HASAN.VC

Ethical Startup Playbook

Insights and Strategies from Founders for Founders

Featuring Insights from HASAN.VC's Cohort 001 Alumni

Real-world advice and practical strategies from those who've been there.

T A B L E   O F   C O N T E N T

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FOREWORD

At HASAN.VC, we are committed to nurturing the next generation of changemakers for good, guided by the universal ethical principles. We believe in the power of collective action and the immense potential of a small group with a shared vision.

This belief is the driving force behind our Ethical Startup Playbook: Insights and Strategies from Founders for Founders.

Designed as a blueprint for dreamers and builders, this playbook captures the essence of the basic fundamentals required to build an ethical startup. As an entrepreneur for the past two decades, I've learned that one of the best ways to pay it forward and support the next wave of ethical and halal startups is by fostering a community of Muslim entrepreneurs who share and exchange hard-earned insights. The only issue is there wasn't one available.

With this playbook, our team sat down with our community of founders, our Accelerator Cohort 001 Alumni to get deep into their personal experiences and learnings, all of which you'll find within these pages.

This playbook isn't just advice on paper - it's a testament to the passion, resilience, and creativity of our Cohort 001 founders. With God's will, these stories, lessons, and values captured will offer a roadmap for building purposeful and impactful businesses.

As you delve into this playbook, I encourage you to take these lessons to heart and let them inspire your own journey. Entrepreneurship is not just about solving problems; it is about creating a legacy — one that stands as a beacon of hope, sustainability, and innovation.

On behalf of HASAN.VC, we invite you to take that leap of faith and be the wave. May this playbook serve as a guide and a source of inspiration for you in navigating the waters of your own entrepreneurial journey.

Warm regards,

Umar Munshi
Managing Partner
HASAN.VC

Part 1
Foundations

Chapter 1 Introduction

Welcome to the Ethical Startup Playbook:
Insights and Strategies from Founders for Founders

Congratulations on taking the first step towards building a business that goes beyond profit — a business rooted in purpose, guided by ethical values, and committed to halal principles. By opening this playbook, you're joining a growing movement of changemakers who believe in redefining success through integrity and positive impact.

A Journey of Purpose and Impact

Starting an ethical and halal business isn't just about doing things differently; it's about doing things *right*. It's about standing firm in your principles while pushing boundaries to innovate and grow. It's about recognizing the power of business to solve real-world problems and improve lives.

The road ahead may be challenging, but it is filled with immense rewards. Along the way, you will discover:
- The joy of creating solutions that align with your values.
- The pride of building something meaningful, grounded in integrity and fairness.
- The satisfaction of knowing your success contributes to a better world.

With this playbook in hand, you're not just learning how to start a business — you're stepping into a leadership role in an evolving global movement. Every decision you make, every problem you solve, and every milestone you achieve will showcase the potential of ethical and halal business practices to inspire trust, create value, and bring about positive change.

Let's Get Started

This playbook offered by HASAN.VC is your foundational guide to turning your vision into reality. It's packed with actionable insights, proven strategies, and inspiring examples to help you navigate the path ahead. Whether you're refining an idea, assembling a team, or preparing to scale, this resource will keep you aligned with your values while driving meaningful growth.

You have the ambition. You have the principles. And now, you have the tools to create something extraordinary. Let's build a future where business is not only profitable but principled — uplifting lives and making a lasting impact.

Chapter 2
Finding Your Purpose-Driven Idea

Every business starts with an idea, but not every idea has the power to inspire, endure, or make a lasting impact. What sets truly transformative businesses apart is their purpose — the driving force that aligns their goals with meaningful contributions to society. As a founder aiming to build a halal and ethical startup, your journey begins by identifying not just any idea but one rooted in solving genuine problems while adhering to principles of integrity, transparency, and social good.

This chapter will guide you through the process of discovering and refining a purpose-driven idea. We'll explore the foundational methods to identify meaningful problems, validate potential solutions, and assess their ethical and halal implications. Along the way, you'll find real-life examples from aspiring founders from HASAN.VC 's Cohort 001 alumni, who've walked this path, proving that purpose-driven ideas can lead to innovative, impactful ventures.

Why a Purpose-Driven Idea Matters

Great startups don't just chase profits — they solve meaningful problems. A purpose-driven idea is the north star of your business. It keeps you focused, grounded, and aligned with what truly matters: creating value for your customers, community, and stakeholders.

