RingCentral

Building success into your startup's DNA: 4 key components

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Introduction

54% of executives in the Global 2000 fear startups—but not for the reasons you might expect.[1]

CEOs of many major corporations in the world fear startups for their innovative and often industry-changing ideas, sure, but they also fear them for another reason that often flies under the radar: the way in which they work.

Specifically, their speed and agility.

Even tech giants in the Global 2000 fear startups more than their own decades- or even centuries-old peers, which historically have been their main competitors.[2]

So, what is it about startups that's so compelling? We'd say that many of the best startups out there are successful because they're inherently organized differently: specifically, to succeed in a digitally transforming world. (More on that later.)

But even so, realistically speaking, it is very tough, and many startups have a hard time succeeding.

According to the Startup Genome's findings in 2019,
11 out of 12 startups end up failing[3]—and **20%** don't make it past their first year.

Money is often not the core challenge either. Investments tend to fall between **$25,000 to $100,000**.[4] Not a small sum by any means.

Yet about seven out of 10 venture capital-funded companies with all that expertise and financial backing still fail.[5] For most startups, the typical "recipe for success" that most people think of, such as industry knowledge, money, and unbounded enthusiasm around an idea are still not enough to drive success or avoid failure. Actually, if we take a closer look at some of the most successful startups, there are often four key attributes that appear time and again in their DNA and culture:

- Constant change and collaboration
- An ability to constantly gather, understand, and share customer experiences and feedback

- Lean innovation
- Continuous reflection on how work is changing in a digital-first world

A common thread through these four components, as we'll see in just a bit, is the idea that the success or failure of your startup is tightly intertwined with your employees' ability to be resilient and collaborate across time zones—and in fact, from anywhere.

Constant change, constant collaboration

What is UCaas? UCaaS, also known as UC (unified communications), stands for unified communications as a service. As its name suggests, it's essentially a type of cloud communications technology that gives you different forms of communication and collaboration in one app. Typically, this unified service includes messaging, video conferencing, and voice. One main advantage of UCaaS is that it's hosted by your provider, which means it's more cost-effective and you don't need to purchase hardware or infrastructure.

To be able to collaborate effectively (with not only your customers and teammates, but also partners, investors, and so on), it's crucial to have real-time, transparent channels for communication and collaboration.

Look around. Many companies—and yes, even startups—are surprisingly still philosophically dedicated to rigid lanes of responsibility or silos.

To overcome this, startups need tools and technology that enable constant collaboration, whether it's through video conferencing, messaging, or phone calls.

It's easy to see why even large corporations have adopted cloud-based solutions like UCaaS (unified communications as a service) for collaboration, as they're inherently not agile in the way they operate and design for success.

One example of UCaaS in action is Theta Lake, a reg-tech startup that provides enterprise businesses with a compliance and risk management platform for all digital communications—including audio, video, and messaging.

And the pain point they were facing before switching to a UCaaS solution isn't unique to startups either. Does this sound familiar?

"We were a globally distributed team from the beginning. Having to jump among different apps throughout the day to communicate was definitely not helping our ability to brainstorm, innovate, and keep things moving."

— Anthony Cresci, VP of Business Development and Operations, Theta Lake

The principles of good communication aren't just reserved for everyday work either. Almost every aspect of how a startup runs, from hiring talent to overcoming geographical separation, relies on its ability to collaborate—often across time zones and oceans—in real time.

But the idea here isn't simply to have a large number of fancy tools. It's to have the right tools for the right job. And for startups, the right tools are often the most versatile ones. Your digital-savvy team expects the latest technology in order to be productive. Imagine: is it better

to have one unified tool that does multiple things well, or to have four or five different tools that each do only one thing and don't work together?

For example, RingCentral's desktop and mobile app handles multiple forms of communication and collaboration, from messaging to video conferencing to screen sharing and even phone calls—all in one interface, and all in one interface. That means less time needed to learn and manage the tool (since everything is included in one app), and likely an overall lower monthly subscription cost as well.

