Understanding

Stakeholders and Value

What drives an

Implementation Decision

Lessons from the

Startup World

Your Projects

as Startups

My *Story*

My startup set out to change an *entire industry*

1600s

Night Caps

1700s

Tri-corner Hats

1800s

Top Hats

1900s
Fedora Hats

1990s
Hard Hats

More innovation *in hats*

We had a *much better way*

3.0 Company History

Throughout the late 1980s the National Science Foundation funded professors at Virginia Tech to research real-time, radio-based position measurement technology for use in construction environments. That research led to a greater understanding of the potential for real-time systems and their limitations. The research showed that radio-frequency technology would have practical limitations in day-to-day operations. After the research concluded, graduate students working independently conceived the concept of a laser-based system. Two of the professors and a former

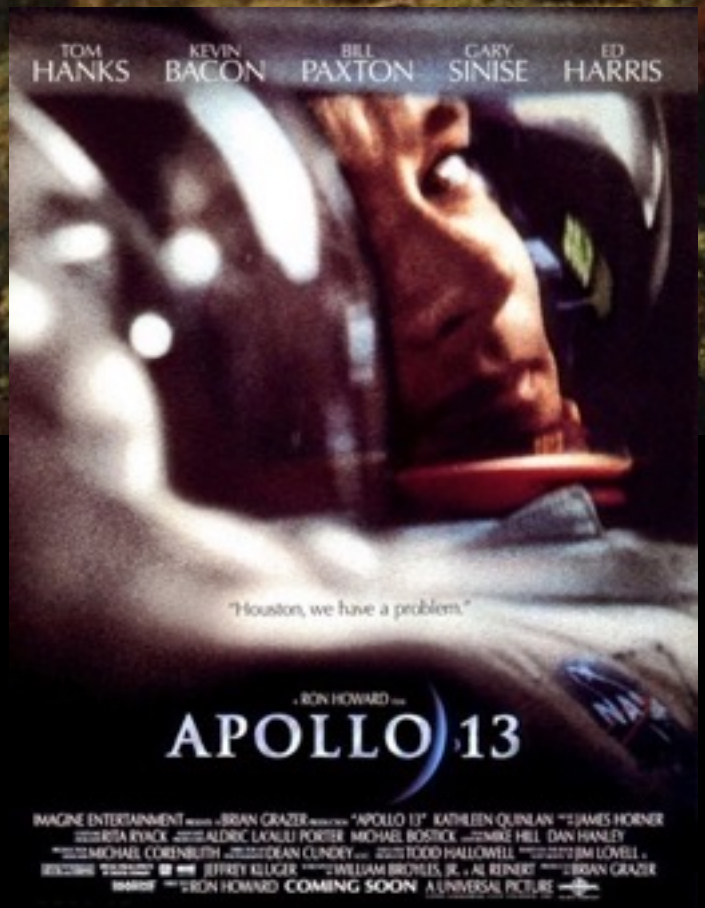
And these guys *said so*

BECHTEL

DUPONT®

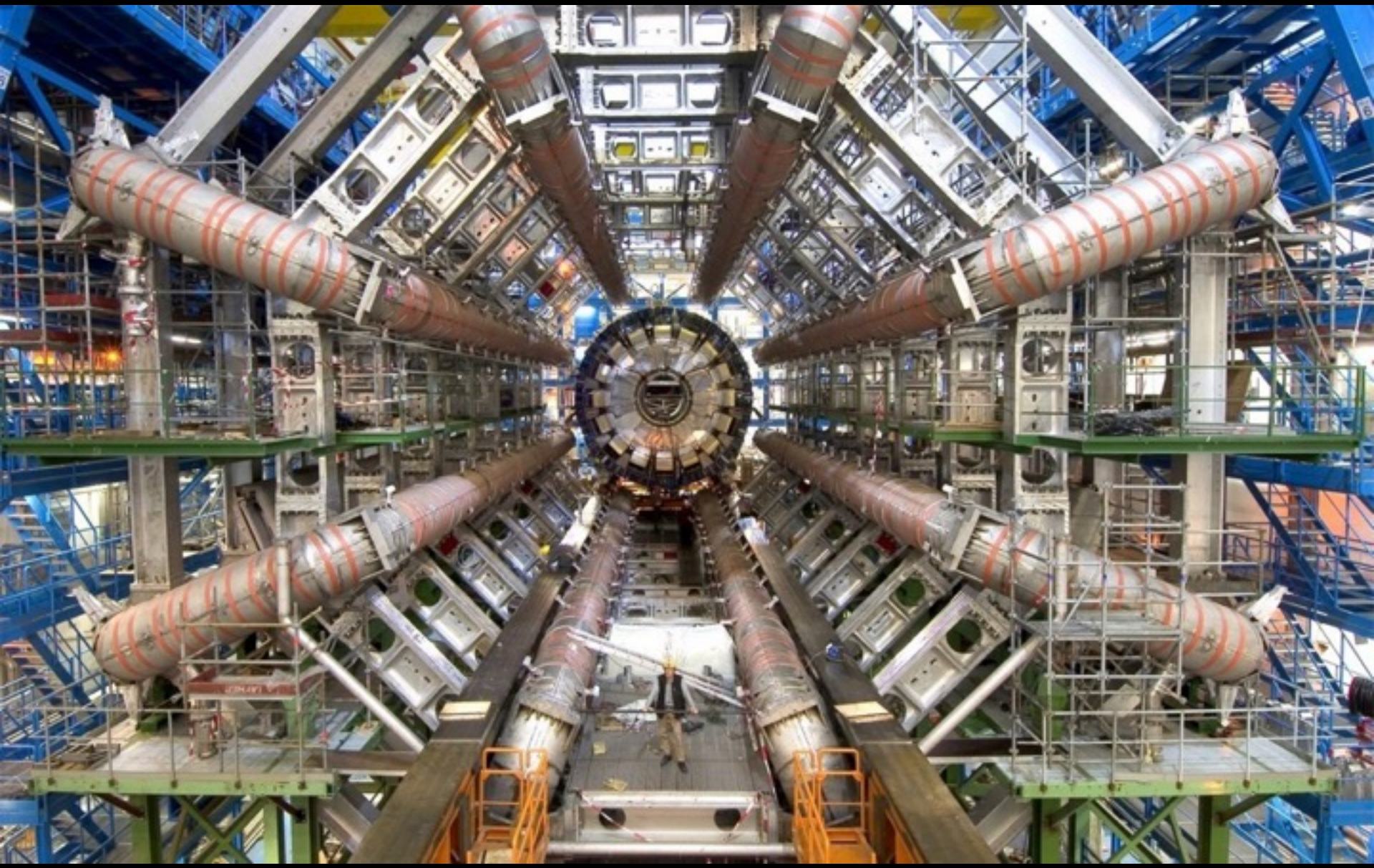
ASCE
American Society of Civil Engineers

