

LIUC – Università Cattaneo

Laurea Magistrale in Economia Aziendale e Management

Course: Entrepreneurial Ecosystems

Launching a startup in Silicon Valley

Marco Astuti

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INC. FOUNDING PREPARATION

- Only one or several shareholders?
- Choice of the CPA (Certified Public Accountant): qualified accountant who will provide accounting and fiscal services to the startup. It's not easy because it's the startup that must win the trust of a well known CPA. Often the CPA refuses the assignment.
- Choice of the Law Firm.

FOUNDING A STARTUP

- In USA it's a mere formality and the costs are very low.
- No minimum amount of capital required.
- Usually the constitution of a startup is made by the layer firm (they must be involved at the very beginning because they are often linked with a specific group of investors, mentors, banks, big companies, etc.). It's like a consortium.
- The incorporation of the company requires only a few minutes. Normally it's incorporated in Delaware: this State has the oldest and most complete laws in the company jurisprudence.
- Immediately after the incorporation the layer firm shall transfer the shares to the founders and they shall appoint the board of directors and the CEO.

SHARES

- Usually the minimum numbers permitted of common shares (10.000.000) are issued.
- Any time it is possible to issue other common shares (but no more than 50 millions)
- Preferred shares can be issued any time (maximum 10 millions).

STARTING THE STARTUP

- Once you have signed all of the paperwork (which takes no more than 20 minutes), the next step is the bank, where you need to open an account with internet banking services and a debit card (but it is not possible to get a credit card because the company will not have any credit history).
- This will take another 30 minutes at most.
- The founders, through their online bank account, do their money transfer for the 10.000.000 of shares of the company.
- The founders nearly always divide the CEO, VP Head of Sales & Marketing, CTO and CFO roles among themselves.
- The founders need to find qualified staff to join them on the project development team and put the business idea into action.