

Doing it for real - Workshop @ Innov8rs Sydney

How to get focus and avoid obstacles when running a startup in a large company





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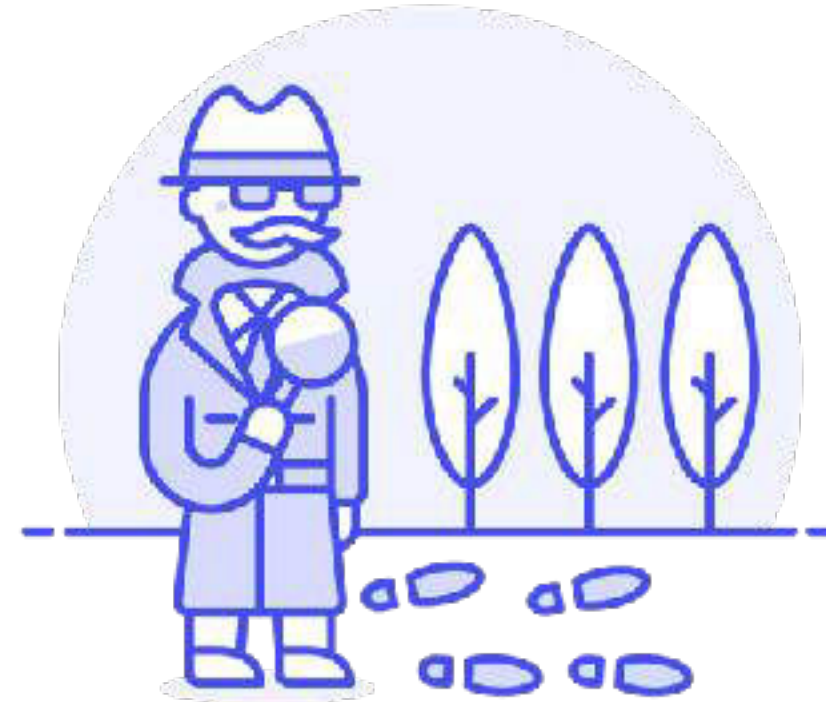


What makes tech companies succeed?

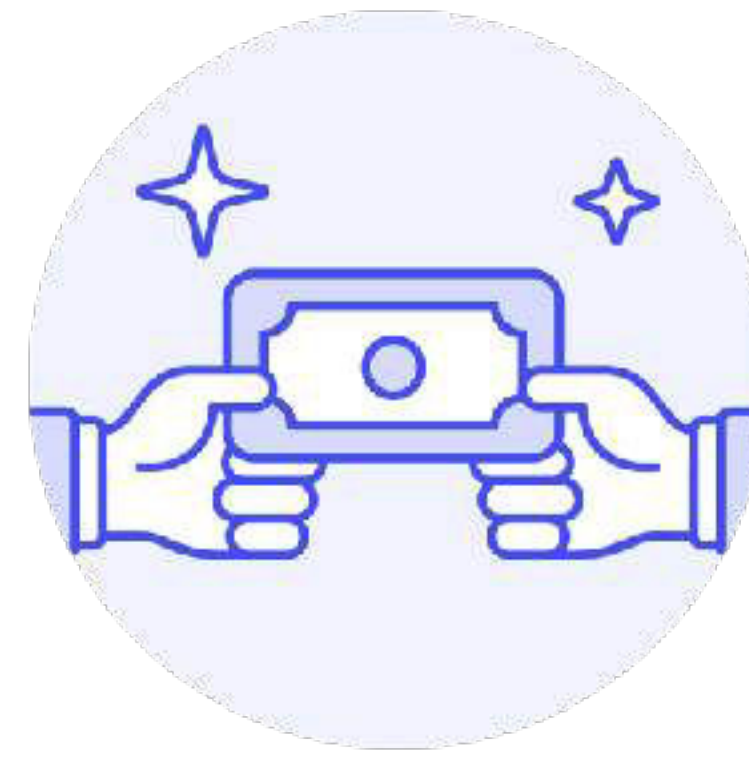
Technology companies enable teams to run experiments & capture real customer commitment at scale.



High learning & experiment velocity.



Actionable outcomes



Capture real commitment.



Operate as entrepreneurs.

**Your
company
today.**

Stage 1

Spot and select a few new opportunities.

- ✓ Act on new ideas
- ✓ Manual approach
- ✓ Build mindset of teams
- ✓ Provide right expertise
- ✓ Risk is managed on a per experiment basis with existing business

Stage 2

Scale amount of teams using dedicated processes & systems

- ✓ Teams encounter less blockers on daily basis
- ✓ Speed & quality of the output from teams increases
- ✓ Teams can take an idea and turn it into a real business
- ✓ Clear process defined
- ✓ Governance and risk models in place
- ✓ First dedicated systems put in place

Stage 3

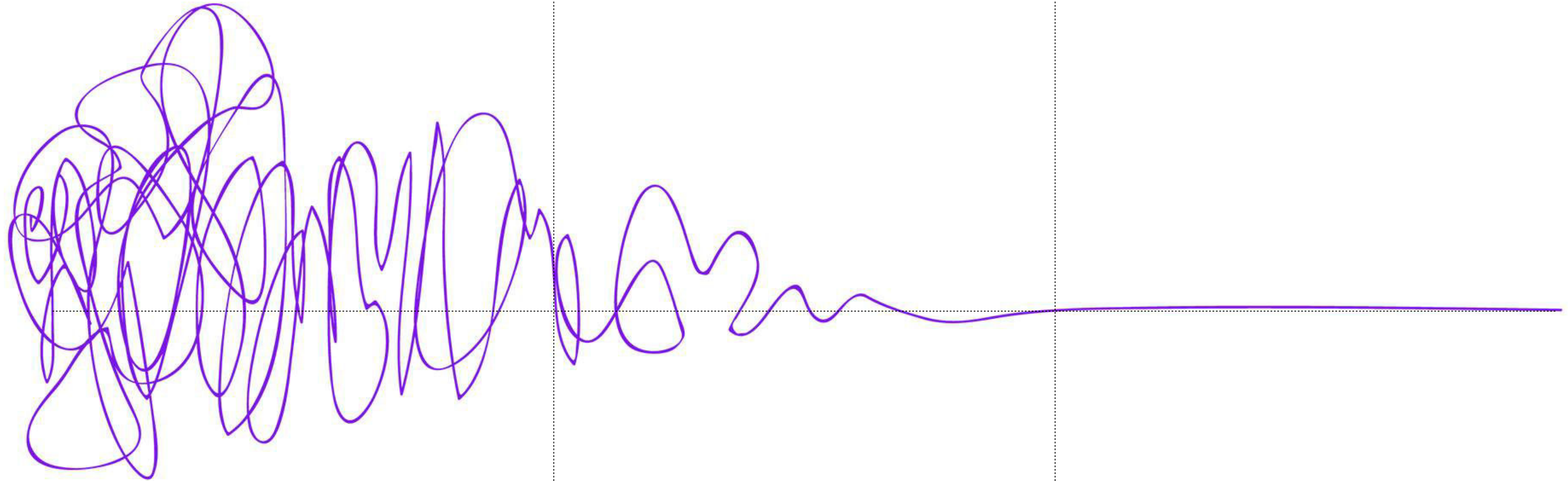
Standardise & create autonomy for teams.

- ✓ Teams autonomously can pursue new business opportunities
- ✓ Full set of systems in place that enable teams to learn fast
- ✓ New models & principles are part of the day-to-day operations in the business
- ✓ New compensation models for innovators that created a great outcome

New opportunities in your business environment.

New entrants are actively pursuing new opportunities. It's time to make your company future proof and go after these opportunities at the same speed.

