

Study Course Entrepreneurship

Unit 5: What is Entrepreneurship?

Based on Bill Aulet, MIT



<http://impact.uni-bremen.de/>



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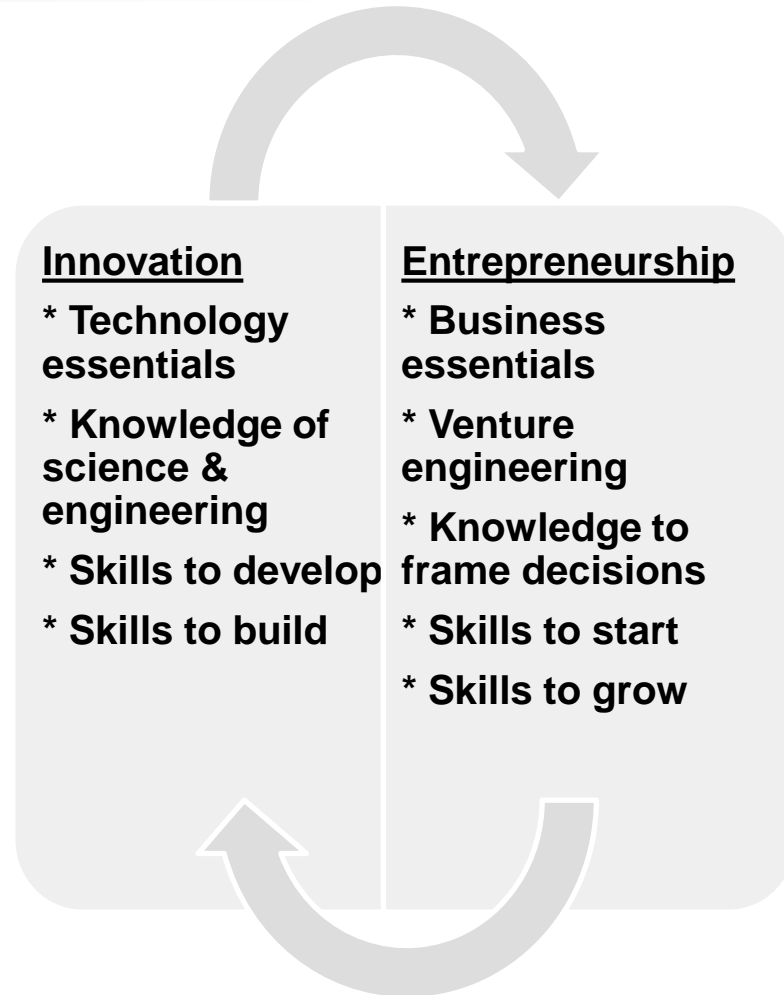
What Is Entrepreneurship?

The formation of a new venture that produces a product (which includes in my definition an offering as well) that creates some value for which your new venture can capture some value to make it economically sustainable.

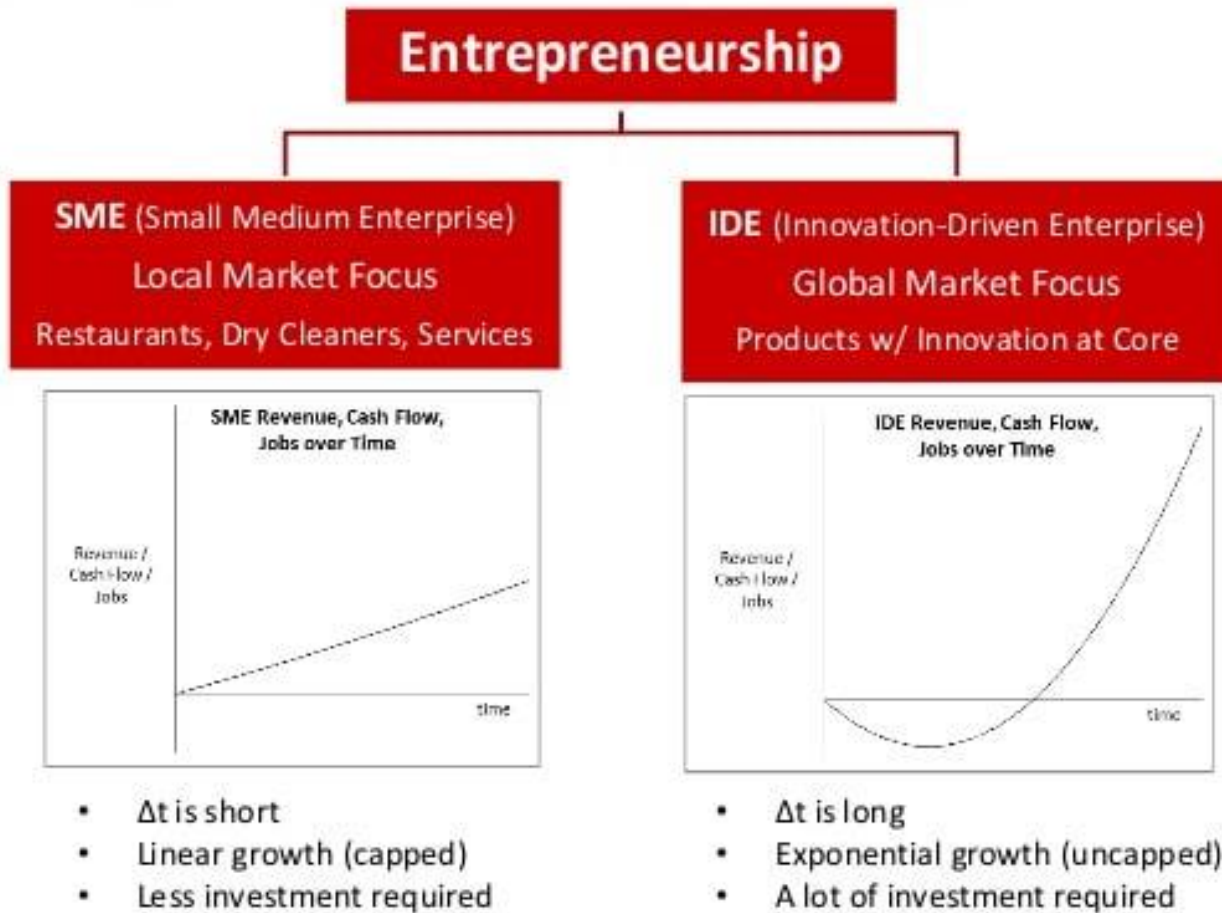
Definition of Innovation

Innovation = Invention*Commercialization

What Is Entrepreneurship?

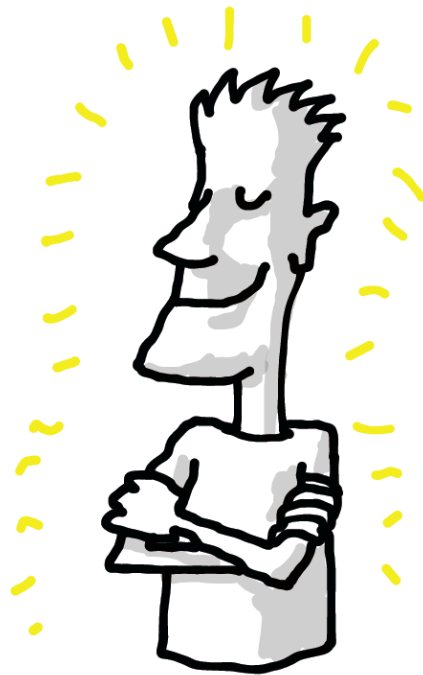


What Is Entrepreneurship?



