

#LeanStartup

#Oman_Entrepreneurs Network

#Hot_Topic Jam Session

Business Plan

Pitch to investors

Assemble a Team

Introduce a product or service

Start selling as HARD as you can

Fatal Set-Back

Harvard Business School's Shikhar Ghosh shows that

**75% of all Start-
ups FAIL**

Lowering the Risk

New Methodology

“Lean Start-UP”

Experimentation

Over

Elaborate Planning

Customer Feedback

Over

Intuition

Iterative Design

Over

**Traditional “Big Design Up
Front” Development**

Some of its terms are

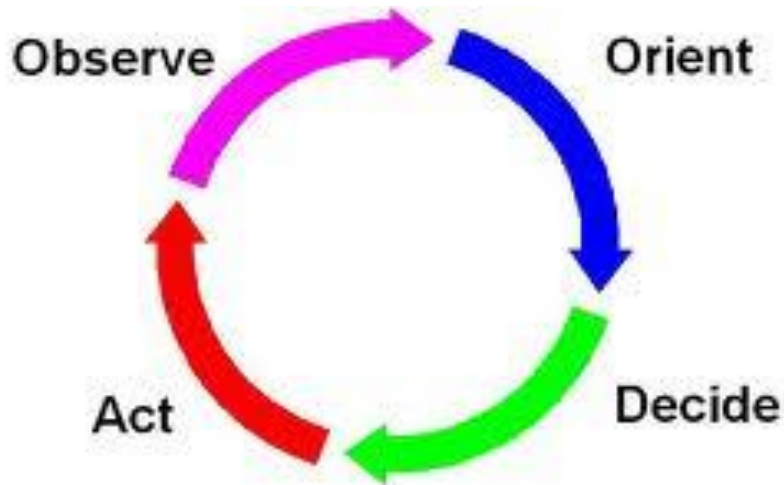
- Minimum Viable Product
- Pivoting
- Failing Fast
- Continuously Learning

Some fallacies of Start-UPs

- Assume customer is known
- Assume features are known
- Assume growth by execution

Don't fight a losing war

- Winning is about *AGILITY*



Slow OODA loop = death
Fast OODA loop = success

OODA LOOP

- Observe
- Orient
- Decide
- Act

Agility Requires

- A continuous cycle of interactions with the environment
- But you cannot do it from a desk

Winners are those who....

- Can move faster than their competitors
- Wining requires constant assessment of change, and ways to mitigate risk
- Iterating faster than competitors yields substantial advantage

