



Lecture 2

The First Steps

Today's agenda

- **Defining the Entrepreneur**
- Mindsets of an Entrepreneur
- Examples of Entrepreneurs
- In-class Challenge
- Key Takeaways

"I never perfected an invention that I did not think about in terms of the service it might give others... *I find out what the world needs*, then I proceed to invent."

- Thomas Edison

What is an Entrepreneur?

- One definition: Someone *who creates value* for society by building an organization that *solves a problem* in a new way.



Why become an Entrepreneur?

- Societal Benefits
 - Drive human progress
 - Serve a need that no one has previously addressed
 - Perform a service faster/better/cheaper
 - Boost Indonesia's GDP
 - Create jobs rather than seek jobs
- Personal Benefits
 - Pursue your *passions*
 - Build something important with your own hands
 - Learn more rapidly than in almost any other job
 - Earn wealth for you and your family

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The Mindset

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- See challenges and problems as opportunities
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Entrepreneurs...

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 - Are not afraid to take risks because greater risks means greater rewards
- They acknowledge failure but are not afraid of it and are prepared for it
 - They learn from their mistakes and try again
- Are confident and committed
 - Have an irrational passion*

What are other attributes of an entrepreneur's **mindset**?

The Entrepreneur

- Visionary
- Driven
- Optimist
- Strategist
- Articulate
- Resilient
- Diligent
- Imaginative
- Risk-taker
- Ethical
- Confident
- Ambitious
- Problem-solver
- Curious
- Crazy
- Passionate

Personal Challenge

- Choose 4 attributes from the list generated in class that you want to improve upon
- Write it down!
- Challenge yourself every day in those areas

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bump



Get connected.

Want to share something with a friend or someone you just met?

Bump your phones together.

Available on the **App Store** Download for **Android**

The advertisement features a central image of two hands bumping two iPhones together. Above the phones, a hand-drawn diagram shows icons for photos, music, and contacts, with arrows indicating sharing. Below the main image are two smaller smartphone screens: one showing the app's main menu and another showing the sharing options menu. At the bottom, there are logos for the App Store and Android, with the text 'Available on the App Store' and 'Download for Android' respectively.