HOLLYWOOD


TOM HANKS
KEVIN BACON
BILL PAXTON
GARY SINISE
ED HARRIS
"Houston, we have a problem."
RON HOWARD
APOLLO 13
IMAGINE ENTERTAINMENT
BRIAN GRAZER
"APOLLO 13"
KATHLEEN QUINLAN
JAMES HORNER
RITA RYACK
ALDRIC LA'ALLI PORTER
MICHAEL BOSTICK
MIKE HILL
DAN HANLEY
MICHAEL CORENBLITH
DEAN CUNDEY
TODD HALLOWELL
JIM LOVELL
JEFFREY KLUGER
WILLIAM BROYLES, JR.
AL REINERT
BRIAN GRAZER
RON HOWARD
COMING SOON
A UNIVERSAL PICTURE

LEONARDO DiCAPRIO
KATE WINSLET
NOTHING ON EARTH
COULD COME BETWEEN THEM.
TITANIC
FROM THE DIRECTOR OF "ALIENS," "T2" AND "TRUE LIES"

Washington D.C.
Hollywood



Geneva

Atlantis

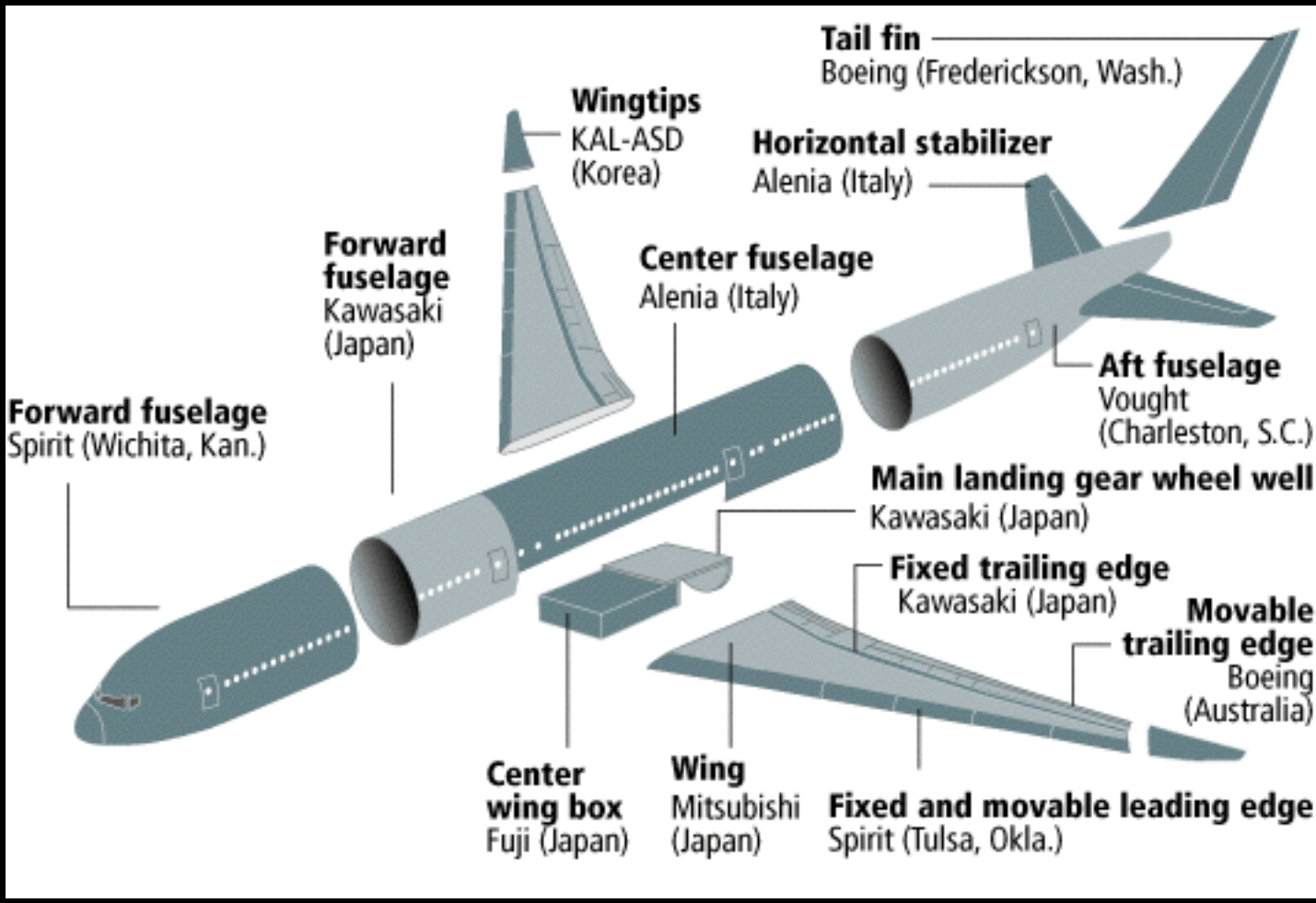
Orlando

What *Happened?*

10 years *$20M later*

787
BOEING
DREAMLINER

Indoor *GPS*



PARTS NOT SHOWN

Landing gear
Messier-Dowty
(England)

Wing/body fairing
Boeing (Canada)

Landing gear doors
Boeing (Canada)

Cargo access doors
Saab (Sweden)

Passenger entry doors
Latecoere (France)

Engines
GE (Evendale, Ohio)

Engines
Rolls-Royce (England)

Engine nacelles
Goodrich
(Chula Vista, Calif.)

Program *Background*

NSF I-CORPS

NSF Innovation Corps

$7 *Billion*

"How can we increase the economic impact of the research dollars invested every year?"

600+ *Teams*

Developed by

Entrepreneurs

Developed by

Innovators

Taught by

Entrepreneurs

Taught by

Innovators

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.

Why the Lean Start-Up Changes Everything

by Steve Blank

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 "minimum viable product" and "pivoting"—have ickly taken root in the start-up world, and busi-ss schools have already begun adapting their cur-ula to teach them.

The lean start-up movement hasn't gone totally ainstream, however, and we have yet to feel its full pact. In many ways it is roughly where the big data ovement was five years ago—consisting mainly of uzzword that's not yet widely understood, whose plications companies are just beginning to grasp. t as its practices spread, they're turning the con-ntional wisdom about entrepreneurship on its ad. New ventures of all kinds are attempting to improve their chances of success by following its principles of failing fast and continually learning. And despite the methodology's name, in the long term some of its biggest payoffs may be gained by the *large* companies that embrace it.

In this article I'll offer a brief overview of lean start-up techniques and how they've evolved. Most important, I'll explain how, in combination with other business trends, they could ignite a new entrepreneurial economy.

