

The Lean Launchpad

Columbia Business School Block Week Course B8521-001

Instructors:	Steve Blank Bob Dorf Asha Saxena (CEO of Future Technologies Inc., Entrepreneur In Residence) Alicia Syrett (Founder and CEO of Pantegriion Capital) Adam Royalty (Designer-in-residence, Columbia Entrepreneurship, Lead Research Investigator, Stanford d.School) Sarah Holloway (Lecturer in Discipline of International and Public Affairs, Director Management Specialization)
Teaching Assistants:	Nathaniel Kelner Meghan Cross
Credits:	3
Days and Times:	Monday – Friday 9:00 am – 5:30 pm (or earlier finish)
Main Classroom:	Jerome Greene 101
Breakout Rooms:	As assigned by cohort (<i>see your team’s specific schedule</i>)
Video Lectures:	Udacity EP245 (How to Build a Startup) Lean Launchpad Customer Discovery Videos (on Vimeo)
Texts:	The Startup Owner’s Manual Blank & Dorf Business Model Generation Osterwalder & Pigneur
Prerequisites:	Full Team Interest in discovering how an idea can become a real company
Goal:	An experiential learning opportunity showing how startups are built

Course Description:

This course provides real world, hands-on learning on what it’s like to actually start a high-tech company. This class is not about how to write a business plan. It’s not an exercise on how smart you are in a classroom, or how well you use the research library to size markets. And the end result is not a PowerPoint slide deck for a VC presentation. And it is most definitely not an incubator where you come to build the “hot-idea” you have in mind.

This is a practical class – essentially a lab, not a theory or “book” class. Our goal, within the constraints of a classroom and a limited amount of time, is to create an entrepreneurial experience for you with all of the pressures and demands of the real world in an early stage start up.

You will be getting your hands dirty talking to customers, partners, competitors, as you encounter the chaos and uncertainty of how a startup actually works. You’ll work in teams learning how to turn a great *idea* into a great *company*. You’ll learn how to use a *business model* to brainstorm each part of a company and *customer development* to get out of the classroom to see whether anyone other than you would want/use your product. Finally, based on the customer and market feedback you gathered, you would use *agile development* to

rapidly iterate your product to build something customers would actually use and buy. Each day will be a new adventure outside the classroom as you test each part of your business model and then share the hard earned knowledge with the rest of the class.

The Flipped Classroom

Unlike a traditional classroom where the instructor presents lecture material, [our lectures are on-line](#) at Udacity.com. Watching the assigned lectures is a **required** part of your daily *homework*. We expect you to watch the assigned lectures and we will use time in class to discuss questions about the lecture material.

Class Roadmap

Each day's class is organized around:

- Student presentations on their "lessons learned" from getting out of the building and iterating or pivoting their business model.
- Comments and suggestions from other teams, and teaching teams, on the lessons learned.
- Discussion about the lecture on one of the 9 building blocks of a business model

Class Culture

Startups communicate much differently than inside a university or a large company. It is dramatically different from the university or large company culture most of you are familiar with. At times it can feel brusque and impersonal, but in reality is focused and oriented to create immediate action in time- and cash-constrained environments. We have limited time and we push, challenge, and question you in the hope you will quickly learn. We will be direct, open, and tough – just like the real world. We hope you can recognize that these comments aren't personal, but part of the process.

We also expect you to question us, challenge our point of view if you disagree, and engage in a real dialog with the teaching team. This approach may seem harsh or abrupt, but it is all part of our wanting you to learn to challenge yourselves quickly and objectively, and to appreciate that as entrepreneurs you need to learn and evolve faster than you ever imagined possible.

Amount of Work

This class requires a phenomenal amount of work on your part, certainly compared to many other classes. Projects are treated as real start-ups, so the workload will be intense. *Getting out of the classroom* is what the effort is about. You will be spending a significant amount of time in between each of the lectures outside your lab talking to customers. If you can't commit the time to talk to customers, this class is not for you.