We take your teams from signal to evidence

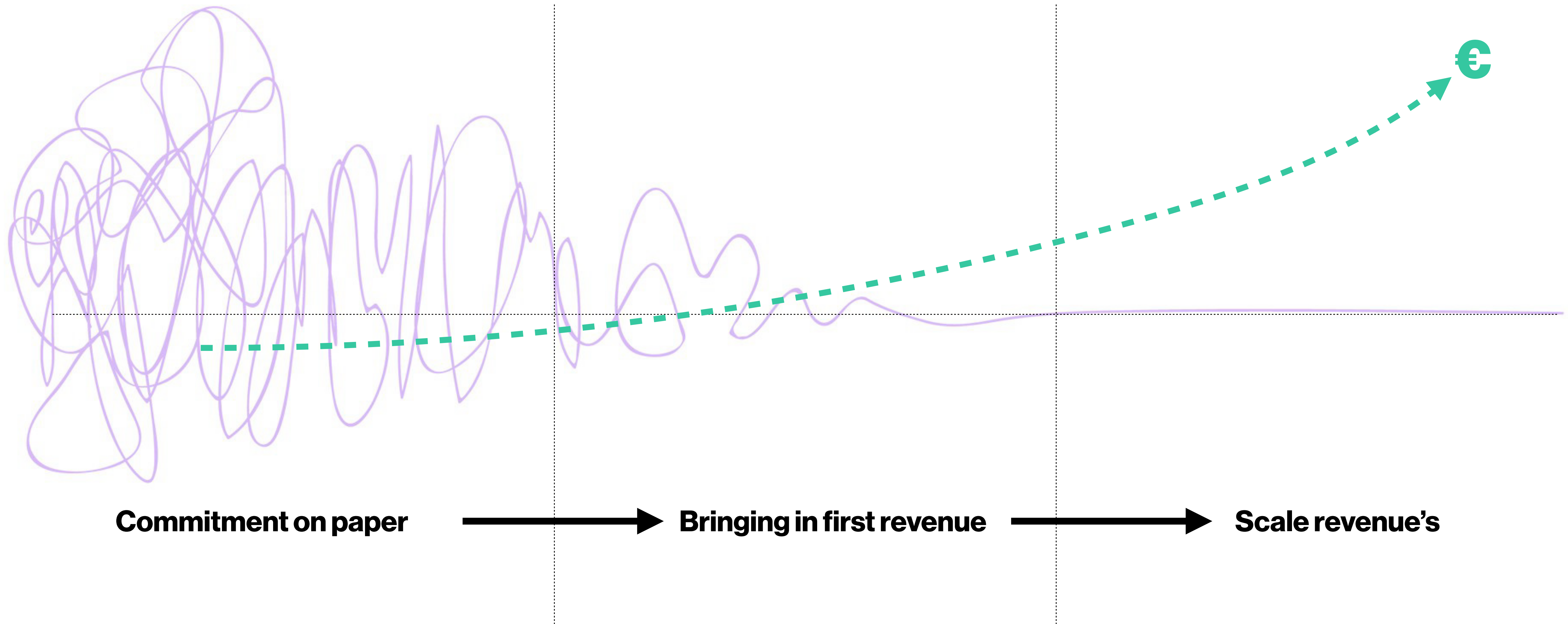


- Many unknowns
- Qualitative research
- Calibration on market

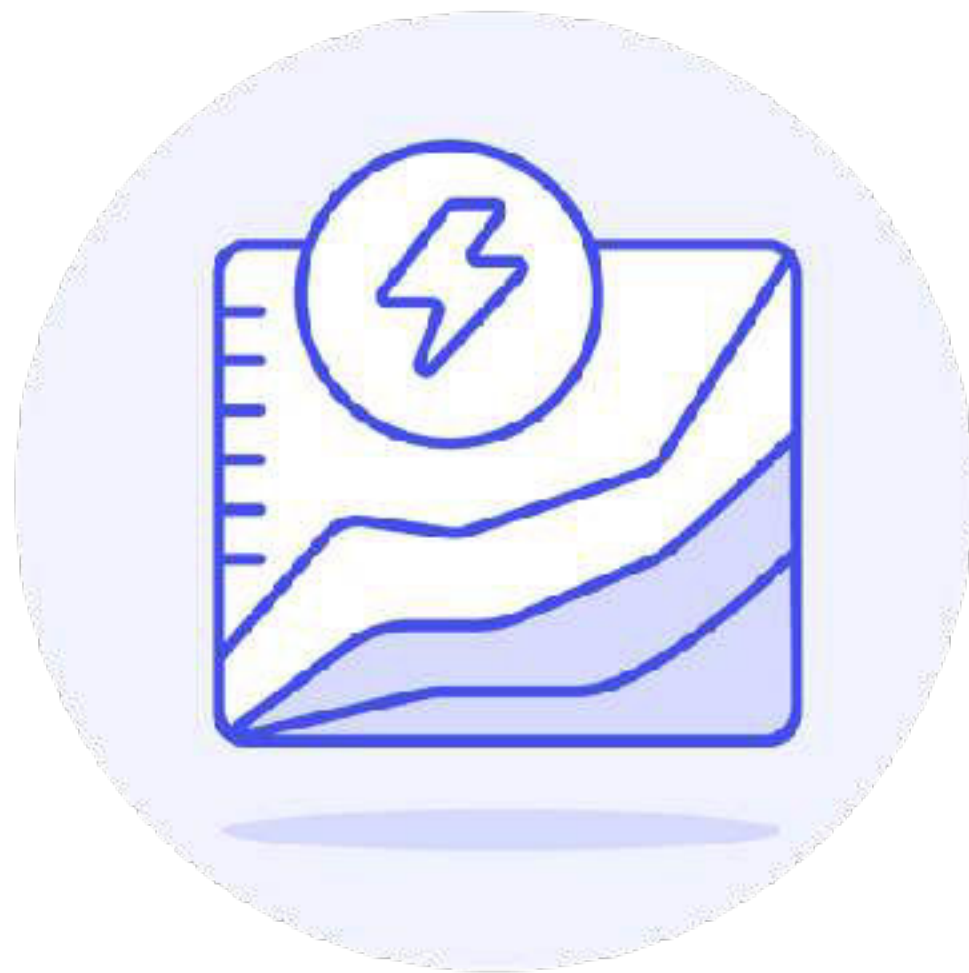
- Clear understanding of risk
- Active experimentation
- Proof via customer behaviour

- Customer commitment
- Growth experiments
- Building a business

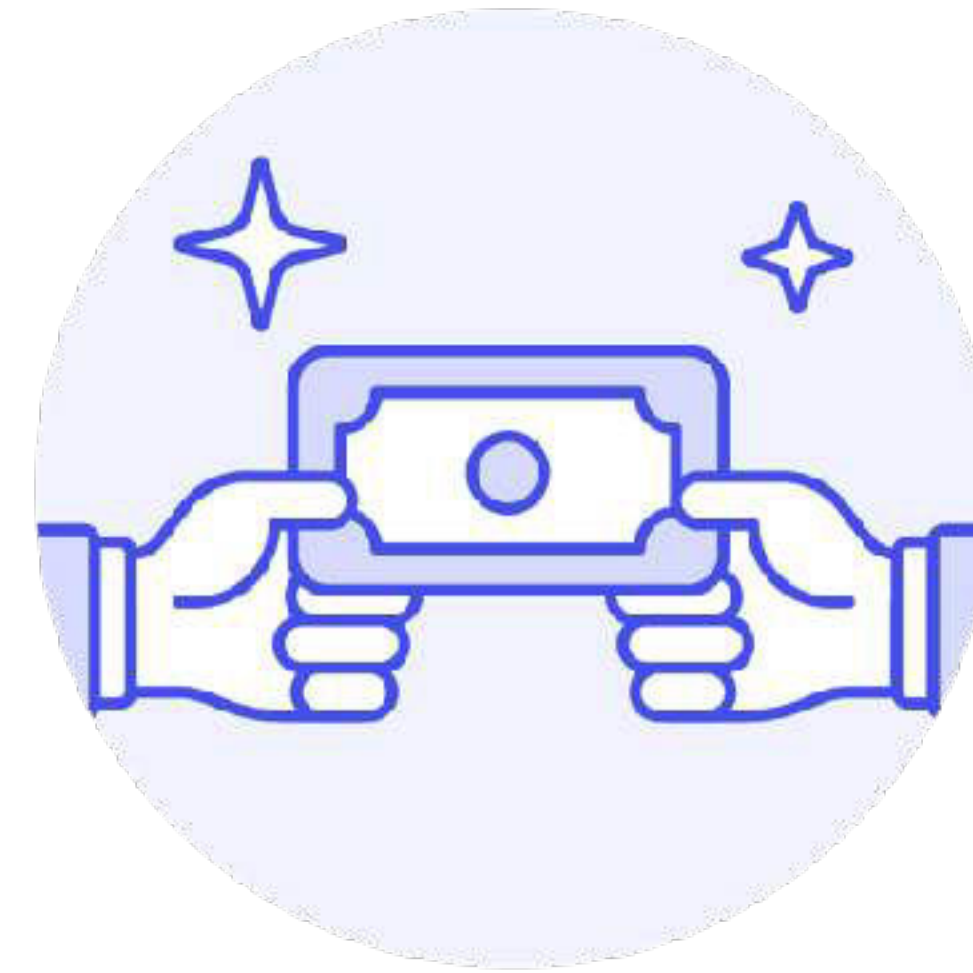
Paying customers & working business model is the real evidence



The foundation to make ideas last



**High velocity
experimentation & learning**



**Working business model
backed by paying customers.**

Dispatch

Run the right experiment at the right time.

Getting the right data starts with running the right experiment. Dispatch helps you to design your experiments the right way and track your results.

Airstrip

Launch your online experiments fast.

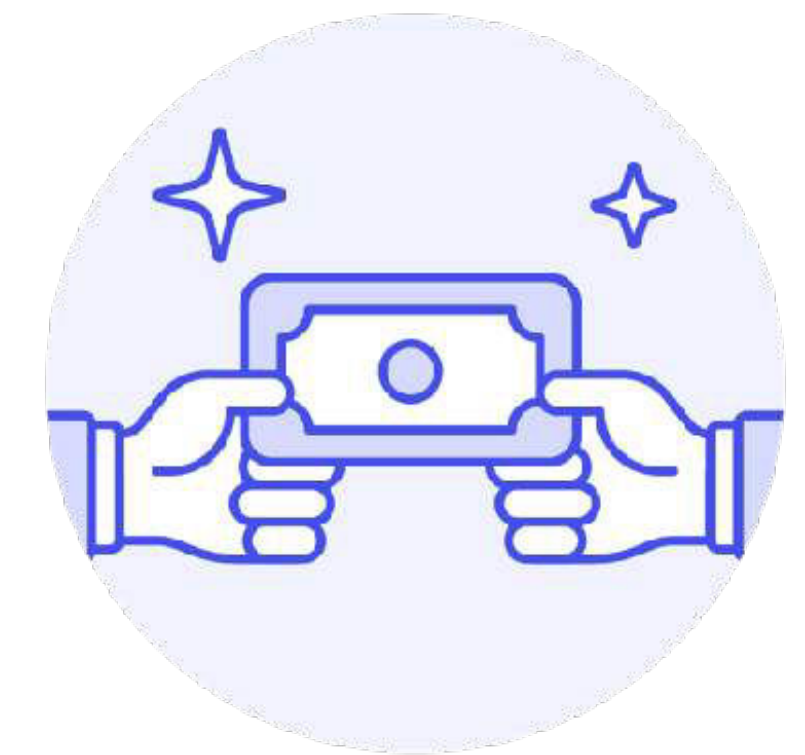
Airstrip helps you to go live fast and get the data you need by taking away blockers. From getting compliant to nailing the design, we got you covered.

GoMonthly

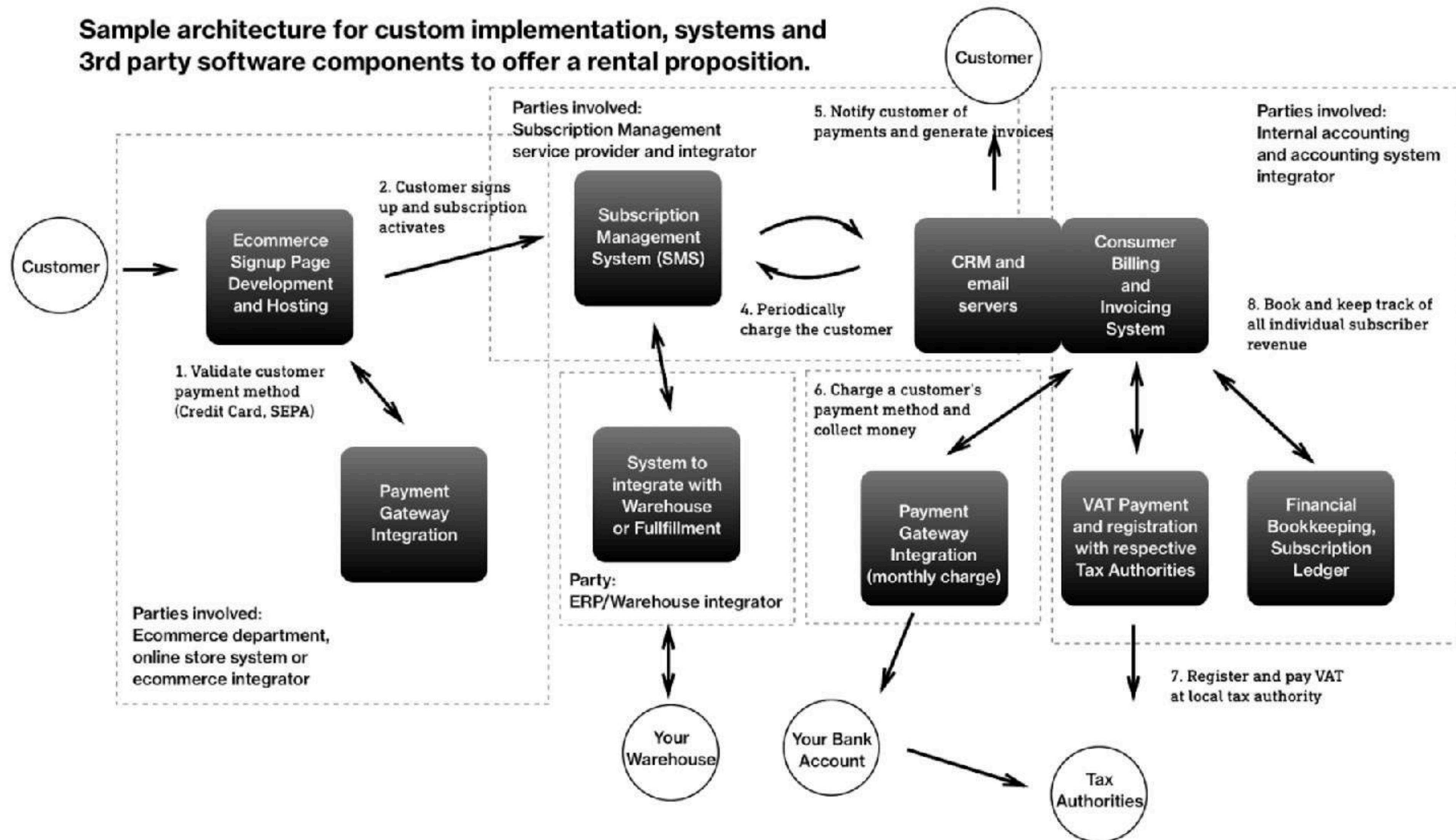
Join the subscription economy.

Start renting out your products and sell directly to your customers. Test a subscription model when your internal departments cannot offer it yet.