What is *it really?*

Innovation

Methodology

...for *Products*

...for *Services*

...for *Processes*

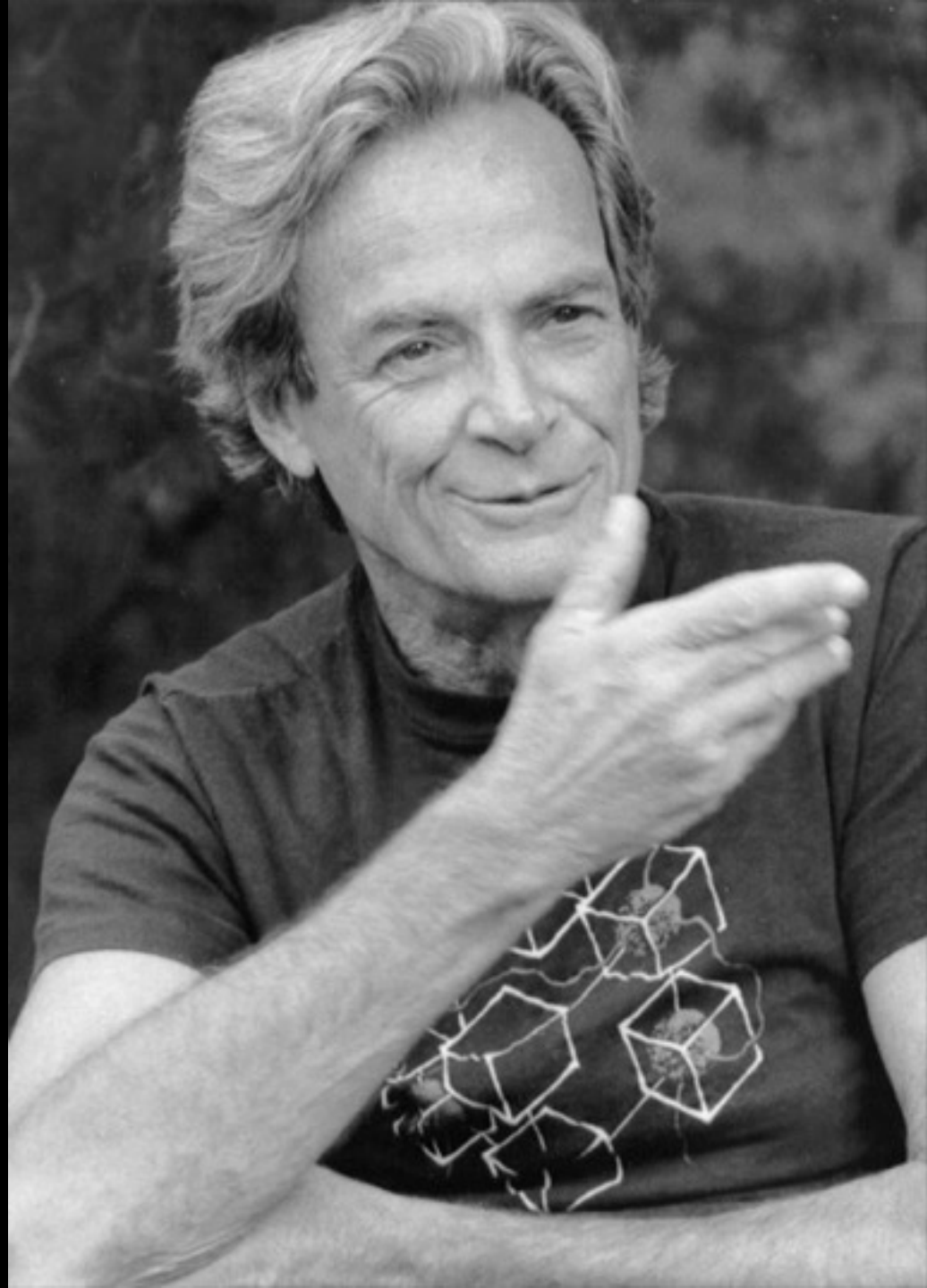
Leading *Questions*

Are all ideas

good ones?

