Brown University Wintersession: Lean LaunchPad 2019 Syllabus

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Days: January 7–18, Monday – Friday each week, students should expect 12 hr+ days to complete the work required for the course

Texts: The Startup Owner’s Manual by Blank & Dorf, Business Model Generation by Osterwalder & Pigneur

Online Lectures: https://www.udacity.com/course/how-to-build-a-startup--ep245

Prerequisites: Interest/passion in discovering how an idea can become a real company and a team of 3–4 students with a startup idea.

Team Formation and Startup Idea: You do not need a pre-formed team or startup idea to apply to the course. During and after the application period in the Fall semester the Teaching Team will help facilitate team formation and idea selection.

Goal: Experiential learning opportunity that shows how startups are built.

Learning Objectives

• Impart a methodology to students that they can use for the rest of their careers
  o Lean Startup principles: how to rapidly and iteratively test business hypotheses
  o Customer Development: how to talk to customers to validate and invalidate startup ideas
  o Business Model Canvas: how use the Business Model Canvas as a scorecard for Customer Development
• Simulate the pace, chaos, and intensity of a real startup
• Specific learning objectives are noted in red for each day of the course

General description

The Lean LaunchPad (LLP) is a course on how to build a startup using lean startup tools and frameworks. It is a hands-on, intensive, experiential course designed for student teams who are serious about pursuing a startup. The course teaches Customer Development, which requires students to get out of the building and test their business hypotheses with real customers, and uses the Business Model Canvas as a scorecard.

Pedagogical approach

In all its forms, LLP is an experiential course that requires students to apply with an idea they have for a startup. Throughout the course, they will test their business hypotheses by interviewing customers as a startup team. They will then present their findings each class. Primary lectures are videos watched before the class (using a flipped classroom) and are supplemented with in-class lectures and Q&A.

Grading criteria
85% of your grade will come from your daily team progress and final presentation. Your peers will also grade your contribution to your team. The grading criteria are broken down as follows:

15% Individual participation in class, including feedback to your peers.

30% Out-of-the-building progress as measured by interview write-ups and daily presentations. Each team must update their business model canvas and post notes from all their customer interviews on a daily basis.

25% Team daily “Lessons Learned” presentation (see syllabus for daily content requirements and format).

30% Team final presentation and 2-minute video (see syllabus for requirements)

Your total team score is multiplied by a “peer grading multiplier” as assigned by your teammates at the end of the two weeks.

The Flipped Classroom
Unlike a traditional classroom where the instructor presents lecture material, core lectures are on-line at Udacity.com. Watching the assigned lectures are part of your prep for the course and daily homework. We expect you to watch the assigned lectures and we will use time in class to discuss questions about the lecture material.

Amount of work
This class requires a phenomenal amount of work on the students’ part, certainly compared to many other classes. Projects are treated as real startups, so the workload is intense. In the 12-day format, you will live and breathe your project all day every day. Getting out of the classroom is what the effort is about. You will be spending a significant amount of time in between each of the class sessions outside your talking to customers.

This class is a simulation of what startups and entrepreneurship is like in the real world: chaos, uncertainty, impossible deadlines in insufficient time, conflicting input, etc.

This class pushes many people past their comfort zone, but the learning and outcomes in just 12 days can be truly transformational.
Expect to spend 12+ hours a day working on your startup for the entirety of the course. All told, you will spend upwards of 180 hours on the course including pre-work and online lectures prior to day 1.

Class Roadmap
Students have weekly activities inside and outside the classroom.

Inside the classroom each day:
- 9am – 11am: Student team Lessons Learned presentations
- 11am – 12pm: Lecture on one of the business model canvas topics
- 12pm – 1pm: Office hours
- Exceptions:
  - The first class will have a 30-minute intro before student team presentations
  - No class Saturday, Sunday, and Monday MLK Day (Jan 13–15), but we will hold optional office hours

Outside the classroom each day (after class adjourns each day):
- Talk to 10–15 customers in person or via video call each day
- Capture your customer discovery progress by using Google Docs and updating their business model canvas
- Assemble a 10-minute Lessons Learned presentation based on customer discovery
- Watch the online lecture on Udacity for the day and prepare questions for discussion

Guidelines for team presentations
Each team is expected to speak to at least 10–15 customers between each class. The 10-minute daily team presentations should summarize the team’s findings since their last presentation.