Introducing subscriptions is hard

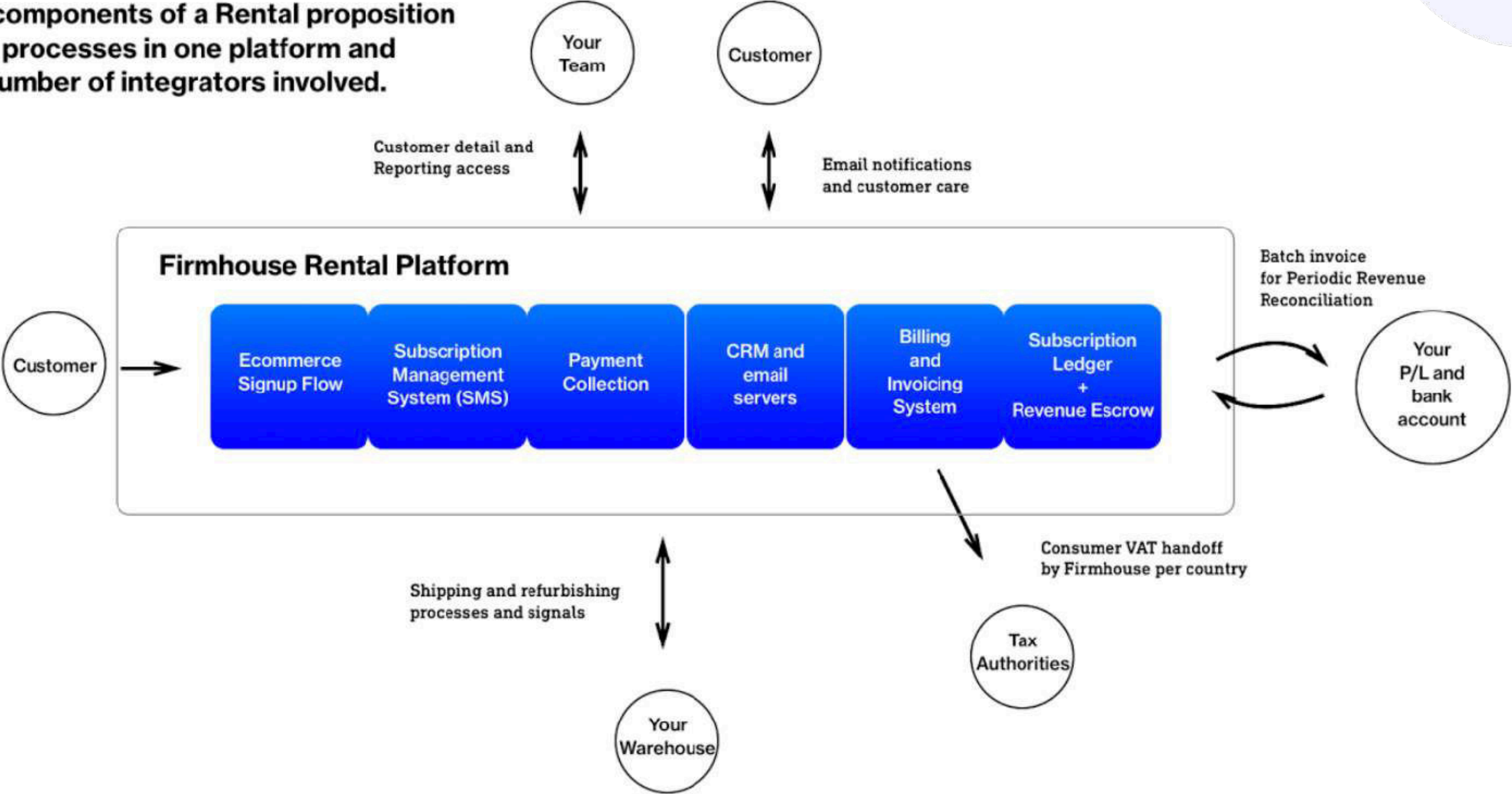


Sample architecture for custom implementation, systems and 3rd party software components to offer a rental proposition.



Firmhouse circumvented this

Firmhouse Rental Platform combines all crucial components of a Rental proposition combining processes in one platform and reducing number of integrators involved.



Some of our customers



PHILIPS



**Entrepreneurs as
risk seekers, is a
misconception.**



Minimize risks!



Risk is relative.

A What reaching your **B**
goals looks like



Core principle


Entrepreneurship is Management

Purpose of a startup

Startups are of temporary nature (turn them into a business!)

The purpose is to search for a validated business model

Startups need to try things in the real world to be able to succeed

A man with glasses and a microphone is speaking on a stage. He is wearing a dark suit jacket over a grey button-down shirt. He is gesturing with his hands while holding a small black device in his right hand. The background is dark blue with some abstract light patterns.

**A pivot is a change in direction
without a change in vision.**

Eric Ries, author of The Lean Startup.

Your decisions are only as good as your information.



When you wait too long to launch, you only learn a bit and by then it's too late.

Example failures



Juicero, the juicing machine that inspired mockery and outrage for raising **\$120 million to sell a \$400 juicer** with juice packs you can easily squeeze with your bare hands, has become a symbol of Silicon Valley's arrogance and disconnect.

“In other words, the Juicero is a well-engineered solution to a problem that no one really has.”

Launch fast and improve in cycles.



When you launch fast, think in small bets, you can try many options in a short time frame.

Let's take a look at your favourite startup's starting point



The screenshot shows the original Thefacebook website. At the top left is a pixelated profile picture of Mark Zuckerberg. To its right is the logo "[thefacebook]" in blue, with links "login register about" below it. On the left side, there is a registration/login form with fields for "Email:" and "Password:", and buttons for "register" and "login". The main content area has a blue header bar that says "Welcome to Thefacebook!". Below this, it says "[Welcome to Thefacebook]". The text describes Thefacebook as an online directory for colleges, specifically mentioning Harvard University. It lists four features: searching for people at your school, finding out who is in your classes, looking up friends' friends, and seeing a social network visualization. At the bottom of the main content area, it says "To get started, click below to register. If you have already registered, you can log in." with "Register" and "Login" buttons. The footer contains links for "about contact faq terms privacy", the text "a Mark Zuckerberg production", and "Thefacebook © 2004".

Email:

Password:

[register](#)

[login](#)

Welcome to Thefacebook!

[Welcome to Thefacebook]

Thefacebook is an online directory that connects people through social networks at colleges.

We have opened up Thefacebook for popular consumption at **Harvard University**.

You can use Thefacebook to:

- Search for people at your school
- Find out who are in your classes
- Look up your friends' friends
- See a visualization of your social network

To get started, click below to register. If you have already registered, you can log in.

[Register](#) [Login](#)

[about](#) [contact](#) [faq](#) [terms](#) [privacy](#)

a Mark Zuckerberg production

Thefacebook © 2004

It's probably different than you think.

Example success



WhatsApp started out as an app which allowed you to set and see statuses of other people

Jan Koum would launch a feature with a push notification if someone changed his status.

- **His users we're using the feature to send messages**
- **He observed this and adding a messaging feature which caused a spike in downloads of +250.000**

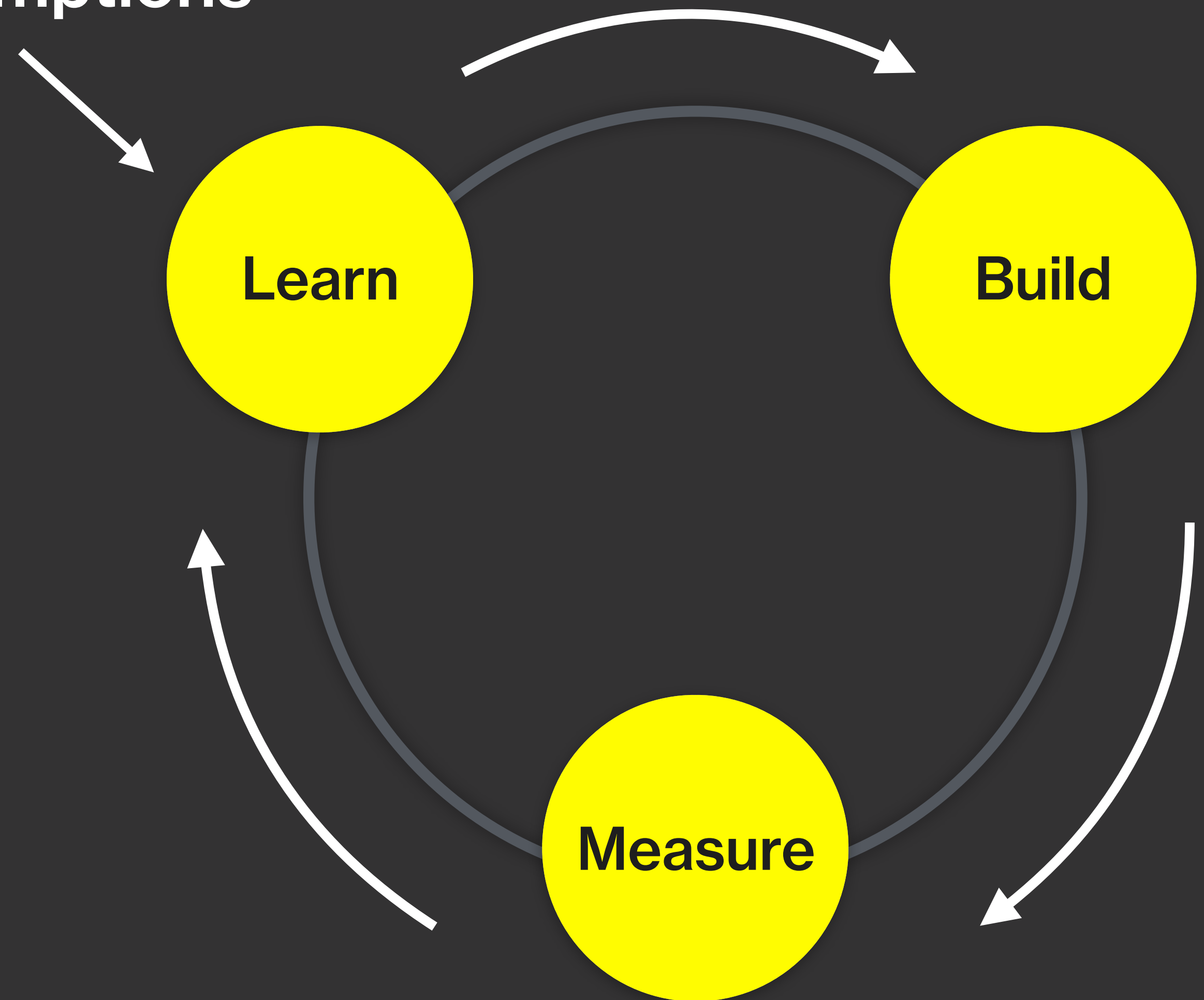
Core principle

Build - Measure - Learn

Build Measure Learn (BML)

Every loop consists of one
or more experiments

Plan A assumptions



1 What to test?

- ★ Identify assumptions
- ★ Prioritise assumptions

2 How to test?

- ★ Which learning type?
- ★ Brainstorm experiments
- ★ Plan + run experiment

3 Decide next step

- ★ Analyse results
- ★ Decide next steps

Step 1: What to test?

What is the assumption we have to test?