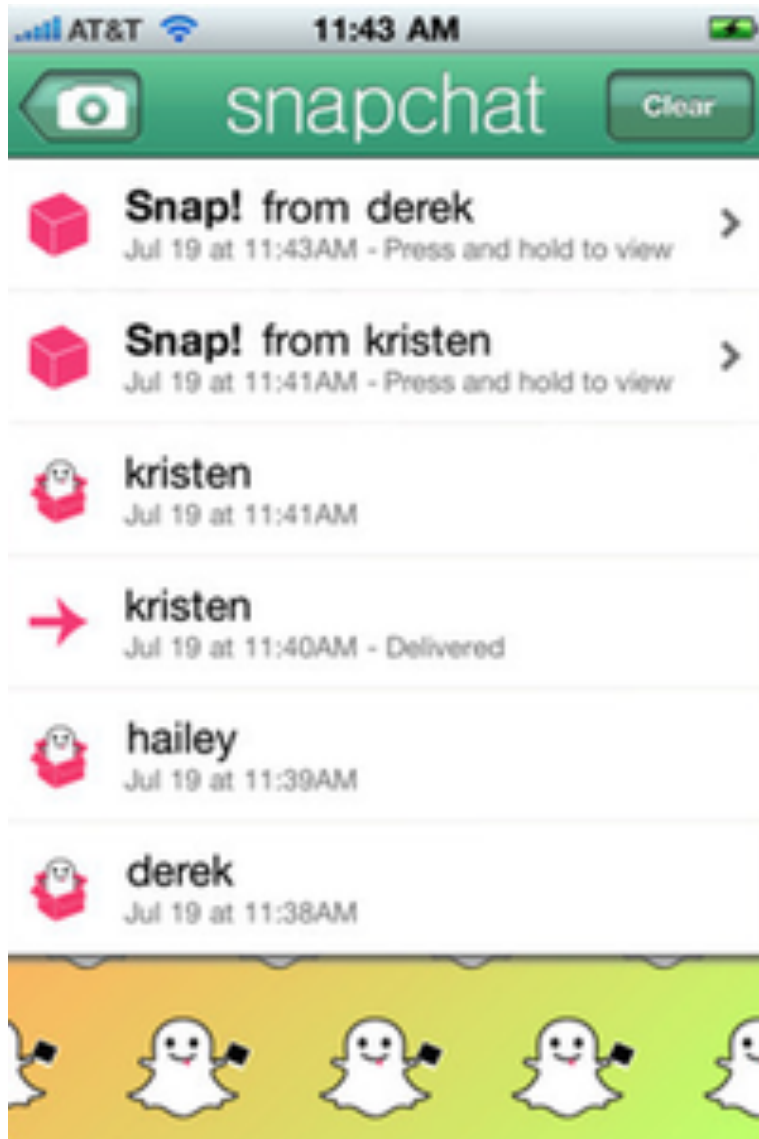
David Lieb

“Stop thinking and just go build it!”

- Problem: at business school orientation, got sick of entering so many contacts manually on his phone.
- Former Texas Instruments employee
- Initially backed by angel investors (Y Combinator, Sequoia Capital)
- Bump helped “define” the iPhone
- By Feb 2013: 125 million downloads



Avoid “analysis paralysis”



Evan Spiegel & Bobby Murphy

- Ages 22 and 24
- Stanford dropout and Stanford graduate
- Problem: friend wanted picture of him “to disappear forever”
- Snapchat = Project in a Stanford Design class in 2011
- Free service = no revenue currently
- US \$14 from VCs
- Estimated worth: 50 to 60 million
→next big potential tech acquisition
- Generates 150 million snaps daily (compared to 40 million daily photos on Instagram)



“People call it an overnight success but it was anything but. First year was slow.”



gumroad

How does Gumroad work?

Your creation and a price →  → a short link you can share to sell.



Make



Share



Earn

Sahil Lavingia:

“I was looking for a problem to solve”

- Age 20
- Hometown: SINGAPORE
- Started playing with Photoshop at age 13
- Learned to code from Stanford online videos
- Published apps on blog in High School
- Took a risk: dropped out of University of Southern California in his first year to work for Pinterest
- Problem: wanted to sell something he created
- Created gumroad in ONE WEEKEND in May 2011
- US\$8.1 million as of May 2013



“A lot of small ideas seem like big ideas when you are searching for them but sometimes big ideas might look like small ideas until they’re huge”

An entrepreneur makes things
that people want to use.

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Interview an Entrepreneur

- Team assignment: Work in a group of 5
- Get out and find an entrepreneur in your community. This could be anyone from a software company CEO to a small restaurant owner. Learn their story.
 1. Why did he/she decide to become an entrepreneur?
 2. How did he/she start and build his/her business?
 3. What is the business' competitive advantage?
 4. What are the business' biggest challenges?
 5. What advice does your entrepreneur have for you?
For the class?

Activity Debrief

- All teams must be back and ready to present in 1.5 hours!
- Each team will make a 3 minute powerpoint presentation (1 slide only!) of their entrepreneur.
- E-mail your slide to indonesia-summer-2013@mit.edu (subject: *Interview an Entrepreneur – Team [#]*)
- ****Bonus points for including a photo of you and your entrepreneur!****
- Questions?

GO!!

Class Discussion

- What was the most surprising thing you learned about your entrepreneur?
- Are there any other words you would add to our list?

- Also think about your team...
 - How did you work together?
 - Who did you work well with? Why?
 - Keep this in mind...

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Key Takeaways

- Entrepreneurship is about **solving problems** and **seizing opportunities** to create value.
- Entrepreneurs are ready to take risks and are persistent.
- Entrepreneurship is **not restricted** to an industry, an idea, an age...
- **Reminder:** Homework Assignment #1 is due by 6pm tonight!

“Once you say you’re going to settle for second, that’s what happens to you in life.”

- John F. Kennedy

- Check your e-mail for any additional announcements
- Questions?
- See you Wednesday!