

Myths About Entrepreneurs and Entrepreneurship

Lecture 1, Part I
GSL Peru

Housekeeping

- Call me “Suki”
- Ask questions in class
 - No bad questions
 - No bad English
- Coursesite - <https://www.coursesites.com>
- Social Media
 - @mitgsl, @mitgslperu, @luciacorsom
 - #mitgsl, #mitgslperu

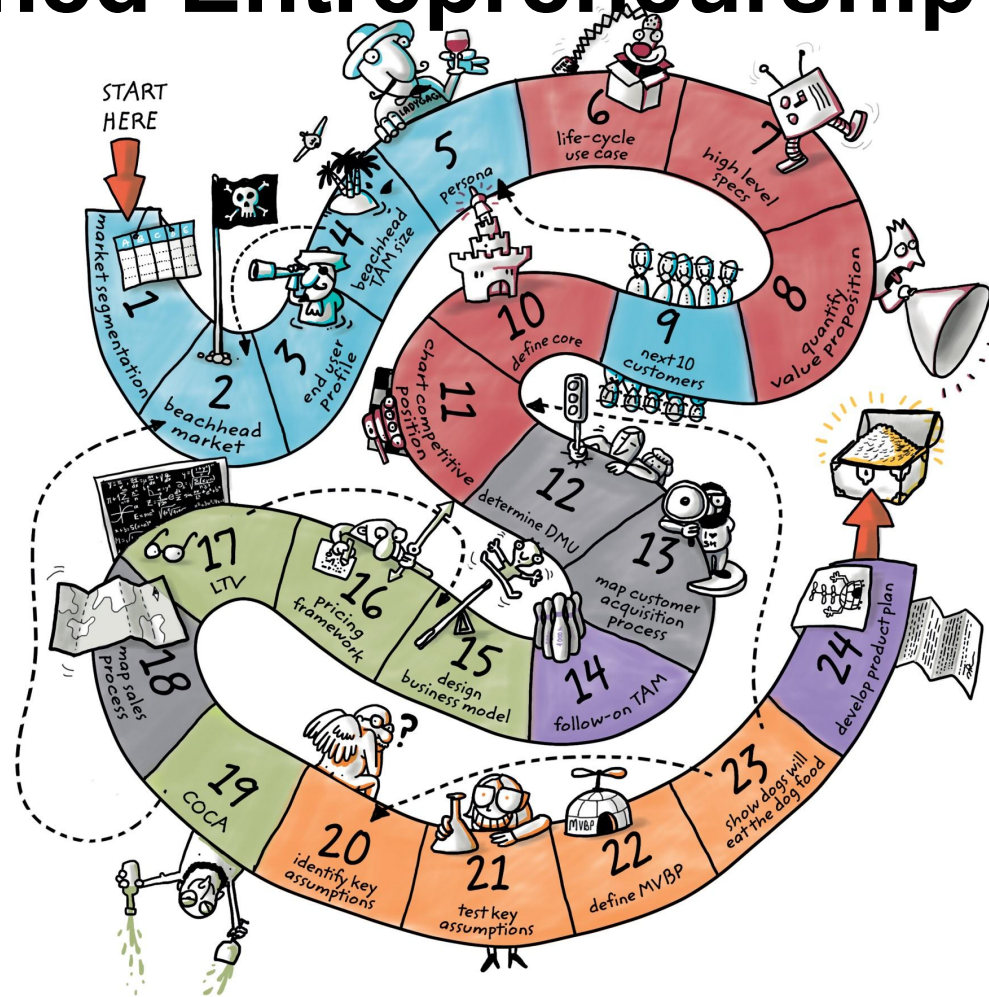
Housekeeping

- Attendance and Participation are mandatory!
 - Please be in class on time
 - Please participate in class
 - Please do homework on time

Course Premises



Disciplined Entrepreneurship



Idea + Six Themes

- Generate an Idea
- Who is your customer?
- What can you do for your customer?
- How does your customer acquire your product?
- How do you make money off your product?
- How do you design and build your product?
- How do you scale your business?

Outline

1. 6 Myths about Entrepreneurship
2. Myths about Starting a Company
3. Why start your own company?

Myth #1: Entrepreneurs are the smartest and most high-achieving people around

- Not necessary the valedictorian
- Focus important and ignore rest

Myth #2 Entrepreneurs work alone

- Teams are more likely to succeed -
(Research from Ed Roberts)
- Find people with various skills to join team!

Myth #3 Entrepreneurs are born, not made

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



- No entrepreneurial gene!

