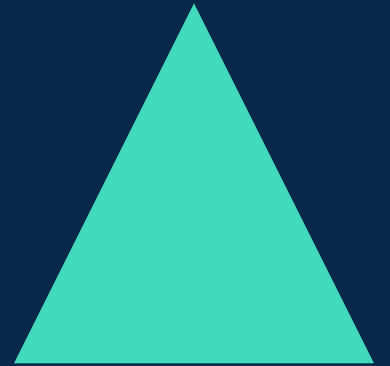

From an idea to a defensible venture plan

Startup Management

Aleš Špetič

Lecture 1: Startup foundations



Your instructor: Aleš Špetič

Startup leadership

Zemanta 2007–2010

DeckReport 2010–2011

CubeSensors 2012–2016

Klevio from 2016

Education

Computer Science, University of Ljubljana

MBA, California State University, East Bay

What this course will help you do

Find a customer problem

Distinguish a real need from an attractive idea.

Build evidence

Test assumptions before making larger commitments.

Design a viable business

Connect customer value to delivery, costs and cash.

Defend a founder decision

Explain your next step, its evidence and its risks.

The syllabus: 14 founder decisions

01–04 Customer evidence

01 Startup foundations

02 Problems and ideas

03 Customer discovery

04 Market and competition

05–07 Product and model

05 Value proposition and business model

06 MVPs and experiments

07 Product, activation and retention

08–11 Reaching customers

08 Positioning and messaging

09 Go to market

10 Founder-led sales

11 Founding team and hiring

12–14 Finance and strategy

12 Finance and unit economics

13 Financing and cap tables

14 Strategy and founder pitch

We will simulate a startup incubator

Founding team

Make decisions together as the people building the venture.

Customer problem

Choose a specific need and test it with external customers.

Venture model

Show how the solution reaches customers and earns money.

Investor pitch

Ask for funding and defend the plan in the final exam.

Success: an investor would seriously consider investing.

Grading and course evaluation



Customer evidence

Is the problem clear and supported by external customer evidence?



Venture design

Can the product and business model create value?



Financial case

Are the assumptions, funding need and use of money credible?



Investor pitch

Can the team explain the opportunity and defend its choices?

Final exam: present your fundraising pitch as if the audience were investors.

Build a startup and make the investor case

Start

Form a team and define a customer problem

Test

Interview external customers and test market claims

Build

Develop the model, roles and financial logic

Pitch

Create a fundraising deck for the final exam

You will develop one venture through the course; the exam is an investor-style pitch.

Your starting assumptions

Recall an example

Think of a young business you know.
What does it sell? Who pays?

Make a judgment

What makes it a startup?
What could still go wrong?

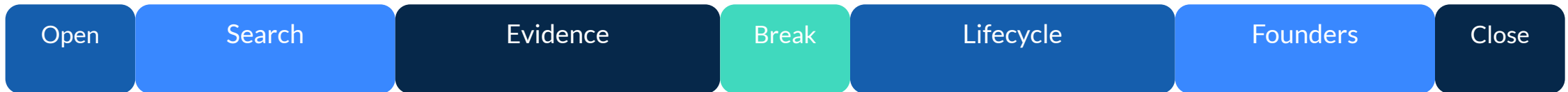
Lecture route

First part

Startup search • evidence limits • founder decisions

Second part

Lifecycle • team roles • investor-ready next steps



The startup as a search



A business model

How the business serves customers and earns money.



Repeatable

It can find and serve similar customers again.



Scalable

It can grow without every cost and task growing equally fast.

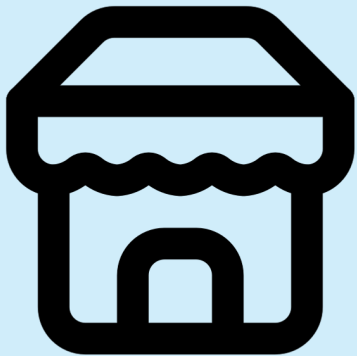
Case 1: A new neighbourhood bakery

The situation

A baker opens a shop using a familiar retail model.
The aim is a stable income from local customers.

Discussion

What does the owner still need to learn?
Which uncertainties resemble those of a startup?



Case 2: The agency with a product idea

The situation

A web agency earns fees for custom client work. It wants to sell the same booking tool to many salons.



Discussion

Where does it execute a known model?
Where does it begin a new search?

Case 3: Shopify began with snowboards



The origin

The founders opened Snow Devil in 2004.
They built their own online-store software when existing tools did not fit.

Discussion

Who is the customer for the store?
Who is the customer for the software?
What new assumption appears?



What the first cases reveal

Bakery

A familiar model still leaves some uncertainty.

Agency

The agency serves clients while testing a product model.

Shopify

Snow Devil exposed a new customer opportunity.

Search and execution

When the model is uncertain

State what must be true.
Seek evidence at low cost.
Keep large commitments reversible.

When the model is established

Deliver reliably.
Measure quality and economics.
Improve the process that already works.



