VENTURE CAPITAL FUNDING STARTUP PROJECT AND DETAILS OF ITS USE

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Annotation: The topic about the world experiences of financing startups is very broad and specific. Different countries and economic systems employ different methods of financing startups, but a common goal for all systems is to develop new businesses and market them successfully. There are several basic methods of financing startups globally and they vary depending on the economic environment, financial infrastructure, government policies and market conditions.

Keywords: Venture Capital, global Experiences, Silicon Valley, Horizon 2020, Kickstarter, government grants, strategic collaboration.

Venture capital is one of the most common methods of financing startups with high risk and high revenue potential. VC funds invest large amounts of capital in startups and are able to return their investments at a high level. They usually invest in innovative ideas, technological startups or companies with growth potential. America has one of the most developed systems of the venture capital market in the United States. Silicon Valley is particularly known as a global hub for venture capital. There are many large venture capital firms in the United States to fund startups, such as Sequoia Capital, Andreessen Horowitz, Accel Partners. These firms select startups, help them develop and invest their own investments, taking a high risk.

In Europe, the venture capital market is growing, although smaller than in the United States. Countries such as the United Kingdom, Germany, France and Switzerland are strong centers of venture capital. Investors in Europe generally prefer to invest in startups focused on sustainable and long-term growth.

Countries such as China and India are also characterized by growth in venture capital. Startups are developing in China, especially in the areas of technology and the internet. In India, however, there are major venture capital investors such as Sequoia Capital India, Tiger Global Management, etc.

Return Venture capital investors often return their investment through an IPO (Initial Public Offering, i.e., a public offering) or by selling the startup to another large company. This allows investors to generate high returns. The Venture capital funds System Works in many countries through systems created by the government or the private sector when venture capital funds support startups. For example, in Europe, the Horizon 2020 program provides grants and loans allocated to support startups.

Angel investors are rich and experienced investors who invest their personal funds in novice entrepreneurs. They usually provide financial support at the initial stage of the startup and take a high risk when investing.

In the US, angel has many networks and platforms for investors. Angelist is one of the most popular online platforms, connecting startups and angel investors. This platform allows startups to connect directly with investors. Crowdfunding is highly developed in the US. Through platforms such as Kickstarter, Indiegogo and GoFundMe, startups attract many small investors. Kickstarter and Indiegogo are among the most popular platforms for initial financing, providing the greatest opportunities for startups.

In Europe, the angel investor network is growing, but is still in development when compared to the United States. In the United Kingdom, there are organisations such as the UK Business Angel Association (UKBAA), which angel assists in consolidating investors and funding startups.

Community funding Angel investors often explore fundraising opportunities for startups on crowdfunding platforms. Through platforms such as Kickstarter, Indiegogo, investors can make small investments in many startups. Crowdfunding is a new and popular way to raise funds for startups. In this way, startups or projects raise funds from small investors through online platforms. Crowdfunding primarily involves four types of funding: gifts, debts, promotions, and philanthropy.

The crowdfunding system is growing in European and Asian countries. Stock-based crowdfunding platforms such as Seedrs and Crowdcube are popular in the UK. In China, the. JD.com and crowdfunding systems are actively working on platforms like Taobao. On platforms like Kickstarter, startups make it possible to buy their products in advance. Through this, they not only raise funds, but also determine the demand for the product in the market. Crowdfunding allows startups to attract many small investors. This helps to reduce the economic risk for startups, since they are not limited to only one investor or investor in their start-up.

Incubators and accelerators are organizations that provide education, resources, and financial support for startups. They help beginners in business development and provide mentoring, networking opportunities for them. There are hundreds of incubators and accelerators in the US, such as Combinator, Techstars, 500 Startups. These organizations provide step-by-step support for startups, including seed funding, mentoring, team building, and leading to investors.

There are also many incubators and accelerators in Europe. High-quality startup incubators operate in cities such as London, Berlin, Paris and Amsterdam. For example, Seedcamp and Station F are one of the largest startup incubators in Europe. Incubators and accelerators help startups get the necessary knowledge and experience not only for financing, but also for business development. They organize trainings, seminars and workshops for startups.

Of course, we will continue about the world experiences of financing startups and bring additional details. In financing startups, the economic conditions, legislation and stages of development of each country dictate specific approaches. Therefore, the methods and experiences of financing startups can vary from country to country. The following is an overview of several other global startup financing experiments and solutions made through them.

Governments are often interested in developing innovative startups and provide various grants, subsidies and loans for them. Public funding is a low-risk resource in startup financing, providing startups with the necessary funding in the early stages. The European Union (EU) is very active in supporting startups. The Horizon 2020 program, founded by YI, is designed to fund scientific and technological research and innovation and focuses heavily on startup development. Through this program, startups can pursue their projects through grants and loans.

In the United States, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are provided by the government to support SMEs. These programs fund startups in science and technology development and innovation.

There are many government-sponsored grants and startup development programs in China. The government provides tax breaks, grants and other economic relief to encourage startups. For example, cities such as Beijing and Shenzhen organize “technology parks” for startups to provide funding from the state.

Government grants often provide non-refundable funds, reducing risk for starups. But, some grants and subsidies may impose restrictions on such startups, such as the obligation to offer a product or service in a particular market or to expand innovation internationally.

Through government programs, startups often have the resources they need to bring their innovative ideas into practice, such as technology labs, marketing development, and the funds needed to obtain patents.

Many large companies want to collaborate with and fund startups because it is beneficial to integrate new technologies and innovations into their businesses. Corporate venture capital (CVC) is funds allocated by large corporations to fund startups.

In the US, the corporate venture capital system is highly developed. For example, tech giants like Google, Microsoft, Intel fund startups with the aim of expanding their innovative activities. Google Ventures and Intel Capital are some of the most notable examples of corporate venture capital. Japan, known for its advanced technology sector, is highly engaged in startup financing through corporate venture capital. For example, large companies such as Rakuten and SoftBank have created their own investment funds to support startups.

The benefit of corporate venture capital is that startups not only receive financial support, but also have the opportunity to establish strategic partnerships with large companies. This, in turn, speeds up the startup's entry into the market and allows it to distribute its products to a wide audience.

Through corporate venture capital, startups often become familiar with the changing and advanced technologies of large corporations. These large companies develop an innovative ecosystem theme by providing technological support, expertise and networking for startups.

Private equity () is an investment method that makes its investments in startups or growing companies. Private equity funds usually invest in companies that are developing and have achieved a stable income. In the United States, Private Equity Funds play a very large role in the development of small and medium-sized businesses.

These funds ensure that companies grow by buying, consolidating, or investing capital in them. Approaches to private equity in Europe and Asia are primarily concerned with companies that have reached sustainable growth stages. Private equity investors often increase their income by buying companies with a competitive market or investing capital in them.

Private equity investors help strengthen their positions in the market by buying startups or growing companies. This creates growth opportunities for startups and provides them with advanced technology and management experience.

Private equity funds often focus their investments only on companies with highly developed and stable returns. These can be high requirements for startups when it comes to attracting investment.

Financing startups using cryptocurrencies and blockchain Technologies has led to major changes in recent years. New financing methods, such as ICO (Initial Coin Offering) and STO (Security Token Offering), have enabled startups to raise funds through cryptocurrencies.

In the US and European countries, startups through ICO and STO systems attract investment by issuing new tokens or cryptocurrencies.

In 2017-2018, ICOs became popular and became one of the innovative sources of funding for startups. The development of blockchain technology in China continues, but there are some restrictions on the part of the government. However, in countries such as South Korea and Singapore, financing through blockchain and cryptocurrencies is developing very actively.

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