COURSE DETAILS

Class Website
http://leanlaunchpad.stanford.edu

Meeting Location & Time
January 8 - March 12, 2019
Tuesdays, 4:30-7:20pm
GSB Room M104

Professors
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Texts
Startup Owner's Manual: Blank & Dorf
Business Model Generation: Osterwalder, et al
Value Proposition Design: Osterwalder, et al
Talking to Humans: Constable & Rimalovski

THE LEAN LAUNCHPAD STRATEGY

This is a practical class – essentially a lab. Our goal, within the constraints of a limited amount of time, is to help you find a repeatable and scalable business model for your startup. This will allow you to build a company with substantially less money and in a shorter amount of time than using traditional methods.

Lean Startup: Come in with a set of untested hypotheses and validate them quickly by getting out of the building and off campus. Use a business model canvas to diagram value creation for your customers and validate hypotheses to create a repeatable, scalable business model.

Get Out of the Building: Use the Customer Development approach to test hypotheses by running experiments weekly to test assumptions about product features, pricing, distribution, etc.

Agile Development: Rapidly iterate your product to build something people actually want. You will build minimum viable products (MVPs) weekly to avoid hypotheticals and get real customer feedback that you can use to iterate (small adjustments) or pivot (substantive changes) faster.

Pivot: Making substantive changes to your business model hypotheses before spending millions of dollars and years of work. These changes avoid future dead-ends or costs and can be as small as changing your position in the value chain to rethinking your core technology. Past teams have completely changed their product and features based on new, real customer insights.

INSTRUCTIONAL METHOD

Experiential Learning: This class is not about the lectures. The learning occurs outside of the classroom through conversations with customers. We simulate what entrepreneurship is like in the real world: chaos, impossible deadlines, conflicting input, etc.

Team-Based Learning: This class is team-based**.** Each and every team member should participate in customer discovery activities (out of the building hypotheses testing). You cannot delegate customer discovery**.** 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.

The "Flipped" Classroom: Unlike a traditional classroom where the instructor presents lecture material, you'll watch core weekly lectures at home. These lectures contain the information you will need to complete that week's customer interviews. What is traditional "homework" (summarizing team progress and receiving feedback) is now done in class.

Advanced Topic Lectures and Workshops: Online lectures may be supplemented by a deep-dive, in-class socratic lectures and workshops tailored to this week's topic.

Weekly Presentations: Each week all teams will present a 10-minute summary of what you learned testing specific hypotheses. The teaching team will provide advice and guidance.

Team Teaching: Sitting in the back of the classroom are experienced instructors and mentors who've built and/or funded world-class startups and have worked with hundreds of entrepreneurial teams. They will be giving feedback on each team's progress.

Cohort-Based Team Dynamics: The class is a learning cohort. It is your responsibility to help each other and learn from one another's experiences. The professors will include student feedback opportunistically during feedback following weekly presentations. In addition, there will be two sessions with one-on-one team interactions to share perspective and advice.

Keeping Track of Your Progress: Each week you as a team will take the time to synthesize and summarize your insights from customer interviews using an online tool based in Google Docs (detailed below). This is how we monitor progress and offer guidance.

Conducting Experiments: You'll learn a lot by asking people questions. You'll learn even more by observing what people actually do (which often is not what they say they would do). For each key hypothesis, you will design and run experiments to collect behavioral data and use these insights to iterate on your MVP.

Building Multiple MVPs: Experiments are more powerful and predictive when users interact with a product, even a minimum viable product. You will deliver your first MVP on January 23, in the third week, and iterate in future weeks.

CLASS CULTURE

Relentlessly Direct: The course is designed to create immediate action in time-, resource-, and cash-constrained environments. We have limited time and we push, challenge, and question you in the hope that you'll learn quickly. We will be direct, open, and tough – just like the real world. The pace and the uncertainty accelerate as the class proceeds. This class pushes many people past their comfort zone. If you believe that the role of your instructors is to praise in public and criticize in private, do not take this class. You will receive critiques in front of your peers weekly.

