

How to Start a Startup

V-739-HSST
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Agenda

1. Building Product
2. Business Models Methodologies
3. Design Thinking - IDEO
4. Design Sprints - Google Ventures
5. Guest Speaker - Stefan Baxter

“Design is not what it looks like and feels like.
Design is how it works.”

– Steve Jobs

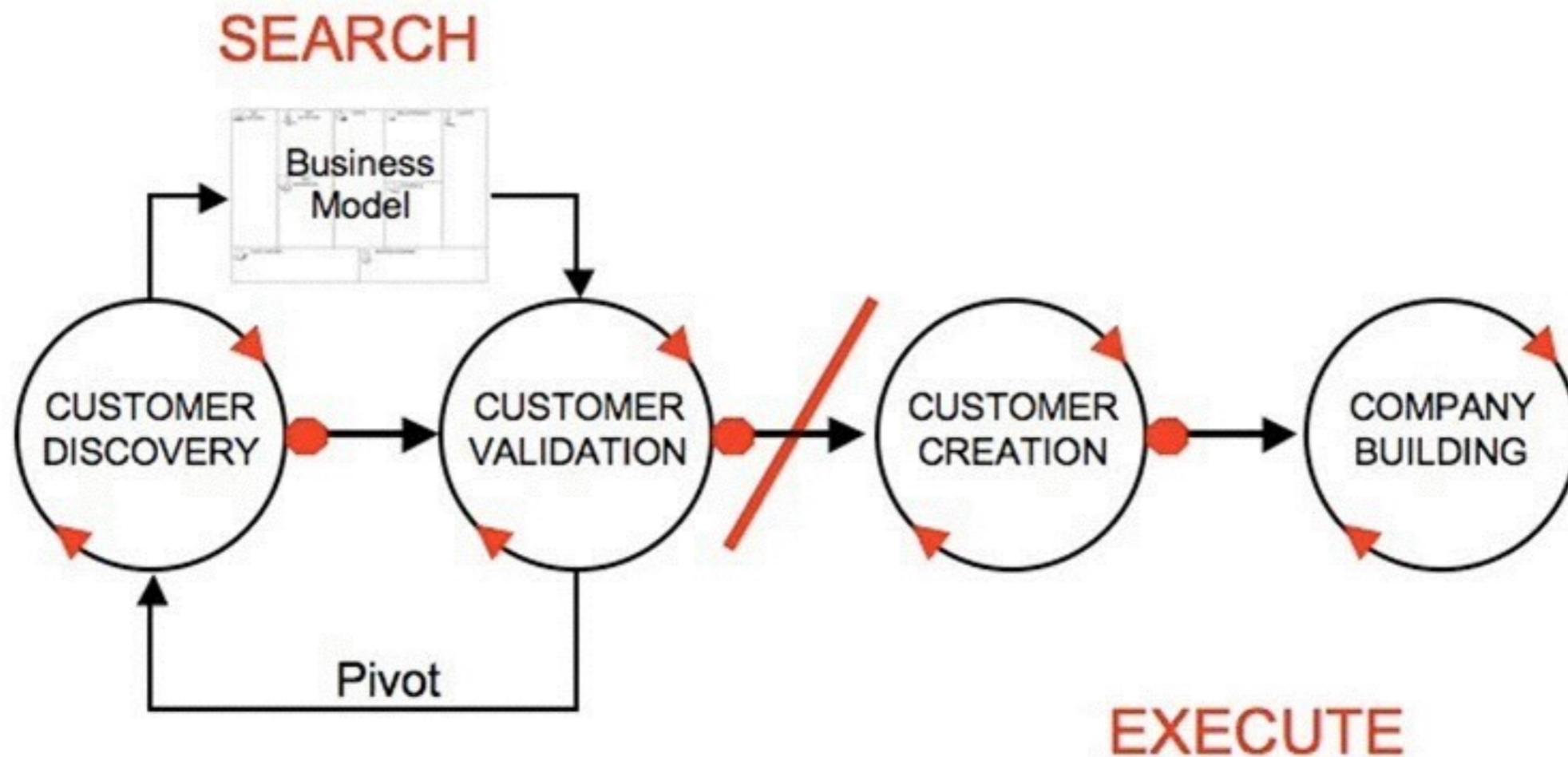
Building Products

- Why are you building a product?
- Have you built a product before?
- Why should anyone use your product?
- Do you understand the Customer/User Want-Need-Pain?