For halal and ethical startups, this is even more crucial. You're not just navigating market dynamics; you're building a business that upholds moral and ethical principles. Your purpose is what differentiates you and drives your impact beyond financial metrics.

Start with these questions:
- Why are you building this business?
- What's the positive change your product or service will create?
- Does this idea tackle a problem that truly matters to you?

Take it from Audri Zin, Chief Technology Officer of GoBarakah, whose journey began with a desire to address a deeper societal need.

> *We realized that building a business wasn't just about offering a product —*
> *it was about solving a problem that truly matters to the community," says Audri.*

The team's purpose-driven approach stemmed from their firsthand exposure to inefficiencies in social assistance, which fueled their determination to create solutions that were both ethical and impactful. By focusing on aligning their work with their values, they found clarity and motivation that kept them grounded through every stage of development.

This approach is a perfect example of how a deep understanding of the problem you want to solve — and the people you're solving it for — can keep your business aligned with a purpose that transcends profits.

Clarity on your purpose doesn't just help you build a better product — it helps you build resilience. Customers today demand more than functionality; they want brands that stand for something. Purpose-driven businesses earn trust and loyalty by showing they care about more than just the bottom line.

Think about it: every great startup begins with founders who genuinely care about the problem they're solving. When you're driven by purpose, it's easier to stay motivated during the ups and downs, rally your team around a shared mission, and attract customers who believe in what you're building.

Identifying a Problem Worth Solving

The best ideas often don't come from sitting in a conference room or writing out a business plan. They emerge from the real world — by observing, listening, and reflecting on the problems that people are actually facing. To build something that truly matters, you need to start by identifying a problem that's worth solving. Think about the everyday struggles, frustrations, and inefficiencies that people around you encounter. Those are the gaps your business can fill.

Step out of your head and into the world around you. Problems are everywhere, but you have to be paying attention to spot them. Whether it's from your own experiences, from hearing friends and colleagues complain about recurring issues, or from observing market trends, identifying a real problem is the first step toward building a solution that resonates.

The founders who create successful businesses aren't always the ones with the grandest ideas, but they are the ones who understand the real pain points their customers face. That's the difference between a solution that gets attention and one that gets traction.

Here's how you can identify your problem:

- **Talk to People:** Get in front of your potential customers. Talk to them. Listen to their challenges, their pain points, and what they truly need. Customer discovery is critical — it's not about assuming what they want, it's about hearing it straight from the source. Engage in deep conversations, not just casual surveys.

- **Reflect on Your Own Experiences:** Many of the most successful startups come from founders who solved a problem they've dealt with themselves. Think about the struggles you've personally faced — those moments of frustration when you thought, "There has to be a better way." What could you have used? What would have made your life easier? This could be the spark for your next big idea.

- **Look at the Trends:** Stay up to date with the market, societal changes, and emerging technologies. The world is always shifting, and those shifts create new problems that need solving. Are there gaps in the market that are ripe for innovation? What's the next big wave? Keep your eyes open and stay curious.

Take it from Hidayah Shahidan, Co-founder of Synbiozymes, who brings a wealth of experience in biotech. *"Instead of starting with the technology and searching for a market, we worked backwards,"* she shares.

> *"We focused on a product with an existing, proven market and then enhanced it with innovation."*

By starting with a real problem and building a product that directly addressed it, Synbiozymes avoided some of the common pitfalls in deep-tech startups and was able to bring their solution to market faster.

Generating and Validating Business Ideas

Once you've identified a problem, the next step is generating ideas to solve it. This is where the magic happens — but also where many founders get stuck. Coming up with an idea is easy; coming up with the *right* idea is harder. It's about being creative, thinking critically, and not getting attached to the first thing that comes to mind. You'll need to push the limits of your thinking, keep an open mind, and iterate until you find something that clicks.

But the key here is validation. A great idea means nothing if it doesn't work in the real world. That's where the heavy lifting comes in. The most successful founders are those who can come up with innovative ideas but are also willing to test and refine them until they get it right.

Here's how to generate and validate your ideas effectively:

- **Mind Mapping**: Start with the core problem and map out all the potential solutions. Don't restrict yourself at first—let your creativity flow. When you have multiple ideas, you'll be able to refine and combine them into something that's stronger and more feasible.

