

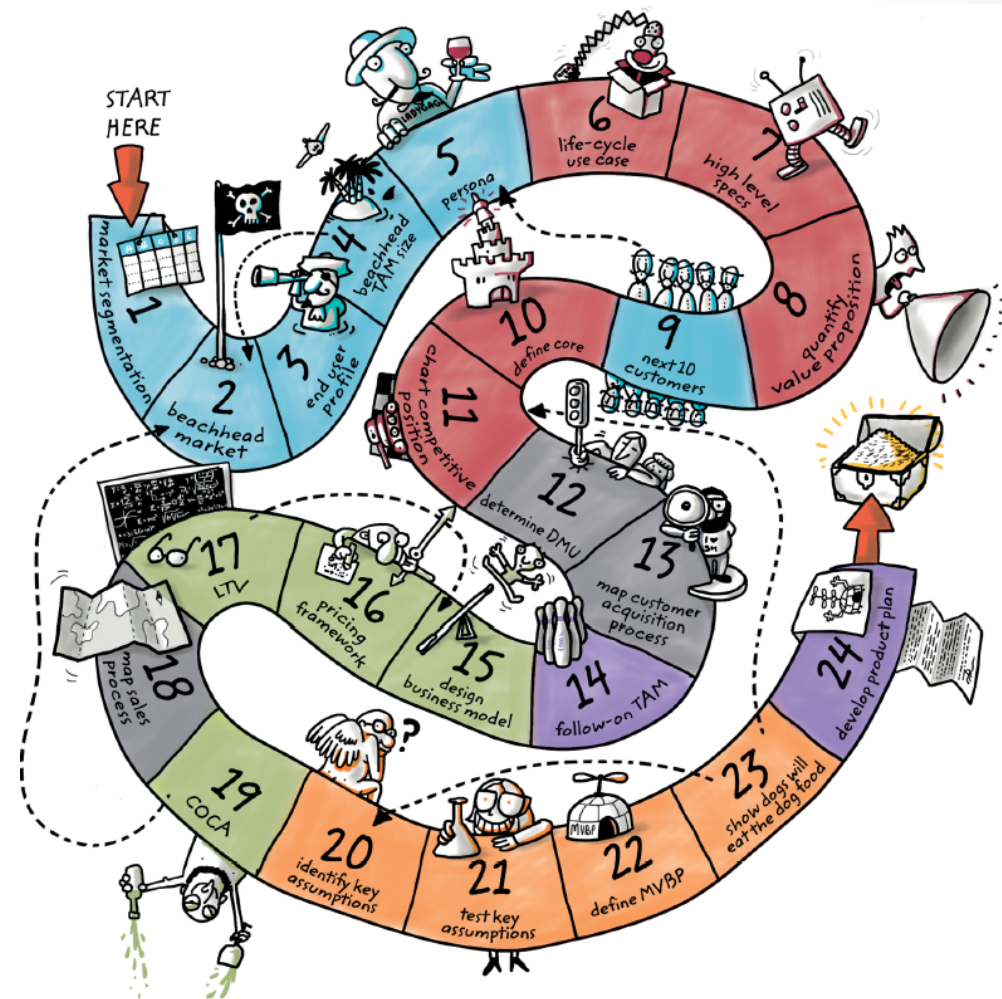
MIT GSL: Day 1

Introductions!

- Find someone you don't know and pair up with them.
- Introduce each other. Include:
 - Your name.
 - Where you're from.
 - A random motion that describes you.
 - What you're most excited for with this program.



The 24 Steps to Entrepreneurial Success



1) Market Segmentation

- List all the possible options of customers and markets for your startup.
- Narrow it down to 6 to 12 markets and research them.



2) Select a Beachhead Market

- Choose one market to focus on initially.
- Define the subset of this market you are going to sell to.



3) Build an End User Profile

- Write a profile of the person who will actually use the product.
- Write a profile of the person who will actually decide to buy the product.



