MIM in Entrepreneurship Admissions Case Study:
Crisis Management and Brand Resilience

Introduction:

The startup sector has historically been a challenging industry with stiff competition, a limited talent pool, tight deadlines, and high capital requirements. Over the past several years, the sector has become even more challenging as investment from venture capitalists and angel investors has been drying up. This has created a myriad of challenges for would-be entrepreneurs and early-stage startups.

The lack of free-flowing capital can be linked to several key factors. Firstly, the COVID-19 pandemic and the resulting economic downturn reduced the investor appetite for risky investments like startups. This has created an environment where startups must show more evidence of traction and profitability before securing investment. Secondly, rising inflation due to macroeconomic factors and the war in Ukraine has made it more expensive for startups to get off the ground. Thirdly, the reduced appetite for risky ventures has seen capital flow to more well-established companies and increased the scrutiny startups have faced regarding valuation and market projected market size.

These factors, alongside the collapse of Silicon Valley Bank in early 2023 have created an incredibly challenging market for startups worldwide. This has led to the collapse of many promising startups and prevented new entrants from entering the market.

Instructions:

On October 19th, 2023 Convoy's CEO Dan Lewis sent a memo announcing the closing of the company's doors. Convoy was a promising logistics startup that utilized an Uber-like business model to connect truckers with shippers. The company secured over $260 million in funding and had a valuation of $3.8 billion at the beginning of 2022. However, just 18 months later Convoy was out of business.

Your task for this case study is to analyze the collapse of Convoy within the context of the broader startup market. This will be accomplished by completing the following tasks:

1. Read the following articles:
   a. [Convoy Collapse](#)
   b. [Convoy truckers say startup owes them thousands of dollars](#)
   c. [Startup ecosystem: Why it's time to acknowledge and learn from the challenges of 2023](#)
   d. [The global freight recession will continue in 2024: CNBC Supply Chain Survey](#)

2. Watch the following video:
   a. [The Collapse of Convoy: What Went Wrong?](#)

3. Conduct some background research on Convoy and the startup ecosystem.

4. Write a 1-2 page paper which answers the following questions:
   a. Based on the articles, video, and your research, what were the main factors that led to the collapse of Convoy?
   b. Based on the articles, video, and your research, what are the main challenges startup founders are currently facing?
   c. In your opinion, do you think Convoy could have been saved, or was its collapse inevitable?
   d. In your opinion, was Convoy more of a victim of external macroeconomic factors, or was its collapse caused by poor management decisions?
   e. Convoy was initially founded in 2015. If you were Dan Lewis and you could go back in time, what are some actions you would take to "future-proof" the company? What would you do differently?

Artificial Intelligence Disclaimer:

You are permitted to use whatever AI productivity tools you desire to assist with this case study. The only requirement is that they properly cite the use of AI in their paper. The guidelines to do so are as follows:

1. Include a disclaimer at the end of the citation section which reads: "This project was completed with the assistance of artificial intelligence. Artificial intelligence was used to help write the following sections/pages:"
2. Include what sections/pages of the paper were written with the help of AI in this disclaimer.

Please note that we are assessing your critical thinking skills while you complete this case study, not how well you can prompt A.I. While you are permitted to use it as an assistant, please make sure that the answers are coming from your analysis of the articles and video.