

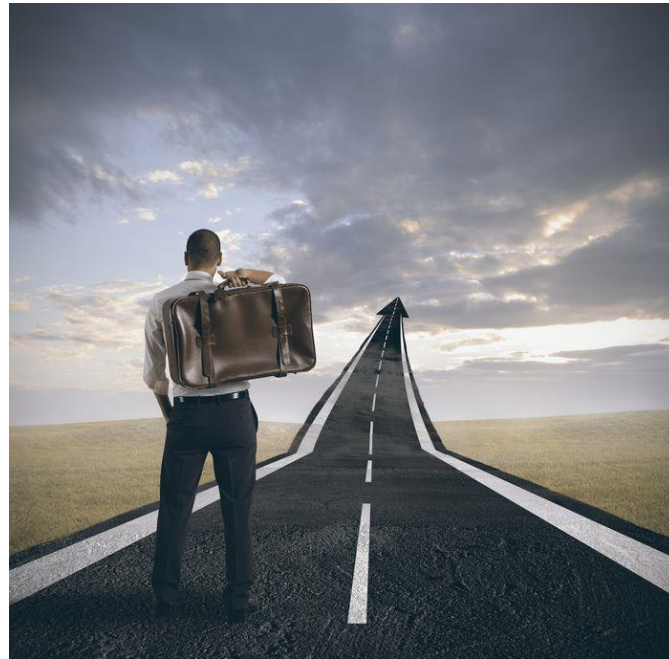
**Israel
Griol
Barres**

**israel.griol
@gmail.com**

@igriol



*Lean***STARTUP**



INNOCENS ENTREPRENEURSHIP COURSE

March 27th 2017

INTRODUCTION

So what makes
for a
successful start-up?

Start with a
brilliant
founder
like...

Mike, 34
Stanford
Alumnus



he used to be an...

Experienced Exec



All his
operating
experience
built up
some...

Major Accomplishments

...outstanding
credentials!

One day Mike has...

A “killer”
product
idea!



A “killer”
product idea!
he’s really
passionate
about it



Mike's experienced.

He knows how to
test his idea using...



...market
research

The research looks
good!

Mike moves
forward, and writes
a fantastic....

Business Plan



Great!

Based on the

credentials,

research, and plan,

Mike has secured
the final piece...



...VC Funding!

Money in hand,
Mike get's started on

A silhouette of a construction site at sunset. In the background, a large tower crane stands against a warm, orange-hued sky. In the foreground, several construction workers are silhouetted against the bright light, working on a steel framework. One worker on the left carries a long pole. Others are bent over, working on the structure. The scene conveys a sense of industriousness and the start of a new project.

...building his
start-up.

He makes the
headlines of
every major...



BUSINESS

... and he is
invited to give...

...keynote
talks





Mike and his
start-up are
on a roll!

How likely is
his business
to succeed?

- Despite the experience, research and plan...



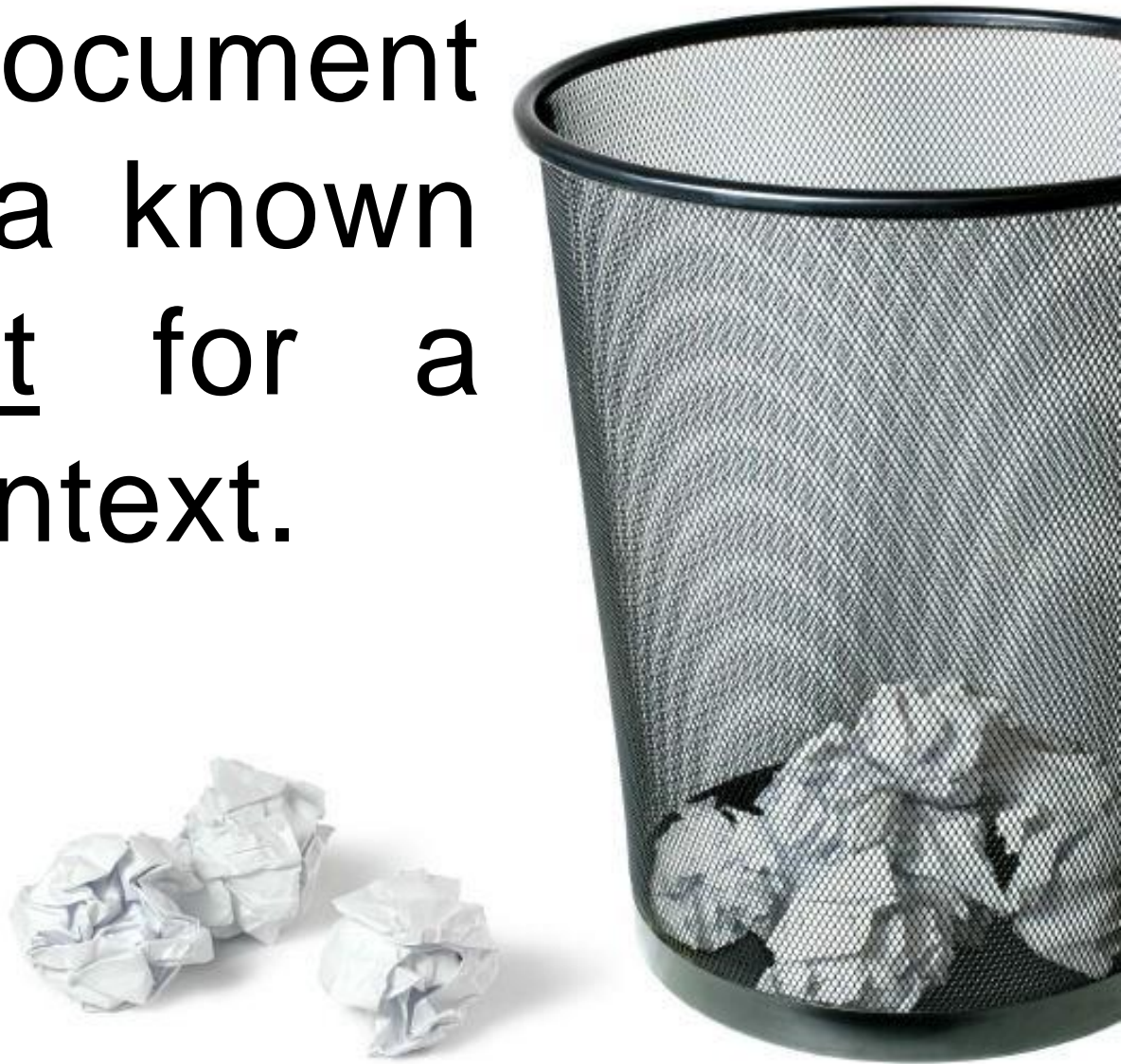
...Mike
slipped
up.

Let's help
Mike with the
things he
didn't know.

1

*No business
plan survives
the first
customer
contact.*

Sticking to a
planning document
works for a known
future, not for a
start-up context.



IS IT POSSIBLE TO LEARN HOW TO BECOME ENTREPRENEURS?



CONCLUSIONS

- **Ideas have no value**
- **Ideas are free**
- **People will help you to transform your idea into something valuable**
- **There are only two kinds of people:**
 - **Who give excuses.**
 - **Entrepreneurs.**

A startup is not a small company.



So, what's a
startup?



“ A TEMPORARY ORGANIZATION
DESIGNED TO SEARCH FOR A
REPEATABLE AND SCALABLE
BUSINESS MODEL ”



Steve Blank

“A startup is a human institution designed to create a new product or service under conditions of extreme uncertainty.”



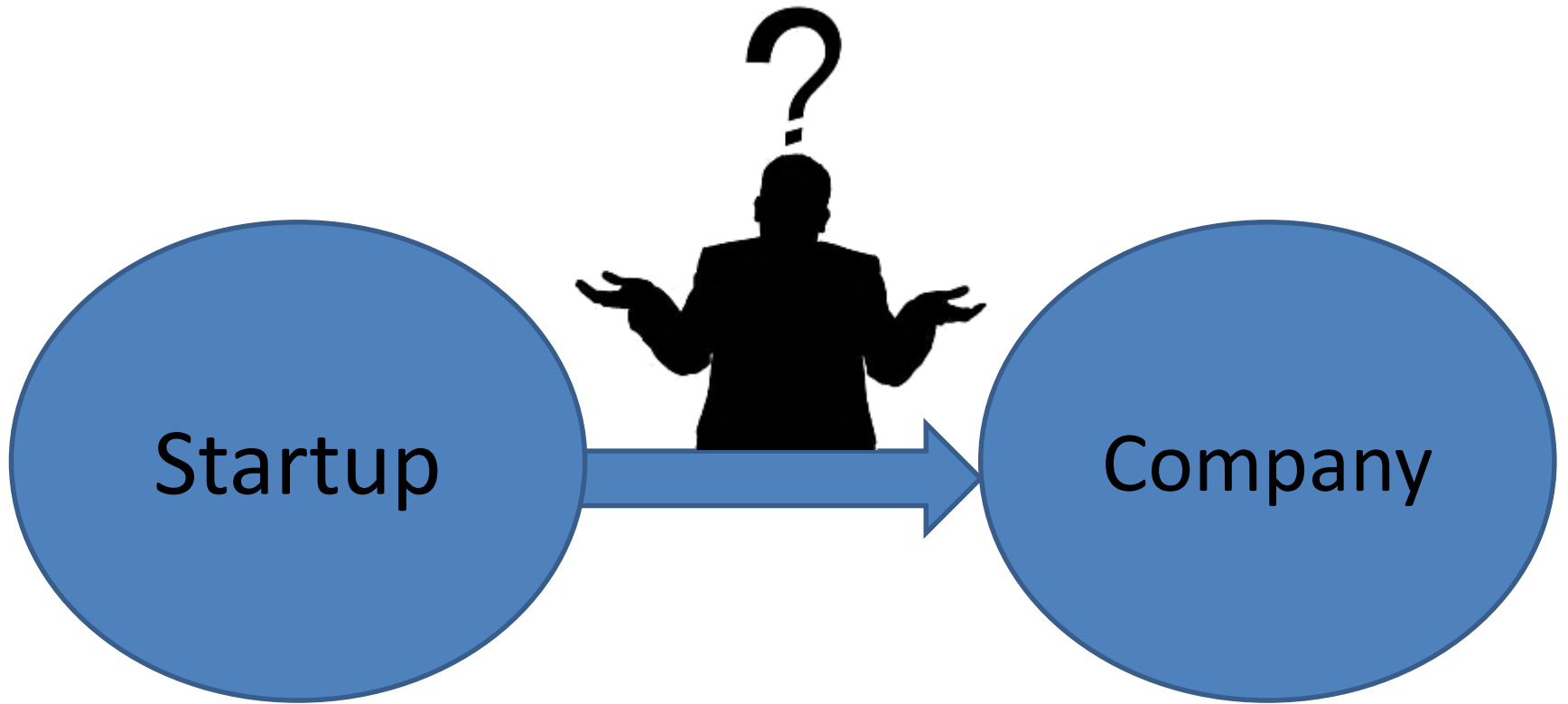
Eric Ries

Startup VS Company



A **Startup** **looks for** a
business model

A **Company** **executes** a
business model



What is the main goal of a startup?

What is the main goal of a
startup?

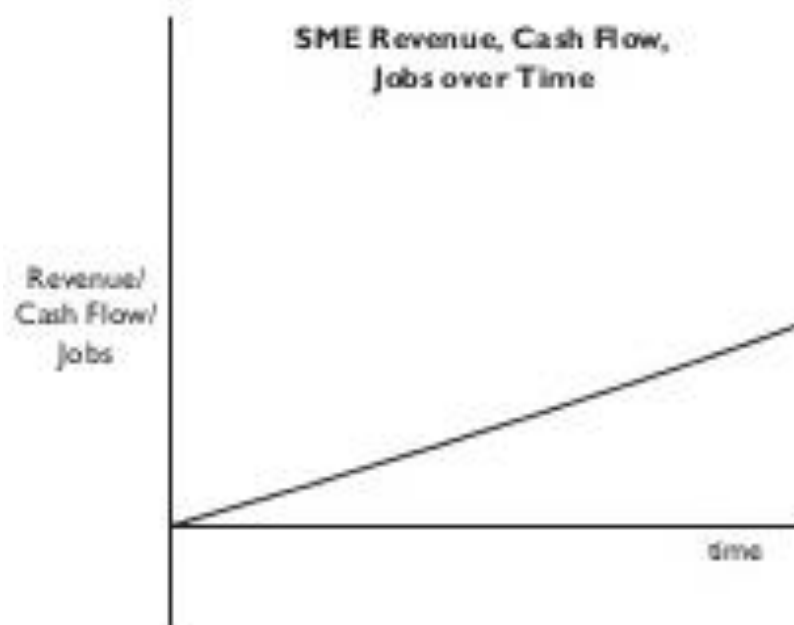
TO STOP BEING A STARTUP...

What is the main goal of a startup?