EXPECTATIONS

100+ Interviews in One Quarter: Projects are treated as real start-ups, so the workload will be intense. Teams are expected to have completed at least 10 in person or Skype video interviews each week focused in the business model canvas area of emphasis for that week. Teams have reported up to 20 hours of work each week per person. If you can't commit the time to talk to customers, this class is not for you.

Single Project: Given the amount of work this class entails, there is no way you can do the work while participating in multiple startups. A condition of admission to the class is that this is the only startup you are working on this quarter.

Ruthless Documentation: In order to avoid future work redundancy and loss of valuable insights, constantly capture all insights, decisions, and prototypes in depth and distill the key concepts (weekly presentations) for future understanding by you or anyone else on the team.

Attendance Policy: All team members must be present in the first class session in order to be enrolled. Attendance is mandatory in all class sessions. If you need to miss a class, you must get permission from the teaching team. Exceptions to the attendance policy will be decided on a case-by-case basis.

GRADING

This course is team-based and 85% of your grade will come from your team progress and final project. Your peers will also grade your team contribution at the end of the quarter.

15%	Individual participation in class and peer-feedback
30%	Out-of-the-building progress (measured by weekly documentation)
25%	Weekly team presentation
30%	Final team presentation

This total score is multiplied by a "peer grading multiplier" as assigned to you by your team.

Class 1: Business Model & Customer Development

January 8, 2019

Pre-Class Preparation

This class hits the ground running. It assumes you and your team have come into class having read the assigned reading, viewed the online lectures, spoken to 10 customers (12 customers if 5 team members), and have prepared a set of follow-on contacts to call.

Lecture/Class Discussion

- Business Model/Customer Development /Market Type/Value Proposition Canvas
- “Stand and Deliver” – presentation tips to make you successful in ENGR 245
- Class Technology training

Come Prepared to Answer

- What’s the difference between search and execution?
- What is a business model versus a business plan?
- What is the Business Model Canvas?
- What are the 9 components of the Business Model Canvas?
- What is a hypothesis?
- What do we mean by “experiments”?
- What is Customer Development?
- What are the key tenets of Customer Development?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req’d reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Develop hypotheses and design experiments to validate
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 1 - Business Model

[Link to presentation template]

Watch: Online Lessons 1, 1.5a, 1.5b and 2: What We Now Know, Business Models, and Customer Development. [Course Videos]

Watch: “How to Do Customer Discovery” videos *(Note: these videos are available through the links below rather than Udacity)*

- [CD41] Pre-Planning: Contacts
- [CD42] Customer Interview Dry Runs
- [CD44] Pass/Fail Experiments
- [CD46] Conducting a Customer Interview
- [CD50] Looking for Insights
- [CD01] Death By PowerPoint
- [CD04] Understanding the Problem

Read: Business Model Generation

- pp. 14-49 [Loc 275 – 823] The 9 Building Blocks of the Canvas
- pp 77-87 [Loc 1049 – 1204] Multi-sided Platforms
- pp 134-142 [Loc 1801 – 2003] Ideation
- pp 200-211[Loc 2970 – 3169] Business Model Environment

Read: Startup Owner’s Manual

- pp. 1-75 [Loc 384 – 1447] Intro to Customer Development and Discovery, Market Size
- pp. 76-81 [Loc 1448 - 1537] Value Proposition and MVP
- pp 112-122 [Loc 1964 – 2120] Market Type
- pp. 123-124 [Loc 2144 – 2158] Competitors
- pp 189-199 [Loc 2998 – 3138] Getting out of the Building / Experiments / Contacts
- pp 472 [Loc 6982] Market Size
- pp. 473-475 [Loc 7009 – 7068] Product Features Checklist
- pp. 487 [Loc 7275] Contacts Checklist