- **Customer Discovery**: Once you have a list of potential solutions, it's time to take them to your customers. Interview them, ask questions, and get their feedback. What do they think of your ideas? Does your solution truly meet their needs? Keep refining your concept until you find the strongest fit.

- **Leverage Personal Pain Points:** You don't need to reinvent the wheel. Some of the best solutions come from founders who've solved a personal pain point. Think about your own experiences and how you can tailor and scale solutions to problems you've faced.

Badzlan Bakar, co-founder of Reyhut Automation, speaks to the power of testing hypotheses early.

> *"We hypothesized that we could run a hotel efficiently without actually being there,"* he explains.
>
> *"Building a tool to test this proved our solution worked."*

By validating their idea quickly and effectively, Reyhut was able to reduce risk and build a solution that solved a very real problem — without wasting time or resources. This early validation proved critical in determining whether their idea had potential.

Validating Your Idea

Once you have a potential solution, it's time to test it in the real world. Validation is everything. It's easy to fall in love with your own ideas, but don't get attached until you've tested them with real users. Validation allows you to ensure your idea actually solves the problem and provides the value you expect. This is where many founders stumble — failing to validate early and wasting time building something that no one needs.

Here's how you can effectively validate your idea:

- **Build an MVP (Minimum Viable Product):** The MVP is the simplest version of your product that allows you to test your core assumptions with minimal investment. It's not about building a polished, finished product—it's about getting your idea in front of real users quickly.

- **Test with Real Users:** This is the most critical step. Your MVP is only useful if you're testing it with people who actually represent your target market. Get feedback, understand what works and what doesn't, and use that data to improve your product.

- **Be Ready to Pivot:** Validation doesn't always go as expected. If your users aren't responding the way you thought they would, be ready to change course. This might mean adjusting your product, your business model, or even your target audience. Flexibility is key.

Validation isn't just a box you tick off. It's an ongoing process that continues even after you launch. The more feedback you get, the better your product will become. Be prepared to pivot, iterate, and refine continuously.

Assessing Halal and Ethical Implications

As a founder of a halal and ethical startup, the stakes are higher than just building a successful business. Your idea needs to not only solve a real-world problem but also align with values that prioritize fairness, transparency, and social welfare. In the context of halal businesses, these values are deeply rooted in Islamic principles, which means your startup should strive to create a positive societal impact without compromising on ethical standards.

Start by asking yourself the following questions:

- Does this idea align with Islamic values? Is the business model free from practices like riba (interest), exploitation, or harm? Halal businesses must adhere to the ethical principles outlined in Islamic teachings — ensuring your product or service is not just lawful but also morally sound.

- How does the business promote social good? Your business should aim to benefit society as a whole. Consider how your product or service contributes to the welfare of individuals, families, and communities. Does it help create positive social change?

- Can the processes be made transparent and fair? Transparency in operations builds trust. From pricing models to how profits are distributed, your business should be clear and just in dealing with customers, employees, and stakeholders. Fairness at every level of your business ensures that everyone benefits equitably.

An excellent example of a purpose-driven business with strong ethical foundations is GoBarakah. Audri Zin, Chief Technology Officer, explains how their solution tackles multiple social issues while staying aligned with halal and ethical values.

"We designed solutions to address fraud, inefficiencies, and inequities in the social assistance space. By using controlled redemption processes and cashless distribution, we ensured that the money reached the intended beneficiaries — without mismanagement or corruption."

Their system not only addresses real pain points but also operates within the boundaries of Islamic ethics. This is a clear example of a business idea that stays true to its ethical mission while being both impactful and scalable.

Exercises to Discover Your Purpose

Finding your purpose and aligning it with halal and ethical values is a process that requires introspection, feedback, and constant iteration. To help you get there, here are a few practical exercises that can refine your purpose-driven idea:

- **The "Why" Question:** Ask yourself why your idea matters. Keep asking "why" until you uncover the core purpose behind your business. This simple exercise will help you move beyond surface-level motivations like profit and focus on the deeper value your business can create for your customers and society.

Example: Why am I creating this product? To solve a problem? To make a positive social impact? To fill a gap in the market?

