

Build-Measure-Learn—Constructing Your Own Start-Up

ECON 057H, Spring 2013

Graham Memorial 038, TR 12:30-1:45

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Welcome to Build-Measure-Learn. This class will combine some basic principles of entrepreneurship with the newly emerging lean startup methodology. Four to five teams will work together to take an idea and bring it to reality in connection with a set of lectures and fieldwork assignments. Assuming the teams have made sufficient progress in phase 1 of the class, teams will then be provided with a grant to execute their idea over the remainder of the semester. Each team will work intensively with the instructor and the TA as well as outside advisors and coaches and will provide weekly progress reports. It is hoped that one or more of the projects will continue at the end of the semester.

In this syllabus, we attempt to explain what the course is about, how it will be organized and what is expected of you. We also set forth the assignments and readings. We hasten to add we are on new ground. It is not clear a course exactly like this one has been taught before and there will be unexpected surprises both good and bad. One thing is certain however; all participants in the class will have started an enterprise for the first time and therefore the next time won't be the first time.

The Course

Our work will involve three distinct activities: 1) participation in an online seminar by Steve Blank, father of the lean start-up movement, that includes detailed readings and homework assignments; 2) in-class discussion of the projects which will involve intense feedback from the instructor, the TA and members of the class as well as outside experts and visitors; 3) the team project which will involve the largest commitment of time and energy. Your project work should help you understand at a basic level what it means to start something and whether such an undertaking makes sense for you.

This seminar is an “all or none” proposition. It is structured for self-starters who want to participate in the launch of something new and are willing to make a major personal commitment of time and energy to do so. Class readings and assignments are simply a means to the end of making the team successful. Success will be measured not by whether a team developed a viable project at the end of the class but rather by how much team members learned through being part of the start-up process. I deleted the third sentence here. Please do so on your draft.

How You Will Learn—Hold on Grading Until after we finish the syllabus

1. Class Participation. By completing the assigned reading, preparing for each class and actually participating in class discussion, you will sharpen your analytical skills and learn from your classmates. If you don't participate, you will miss out on an important part of the seminar experience. The weekly deliverables will form the basis of class discussion. You should also be respectful of all members of the class; we will all benefit from broad-based participation. **Class participation will account for 10% of your grade.**

2. Weekly Team Deliverables: Each team will be called upon to present to the class weekly. In the first half of the class, the presentations will involve homework assignments from the Steve Blank lectures. During the second half of the class the deliverables will involve individualized project

assignments determined by the team itself. At the end of the semester each team member will be asked to complete a team evaluation of the other members of his or her team which will also factor into both the deliverables grade and the team project grade. **Your cumulative grade for these weekly deliverables will comprise 20% of your grade.**

3. Team Projects. Each of you will participate in a class project involving intense collaboration in a team-based environment. The nature of each project will dictate the final product but some form of final presentation to outside judges will be involved. **The class project will comprise 50% of the final grade.**

4. Personal Blog. Each class member will be asked to keep a personal blog with short weekly entries. The blog can be wide-ranging covering anything that is relevant to your experience in the class. It should serve as a mechanism for reflection on what you are learning and what you are experiencing as you seek to engage in the “start-up” experience. Feel free to write about startup issues that you have been wrestling with, a reflection of an article that you read dealing with entrepreneurship, etc. All students will be invited to join the blog via email and will be given appropriate site permissions to post weekly.

What We Hope You Will Learn

1. To recognize an opportunity that can reasonably be acted upon ;
2. To understand the process required to implement an opportunity quickly and with limited resources;
3. To execute the various tasks required to turn an opportunity into a reality;
4. To work productively as a member of a team and to learn to provide useful feedback to members of other teams;
5. To approach more experienced people as resources you can learn from; and
6. To develop clear and persuasive written, visual and verbal presentation skills.

What We Expect of You

Attendance. We expect you to attend all class meetings unless you must be absent because of illness or an unavoidable problem. Notify one of us in advance if you must miss a seminar, and talk with us in person after you return.

Punctuality. We also expect you to turn in all assignments on time. Unless you provide a convincing explanation before the assignment is due, we will subtract a letter grade for each day of lateness.

Passion. Starting something new requires passion and commitment. We expect you to get deeply involved with this class and your project. We also expect the returns for this level of commitment to be very high.

What You Can Expect of Us

We will try to engage deeply with you in your start-up venture, ask tough questions that challenge your assumptions, push you outside of your comfort zone and attempt to provide resources that will

help you achieve your goals. We want you to have a meaningful experience in attempting a start-up whether or not your efforts are ultimately successful.