RingCentral Office®

Message, video, phone in one app
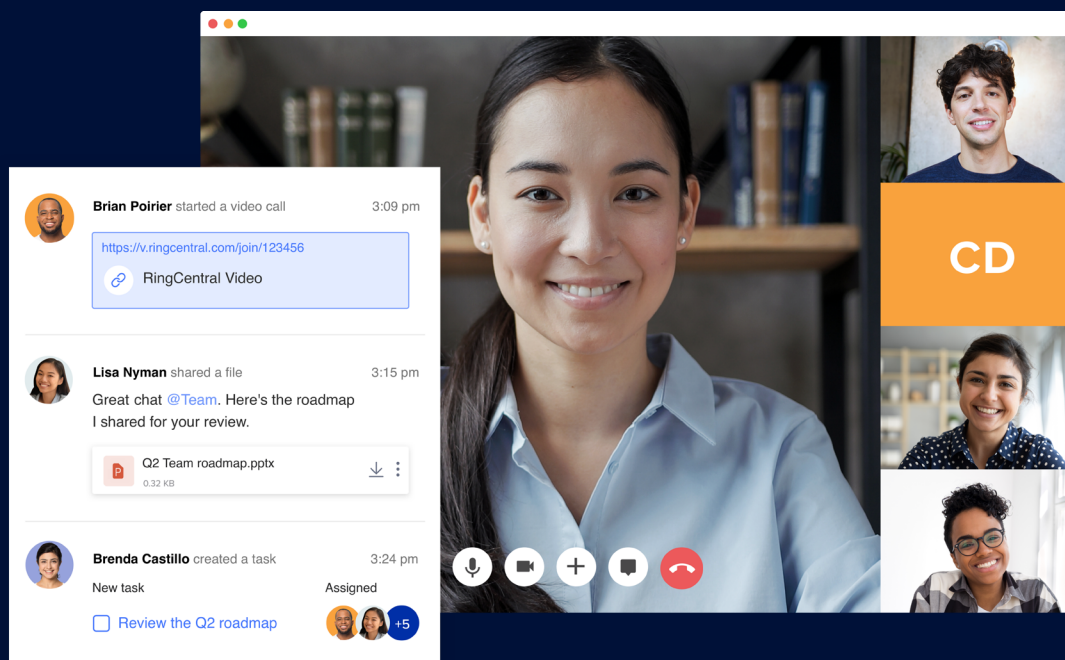
"We're hiring a lot of gifted employees, and it's difficult to retain that level of talent if your people feel like they're out there on their own. Even though we're separated by geography, RingCentral is helping us to build a close-knit and highly effective team—all working toward a common purpose."

– Anthony Cresci, VP of Business Development and Operations, Theta Lake

Customers have portfolios of experiences we need to constantly gather and share

What is CCaaS? CCaaS stands for contact center as a service. It is a cloud service offering that provides the essential capabilities required to route inbound customer interactions to the appropriate call center agent. CCaaS is a software deployment model that enables companies to only purchase the technology they need and is commonly operated by a vendor to help reduce IT, integration, and support costs.

Customers have portfolios of experiences that build a tapestry of impressions of a brand or a product. If you don't have a way to communicate, collect, and consolidate these experiences and feed them into early startup decisions, then there's a high chance you can neither iterate nor aim for the right target when you go to market.

It's very easy to forget that our experiences and the range of knowledge really only have power when they are all brought together. In a digital world, it is accessing that jigsaw of components that will lead to success.

Having the right tools in place to support customer interactions and being able to gather, share, and discuss customer feedback is vital. When you have teammates in other countries and offices, easily accessible information becomes the key.

Startups need to build these information exchange ecosystems early on from their inception—not as a stage two or three priority. Where UCaaS focuses on employee experience, CCaaS is a cloud communications technology that is customer experience focused. CCaaS should also be considered as a core piece of your startup strategy, ideally as you begin to collaboratively engage with your customers as you seek to retain them and extend support relationships.

We know that the future of customer service is digital engagement. Startups need to eliminate older manual processes like email and voicemail to support customers and deliver a more personal touch through the web, social media, and messaging. The latest CCaaS tools are designed to listen and collaboratively engage customers on every social channel and include capabilities like smarter routing that include the latest AI and machine learning technologies.