Present

Being an entrepreneur is the new “cool” thing.



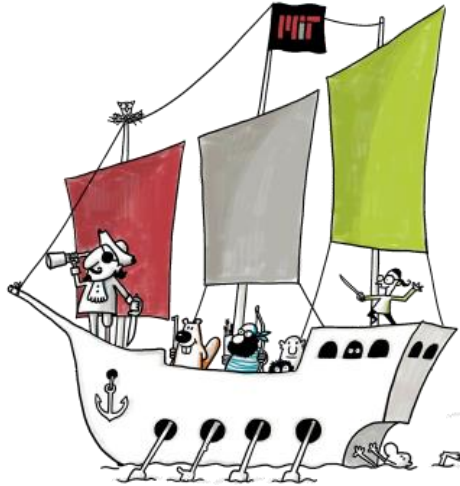
As a result,
demand for
entrepreneurship
is blowing up!

Importance of Spirit



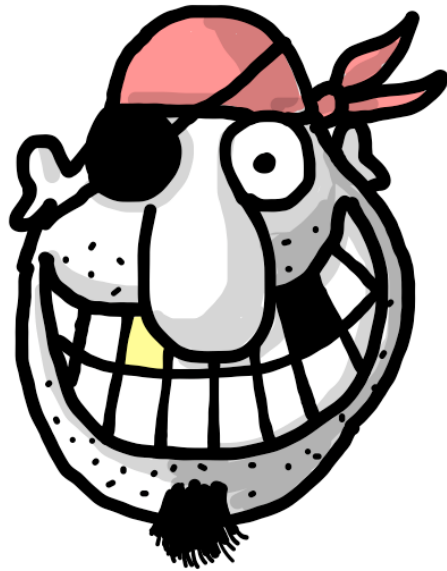
Creative Irreverence

Successful Entrepreneurship



Spirit + Skills

Successful Entrepreneurship



Spirit
of a pirate

+



Skills
of a Navy Seal

7 LIES about Entrepreneurs



7 LIES about Entrepreneurs

11

#1 - “Entrepreneurs are mercurial individualists”



DISCIPLINED ENTREPRENEURSHIP



7 LIES about Entrepreneurs

12

#2 -

“Entrepreneurs are the smartest & most high achieving people in the room”



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7 LIES about Entrepreneurs

15

#3 - “Entrepreneurs are born, not made”

We know it is in there,
but we just can't seem to find
that entrepreneurship gene...



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7 LIES about Entrepreneurs

#4 - “Entrepreneurs love risk”

14



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7 LIES about Entrepreneurs

15

**#5 -
“Entrepreneurs are successful
because they are charismatic”**



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7 LIES about Entrepreneurs

16

#6 - “Entrepreneurs are lucky”



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7 LIES about Entrepreneurs

17

#7 - “Entrepreneurs are undisciplined”



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The success pie

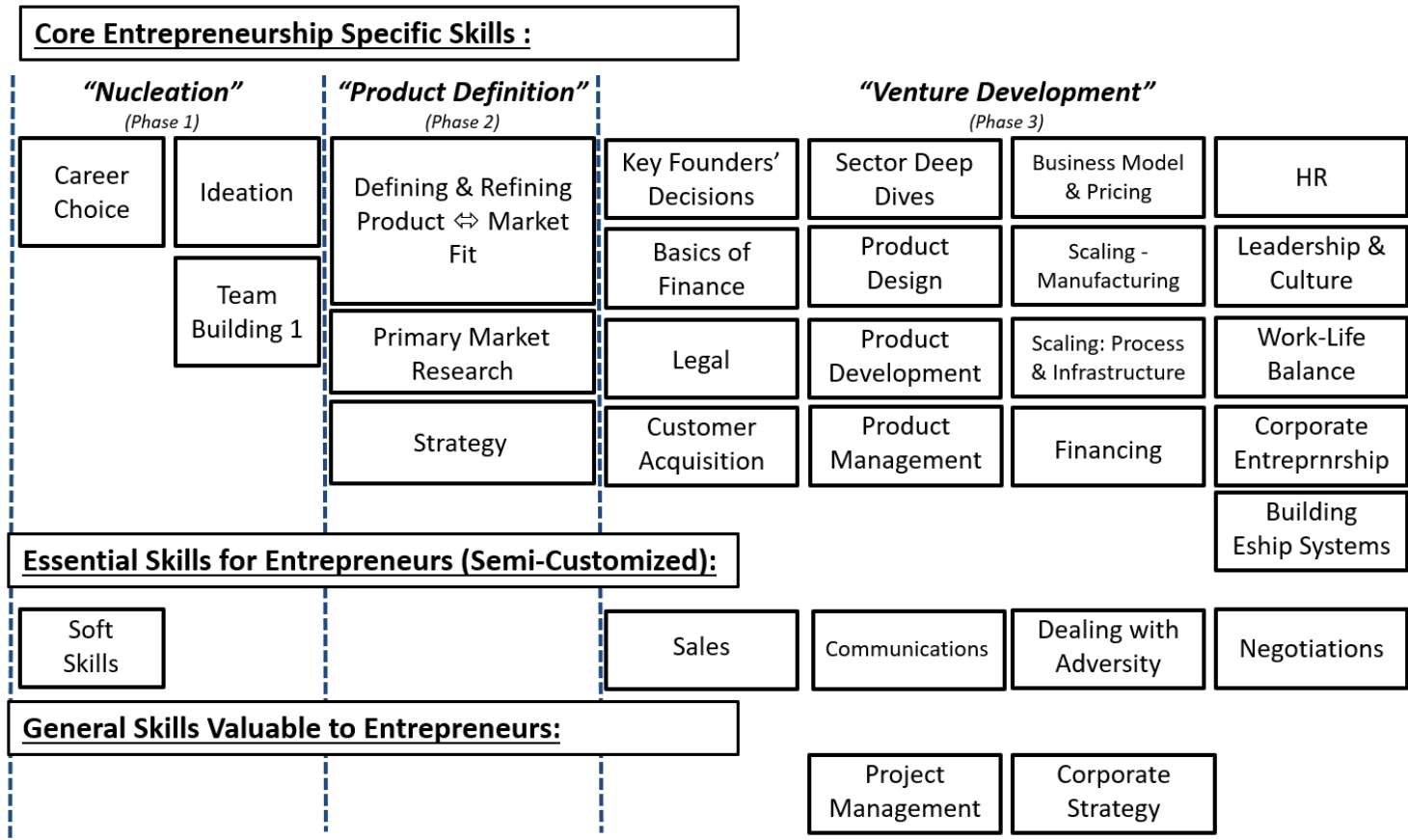


Personas in Entrepreneurship



	Exploratory/ Curious	Ready-to-Go	Entrepreneurship Amplifier	Corporate Entrepreneur
Description of Persona	Interested but has no driving idea or team; is in exploratory mode; starts here but will migrate to another state or out of entrepreneurship	Chomping at the bit & just wants help to get going – has idea, tech &/or core of team	Interested in understanding enough to successfully promote in their org (e.g., gov, corp, family business) but is not the entrepreneur	Wants to be an entrepreneur in a large organization
Needs at a High Level	Need info on career choice, soft skills, ideation, team building and then some first-hand experience to get a sense of the process	Wants specific skills and lots of them, very quickly; less on the upfront things emphasized for the “curious” persona; wants the deep, immersive experience of being an entrepreneur on her idea/technology	Interested in all steps in some depth but even more interested in strategy, policy and economic impact of the field. Will want to have the experience of being an entrepreneur so can empathize but more interested in the process than the idea or team	Wants depth in executing the process so comfortable doing it again but less tied to the idea or team; more interested in organizational issues and environment issues