This class is a simulation of what startups and entrepreneurship is like in the real world: chaos, uncertainty, impossible deadlines in insufficient time, conflicting input, etc. This class pushes many people past their comfort zone. It's not about you, but it's also not about the class or the teaching team. This is what startups are like (and the class is just small part of what it is really like.) The pace and the uncertainty pick up as the class proceeds.

Team Organization

This class is team-based. Working and studying will be done in teams. You will be admitted as a team. Teams must submit a proposal for entry before the class begins. Projects must be approved before the class.

Team projects can be software, physical product, or service of any kind. The teams will self-organize and establish individual roles on their own. There are no formal CEO/VP's - just the constant parsing and allocating of the tasks that need to be done.

Deliverables

1. Teams will present daily in-class PowerPoint summary of your customer discovery progress
2. Teams will deliver a final paper with a summary of the lessons learned during customer discovery and a detailed 120-day work plan to go forward with their idea. It will include a plan of attack for the remaining "unresolved" business model boxes.

NOTE: All presentations prepared for the class will be publicly posted on slideshare.net (see intellectual property overview at end of syllabus)

Grading

This course is graded according to your specific school's grading policies. It is not Pass/Fail. It is team-based and 60% of your grade will come from your team progress and final project. The grading criteria are:

Individual measures:

- 20% - Individual participation in class giving feedback to your peers*
 - Your teammates' confidential evaluation of your contribution to the workload

Team measures:

- 40% - Progress on customer discovery as measured by team effort and progress in daily presentations to and discussions with the teaching team
- 20% - "Lesson Learned" presentation to be given at end of course
- 20% - Final team paper on lessons learned through the course (~1000 words)

This class requires your undivided attention for all 5 –days. Being absent or tardy on any of the 5 days of the course without permission from an instructor will severely impact your final grade.

Mandatory Pre-class Preparation:

Reading/ Viewing before Jan 5	Course Strategy: HBR - Why The Lean Start-Up Changes Everything Watch: Udacity EP245 lectures 1 and 1.5A & B Watch: Lean Launchpad Customer Discovery Videos – intro to customer discovery: CD-40 , CD-30 , CD-31 , CD-32 , CD-33 , CD-34 , CD-49 , CD-50 , CD-51 Read: Business Model Generation: pp. 14-49 Startup Owners Manual: pp. 1-84 intro to customer development Startup Tools: steveblank.com/tools-and-blogs-for-entrepreneurs/ Look at: presentations: www.slideshare.net/sblank/tagged/Columbia
Before You Show Up in Class on Jan 12	Come to class able to answer the following questions: <ul style="list-style-type: none">• What's the difference between search and execution?• What is a business model versus business plan?• What is the business model canvas?• What are the 9 components of the business model canvas?• What is a hypothesis?• What is Customer Development?• What are the key tenets of Customer Development?• What is the right way to approach customer interviews?
Assignment for Jan 12	<ul style="list-style-type: none">• Interview 10 customers before the first day of class (see Customer Visits below)• Prepare your team's presentation using the business model canvas (see Presentation Guidelines below)• Come with a customer contact/visit list (see Customer Visits below) for the week, <i>with at least 4 visits planned/scheduled for the afternoon of January 12.</i>
Presentation Guidelines for Jan 12	Prepare a 2-slide 5-minute presentation (see slideshare.net examples above): Slide 1: Title Slide Slide 2: Business Model Canvas
Customer Visits	Each team must make 10 or more customer/industry contacts per day starting Monday, after our first session (you will be dismissed at by 2:00 PM on Monday and have all morning until 12:30pm on Tuesday through Thursday and until 12pm on Friday to conduct actual customer discovery interviews). Come with a customer contact/visit list that will last a week, with at least 4 visits planned/scheduled for the afternoon of January 12th.