RingCentral Engage Digital™ is built from the ground up to address quickly changing customer behaviors. Using an AI-based smart routing engine, Engage Digital enables your startup to efficiently manage customer experience (CX) and customers' interactions across all digital channels in a single, easy-to-use interface that's very cost-effective.

Support customers on their channel of choice

RINGCENTRAL ENGAGE DIGITAL

From LinkedIn to Twitter to Facebook and more, no matter where your customers reach out, you can monitor and respond to conversations in one handy omnichannel dashboard.
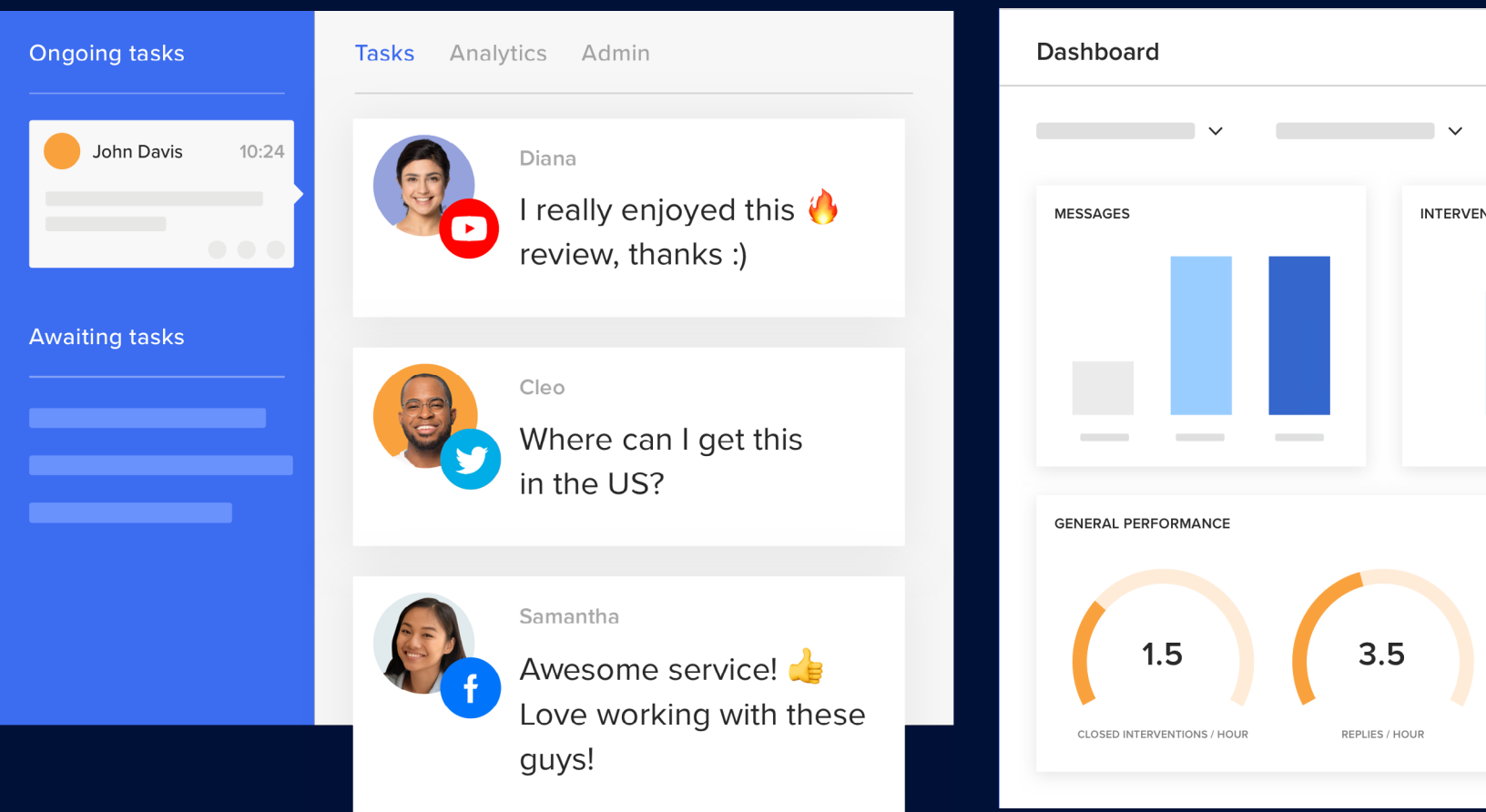
Pro-tip: Learn to use information ripples in an agile way.

