Project Description

Startups fail all the time. Often, the idea is great, but there’s lack of resources or personal circumstances standing in the way. HandOff keeps these ideas alive by providing a new startup exit strategy.

Now, founders can put their ideas and infrastructure into the HandOff platform. When a buyer is interested in the company’s IP, they pay a cash fee, and both HandOff and the original seller receive equity of the new entity.
HandOff gives entrepreneurs a way to pass their good ideas on to new people. If you love your idea, but someone else can do it better, HandOff provides a new way to move on to new things.

This description should include the high level overview of the project, including the problem and the solution. This is the 1-2 minute elevator ride narrative where you get the chance to explain why the problem is meaningful, how you’ve approached the problem and what you’re doing to uniquely solve for it.

Long term vision: reddit like hub for business expertise?

Value Proposition

Handoff is an idea marketplace that helps innovators and entrepreneurs keep their ideas alive by facilitating and incentivizing the transfer of their venture infrastructure to new founders.

Context and Background

HandOff sprung from our personal experience in the innovation space. As Da Vinci students, we’ve worked on projects that have had to be put on pause due to lack of motivation, lack of funding, or lack of talent. Even though many of these ideas were good, they just didn’t work out due to human factors. We’ve also seen our friends’ and mentors’ projects (that we think are incredibly exciting), like Painless 1099 and Uyoga, be put on the backburner for similar reasons. Ultimately, these experiences led us to the question of “How might we keep good entrepreneurial ideas alive for founders and innovators who can’t?”

Our original idea for HandOff was a simple idea sharing space in which founders could pass on their ideas and share their market expertise with each other. However, as we dove deeper into the design considerations and constraints, we realized that this initial iteration was too focused on idea sharing, which wasn’t necessarily desirable in the current market. Our current model is our second iteration, which we feel is more desirable, feasible, and viable. As we’ve connected with more people in our innovation networks, we’ve seen that this idea resonates with many entrepreneurs, as many of them have had to put ideas to rest before their realization or have had experience with passing their ideas and work to other founders. In terms of feasibility, developing a web-based platform is within our abilities, and much of the initial work of forming partnerships and matching incoming ideas with new founders would rely on our personal networks and connections, which are relatively robust. HandOff offers multiple revenue options, from taking a middleman or brokerage fee, as well as information distribution and a potential freemium feature. With these considerations in mind, we believe HandOff has strong potential to provide significant value to innovators, accelerators, and the world at large.
Markets & Scalability

HandOff targets entrepreneurs with good ideas. If an entrepreneur believes someone can execute their idea better, HandOff is a new exit strategy. The ideal buyer is someone who is entirely confident in their ability to make the idea a success.

6.5 million startups start every year, but 90% of these businesses fail. Of those 5.85 million failed businesses, 23% fail because the team isn’t right, 17% fail due to the product not having a business model, 13% fail due to product mistiming, and 13% fail because of lost focus. These percentages are overlapping to some degree. Assuming 30% of startups fail due to causes that allow for an idea handoff, that sets the market at roughly 1.76 million failed businesses per year. Of these failed businesses, many are based around great ideas. Of those, many are still viable but are blocked by personal obstacles or lack of founder motivation.

Potential scaling is mainly aimed towards the corporate sector. Once HandOff’s reputation as an idea marketplace is established, the goal is that large corporations will utilize the platform to purchase disruptive technologies and IP without having to devote funding to R&D from the ground up. Another potential future use is not just as a platform for failed businesses, but for ideators. Potentially, an individual or group of individuals could churn many ideas (provided they are of sufficient quality to make it on HandOff), and profit from providing ideas to new businesses.

Due to its online nature, HandOff would be able to operate in any economic environmental climate such as the current pandemic. As the economy grows due to decreasing restrictions on economic activity, we may be positioned to capitalize on a next wave of entrepreneurship.

Customer Acquisition

Our initial marketing and customer acquisition strategy relies on creating partnerships with local incubators and accelerators to identify ventures that may need to be handed off. According to the International Business Innovators Association, about 7,000 of these incubators and accelerator programs exist across the US. Searching for potential consumers through these channels would not only provide a source of pre-vetted ventures, but it would also provide value to incubators and accelerator programs that don’t want to see their efforts and investments in selected projects go to waste.

Drawing on our personal experiences and connections, we’d love to reach out and partner with Lighthouse Labs to implement HandOff. As a team, we’ve developed relationships with members of the entrepreneurial community in Richmond, which would enable HandOff to connect potential new owners for failed business ideas.
Competition

HandOff exists in a newer problem space, but that doesn’t mean it’s without competition. Many of the ‘competitors’ HandOff will have to defeat are non-retail. HandOff is an idea marketplace targeting end-of-life ideas; generally these ideas result in either a fold, or an acquisition.

While other players like Be Founders, SwiftScale, and BizBuySell address this market, they are not tackling the specific need of venture/idea survival. Be Founders connects founders by their skills and interests, SwiftScale enables successful startups to more quickly access and engage investors and potential acquisition companies, and BizBuySell is targeted towards smaller, more localized businesses and franchises.

The competitive challenge that HandOff will face is creating a process and ecosystem that is more desirable than conventional exit strategies like closure or pursuit of an acquisition in a limited market. By engaging innovators and entrepreneurs, we can more intimately understand and meet the needs of this specialized market.

Team Reflection

As a whole, this sprint went smoothly. The idea selected was actually the second pitched, so there were roughly 45 ideas pitched that didn’t necessarily need consideration. Work was evenly distributed between members, and a diverse set of deliverables was created. It’s been very exciting to be working on an idea in the innovation space, and we are looking forward to working with entrepreneurs and innovators who can help us build this service for them. Next time, the work could be distributed better chronologically, as the majority of it was completed in the 4 days leading up to the deadline. Overall, this sprint was very educational and as a team we have all grown and learned a lot.