Teams will find it very helpful to meet before class begins. The team can identify customer/industry contacts to target, review/discuss its business model canvas, and begin to refine their initial business model based on a review of the [Udacity EP245](#) Lectures 0, 1 and 1.5 and reading in both texts

Monday, January 12

Time: 9:00 – 9:30 am
Introduction: [Class Introduction: Intro to the Week](#)
Location: Jerome Greene 101

- Teaching Team Introductions
- Class Goals
- Teaching Philosophy
- Expectations of You

Time: 9:30 – 12:00
Lecture 1: [Your Business Model Canvas](#)
Location: Jerome Greene 101

- Team Introductions – each team will present its business model canvas

Time: 12:00 – 12:30 pm
Activity: Coffee Break

Time: 12:30 – 1:15 pm
Discussion 1: [Business Models/Customer Development](#)
Location: Jerome Greene 101

Come to class having watched [Udacity EP245](#) Lectures 0, 1, 1.5a and 1.5b and Lean Launchpad Customer Discovery Videos: [CD-40](#), [CD-30](#), [CD-31](#), [CD-32](#), [CD-33](#), [CD-34](#), [CD-49](#), [CD-50](#), [CD-51](#)

Class Discussion

What's a business model? What are the 9 parts of a business model? What are hypotheses? What is the Minimum Feature Set? What experiments are needed to run to test business model hypotheses? What's "getting out of the building?" What is market size? How to determine whether a business model is worth doing?

Time: 1:15 – 2:00 pm
Exercise 1: [The Art of Customer Discovery](#)
Location: Jerome Greene 101

Class Lecture/Role Play: How to Talk to Customers

Understanding the problem, understand the solution. Why it's different than selling.

Time: 2:00 pm
Activity: **Customer Discovery**
Location: **Get out of the building!**

We expect you to have set up meetings to talk to potential customers.

In a startup there is no “spare time.”

Deliverables for tomorrow, Tuesday, January 13:

Watch: [Udacity EP245](#) Lectures 2 and 3 & Lean Launchpad Customer Discovery Videos – how to conduct effective interviews: [CD-12](#), [CD-01](#), [CD-02](#), [CD-03](#), [CD-04](#), [CD-25-26](#), [CD-05-06](#), [CD-07-08](#)

Read:

- The Startup Owner’s Manual, page 53-84, 195-199
- Business Model Generation, pp. 86-111, 135-145
- Giff Constable, “12 Tips for Early Customer Development Interviews,” giffconstable.com/2010/07/12-tips-for-early-customer-development-interviews/
- Steve Blank, “What’s a Startup? First Principles,” steveblank.com/2010/01/25/whats-a-startup-first-principles/
- Steve Blank, “Make No Little Plans – Defining the Scalable Startup,” steveblank.com/2010/01/04/make-no-little-plans---defining-the-scalable-startup/
- Steve Blank, “A Startup is Not a Smaller Version of a Large Company”, steveblank.com/2010/01/14/a-startup-is-not-a-smaller-version-of-a-large-company/

You will be presenting customer discovery insights tomorrow morning.

Team Presentation for tomorrow, Tuesday January 13:

- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: Market size
- Slide 4: Type of business: IP, licensing, startup, unknown
- Slide 5: Proposed experiments to test customer segment, value proposition, channel and revenue model of the hypotheses:
- What constitutes a pass/fail signal for each test (e.g. at what point would you say that your hypotheses wasn’t even close to correct)?
- See examples at:
slideshare.net/sblank/presentation-examples-for-class-2-mkt-size-and-hypotheses-testing

Class starts at 1:30 pm on Tuesday. Some teams will have breakout sessions or mandatory assigned office hours before class starts. Consult your team

[schedule.](#)

Tuesday, January 13

Time: until 12:00 pm
Activity: **Customer Discovery**
Location: **Get out of the building!**

We expect you to have set up meetings to interview potential customers.