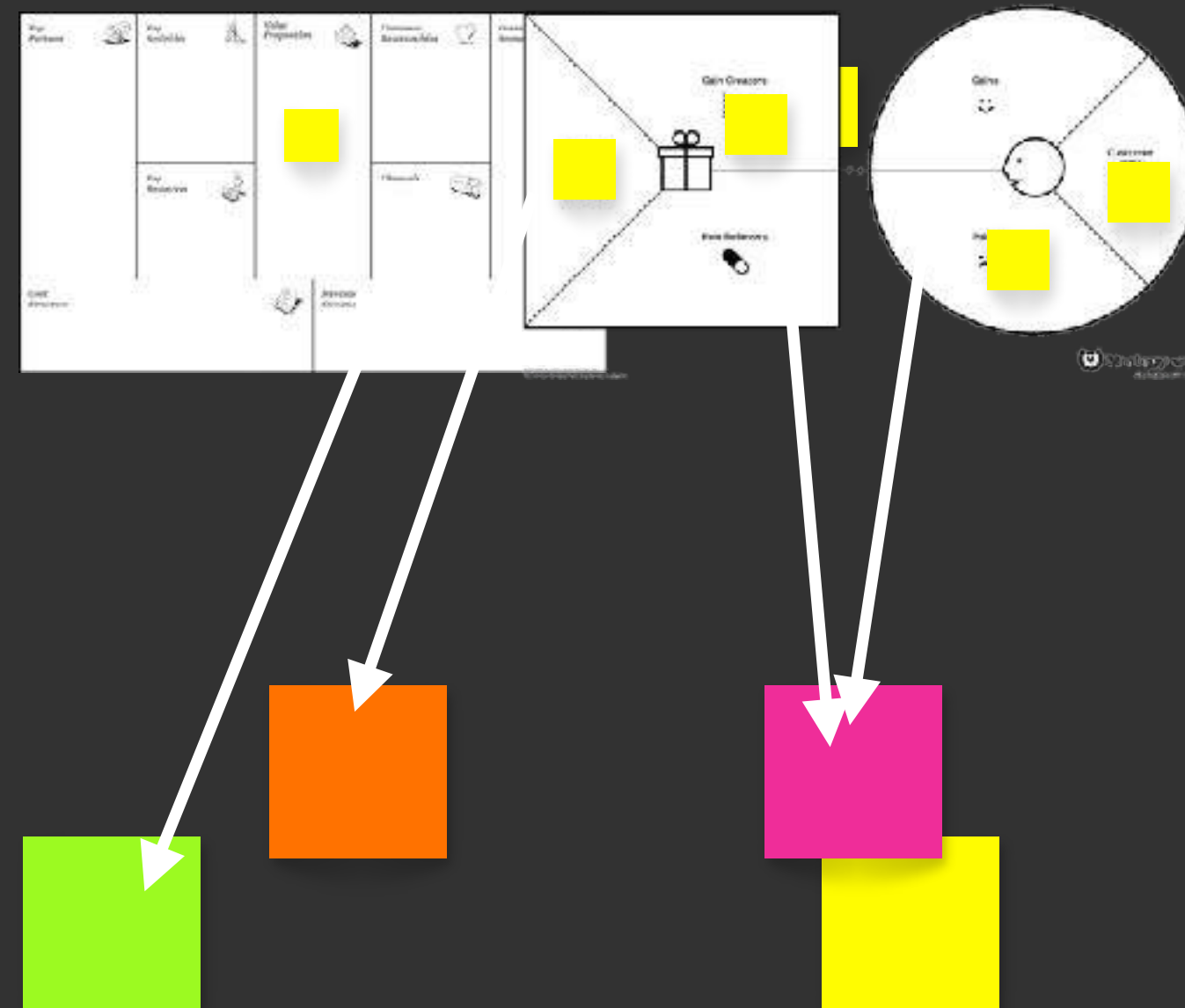
Exercises are short:



Time is valuable! Experienced entrepreneurs know how to make good decisions as they go. You'll learn this today.

So we'll use time limits to learn pace and rhythm.

1 What to test?

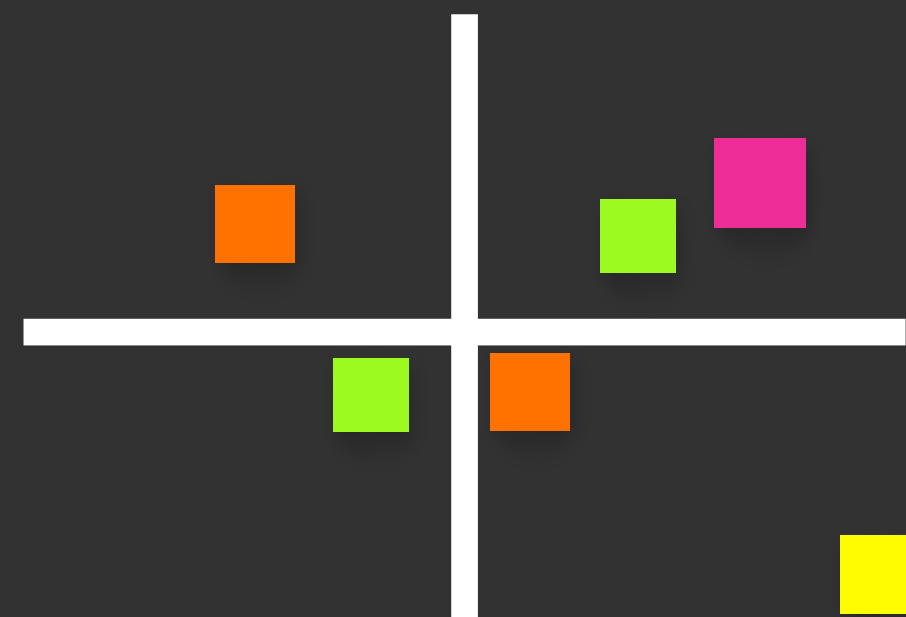


Brainstorm plan A.

Use your tool of choice to discover assumptions in your plan A.

Identify hypothesis

Go over your plan A and gather all hypothesis that, if untrue, will kill the business.

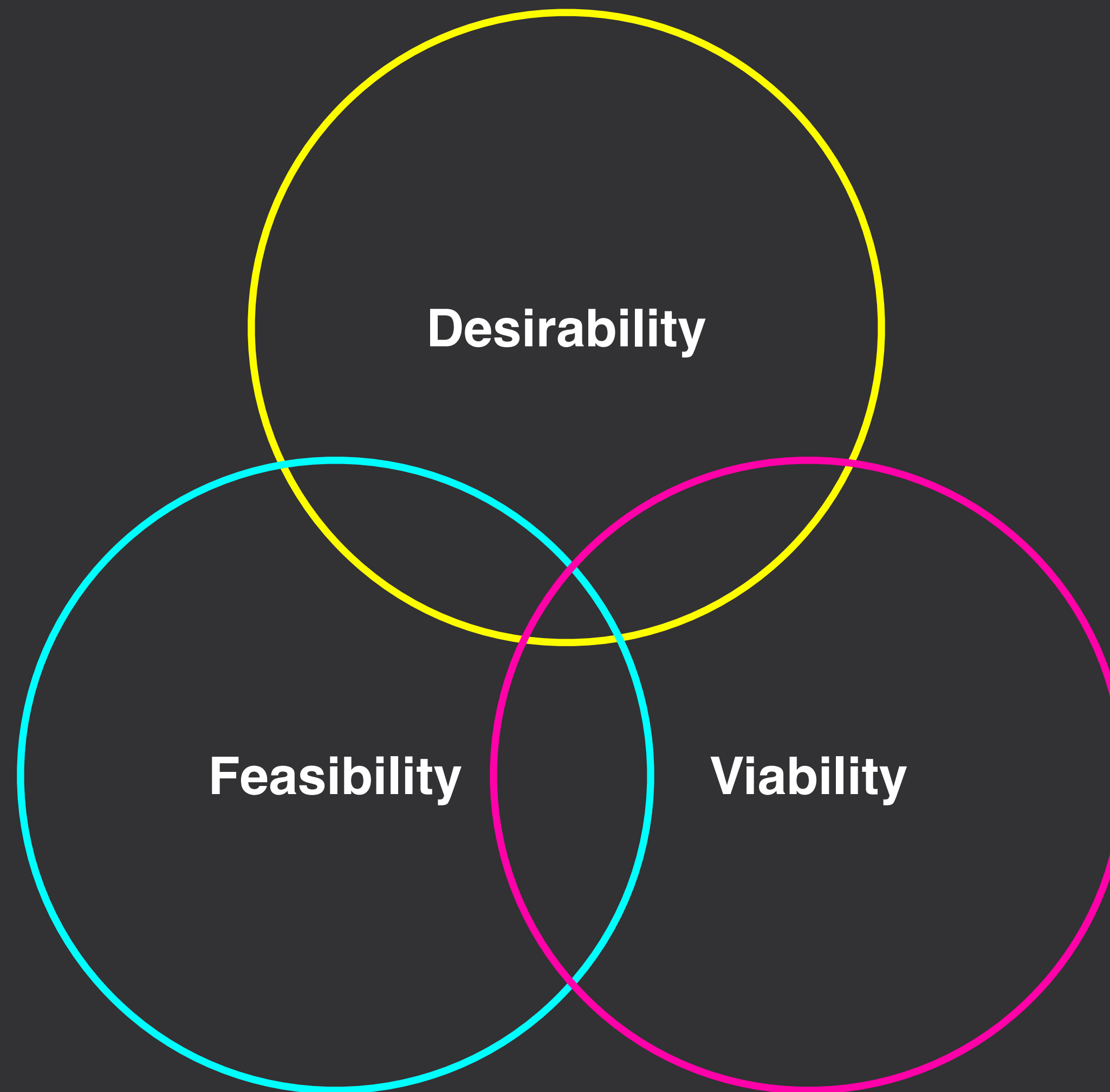


Prioritise hypothesis

Order your hypothesis based on their risk to the business model.



Business Model Canvas
Value Proposition Map
(or whatever floats your boat)












The Business Model Canvas

Designed for:

Designed by:

On:	Day	Month	Year
Iteration:	No.		

<div><h2>Key Partners</h2><p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p><p>Key Partners can: • Reduce our risks and uncertainties • Reduce the cost of key resources • Enhance our ability to perform key activities</p></div>	<div><h2>Key Activities</h2><p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p><p>Key Activities can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>	<div><h2>Value Propositions</h2><p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we bringing to each Customer Segment? Which customer needs are we satisfying?</p><p>Value Propositions can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>	<div><h2>Customer Relationships</h2><p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p><p>Customer Relationships can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>	<div><h2>Customer Segments</h2><p>For whom are we creating value? Who are our most important customers?</p><p>Customer Segments can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>
	<div><h2>Key Resources</h2><p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p><p>Key Resources can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>		<div><h2>Channels</h2><p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p><p>Channels can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>	
<div><h2>Cost Structure</h2><p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p><p>Cost Structure can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>		<div><h2>Revenue Streams</h2><p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p><p>Revenue Streams can: • Create value • Reduce costs • Create barriers to entry • Enhance our ability to perform key activities</p></div>		

The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration:

<h3>Key Partners</h3> <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>How to use this section: Identify key partners and suppliers Who do we depend on? Who can help us achieve our business goals? Who can help us reduce our costs?</p>	<h3>Key Activities</h3> <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>How to use this section: Identify key activities What are the most important activities? What are the most difficult activities? What are the most costly activities?</p>	<h3>Value Propositions</h3> <p>What value do we deliver to the customer? Which one of our customers' problems are we helping to solve? What bundles of products and services are we bringing to each Customer Segment? Which customer needs are we satisfying?</p> <p>How to use this section: Identify value propositions What are the most important value propositions? What are the most difficult value propositions? What are the most costly value propositions?</p>	<h3>Customer Relationships</h3> <p>What type of relationship does each of our Customer Segments expect, or is it established and consistent with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>How to use this section: Identify customer relationships What are the most important customer relationships? What are the most difficult customer relationships? What are the most costly customer relationships?</p>	<h3>Customer Segments</h3> <p>For whom are we creating value? Who are our most important customers?</p> <p>How to use this section: Identify customer segments What are the most important customer segments? What are the most difficult customer segments? What are the most costly customer segments?</p>
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Feasibility