Bill Gates - parents wanted him to be a lawyer

Mark Zuckerberg - parents dentist and psychiatrist

Myth #4: Entrepreneurs love risk

- Entrepreneurs are not gamblers!
- “De-risk” risk
 - Take calculated risk
 - Use asymmetric information to gain advantage

Myth #5: Entrepreneurs are successful because they are charismatic

- Entrepreneurs effect change = leadership!
 - Vision
 - Sensemaking
 - Relationships
 - Innovation Engineering
 - Personal Signature
- Quiet Leadership - David Rock

Myth #6: Entrepreneurs are undisciplined

- Attacker against incumbent
 - Need to accurately execute with very little resources and time
 - Self discipline to achieve success

Myths about starting a company

- You will be extremely rich - 9/10 startups fail!
- You will have flexible hours and free time
- You want to be your own boss
- You want to become famous
- It's cool/trendy

The right reasons to start a company

- Passion and conviction!
- Being an entrepreneur is very rewarding
- Know your product and customers
- Change the world!

References and Further Reading

“Bill Aulet: 6 myths of entrepreneurship”

https://www.youtube.com/watch?v=_zWgGX71lws

“Disciplined Entrepreneurship”, Bill Aulet

Idea Generation

Lecture 1, Part II
GSL Peru

Outline

- Types of Innovation
- Categories of Innovation
- neXt framework
- Creativity - IDEO

Types of Innovation

- Technology
- Business Methods/Processes – Google (Adwords vs Banner), iTunes (Unbundle)
- Position
- Other

I have a technological breakthrough!



I have an idea!



I have a passion!

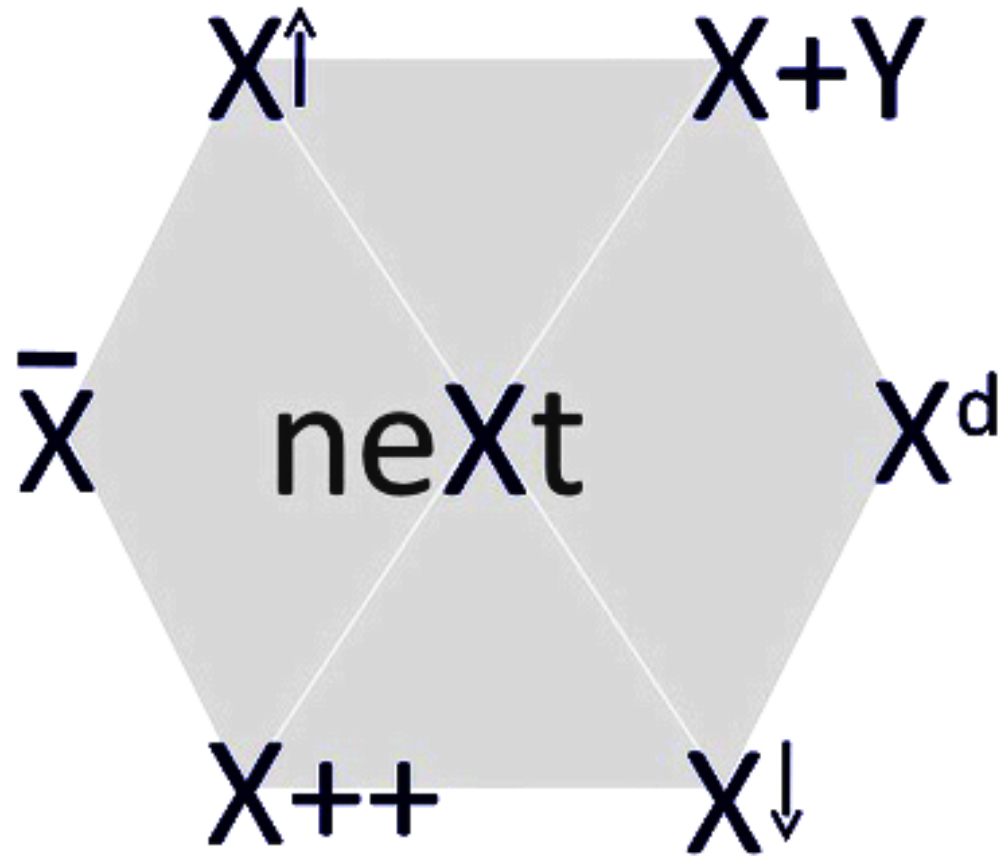


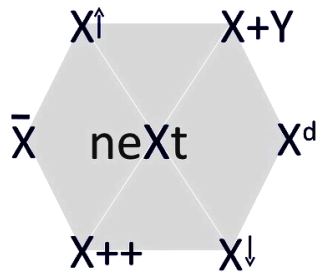
*Three ways
to start a new venture*

Categories of Innovation

- Disruptive
- Incremental
- Lateral

neXt Framework

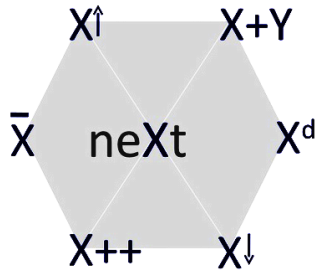




X^d

Generalize to another dimension

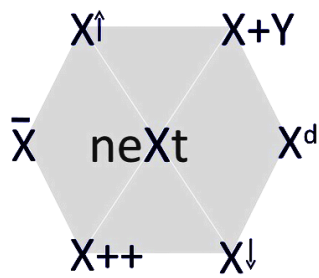
- Image -> Video (Flickr to YouTube)
- Analog -> Digital (Vinyl to CD, VCR to DVR)
- Horse Buggy -> Automobile
- Vacuum tube -> Silicon chip
- 2D -> 3D (3D Printing)
- Mail -> E-Mail