To be able to work quickly, startups need to be able to synthesize lots of new and often varying information. This ranges from learnings about the product, to customer insights, to the operational changes needed. Think of this as managing **information ripples** in the business.

Startups can only be agile if they can efficiently see, hear, and feel the information around them. These information streams can come from many places and can be applied to different areas of a business.

This type of information agility is the strength of startups—and the Achilles heel of major corporations that have too many outdated and cumbersome systems in place to be able to process learnings quickly. Size is not a benefit in the digital world unless you can be agile, and that includes how you use information from different sources to get a competitive and collaborative edge.

Whether you're aiming to be a unicorn or to simply fill a sustained opportunity in your market, the chances of you thriving past that critical year two will be exponentially better if you get these concepts right from your startup's inception. In the world of startups, it's not enough to simply understand that we live in a world of constant change. We have to be able to stay ahead of these changes too.

Digital transformation has leveled the playing field because startups have been able to take advantage of agility, information, and collaboration to overtake major corporations.

"RingCentral has allowed us to keep up with our customers' expectations on digital channels. It is a key partner to ensure our business continuity."

— Aye Thiri Win, ICT Demand & Portfolio Sr. Manager, Ooredoo

Lean innovation is the new strategy model—ask the digital native leaders

It's impossible to predict the future. Even the very best industry "thought leaders" can't tell us much for certain beyond the immediate horizon. But what is clear is that the ability to innovate while remaining efficient and effective are parallel requirements in the digital age.

Focusing on what some are calling "lean innovation" is already becoming the new norm. Amazon, Uber, Lyft, and Google are masters of this and have worked out a way to constantly innovate while retaining their status as leaders. Many major corporations struggle to do this, no matter how much they invest in technology.

So, what do successful companies like these have in common? To achieve this kind of one-step-ahead innovation, you need to be able to have constant communication and feedback with customers, partners, and more. A global communication and collaboration model is a vital part of that living digital DNA that drives innovation, productivity, and effectiveness on a daily basis.

Often at the heart of these continuous conversations is unified communications. For startups with distributed teams in particular, unified communications platforms offer a way to stay in touch and share constantly shifting patterns of information to help sustain constant innovation

From collaborating on marketing campaigns to developing innovative product features based on feedback (from employees, customers, and partners), almost any type of teamwork or project can be made more efficient and collaborative through UCaaS—and without needing to build large, complex on-premises infrastructure too.

Harvard Business Review has examined this type of digital phenomena on a global basis and in recent research argued that three main assets have driven this:[6]

"We can point to three factors driving three trends, though there are others. The first is technological, as the confluence of high-speed internet, mobile device, and cloud computing has made it possible to start and scale digitally enabled businesses at a fraction of the cost."

When you're innovating, don't forget about endurance: the fuel in the engine for sustained success. The ex-CEO of American Express said this in a *Harvard Business Review* article titled "Building a startup that will last":[8]

"By thinking about endurance as a core element of their DNA, the current generation of high-growth companies create moats that help them build superior products and services."

69%
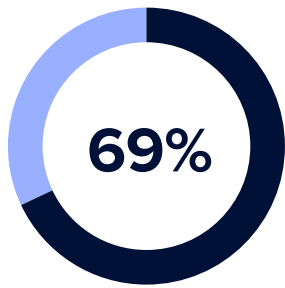
of startups work from home,[7] the separation between teams and teammates can hinder the ability to work together in real time.