- **Problem Prioritization Matrix:** Sometimes, you'll encounter multiple problems to solve, but not all are worth tackling at once. Create a prioritization matrix to assess the potential impact and feasibility of each problem. Rank them based on urgency, your ability to solve them, and how closely they align with your ethical values.

Example: A problem may be urgent but difficult to solve with your current resources. Another problem might align perfectly with your values but require more research. This matrix will help you focus your energy on the right problem at the right time.

- **Feedback Loops:** As you refine your idea, make sure to test it continuously with real users. Create prototypes or early versions of your product and conduct user interviews to gather feedback. This iterative process ensures that your solution is evolving in line with customer needs and ethical standards.

Closing Thoughts

Finding a purpose-driven idea is about more than creativity — it's about empathy, persistence, and alignment with your values. By focusing on solving meaningful problems and building ethically sound solutions, you're setting the foundation for a business that matters. Let the insights from our alumni and the exercises in this chapter guide you as you embark on this journey.

Chapter **3**

Building Your Ethical and High-Performing Team

The foundation of any great startup lies not just in a brilliant idea, but in a strong, complementary, and committed team. Your business can only grow as fast as the people you surround yourself with, and in the case of a halal and ethical startup, it's essential to align your team's values with the mission you've set out to achieve. Building a high-performing team doesn't just mean finding the most skilled professionals; it means finding those who share your vision for creating positive, impactful change in the world.

The Importance of a Strong, Complementary, and Ethical Team

As the founder, your role is to ensure that your team is not only capable but also aligned with the core ethical principles that drive your business. The best teams are made up of individuals who bring diverse skills and perspectives, yet work together seamlessly toward a common goal.

Complementary skill sets are crucial, but it's equally important to ensure everyone shares the same commitment to ethical practices.

An ethical team isn't just one that avoids bad practices — it's one that actively creates value, fosters fairness, and upholds transparency in everything they do. When team members are aligned with these values, it shapes everything from your decision-making to how you interact with customers, partners, and stakeholders.

Founders' Experience in Hiring

Hiring for a startup is a journey. It's not just about filling positions — it's about building a culture and a legacy. When you're assembling your team, you need to focus not just on resumes and technical expertise, but on how candidates fit with your company's ethos and mission.

For Badzlan Bakar of Reyhut Automation, hiring in the early stages presented unique challenges. *"One of the challenges we faced was the mentality of people when they join a startup. They are often looking for an easier job. It's quite a contrast to the mindset in Silicon Valley, where those who join startups are looking for a challenge and to be challenged,"* he explains.

Badzlan's team had to rethink traditional hiring methods to ensure a better cultural fit.

"We moved away from traditional job boards, which didn't align with our company's values and vision. Instead, we brought in junior staff on internships or part-time contracts for a minimum of six months. This gave us the chance to assess whether the hiring was a good fit."

By taking a more flexible approach, Reyhut was able to identify individuals who shared the company's long-term goals and work ethic. Over time, these team members became the core of the company, and many transitioned into full-time, leadership roles after demonstrating their commitment and cultural fit.

Challenges in Hiring

Hiring for a startup can be tough — especially when you're focused on building an ethical, high-performing team. The stakes are high, and it's tempting to hire anyone who can get the job done. But it's important to remember that your team is the heart of your company's culture and success.

Hidayah Shahidan of Synbiozymes faced similar challenges, particularly in the highly specialized biotech field. *"In my experience, hiring for a tech startup like Synbiozymes comes with its own set of challenges, especially in the early stages when resources and reputation are limited. One significant challenge was attracting top talent who align with our vision of sustainability and ethical business practices while also being comfortable with the uncertainties of a startup environment."*

Highly skilled candidates, especially in fields like biotech, often prefer the stability and structure of large organizations. For Hidayah, it was about finding those few who were not only technically competent but also deeply passionate about sustainability and the company's broader mission.

"We reached out to the Bioeconomy Corporation BeST Program to source fresh graduates in biotechnology. We also emphasized our vision of using biotechnology to drive sustainability and food security. This resonated with purpose-driven professionals who were motivated by more than just salary."

By focusing on the company's broader ethical mission, Synbiozymes was able to attract talent who were eager to contribute to something bigger than themselves.

Similarly, Nur Zahirah M Sukran, co-founder of iLuvQuran, shared insights from her own hiring journey.

