



Determining True Unicorn Companies



What variables predict whether high-value start-up companies will withstand the test of time?

Introduction

- **The purpose of the study was to determine if there were certain variables that could identify whether a unicorn company would remain successful**
- **A unicorn company is a company which reaches a mythical \$1 billion valuation**
- **This study relied upon evaluated four generally available company characteristics**
- **This study used supposed unicorn companies from the 2015 Forbes list, and assessed how they have performed through 2019**

Company	Leadership	Location/Presence	Product/Market	Valuation	True/False?
Tinder	X	X	X	X	True
Pluralsight	X	X		X	True
Lynda	X	X	X	X	True
Evernote		X			False
Good Technology					False
Qualtrics	X	X	X	X	True
JustFab	X		X		False
Pivotal Software		X	X		False
Razer	X	X	X	X	True

Methodology

- **This study assessed company leadership, location, product and valuation**
- **If a company met three or more of the variables, then they were deemed “True” unicorn companies, if a company meet less than three variables, they were deemed “False” unicorn companies**
- **Companies meet a variable if they show success in a category**
 - **For example: Razer’s product is online gaming equipment, which has a huge market and is growing in popularity. Hence, they have a strong successful product line, setting their company up for success.**
- **This study utilized online resources, articles, etc. to find given information on the various companies.**

Findings

- **All companies located on the west coast were more successful than companies on the east coast**
- **Companies with higher value OR companies which were acquired for more than their worth tended to be real unicorns**
- **Companies with strong leadership, CEO presence and mission or vision statements had better direction than companies without them**
- **Only one company, being Good Technology, met zero of the given variables**



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