AGENDA

1. Admit and Waiting Lists

2. Eight Key Frameworks and Models

3. Team Formation for Cases and Opportunity Analysis Project (OAP)
SYLLABUS

Entrepreneurs start here

Bureaucrats start here

FRAMEWORK A: TWO PERSPECTIVES
FRAMEWORK B: VISION FIRST

Note: See Built to Last and other similar books by Jim Collins

VISION

STRATEGY

EXECUTION

Reference: Dorf and Byers (Figure 7.1)
FUNDAMENTAL QUESTIONS: VISION

- What do the founders wish to achieve with their business?
- What is our shared vision and goals?
- What is our story and what business are we in?

EXAMPLE: What businesses are they really in?

<table>
<thead>
<tr>
<th>Company</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>Search?</td>
</tr>
<tr>
<td>Facebook</td>
<td>Friends?</td>
</tr>
<tr>
<td>Amazon</td>
<td>Books?</td>
</tr>
</tbody>
</table>

FUNDAMENTAL QUESTIONS: STRATEGY

- Do we have the right strategy?
- Who is going to buy?
- What are we selling?
- Why are we better?

FUNDAMENTAL QUESTIONS: EXECUTION

- Can we do it?
- What resources are needed?
- What is the blueprint for growth?
- Can we adapt?

Reference: Steven Brandt
FRAMEWORK C: THE BIG 3 QUESTIONS

1. BIG MARKET? (AND GROWING)

2. GREAT PRODUCT OR SERVICE? (10X BETTER)

3. EXCELLENT TEAM? (BOTH TECH AND BIZ)

References: Randy Komisar and Marc Andreessen

MARC ANDREESSEN
Venture Capitalist: a16z
Co-Founder: Netscape
Marc Andreessen
Co-founder & General Partner, Andreessen Horowitz
May 12, 2010

SILICON VALLEY: ANOTHER RENAISSANCE?

“No bankers, no Renaissance.”
FRAMEWORK D: BUSINESS PLANS

Reference: Sahlman’s “How to Write a Great Business Plan”

FRAMEWORK E: LEAN STARTUP METHODS
THE SEARCH FOR THE SCALABLE BUSINESS MODEL

• Business model > business plan

• Few business plans survive first contact with customers

• A business model diagrams how a company creates, delivers and captures value

• Or in plain talk… a business model is how a company makes money

Reference: Ann Miura-Ko and Steve Blank

Why the Lean Start-Up Changes Everything
by Steve Blank
FRAMEWORK F: "THE MOST IMPORTANT RISK RIGHT NOW"

- Team Risk
- Capital Risk
- Market Risk
- Technological Risk

FRAMEWORK G.1: CROSSING THE CHASM

- Innovators
- Early Adopters
- Early Majority
- Tornado
- Bowling Alley
- Late Majority
- Main Street
- Laggards

B2B

Customers want Technology and Performance

Customers want Solutions and Convenience

Source: Geoff Moore
FRAMEWORK G.2: MOORE’S GEARS

B2C

Referrals
Contributions
"Sharing"

Advertising
Retail
"Bus Model"

Enlistment
Acquisition
Monetization
Engagement

Starter Motor

Traffic
Eyeballs
"Hits"

Time on Site
Interactions
"Liking"

FRAMEWORK H: SCALING AND GROWING

CONCEPTING
Commitment
Validation
Scaling
Establishing

PRE-STARTUP
STARTUP
GROWTH

Concepting
Commitment
Validation
Scaling
Establishing

Having clear and meaningful target with clear direction for min. 3 years with milestones to get there, i.e. 3, 6, 12, 24, 36 months. Having team of two or three core founding people with balanced ownership. Can also already have some extended team with tighter commitment (stock options and/or cash compensation)

Commitment & skills balanced founding team. Able to develop the product/service (Minimum Viable Product) without dependency of uncommitted external resources. OR already have initial product/service developed. Have signed shareholder agreement between founders, with milestones, committed time and money usage, for min. 2+ years with vesting etc.

Can already show some user growth and/or revenue (Initial traction). AND/OR continue to attract additional resources (money or sweat equity) for equity or future revenue. Looking for clear market validation (Product Market Fit), to be able to move into scaling.

Showing clear, growing and measurable user/market traction in big or rapidly growing target market. Can and want to scale fast. AND/OR is able to attract significant funding.

Achieved great growth, that can expected to continue strong. No longer need to "try" to get resources and can get them easily. Continue to grow and often wants to culturally continue behaving like a "startup" for as long as possible. Founders make exit or continue biz as usual.

Reference: http://www.startupcommons.org/
OPPORTUNITY ASSESSMENT PROJECT (OAP)

1. Form a team of 5 (same team as your study group for cases)
2. Generate a lot of ideas and then pick one to investigate, prototype and analyze
3. Test your assumptions (hypothesis) with real users, customers, partners, and competitors; gather information on the category of product and service
4. Keep iterating to decide whether it is a true business opportunity
5. Develop a business story to present with classmates

SUMMARY OF TEAM DELIVERABLES

- ✔ Project website with choice of concept
- ✔ Positioning statement draft with explanation of learnings
- ✔ Final OAP presentation in Class
- ✔ Final OAP Paper

Toby

Stevo
SPECIAL SESSION 2W (WORKSHOP)

- Here in Littlefield
- Informal and optional Accounting Tutorial
- Monday 9/29 at 9am
- With Dimitre Dimitrov from STVP

THANK YOU!

E145:SESSION 2