"The first principle is that you must not fool yourself

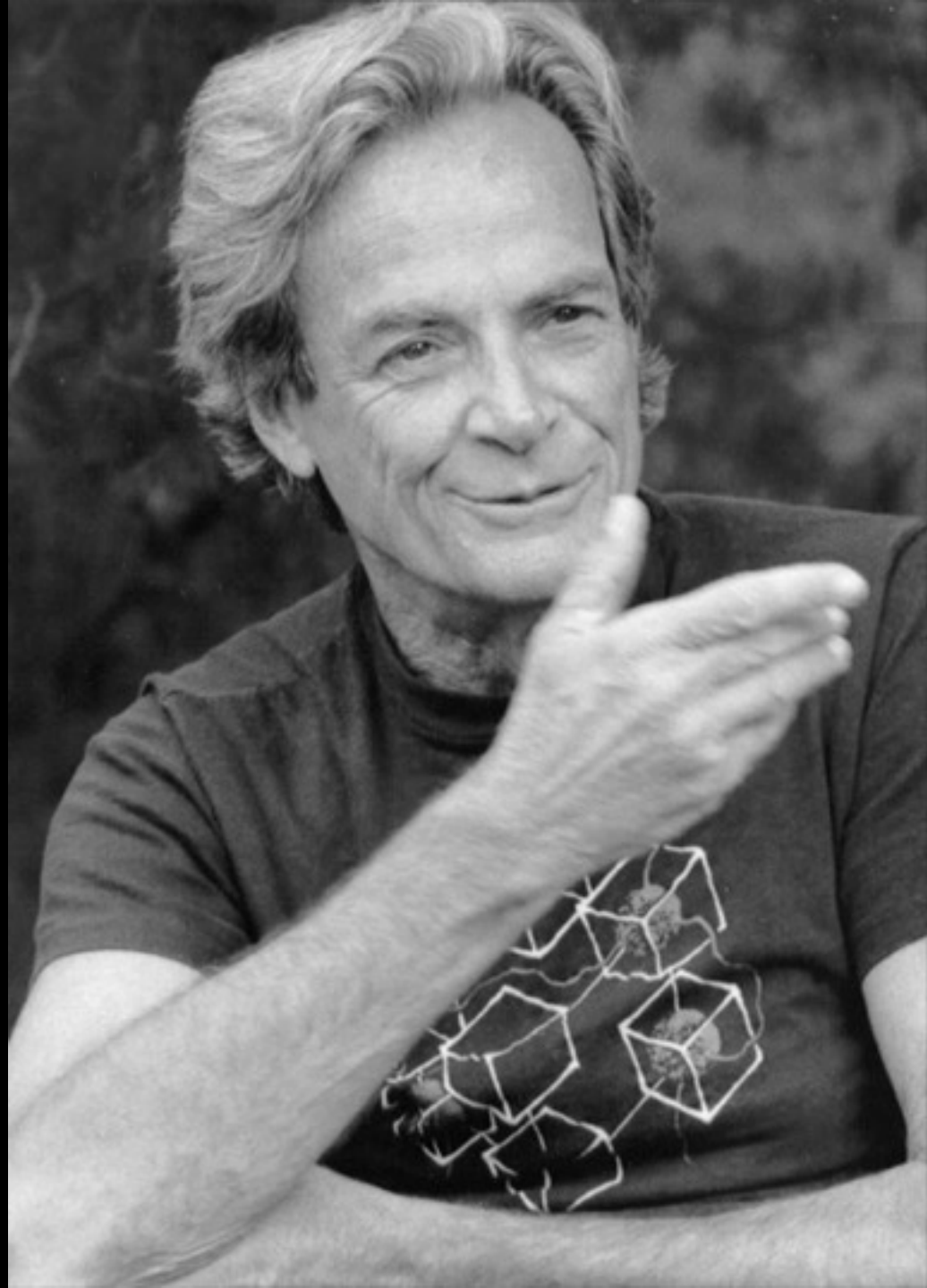
– Richard Feynman



“The first principle is that you must not fool yourself,

and you are the easiest person to fool.”