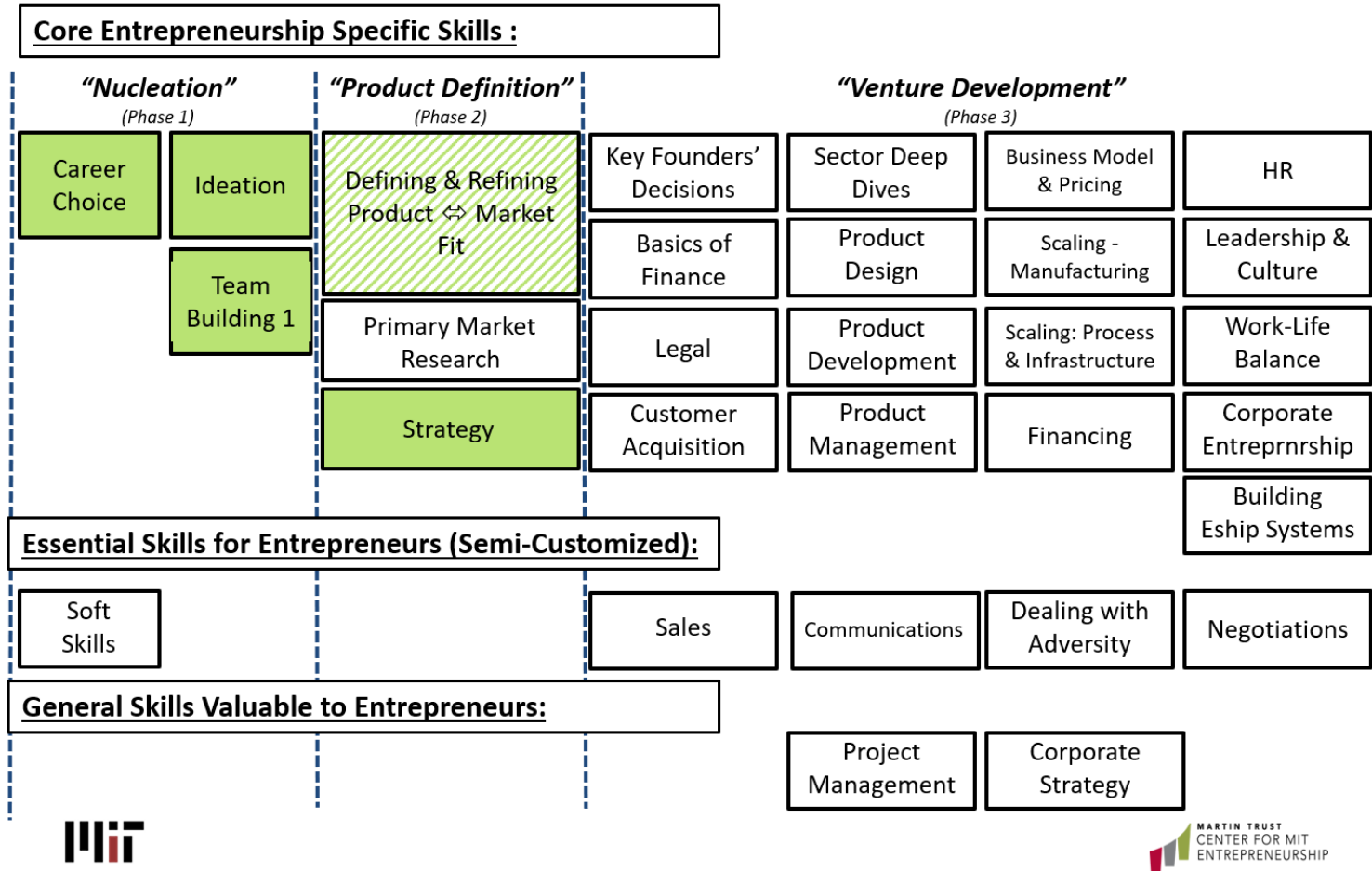
Needs Assessment



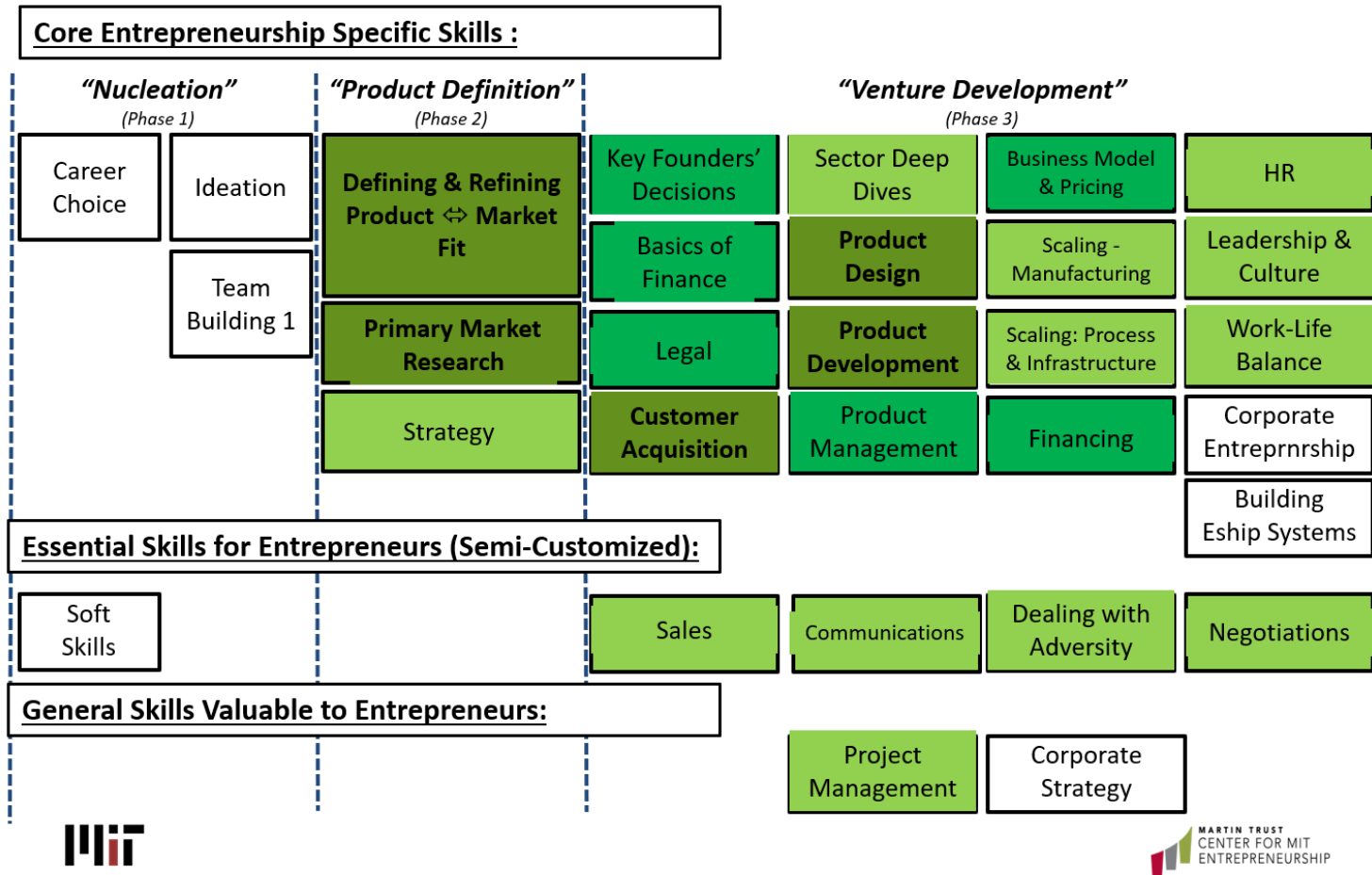
* - An open framework built for constant refinement