Desirability

Viability

Two types of assumptions

Assumptions about your **Value Proposition**

Assumptions about **Growth**



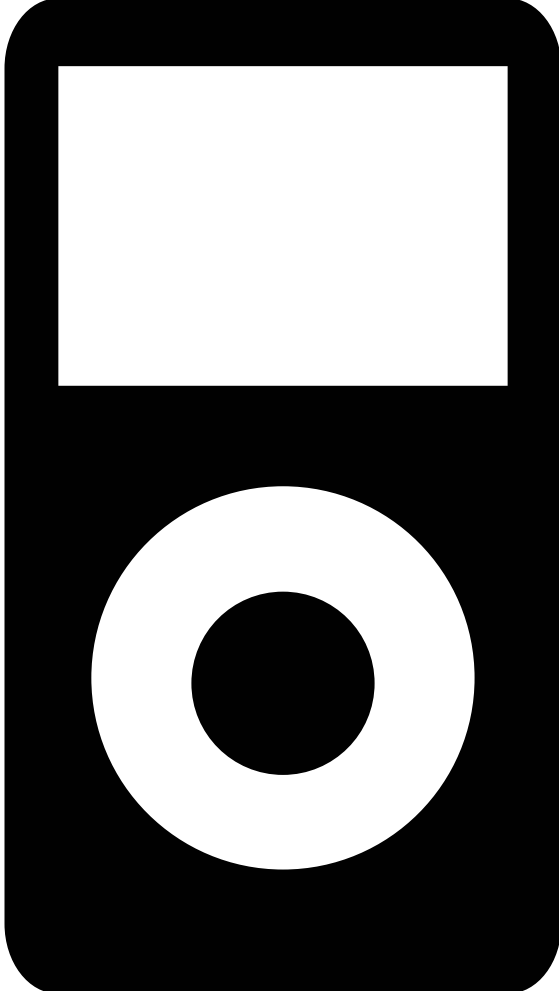
**Don't
re-invent
the wheel**

Analogs

*“Competition or offering
successful
in the market you are
trying to conquer.”*

Antilogs

*“Competition or offering that
failed at
building the company that
you’re aiming to build.”*



A black and white photograph taken from a low angle looking up at several tall skyscrapers. The buildings are arranged in a way that their edges converge towards the top of the frame, creating a strong sense of height and scale. The sky is a uniform light gray, providing a stark contrast to the dark, grid-like patterns of the building facades. The perspective is from the ground looking up, making the buildings appear to be reaching towards the viewer.

**Stop
ignoring
markets &
competition.**

**Uber entered an
existing market.**



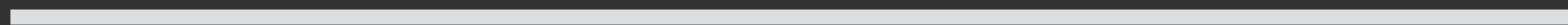


**Airbnb, new
market and
offering.**

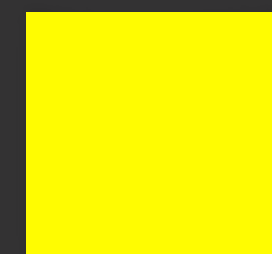
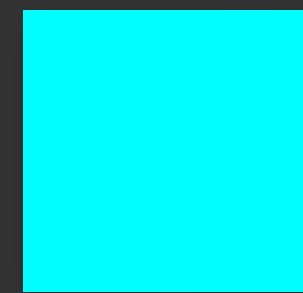
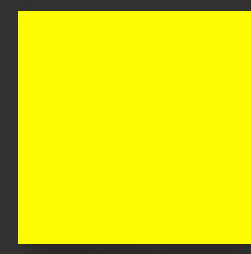
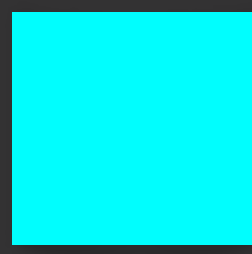
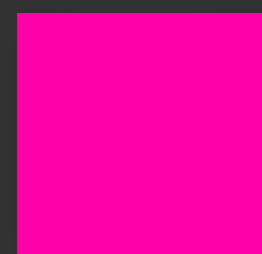
**iPhone,
re-segmented
the mobile industry**

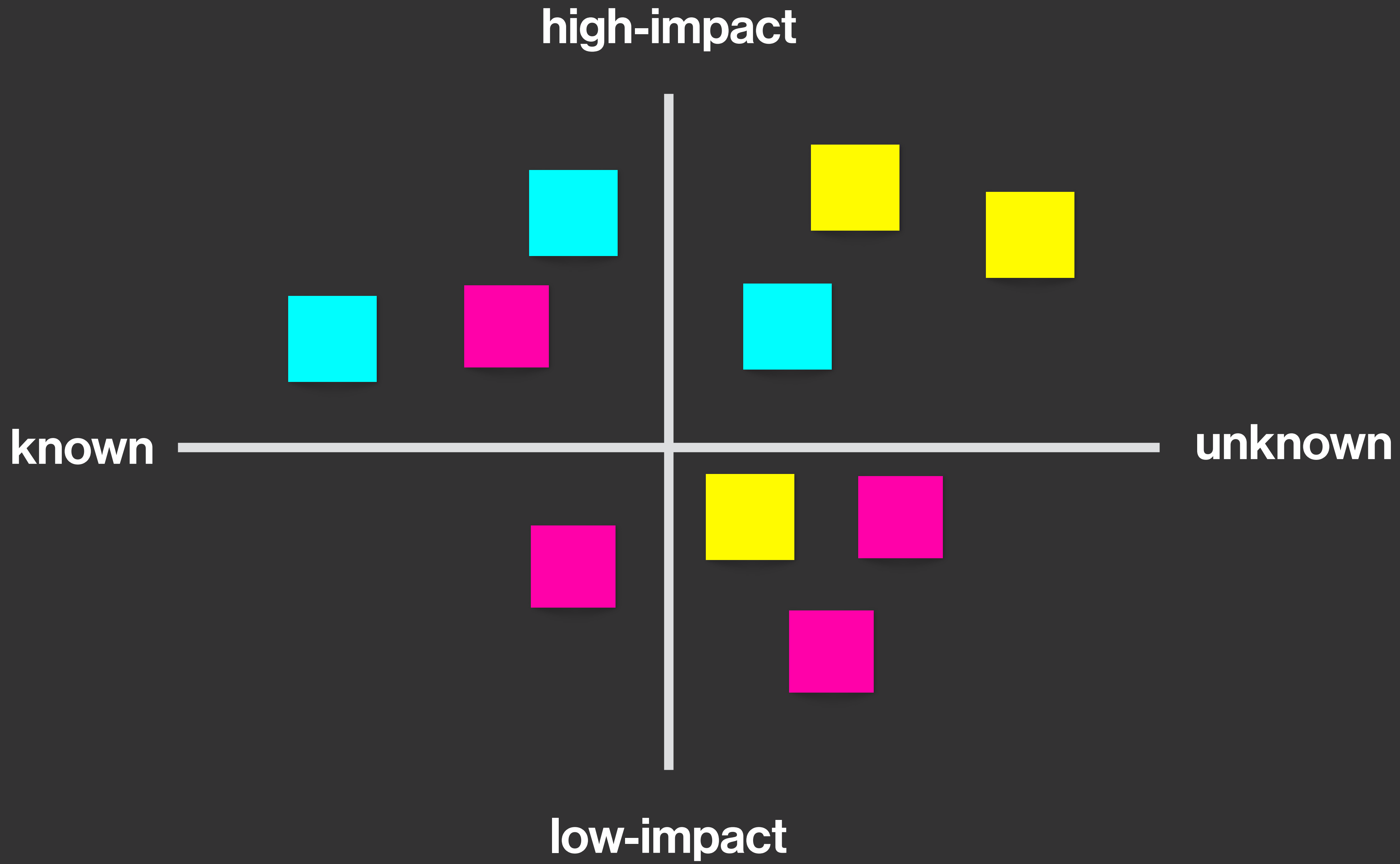


known



unknown





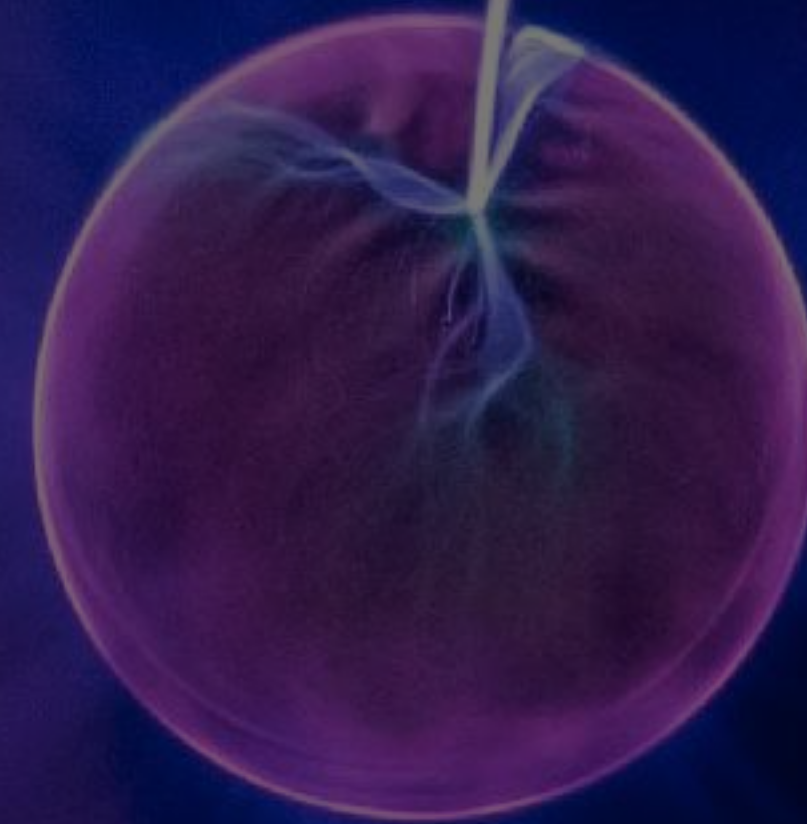
Step 2: How to test?

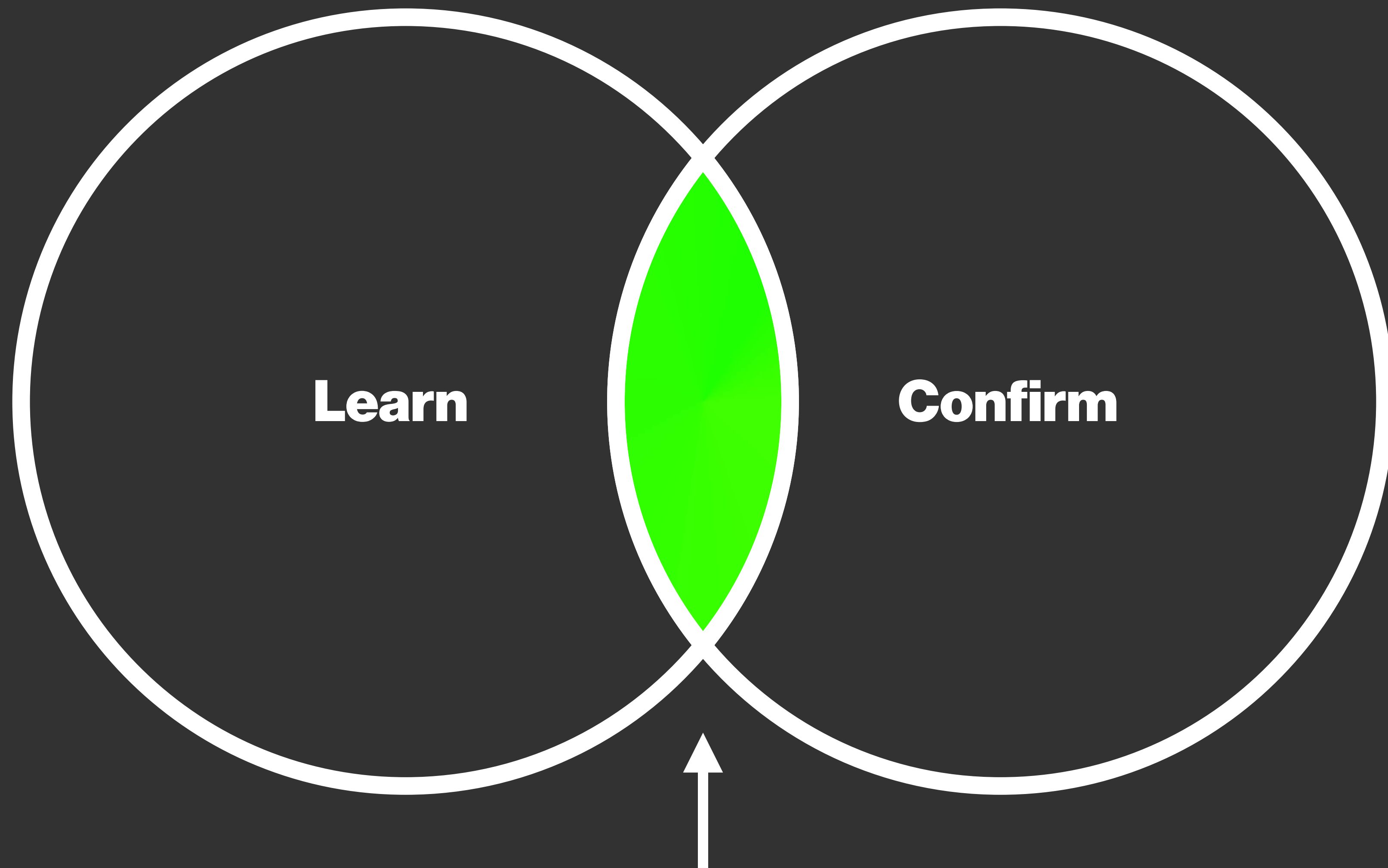
What experiment will we pick to test our assumption?