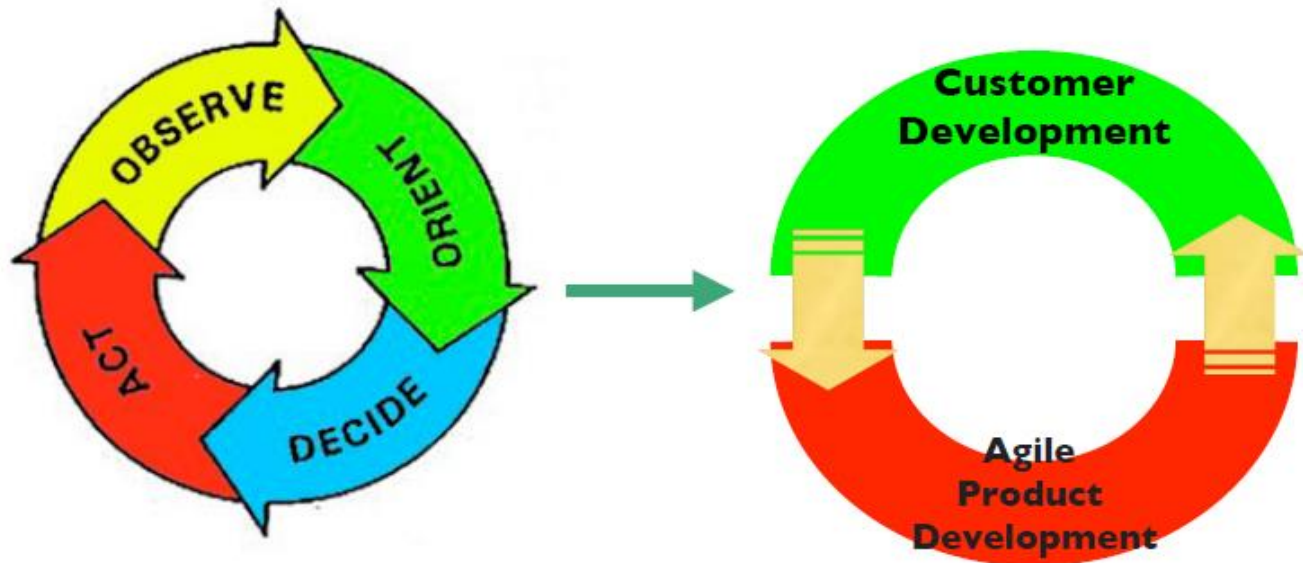
Reality of today's Start-Up

There is no 2nd Place

- Uncertain environment
- Rapid, unanticipated changes that lead to disorientation
- Constant threat to any initiative
- Burn rate (Time, Fuel, Bullets, Rials) limits the window of opportunity

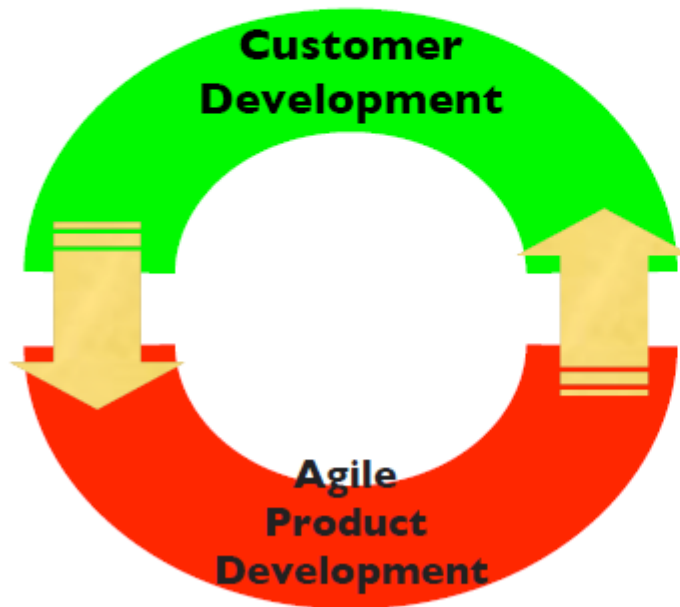
Using OODA to Create “Lean Startups”

And Changing the Startup Rules



Lean Startups

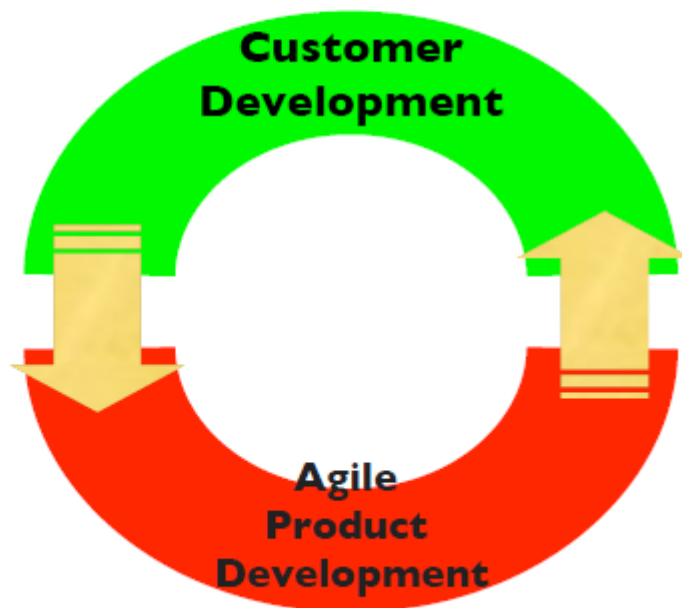
Building a New Wave of Companies in Silicon Valley



