



Equidam and Get In The Ring:

What is Startup Valuation?

One of the key questions many entrepreneurs are puzzled with is how to value their startup, especially when they aren't generating any revenues.

Valuation becomes then important when you are raising a funding round. By determining a valuation, you determine how much equity to give to investors and how much money you can ask in return.

Valuing a startup is intrinsically different from valuing established firms. There are countless approaches and it can be challenging to determine the right one for your particular case.

The question is easier to answer if you had a recent funding round. Indeed, the most accurate predictor of your valuation is the price that the market has recently paid for it.

If there is not recent funding round, or no funding round at all, the most important factors in a startup valuation are risk and potential.

Potential determines how large is the opportunity, and how big the return on investment (ROI) might be. Risk is the likelihood of achieving that potential.

In discussing your valuation, and in general in managing your company, you should always consider these two factors. Market potential is more fixed, as it is determined by factors that are hard to control.

Risk is more in your control. By running tests, proving assumptions, increasing your customer base, or hiring effectively, you are de-risking your company, thus increasing the valuation because of the higher likelihood of success.

A lot more can be said about this topic, and the purpose of this guide is not to be exhaustive but to give you a good first idea about what aspects affect your company valuation and how to frame the discussion.

If you'd like to know more, you can visit the Equidam blog at:

<https://www.equidam.com/category/valuation-2/>

About Equidam

At Equidam.com, we help you to get to an accurate valuation of your startup with our patent-pending online valuation tool.

Our algorithm takes into account your financial projections, your team, the competition, and the market among other factors and combines them in 5 methods to give the

best estimate possible.

If you want an accurate valuation of your startup, we recommend you join more than 8000 entrepreneurs who used Equidam to get their valuation.

You can always start at www.equidam.com

About Get in the Ring

Startups are changing the world. They develop innovations at a high speed, defy large companies and find solutions for world challenges. We love them. Being part of a startup is not easy though. It means a rollercoaster ride with low chances of success, but high returns when succeeding. Startups need resources such as capital, talent and expertise to survive in today's turbulent environment. Globally, these resources are available in abundance, but often don't connect. Sometimes because of timing, or because they are not offered in the right place. Sometimes because they are not well presented, or already taken by others. However, they are there, and it is exactly this missing link between talented entrepreneurs and opportunities that drives what we do. We took the challenge to make a change. Will you?

- *Jochem Cuppen, Global director Get in the Ring*

130+ events in 80 countries

The Get in the Ring Foundation is a global non-profit organization that connects startups to opportunities related to capital, talent and expertise.

2012, the start of a journey

The concept behind Get in the Ring was born in 2012. The first edition was organized in 12 countries. Main partner in setting up the event was the Erasmus Centre for Entrepreneurship, who later also became the official host of Get in the Ring The Netherlands.

64 countries and 3,000 participants in 3 years

Between 2012 and 2014, the concept of Get in the Ring spread rapidly around the world. After 3 editions Get in the Ring was organized in 64 countries and over 3,000 startups joined the competition.

100k startups and 100m fans

The rapid growth of Get in the Ring made us even more ambitious. In the upcoming years we want to connect 100K startups from around the world to 100M fans that can support startups with capital, talent and expertise.

100+ partners globally

Achieving our ambitions would not be possible without our extensive international partner network. Together we create a unique ecosystem of organizations that support startups.

Multiple awards for event concepts

In 2012 we received The Compass Award, and we won The European Award for Entrepreneurship Promotion in 2014.