*TO STOP BEING A STARTUP...
... AND TO BECOME A SUCCESSFUL COMPANY*

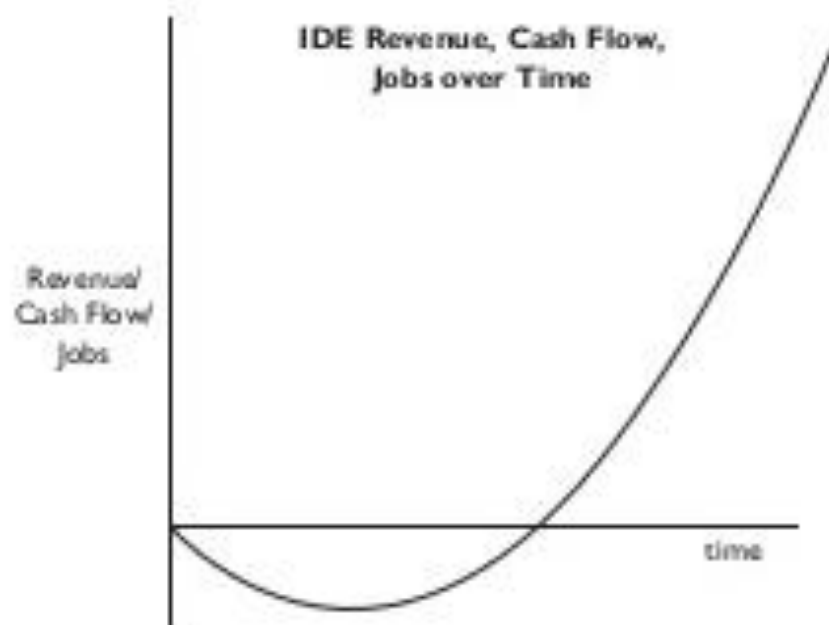
SME Entrepreneurship

The company grows at a linear rate. When you put money into the company, the system (revenue, cash flow, jobs, etc.) will respond quickly in a positive manner.



IDE Entrepreneurship

The company starts by losing money, but will have exponential growth. Requires investment. When you put money into the company, the revenue/ cash flow/jobs numbers do not respond quickly.



Source: Bill Aulet and Fiona Murray, "A Tale of Two Entrepreneurs: Understanding Differences in the Types of Entrepreneurship in the Economy," Martin Trust Center for MIT Entrepreneurship, November 2012. http://entrepreneurship.mit.edu/sites/default/files/AuletMurray_IIDExSM.pdf

2

*It's the
business
model,
dude!*

Hey Mike, your plan was
to build a company, but
did your plan include a
Business Model?



THE VITAL PART OF A
CONSIDERATION

11. **DEFINITION.**—A contract which induces a party to perform the substance of the contract. It is the substance of the contract inducing the parties to perform. A SUFFICIENT

“ A business model describes the rationale of how an organization creates, delivers and captures value ”