- Continuous customer interaction
- Revenue goals from day one
- No scaling until revenue
- Assumes customer and features are unknowns
- Low Burn by Design - Not Crisis

Lean Startup Principles

Extraordinary Value at Low cost in Little Time



- Leverages:
 - Technology commoditization
 - Agile management practices
 - Customer Development
- Designed to test hypothesis and answer the unknowns

The Lean Startup

Agile Product Development



- Continuous cycle of Product Development
 - Product release cycle in hours not years
 - Tightly coupled with customer development
 - Minimum feature sets, maximum customer coverage

What has changed? Technology

Lean Startups Leverage Commoditized Technology

Licensed Software/
Proprietary Hardware



Windows Server 2008

ORACLE


VMware

Sun
microsystems

Windows



Open Source/
Commodity Technology



DELL

APACHE

MySQL

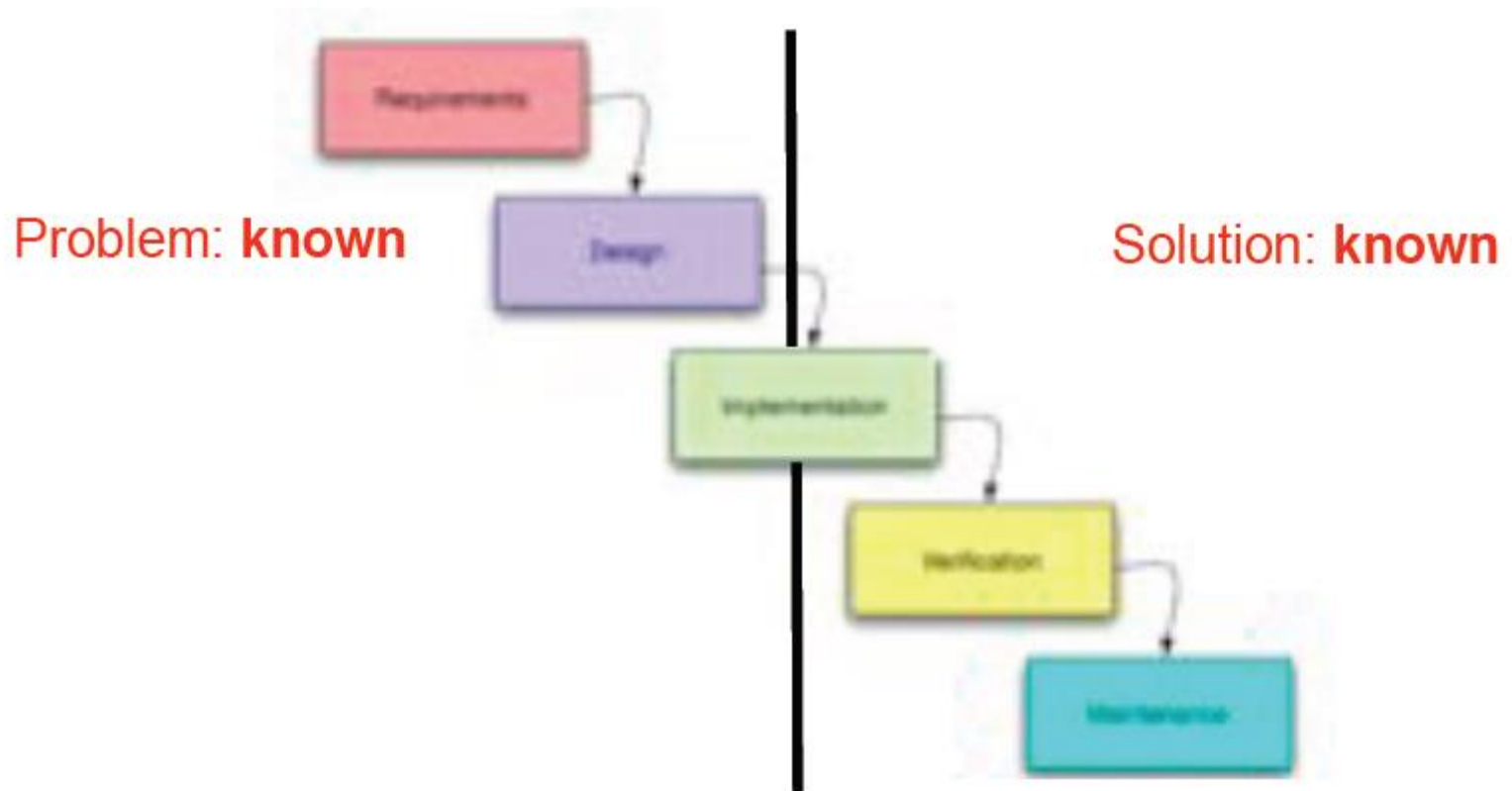
Linux

Xen
Source

Product Development a la Microsoft

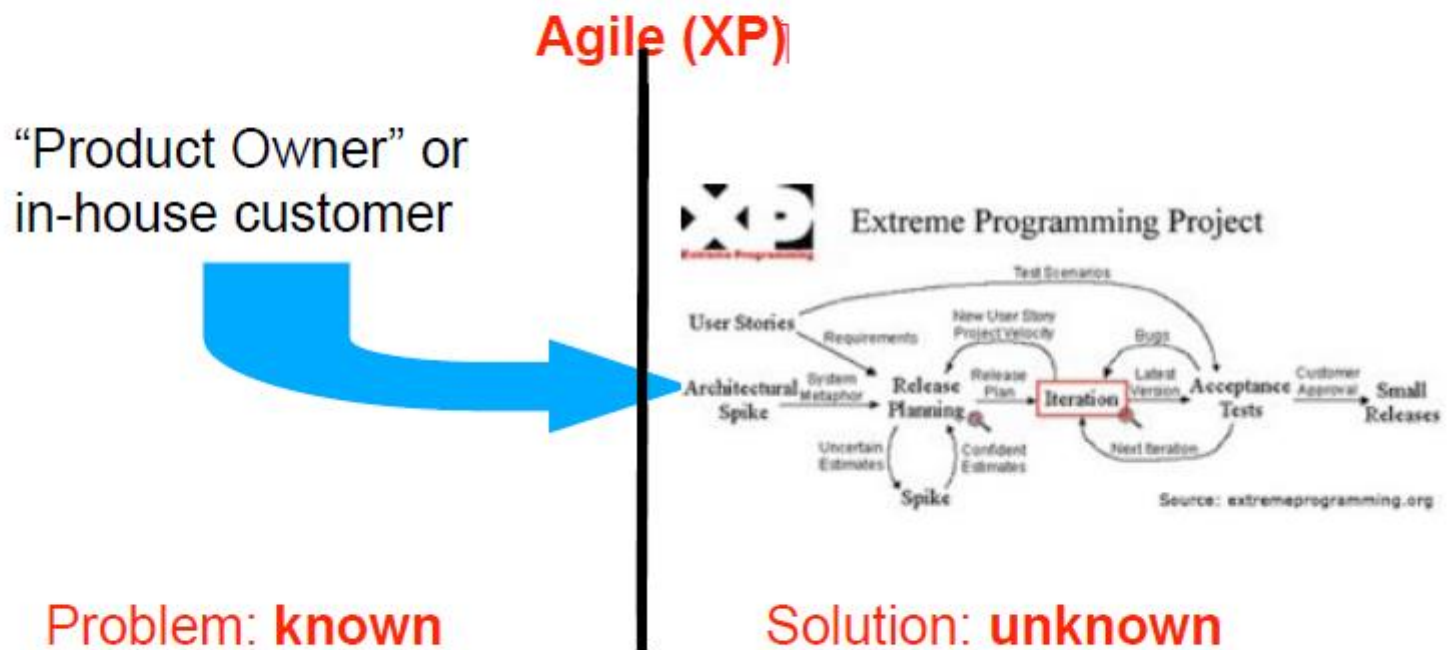
Unit of progress: Advance to Next Stage

Waterfall



Product Development at Typical Venture Startup

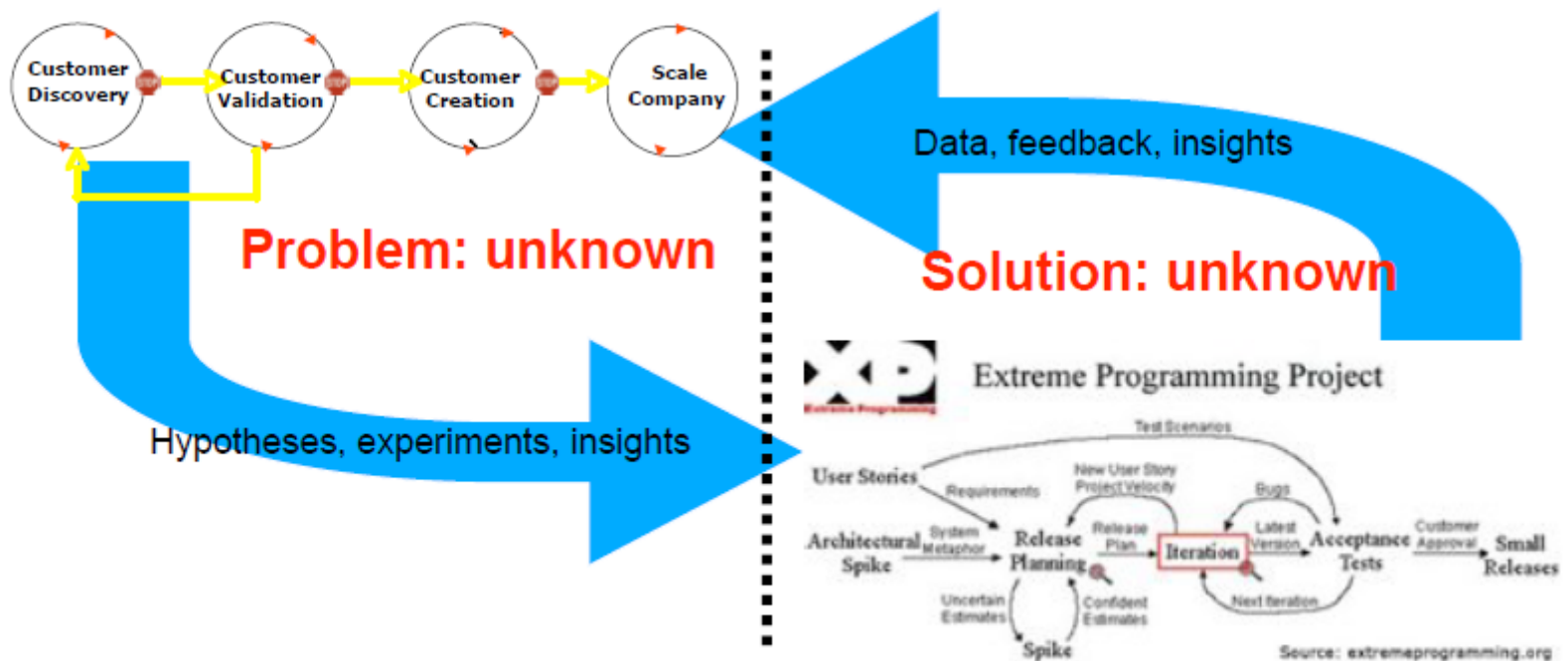
Assumes Customers and Markets are Understood