– Richard Feynman



Why are *we here?*

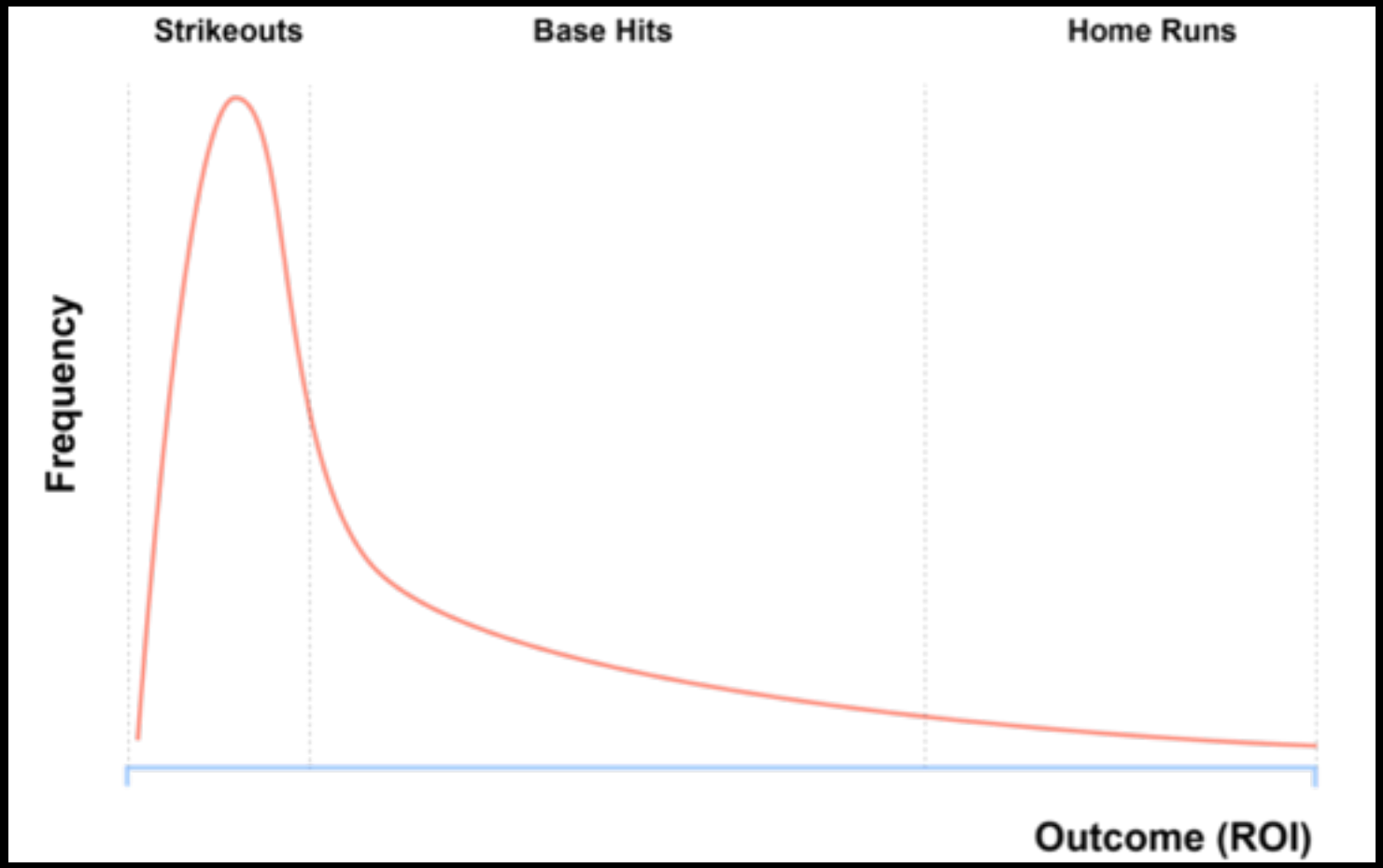
Our *Goal*

Improve *Odds*

Pick *Winners*

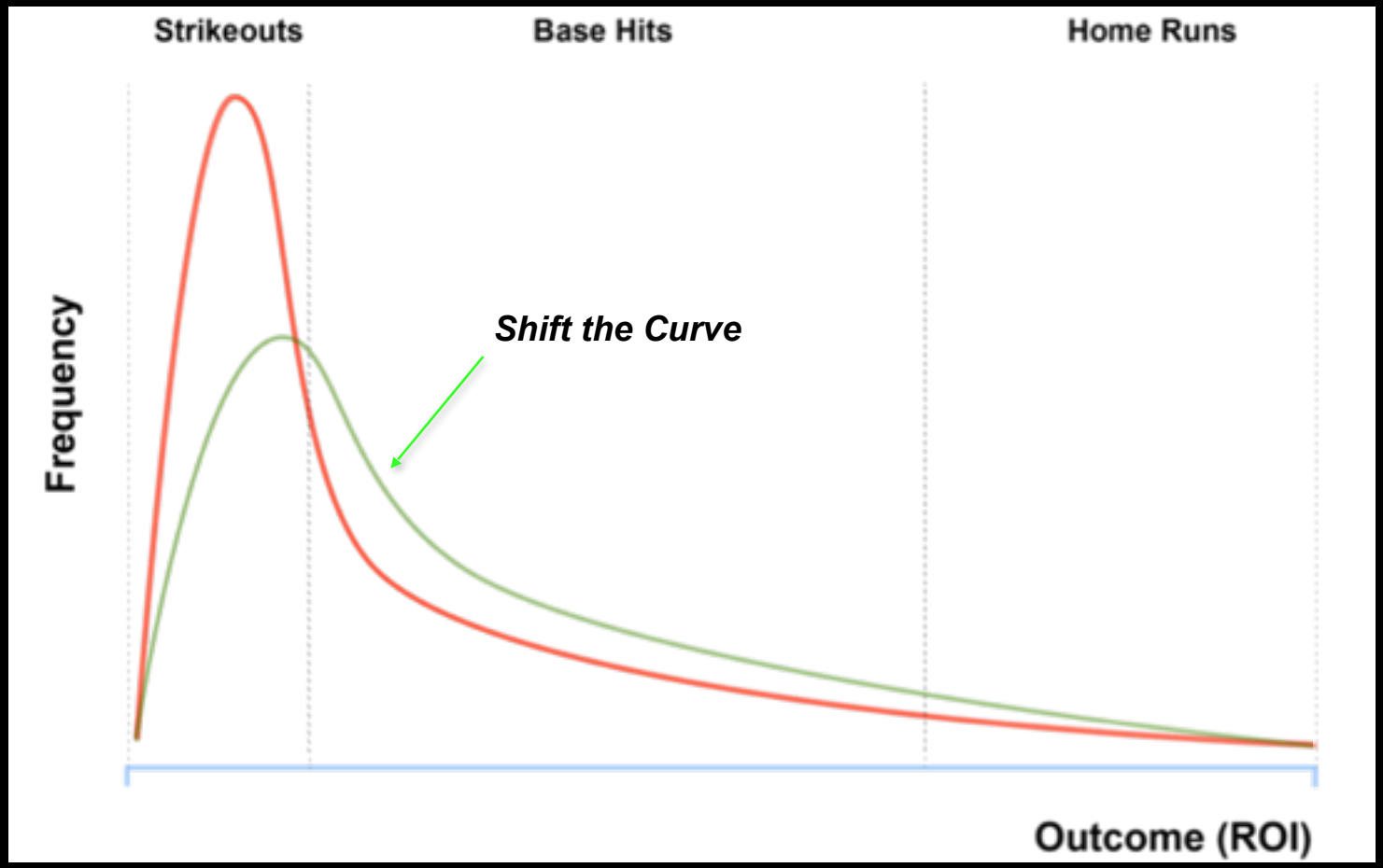
~~Pick *Winners*~~

Great Idea *Statistics*



PALO ALTO venture science

Create *More Winners*



PALO ALTO venture science

We want to help you
refine, revise, or even scrap
your "great" ideas…

What will *you do?*

Jump *In*

Full *Ignite*

3 *Months*

50+ *Interviews*

This *Phase*

2 *Months*

10+ *Interviews*

Jump *In*

But *why?*

Everyone has *a plan…*

...until he gets *punched in the face.”*

Three *Fits*

Search for…

Problem-Solution Fit

"Can you identify and validate a problem or need that enough people care about?"

"Do you have a feasible solution (idea or innovation) for meeting this problem or need?"

Search for...

Product-Market Fit

"Can you build and deliver a product/service that satisfies the customer problem or need?"

...OR...

"Can you design and deliver a new process improvement that satisfies the stakeholder problem or need?"

Search for…

Business or Process Model Fit

"Can you validate and implement a repeatable and scalable business or process model?"

What’s a *Business Model?*

Process

What's a ~~*Business*~~ *Model?*

… how a team *creates, delivers, and captures value.*

Business Model *Canvas*

Key Partners

Key Activities

Key Resources

Value Propositions

Customer Relationships

Channels

Customer Segments

Cost Structure

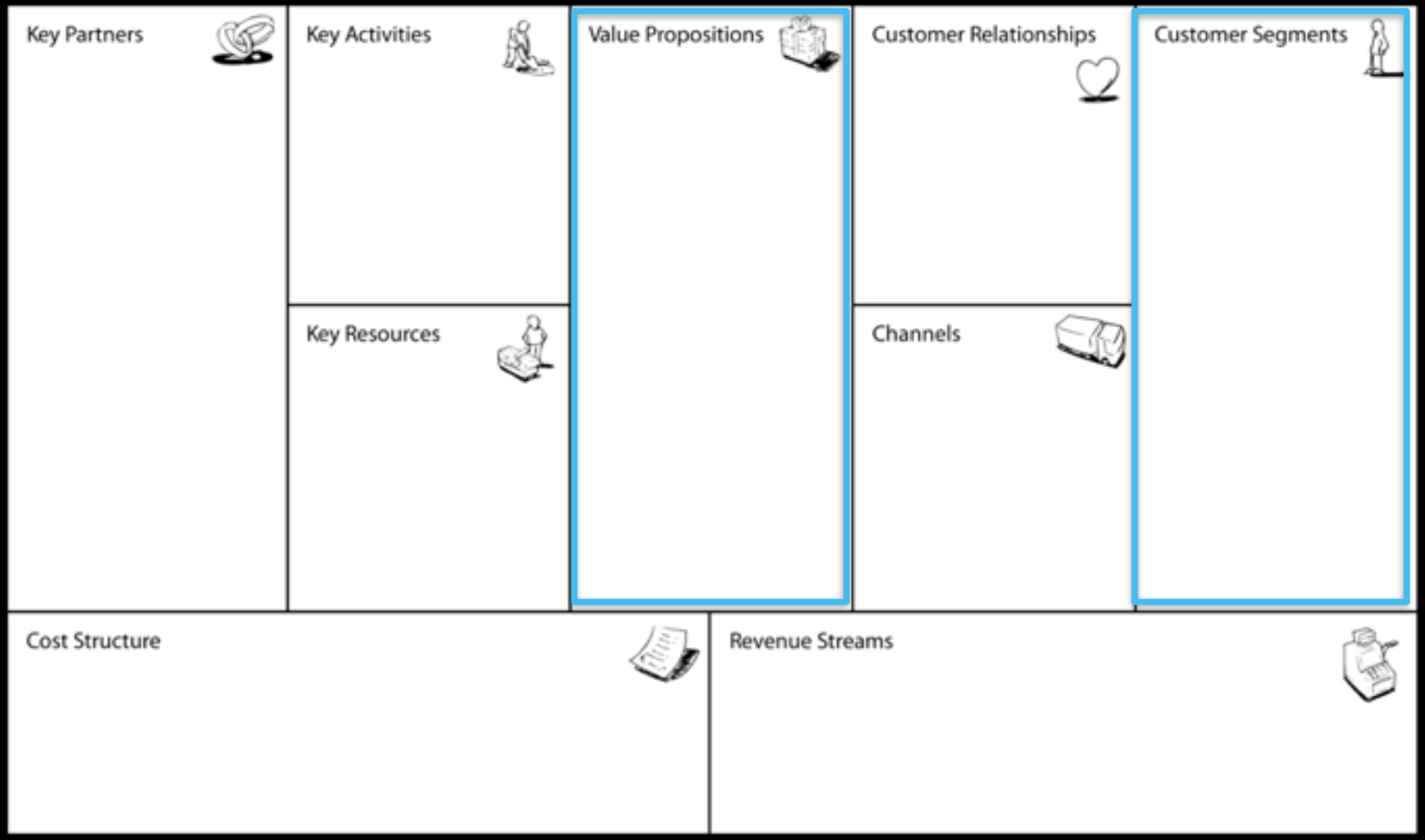
Revenue Streams

…but framework also works for Ideas, Products, Services, Processes

We use this tool to visually map how you will *create, deliver, and capture value.*