Read: Talking to Humans: Constable & Rimalovski

Class 2: Value Propositions

January 15, 2019

Lecture/Class Discussion

- Customer Interviewing Workshop
- Team-on-team Feedback

Come Prepared to Answer

- What is a Minimum Viable Product?
- What are the elements of the Value Proposition Canvas?
- What MVP are you building?
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 2 - Value Propositions

Link to presentation template

Watch: Online Lesson 5: Value Propositions
Course Videos

Watch: "3 Awesome Minimum Viable Products"
https://www.youtube.com/watch?v=xPJoq_QVsY4

Read: Autonomow
http://steveblank.com/2014/10/03/my-students-grow-into-a-company/

Read: Osterwalder Value Proposition Canvas 1
http://businessmodelalchemist.com/blog/2012/08/achieve-product-market-fit-with-our-brand-new-value-proposition-designer.html

Read: Osterwalder Value Proposition Canvas 2
http://businessmodelalchemist.com/blog/2012/09/test-your-value-proposition-supercharge-lean-startup-and-custdev-principles.html

Read: Business Model Generation

- pp 127-133 [Loc 1691 – 1800] Customer Insights.
- pp 134-145 [Loc 1801 – 2003] Ideation, Multisided & Freemium Markets.
- pp 161-169 [Loc 2205 – 2381] Prototyping

Read: Startup Owner's Manual

- pp 85-92 [Loc 1582 – 1680] Customer Segments.
- pp 203-226 [Loc 3198 – 3532] Test Problem Understanding.
- pp 260-266 [Loc 4013 – 4116] Have we found Product/Market Fit.
- pp 476-477 [Loc 7068 – 7092] Customer Segments Checklist

Class 3: Customer Segments

January 22, 2019

Lecture/Class Discussion

- Guest Lecture - Henry Ward, CEO of Carta

Come Prepared to Answer

- What is your customer archetype (for each segment)?
- What is your customer's workflow today?
- How do these customers solve their problem today?
- How does your product solve their problem?
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❑ Interview 10-12 customers
- ❑ Watch lectures and complete req'd reading (see right)
- ❑ Complete weekly update spreadsheet
- ❑ Schedule and attend office hours (link)
- ❑ Schedule and attend mentor check-in
- ❑ Develop hypotheses and design experiments to validate
- ❑ Update MVP based on interview insights
- ❑ Make weekly Lessons Learned presentation

Lessons Learned Presentation 3 - Customer Segments

Link to presentation template

Watch: Online Lesson 3: Customer Segments
Course Videos

Watch: "3 Awesome Minimum Viable Products"
https://www.youtube.com/watch?v=xPJoq_QVsY4

Review: Startup Tools
http://steveblank.com/tools-and-blogs-for-entrepreneurs/

Read: Mark Leslie's Value Chain slides
http://www.slideshare.net/markleslie01/070801-value-chain-and-sales-model

Read: Business Model Generation

- pp 147-159 [Loc 2004 – 2204] Visual Thinking

Read: Startup Owner's Manual

- pp 98 – 105 [Loc 1753 – 1861] Channels
- pp 242-244 [Loc 3758 – 3795] Meet the Channel
- pp 332-337 [Loc 4996 – 5069] Channel Roadmap
- pp 406-411 [Loc 6028 – 6113] Distribution Channels
- pp 478 [Loc 7099] Channels Checklist

Class 4: Channels

January 29, 2019

Lecture/Class Discussion

- Additional Q&A with faculty

Come Prepared to Answer

- What is your distribution channel (for each segment)?
- Are there alternative channels?
- What makes your channel partners interested?
- What does your channel diagram look like?
- What are your channel economics?
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 4 - Channels

Link to presentation template

Watch: Online Lesson 4: Channels
Course Videos

Read: Startup Owner's Manual

- pp 126-143 [Loc 2167 – 2348] Customer Relationships Hypotheses
- pp 296-303 [Loc 4495 – 4582] Get/Keep/Grow
- pp 480-482 [Loc 7141 – 7207] Relationships Checklist
- pp 489 [Loc 7303] Test the Problem and its Importance