Whether you're thinking of the cloud, the ability to scale, or costs, endurance is a necessary skill for attaining success as a startup. To be successful, a startup must first scale up from an initial core of a few team members (wearing many hats). As the next set of team members joins and the fledgling company grows, the playbook leans more and more heavily on using digital tools to scale.

Once upon a time, PBX was the main phone tool of choice for growing businesses. Now, in a digital-first world, the tides have changed again. How can startups adapt their tools and processes as they grow quickly into a 100 or 200-person company—while still retaining the essence and ease of how they collaborated as a five-person startup?
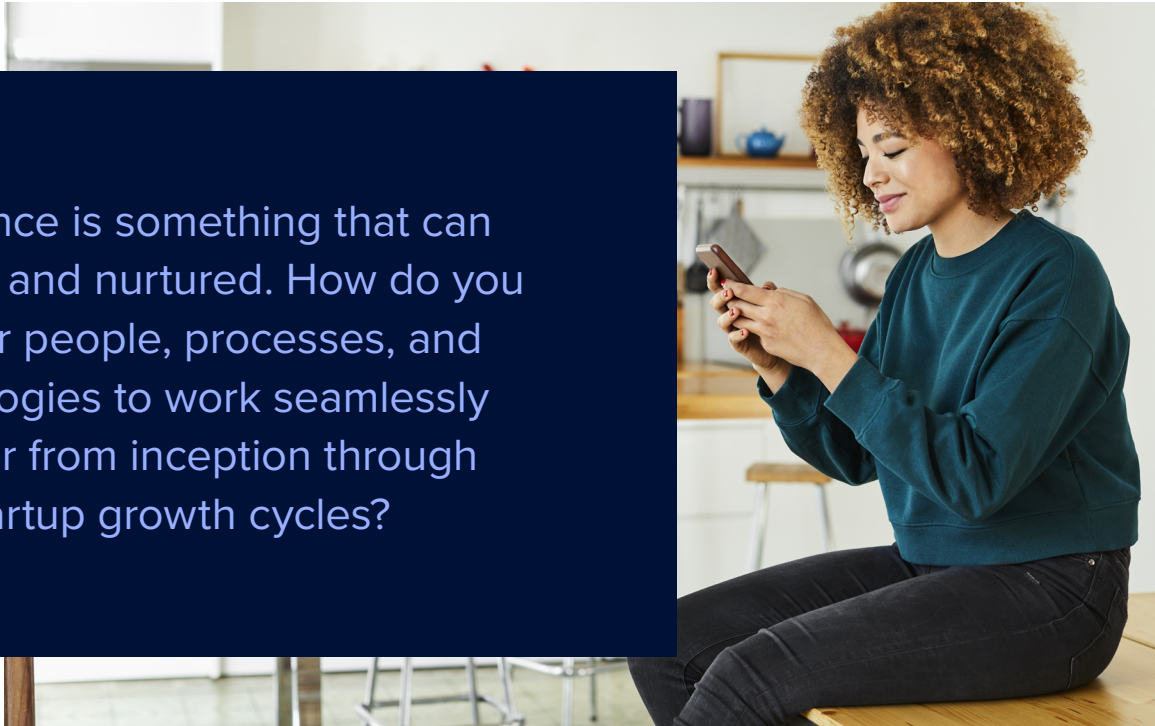
It shouldn't matter what devices they're using. It shouldn't matter if somebody is at home for the day or permanently working remotely.

"The lockdown forced us to test whether we could be as effective and productive solely relying on UCaaS tools. What we have discovered is that we are even more productive. Because of that, even if the world goes back to normal, we have made the decision that the same amount of face-to-face is no longer needed and we can continue relying on our UCaaS tools."

— Anthony Cresci, VP of Business Development and Operations, Theta Lake

Endurance is the result of being constantly tested and being able to learn from the process. Remember how many startups don't stick with their original idea, but are still able to succeed? Endurance feeds the ability to learn, adapt, and perform—and it's easily lost as a company grows. That is if the company doesn't have the right processes in place to begin with.

The Small Business Administration has shown that the survival of a startup and its ability to thrive has nothing to do with the year it was initiated (whether it was a boom year or a recession year),[9] but rather, their ability to get past year two of their creation.