Time: 12:00 – 1:30 pm
Activity: **Office Hours** (by assigned appointment)
Locations: **See Schedule**
Note: *Cohort #5 breakout session with Steve Blank in JG 101*

Time: 1:30 – 2:30 pm
Discussion 2: **Value Proposition / Customer Segments**
Locations: **Jerome Greene 101**

Come to class having watched [Udacity EP245](#) Lectures 2 and 3 & Lean Launchpad Customer Discovery Videos – how to conduct effective interviews: [CD-12](#), [CD-01](#), [CD-02](#), [CD-03](#), [CD-04](#), [CD-25-26](#), [CD-05-06](#), [CD-07-08](#)

Class Discussion: What is your product or service? How does it differ from an idea? Why will people want it? Who's the competition and how does your customer view these competitive offerings? Where's the market? What's the minimum feature set? What's the Market Type? What was your inspiration or impetus? What assumptions drove you to this? What unique insight do you have into the market dynamics or into a technological shift that makes this a fresh opportunity?

Who's the customer? User? Payer? How are they different? Why do they buy? How can you reach them? How is a business customer different from a consumer? What's a multi-sided market? What's segmentation? What's an archetype?

Time: 2:30 – 3:00 pm
Activity: **Business Model Canvas Examples**
Location: **Jerome Greene 101**

Class Lecture: Best practice examples in the evolution of business models.

Time: 3:00 – 3:30 pm
Activity: **Coffee Break** – change classrooms

Time: 3:30 – 4:30 pm
Activity: **Team Presentations/Breakout Sessions**
Locations: **See Schedule**

Team Presentations: 10 minutes each

Deliverable for Wednesday, January 14

Watch: [Udacity EP245](#) Lectures 4, 5 and 6 & Lean Launchpad Customer Discovery Videos – avoiding pitfalls: [CD-09-10](#), [CD-11](#), [CD-13](#), [CD-20-21](#), [CD-23-24](#), [CD-28](#)

Read:

- *Business Model Generation*, pp. 127-133, 146-150, 161-168 and 200-211
- *The Startup Owner's Manual*, pages 85-111 and 189-255, 406-412

Team Presentation for tomorrow, Wednesday January 14:

- Get out of the building and talk to as many people as you can. Come prepared to class to share your insights about:
 - What were your value proposition hypotheses?
 - What were your customer segment hypotheses?
 - What did potential customers think about your value proposition hypotheses? See examples at: slideshare.net/sblank/presentation-examples-for-class-3-value-proposition and
- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: Tell us about your Customer Segments
- Slide 4: Tell us how your Value Proposition appeals to or matches those Customer Segments
- Slide 5: What are your proposed experiments to test customer segment, value proposition, channel and revenue model of the hypotheses:
 - What constitutes a pass/fail signal for each test (e.g., at what point would you say that your hypotheses wasn't even close to correct)?
- Slide 6 - n: What did you learn about your value proposition from talking to your first customers?
 - Hypothesis: *Here's What We Thought*
 - Experiments: *So Here's What We Did*
 - Results: *So Here's What We Found*
 - Iterate: *So Here's What We Are Going to Do Next*

Class starts at 1:30 pm on Wednesday. Some teams will have mandatory assigned office hours starting at 12:30. Plan accordingly.

Wednesday, January 14

Time: until 12:30 pm
Activity: **Customer Discovery**
Location: **Get out of the building!**
We expect you to have set up meetings to talk to potential customers.

Time: 12:30 – 1:30 pm
Activity: **Office Hours** (by assigned appointment)
Locations: **See Schedule**

Time: 1:30 – 2:30 pm
Discussion 3: **Channels / Get, Keep, Grow / Revenue**
Location: **Jerome Greene 101**

Come to class having watched [Udacity EP245](#) Lectures 4, 5 and 6 & Lean Launchpad Customer Discovery Videos – avoiding pitfalls: [CD-09-10](#), [CD-11](#), [CD-13](#), [CD-20-21](#), [CD-23-24](#), [CD-28](#)

Class Discussion:

What's a channel? Physical vs. virtual channels. Direct channels, indirect channels, OEM. Multi-sided markets. B-to-B versus B-to-C channels and sales (business to business versus business to consumer)

How do you Get, Keep and Grow customers? How does it differ on the web versus other channels? Evangelism vs. existing need or category? General Marketing, Sales Funnel, etc. How does demand creation differ in a multi-sided market?

