

## An Introduction to Entrepreneurship



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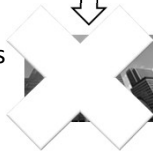
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- Large Companies



- Small Companies



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## Entrepreneurship Definition

- **Trying to develop a new product or service** under conditions of **High Uncertainty** (E. Ries)



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### Clone Entrepreneurship

- Clone companies
  - Product
  - Pricing
  - Customer Segment
  - Business Model
- Success = Implementation



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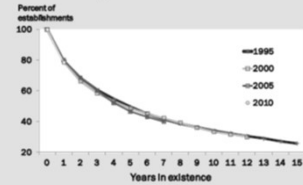
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### Failure in Entrepreneurship

- Failure is quite common
  - For various reasons...
- How can we reduce it?

Figure 3: Cumulative Survival Rates for Establishments by Birth Year



Source: Bureau of Labor Statistics, BEA.



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### Entrepreneurship Under Conditions of High Uncertainty...

- Applying the detailed plan that was prepared...
  - Time
  - Budget
  - Quality
  - Design
- Product is put on sale and...
- Success / Failure
- Achieving Failure



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### If detailed plans don't work...

- Nike Entrepreneurs
  - Just do it!
- Alternatives
  - Scientific Entrepreneurship
  - Lean Startup



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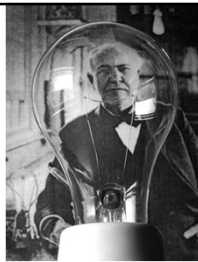
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### Failure in Entrepreneurship

- Failure is quite common
  - Nike Entrepreneurs
  - Those successfully achieving failure
  - Unlucky entrepreneurs
- Lean Entrepreneurs
  - A tool to reduce failure...
  - By speeding up failure!
  - Rather than failing after consuming all of the resources,
  - Fail faster and leave some resources for other trials.
    - Using a only a little time, a little money, a little of the resources, allowing for many tests and leading to validated learning.



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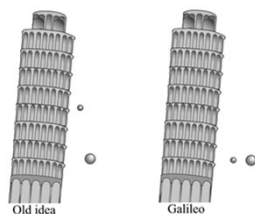
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### The Scientific Method Applied to Entrepreneurship

- How does Science advance?
- What is the Scientific Method?
  - Observation => Hypothesis => Testing
- Applied to Entrepreneurship
  - => Lean Startup



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## Under Conditions of High Uncertainty...

- Reducing Uncertainty by producing information
- Which subjects are critical and should be prioritized?

A tool to help understand...

- What you know,
- What you do not know,
- What you do not know you do not know,
- In brief, your assumptions



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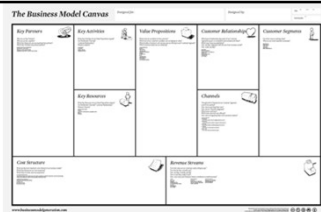
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## Business Model



Alexander Osterwalder  
(@AlexOsterwalder)



- Description of how your company:
  - Creates
  - Delivers
  - Captures value.
- In short: How your company makes money.

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## The Business Model Canvas

- Developed by Alex Osterwalder.
- [www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)
- Determining the main outlines of a business idea by using 9 building blocks



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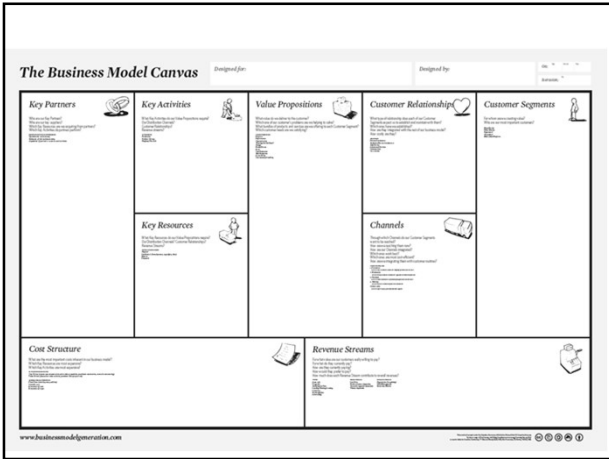
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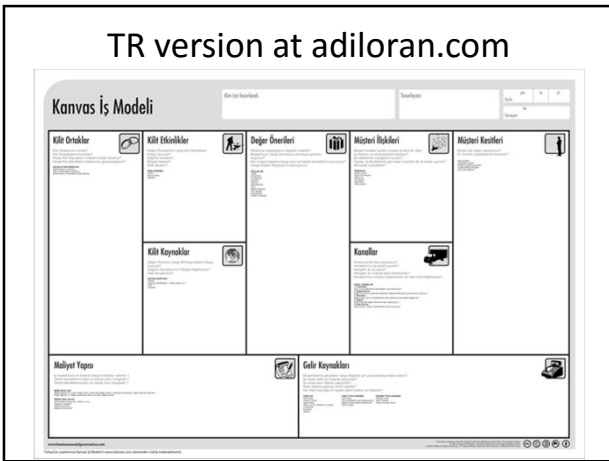
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**The Business Model Canvas**

- Value Propositions
- Customer Segments
- Customer Relations
- Channels
- Revenue Streams
- Key Activities
- Key Partners
- Cost Structure

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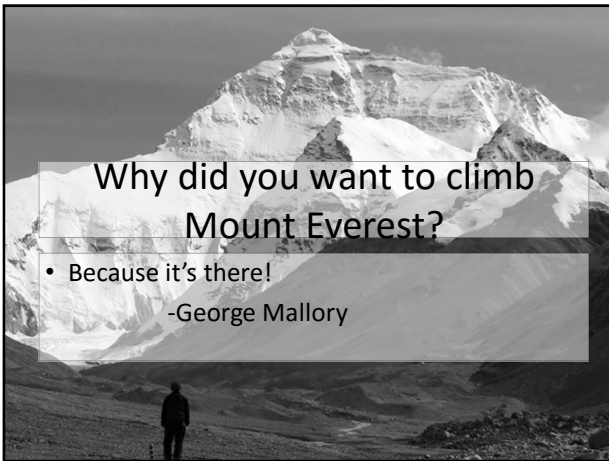
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### Why did you want to climb Mount Everest?

- Because it's there!  
-George Mallory

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Question the Entrepreneur should ask:

- "Can we build it?"...  
- NO!
- "Should we build it?" or "What should we build?"...  
- YES!

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### Lean Startup

- Eric Ries
- Using resources as efficiently as possible.
- Failing Fast!
- Build => Measure => Learn (BML loop)
- Validated learning
- Minimum Viable Product (MVP)
- Continue - Pivot
- Product-Market fit

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### Resources

- The Lean Startup, Eric Ries
- The Business Model Canvas, Alex Osterwalder
- The Startup Owner's Manual, Steve Blank
  - Customer Development
  - Udacity.com
- Disciplined Entrepreneurship, Bill Aulet
- Innovator's Dilemma, Clayton Christensen
- Talking to Humans, Giff Constable



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