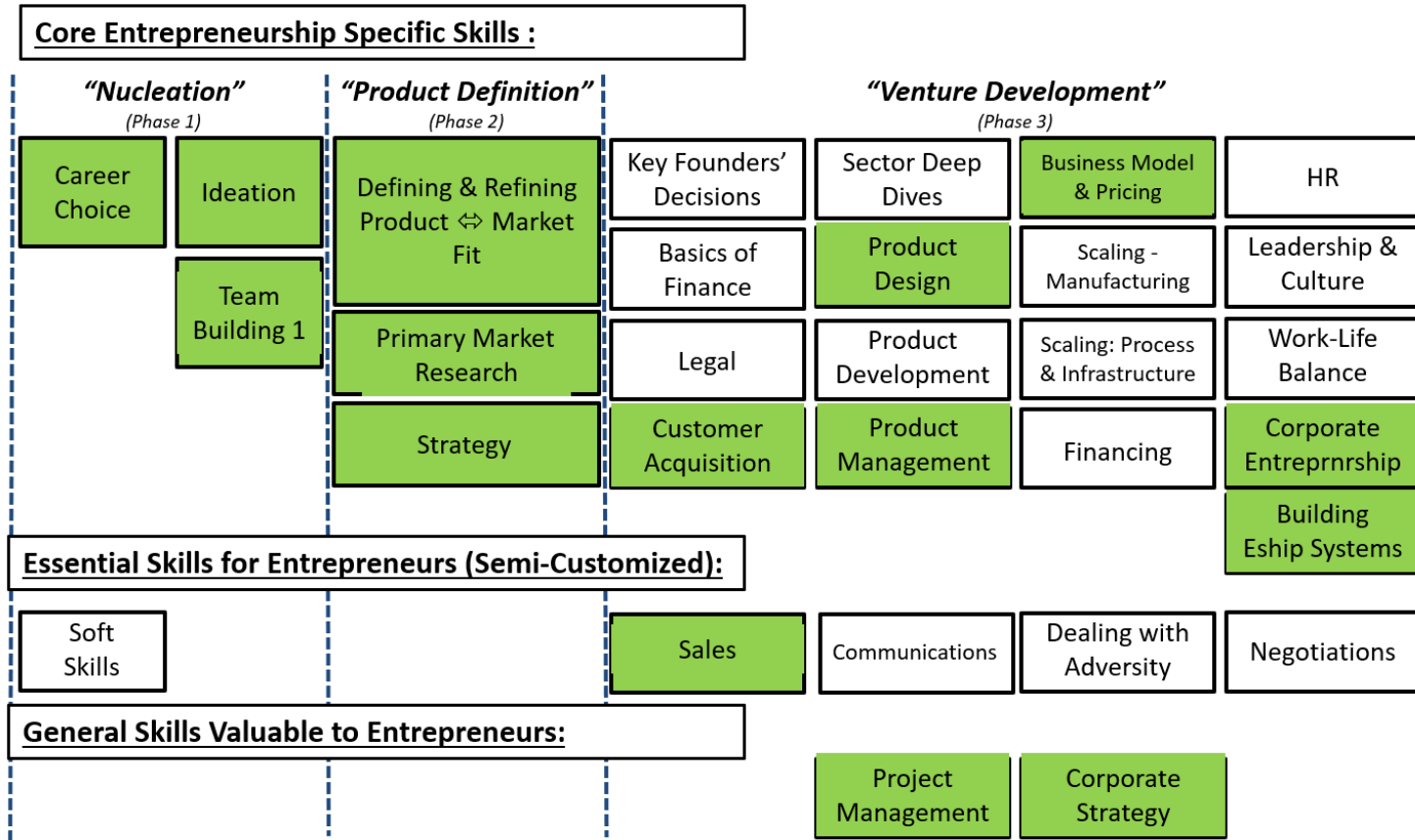
Curious Entrepreneur



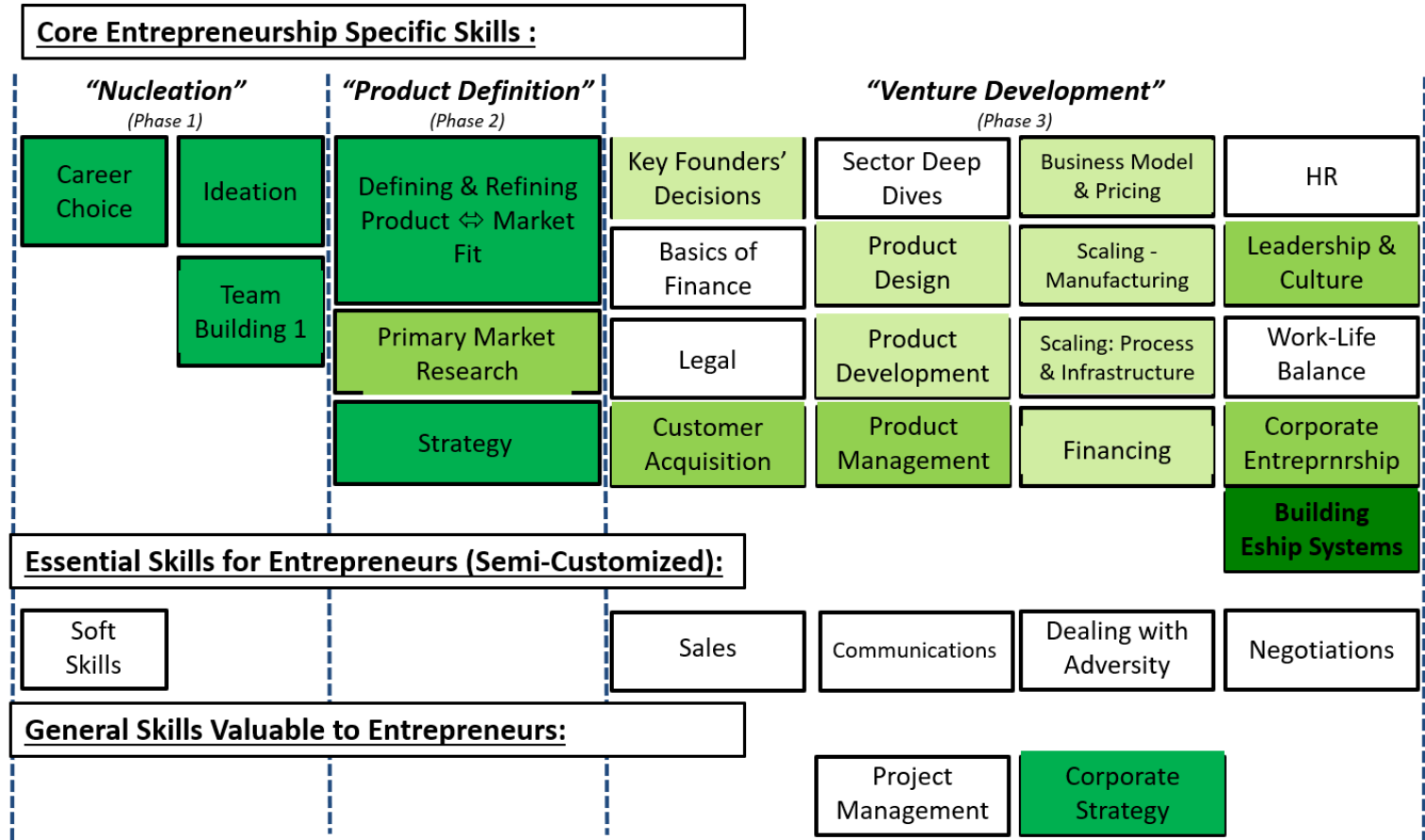
Ready to Go Entrepreneur

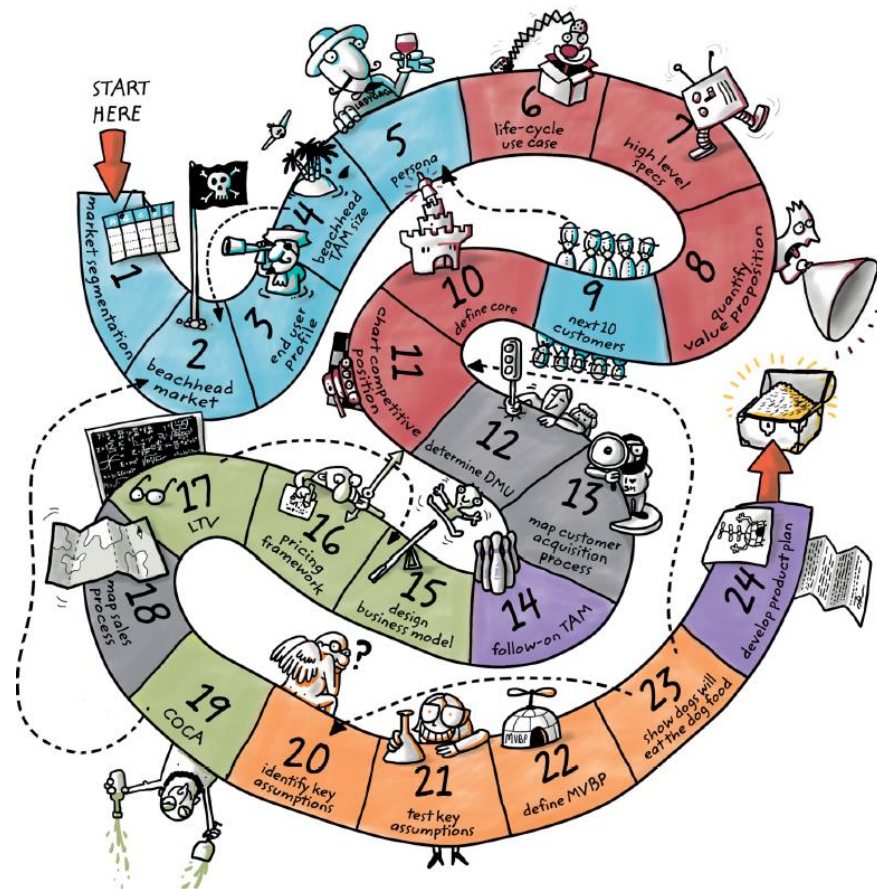


Corporate Entrepreneur