Class 5: Customer Relationships

February 5, 2019

Lecture/Class Discussion

- Professor intensive office hours / midterm feedback

Come Prepared to Answer

- What is your customer acquisition cost?
- How will you create demand?
- What is your customer lifetime value?
- What is your demand creation budget and forecast?
- What does your Get/Keep/Grow diagram look like?
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 5 - Customer Relationships

Link to presentation template

Watch: Online Lesson 5: Customer Relationships
Course Videos

Read: Startup Owner's Manual

- pp 180-188 [Loc 2854 – 2982] Revenue and Pricing Hypotheses
- pp 260-269 [Loc 4013 – 4162] Verify Business Model
- pp 438 [Loc 6425] Metrics That Matter
- pp 437-456 [Loc 6412 – 6714] Pivot or Proceed?
- pp 457-459 [Loc 6732 – 6767] Financial Model
- pp 526-527 [Loc 7967 – 7987] Assemble Data
- pp 528 [Loc 8001] Validate Financial Model

Class 6: Revenue Streams

February 12, 2019

Lecture/Class Discussion

- Key Milestones lecture

Come Prepared to Answer

- What is your revenue stream?
- What is your pricing?
- What does your diagram of payment flows look like?
- What does your rough 3-year income statement look like?
- How does your rough finance, operations, and fundraising timeline look? (http://steveblank.files.wordpress.com/2011/05/financial-and-ops-timeline.jpg)
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 6 - Revenue Streams

Link to presentation template

Watch: Online Lesson 6: Revenue Model
Course Videos

Read: Startup Owner's Manual

- pp 169-175
- pp 437-456 [Loc 6412 – 6714] Pivot or Proceed?
- pp 487
- pp 528 Validate Financial Model

Read: Business Model Generation

- pp 36-37
- pp 188

Class 7: Activities and Resources

February 19, 2019

Lecture/Class Discussion

- Storytelling Workshop
- Team-on-team Feedback

Come Prepared to Answer

- What experiments did you run to validate you can acquire the resources you need?
- What did you learn were your *critical* activities?
- What are your *critical* resources?
- What does your diagram of activities and resources/partners look like?
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 7 - Activities and Resources

Link to presentation template

Watch: Online Lesson 8: Resources, Activities, & Costs. Course Videos

Read: Startup Owner's Manual

- pp. 169-175 Resources
- pp. 180-188 Revenue and Pricing Hypotheses
- pp. 260-269 Verify Business Model
- pp. 438 Metrics that Matter
- pp. 457-459 Financial Model
- pp. 528 Validate Financial Model

Class 8: Partners, Costs, Operating Plan and Fundraising

February 26, 2019

Lecture/Class Discussion

- Socratic lecture on partners, costs, operating plan, and fundraising
- Final Lessons Learned preparation

Come Prepared to Answer

- Who are your proposed partners? Why do you need them?
- What are the risks? Why will they partner with you?
- What's the cost of partnership? Diagram dollar flows
- What are the incentives and impediments for the partners?
- What has changed in your rough finance, operations, and fundraising timeline? (http://steveblank.files.wordpress.com/2011/05/financial-and-ops-timeline.jpg)
- What did you do this week?
- What did you learn this week?

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

Lessons Learned Presentation 8 - Partners, Costs, Operating Plan, and Fundraising

Link to presentation template

Watch: Online Lesson 7: Partners

Course Videos

Read: Startup Owner's Manual

- pp 176-179 Partners
- pp 180-188 Revenue and Pricing Hypotheses
- pp 260-269 Verify Business Model
- pp 438 Metrics that Matter
- pp 457-459 Financial Model
- pp 484 Partners Checklist.
- pp 528 Validate Financial Model

Read: Business Model Generation

- pp 109-113 Open Business Models

Class 9: Preparation for Final Lessons Learned Presentation

March 5, 2019

Lecture/Class Discussion

- Come prepared with a first draft of your final presentation
- You do not need the final fancy graphics or finished diagrams. Use placeholders if needed
- We will review best practices for Lessons Learned
- We will select two teams to present their draft to the entire class
- The teaching team will go through those presentations slide-by-slide
- Then the teaching team will rotate through the rest of the teams giving you specific pointers on how to tell the story of what you've learned
- Second draft of your slides needed to be up on class Google Drive by 5pm the day *before* final presentations.
- Teaching team will review slides once more and send you any comments that evening
- Final slides and videos – approved by teaching team - upload to Google Drive by 12pm the day *of* final presentations.