Each day you’re expected to have an updated version of your entire business model canvas. Your customer discovery efforts should focus primarily on the business model canvas topic that was discussed at the end of previous class. This update is required regardless of whether you’ve pivoted and are re-exploring topics from earlier lectures. In the case of a pivot (which can be indicative of successful customer discovery), you will have to work doubly hard to cover earlier class topics and touch on current class topics in your daily presentation.

Feedback from the teaching team during oral presentations is where the most learning occurs. Due to the pace and tempo of the course, all students are required to complete the reading and video materials detailed in the syllabus.

Important Notes
The syllabus divides each class into two sections: work to be done before the class (which includes watching lectures on Udacity, readings from the textbooks, and interviews), and the daily team presentations to the class.

Nomenclature for the assigned readings:
- BMG: Business Model Generation, Osterwalder, et al
- SOM: Startup Owner’s Manual, Blank & Dorf
- pp refers to the pages on the physical version of the book
- Loc refers to the location on the Kindle version of the book

Course Overview
Class 1, Monday: Business Models/Customer Development
Class 2, Tuesday: Value Propositions
Class 3, Wednesday: Customer Segments
Class 4, Thursday: Channels
Class 5, Friday: Customer Relationships
Class 6, Monday: Startup Stories + 1:1 Office Hours (no student presentations)
Class 7, Tuesday: Revenue Streams
Class 8, Wednesday: Activities, Resources, and Partners
Class 9, Thursday: Lessons Learned Final Presentations
Class 10, Friday: Final wrap-up and Q&A

Class 1: Business Model/Customer Development

Pre-class Learning Objectives
Teams should come to class able to answer the following questions:
- What’s the difference between search and execution?
- What is a business model versus business plan?
- What is the Business Model Canvas?
- What are the 9 components of the Business Model Canvas?
- What is a hypothesis?
- What is Customer Development?
- What are the key tenets of Customer Development?

Why?
These are the fundamental principles of the course. Having the Teams prep on their own time allows us to go into full-immersion on day one, first lecture.

Pre-class preparation
Teams are expected to hit the ground running. We assume you and your team have come prepared having read the assigned materials and watched the online lectures. We expect you to have spoken to 10 customers before the start of the class and come in with a specific proposal for what your first MVP will be. Tell us what hypotheses it’s testing.
Reading and Viewing

- **Watch** online lessons 1, 1.5a, 1.5b and 2: What We Now Know, Business Models, and Customer Development

- **Read: BMG:**
  - pp 134 142 [Loc 1801 – 2003] Ideation

- **Read: SOM:**
  - pp. 1 75 [Loc 384 – 1447] Intro to Customer Development and Discovery, Market Size
  - pp. 76 81 [Loc 1448 1537] Value Proposition and MVP
  - pp. 487 [Loc 7275] Contacts Checklist

- **Watch:** the “How to Do Customer Discovery” videos on steveblank.com
  - Pre Planning: Contacts
  - CD42 Customer Interview Dry Runs
  - CD44 Pass/Fail Experiments
  - CD46 Conducting a Customer Interview
  - CD50 Looking for Insights
  - CD01 Death By PowerPoint
  - CD04 Understanding the Problem

- **Review:** *Talking to Humans*: Constable & Rimalovski

- Record the customer interviews in Google Docs in specified format
- Use search tools and look for potential competitors and prior art

All teams: Come Prepared to answer the following questions:

- What’s the difference between search and execution?
- What is a business model versus a business plan?
- What is the Business Model Canvas?
- What are the 9 components of the Business Model Canvas?
- What is a hypothesis?
- What do we mean by “experiments”?
- What is Customer Development?

Team Presentation: Business Model

10 minutes per team
• Slide 1: Title Slide
• Slide 2: Tell us about your 10 customer interviews. What did you expect? What did you learn?
• Slide 3: Show us your Business Model Canvas and give a 30-second overview
• Slide 4: Identify Market size (TAM/SAM/Target) What constitutes a pass/fail signal for each test?
• Slide 5: Here’s what we’re going to do today

Class 1 Team Presentation Learning Objectives
• Assess each Team’s level of preparation and understanding.
• Introduce the Business Model Canvas development principles.
• “Shock and Awe” immersion in the “present/critique” teaching method.
• Fast-paced, in-depth instructor critique and analysis of each team’s initial business models is critical during this session to emphasize the level of preparation necessary by the teams.
• Have teams understand that there is no such thing as “spare time” and they need to be out of the building talking to customers.