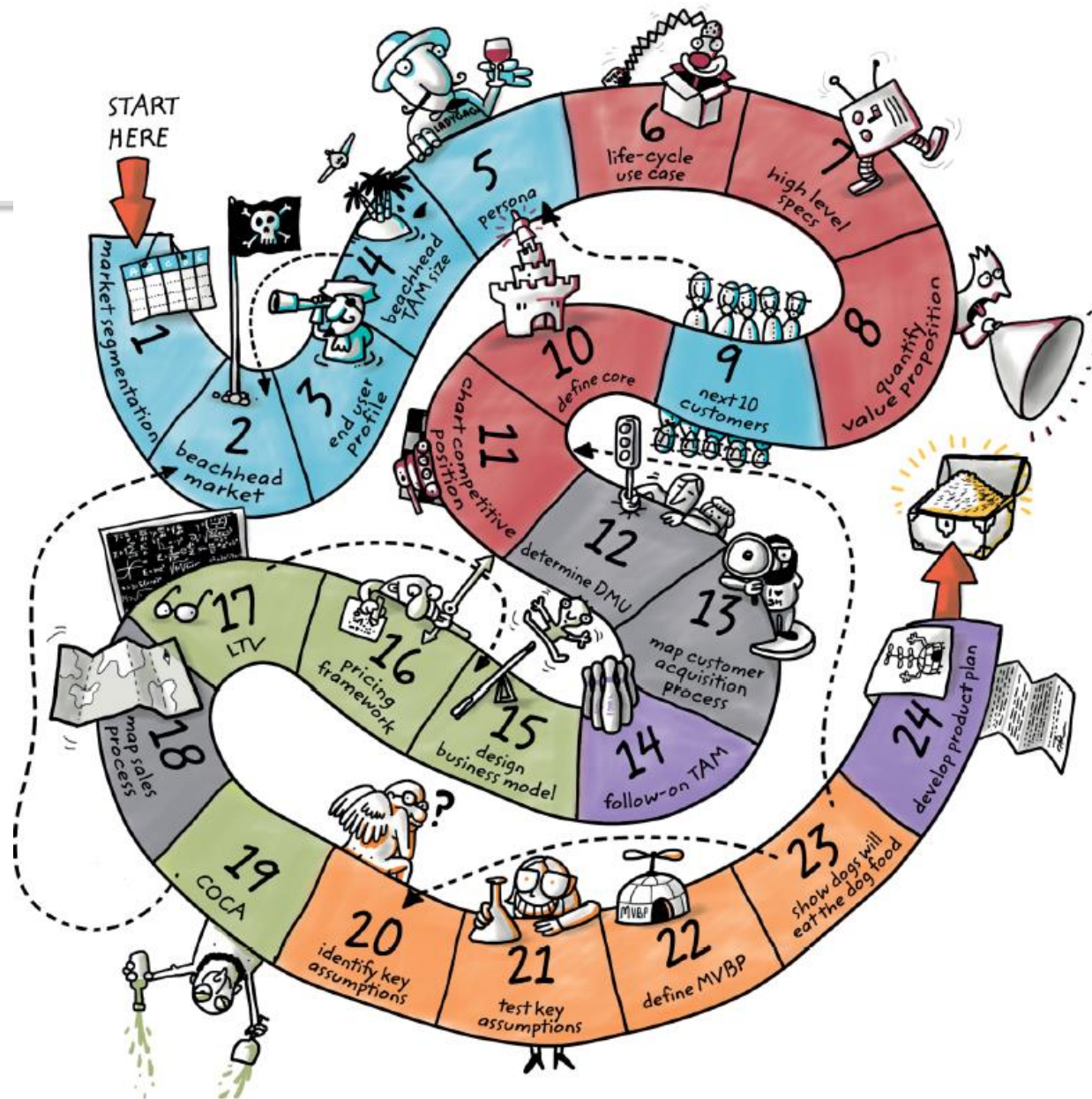
Entrepreneurship Amplifier





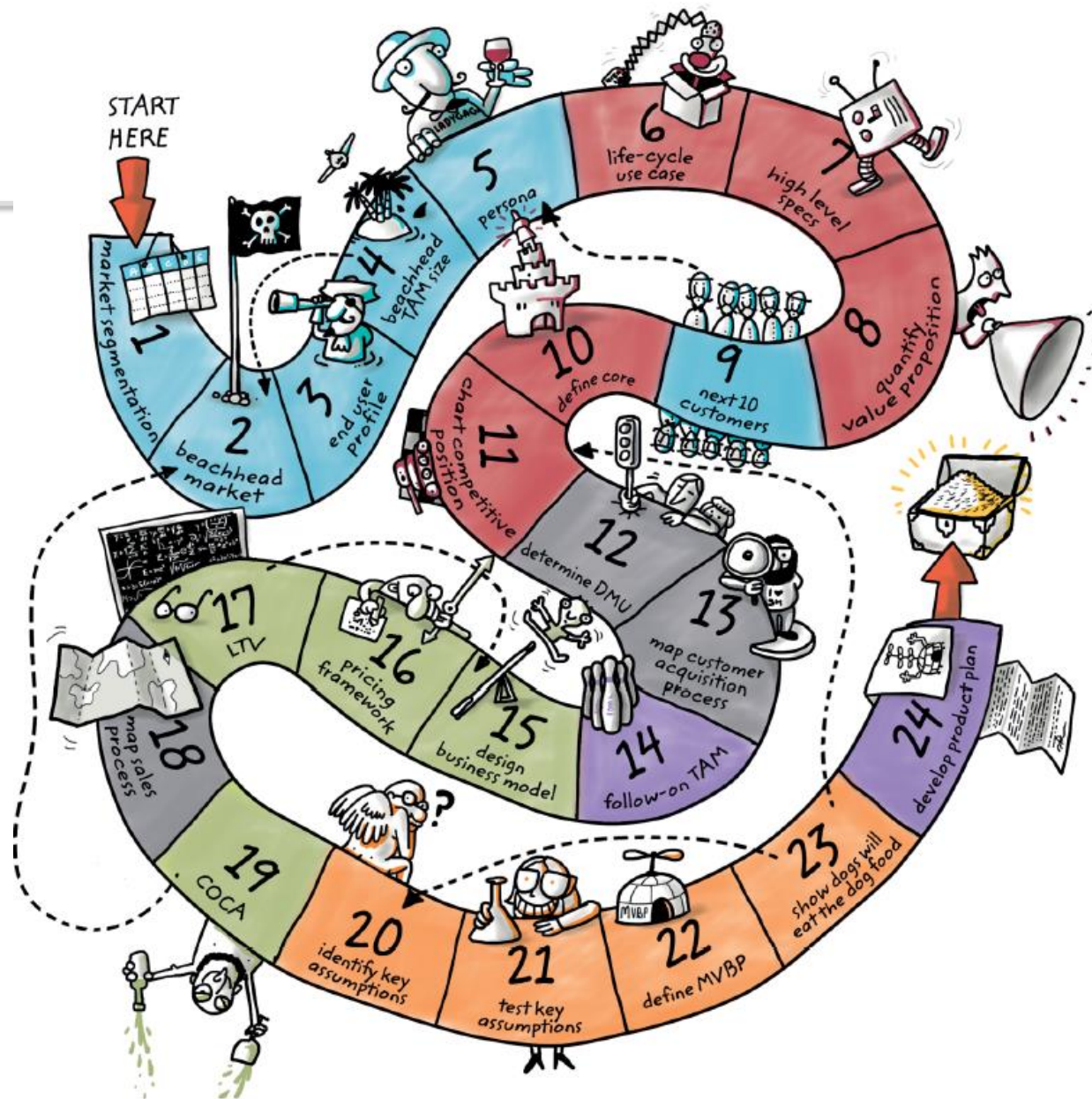
WHO IS YOUR CUSTOMER?

- 1 Market segmentation
- 2 Select a beachhead market
- 3 Build an end-user profile