4) Calculate Total Addressable Market for Beachhead Market

- Determine how many end users are in your beachhead market.
- Calculate TAM by multiplying revenue per end user by number of end users.



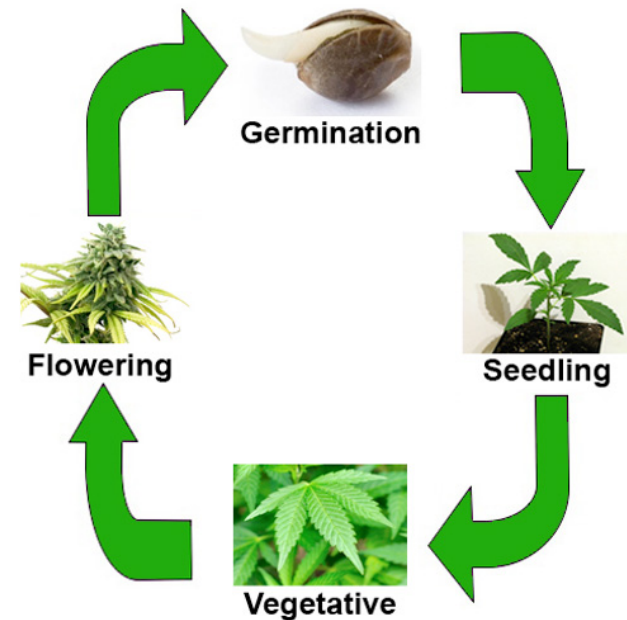
5) Profile the Persona for the Beachhead Market

- Choose one customer from your beachhead market to be the customer that you use as a prime consumer example.
- Create a detailed profile for them.



6) Full Life Cycle Use Case

- Describe in detail how your persona interacts with the product. How do they use it, pay for it, buy it, get rid of it, and tell others about it among other things?
- How can you use this to identify and solve problems with your product?



7) High-level Product Spec

- Create a visual representation of your product.
- Focus on the benefits that derive both from the features and the non-features.



8) Quantify the Value Proposition

- Determine how the benefits give the customer value.
- Quantify this value.



9) Identify Your Next 10 Customers

- Identify 10 potential customers who fit your user profile.
- Contact them to see if they would buy your product.



10) Define Your Core

- Explain why your solutions is better than other businesses' solutions.
- What are your key strengths?



11) Chart Your Competitive Position

- Show how well your product meets your persona's top priorities.
- Show how well existing products meet your persona's top priorities.
- Determine if your chosen market fits with your core strengths and your chosen persona.



12) Find Customer's Decision Makers

- Learn who will make the ultimate decision to purchase the product and who will be pushing for the purchase.
- Meet these people.