Core principle

Validated Learning

Your core goal and job as an entrepreneur is to de-risk your plan. Not only do we have to learn, we have to prove that it can work.





Validated Learning

2 How to test?



Brainstorm experiments

Define your need for the type of information and explore different experiments you can run.



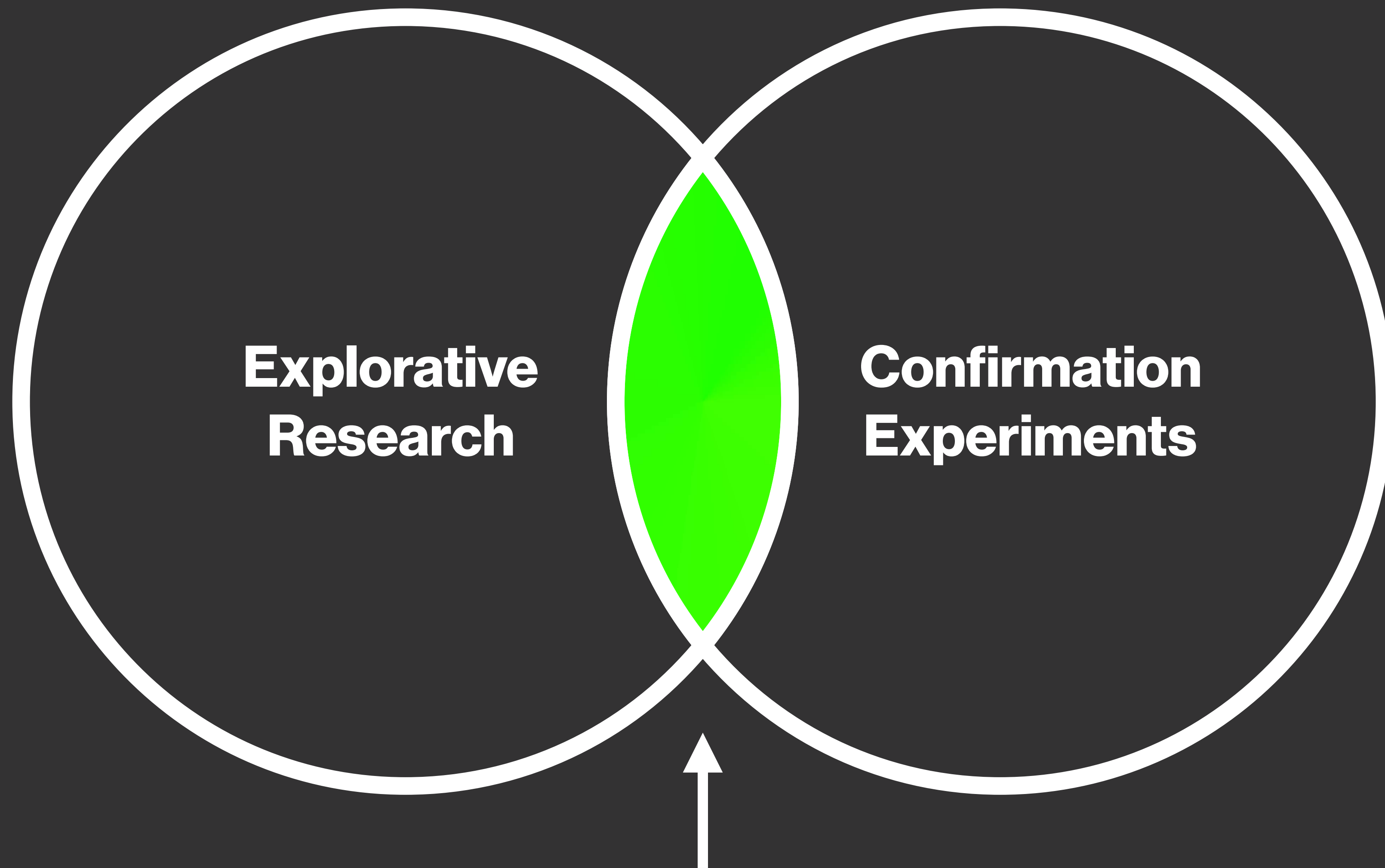
Design experiments

Design the most promising experiments from the brainstorm and rate them on cost, time and data quality.



Gather the results

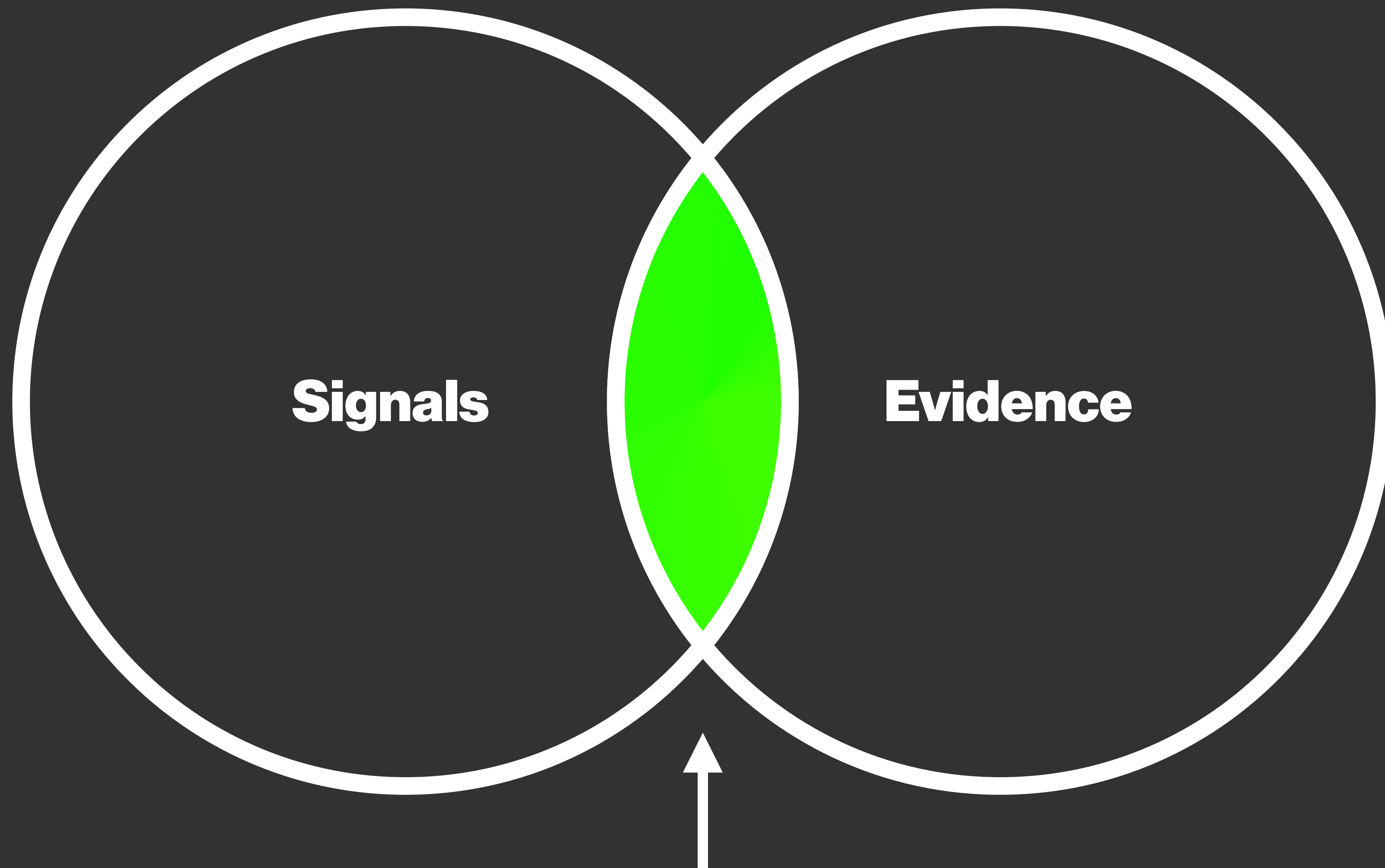
Execute the experiments and gather all the data, get ready for analysing these results.



**Explorative
Research**

**Confirmation
Experiments**

Validated learning

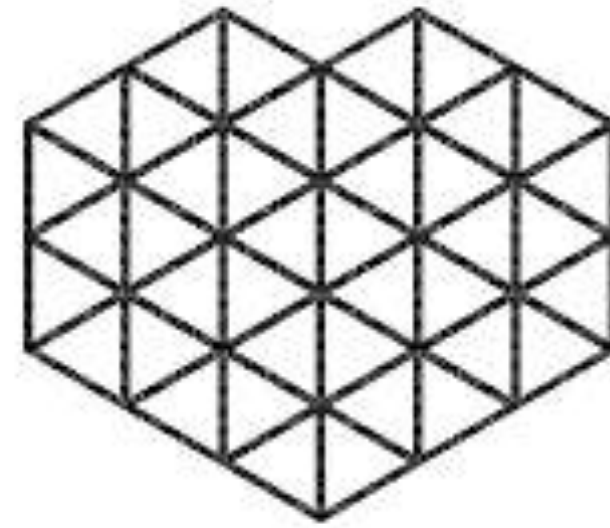


Validated Learning



Wizard of Oz

Main purpose is to prove demand and build deep understanding of your customers' needs.



3D HUBS

Concierge service


A version of your product where manual work is involved, however your user is not aware that behind the scenes something is not automated.



Tweet more consistently with  **buffer**


- 1 Choose times to tweet.**
For example, 3 times a day at 9:00, 10:00 and 17:00
- 2 Add tweets to your buffer.**
Manually or with our handy browser extensions
- 3 buffer does the rest. Relax.**
We tweet for you, and keep that buffer topped up!

[Pricing and Privacy](#)

Tweet more consistently with  **buffer**

Free	Standard	Max
\$0 /mo	\$5 /mo	\$20 /mo
<small>Who? Dip your toes. Find your feet.</small>	<small>Who? Great for most users.</small>	<small>Who? Great for business & enterprise.</small>
<div>1 1 tweet per day</div> <div>5 5 tweets in your buffer</div>	<div>10 10 tweets per day</div> <div>50 50 tweets in your buffer</div>	<div>∞ Unlimited tweets per day</div> <div>∞ Unlimited tweets in buffer</div>

© 2018 Buffer. All rights reserved. Twitter

Tweet more consistently with  **buffer**

Hello! You caught us before we're ready.