X+Y

Fusion of the dissimilar

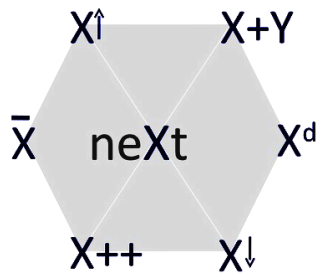
- Multifunction Printers
 - printer + scanner + fax
- Smartphones
 - computer + phone
- Internet of Things (IoT) - Belkin WeMo
 - sensor/controller + light bulb
- Wearable computing - Google Glass
 - computer + clothing/apparel



X̄

Do exactly the opposite

- Increase CPU speed vs Increase CPU cores
- Reverse auction
 - Sellers reduce price to obtain bid
- Free Internet Calls
 - Skype, FaceTime



X↑

“Given a hammer, find all the nails”

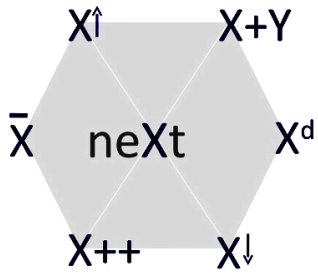
Use one solution on other problems

- **Asprin**

- pain killer
- lower risk of heart attack
- reduce fever

- **Facial Recognition**

- screen criminals
- biometric authentication
- game navigation

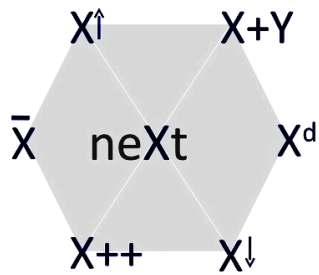


X↓

“Given a nail, find all the hammers”

Given a problem, find other solutions - “Building a better mouse trap”

- telephone -> cell phone -> smartphone -> iPhone
- PC and Mac
- Android and iOS
- Alta Vista, Yahoo!, Google, Bing!



X++

“Pick an adjective:” Faster, better, cheaper, etc

- Distributed
- Efficient
- Parallized
- Lower
- Open
- Green

Creativity



Credit: foundationphasewales.com

Steve Jobs, Wired, February, 1995

“Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn’t really do it, they just saw something. It seemed obvious to them after a while. That’s because they were able to connect experiences they’ve had and synthesize new things. And the reason they were able to do that was that they’ve had more experiences or they have thought more about their experiences than other people. Unfortunately, that’s too rare a commodity. A lot of people in our industry haven’t had very diverse experiences. So they don’t have enough dots to connect, and they end up with very linear solutions without a broad perspective on the problem. The broader one’s understanding of the human experience, the better design we will have.”



TEDx



Improvisation and Innovation

- Play
- Fail
- Say YES AND
- Listen - keep an open mind
- Play the game
- Relax and have fun!

IDEO



David Kelley, Founder



Tim Brown, CEO

WHAT WE DO

- IDEO is an award-winning global design firm that takes a human-centered, design-based approach to helping organizations in the public and private sectors innovate and grow.
- We identify new ways to serve and support people by uncovering latent needs, behaviors, and desires.
- We envision new companies and brands, and we design the products, services, spaces, and interactive experiences that bring them to life.
- We help organizations build creative culture and the internal systems required to sustain innovation and launch new ventures.

OUR APPROACH: DESIGN THINKING

- Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success.

IDEO Part 1 - ABC



IDEO Part 2 - ABC



IDEO's processes

- Time bracketed
- Stages
- Facilitator
- Brainstormers
- At Some Point, Adult Supervision
- Prototyping
- Fail Often so We Can Succeed Sooner
- Funnel

IDEO's Culture

- Failure and Trust
- Sharing and Respecting
- Simple Rules
- Enlightened trial and error
 - Fail often to succeed sooner
 - If a picture is worth a thousand words, a prototype is worth ten thousand

IDEO's Rules in Brainstorming

- One conversation at a time
- Stay focused on topic
- Encourage wild ideas
- Build on the ideas of others
- Defer judgment

References

- neXt framework - Professor Ramesh Raskar, MIT Media Lab
- 15.390 New Enterprises Lectures - Bill Aulet