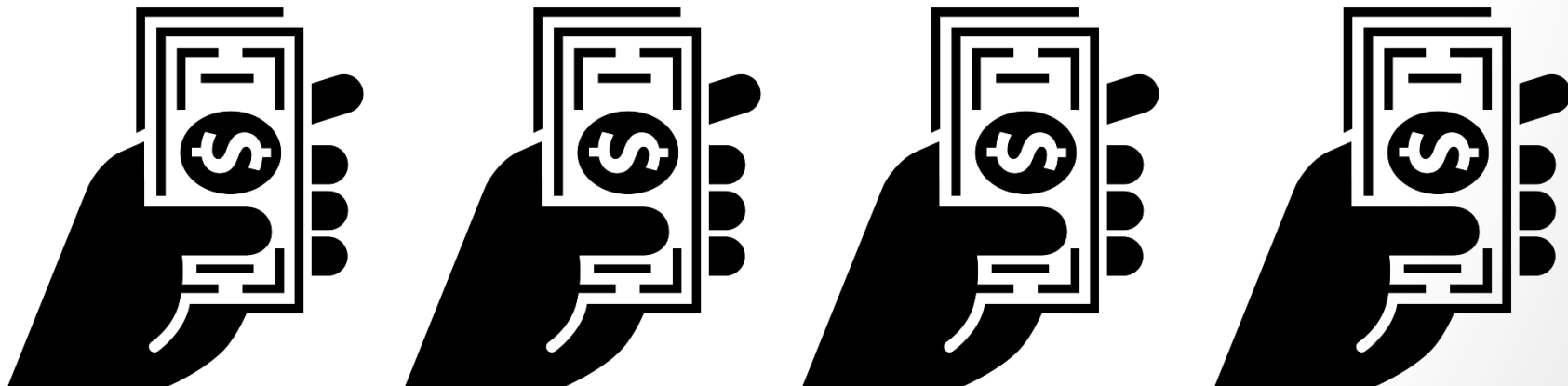
13) Map Customer Acquisition

- Map the process by which a customer would decide to purchase your product.
- Determine how often they would buy it.
- Determine any obstacles that must be overcome in order to sell it.



14) Calculate TAM for Second Markets

- Which markets will you expand to after dominating your beachhead market?
- What is the Total Addressable Market size for each of these?



15) Design a Business Model

- Look at existing models in other industries to try to develop a basis for your model.
- Develop your own innovative model that fits with your startup.



16) Set a Pricing Framework

- Use your business model and value proposition to determine an appropriate framework price.



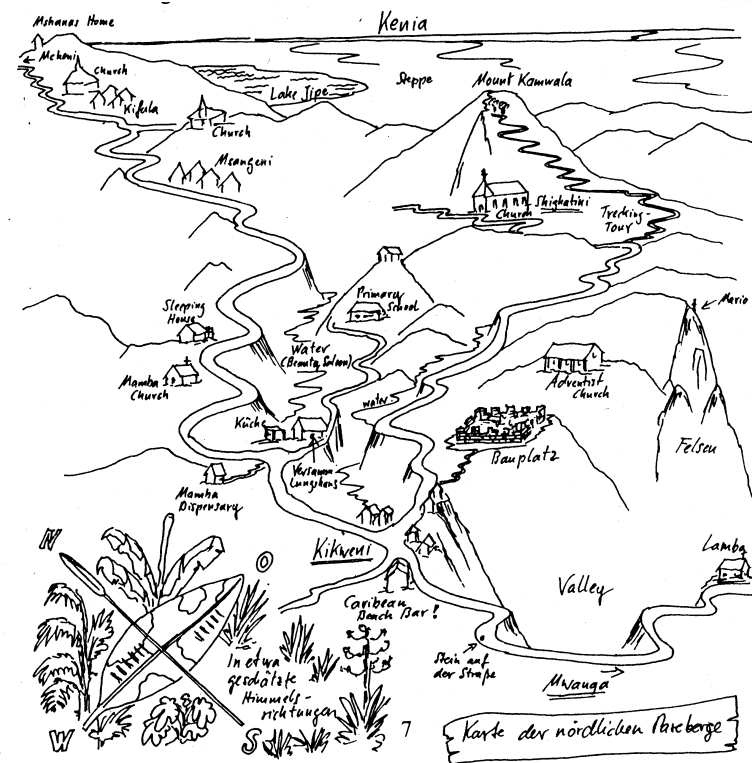
17) Lifetime Value of Customer

- Determine total revenue than you can expect from a single customer. (This includes things such as servicing, upgrades, etc.)
- Subtract the amount of money you need to repay investors during that time.



18) Map Sales Process

- Develop short-term, mid-term, and long-term strategies to sell your product.



19) Cost of Customer Acquisition

- Determine how much money it takes to acquire and keep a customer in the short-term as well as long term.