What's a revenue model? What types of revenue streams are there? What are pricing tactics? How does revenue model and pricing differ on the web versus other channels? How does this differ in a multi-sided market?

Time: 2:30 – 3:00pm
Activity: **Coffee Break** – change classrooms

Time: 3:00 - 4:00pm
Presentations: **Team Presentations/Breakout Sessions**
Locations: **See Schedule**
Team Presentations: 10 minutes each

Deliverable for Thursday, January 15

Watch: [Udacity EP245](#) Lectures 7 and 8 & Lean Launchpad Customer Discovery Videos – key learning: [CD-14-15](#), [CD-16-17](#), [CD-18-19](#), [CD-22](#), [CD-27](#)

Read:

- The Startup Owner’s Manual, pages 227-256, 277-342

Team Presentation for tomorrow, Thursday, January 15:

Get out of the building and talk to 10-15 potential channel partners face-to-face (Salesmen, OEM’s distributors, etc.). Come prepared to class to share your insights about:

- What were your hypotheses about who/what your channel would be? Did you learn anything different?
- Present and explain your marketing campaign. How will you Get customers?
- Did anything change about your Value Proposition?
- See examples at:
slideshare.net/sblank/presentation-examples-for-class-5-distribution-channels and
slideshare.net/sblank/presentation-examples-for-class-6-customer-relationships and
slideshare.net/sblank/presentation-examples-for-class-7-revenue-models
- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: Tell us about your Channels, Get Strategy and Revenue Model
- Slide 5: What are your proposed experiments to test your hypotheses for Channels, “Get” Strategy, and Revenue Model:
 - What constitutes a pass/fail signal for each test (e.g. at what point would you say that your hypotheses wasn’t even close to correct)?
- Slide 6 - n:
 - Hypothesis: Here’s What We Thought
 - Experiments: So Here’s What We Did
 - Results: So Here’s What We Found
 - Iterate: So Here’s What We Are Going to Do Next

Class starts at 1:30 pm on Thursday. If your team would like additional office hours before class starts, email llp-columbia@googlegroups.com by midnight Wednesday. They are first come first served from 12:30-1:30 Thursday and you will receive an email with your assigned room and time.

Thursday, January 15

Time: until 12:30 pm
Activity: **Customer Discovery**
Location: **Get out of the building!**
We expect you to have set up meetings to talk to potential customers.

Time: 12:30 – 1:30 pm
Activity: **Office Hours** (on request)
Locations: **As assigned via email to your team**

Time: 1:30 – 2:30 pm
Discussion 4: **Partners, Key Resources & Activities**
Location: **Jerome Greene 101**

Come to class having watched [Udacity EP245](#) Lectures 7 and 8 & Lean Launchpad Customer Discovery Videos – key learning: [CD-14-15](#), [CD-16-17](#), [CD-18-19](#), [CD-22](#), [CD-27](#)

Class Discussion:

Who are partners? Strategic alliances, competition, joint ventures, buyer, supplier, licensees. What resources do you need to build this business? How many people? What kind? Any hardware or software you need to buy? Any IP you need to license? How much money do you need to raise? When? Why?