- 4 Calculate the TAM size for the beachhead market
- 5 Profile the persona for the beachhead market
- 9 Identify your next customers



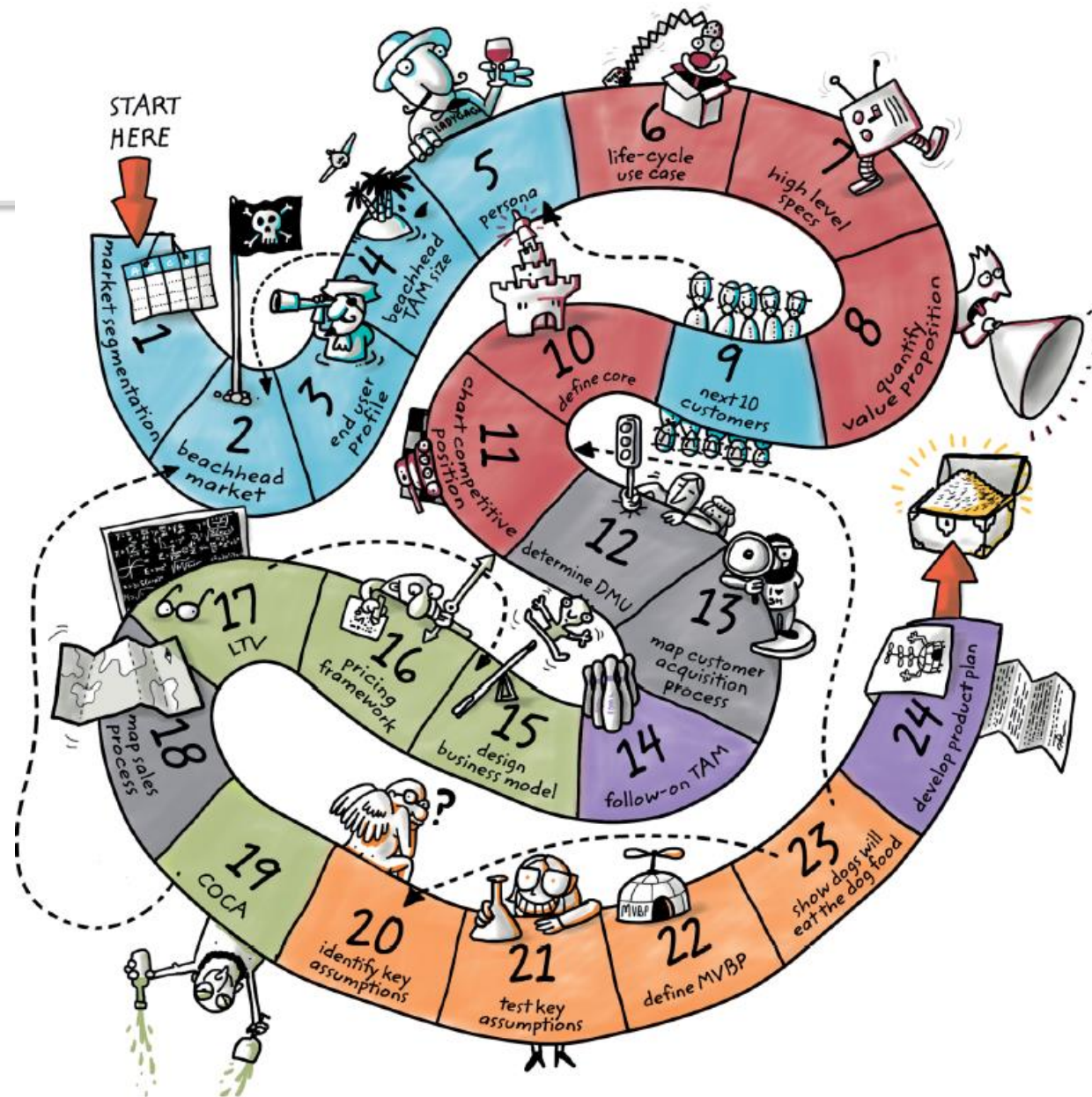
WHAT CAN YOU DO FOR YOUR CUSTOMER?