> **"**
>
> *"When hiring for our startup, one of our biggest challenges has been finding candidates who share not just our Islamic values, but also a growth mindset and a commitment to continuous learning."*

This was particularly challenging among recent graduates from Islamic studies fields. However, Zahirah and her team discovered exceptional candidates in unexpected places. *"We were deeply impressed by some candidates, including mothers on career breaks and homeschooling mothers. These individuals embodied everything we were seeking: a passion for the Quran, a love for education and children, and an insatiable drive to keep learning and growing."*

Both examples demonstrate that hiring for startups, especially those with strong ethical missions, requires creativity and persistence. By emphasizing their vision and values, startups like Synbiozymes and iLuvQuran were able to attract purpose-driven talent who aligned with their goals. For founders, this highlights the importance of communicating your mission clearly and being open to unconventional talent pools to build a team that truly believes in your vision.

Identifying Key Roles and Responsibilities

Building an ethical and high-performing team starts with recognizing which roles are critical to your startup's success. Unlike in the corporate world, where roles are often rigidly defined, the startup ecosystem requires flexibility and a shared sense of responsibility. Every team member must not only know their specific duties but also understand how their contributions tie into the bigger picture. In a startup, everyone has to be willing to step up and go beyond their defined role when necessary, often wearing multiple hats to drive the business forward.

As your startup grows, you'll need to identify new roles that address gaps in expertise while ensuring alignment with your mission and ethical values. While hiring for specialized skills is essential, it's equally important to find people who embrace the dynamic, fast-paced nature of startups and can adapt to new challenges. Building a team that is not only technically skilled but also deeply committed to your company's ethical principles will set a solid foundation for long-term success. The startup world is all about agility, innovation, and resilience, so it's vital that each team member is motivated to contribute, grow, and take ownership in ways that go beyond their job description. Identifying key roles early on ensures that as you scale, your team remains aligned, purpose-driven, and ready to face new challenges.

Building Company Culture Based on Ethical Values

Your company culture is a reflection of the values you hold dear. As a founder, you set the tone for how your team operates. A culture of transparency, fairness, and ethical behavior can make a significant difference in how your company grows and thrives.

Start by fostering open communication, encouraging feedback, and creating a space where ethical dilemmas can be discussed and resolved. It's important to lead by example. As your business grows, the decisions you make, both large and small, will set the cultural tone for the entire team.

Think about:

- **How you make decisions:** Are you transparent about why you're making certain choices, especially when they impact the team or stakeholders?

- **How you handle conflict:** Are you encouraging respectful, constructive conversations, even when differences arise?

- **How you show appreciation:** Ethical businesses thrive on a culture of mutual respect. Recognizing your team's contributions is crucial to retaining talent and keeping morale high.

Building a team that is not only high-performing but also aligned with your ethical mission is challenging, but it's also one of the most rewarding parts of growing a startup. By identifying roles carefully, hiring for cultural fit, and fostering a supportive, values-driven company culture, you'll ensure your startup thrives — both in terms of business success and social impact.

Part 2
Launching and Growing Your Business

Chapter **4** Understanding Your Halal/Ethical Market

The key to building a successful startup—especially a halal or ethical one — is knowing your market inside and out. It's not just about having a good product; it's about understanding exactly who needs it, why they need it, and how to reach them effectively. Without this understanding, you're flying blind.

Market Research: The First Step to Product-Market Fit (PMF)

Market research isn't just a box to check — it's your roadmap to building a product that people actually want. Product-Market Fit (PMF) is the sweet spot where your product solves a real problem for your target market, and they're willing to pay for it. It's what makes the difference between a product that dies in obscurity and one that becomes a market leader.

To find PMF, you have to dive deep into research and understanding. Here's how:

1. **Start With the Problem:** What is the real, tangible problem you're solving? Start by clearly defining this. In a halal or ethical context, this problem is often rooted in ethical, social, or community-based issues. Don't just assume you know the problem — ask your target market. The clearer your problem statement, the better.

2. **Demographics, Behaviors, and Needs:** Who exactly has this problem? Are they Muslim families, young professionals, or schools? What behaviors and needs define this group? Understand them inside and out. Get specific. Data isn't optional — it's critical to understanding your market.

3. **Competitive Landscape:** Know your competition, but don't just look at what they offer — look at what they miss. What gaps are they leaving in the market? That's where you come in. Study alternatives, and make sure your solution is positioned to deliver what they can't.

