

# Methodology for assessing the commercialization potential of IT products

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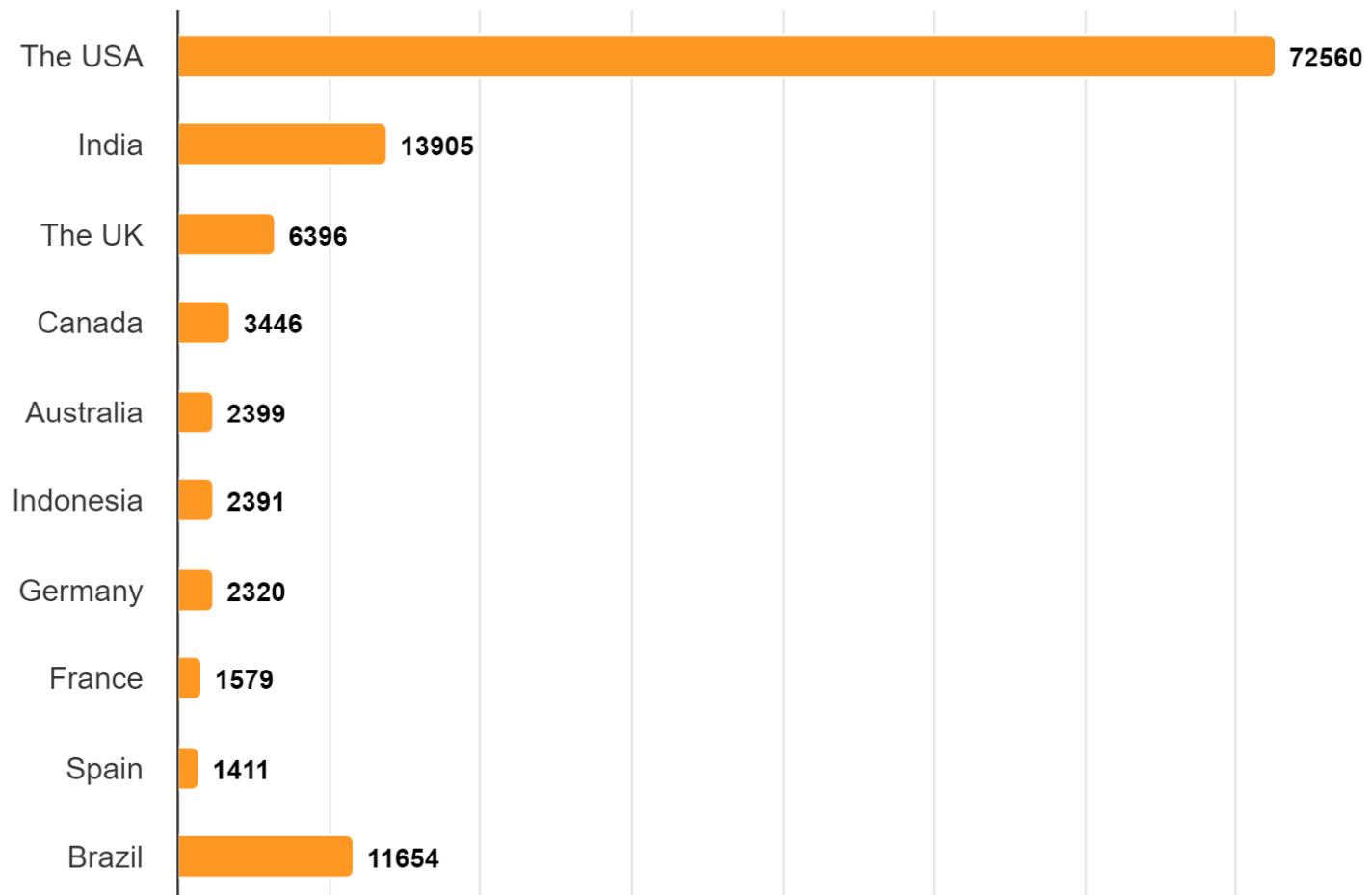
# Relevance and purpose of the study

**Startups are crucial for boosting economic growth, creating jobs, and driving technological advancements. But, it's important to understand the statistics behind startup success rates to make the journey less daunting and more manageable.**

## **The aim of the study**

**To evaluate the factors and propose a model for evaluating the potential of success in the commercialization of IT products**

## Number of Startups by Country



ДЖЕРЕЛО: <https://flair.hr/en/blog/startup-statistics/>



# Key statistics

- An impressive **93%** of all successful businesses have undergone pivots from their initial ideas.
- Approximately **60%** of companies do not advance to Series A, resulting in a success rate of only **30% to 40%**.
- Around **65%** of Series A startups secure Series B funding, while **35%** do not.
- During the Maturity Stage, the likelihood of failure is just **1 out of 100**.
- Roughly **80%** of eCommerce startups do not succeed, leaving a success rate of **20%**.
- Up to **75%** of FinTech startups do not make it, with a success rate of only **25%**.
- HealthTech startups face a failure rate of up to **80%**, resulting in a success rate of approximately **20%**.
- EduTech startups have a failure rate of up to **60%**, with a success rate of about **40%**.
- In the gaming industry, success and failure are evenly balanced at a **50%** rate.

# Key factors causing the collapse of commercialization of IT products (in startups)

- Roughly **90%** of startup ventures end in failure.
- Insufficient funds are responsible for the failure of **38%** of startups.
- A lack of a sufficiently large market for their product leads to the failure of **one-third** of startups
- Newbie startups don't have enough experience



**Analysis of studies indicates the presence of a large number of reasons that lead to failures in the commercialization of innovative products.**

**According to our observations, the main reason for the collapse of commercialization of IT products is problems in assessing the potential of the product and its commercialization**



# Methodology for assessing the commercialization potential of IT products

The methodology for assessing the potential of a product should be based on the assessment of both internal and external potential

The internal potential of the product includes:

- Product team
- Experience and connections
- Availability of financial support
- Product complexity
- Economic characteristics of the product
- Commercialization model

External potential includes:

- Industry and product life cycle
- Presence of a need for the product
- The size of the market and the difficulty of accessing it
- Dynamics of market development
- State of competition in the market



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It is carried out in the following stages:

- Determination of parameters of IT product commercialization
- Evaluation of IT product commercialization parameters
- Comparison of options and management of the IT product commercialization process based on defined parameters





# Conclusions

**The use of the proposed approaches to assessing the commercialization potential of an IT product will make it possible to assess the potential of commercialization from different angles and prevent the negative consequences of the decline of the IT product on the market**