Alex Osterwalder

BUSINESS MODELS

Creates Value



**Value
Proposition**



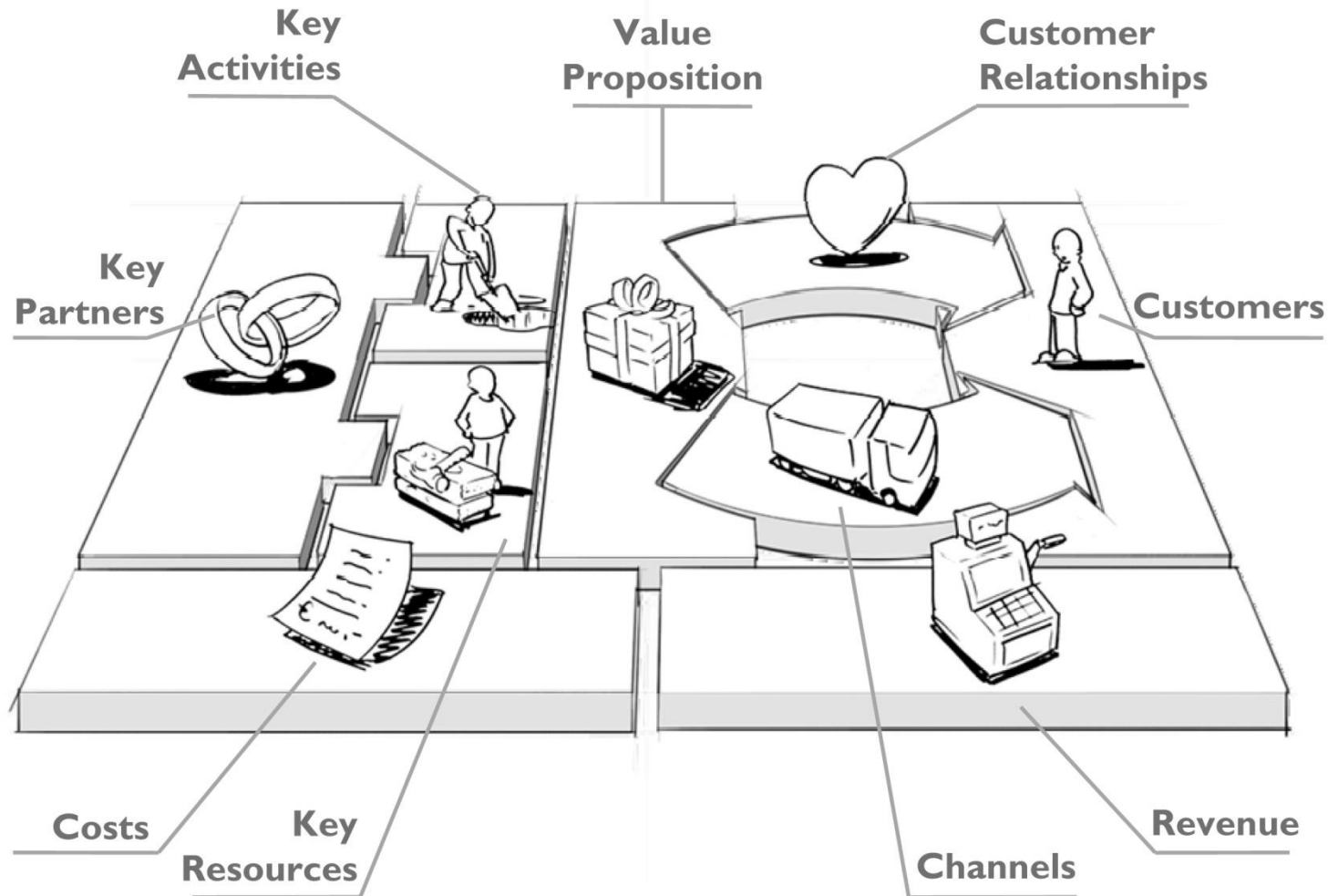
Delivers Value



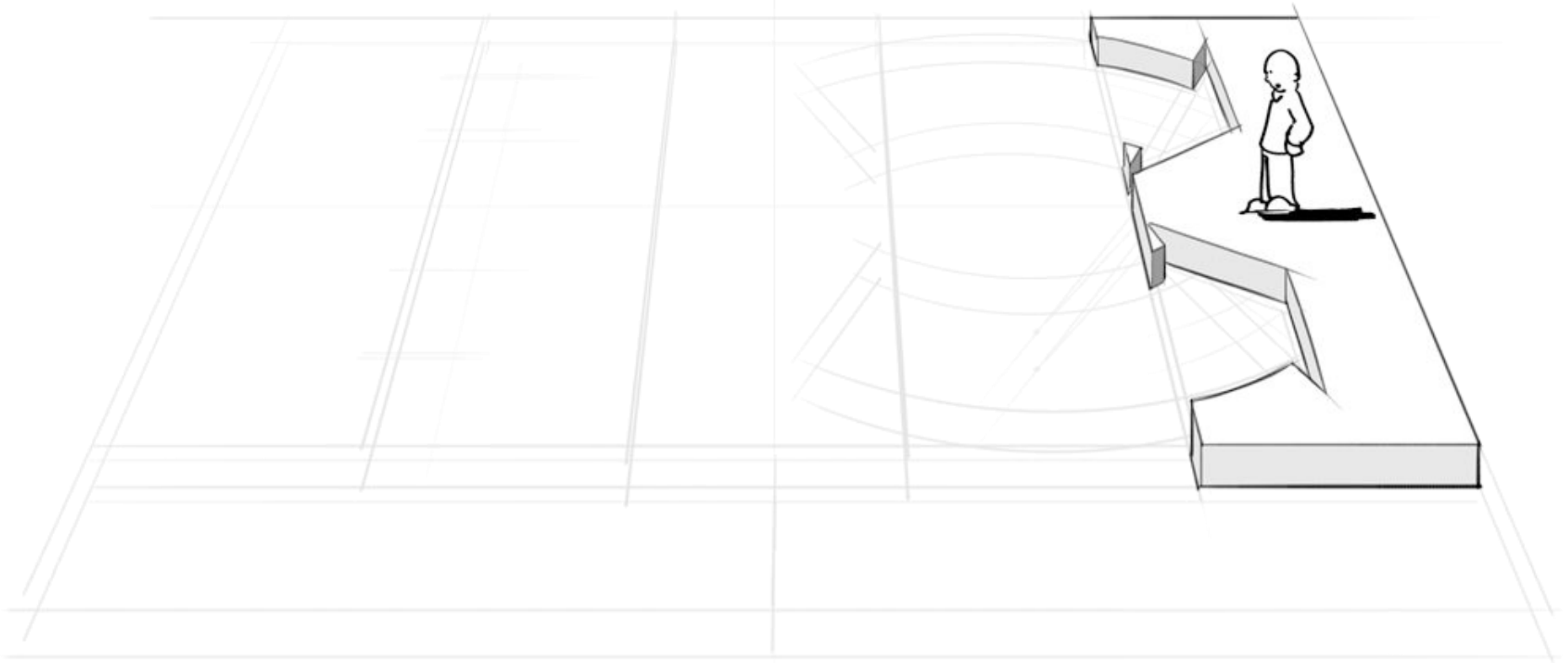
Captures Value

BUSINESS MODEL CANVAS

– Alexander Osterwalder

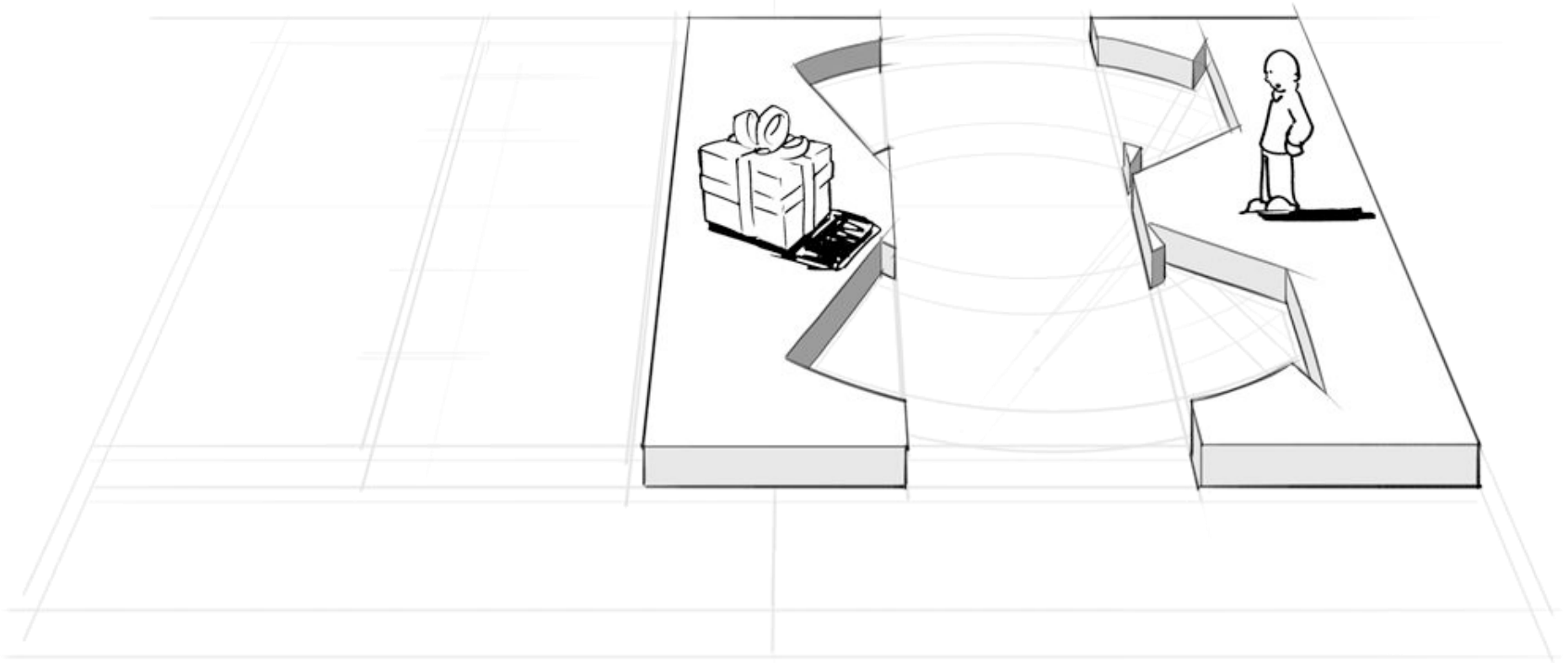


CUSTOMER SEGMENTS



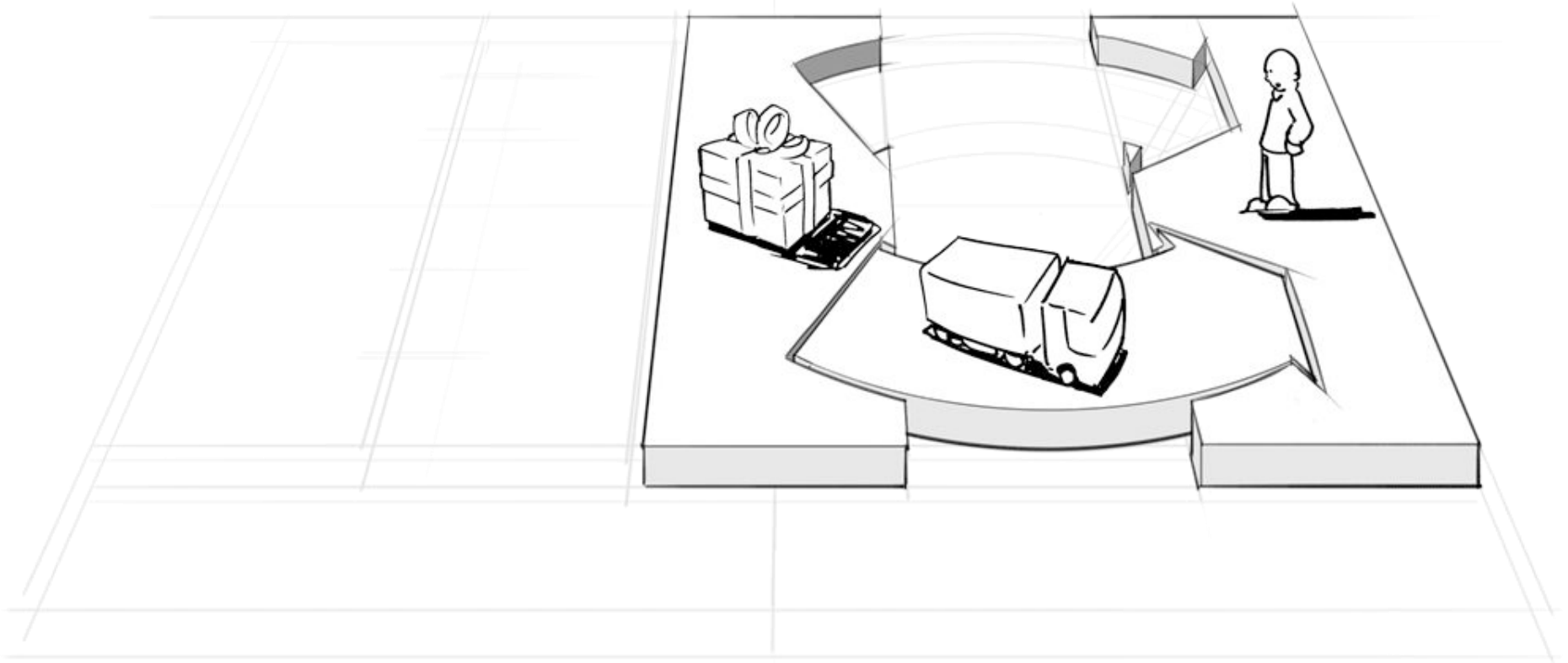
which customers and users are you serving?
which jobs do they really want to get done?

VALUE PROPOSITIONS



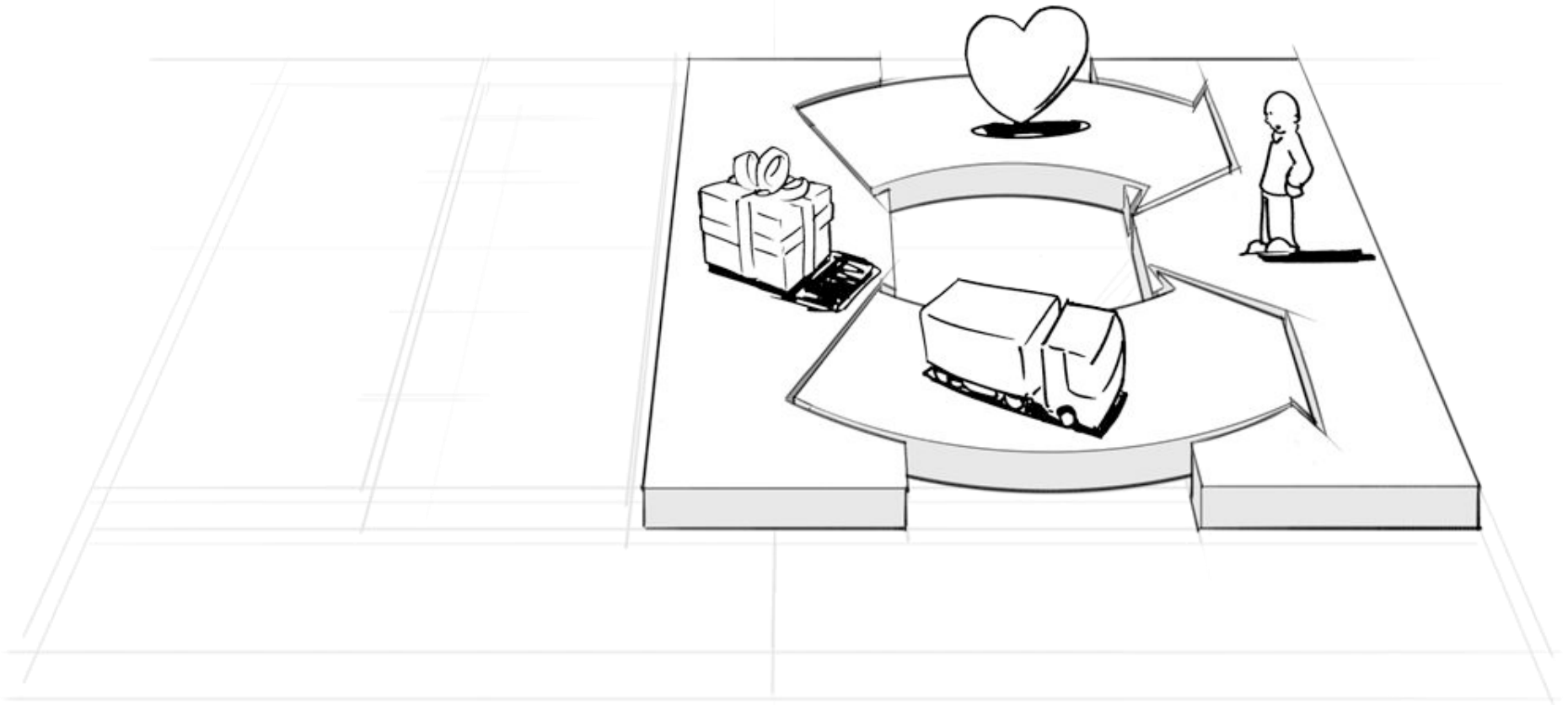
what are you offering them? what is that
getting done for them? do they care?

CHANNELS



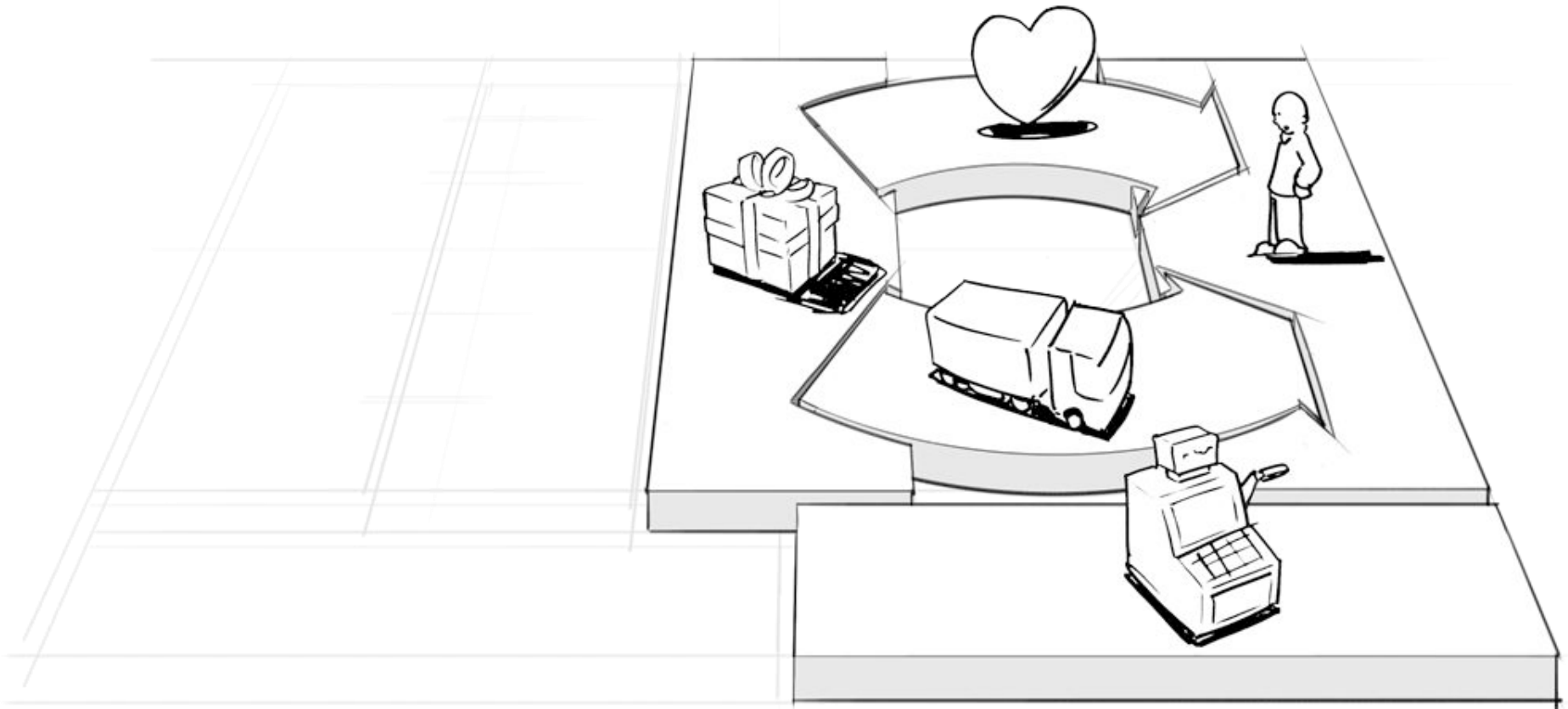
how does each customer segment want to be reached?
through which interaction points?

CUSTOMER RELATIONSHIPS



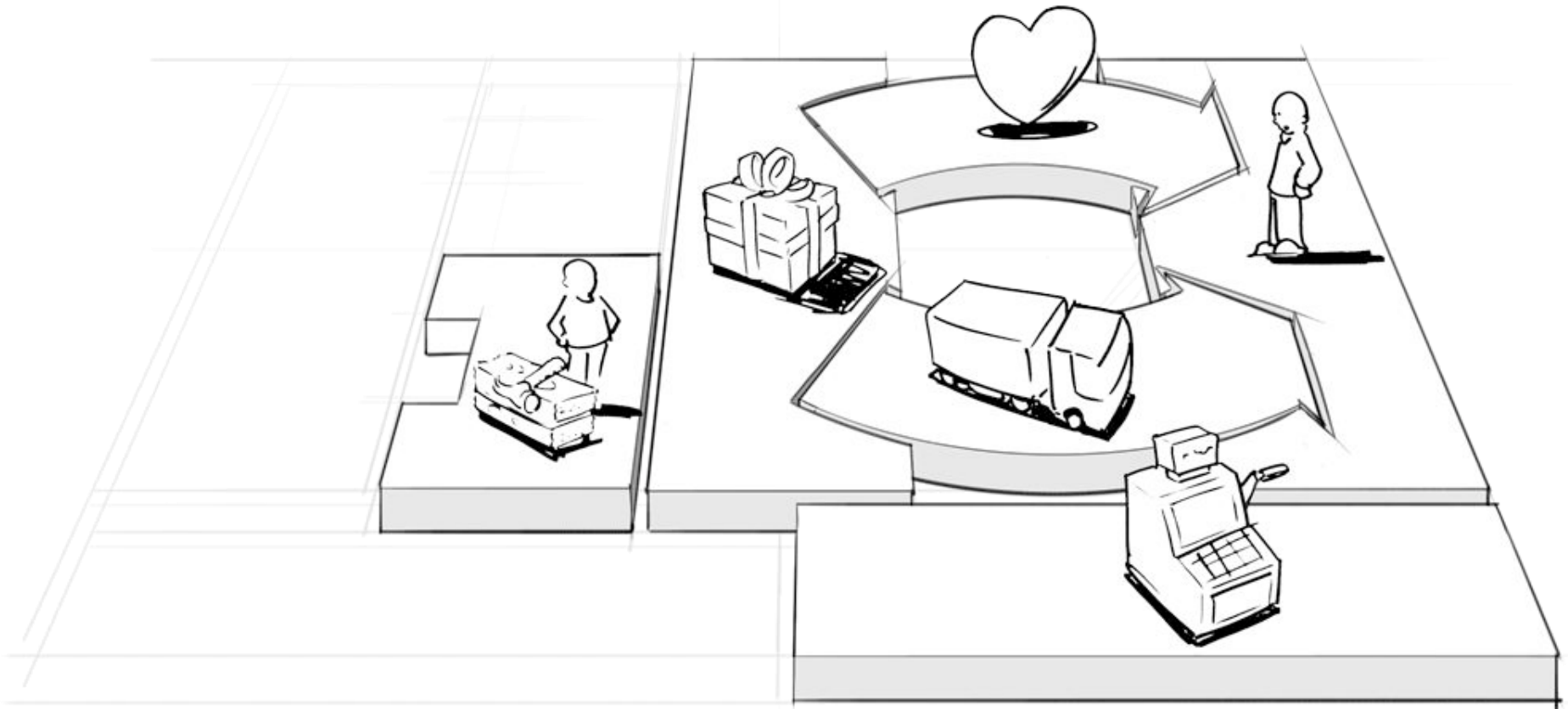
what relationships are you establishing with each segment?
personal? automated? acquisitive? retentive?