Product vs Business Model

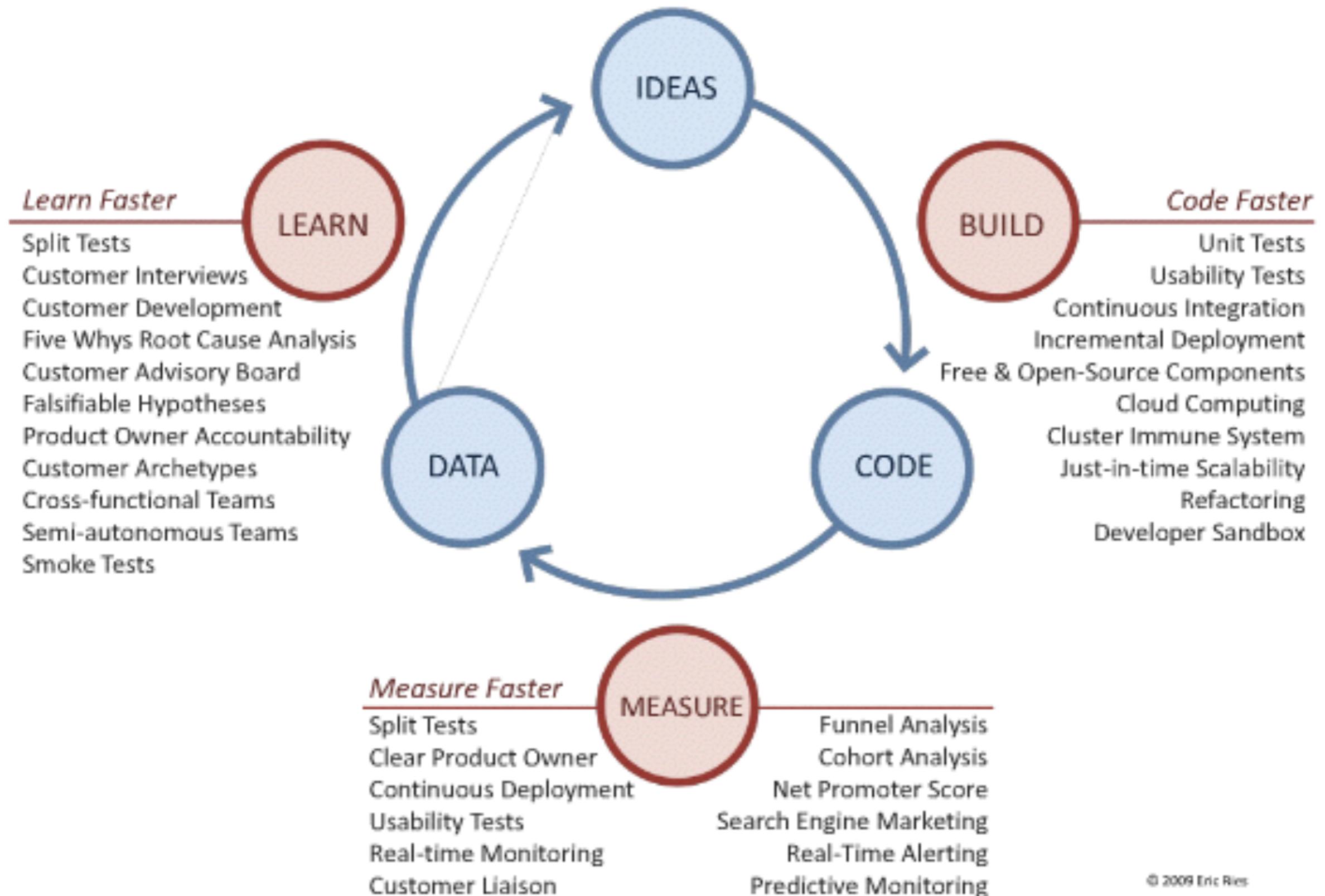
- A product is not your business model
- There are several methodologies to discover a repeatable business model
- Very few methodologies to build products
- What do you need to build products?