Hajon Mahdy Mahmudin, co-founder of Qara'a, stresses how founders should start:

> "*New founders should start by defining a clear problem statement and understanding who is most affected by it.*
>
> *For Qara'a, we targeted Muslim families and schools, focusing on those who prioritize Quranic education but lack personalized or engaging tools. Surveys and direct interactions helped us refine our understanding of their needs.*"

His advice? Start with data and consistently refine your understanding.

Identifying Your Target Market and Their Needs

If you don't know exactly who your customers are, how will you know what they need? For halal and ethical startups, the process of identifying your target market is even more crucial. You're not just selling a product; you're offering something that aligns with your audience's values and ethical considerations.

The key here is customer engagement. Get in front of your customers, talk to them, and understand their challenges. This isn't just market research; it's customer discovery. The more you engage, the more you'll uncover hidden pain points that can help shape your product.

Hajon suggests diving deeper into your customer's world: *"Surveys and direct interactions helped us refine our understanding of their needs."* So, don't just take a guess at who your audience is — go talk to them, engage with them, and make sure you understand their world.

Analyzing the Competitive Landscape and Finding Your Niche

In any market, understanding your competition is non-negotiable. But in the halal and ethical space, it's not just about beating others at their game — it's about doing something they're not. So, study the competition, but more importantly, look at the gaps.

What are the gaps in your competitors' products or services? What are they missing that your startup can fill? Finding those opportunities is where you'll make your mark. Don't copy the competition; innovate around it.

Nur Zahirah M Sukran, co-founder of ILuvQuran, shares, *"As an innovative company with big dreams of transforming Quranic education globally, it's essential for us to continuously learn and improve. What works today in understanding our landscape and meeting customer needs may not be effective tomorrow. That's why staying open — keeping our eyes, minds, and ears attuned — is crucial. We must remain deeply connected to our customers, embracing a service mindset grounded in sincerity (ikhlas)."*

Pro tip: If you haven't done a competitive analysis yet, now's the time. Be brutal in your evaluation. Know what your competitors are doing well, and figure out where they're lacking. That's your opening.

Relating to Product-Market Fit (PMF)

Finding PMF isn't just about having a great product. It's about knowing your market, its pain points, and its gaps so well that your solution becomes a no-brainer. The ultimate goal is to make sure that your product is solving a real, urgent problem, and your target audience is willing to pay for it.

Hidayah Shahidan from Synbiozymes highlights an essential tip for finding PMF in the deep-tech space: *"Leverage your expertise to spot trends, regulatory gaps, or unmet needs."*

Use your background, experience, and understanding of the market to position your product where the need is the greatest.

The bottom line? Achieving PMF means you're in sync with the market. You understand the problem, you've built a solution, and customers are excited to use it. Keep talking to your customers, pivoting where necessary, and tweaking your product until you find that sweet spot.

Wrapping It Up

Understanding your halal or ethical market isn't just about research — it's about deep, customer-centric engagement. Know your audience, study your competition, and use your expertise to find the gaps that others are missing. Achieving Product-Market Fit is about solving a real, urgent problem — and when you get it right, the customers will follow. So get out there, talk to your customers, and keep refining until you nail PMF.

Chapter **5**

Marketing and Sales with Integrity

In a world where customers are bombarded with endless marketing messages, standing out requires more than just flashy ads — it's about building trust and credibility from the start. For ethical startups, marketing isn't just about selling a product — it's about selling a mission, a purpose, and a genuine commitment to solving real problems.

Ethical Marketing Principles: The Foundation

Marketing with integrity means putting your customers' needs first. This starts with an honest, transparent approach to your product and its impact. You need to ensure that your messaging doesn't just promise, but delivers on the value you're creating. People aren't just looking for products — they're looking for businesses they can believe in. The most successful ethical startups tap into that trust by being open, genuine, and relentlessly focused on providing real value.

Engage Early, Engage Often

Suffian Samsuddin, founder of Jayyid, has a simple but powerful take on this:

> *"Always engage with your target market or customers to understand what value means to them, regardless of your expertise in the field."*

"For example, we initially believed parents prioritized Tajweed (proper recitation) in their children's Quranic education. However, we discovered that their deeper desire was for their children to connect with the Quran. By incorporating this insight into our value proposition, we've been able to refine and adjust our offerings to better meet their needs."