We're working hard to put the finishing touches onto buffer. Things are going well and it should be ready to help you with Twitter very soon. If you'd like us to email you a reminder when we're ready, just put your email in below

© 2018 Buffer. All rights reserved.

Basic experiment setup.

Goal:

What are we trying to achieve?

Method:

How are we planning to achieve that? How can we test?

Metric:

What will we observe or measure?

Condition:

What is our target?

End-date:

When do we evaluate the results?

Buffer example.

Goal:

Test if people sign-up and are willing to pay for the product.

Method:

online proposition test, track if and what people are willing to pay

Metric:

amount of people that pick a paid plan over the free plan

Condition:

40% out of sign-ups have picked a paid plan.

End-date:

two weeks after the start

	Market	Product
Explorative research	<ul style="list-style-type: none"> • Customer Discovery interviews • Data mining • Surveys (open ended!) • Industry expert interview 	<ul style="list-style-type: none"> • Customer Solution interviews • Demo pitch • Concierge test / consulting • Competitor Usability • Picnic in the graveyard
Confirmation experiments	<ul style="list-style-type: none"> • 5 second tests • Comprehension • Data mining • Surveys (close ended) • Smoke tests (video, event etc) 	<ul style="list-style-type: none"> • Paper prototypes • Clickable prototypes • Usability • Live • Wizard of Oz • Analytics / dashboards • Surveys (NPS / PM-fit)

Example



Away Travel is a company which sells suitcases which are sturdy and serve the tech savvy millennial

Jen and Stephanie:

- Interviewed over 800 people
- Sold first units via preorders
- Now sold over 100.000 suitcases



Example MVP



	Signature Edition	Early Bird Edition
	25	75
	1 t/m 75	76 t/m 100
em	✓	✗
Buddy Seat	✓	✗
Two Color Double Stitched Hand Grips	✓	✗
Red brake calipers	✓	✗
Signature Matt Black	✓	✗
Early Bird Red	✓	✓
Matt Black Wheels	✓	✓
Delivery estimate	Spring 2016	Summer 2016
Price	€ 2995	€ 2495
Pre-order deposit	€ 290	€ 49
Bolt Mobility Plan	€ 29 / month	€ 29 / month

Bolt Mobility sold the first units on preorder and asked for 10% downpayment

Martijn and Bart optimised for sales before anything else:

- **Attempted to sell the scooter based on mock-ups**
- **Collected and validated feedback by cross checking with other observations and data sources**
- **In this way they made the sales funnel work before anything else**



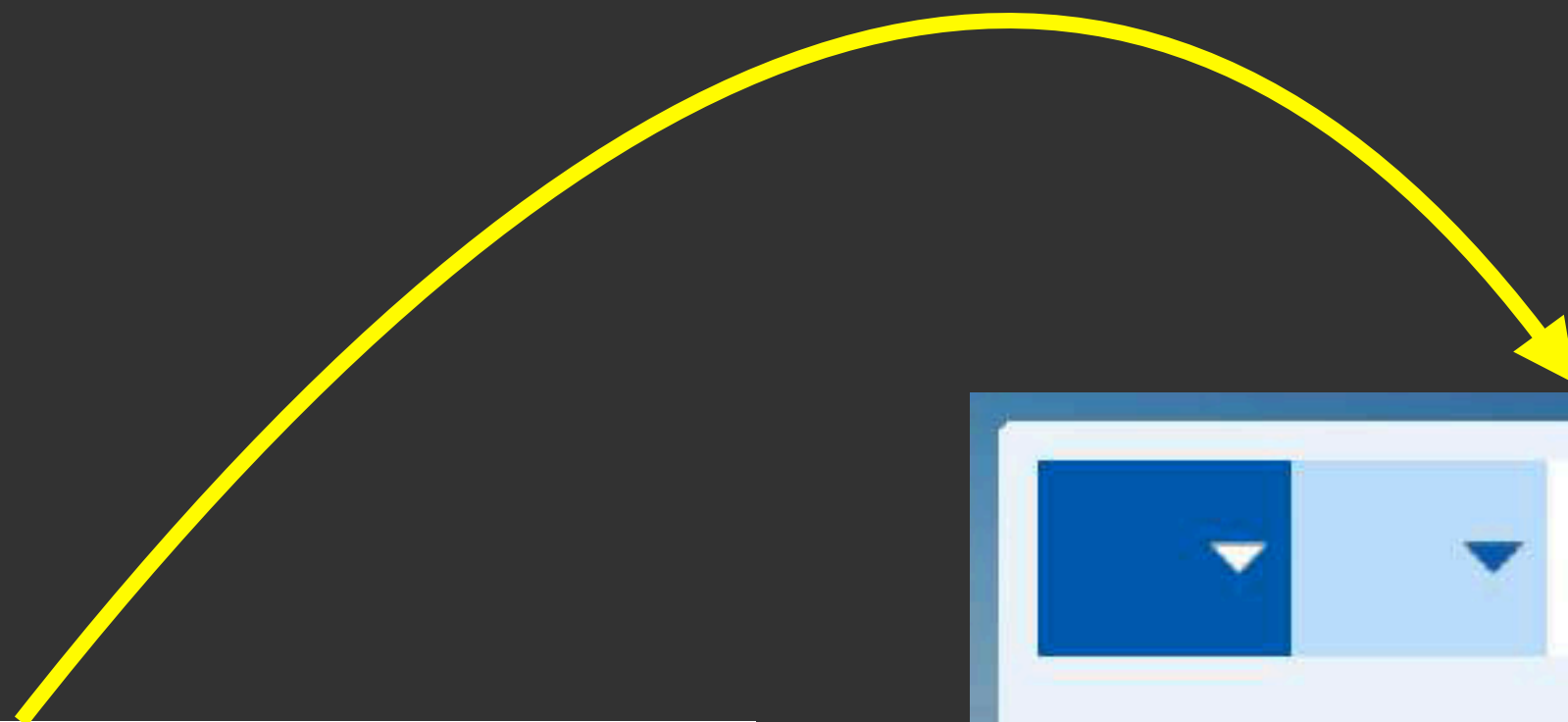
That moment you realize





You've been paying too
much for international
transfers the whole time

Here's how to avoid it

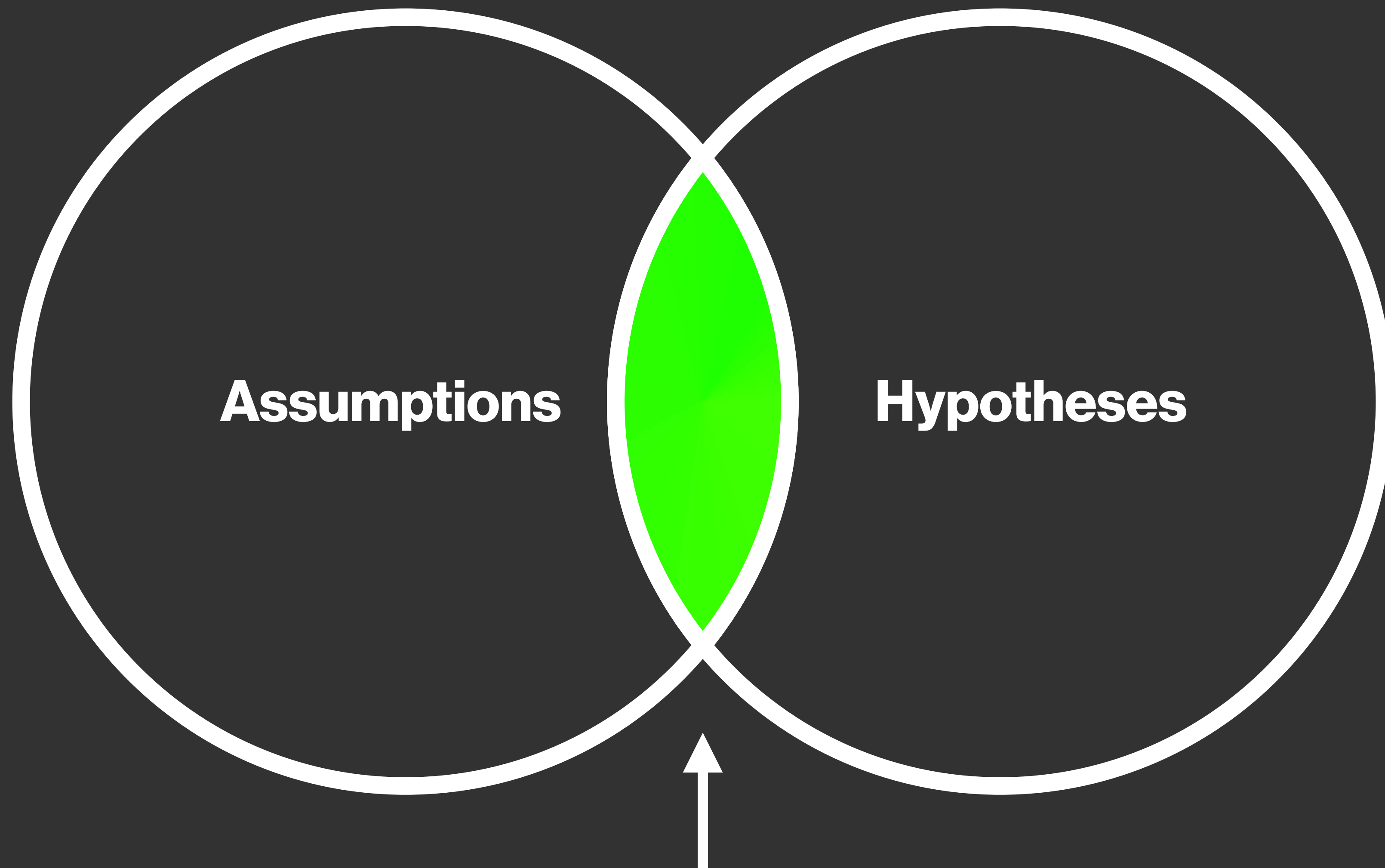


MoneyTransferrer



		You send exactly 1,000.00
US 	USD 	Recipient receives 1,128.33

fast save time	cheap save money
Time: Instant	Time: 2 days
Fee: EUR 10.00	Fee: EUR 5.00
Rate: 1.134	Rate: 1.134
You Save 2 days Compared to a regular bank transfer	You Save EUR 12.00 Compared to a regular bank transfer
Start transfer	Start transfer

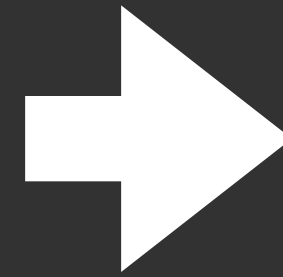


Validated learning


**We believe that [target group]
are [showing behaviour / display interest in x],
[for this reason].**

"One hundred percent of American parents between the ages of 25 and 30 who have an annual income over \$100K will want to share photos with their parents and siblings, because they lack the time to visit them often. "

Edited example from Eric Ries' The Leader's Guide community



Test Card



Test Name




Assigned to

Deadline

Duration





































STEP 1: HYPOTHESIS

We believe that

Critical:


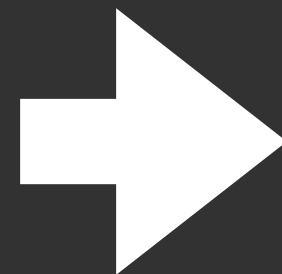
STEP 2: TEST

To verify that, we will


Test Cost:


Here's mine:

We believe that innovators in large companies are finding it hard to focus on their innovation projects, because lots of stakeholders interfere.