REVENUE STREAMS



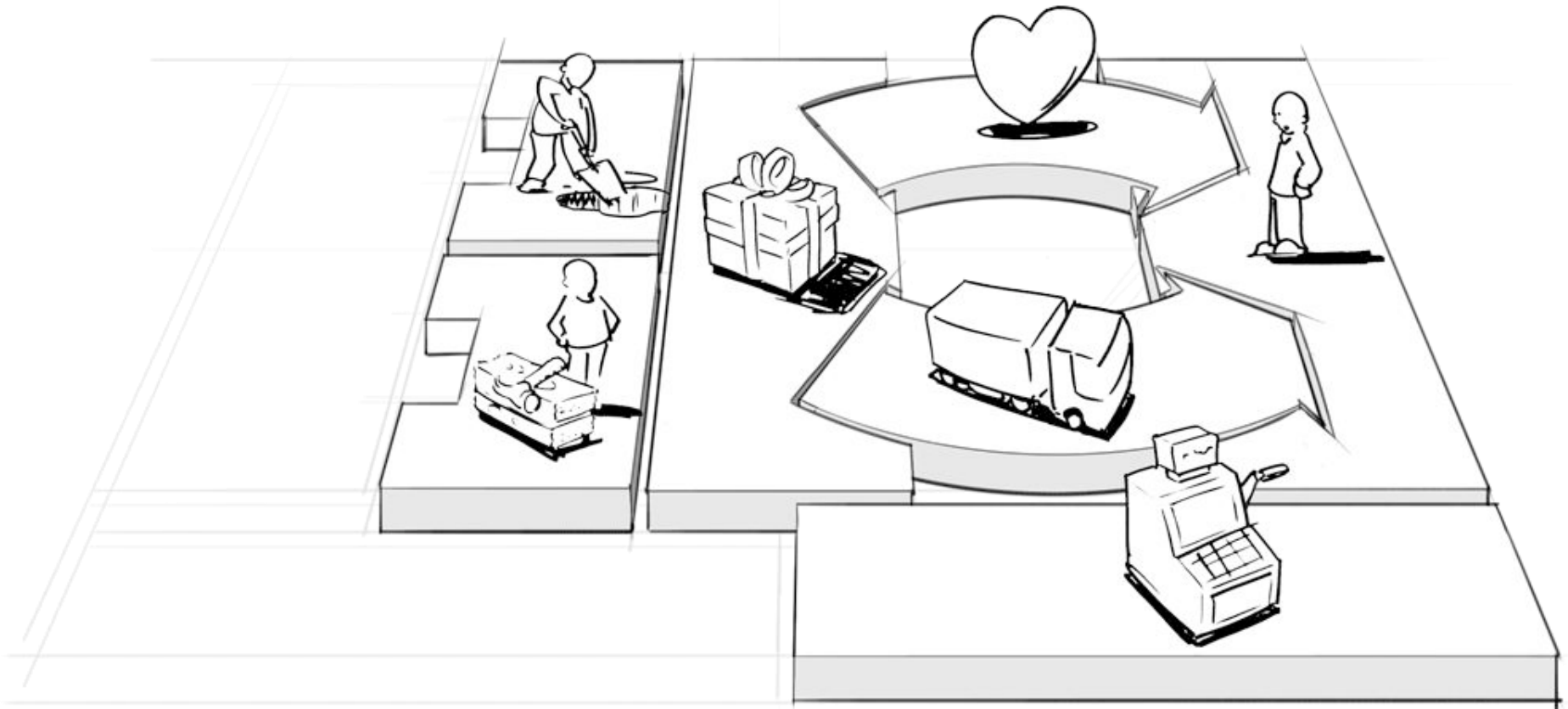
what are customers really willing to pay for? how?
are you generating transactional or recurring revenues?

KEY RESOURCES



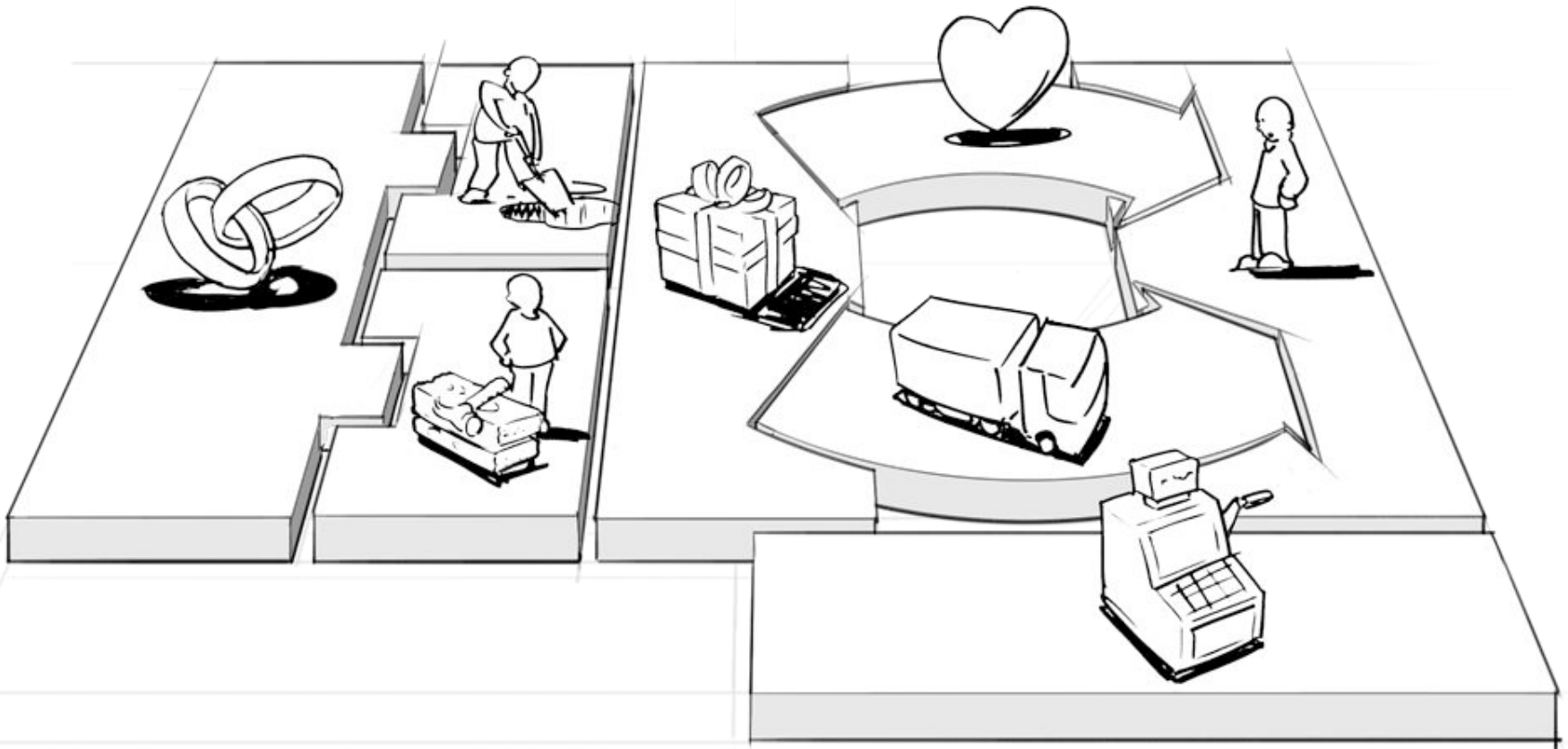
which resources underpin your b.model?
which assets are essential?

KEY ACTIVITIES



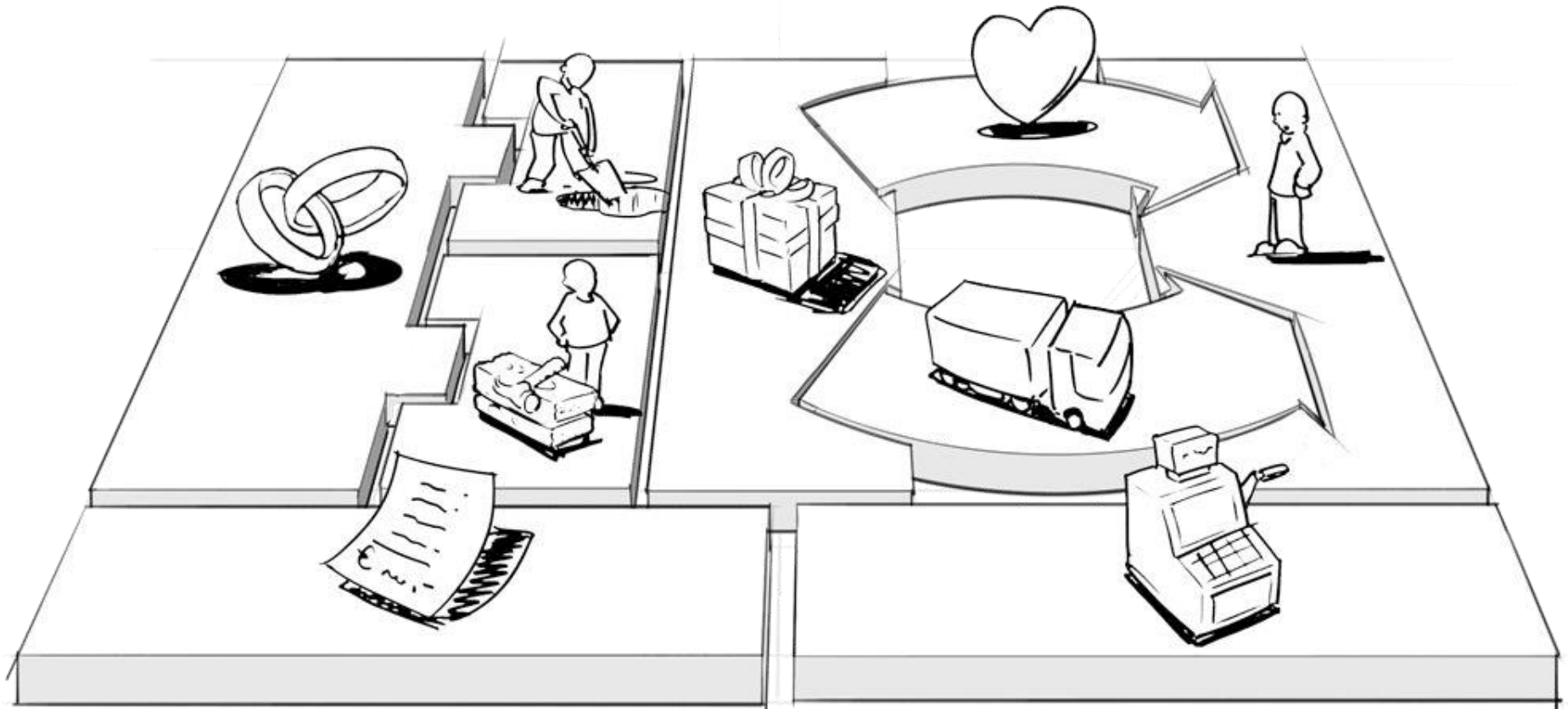
which activities do you need to perform well in
your b.model? what is crucial?

KEY PARTNERS



which partners and suppliers leverage your model?
who do you need to rely on?

COST STRUCTURE



what is the resulting cost structure?
which key elements drive your costs?

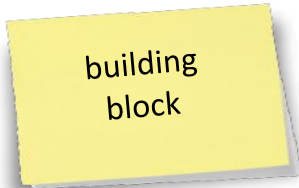
*“Hmm, interesting so
what do I make of
that?”*



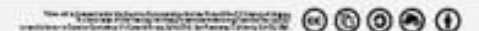
use it as a
tool to...



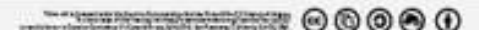
Iteration: 10



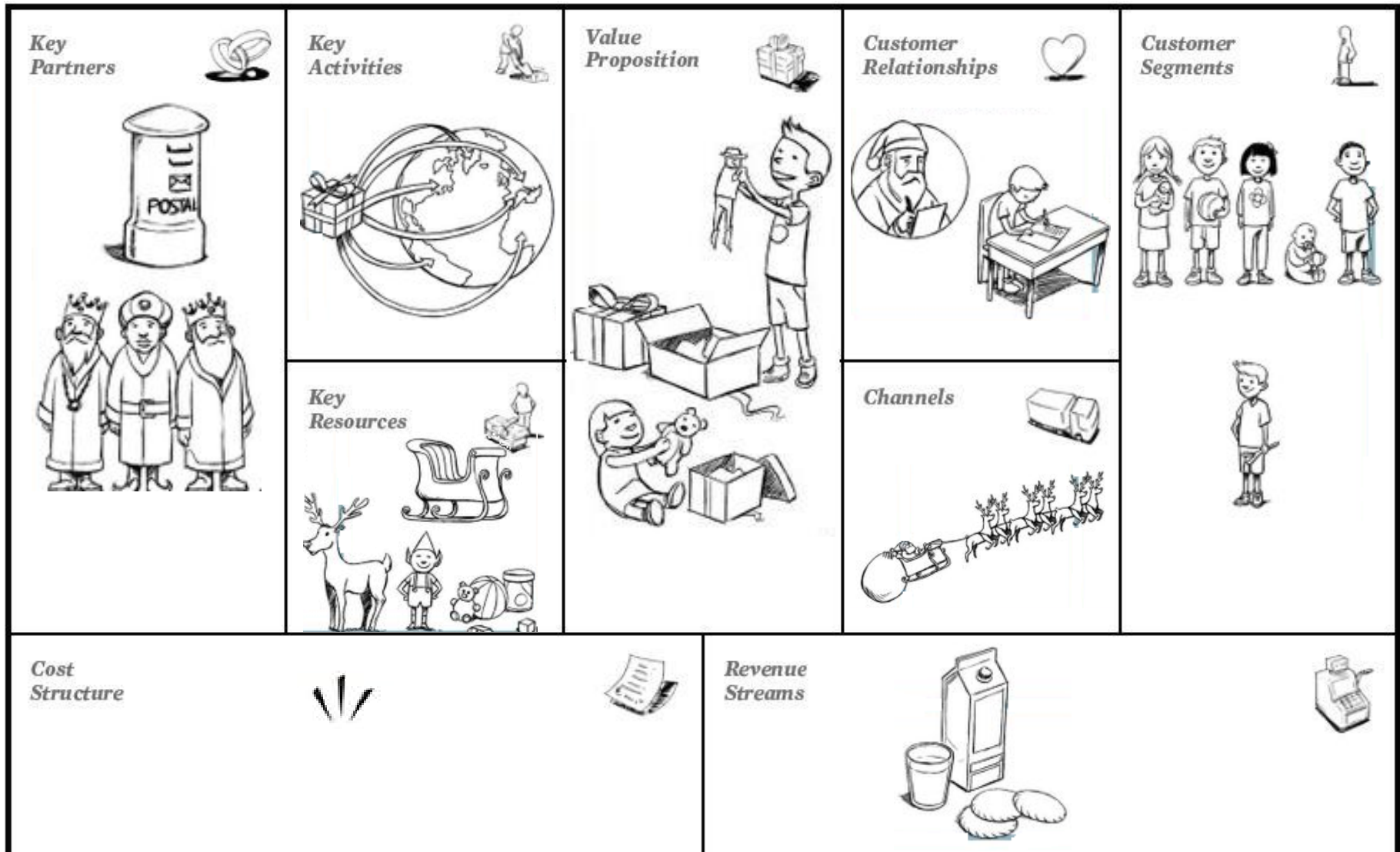
Iteration:



