Lean Business Startups

Bulletproof Your Startup

Find a profitable and scalable business model,

Before running out of money.

E7 SYSTEMS
THE STARTUP FACTORY

Class Introductions

- Bill Smith
  - E7 Systems – R&D for Hire
  - Started with TurboTax in 1989
  - 20+ Durango Startups
  - Innovation Product Specialist

- Class
  - What are Our Real Businesses
  - Additional Businesses to help with
    - Multi-Player Game
    - Outdoor Marketing Web Site.

E7 SYSTEMS
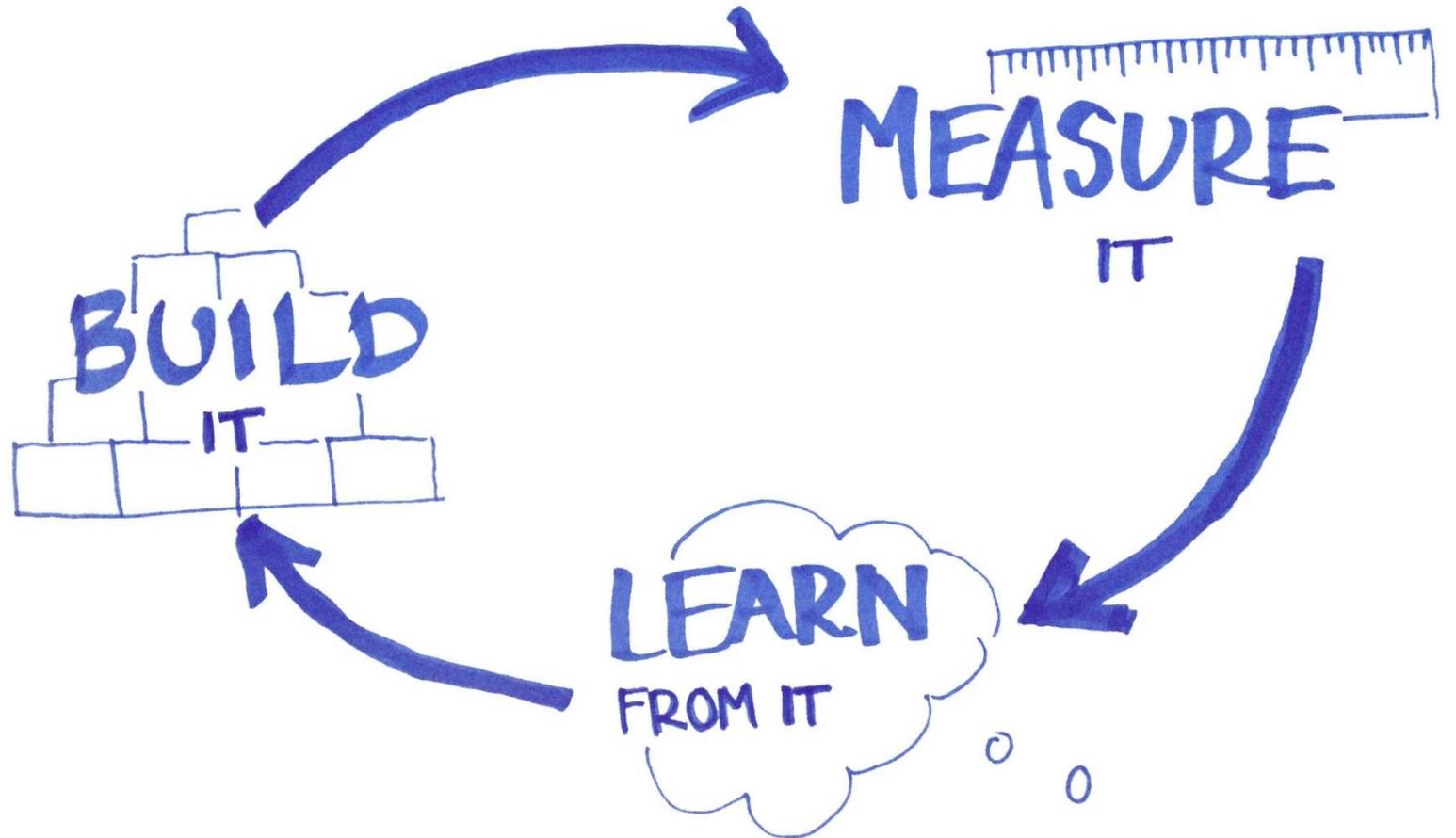THE STARTUP FACTORY

Lean Business Methods

- From Lean Manufacturing

- Eliminate Waste

- Waste in Startups
  - Over-Planning
  - Solving Wrong Problems
  - Developing for Nobody
  - Scaling Prematurely

The 7 Wastes

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Keys to Success

- Doing vs. Planning
- Speed
- Affordable
- Small Batches
- GOOTB
- Real Customers

Traditional vs. Lean

Traditional Start Ups

- Get a great idea
- Write Business Plan
- Beg for Investment
- Build Product
- Launch Product
- Execute To Plan
- Make Discoveries

