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**How do you learn  
"how to innovate"?**

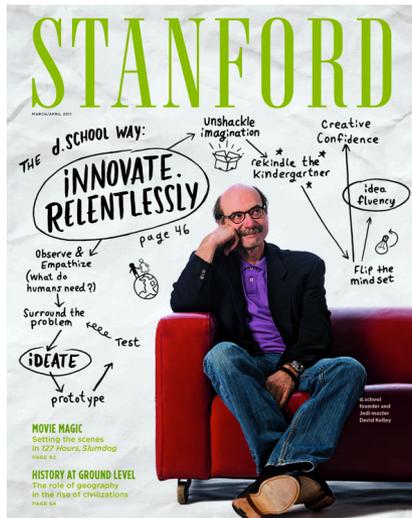
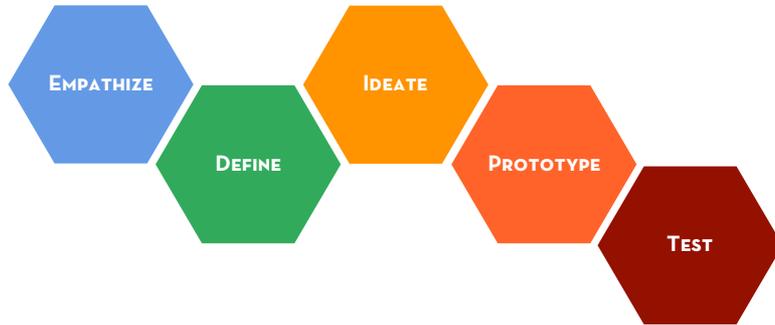


# **Innovation & Entrepreneurship**

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**= Design Thinking + Lean Startup**

# Design Thinking



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# Lean Startup



Steve Blank is a consulting associate professor at Stanford University and a lecturer and National Science Foundation principal investigator at the University of California at Berkeley and Columbia University. He has participated in eight high-tech start-ups as either a cofounder or an early employee.

HBR.ORG

## Harvard Business Review

## Why the Lean Start-Up Changes Everything

by Steve Blank

**L**aunching a new enterprise—whether it's a tech start-up, a small business, or an initiative within a large corporation—has always been a hit-or-miss proposition. According to the decades-old formula, you write a business plan, pitch it to investors, assemble a team, introduce a product, and start selling as hard as you can. And somewhere in this sequence of events, you'll probably suffer a fatal setback. The odds are not with you: As new research by Harvard Business School's Shikhar Ghosh shows, 75% of all start-ups fail.

But recently an important countervailing force has emerged, one that can make the process of starting a company less risky. It's a methodology called the "lean start-up," and it favors experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional "big design up front" development. Although the methodology is just a few years old, its concepts—such

as "minimum viable product" and "pivoting"—have quickly taken root in the start-up world, and busi-

### The Business Model Canvas

Designed for:		Designed by:		Date:	Version:
<b>Key Partners</b> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p>	<b>Key Activities</b> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><b>CATEGORIES</b> Production Problem Solving Platform/Network</p>	<b>Value Propositions</b> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products &amp; services are we offering to each Customer Segment? Which customer needs are we satisfying?</p>	<b>Customer Relationships</b> <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established?</p> <p><b>EXAMPLES</b> Personal assistance Self-Service Automated Services Communities</p>	<b>Customer Segments</b> <p>For whom are we creating value? Who are our most important customers?</p> <p>Mass Market Niche Market Segmented Diversified Multi-sided Platform</p>	
<p><b>MOTIVATIONS FOR PARTNERSHIPS</b> Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</p>	<b>Key Resources</b> <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><b>TYPES OF RESOURCES</b> Physical Intellectual (brand patents, copyrights, data) Human Financial</p>	<p><b>CATEGORIES</b> Newness Performance Customization "Getting the Job Done" Design Brand/Status Price Cost Reduction Risk Reduction Accessibility Convenience/Usability</p>	<p><b>Channels</b> </p> <p>Through which Channels do our Customer Segments want to be reached? Which Channels are most cost-efficient? How can we integrate Channels with customer routines?</p> <p><b>CHANNEL PHASES</b></p> <ol style="list-style-type: none"> <li>1. Awareness – How do we raise awareness about our product/service?</li> <li>2. Evaluation – How do we help customers evaluate our VP?</li> <li>3. Purchase – How do we allow customers to purchase?</li> <li>4. Delivery – How do we deliver a VP to customers?</li> <li>5. After sales – How do we provide post-purchase customer support?</li> </ol>		
<b>Cost Structure</b> <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><b>SAMPLE CHARACTERISTICS</b> Fixed Costs (salaries, rents, utilities) Variable costs Economies of scale Economies of scope</p>		<b>Revenue Streams</b> <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p>		<p><b>TYPES</b> Asset sale Usage fee Subscription Fees Lending/Renting/Leasing Licensing Brokerage fees Advertising</p>	

DESIGNED BY: Business Model Foundry AG  
The makers of Business Model Generation and Strategyzer

Strategyzer  
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