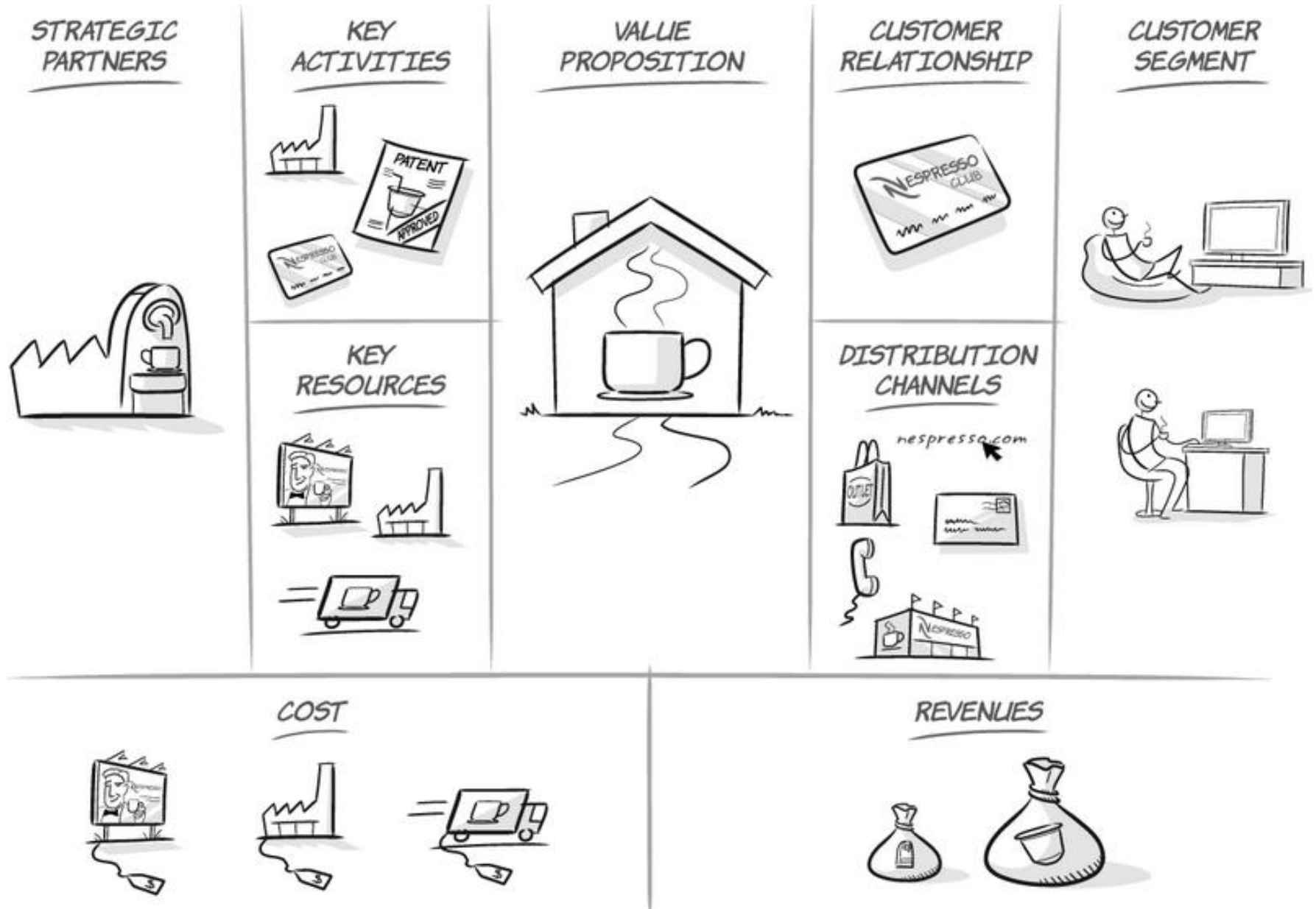
Rotation:



Business Model: Santa Claus



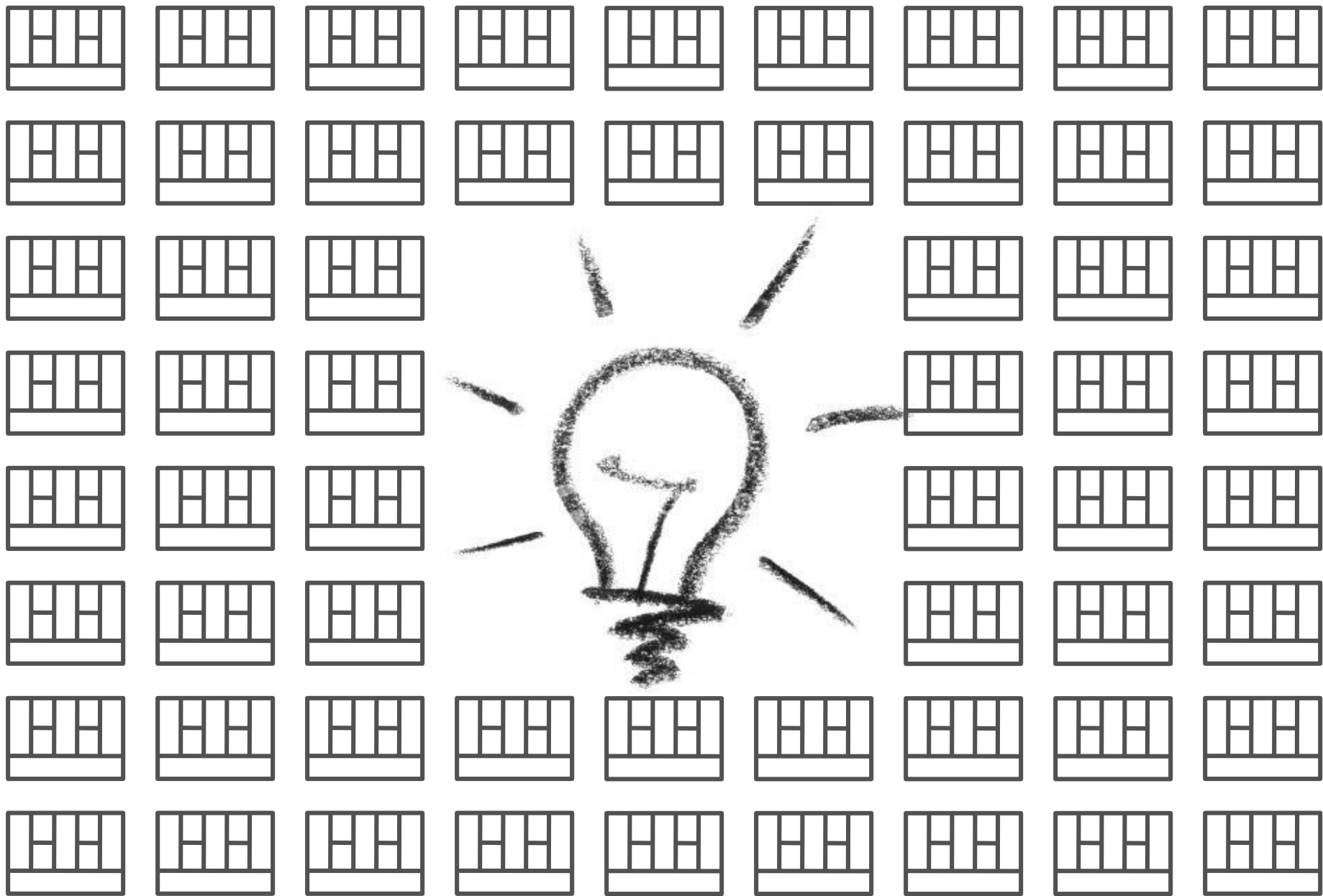
Business Model: Nesspresso



3

*Take time
to think
through
alternative
possibilities.*

the same technology,
product, or service can
have numerous business
models



try sketching out alternative business
models by asking yourself...

transactional vs.
recurring revenues

niche market vs.
mass market

capital expenditure vs.
partnership

scale vs. scope
product vs. service

blue ocean vs. red
ocean

direct sales vs.
indirect sales

personal vs.
automated

open vs. closed
human intensive vs.