The Readings—Start Up Owners Manual by Steve Blank and Business Model Generation by Alex Osterwalder

- Both books can be found on Amazon ([Blank](#), [Osterwalder](#))
- Reading assignments are abbreviated SOM (Start Up Owners Manual) & BMG (Business Model Generation)

January

Before first class: Post minute “pitch”/introduction video on class blog site. Econ057h.wordpress.com

1 (1/10) – Discussion of the Seminar and Getting to Know One Another and Begin Formation of Project Teams

Reading: View Introduction to Blank Lectures—Watch short bios of class members to be Submitted Prior to First Class

2 (1/15) – Complete Formation of Project Teams

Online: View Blank Lecture 1 (both of them); Download Business Model Canvas

Reading: SOM (51-84, 188-199, 457-459) & BMG (86-111, 135-145)

3 (1/17) – Field work from first lecture

Assignment—

- *Identify Market size*
- *Propose experiments to test your value proposition, customer segment, channel & revenue models*
- *What constitutes a pass/fail signal for each test*
- *Talk to at least 10 potential customers*
- *Update your business model canvas with changes*

4 (1/22) – Report and Discussion of Field Work and Completion of Business Model Canvas

Online: Watch Blank Lecture 2

Reading: SOM (85-97, 112-125, 203-217, 218-221, 260-266) & BMG (146-150, 161-168, 200-211)

5 (1/24) – Field Work from Lecture 2

Assignment—

- *What are the pain relievers, gain creators, and key features?*
- *What is the resulting MVP?*
- *Propose experiments to test your value proposition*
- *What constitutes a pass/fail signal?*
- *Talk to at least 5 to 10 potential customers*
- *Update your business model canvas with changes*

6 (1/29) – Customer Segments

Online: Watch Blank Lecture 3

Reading: SOM (98-111, 332-343, 406-412) & BMG (127-133)

7 (1/31) – Field Work from Lecture 3

Assignment—

- *What are the pains, gains, and jobs to be done?*
- *Draw a diagram of the customer workflow*
- *What is the resulting customer archetype? Draw a diagram*
- *How do they solve this problem(s) today? Does your value proposition solve it? How?*
- *What is it that made customers interested? Excited?*

February

8 (2/5) – Channels

Online: Watch Blank Lecture 4

Reading: SOM (126-168, 296-351)

9 (2/7)—Field Work from Lecture 4

Assignment—

- *What is your distribution channel? Are there alternatives?*
- *Draw the channel diagram—Annotate it with the channel economics*
- *What were your hypotheses about who/what your channel would be?*
- *Did you learn anything different?*
- *What was it that made channel partners interested? Excited?*
- *Did anything change about value proposition or customer segment?*
- *Update your business model canvas with changes*
- *Talk to at least 10 potential customers and channel partners (salesmen, OEM's, distributors)*

10 (2/12) – Customer Relationships

Online: Watch Blank Lecture 5

Reading: SOM (180-188, 260-269, 438-456), Watch Mark Pincus's "[Quick & Frequent Product Testing and Assessment](#)"

11 (2/14)—Field Work from Lecture 5

Assignment—

- *Build demand creation budget and forecast*
- *Create objective pass/fail metrics for each “Get” test/methodology*
 - *What is your customer acquisition cost?*
 - *What is your customer lifetime value?*
- *Did anything change about value proposition, customers/users, channel?*
- *Update your business model canvas with changes*
- *Talk to at least 10 potential customers and channel partners*

12 (2/19) – Revenue Models

Online: Watch Blank Lecture 6

Reading: SOM (176-179, 257-270, 429-459)

13 (2/21)—Field Work from Lecture 6

Assignment—

- *Test pricing in front of 100 customers on the web, 10 to 15 customers outside of the web*
- *What's the revenue model strategy?*
- *What are the pricing tactics?*
- *Draw a diagram of payment flows*
- *What are the metrics that matter to your business*
- *Did anything change about value proposition, customers/users, channel, customer relations?*
- *Update your business model canvas with changes*
- *Talk to at least 10 potential customers*

14 (2/26) – Partners

Online: Watch Blank Lecture 7

Reading: SOM (169-175, 180-188)

15 (2/28) – Field Work from Lecture 7

Assignment—

- *What partners will you need?*
- *Why do you need them and what are the risks?*

- *Why will they partner with you?*
- *What's the cost of the partnership?*
- *Draw the diagram of partner relationships with any dollar flows*
- *Did anything change about value proposition, customers/users, channel, demand creation or revenue streams?*
- *What are the incentives and impediments for the partners?*
- *Talk to at least 10 potential customers and partners*

March

16 (3/5) – Presentation of Budget and Timeline

17 (3/7) – Meetings with Instructor and TA for final budget approval

SPRING BREAK

18 (3/19) – Project Work

19 (3/21) –Project Work

20 (3/26) – Project Work

21 (3/28) – Project Work

April

22 (4/2) – Project Work

23 (4/4) –Project Work

24 (4/9) – Project Work

25 (4/11) – Project Work

26 (4/16) –Project Work

27 (4/18) – Rough Draft Presentations for feedback

28 (4/23) – Work on Presentations

29 (4/25) – FINAL PRESENTATIONS; Dinner at Buck's House