We will focus on *customers (stakeholders)* and *value propositions, but…*

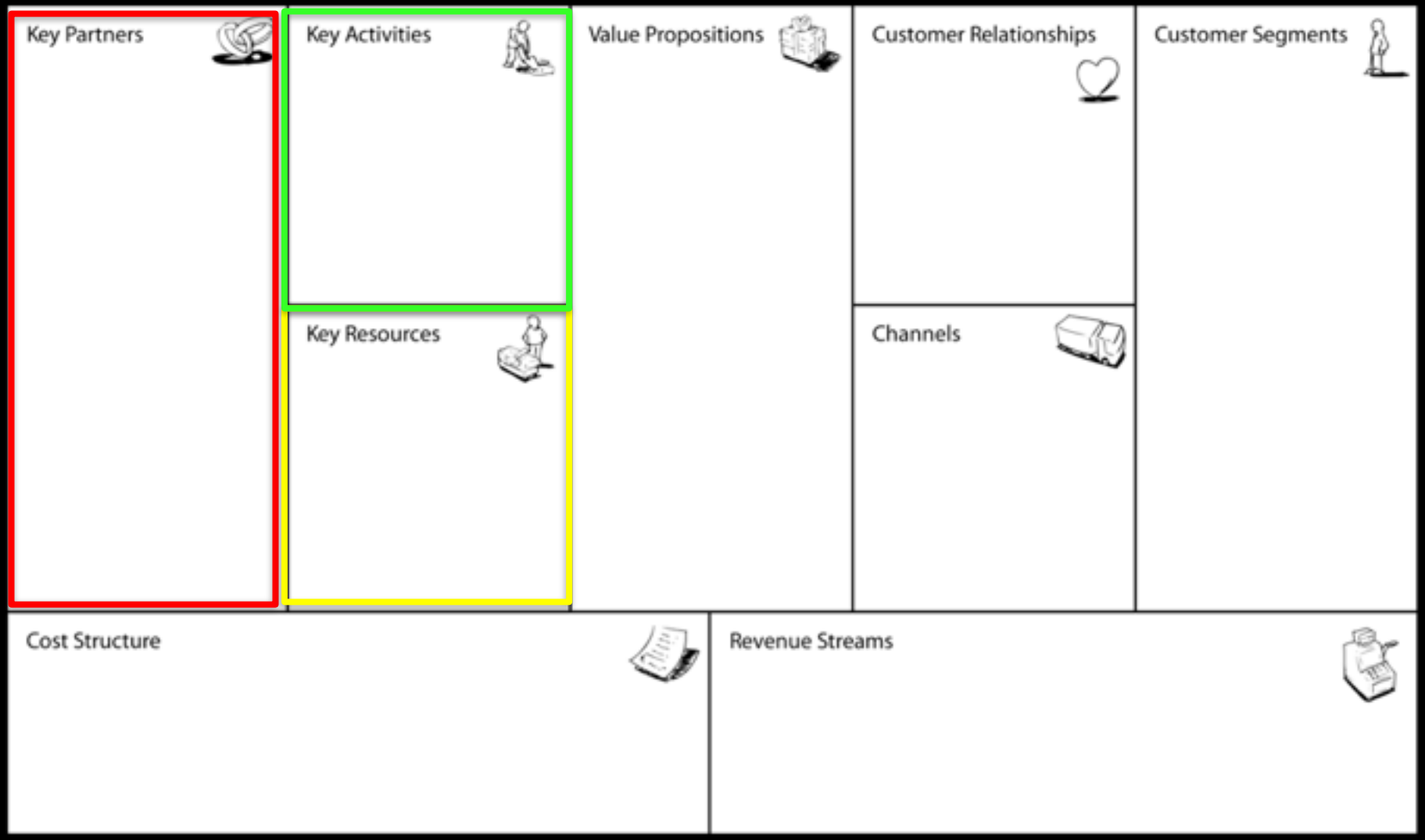
Business Model *Canvas*



We will focus on *customers (stakeholders) and value propositions, but…*

there are other *critical parts of the model to consider.*

Business Model *Canvas*



TOP 10 STARTUP MISTAKES

100 First Hits
www.100FirstHits.com

8. Spending Too Much Money 18 (2,1%)
9. Failing To Ask For Help 12 (1,4%)
10. Ignoring Social Media 6 (0,7%)
5. Not Having The Right Co-Founders 66 (7,9%)
6. Chasing Investors, Not Customers 45 (5,4%)
7. Not Making Sure You Have Enough Money 28 (3,3%)

