a post-it note. It is as simple as that to take the first step towards becoming an entrepreneur. Whether it is a problem that needs to be solved or an idea for a new business, we will happily listen and learn more.

Based on a few words on a post-it, we, 1337Works and the entrepreneur, start the process of finding a solution or a product that is viable to build a healthy and successful business upon. Together we establish if the idea could be sellable, scalable and doable. Together we go through a guided and structured methodology to qualify the idea, thereby making sure that it has true potential, with us at the helm. Once qualified we use our Business Development skills to work through the market, future customers and partners, set a business model and pricing strategy and figure out how to surpass competition. All in a fast moving, creative and interactive approach.



Having built passion and confidence in the business, we commence Product Development to find the Minimal Viable Product and ensure that we have a real fit between the market and product. At this stage we are still not yet producing the product, but use a wide range of creative tools to reach a physical representation of what we will build, a product roadmap for the future and a starting point for to make a first release.

Knowing the market and finding the product to launch takes us to the Sales and Marketing preparations. We build a brand, a go-to market approach and set the foundation for marketing and sales of the product.

During all this we always reflect on the team needed to be successful in the next step. We find the core competences in the founder team and what we need to complement with, to get a strong team. We also start to recruit for the immediate support system. Everything from board members, to experts and advisors are identified, vetted and recruited. All software development needs are also defined and we prepare to get a suitable team of developers on-board. We are all about software centric ideas, IT is our home turf.

Having built the engine to drive development, we add a fuel top up, an injection of capital. Through our connected investment company and angel network the path to capital is short and direct. From pitch to money on the new company's bank account we can be as fast as a couple of weeks. At this stage we secure the seed round.

This is not the end of our joint journey, this is where it starts for real! The core team is onboarded full time with salary and equity, the software development starts and the first customers are secured.



At 1337Works we continue to use our **core capabilities** to create value in the startups on the continued journey:

- **Business Development** to always be one step ahead of the competition and make the right operational, tactical and strategic decisions
- **Product Development** to continuously adjust the product to data and new insights, making sure that the product-market fit continues to be optimal
- **Software Development** by using the right technology and architecture with the right development team and in the most efficient way of working
- **Sales and Marketing** to inject learnings from other companies, cross market and always have a great and clear offering
- **Investor Management** to keep the gasoline flowing, from seed through A round and B round
- **Team Management** to make sure the company has the right resources at the right time, being able to scale up and get the right eco system in place

Apart from this we house our companies in our offices and provide all the **Basic Services** needed to function. You know all the things that are a must but not really the main focus at this point, such as financial management, legal, HR, internet, meeting facilities, coffee and snacks.

All this with the clear intention of building self sustainable companies and **making a dent in the world.**

A co-founder needs to realize when to get on board as well as when it is time to leave; we do. When we have succeeded our goal is to make an exit and move on to the next startup, allowing for new investors to come in and further the growth of the company.



ABOUT

Our journey as a Venture Builder started in 2016 all though the idea and ambition started much earlier. To date we have founded five startups ranging from solutions for the trotting community and the garden community, to fintech and e-sports solutions. All with one important common denominator: Software at the core of the business. In 2020 we made our first successful exit with the software consultancy firm tretton37.

Our headquarter is situated in the heart of Lund, Sweden, and we have satellite offices in Ljubljana, Dubai and Stockholm. Lund's strategic geographical location gives us great advantages with one of the world's most renowned universities, a thriving business environment and with the proximity to Malmö and Copenhagen, the continent is always close.

Slovenia have been leading tech development in several areas over the last years which have put the country on the map for software development. Our office in Ljubljana gives us access to talented IT professionals and at the same time gives us access to Slovenia's startup scene as well as an entrypoint for our ventures to southern Europe. Our offices in Dubai and Stockholm are focused on attracting capital and new ventures from two regions that are known for a fast paced startup scene. A prerequisite for seizing opportunity is being where opportunity happens.



1337 WORKS

Our team has extensive entrepreneurial experience and a proven track record. While we complement each other's skills sets, we together share the same excitement and ambitions when we encounter a new software-based idea. 1337Works is the co-founder that works hands-on from the early beginning, who secures further investments until the company becomes independent. We are the co-founder that take 100 % of the financial investments and 100% of the risk in the early stages. We also invest the time and resources needed to refine the idea and reach a successful seed round. From that day, all other founders have a salary and equity.

On the topic of **equity**, this is split amongst the co-founders in a setup where 1337Works is seen as founder(s) + 1. All of the pre-seed phase is funded by 1337Works, who gets shares in return. For you as an entrepreneur it means you will get one third of the equity. As the company grows and attracts new investments, 1337Works and the entrepreneur get equally diluted by new investors.

To be able to secure capital for our startups, 1337Works has joined forces with several investors and company builders to create an investment company, **1337Partners**, dedicated to invest in the ideas we take from post-it to seed. The joint experience and network of our investors include industries such as fintech, consumer goods and e-health and they too cover several geographical areas including North America, Europe and Asia.

As mentioned before, the world of startups is a world of endless opportunity. An idea can turn to dust or magic, depending on the talent that rubs against it. Let us together be that talent that creates something unique.





To take the first step on your **journey together** with us, all you need is an idea on a post it note, nothing more.

Well, something more: a first conversation and a coffee.