Lean Start Ups

- Get an Idea
- Test the Idea
- Refine the Idea
- Build Minimum Viable Product
- Sell MVP
- Measure Results
- Refine the Product or Pivot
- Repeat until Ready

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Accelerate Discovery

- Accelerate Risk

- Learn while it is cheap

- Defects are less costly to repair sooner

- Don't Just Quit, Pivot
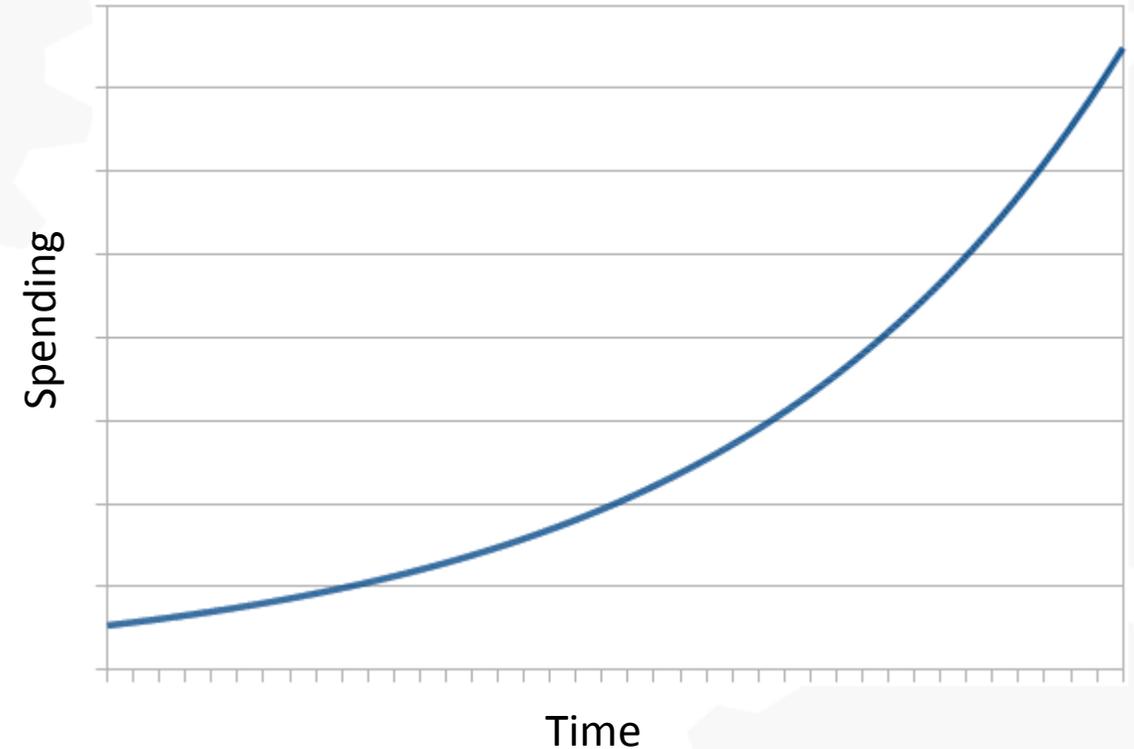
Famous Pivots – Not What We Planed

- Social Activism – ThePoint.com

- On-line Game – Game Neverending

- Like HotOrNot.com – Facemash.com

- Podcasting Audioshare – Odeo

- Youtube – Dating Site

Lean Business Pioneers

- Steve Blank –Customer Development
- Eric Reis – Lean Business
- Ash Maurya – Lean Business Canvas
- Eric Osterwalder – Business Model Canvas

Lean Business Canvas

Business Model Design

Ability to combine empathy for the context of a problem,
creativity in the generation of insights and solutions,
and rationality to analyze and fit solutions to the context.

Business Plans are Dead

- Time consuming
- Too many places for bad ideas to hide
- Pressure to complete before you are sure.
- False sense of direction
- Nobody reads them anyway

Helmuth von Moltke the Elder

- "No plan survives first contact with the enemy."

- Second Schleswig War
- Customers are like Danes.

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The LBC Process

- Visual – Team Friendly

- Fast & Repeatable

- Iterative

- Flexible
  - Startup or existing enterprise
  - New product or whole business.

- Design Thinking

De-risk your startup

- Find assumptions
- Prioritize risk
- Hypothesize
- Devise Experiments
- Conduct experiments
- Revise Model

Word of Mouth

People will Refer Firends

Demo & Count Referrals

Ice Cream Truck

Tools

- www.leanlaunchlab.com

Truck

Do we need A truck ?

- Sticky Notes

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Home Work!!!

- Finish Your Lean Canvas

- Watch some Youtube
  - Steve Blank
    - Customer Development
  - Eric Reis
    - Lean Business
  - Ash Maurya
    - Lean Business Canvas
  - Eric Osterwalder
    - Business Model Canvas

Next Steps

- Read Blogs
- Watch Videos

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- <u>Practice</u> With Others
- Attend LBC Meet-ups
- Facilitators

Steve Blank on Customer Development: The Second Decade