Innovation

TOP 10
MISTAKES
#1
Building something nobody wants
Score: 300
36% of Tot.
#2
Hiring Poorly
Score: 153
18% of Tot.
#3
Lack of Focus
Score: 112
13% of Tot.
#4
Fail to execute Sales & Marketing
Score: 98
12% of Tot.
#5
#6
#7
#8
#9
#10
100 First Hits
www.100FirstHits.com
8. Spending Too Much Money 18 (2,1%)
9. Failing To Ask For Help 12 (1,4%)
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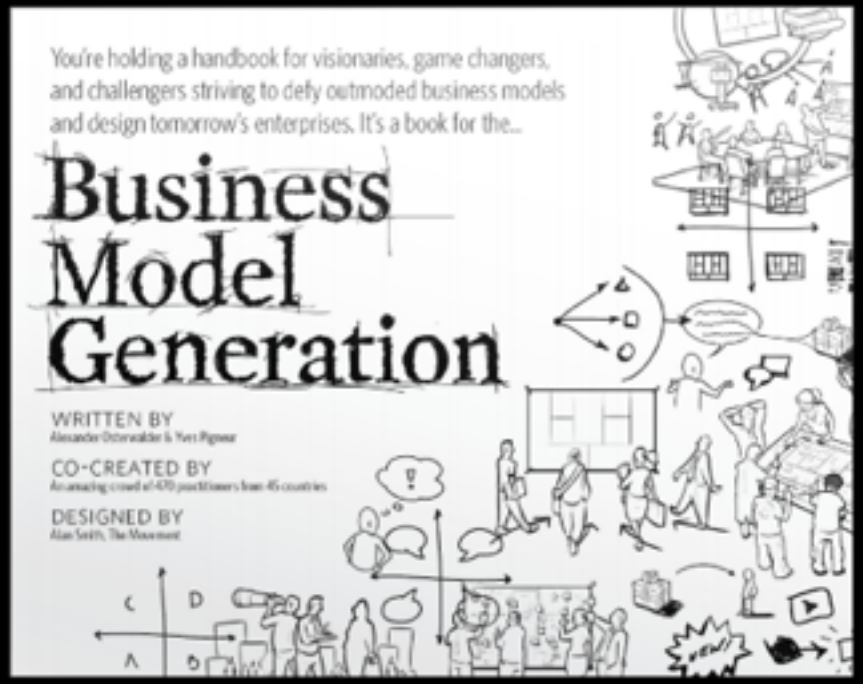
5. Not Having The Right Co-Founders 66 (7,9%)
6. Chasing Investors, Not Customers 45 (5,4%)
7. Not Making Sure You Have Enough Money 28 (3,3%)

Top *Three*

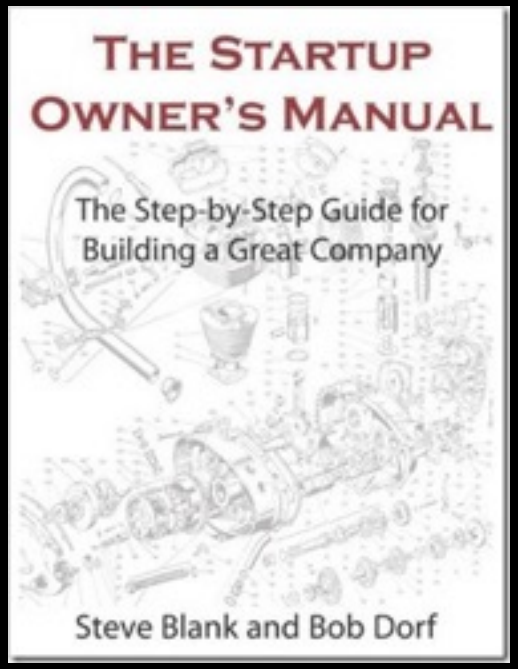
#1
Building something nobody wants
Score: 300
36% of Tot.
#2
Hiring Poorly
Score: 153
18% of Tot.
#3
Lack of Focus
Score: 112
13% of Tot.
Score: 98

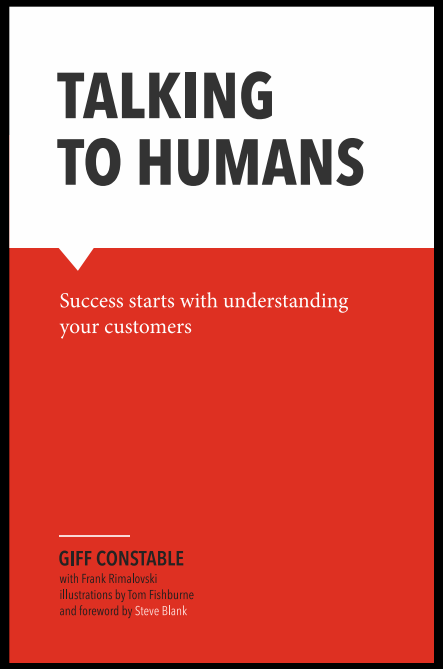
To be *continued...*

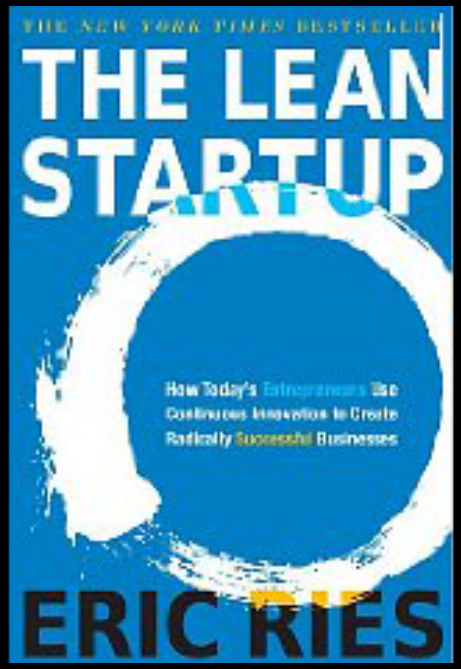
Additional *Resources*



Additional *Resources*







Additional *Resources*

Customer *Segments*

Customer *Segments*

Why do we group into *Customer Segments?*

Different *Customer Segments* often have…

Different *Customer Segments* often have…

different problems, needs, and *Business / Process Models*

Customer Segments

Customer Segments

Customer Segments

Value Propositions

Value Propositions

Value Propositions

Channels

Channels

Channels

Customer Relationships

Customer Relationships

Customer Relationships

Revenue Streams

Revenue Streams

Revenue Streams

What do *you have?*

...*Product*

...*Service*

...*Process*

Internal ***External***

Customer Segments

Internal

Customer #1

Stakeholders

Customer Segments

External

Stakeholders

Customer #1

Customer #2

Customer #3

“Customers” include

more than Users

Stakeholders

Customer ~~*Types*~~

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***
- ***Decision Maker***

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***
- ***Decision Maker***
- ***Payer***

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***
- ***Decision Maker***
- ***Payer***
- ***Influencer***

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***
- ***Decision Maker***
- ***Payer***
- ***Influencer***
- ***Recommender***

Find the *people!*

Customer Segments

Customer Segment #1

- ***End User***
- ***Decision Maker***
- ***Payer***
- ***Influencer***
- ***Recommender***
- ***Skeptic***

Customer *Stakeholders*

Customer Segment #1

- ***End User***
- ***Decision Maker***
- ***Payer***
- ***Influencer***
- ***Recommender***
- ***Skeptic***

Find all of the people/ roles involved in…

an implementation decision for your idea.