Riza Herzego Nida Fathan, founder of Akal, reinforces this sentiment, identifying lack of user engagement as a critical mistake:

> *"If you haven't spoken to at least one customer (or potential customer) in a given week, something is off."*

So, pick up the phone, schedule user interviews, or run surveys. The sooner you start gathering insights, the better equipped you'll be to create something your users genuinely need. Listening beats assuming every time. And once you truly understand their needs, focus on solving those — not the ones you think they have.

Build Trust Through Transparency

Hajon Mahdy Mahmudin of Qara'a knows the importance of credibility. For them, it was about transparency, consistency, and value delivery. *"For us, credibility came from ensuring our app's content was vetted by reputable Quranic scholars. It wasn't just about saying we're trustworthy; we showed it through the quality of our content."* Their approach also focused heavily on user feedback. By publicly displaying how customer suggestions shaped the product, Qara'a not only improved their offering but created a loop of trust where users felt heard and valued.

Riza adds another critical dimension: neglecting to assess your 'aqd — the fundamental Islamic contract governing your business — can lead to ethical missteps. *"To ensure your business stays ethical and halal, you must regularly evaluate your 'aqd. Seek guidance from experts when needed to stay aligned with the right principles."* For startups in the halal and ethical space, this isn't just a compliance issue — it's about maintaining the integrity and trust that form the foundation of your venture.

In today's world, trust is a currency. So, make sure you're paying it forward — whether it's in your product quality, your customer service, or how you engage with your audience.

Partnerships for Credibility

When you're an ethical startup, building credibility often requires strategic partnerships. Audri Zin from GoBarakah talks about leveraging the founders' existing relationships in the social assistance sector to create a network of early adopters who believed in their vision. *"We made sure to partner with credible organizations that aligned with our values, ensuring they could elevate our platform's credibility."* Collaborating with the right partners not only boosts your exposure but helps validate your business in the eyes of key decision-makers.

Validate Early, Iterate Fast

Satrya Nugroho from iHome offers another critical piece of advice:

> **"**
> *"Treat your customers like free business consultants."*

Before launching their product, Satrya and his team were constantly gathering feedback through surveys to validate their assumptions. Their goal was to ensure that what they were building truly matched their market's needs.

They were aiming for a modest 30% demand at first — but *"the survey results blew our expectations out of the water,"* says Satrya. It was this feedback-driven approach that helped boost their confidence and laid a foundation for their product-market fit.

The lesson here? Validate early and validate often. The more feedback you gather, the more informed your decisions will be. And if you're willing to listen and pivot, you'll create something that not only sells but solves.

Part 3
Fundraising
and Scaling Ethically

Chapter 6   Funding Your Ethical Venture

Chapter 6

Funding Your Ethical Venture

When it comes to funding your ethical venture, there's no one-size-fits-all approach. Whether you're bootstrapping, reaching out to angel investors, courting venture capitalists, tapping into crowdfunding, or applying for government grants, each funding source has its own set of advantages, risks, and requirements. So, what's the best way to navigate these waters?

Explore Your Funding Options

Different funding options come with different expectations, so you need to figure out which one best fits your needs and values. Bootstrapping gives you full control but requires you to put in your own money and resources. Angel investors and venture capitalists can offer more significant funding, but they'll expect a say in your company's direction. Crowdfunding can be a great way to gauge public interest, and government grants often come with fewer strings attached but can be highly competitive.

Whatever route you choose, you need to be prepared — especially when it comes to pitching your business to potential investors.

Be Ready to Fundraise

Before you even think about approaching investors, you need to get your ducks in a row. This means having a solid pitch deck, clear financial projections, and the necessary legal documents ready to go. Your pitch deck should tell a compelling story — what problem are you solving? Who is your target market? How will you scale? And most importantly, why does your ethical mission matter?

Badzlan Bakar, Reyhut Automation, advises, *"When it comes to decision-making in fundraising through VCs, I follow a simple framework: Review the portfolio companies and the historical data of the investments they've made. Understand the VC's investment thesis and approach. The VC community is relatively small, so it's crucial to ask around and gather insights on how they support and build companies"*.

Ethical Fundraising Practices

When fundraising for an ethical business, it's crucial to partner with investors who align with your values. This is especially true if your venture operates within the halal or ethical frameworks. Don't just chase the cash — look for investors who not only provide funding but also share your commitment to making a positive impact.