disruptive vs.
incremental

difficult questions

one customer segment
vs. another

physical vs. virtual

production

copyright vs. copyleft

fixed vs. variable
costs

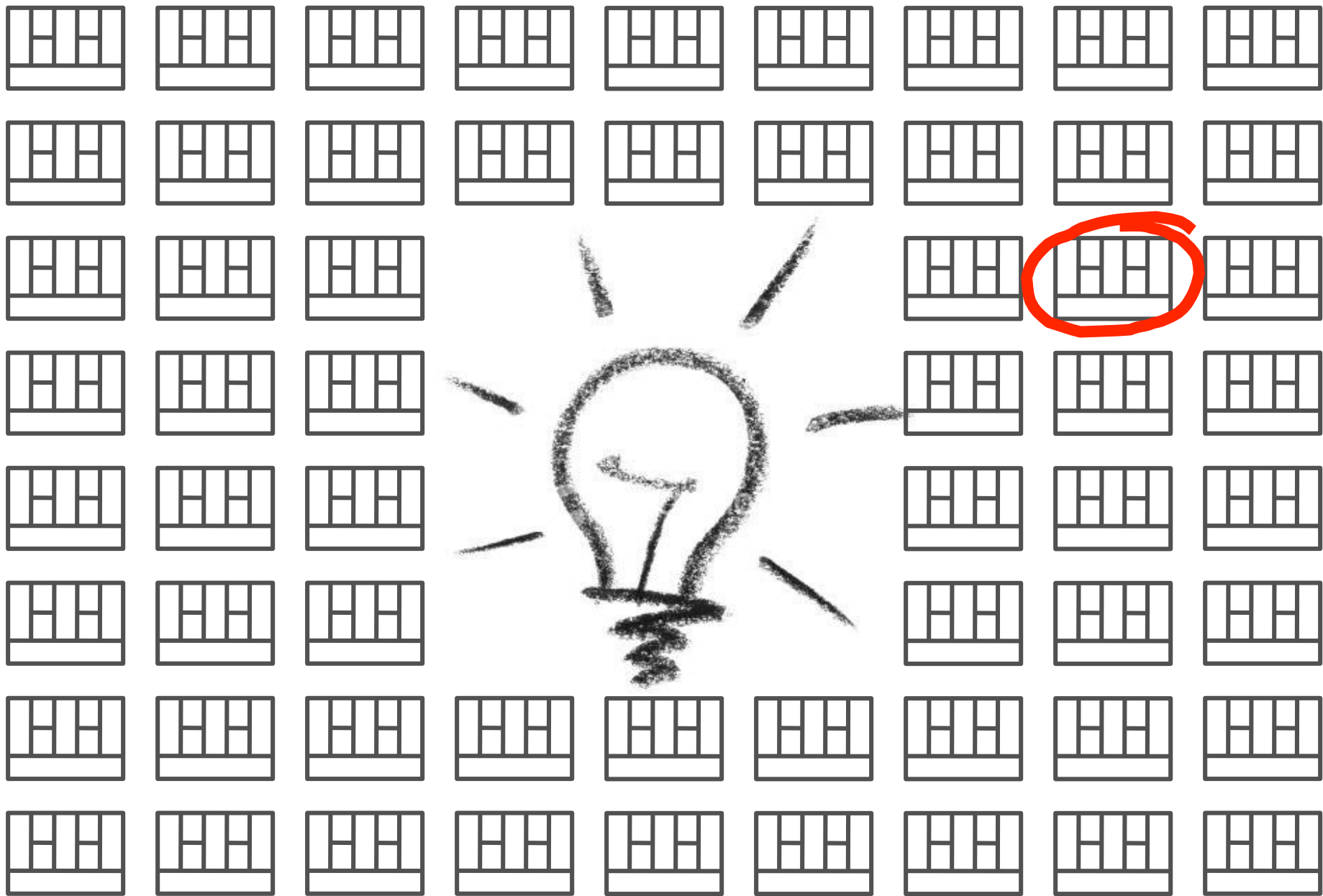
paid vs. free

in-sourcing vs. out-
sourcing

advertising vs.
sales

distributed vs.
centralized

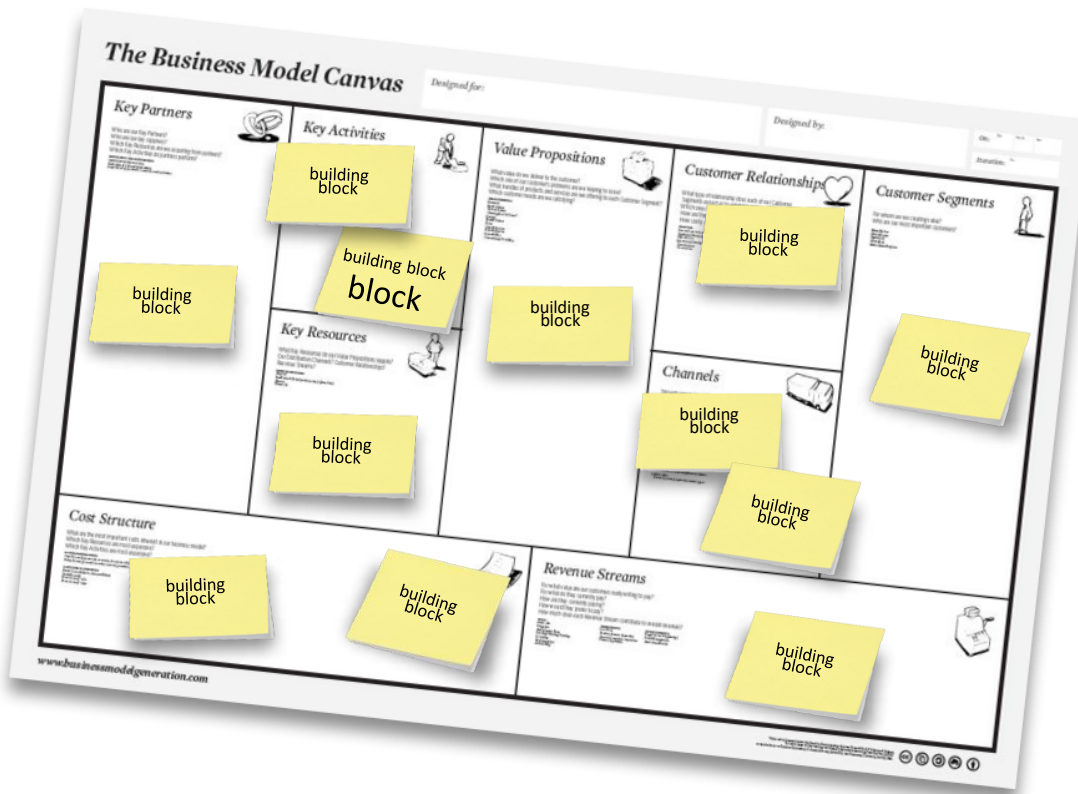
only make a first choice
after prototyping and
thinking through several
models...



4

*Your business
model idea is
just a set of
hypotheses.*

a business model might
look great on paper...



... but be
honest that it's

...just a set of hypotheses

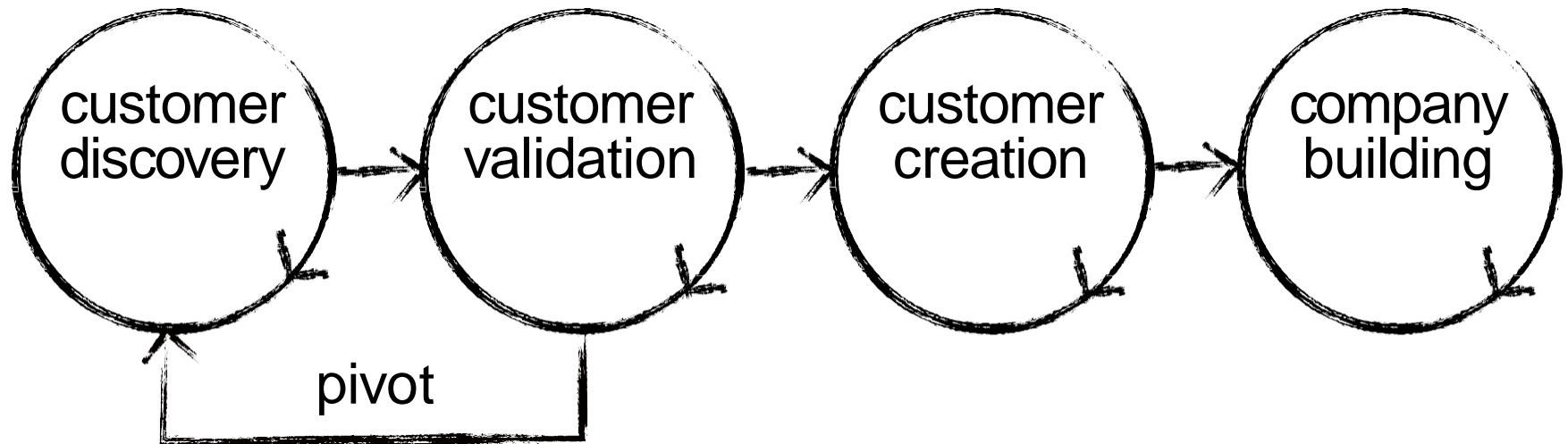


...so you need to get
out of the building
and...

A photograph of a business meeting. Several people in suits are seated around a table. One person is holding a document with a bar chart titled 'Financial plan of company development'. Another person is gesturing with their hand while speaking. A glass of water and a pen are on the table. The text 'test each hypothesis (e.g. with customers)' is overlaid on the bottom right of the image.

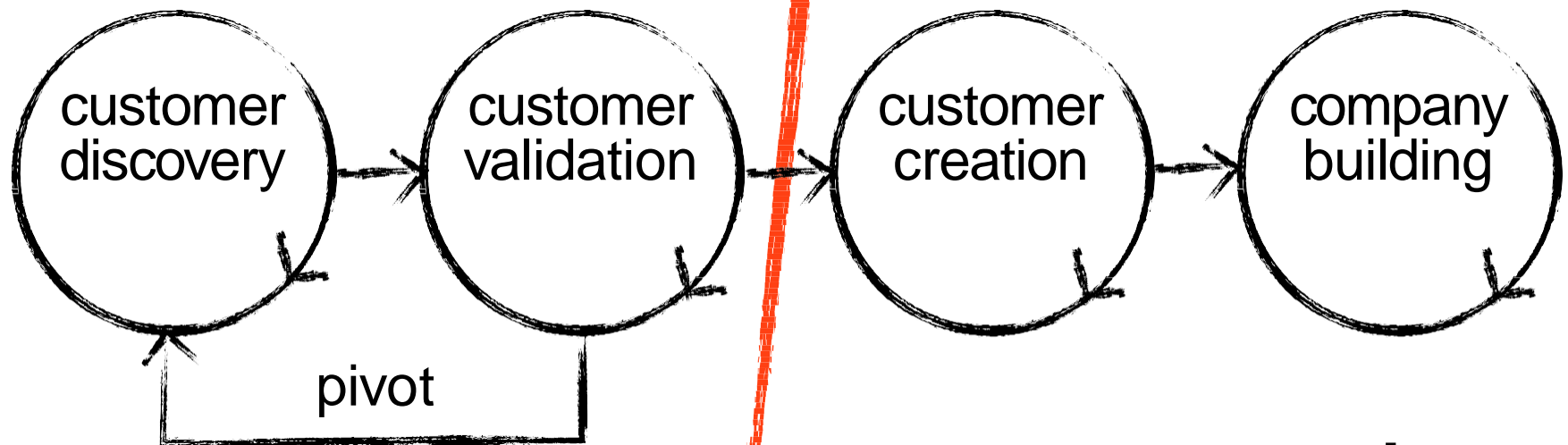
test each
hypothesis (e.g.
with customers)

this business model
testing process is called
Customer Development



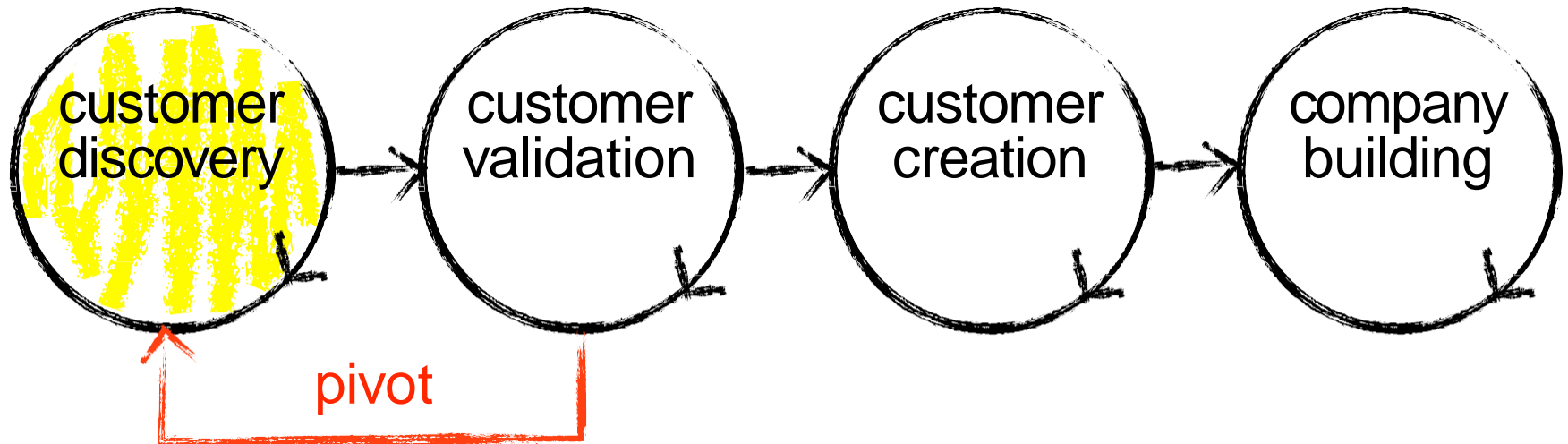
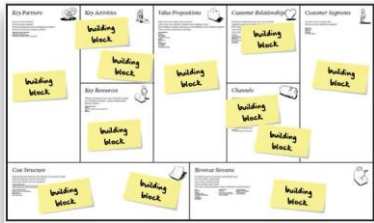
two different phases...

search



execution

... verifying
every
hypothesis



test your hypotheses

Key Partners



Which are our Key Partners?
 Why are we key partners?
 Which Key Resources are we acquiring from others?
 Which Key Activities do our partners perform?
 Which Key Channels do our partners use?
 Which Key Customer Relationships do our partners have?
 Which Key Customer Segments do our partners serve?

Key Activities



What Key Activities do we perform? (Value Propositions require)
 Can Distribution Channels?
 Customer Relationships?
 Key Resources?
 Key Channels?
 Key Customer Relationships?

Value Propositions



What value do we deliver to the customer?
 Which one of our customers' problems are we helping to solve?
 Which bundles of products and services are we offering to each Customer Segment?
 Which customer needs are we satisfying?
 Which customer segments are we targeting?
 Which customer segments are we targeting?
 Which customer segments are we targeting?
 Which customer segments are we targeting?

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
 Which type of relationship do we want to establish?
 How are they integrated into the rest of our business model?
 Which type of relationship do we want to establish?
 Which type of relationship do we want to establish?
 Which type of relationship do we want to establish?

Customer Segments



For whom are we creating value?
 Which are our most important customer segments?
 Which customer segments are we targeting?
 Which customer segments are we targeting?

Key Resources



What Key Resources do we need? (Value Propositions require)
 Can Distribution Channels?
 Customer Relationships?
 Key Activities?
 Key Channels?
 Key Customer Relationships?

Channels



Through which Channels do our Customer Segments want to be reached?
 How are we reaching them today?
 How are our Channels integrated?
 Which channels are best?
 Which channels are most cost-effective?
 How are we integrating Channels to customer relationships?
 Which channels are best?
 Which channels are most cost-effective?

Cost Structure

What are the most important costs drivers in our business model?
 Which Key Resources are most expensive?
 Which Key Activities are most expensive?
 Which Key Channels are most expensive?
 Which Key Customer Relationships are most expensive?
 Which Key Customer Segments are most expensive?



Revenue Streams

For what value are our customers really willing to pay?
 For what do they currently pay?
 How and how frequently are they paying?
 How much are they willing to pay?
 How much are they willing to pay?
 How much are they willing to pay?



product
 market type
 competition

test your hypotheses

Key Partners



Which are our Key Partners?
 Why are we key partners?
 Which Key Resources are we acquiring from others?
 Which Key Activities do we perform as partners?

Key Activities



What Key Activities do we perform? (Propositions require)
 Can Distribution Channels?
 Customer Relationships?
 Key Resources?

Value Propositions



What value do we deliver to the customer?
 Which one of our customers' problems are we helping to solve?
 Which bundles of products and services are we offering to each Customer Segment?
 Which customer needs are we satisfying?

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
 To which ones have we established?
 How are they integrated in the rest of our business model?
 How costly are they?

Customer Segments



For whom are we creating value?
 Which are our most important customers?

Key Resources



What Key Resources do we have? (Propositions require)
 Can Distribution Channels? Customer Relationships?
 Key Activities?

Channels



Through which Channels do our Customer Segments want to be reached?
 How are we reaching them now?
 How are our Channels integrated?
 Which ones are hard?
 Which ones are most cost efficient?
 How are we integrating Channels customer relations?

Cost Structure

What are the most important costs drivers in our business model?
 Which Key Resources are most expensive?
 Which Key Activities are most expensive?