- 6 Full life cycle use case
- 7 High level product specification
- 8 Quantify the value proposition
- 10 Define your core
- 11 Chart your competitive position



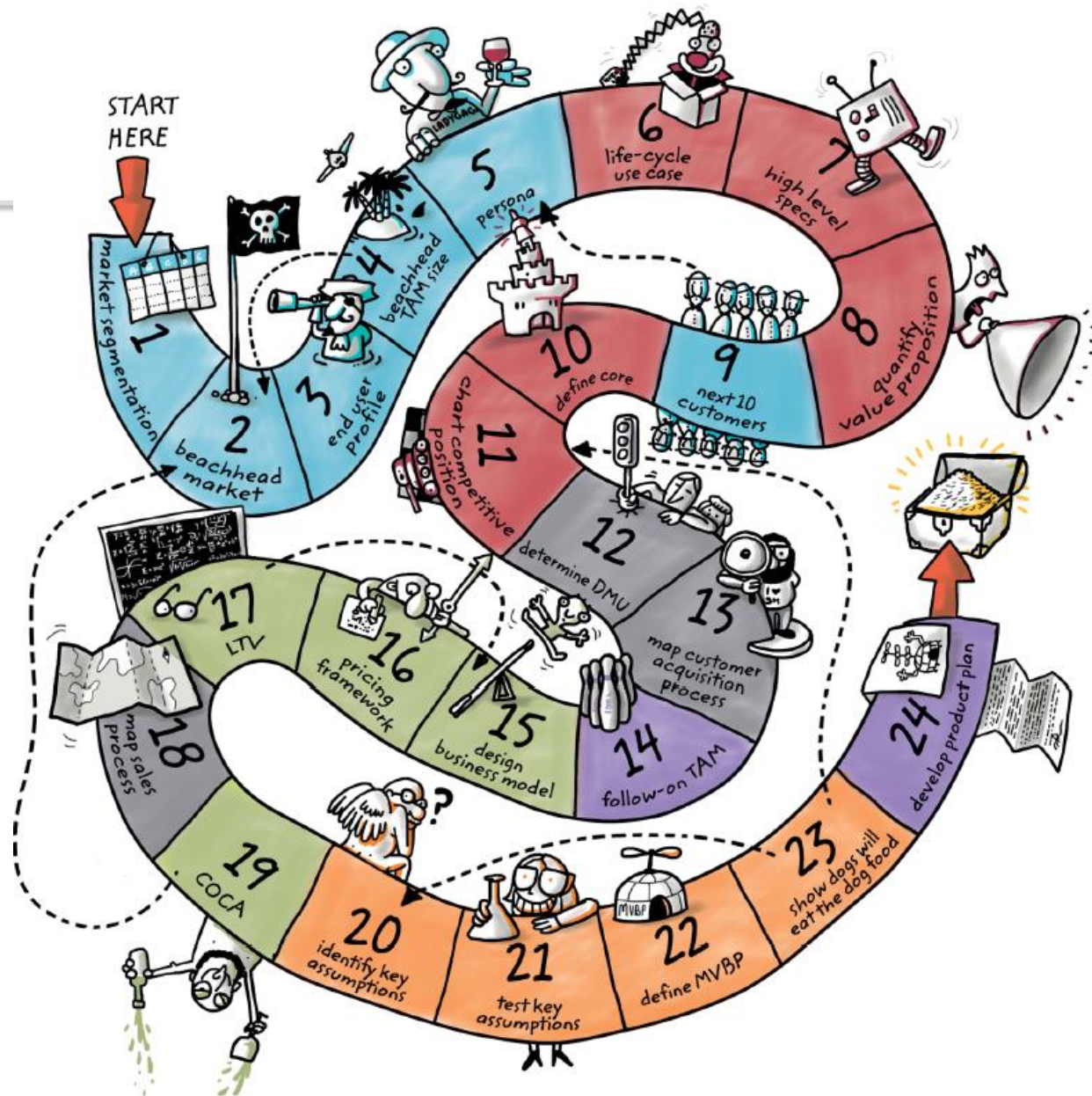
HOW DOES YOUR CUSTOMER ACQUIRE YOUR PRODUCT?

- 12 Determine the Customer's Decision Making Unit (DMU)
- 13 Map the process to acquire a paying customer
- 18 Map the sales process to acquire a customer



