What Is A Startup

“A human institution designed to deliver a new product or service under conditions of extreme uncertainty.”
  -Eric Ries

“The pursuit of opportunity … without regard to resources currently controlled.”
  -Howard Stevenson/Jack Thorne

“Insane perseverance in the face of constant rejection.”
  -Jack Thorne
Different Flavors Of Entrepreneurship

Lifestyle / Small Products
- SHARK TANK
- JOHNS PLUMBING, HEATING & AIR CONDITIONING, INC.

Small Businesses
Not At Scale

High Growth
- Dropbox
- RoBotany
- UBER
- norwait

Ent. In Organizations
- Apple
- Google

Ent. Thru Acquisition
Search Funds
Small Bus. Acquisition
- Rita’s
- FIVE GUYS BURGERS and FRIES
The truth is: Everyone is and can be an entrepreneur.
How To Start A Startup

- Observe and identify market needs (speak to people!)

- Build MVPs quickly to validate needs (Make sure the dog eats the dog food)

- Use metrics that measure your leap of faith assumptions
A Good Idea Has The Goodness Factor

10X
The Business Model Canvas

**Key Partners**
- Who are our key partners?
- Why are our key partners important?
- Which key resources are we acquiring from partners?
- Which key activities do partners perform?

**Key Activities**
- What key activities do our key partners perform?
- What is our distribution channel?
- Who is responsible for our distribution channel?

**Value Propositions**
- What value do we deliver to the customer?
- Which one of our customer problems are we solving?
- What bundle of products and services are we offering to each customer?

**Customer Relationships**
- What type of relationship do each of our customers have?
- How are our relationships changing over time?
- Which customers have we lost?

**Customer Segments**
- For whom are we creating value?
- Who are our most important customers?

**Key Resources**
- What key resources do our key partners require?
- What are our most important resources?
- What are our most important assets?

**Channels**
- Through which channels do our customers prefer to communicate?
- How do we integrate our channels?
- Which channels are most efficient?

**Cost Structure**
- What are the costs of each activity in our business model?
- Which activities are most expensive?

**Revenue Streams**
- For what value are our customers really willing to pay?
- How are they currently paying?
- How much does each revenue stream contribute to overall revenue?
How To Start A Team

- #1 reason startups fail: Team issues
- Must have chemistry – Together every day for 3-5+ years
- Look for complimentary skills sets – Fill the gaps
- Trial periods – Test the waters
- Don’t bake the equity pie too soon
Investor Types

Incubators / Co-Working Spaces

Accelerators

Y Combinator

500 startups

Angels & Angel Groups

Venture Capital Firms

SVAngel

BlueTree ALLIED ANGELS

ANDREessen HORowitz

birchmere VENTURES

ACCEL PARTNERS

The Robotics Hub
Investment Terms To Know

- Equity and Convertible Debt Investment
  - Friends & Family
  - Pre-Seed
  - Seed
  - Series A
  - Series B
  - Series C
  - IPO
- Crowd Funding
- Liquidity Event / Exit (M&A Sale or IPO)
How To Pitch To Investors

1. Problem
2. Solution
3. Underlying Magic / Technology
4. Business Model
5. Market Size (TAM: Total Addressable Market)
6. Competition / Why You’re Unique
7. Status and Timeline
8. Projections and Milestones
9. Team
10. Summary and Call to Action / Ask
How To Pitch To Everyone

- **For** (target customer)
- **Who** (statement of the need or opportunity)
- **The** (product name) is a (product category)

- **That** (statement of key benefit – the compelling reason to buy)
- **Unlike** (primary competitive advantage)
- **Our product** (statement of primary differentiation)
Books To Read

- The Lean Startup (Eric Ries)
- Crossing the Chasm (Geoffrey Moore)
- Zero to One (Peter Thiel)
- The Hard Thing About Hard Things (Ben Horowitz)
- Venture Deals (Brad Feld and Jason Mendelson)

Go to CONNECTS and Swartz Center Events!