Customer/Client Development Model



From the book: *The Four Steps to the Epiphany* by Steve Blank

The Lean Startup



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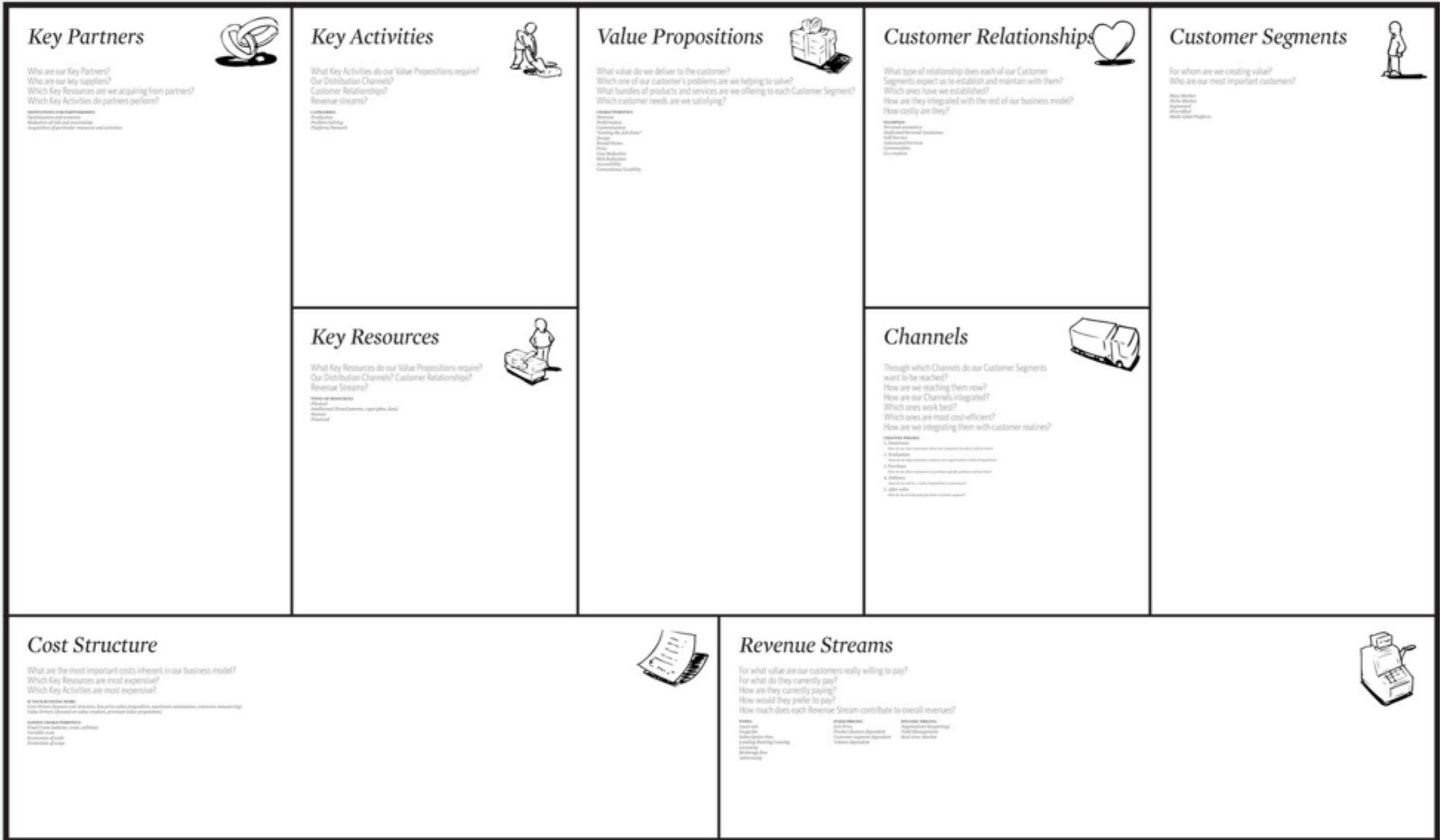
The Business Model Canvas

Designed for:

Designed by:

On:

Iteration:



Business Models

- The above 3 methodologies are good ways to look at your business model
- It is a necessary but not a sufficient condition to building a great product
- Having a good understanding of your business model while building the product is useful but not necessary