Why?
These are the fundamental principles of the course.
• The format of all the classes will be:
  o Teams present in front of their peers
  o Teaching Team critiques each Team
  o Instructors lecture on a component of the Business Model Canvas
• Having the Teams present on day one gives them full-immersion on day one.
• It also gives the Teaching Team the ability to provide remedial help for any Team after the first day of class

Lecture and Class Discussion
• Business Models, Customer Development, Value Proposition Canvas

Class 1 Lecture Learning Objectives
• Teams should understand the concepts of:
  o 9 parts of a Business Model
  o Hypotheses versus facts
  o Getting out of the building
  o Product—Market Fit
  o Iteration versus Pivot
• Teams should understand the relationship between canvas components:
  o Value proposition/customer segments – product/market fit
  o Customer relationships: get/keep/grow
  o Revenue/costs – making money
• Market size:
  o Many startups spend years attacking a small market. Having them think about size of the opportunity early helps them keep asking, “How big can this really be? Is it worth doing?”

Class 2: Value Propositions

Pre-class preparation

Reading and Viewing
• Read BMG:
  o pp 161 169 [Loc 2205 – 2381] Prototyping
• Read SOM:
  o pp 203 226 [Loc 3198 – 3532] Test Problem Understanding
  o pp 260 266 [Loc 4013 – 4116] Have we found Product/Market Fit
• Read Autonomow at:
  o http://steveblank.com/2014/10/03/my students grow into a company/
• Read: Osterwalder Value Proposition Canvas at:

• Watch: online lesson 3: Customer Segments
• Post discovery narratives to Google Docs
• Talk to 10–15 customers

Team Presentation: Value Propositions

10 minutes per team
• Slide 1: Title slide
• Slide 2–n: What did you learn about your customers?
  o Hypothesis: Here’s What We Thought
  o Experiments: So Here’s What We Did
  o Results: Here’s What We Found
• Slide 3: business model canvas with any changes marked in red, multiple customer segments shown in different colors
• Slide 4: Value Proposition Canvas see:
Slide 5: Here’s what we’re going to do today

Class 2 Team Presentation Learning Objectives

- Continue the pace of discovery, customer calls, insights & critiques
- Reinforce the Business Model Canvas concepts by discussing their updates and commenting on egregious parts

Focused critique on their understanding of the value proposition

Lecture and Class Discussion:

- Customer Segments

Class 2 Lecture Learning Objectives

- Value proposition + customer segment = product—market fit
- Customer pains and gains
- Customer “Jobs to be done”
- Customer archetypes/personas and why they are useful
- Problem versus Needs
- The difference between users, influencers, recommenders, decision makers, economic buyers and saboteurs
- Market Type – the difference between Existing, re-segmented, New and Clone markets, and why it matters to know which one you are in
- The difference between single- and multi-sided markets

Class 3: Customer Segments

Pre-class preparation

Reading and Viewing

- Read BMG:
  - pp 147 159 [Loc 2004 – 2204] Visual Thinking
- Read SOM:
  - pp 242 244 [Loc 3758 – 3795] Meet the Channel
  - pp 478 [Loc 7099] Channels Checklist
- See Mark Leslie Value Chain slides at:
  - http://www.slideshare.net/markleslie01/070801-value-chain-and-sales-model
- Review Startup Tools:
• http://steveblank.com/tools-and-blogs-for-entrepreneurs/

  • Watch: online lesson 4: Channels
  • Post discovery narratives to Google Docs
  • Talk to 10–15 customers

**Team Presentation: Customer Segments**

*10 minutes per team*

  • Slide 1: Title slide
  • Slide 2–n: What did you learn about your customers?
    - Hypothesis: Here’s What We Thought
    - Experiments: So Here’s What We Did
    - Results: Here’s What We Found
  • Slide 3: Business model canvas with any changes marked in red, multiple customer segments shown in different colors
  • Slide 4: Value Proposition/Customer Segment Canvas see:
    - What are the Gains, Pains, Customer Jobs?
  • Slide 5: How do they solve this problem(s) today? Does your value proposition solve it? How?
  • Slide 6: Diagram of Customer workflow
  • Slide 7: What is the resulting Customer Archetype? Draw a diagram.
  • Slide 8: Here’s what we’re going to do today

**Class 3 Team Presentation Learning Objectives**

  • Focus critique on customer segments and any other egregious BMC errors
  • Most people usually think of customers as the users of the product
    - Make sure they understand there might be multiple customer segments (users, payers, etc.)
  • Reinforce importance of deep customer understanding by asking them if they can draw a day in the life of customer
    - If not, they don’t know enough
  • Use your critiques to drive them to understand what pains their customers have, what gains they are looking for and what jobs do they want done? Which features from the value prop will do that?
  • Who specifically is (are) the archetype(s)
  • High praise to teams that understand their customers and can draw it