Weekly Checklist

- ❏ Interview 10-12 customers
- ❏ Watch lectures and complete req'd reading (see right)
- ❏ Complete weekly update spreadsheet
- ❏ Schedule and attend office hours (link)
- ❏ Schedule and attend mentor check-in
- ❏ Develop hypotheses and design experiments to validate
- ❏ Update MVP based on interview insights
- ❏ Make weekly Lessons Learned presentation

No reading or videos this week!

Lessons Learned Presentation 9
No template - structure in a way that will best communicate your story! See guidelines here.

Class 10: Partners, Costs, Operating Plan and Fundraising

March 12, 2018

CONGRATULATIONS!!!

Final Assignment

- On March 12 each team will present a 10-minute "Lessons Learned" presentation (2 min video summarizing journey; 8 min final presentation) and will have 5 min Q&A from the teaching team.
- See presentation guidelines here

APPENDIX: GUIDELINES FOR WEEKLY TASKS

Weekly Customer Interviews

- Teams of 4 must interview 10 customers a week. Teams of 5 must interview 12 customers.
- Take detailed notes and attach to weekly update spreadsheet.
- Who to interview:
    - Most of your interviews should be with customers.
    - One of the interviews each week should be of a CEO or senior leader in your field.
    - Interviews can include suppliers, partners, competitors, etc. as well.
- The goal of the interviews is to help you: (1) test your weekly hypothesis, (2) improve your MVP, (3) understand the attractiveness and viability of your startup.
- Prepare a written interview guide for each customer segment to get consistent information from diverse groups of people. Asking different people the same questions over time will let you compare and contrast their answers, which can be incredibly helpful in reaching conclusions/getting to insights.

Weekly Lessons Learned Presentation

- Every week one team member will give a 8-12 minute weekly presentation and receive professor and cohort feedback.
- Each week has a set of required slides and several optional slides if they help communicate your learning. Make sure you include the required slides.
- The weekly template is linked on each class meeting description page above.

Weekly Team Reporting Spreadsheet

Upload all notes taken that week and update your team's Weekly Update Spreadsheet. To find these items, please go to the class Google Drive folder > Team Folders > "your team name." Each week, please do the following:

1. **Raw Notes**
    - These are notes that you take in Google Docs during or immediately after your interviews, office hours, and mentoring interactions.
    - Please ensure all of your raw notes are in Google Doc format and in their respective subfolders in your team folder.
2. **Weekly Update Spreadsheet**

- There are five pages to the spreadsheet, and you must ensure all five are up-to-date every week.
- Interviews - Please enter who was interviewed, which team members were present, a one sentence summary, and a link to your notes.
- Office Hours - Please enter which instructor you spoke with, a one sentence summary, and a link to your notes.
- Mentor Interactions - Please enter which mentor you spoke with, a one sentence summary, and a link to your notes.
- Experiments - Please enter details of each experiment you performed this week. This should match the information that is in your weekly slides.
- Videos - Please enter what percentage of the videos you watched that week. NOTE: Videos are available on Udacity, and you are answering this question under the Stanford Honor Code.

Notes

Nomenclature for the assigned readings:

- pp refers to the pages on the physical version of the book
- Loc refers to the location on the Kindle version of the book

Your weekly presentations and final Lessons Learned presentations will be shared and visible to the public. Additionally, we may be videotaping and sharing many of the class sessions.