“The greatest thing Jobs designed was his business. Apple imagined and executed definite multi-year plans to create new products and distribute them effectively”

– Zero to One, Notes on Startups or How to Build the Future, Peter Thiel

Value Proposition Canvas

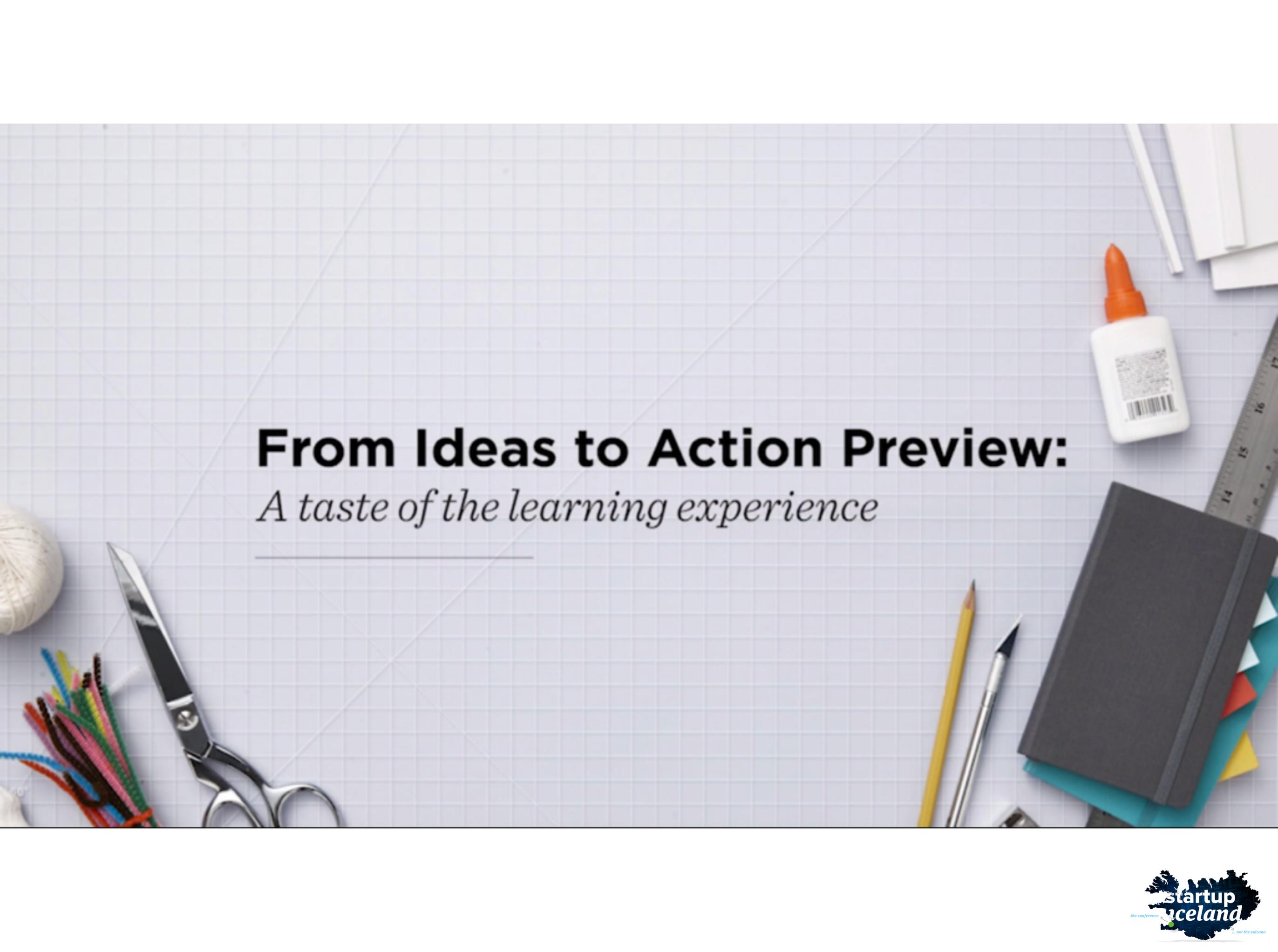


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“It is very easy to be different, but it is very difficult to be better”

–Jonathan Ive

How do you build great products?