**Lecture and Class Discussion:**

  • Distribution Channels
Class 3 Lecture Learning Objectives
• Definition of a distribution channel
  o Direct, indirect, and OEM
• Difference between physical and virtual channels
• Types of physical and virtual channels
• Distribution channel versus product complexity

Distribution channel economics

Class 4: Channels

Pre-class preparation

Reading and Viewing
• Read SOM:
  o pp 489 [Loc 7303] Test the Problem and its Importance

• Watch: online lesson 5: Customer Relationships

• Post discovery narratives on Launchpad Central
• Talk to 10–15 channel partners

Team Presentation: Channels
• Slide 1: Title Slide
• Slide 2: Channels
  o What is your distribution channel? Are there alternatives?
  o What was it that made channel partners interested? excited?
  o Draw the channel diagram, annotate it with the channel economics
• Slide 3–n: What did you learn about your Channel?
  o Hypothesis: Here’s What We Thought
  o Experiments: So Here’s What We Did
  o Results: Here’s What We Found
• Slide 4: Business model canvas with any changes marked in red, multiple customer segments shown in different colors
• Slide 5: Here’s what we’re going to do today

Class 4 Team Presentation Learning Objectives
• Reinforce the pace required to keep up — high praise for those keeping up
• Make sure they’re not confusing the channel with the users of the product
• Use critiques to drive them to understand:
  o What type of channel they’d use
  o Why would they’d pick that one
How much it will cost them to use it
• Do they understand the sales cycle and customer acquisition process?

Lecture and Class Discussion:
• Customer Relationships

Class 4 Lecture Learning Objectives
• How teams get customers into their sales channel and move them successfully through the sales cycle
• How to keep them as customers
• How to grow additional revenue from those customers over time
• Teams should understand how to develop “get customer” experiments to determine tactics that move customers into and through the sales funnel in a repeatable and scalable way
• Understanding of the concept of “Lifetime Value of a Customer” and how to calculate this figure and incorporate it into their customer acquisition strategies

Class 5: Customer Relationships

Pre-class preparation

Reading and Viewing
• Read SOM:
  o pp 180 188 [Loc 2854 – 2982] Revenue and Pricing Hypotheses
  o pp 437 456 [Loc 6412 – 6714] Pivot or Proceed?
  o pp 526 527 [Loc 7967 – 7987] Assemble Data
  o pp 528 [Loc 8001] Validate Financial Model

• Watch: online lesson 6: Revenue Model

• Post discovery narratives to Google Docs
• Talk to 10–15 customers

Team Presentation: Customer Relationships
• Slide 1: Title slide
• Slide 2: What were your objective pass/fail metrics for each “Get” test/methodology?
  o What is your customer acquisition cost? How will you create demand?
  o What is your customer lifetime value?
• Slide 3: What did you learn about your Customer Relationships (Get/Keep/Grow)?
  o Hypothesis: Here’s What We Thought
  o Experiments: So Here’s What We Did
  o Results: Here’s What We Found
• Slide 4: Business model canvas with any changes marked in red, multiple customer segments shown in different colors
• Slide 5: Draw the Get/Keep/Grow diagram, annotate it with the key metrics
• Slide 6: Here’s what we’re going to do today

Class 5 Team Presentation Learning Objectives
• Revisit all prior parts of the canvas: teams will still be making changes to value prop and customer segments
• Praise the high achievers and acknowledge the amazing progress they’ve made in a week
• Even though they won’t have time to do real demand creation they need to grasp the concepts of Get/Keep/Grow, CAC, & LTV

Lecture and Class Discussion:
• Revenue Streams

Class 5 Lecture Learning Objectives
• Revenue model = the strategy the company uses to generate cash from each customer segment
• Types of revenue streams
  o Direct Sales, Licensing, Subscription
• Within the revenue model – how do I price the product?
  o Pricing is a tactic
  o Revenue model is the strategy
• This is not about income statement, balance sheet and cash flow. Those are operating details that are derived after a proven revenue model and pricing.
• Understanding of Physical versus Web/Mobile revenue models and Multi-sided market revenue models

Class 7: Revenue Streams

Pre-class preparation

Reading/Viewing
• Read BMG: o pp 36 37
  o pp188
  o pp 109 113 Open Business Models
• Read SOM:
  o pp 169 175 Resources
• pp 437 456 [Loc 6412 – 6714] Pivot or Proceed?
  o pp487
  o pp 528 Validate Financial Model
  o pp 176 179 Partners
  o pp 267 269
  o pp 484 Partners Checklist.