Product Development at Lean Startup

Assumes Customers and Markets are Unknown

Customer Development Engineering



The Lean Startup

Customer Development



- Continuous cycle of customer interaction
 - Rapid hypothesis testing about market, pricing, customers, ...
 - Extreme low cost, low burn, tight focus
 - Measurable gates for investors

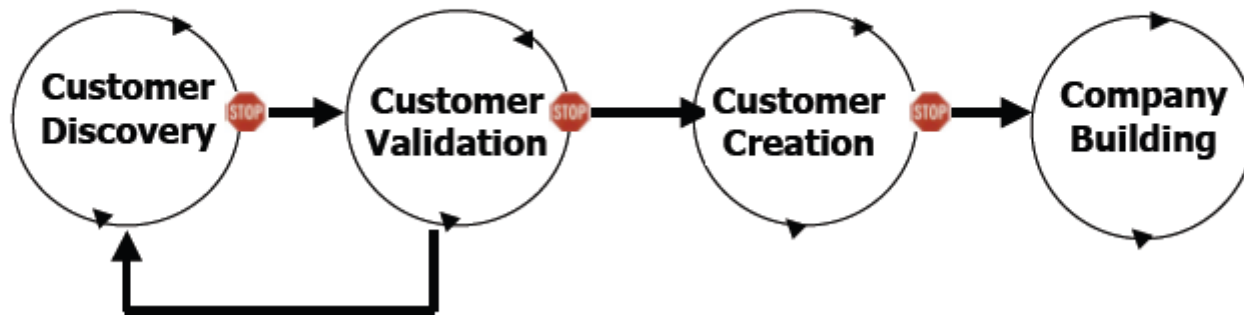
The Lean Startup

Customer Development Parallels Agile Development

Agile Development

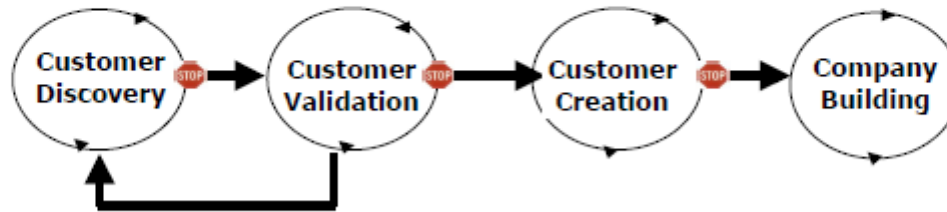


Customer Development



Customer Development

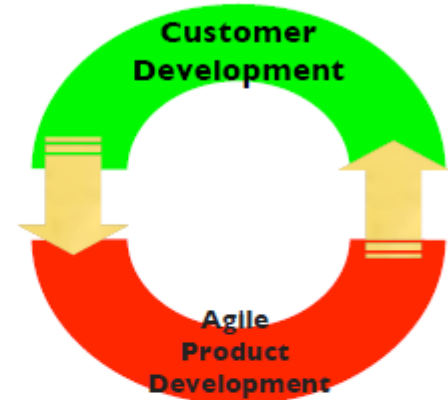
Turns Market Risk/Product Fit Hypothesis into Facts



- Discovery
 - Test hypotheses I.e. problem and product concept
- Validation
 - Build a repeatable and scalable sales process
- Creation
 - Create end-user demand and fill the sales pipeline
- Building
 - Scale via relentless execution

Lean Startup Advantages

- Builds low-burn companies by design
 - Low cost market risk testing
- Organized around learning and discovery
- Right model for current conditions



The next wave of capital efficient startups

Are You Running #LeanStartup??