From Ideas to Action Preview:

A taste of the learning experience

From Ideation to Action*

- **The Art of Ideating:** Get the inside scoop on IDEO's favorite ideation methods.
- **Rapid Prototyping:** Make your ideas tangible, so you can gather feedback from others.
- **Iterating Your Way Forward:** Move your ideas forward by learning from failure.



* - <http://www.ideo.com/products/from-ideas-to-action>



IDEO



Insights to Innovation

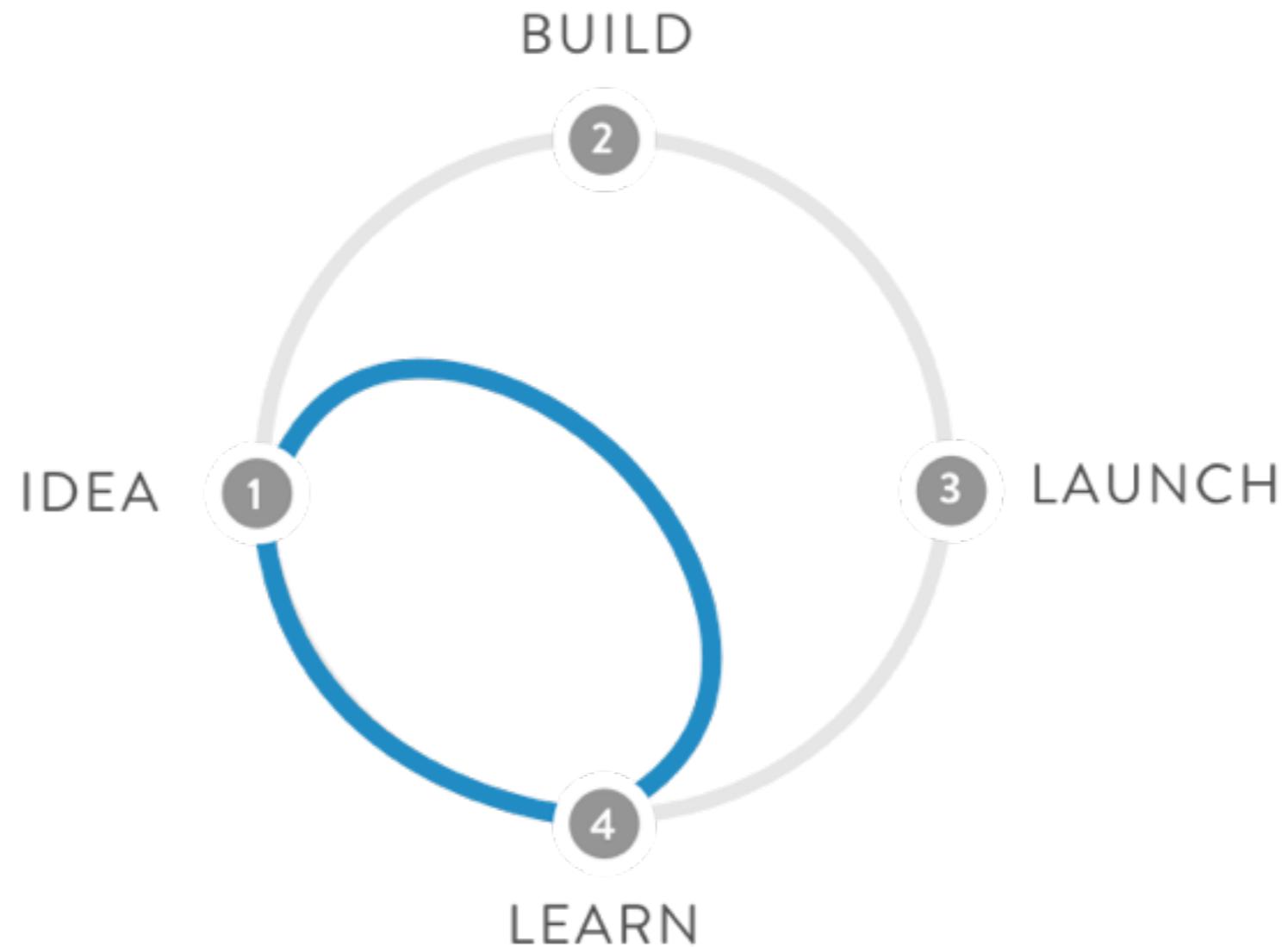
Insights on Innovation*

1. **Observing:** “Listen with your eyes” and discover what people really care about.
2. **Learning from Extremes:** Stretch your thinking beyond assumptions and get to bolder ideas.
3. **Interviewing:** Conduct interviews to get deeper, more honest responses.
4. **Immersive Empathy:** Learn what it means to “walk in someone else’s shoes.”
5. **Sharing Insights:** Craft compelling insights that will inspire innovation.