For this phase,

focus on End Users

Personal *Example*

End User = *Steel Laborer*

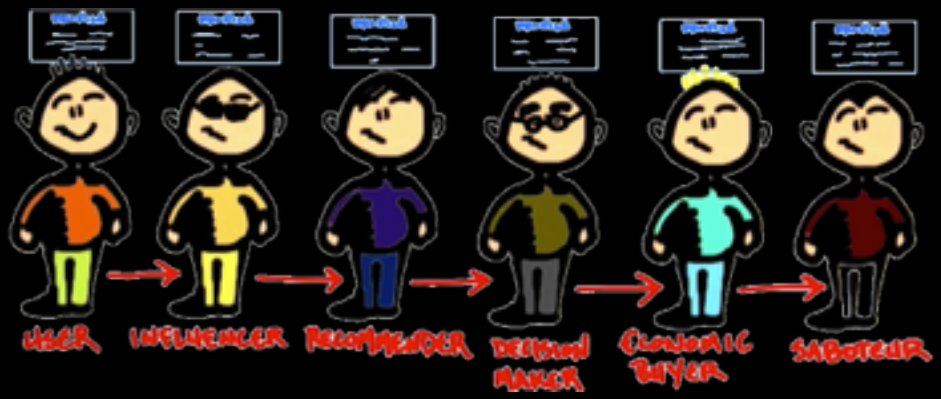
Decision Maker = *Project Manager*

Payer = *Purchasing Director*

Skeptic = *Construction Surveyor*

So *Remember*

Different *Stakeholders* often have…



Different *Stakeholders* often have…

Different *Value Propositions*

Different *Stakeholders* often have…

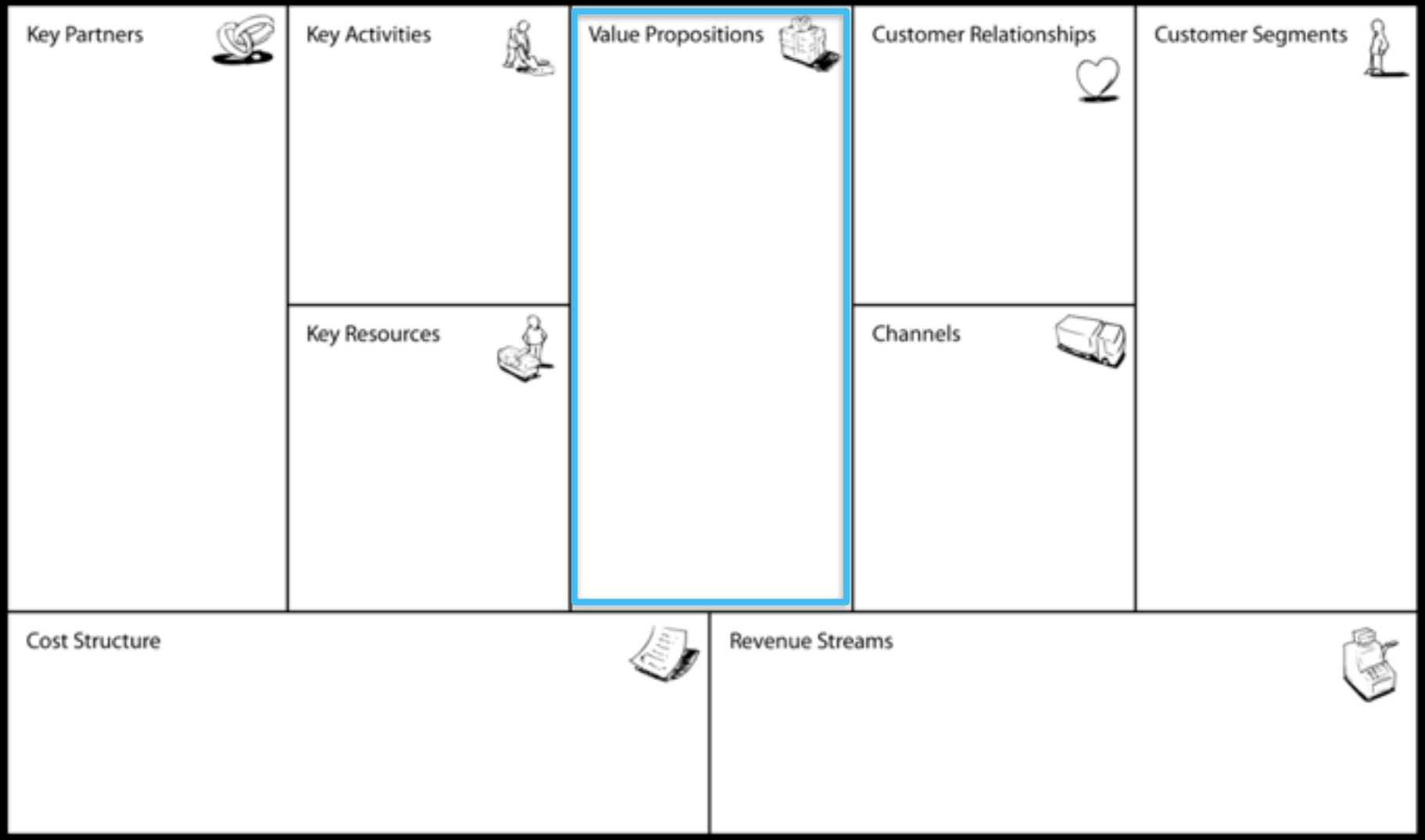
Different *Motivations*

Value *Propositions*

…describe the benefits your customers derive from your product, service, or process improvement.

*…describe the **benefits** your customers derive from your product, service, or process improvement.*

Value *Propositions*



Value Propositions

What customer *problems* are you helping to solve ?

What customer *needs* are you satisfying?

What about my
idea / technology / product?

Customers don’t care about *your idea, technology, or product…*

Customers don't care about *your idea, technology, or product…*

they are trying to *solve a problem or satisfy a need.*

What, How, Why?

Product, Features, Value

What?

What?

Product

What?

Service

What?

Process

How?

How?

Features

How?

Procedures

Why?

Why?

Value

Product Features

≠

Value Propositions

Product Features

≠

Value Propositions

…but they do *deliver it.*

Product Benefits

=

Value Propositions

Easy to use

Easy to use

Feature or VP?

Faster

Faster

Feature or VP?

Cheaper

Cheaper

Feature or VP?

General *Guidelines*

Specifics *Matter*

Quantify *Benefit*

Rank *Order*

What are some categories of Value Propositions…

Newness

Value Propositions

Newness

Performance

Value Propositions

Newness

Performance

Customization

Value Propositions

Newness

Customization

Performance

Design

Value Propositions

Newness

Customization

Performance

Design

Get Job Done

Value Propositions

Customization

Newness

Performance

Design

Brand/Status

Get Job Done

Value Propositions

Price

Value Propositions

Price

Cost Reduction

Value Propositions

Price

Cost Reduction

Risk Reduction

Value Propositions

Price

Risk Reduction

Cost Reduction

Accessibility

Value Propositions

Price

Risk Reduction

Cost Reduction

Accessibility

Convenience/Usability

Simple *Example*

Feature = *Bright Colors*

Value = *User Feels Cool!*

Q&A *Discussion*