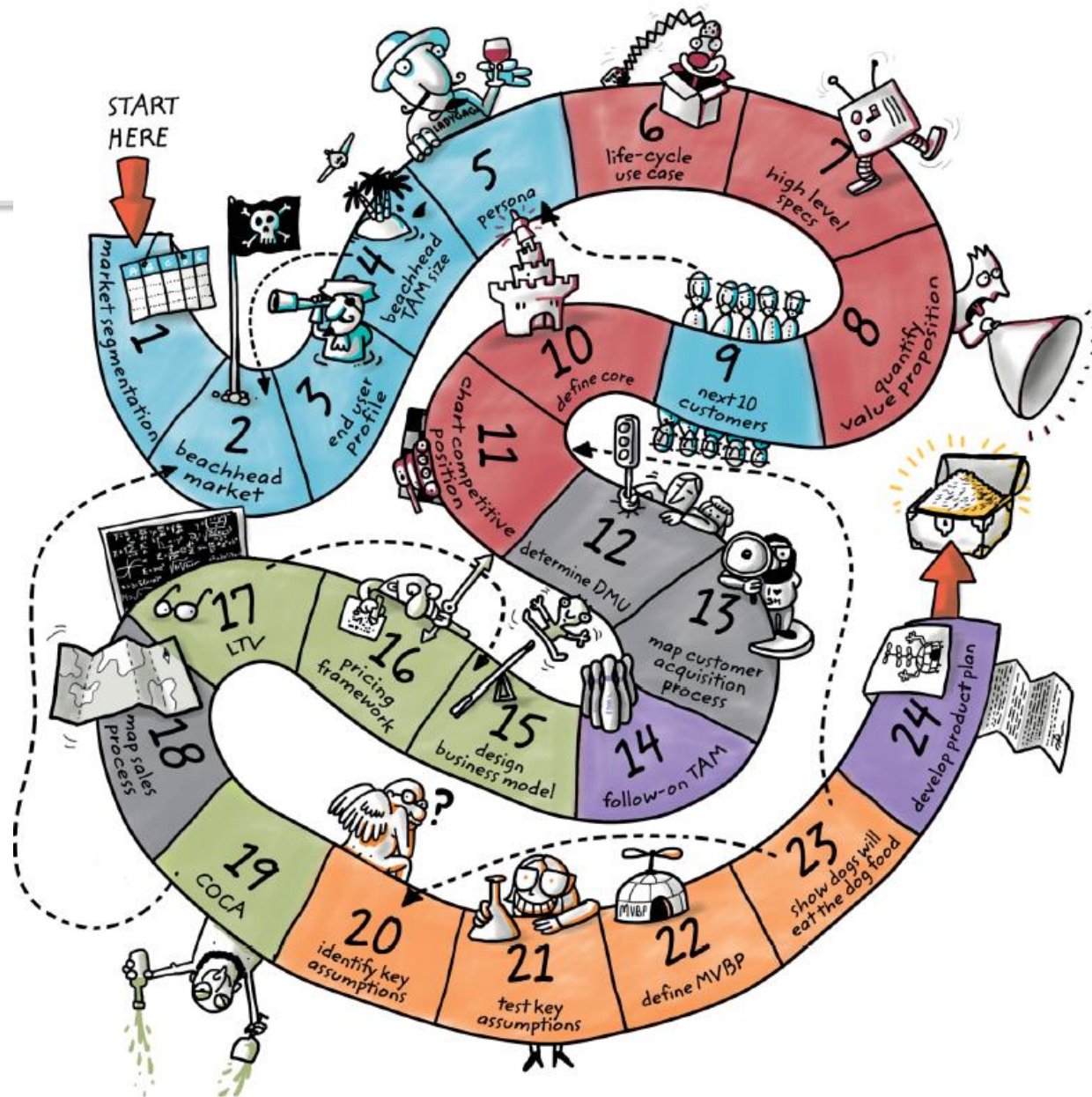
HOW DO YOU MAKE MONEY OFF YOUR PRODUCT?

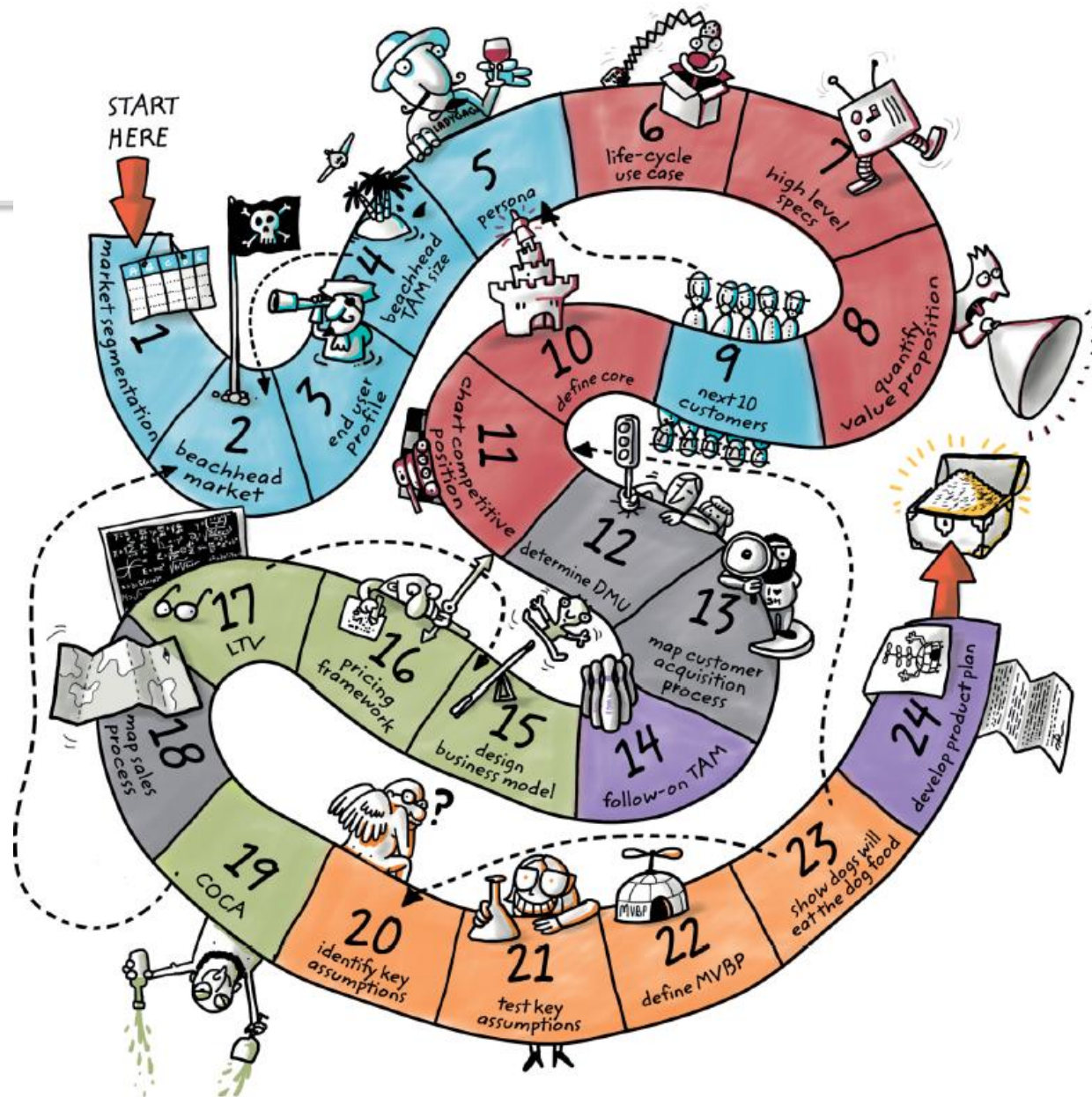
- 15 Design a business model
- 16 Set your pricing framework
- 17 Calculate the lifetime value of an acquired customer (LTV)
- 19 Calculate the cost of customer acquisition (COCA)



HOW DO YOU DESIGN & BUILD YOUR PRODUCT?

- 20 Identify key assumptions
- 21 Test key assumptions
- 22 Define the minimum viable business product (MVBP)
- 23 Show that "the dogs will eat the dog food"





HOW DO YOU SCALE YOUR BUSINESS?

- 14 Calculate the TAM size for follow-on markets
- 24 Develop a product plan

Key Take Aways

- Entrepreneurship can be taught and it is effectively with a good process
- The students appreciate there is value in a rigorous/disciplined process for entrepreneurship – it is not just magic and mentorship
- Entrepreneurs and companies evolve over time in a Darwinian manner – fluid teams are essential to optimize the learning process (as well as success)

By the way, note the diversity in the teams!

Questions ?