* - <http://www.ideo.com/products/insights-for-innovation-september-1st-october-19th>

Design Sprints



What is a Sprint?

- A sprint is a 5-day process for answering critical **business** questions through design, prototyping, and testing ideas with customers
- Instead of waiting to launch a minimal product to understand if an idea is any good, teams get **great data from prototype**
- Super power and ability to build and test **any idea in 40 hours**

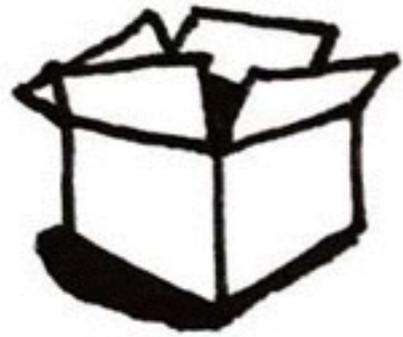


<http://www.gv.com/sprint/>



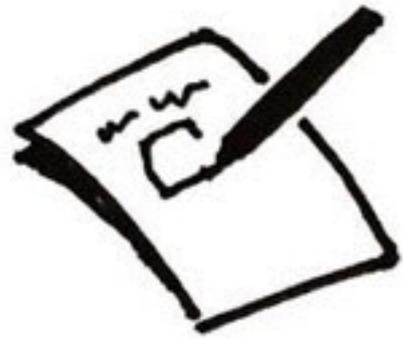
Set the stage

Let's look at what happens before a sprint. You'll need to choose a big problem, gather your team, clear your calendars, and gather some essential supplies. And you'll need a deadline. Schedule a user study before you start the sprint — it can be scary, but good deadlines are an essential part of every sprint.



Monday - Unpack

On the first day of the sprint, your team will “unpack” everything they know. Expertise and knowledge on most teams is asymmetrical: Sales knows things engineering doesn't, customer support knows things design doesn't, and so on. A facilitator needs to explain how to draw insights from the team together, create a simple user story, set the scope for the week, and take useful notes as a team.



Tuesday - Sketch

During Sketch day, your team will work individually to draw detailed solutions on paper. As you sketch, everyone works separately to ensure maximum detail and depth with minimum groupthink. By breaking it down into four discrete steps (Notes, Mind Map, Crazy 8s, and Storyboard), this is the time for CEOs, engineers, and sales folk alike can contribute their ideas effectively. After sketching, you'll use a structured critique and weighted voting to select the best ideas from the field of possibilities.



Wednesday - Decide

By Wednesday, you'll have over a dozen solutions to choose from. That's great, but it's also a problem, because you can't prototype and test a dozen solutions. You'll have to narrow down and make tough decisions. To prepare for Thursday, you'll draw a storyboard, which serves as a blueprint of your forthcoming prototype. Meanwhile, it's time to select research participants and get to work planning Friday's interviews.



Thursday - Prototype

You'll spend Thursday in the flow, being ridiculously productive. You need to have a systematic plan for doing the impossible: build an entire realistic-looking prototype in just eight hours. Like George Clooney in Ocean's Eleven, you'll gather a team of experts, assign roles, and put your plan into motion. And just like in the movie (sorry, spoiler alert), you'll get the job done and still have time to enjoy your evening.



Friday - Test

On Friday, you'll show your prototype to real customers in 1-on-1 interviews. You need to make sense of what you observe, taking notes as a team and finding patterns in real time. By the end of the day, your ideas have all been exposed to oxygen — some will be smash hits, while others will meet an early end.

Obviously, when a risky idea succeeds, it's a fantastic payoff. But it's actually those epic failures which, while painful to watch, provide the greatest return on investment. When a prototype flops, it means we've spotted critical flaws after only five days of work. It's learning the hard way — without the "hard way."