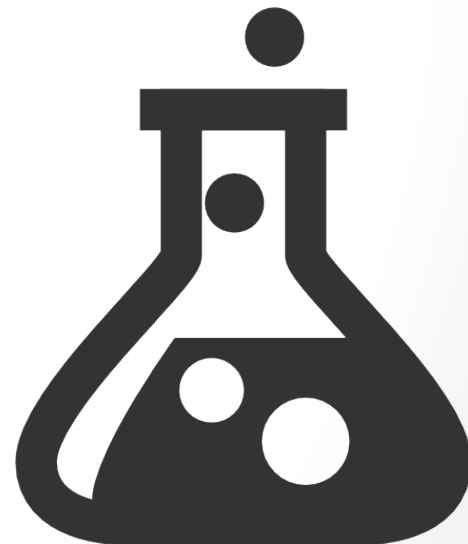
20) Identify Key Assumptions

- Because you're developing a new business, you're probably making certain assumptions that are logical to you but you haven't yet proven to be true.
- The assumptions should be unpacked so each can be identified separately and tested as such. This is an application of the scientific method to your startup.



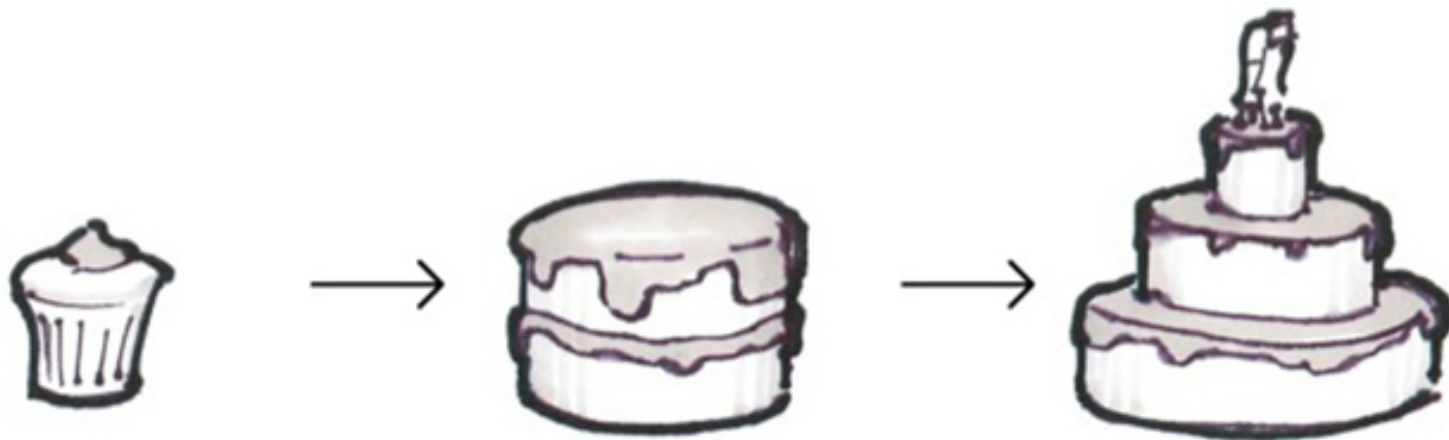
21) Test Key Assumptions

- Test, through a series of small & inexpensive experiments, each of the individual assumptions you have identified in step #20
- It will be faster & much less costly now to test the assumptions and allow you to preserve valuable resources & make adjustments as needed



22) Define the Minimum Viable Business Product (MVBVP)

- In line with testing in # 21, keep things simple to start, even if it is not as exciting to you or your stakeholders to start with.
- The goal is to get something in the market that is concrete so you can start the product feedback and iteration learning cycle with your target customers



23) Show that “Dogs Will Eat the Dog Food”

- Prove that this is not just something you think is a good idea but also prove that the target user will procure (at some price) and will happily adopt your product/service and tell others about it creating Word of Mouth.



24) Develop a Product Plan

- Develop a longer term Product Plan to evolve your product/service and markets over time so that the MVP is the first step on a plan for much broader success.
- This plan is subject to change as new information comes in so don't spend too much time freaking out about details
- Have a general vision of how you will make this a great company.