Endurance is something that can be built and nurtured. How do you get your people, processes, and technologies to work seamlessly together from inception through your startup growth cycles?

"RingCentral has shifted our interaction with our customers. It has made us look like a larger company, now that everything is going through one phone system."

– Sneha Crew, Office Manager, Checkpoint Technologies

Continuous reflection on how work is changing in a digital-first world

Look at your key moments for success and remember that startups often need two to three times longer to validate their approach than they had originally planned for. The idea that you end up with rarely looks like how it did when you started by the time you go to market.[9]

This means there will be other elements that you and your team need to focus on to succeed—for example, the systems and tools you're using to communicate and collaborate. These are sobering, but important, realizations for anyone working in or managing a startup. To do it on the expected timeline and with the plan that you started with is not always easy. Often, it's quite difficult.

How will you adjust and adapt to your moving realities? Done correctly, the idea of UCaaS, and unifying communication in general, can gather the threads that'll tie together the success of your startup's different teams. Building a better product, understanding customer insights, collaborating on complex design issues... all of this can be done more easily when the team is well-aligned.

Having this in the cloud and being able to access these ideas, applications, and knowledge in real time on any device and format anywhere is what could make the value of your startup greater than the sum of the parts. In a COVID-19 world, this quote amplifies the power of UCaaS in a pandemic world for startups.

" Because the RingCentral system was so easy and intuitive, I didn't have to pull our CTO away from strategic work to help implement our internal communications system—or worse, hire an outside IT company to do it for us."

– Anthony Cresci, VP of Business Development and Operations, Theta Lake

In fact, Anthony quickly managed to implement RingCentral himself—setting up Theta Lake's automated greetings, call-routing instructions for different times of day, adding users—without issue and without IT support.

Conclusion

It should be clear by now that building and running a startup is very challenging; risks are high—as are the rewards and growth opportunities.

The days are often long and stressful as you set out on your plan to constantly innovate and bring to market that killer app or game-changing solution that'll redefine a category and revolutionize the world—while simultaneously assembling a geographically dispersed, high-performing team.

The success of your plan will be heavily influenced by how well your teams collaborate and work together in real time, regardless of geography and business disruption.

By leveraging unifed cloud (UC) communications and contact center (CC) technologies from a single vendor from the start, you'll be in a better position to hit your goals, instill a culture of collaboration in your employees, drive better customer experience, and ensure longevity on the path to success.

Visit **ringcentral.com/startup** to learn more about how startups around the world are using RingCentral and take a product tour.

1. Inc.digital Digital DNA research with Forbes, 2019
2. failory.com/blog/startup-failure-rate
3. startupgenome.com
4. about.crunchbase.com/blog/raising-startup-capital
5. channel-impact.com/report-midmarket-ipt-and-ucaas-posting-solid-growth
6. hbr.org/2018/11/how-the-geography-of-startups-and-innovation-is-changing
7. fundera.com/resources/home-based-business-statistics
8. hbr.org/2019/07/building-a-startup-that-will-last
9. sba.gov/sites/default/files/Business-Survival.pdf

Self-audit quiz:
Where are you on the startup-to-thrive model?

Answer these five questions to see where you score as a startup on these key collaboration metrics. If you end up scoring in the upper end of the scale (say higher than 20), then congrats! You're inherently a digital-centric startup that's collaborating in real time.

Apply the same scale to each question:

1. Not relevant

2. Not that important

3. Somewhat important on occasions

4. Very important on an ongoing basis

5. Vital to our potential success

1. How important is sharing information about customers in near real time for you to succeed?

2. How important is it for your team members who often work in different places and use different methods for communicating together to have transparent access to shared information?

3. On an average day, how important is it for team members to be able to collaborate on the fly in any way they choose for themselves?

4. When you think about innovation, how important is the idea of constant iteration to your startup?

5. As you grow your startup business, how important is fostering a global culture of collaboration?

For more information, please contact a sales representative. Visit ringcentral.com/startup or call 877-596-2939.

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