Revenue Streams

For what value are our customers really willing to pay?
 For what do they currently pay?
 How and how frequently paying?
 Where do they prefer to pay?
 How much does each Revenue Stream contribute to overall revenues?



problem
 customer
 user
 payer

test your hypotheses

Key Partners



Who are our key partners?
Who are our key suppliers?
Which Key Resources do we acquire from them?
Which Key Activities do our partners perform?
What do they do for us?
What do we do for them?
What do they do for us?

Key Activities



What Key Activities do our Value Proposition require?
Our Distribution Channels?
Customer Relationships?
Revenue Streams?
Key Resources?
Key Partners?

Value Propositions



What value do we deliver to the customer?
Which one of our customers' problems are we helping to solve?
What bundle of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?
Key Resources?
Key Activities?
Key Partners?
Key Channels?
Key Revenue Streams?

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which type of relationship are we establishing?
How are they integrated with the rest of our business model?
How costly are they?
Key Resources?
Key Activities?
Key Partners?
Key Channels?
Key Revenue Streams?

Customer Segments



For whom are we creating value?
Which are our most important customers?
What do they want?
What do they need?
What do they expect?

Key Resources



What Key Resources do our Value Proposition require?
Our Distribution Channels?
Customer Relationships?
Revenue Streams?
Key Activities?
Key Partners?

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which one is the best?
Key Resources?
Key Activities?
Key Partners?
Key Customer Relationships?
Key Revenue Streams?

channel

Cost Structure

What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?
Key Partners?
Key Channels?
Key Customer Relationships?
Key Revenue Streams?













Revenue Streams

Do we believe our customers really will pay for this?
For what do they currently pay?
How are they currently paying?
How are they going to pay?
How much does each Revenue Stream contribute to our profit or loss?
Key Resources?
Key Activities?
Key Partners?
Key Channels?
Key Customer Relationships?
Key Revenue Streams?



test your hypotheses

<p>Key Partners</p>  <p>Which are our Key Partners? Which are our Key Suppliers? Which Key Activities are we acquiring from partners? Which Key Activities do partners perform? Which Key Activities do we perform ourselves?</p> <p>channel (customer) (problem)</p>	<p>Key Activities</p>  <p>What Key Activities do we perform to create Value Propositions? Can Distribution Channels? Customer Relationships? Revenue streams? Key Resources? Key Partners?</p>	<p>Value Propositions</p>  <p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? Which bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying? Key Resources? Key Activities? Key Partners? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p> <p>product market type competition</p>	<p>Customer Relationships</p>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? demand creation</p>	<p>Customer Segments</p>  <p>For whom are we building this? Which are our most important customer segments? Which are our other customer segments? problem customer user payer</p>
<p>Key Resources</p>  <p>What Key Resources do we need to create Value Propositions? Can Distribution Channels? Customer Relationships? Revenue Streams? Key Partners? Key Activities? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p>	<p>Channels</p>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels aligned? Which channels are best? Key Resources? Key Activities? Key Partners? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p> <p>channel</p>	<p>Cost Structure</p>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? Key Partners? Key Activities? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p> <p>validate business model</p>	<p>Revenue Streams</p>  <p>What value are we capturing? From which Customer Segments? How are we capturing value? Which Revenue Streams are best? Key Resources? Key Activities? Key Partners? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p> <p>pricing model</p>	<p>Cost Structure</p>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? Key Partners? Key Activities? Key Channels? Key Revenue Streams? Key Costs? Key Revenue Streams?</p>

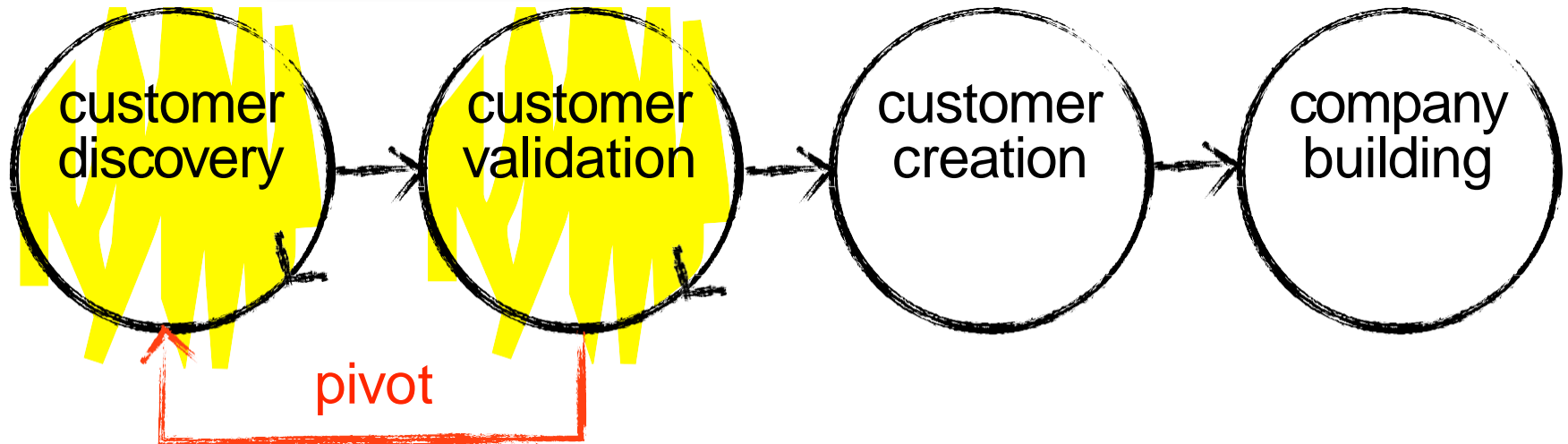
to accomplish this you will
need a special and agile
customer development
team.

A team
that ...

... gets out of the
building!



you need to adapt the business model until you can prove it works



5

*Don't build your
company, until
you've verified
your Business
Model*

or you'll
risk ...

Burning your
cash while
searching for
a working
business
model



execution is not search

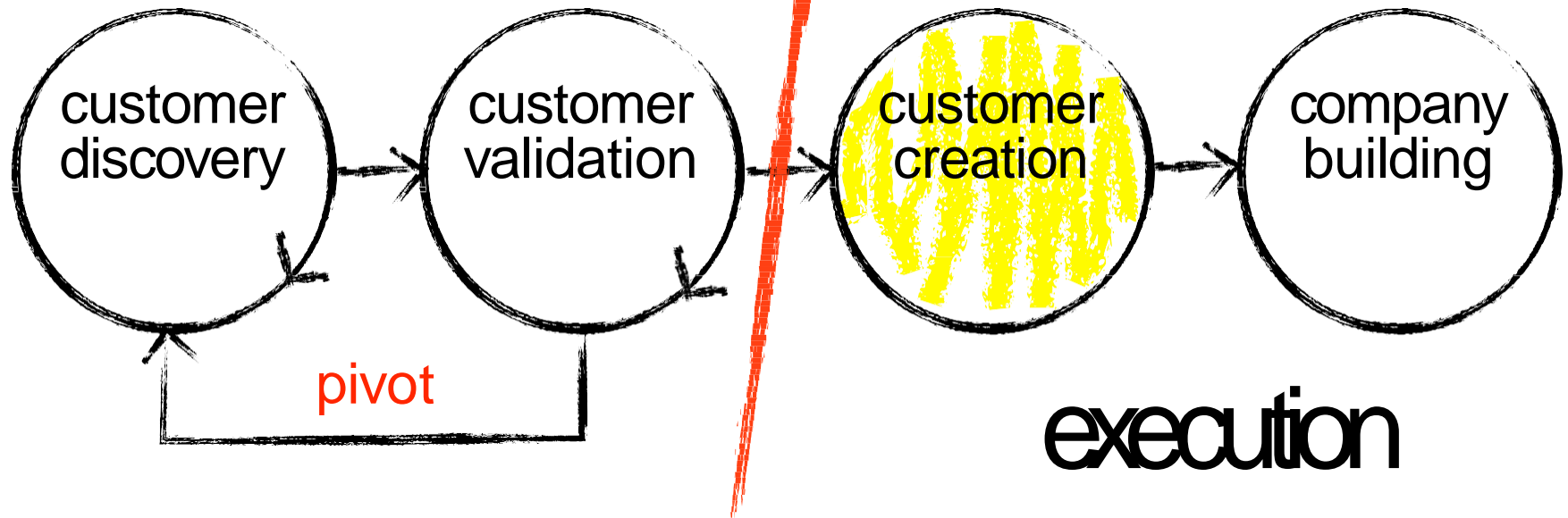
execution follows search

Build when you've found
your model



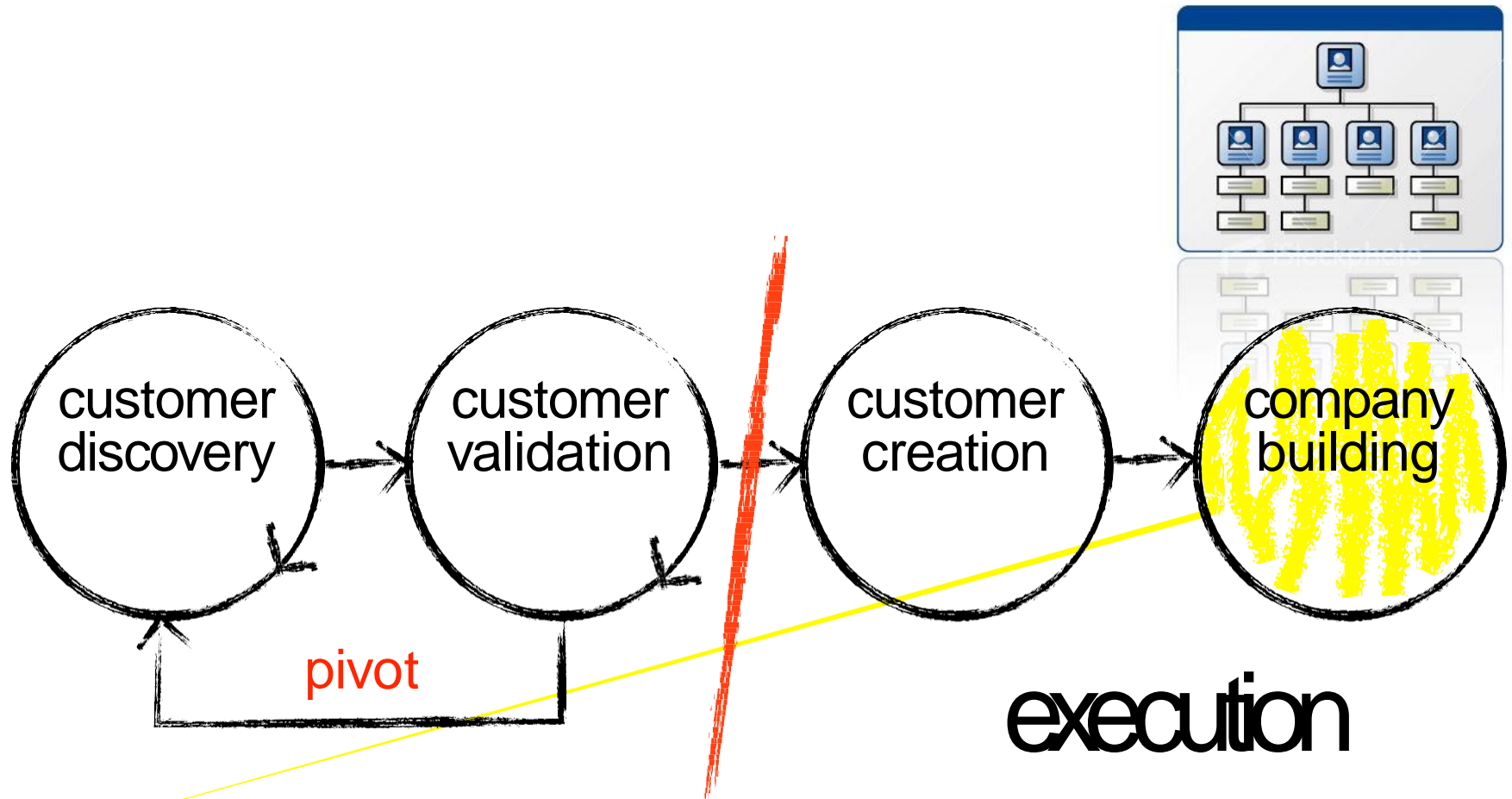
only then execute:

scale your marketing



execution

and build your org
structures



1

No business plan survives the first customer contact.

2

It's the business model, stupid.

3

Take time to think through alternative possibilities

4

Your business model idea is just a set of hypotheses.