Test Card



Test Name




Assigned to

Deadline

Duration





































STEP 1: HYPOTHESIS

We believe that

Critical:


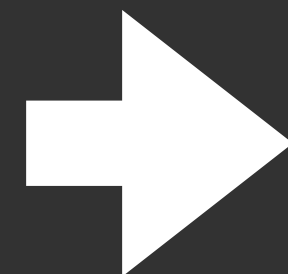
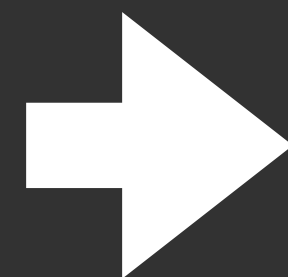
STEP 2: TEST

To verify that, we will

Test Cost:


5:00

Success criteria



Test Card

 Strategyzer

Test Name

Deadline

Assigned to

Duration

STEP 1: HYPOTHESIS

We believe that

Critical:



STEP 2: TEST

To verify that, we will

Test Cost:



Data Reliability:



STEP 3: METRIC

And measure

Time Required:



STEP 4: CRITERIA


We are right if

Copyright Business Model Foundry AG

The makers of Business Model Generation and Strategyzer

Timeboxing

Test Card



Test Name




Assigned to

Deadline

Duration




STEP 1: HYPOTHESIS




We believe that

Critical:


STEP 2: TEST




To verify that, we will

Test Cost:


Data Reliability:


STEP 3: METRIC

And measure

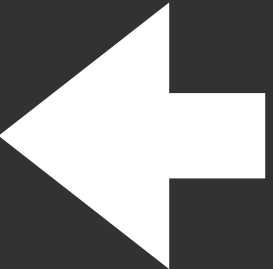
Time Required:


STEP 4: CRITERIA

We are right if

Copyright Business Model Foundry AG

The makers of Business Model Generation and Strategyzer



Test Card



Test Name Initial proposition test

Deadline

Assigned to Robbert

Duration 3 days

STEP 1: HYPOTHESIS

We believe that

innovators in large companies
are finding it hard to focus on their innovation
projects,because lots of stakeholders interfere

Critical:



STEP 2: TEST

To verify that, we will

Demo Dispatch and Airstrip during the
workshop

Test Cost:



Data Reliability:



STEP 3: METRIC

And measure

Number of participants who will take a trial
account afterwards

Time Required:



STEP 4: CRITERIA

We are right if

50% of the participants take a trial account

Demo - 5 minutes

Add your assumption to Dispatch and build an experiment in Airstrip.



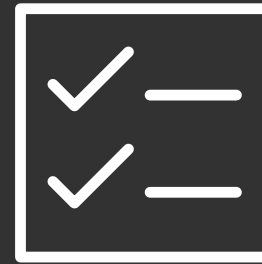
Step 3: decide on your next step

What did we learn from the experiment, what is our next step?

Core principle

Innovation Accounting

3 Decide on next steps



Assess quality of data

Let's assess if the data we got back is actually providing us with results we can trust.



Experiment conclusion

What happened during the experiment? Did we reach clear validation or invalidation. Or do we need to learn more?



Decide on next step

Now what is the next step after analysing this experiment. Go to the next hypothesis or should we retest this in different form?



Always question your experiment outcomes and learnings.

False positive trap.

False negative trap.

An aerial view of a shark swimming in shallow, clear turquoise water near a sandy beach. In the background, a large, dense school of small fish is visible. The water's surface shows ripples and reflections of light.

False positives are the **silent killers in business.**



Decide on your next steps.

~~it~~ is well.

Validated.



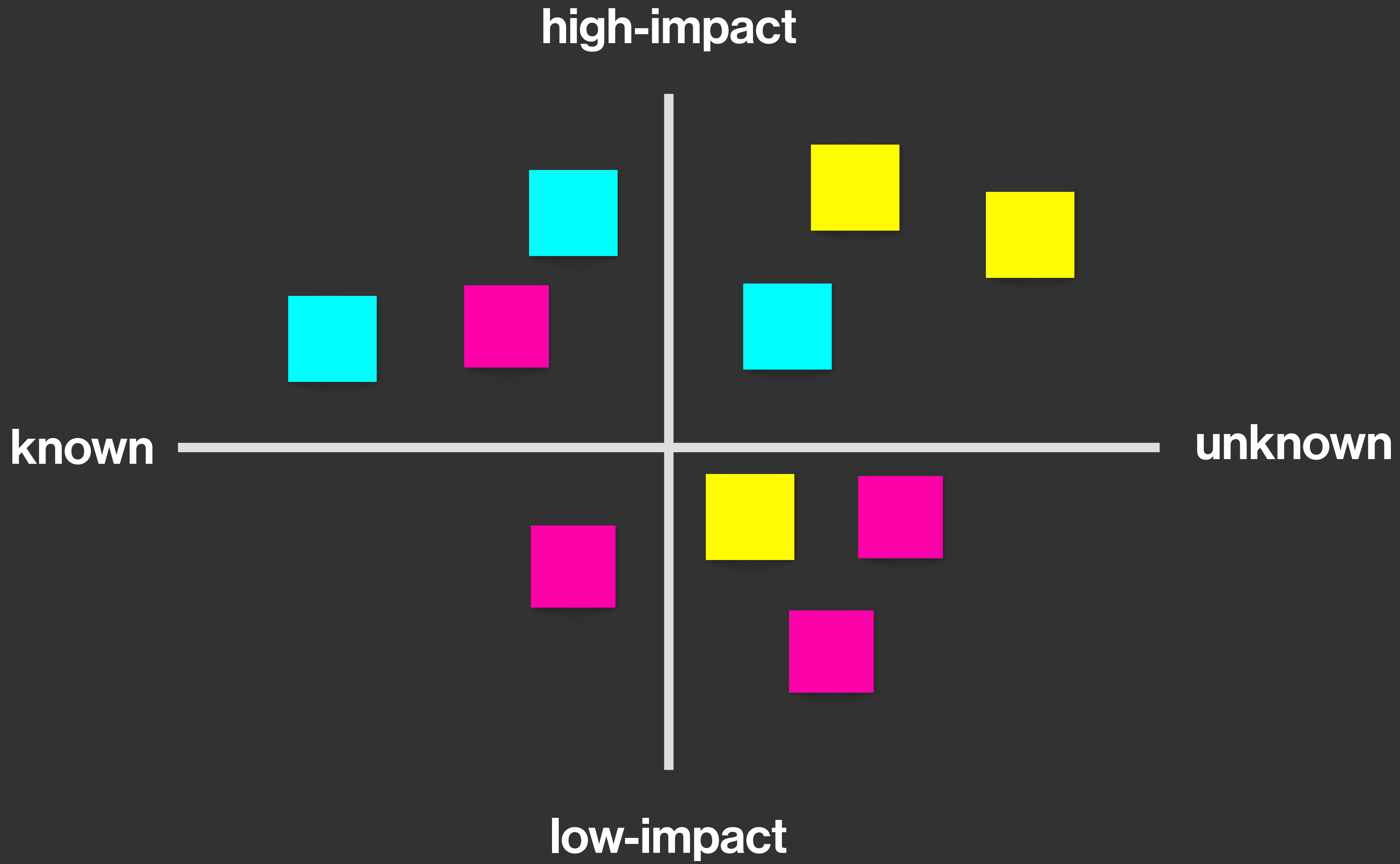
Invalidated.

A large, glowing neon letter 'P' is the central focus, set against a dark, narrow hallway. The walls are covered in colorful graffiti, and the floor is dark and reflective. The neon 'P' has a multi-colored outline (red, orange, yellow, green, blue, purple) and a bright white center. The word 'Inconclusive.' is written in white, bold, sans-serif font across the middle of the 'P'.

Inconclusive.

Reprioritise on your analysis

How do our learnings change our views of our assumptions
on the level of risk and impact?



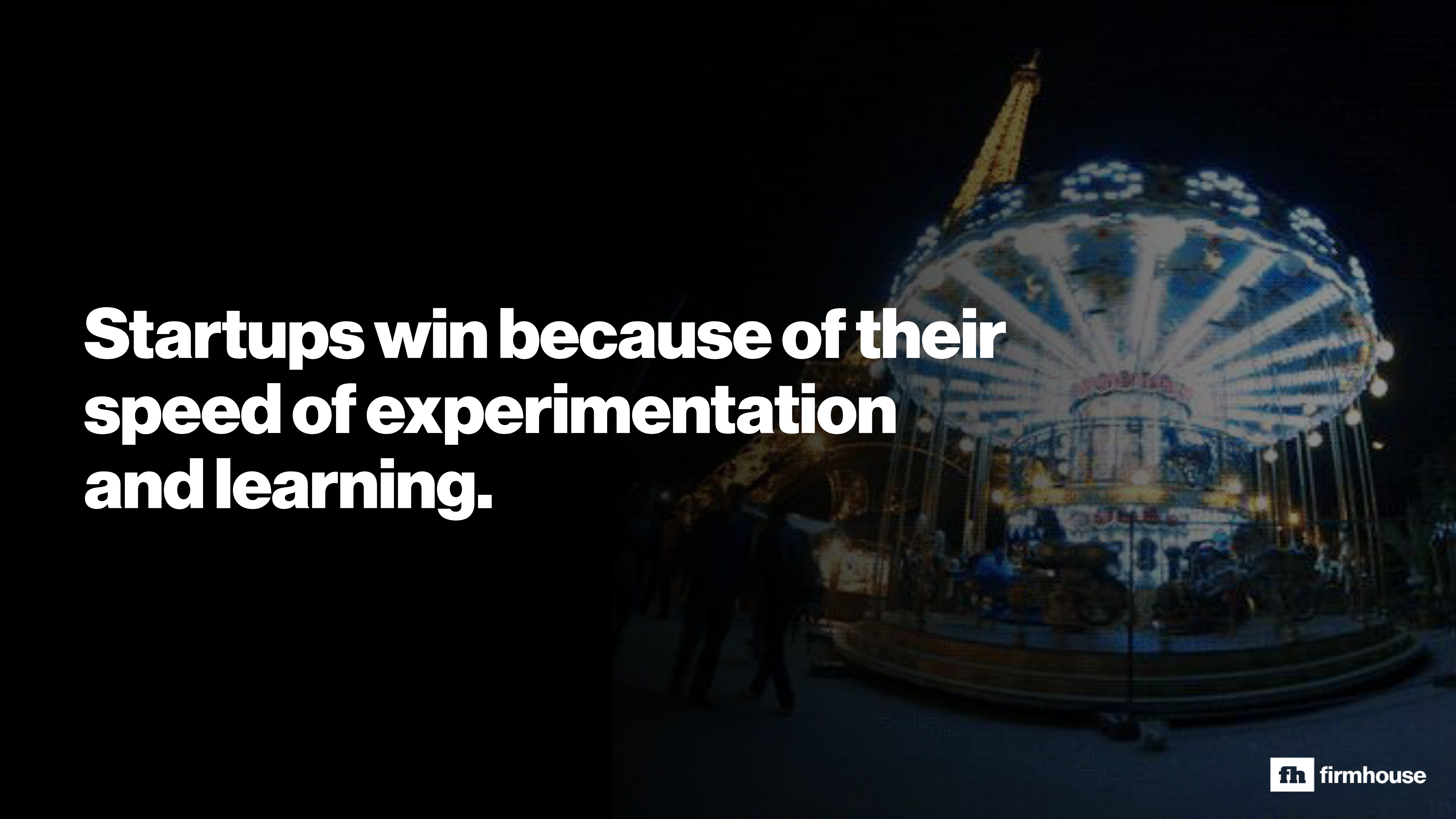
Concluding

Short recap of today.





**Don't
re-invent
the wheel**

A carousel at night with a large, illuminated canopy and people walking around it.

**Startups win because of their
speed of experimentation
and learning.**

Post down: status of learning goals?

?

?

?

?

A person in a yellow shirt is standing in a living room, mimicking a kung-fu move. They are holding a wooden staff horizontally. In the background, a large television is on a stand, displaying a scene from a Bruce Lee movie. To the left of the TV is a potted plant, and to the right is a small table with a figurine. The room has wood-paneled walls.

**You can't learn kung-fu by
watching Bruce Lee movies...**

Thanks for participating!

eBook - From Signal To Evidence:

<https://gum.co/evidence>



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