• Watch: online lessons 7 and 8: Partners and Resources, Activities and Costs

• Post discovery narratives to Google Docs
• Talk to 10–15 customers

Team Presentation: Revenue Streams
• Slide 1: Title slide
• Slide 2–n: What did you learn about your Revenue Streams & Pricing?
  o Hypothesis: Here’s What We Thought
  o Experiments: So Here’s What We Did
  o Results: Here’s What We Found
• Slide 3: Business model canvas with any changes marked in red, multiple customer segments shown in different colors
• Slide 4: Diagram of Payment flows
• Slide 5: Here’s what we’re going to do today

Class 7 Team Presentation Learning Objectives
• Make sure teams don’t confuse pricing tactics with revenue model strategy
• Understand the different between cost-based and value-based pricing
• Revisit market size / company size potential in light of revenue model

Lecture and Class Discussion:
• Key Activities, Key Resources, and Partners

Class 7 Lecture Learning Objectives
• The types of activities companies undertake
  o Manufacturing, supply chain, problem solving, sales, etc.
• The types of resources companies need
  o Financial, Physical, Intellectual, Human Capital
• Definition of a Partner
• Types of Partners
• The difference between strategic alliances, competition, joint ventures, buyers, suppliers and licensees
• Risks associated with having a Partner and how to manage them

Class 8: Activities, Resources, and Partners
**Pre-class preparation**

**Reading/Viewing**
- Read SOM:
  - pp. 180-188 Revenue and Pricing Hypotheses
  - pp. 260-269 Verify Business Model
  - pp. 438 Metrics that Matter
  - pp. 457-459 Financial Model
  - pp. 528 Validate Financial Model
- Watch: online lecture 8: Resources, Activities and Costs
- Post discovery narratives to Google Docs
- Talk to 10–15 customers and partners

**Team Presentation: Key Activities, Resources, and Partners**
- Slide 1: Title slide
- Slide 2–n: What did you learn were your key Activities?
  - Hypothesis: Here’s What We Thought
  - Experiments: So Here’s What We Did
  - Results: Here’s What We Found
- Slide 3: What are your key Resources?
  - Resources should match your critical Activities
  - Are they resources you already have?
  - Do you need to acquire or partner with others to get them?
  - How much will they cost?
  - What human resources will you need?
  - What equipment resources will you need?
  - What financial resources will you need to acquire all these resources?
- Slide 4-n: What did you learn about your resources?
  - Hypothesis: Here’s What We Thought
  - Experiments: So Here’s What We Did
  - Results: Here’s What We Found
- Slide 5: What were your hypotheses about what partners you will need?
  - Partners should match your Key Resources and Activities
  - Why do you need these partners and what are risks?
  - Why will they partner with you?
  - What’s the cost of the partnership?
  - Diagram the partner relationships with any dollar flows
  - What are the incentives and impediments for the partners?
- Slide 6–n: What did you learn about your Partners?
  - Hypothesis: Here’s What We Thought
  - Experiments: So Here’s What We Did
  - Results: Here’s What We Found
• Slide 7: Business model canvas with any changes marked in red, multiple customer segments shown in different colors
• Slide 6: Rough diagram of activities and resources/partners needed to accomplish them
• Slide 7: Here’s what we’re going to do today

Class 8 Team Presentation Learning Objectives
• Revisit the entire right side of the canvas to ensure teams are not being left behind
• Introduce the importance of the left side of the canvas
• Highlight that different businesses and industries require very different key activities and resources

Lecture and Class Discussion:
• Costs, Operating Plan and Fundraising
• Final Lessons Learned presentations expectations
• 2-minute video examples and expectations
• Open discussion and Q&A

Class 9: Lessons Learned Presentations

Reading and Viewing
• Watch other teams’ final presentations
• See http://www.slideshare.net/sblank/ for examples
• Post discovery narratives to Google Docs
• Talk to 10–15 customers if you have not reached 100 customer interviews

Team Final Presentation: Lessons Learned
Each team will present a 10-minute “Lessons Learned” presentation about their business, including a 2-minute video summarizing their business.

Class 9 Learning Objectives
• Teams synthesize and present their journey, solidifying what they’ve learned
• Teams learn from each other’s process and lessons learned

Class 10: Wrap-up and discussion

Open Q&A on startups and any course topics. No preparation required.