5

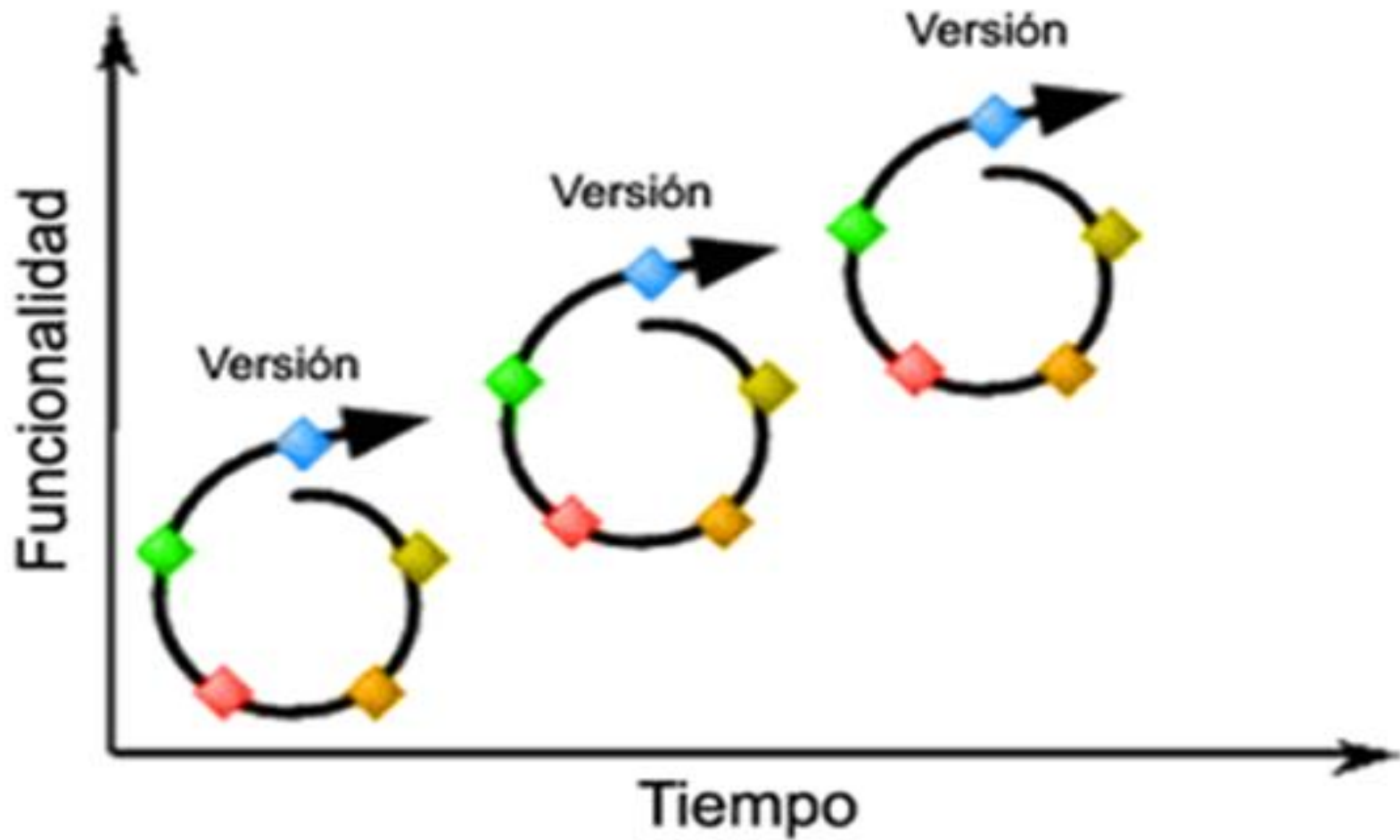
Don't build your company, until you've verified your Business Model



“LEAN”



“PIVOT”



“MVP”

HOW TO BUILD A MINIMUM VIABLE PRODUCT

NOT LIKE THIS



1

2

3

4

LIKE THIS



1

2

3

4

5

image by blog.fastmonkeys.com original idea: spotify product team

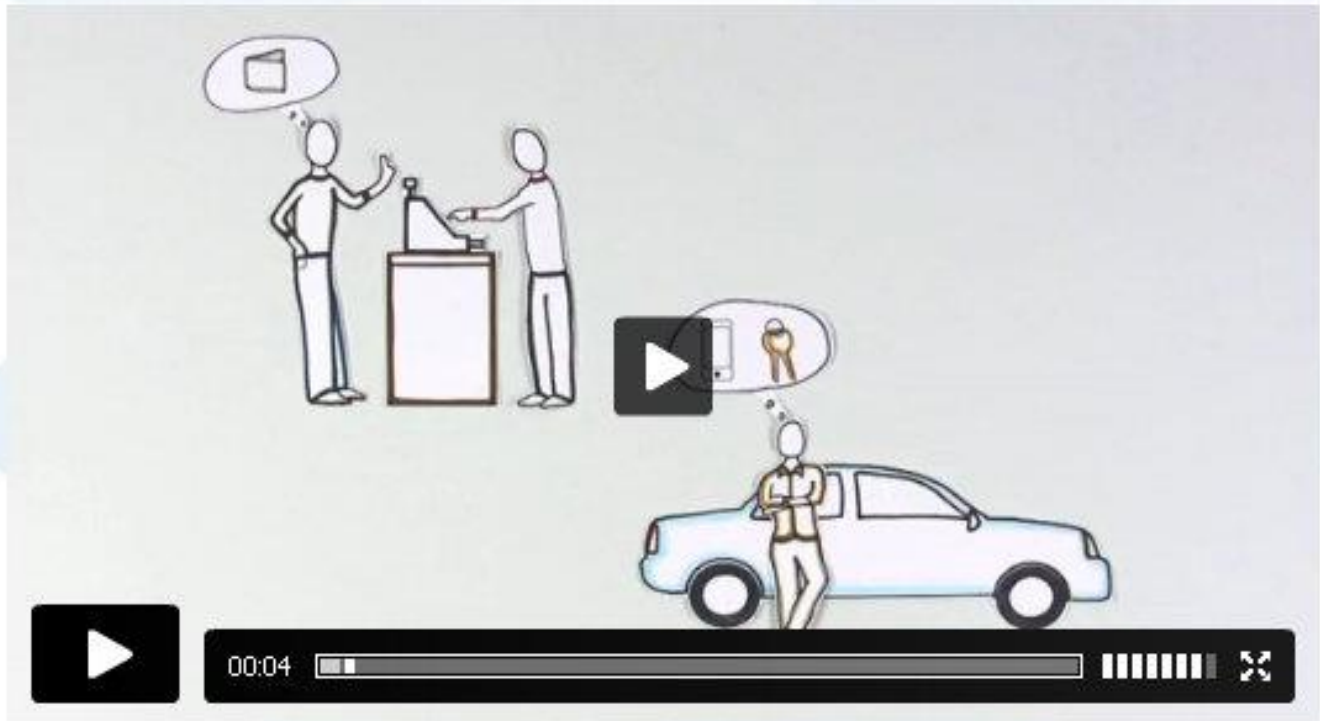
“MVP”



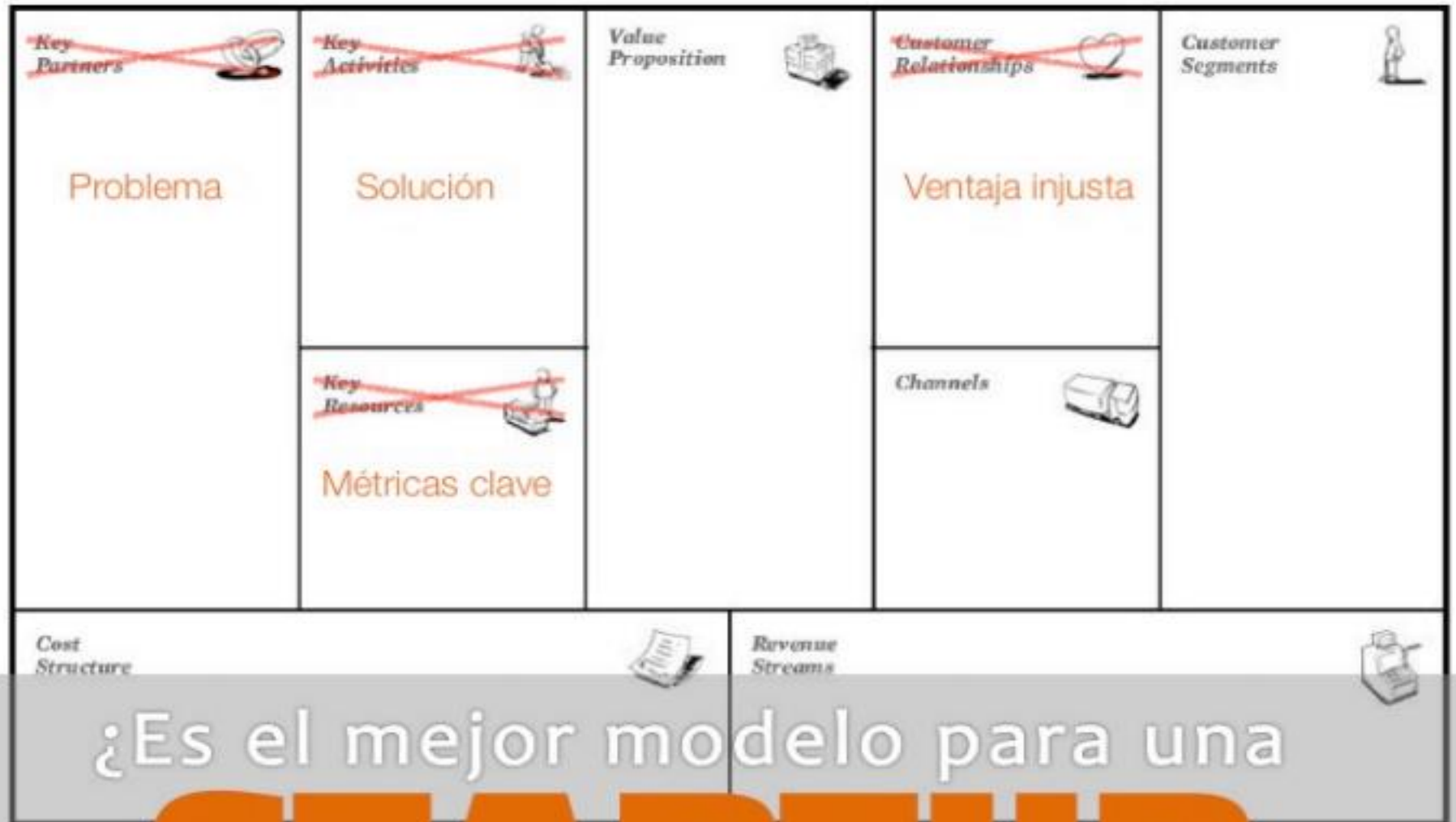
“MVP”



Dropbox



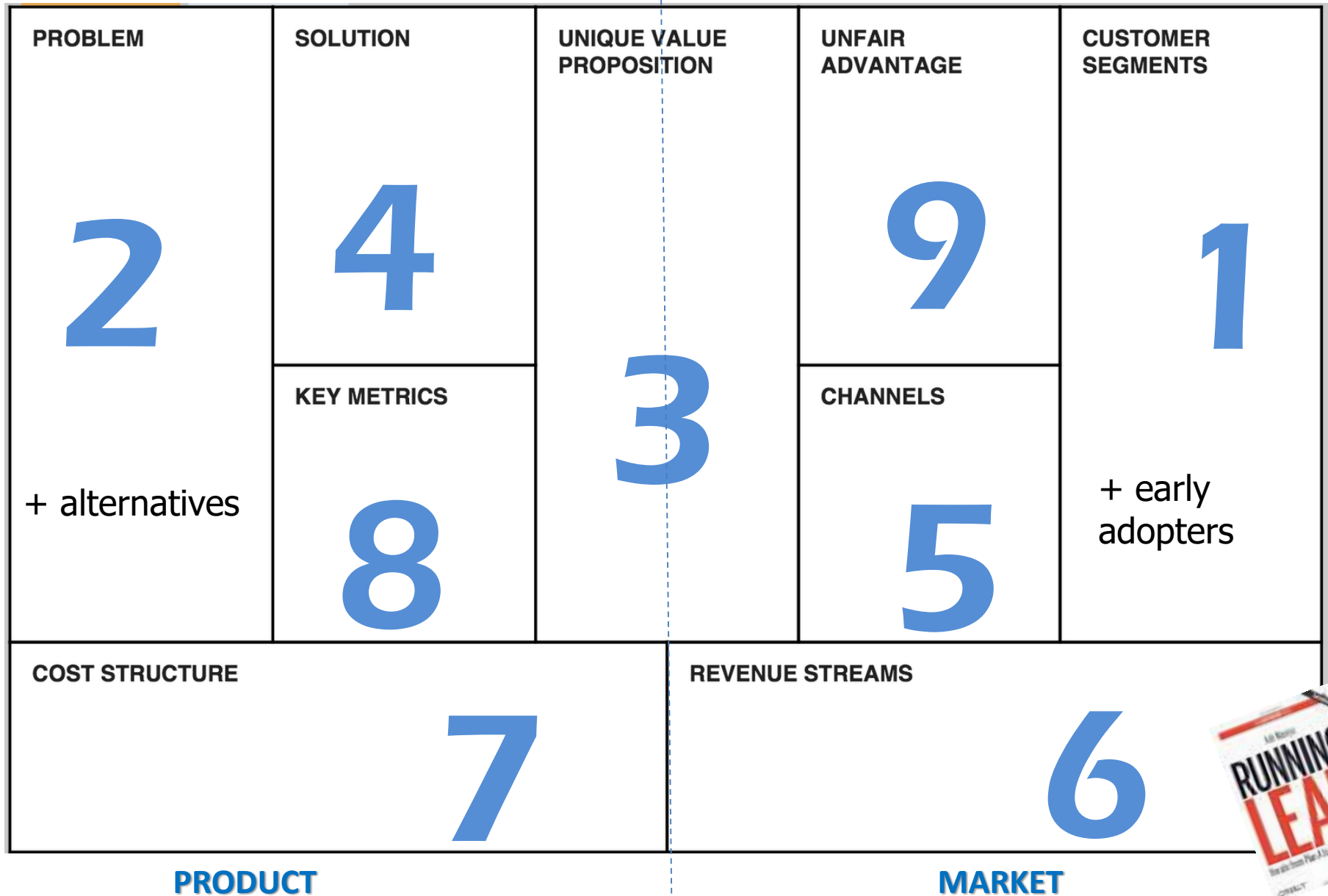
LEAN CANVAS



¿Es el mejor modelo para una

STARTUP ?

LEAN CANVAS – Ash Maurya





"NO!

Try not!

DO or DO NOT,

There is no try."