Hidayah Shahidan, Synbiozymes, shares her experience: *"Navigating venture capital and angel investing can be challenging for ethical and halal businesses. As a Muslim entrepreneur, it's crucial to thoroughly understand potential partners, as they will significantly influence how you run your business. Ensure the investors share your values and principles."*

When choosing investors, Hidayah suggests looking for those who can offer more than just capital. *"Prioritize investors who provide mentorship and strategic guidance. Look for VCs who can open doors to partnerships and regional expansion. Most importantly, find VCs who adopt a founder-centric approach and share your long-term vision — this ensures a supportive, sustainable relationship that will help your business scale."*

Build Strong Relationships

Fundraising isn't just about the money — it's about building relationships. The best investors will not only fund your startup but will help you scale by offering advice, connections, and insights. When you approach an investor, make sure you're aligning with someone who will be a true partner in your growth journey.

Audri Zin, GoBarakah, points out a crucial factor in the fundraising process: *"Having legal advice is important during the fundraise process in order to have all the housekeeping done before fundraising (cap table, shareholders' agreement, vesting/founders' agreement), also during and after fundraising."* And don't forget — fundraising takes time. *"Founders need to be realistic in how much to raise and how long the fundraising process will take. Plan ahead and don't wait until you're running low on cash. That way, you'll have more leverage during negotiations."*

Avoid Common Pitfalls

Founders often stumble on a simple yet critical mistake: failing to communicate the true value of their solutions. This misstep can leave both customers and investors unengaged and uninterested. Audri Zin, Chief Technology Officer of GoBarakah, puts it plainly: *"Poor communication of solutions to clients, especially when failing to choose one clear defining feature in order to 'hook' potential customers, can be a dealbreaker."*

The fix? Ditch the one-size-fits-all approach. Personalize your proposals for each client by addressing their specific pain points. This rule applies equally to your fundraising efforts: tailor your pitch to align with the unique goals and values of the investors you're courting. It's this level of detail and attention that can refine your PMF and significantly boost your chances of success.

Building on this, Suffian Samsuddin, founder of Jayyid, highlights another critical aspect: *"You need to clearly articulate your value proposition and demonstrate what sets you apart from others in the field. Beyond that, success often comes down to how well people know you personally."* He advises founders to step out of their comfort zones and connect. *"Actively engage with your audience, target customers, and potential funders. The relationships you build will be the foundation of trust and confidence they need to embrace your ideas and vision."*

In short, clarity and connection are your secret weapons. Clearly define your value and ensure every interaction — whether with a customer or an investor — is an opportunity to create a lasting, meaningful impression. When you communicate with precision and foster genuine relationships, you pave the way for buy-in that goes beyond the transaction — it becomes belief in your mission.

Conclusion: Your Journey Starts Here

The fact that you've reached the end of this playbook says a lot about you — you're not just curious; you're serious about building something extraordinary. It shows your commitment to creating a startup that doesn't just succeed but makes a meaningful difference. And that's exactly the kind of mindset that shapes impactful founders and thriving ventures.

Your vision is bold, and the journey ahead won't always be easy. But it's through these challenges that leaders are forged, and legacies are built. Every decision you make from here is an opportunity to define the values your business will stand for. This isn't just about profits — it's about solving real problems, inspiring change, and creating a future you're proud of.

And while entrepreneurship is demanding, it's not something you have to navigate alone. The most successful founders surround themselves with mentors, peers, and communities that amplify their strengths and accelerate their growth.

Through HASAN.VC's Accelerator program, we've seen firsthand how purposeful ideas turn into impactful ventures when nurtured with the right guidance and support. We've had the privilege of walking alongside founders like you — visionaries who dare to dream big and build boldly.

Your story is just beginning. Don't wait for the perfect moment — create it. Every step forward, no matter how small, is a step closer to making your vision a reality.

So, keep going. Think big, stay true to your purpose, and embrace the adventure ahead. The world is waiting for the impact only you can make.

To the remarkable success that awaits,

The HASAN.VC Team

Ethical Startup Playbook
Insights and Strategies from Founders for Founders

Featuring Insights from HASAN.VC's Cohort 001 Alumni
Real-world advice and practical strategies from those who've been there.

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