Lean Entrepreneurship

Course Code: MC932A
Instructors: Fábio Póvoaand Renato Toi   **TA**: Bruna Botelho
Days and Times: Tue and Thu, 4-6 pm. Feb 20th to July 1st, 2014
Location: Room 322 (CC22), IC3
Texts:

1) Running Lean:Ash Maurya
2) Startup Owner's Manual: Blank & Dorf
3) Business Model Generation: Osterwalder, et al

Online Lectures: http://www.udacity.com/view#Course/ep245/CourseRev/1
Biz model canvas tool: Lean Stack: https://leanstack.com

Prerequisite: Passion in discovering how an idea can become a real company
Goal: An experiential learning opportunity showing how founders buildstartups

Course Description

This course provides real world, hands-on learning on what it's like to actually start acompany. This class is not about how to write a business plan. It's not an exercise onhow smart you are in a classroom, how well you write code or what your patent is, orhow well you use the research library to size markets. And the end result is not aPowerPoint pitch deck for a VC "demo day." And it is most definitely not an incubatorwhere you come to build the "hot idea" that you have in mind.

This is a practical class – essentially a lab, not a theory or "book" class. Our goal, withinthe constraints of a classroom and a limited amount of time, is to create anentrepreneurial experience for you with all of the pressures and demands of the realworld in an early stage startup. The class is designed to give you the experience of howto work as a team and turn an idea into a company.

You will be getting your hands dirty talking to customers, partners, and competitors, as you encounter the chaos and uncertainty of how a startup actually works. You'll practiceevidence-based entrepreneurship as you learn how to use a business model to brainstorm each part of a company, and customer development to get out of theclassroom to see whether anyone other than you would want/use your product. Finally,
based on the customer and market feedback you gathered, you will use agiledevelopment to rapidly iterate your product to build something customers would actuallyuse and buy. Each block will be a new adventure outside the classroom as you test eachpart of your business model and then share the hard-earned knowledge with the rest ofthe class.

The Flipped Classroom

Unlike a traditional classroom where the instructor presents lecture material, ourlectures are online at Udacity.com.Watching the assigned lectures is part of yourweekly homework. The information in them is essential for you to complete your weeklyinterviews and present the insights the teaching team will expect in your presentationfor that week.

We expect you to watch the assigned lectures for the upcoming week**before**class and we will use time in class to discuss questions about the lecturematerial and to provide supplemental material. You need to come prepared withquestions or comments about the material for in-class discussion. We will cold-call aboutthe online lecture material.

Experiential Learning
You will be spending a significant amount of time in between each of the lecturesoutside the class talking to customers. Each week your team will conduct **at least** 15 customer interviews focused on a specific part of the Business Model Canvas. This classis a simulation of what startups and entrepreneurship are like in the real world:chaos, uncertainly, impossible deadlines in insufficient time, conflicting input, etc.

Team Teaching and the Inverted Lecture Hall
Sitting in the back of the classroom are experienced instructors, professionals who'vebuilt and/or funded world-class startups and have worked with hundreds ofentrepreneurial teams. We won't be "lecturing" in the traditional sense, but commentingon and critiquing each team's progress. While the comments may be specific to eachteam, the insights are almost always applicable to all teams. Pay attention.

Peer-to-Peer Comments
While other teams are presenting the results of their weekly experiments, the rest of theclass is expected to attentively listen, engage, and react to what they see and hear.Sharing insights, experience, and contacts with each other is a key way that this uniquelaboratory achieves results. (And it is a significant part of your grade as well!)

Class Culture
Startups communicate in a dramatically different style from the university or largerculture most of you are familiar with. At times it can feel brusque and impersonal, but inreality is focused and oriented to create immediate action in time- and cash-constrainedenvironments.

We have limited time and we push, challenge, and question you in thehope you will quickly learn. We will be direct, open, and tough – just like the realworld. We hope you can recognize that these comments aren't personal, but part of theprocess. This approach may seem harsh or abrupt, but it is all part of our wanting you tolearn to challenge yourselves quickly and objectively, and to appreciate that asentrepreneurs you need to learn and evolve faster than you ever imagined possible.

This class pushes many people past their comfort zone. If you believe that the role ofyour instructors is to praise in public and criticize in private, you're in the wrong class.**Do not take this class**. If you come from a culture where receiving critiques in front ofyour peers – on a weekly basis – that may feel abrupt and brusque – embarrasses you,**do not take this class**. It's not personal, but it is by design a part of the class to
emulate the pace, uncertainty, and pressures of a startup. In return, we also expect youto question us, challenge our point of view if you disagree, and engage in a real dialogwith the teaching team.

Amount of Work

This means in total over the 10-week+ course, you will have completed at least 150interviews. For those with easy to access interview groups, e.g., consumerproduct/service businesses, more interviews will be expected.

Team Organization
This class is team-based. Working and studying will be done in teams. You will beadmitted as a team. Teams must submit a proposal for entry before the class begins.

Projects must be approved before the class.Team projects can be software, a physical product, or a service of any kind. The teamswill self-organize and establish individual roles on their own.

Suggested Projects
While your first instinct may be a web-based startup, we suggest that you consider a subject in which you are a domain expert. In all cases, you should choose something forwhich you have passion, enthusiasm, and hopefully some expertise. Teams that select aWeb or mobile-based product will have to build the site or app for the class.

Do notselect this type of project unless you possess the necessary skill and are prepared to seeit all the way through.

Only Project
Given the amount of work this class entails, there is no way you can do the work while participating in multiple startups. A condition of admission to the class is that this will bethe only startup you are working on this semester.

Deliverables
Meaningful Customer Discovery requires the development of a minimum viable product(MVP). Therefore, each team should have the applicable goal of the following:

1. Teams building a physical product must have a bill of materials and a prototype.
2. Teams building a web product must attempt to build the site, create demandand have customers using it. See http://steveblank.com/2011/09/22/how-tobuild-a-web-startup-lean-launchpad-edition/.
3. Your **weekly** Lean Stack narrative is an integral part of yourdeliverables. It's how we measure your progress, and it is required that youmaintain and update it at least once per week, if not after every customerinsight.
4. Your team will present a weekly in-class PowerPoint summary of progress.

Grading Criteria
This course is team-based and 85% of your grade will come from your team progress and final project.

The grading criteria are broken down as follows:

15% **Individual participation** consists of four parts:
a) quality of the writtenpeer-to-peer comments you provide throughout the semester, duringclass presentations in LeanStacksoftware; b) attendance at eachclass; c) timely viewing of ALL Udacity videos (those that fall far behindwill be asked to **leave the class** and return when they are caught up)and d) a grade from your fellow teams members at the end of thecourse, (in the form of a private email sent by each team member to theteaching team assessing the relative participation of other team membersperformance and productivity throughout the semester).

40% **Out-of-the-building Customer Discovery progress**, as measured
each week by a) quality of weekly blog write-ups and b) Canvas updates
and presentations. All team members are expected to perform interviews
and contribute to the weekly blog entries.

20% **Team weekly "lessons learned" presentation** (see appendix for
format). Team members must:
1) State how many interviews were conducted that week (include oncover slide).
2) Present detail on what the team did that week, including changes toCanvas.
3) Follow the assigned topics to be covered each week as outlined in thesyllabus.
Team members may be called on randomly to present their team'sfindings that week.

25% **Team final presentation** (see appendix for format).