Time: 2:30 – 3:00 pm
Activity: **Coffee Break** – change classrooms

Time: 3:00 pm - 4:00pm
Presentations: **Team Presentations**
Locations: **See Schedule**

Team Presentations: 10 minutes each

Note: *Faculty will select the two teams whose progress has advanced the most—or whose innovations are most compelling—for presentation to the entire class on Friday at noon. Other teams will present in their breakout session at 3pm.*

Deliverable for Friday, January 16

Read:

- Business Model Generation, pages 200-211
- The Startup Owner's Manual, pages 406-412

Final Team Presentation for January 16:

Get out of the building and talk to 10-15 customers

Final presentation format:

- **8 minute** presentation
 - examples here: slideshare.net/sblank/tagged/Columbia
 - and here slideshare.net/sblank/tagged/stanford
- Here's what we thought - day 1
 - Day 1 canvas
 - Diagrams if you can draw any; text summary if not
- Here's what we learned - days 2-4
 - Day 2-4 canvases
 - Use diagrams
- Here's where we ended - day 5
 - Use diagrams
 - Text summary
- Here's What We Are Going to Do Next

Class starts at 12pm sharp tomorrow. Plan to arrive at least 10 minutes before the start of the class.

Friday, January 16

Time: until 12:00 pm
Activity: **Customer Discovery**
Location: **Get out of the building!**
We expect you to have set up meetings to talk to potential customers.

Time: 12pm – 1:30pm (*please be seated on time!*)
Activity: **Representative Team Final Presentations**
Location: **Jerome Greene 101**
10 teams selected by the faculty will present to the entire class and receive feedback from the teaching team. Team Presentations: maximum 8 minutes each

Time: 1:30 - 2:15 pm
Discussion 5: **Costs and Metrics that Matter**
Location: **Jerome Greene 101**

Class Lecture: Importance of cash flows? When do you get paid vs. when do you pay others?

Pivot or Proceed: what data you need to assemble, and how to determine whether you have validated your business model to the point where moving forward makes sense.

Time: 2:15 – 3:00 pm
Activity: **Entrepreneurship Q&A with Teaching Team**
Location: **Jerome Green 101**

Time: 3:00 – 4:30 pm
Activity: **Team Presentations/Feedback-breakout session**
Location: **See Schedule**
Team Presentations: 10 minutes each by teams that did not present in the noon session.

Dismissal time target is 4:30

Final Paper

By **Sunday, February 1** (two weeks after the end of class), teams' final paper is due:

- ~3 pages double-spaced written pages. You may submit additional pages with diagrams, charts, etc.
- Summary of key lessons learned through customer discovery
- Summary of Value Proposition and Customer Archetype
- Diagram of customer ecosystem
- Detailed 120-day work plan of how one would go forward with the idea
- Summary of remaining "unresolved" business model boxes and plan for how you'll address them

Please email final papers to the llp-columbia@googlegroups.com .

Intellectual Property

· Who owns the intellectual property tested in the Business Model?

1. You own what Intellectual Property (patents, hardware, algorithms, etc.) you brought to class with you. No one has claim to anything you brought to class.

2. You **all** own any intellectual property developed for the class (such as code for a web-based project) developed during class. If a team is working with a University related-technology (i.e. either research from one of the team members or a University patent), you *must* check with the Office of Technology & Licensing to better understand any University licensing and royalties issues.

3. You and your team members need to disclose to each other what IP/Licensing rights *any company* you've worked at has to inventions you make at school.

4. If any of you decide to start a company based on the class, *you own only what was written and completed in the class*. You have no claim for work done before or after the class quarter.

5. If a subset of the team decides to start a company they do NOT "owe" anything to any other team members for work done in and during the class. **All** team members are free to start the same company, without permission of the others. (We would hope that a modicum of common sense and fairness would apply.)

- **I feel my idea / Business Model may become a real company and the "next killer app" and I want to own it *myself* what should I do?**

This is more than likely the wrong class to take. Your slides, notes and findings will be publically shared. Your team owns everything done in class. Discuss Intellectual Property rights with your team from the beginning. If you can't come to agreement with the team, join another team, pick another project, or drop the class. Remember anything you do and learn in the class is public.

- **Will my Intellectual Property rights be protected when I discuss my ideas with the class?**

NO. This is an open class. **There are no non-disclosures.** All your presentations and Customer Discovery and Validation notes, business model canvas, blogs and slides can, and more likely **will, be made public.**