The lean learning loop

Hypothesis

State the uncertain customer or model claim.

Measure

Record an observable signal and its limits.

Build

Make the smallest test that exposes behavior.

Learn

Persist, revise or stop against a pre-set rule.

Four questions behind a founder's decision

Customer

Who has the problem, and what do they do now?

Value

What improvement would make them switch?

Delivery

Can we provide that improvement reliably?

Economics

Will revenue cover the costs of growth?

Case 4: Airbnb's first guests



The observation

In 2007, two hosts welcomed three guests to their San Francisco home.

The open question

Would other guests stay with other hosts, beyond this particular occasion?



Airbnb's three co-founders (later portrait)

Airbnb: The next decision



Possible next moves

Recruit hosts for another event.
Try stays during an ordinary week.
Build more website features.

Your reasoning

Choose one next move.
Which uncertainty does it address?
What result would change your mind?

Case 5: Dropbox's early beta



The beta

Before wide launch, Dropbox showed file syncing in a screencast and let people request access.

Discussion

What does a beta request reveal?

What requires sustained use?



Dropbox synchronizes files across your computers and your team's computers. It's better than email, uploading, or a Windows file share. It just works.

It's seamlessly integrated into Windows, but there's also a web interface. It also stores past versions of documents, handles huge files gracefully, and works both through firewalls and offline. (Techies: imagine the best aspects of rsync, trac and subversion, but easy to use.)

Update 4/4/07: See Dropbox in action — take a look at [the screencast!](#)

Update 3/20/07: We haven't launched yet, but we are admitting people into the beta. We'd be happy to keep you posted about the beta program and launch (your email won't be used for anything else.)

E-mail address:

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Case 6: Stripe's hands-on onboarding



The anecdote

Paul Graham describes the Collison brothers setting up Stripe immediately when someone agreed to try it.

Discussion

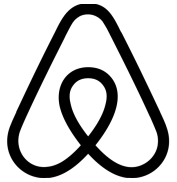
What can a founder learn during setup?
What remains uncertain when the founder does all the work?

1 Agree to try

2 Install together

3 Observe friction

Evidence supports a specific claim



Airbnb

A completed stay demonstrates behaviour in one setting.



Dropbox

An access request shows interest, not use or payment.



Stripe

Assisted use can reveal friction while masking setup difficulty.

A founder decision log

Claim

What must be true for this move to work?

Rule

Which result means continue, revise or pause?

Signal

Which external behavior would change our view?

Owner

Who decides, by when, and with what budget?

From evidence to a decision rule

A decision rule links an observable signal to a next action.

Observation

Airbnb's first stay happened during a conference weekend.

Illustrative rule

Test whether stays repeat with other hosts during ordinary weeks.

If they do, expand supply; if not, revisit the segment.



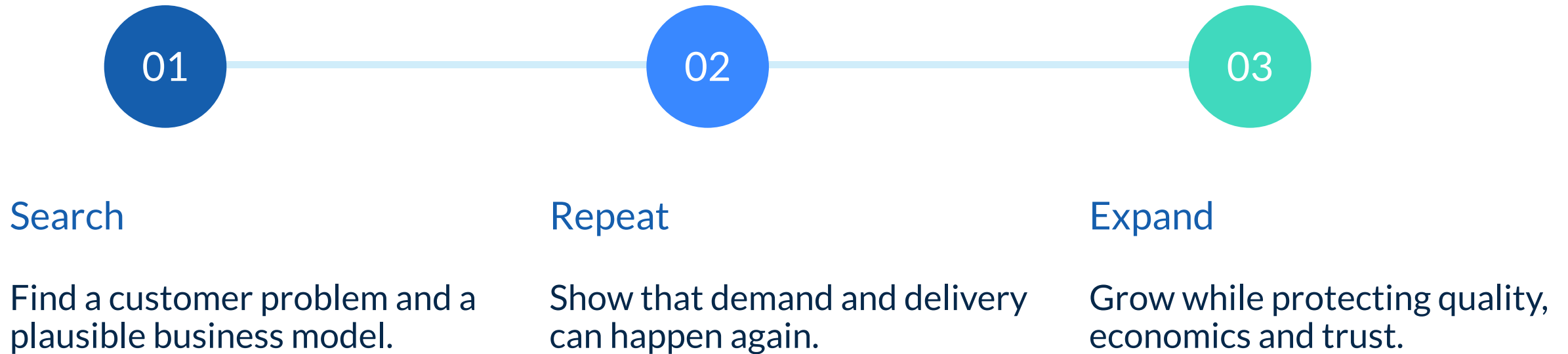
Return ready to compare changing priorities.

Next: lifecycle and changing priorities



Break

Priorities change with the evidence



Case 7: Airbnb's changing questions



2007

2009

2011

First guests

Can this arrangement work once?

Broader listings

Airbnb adds apartments and whole homes.

International expansion

The company opens a German office.

Case 8: Slack after Glitch

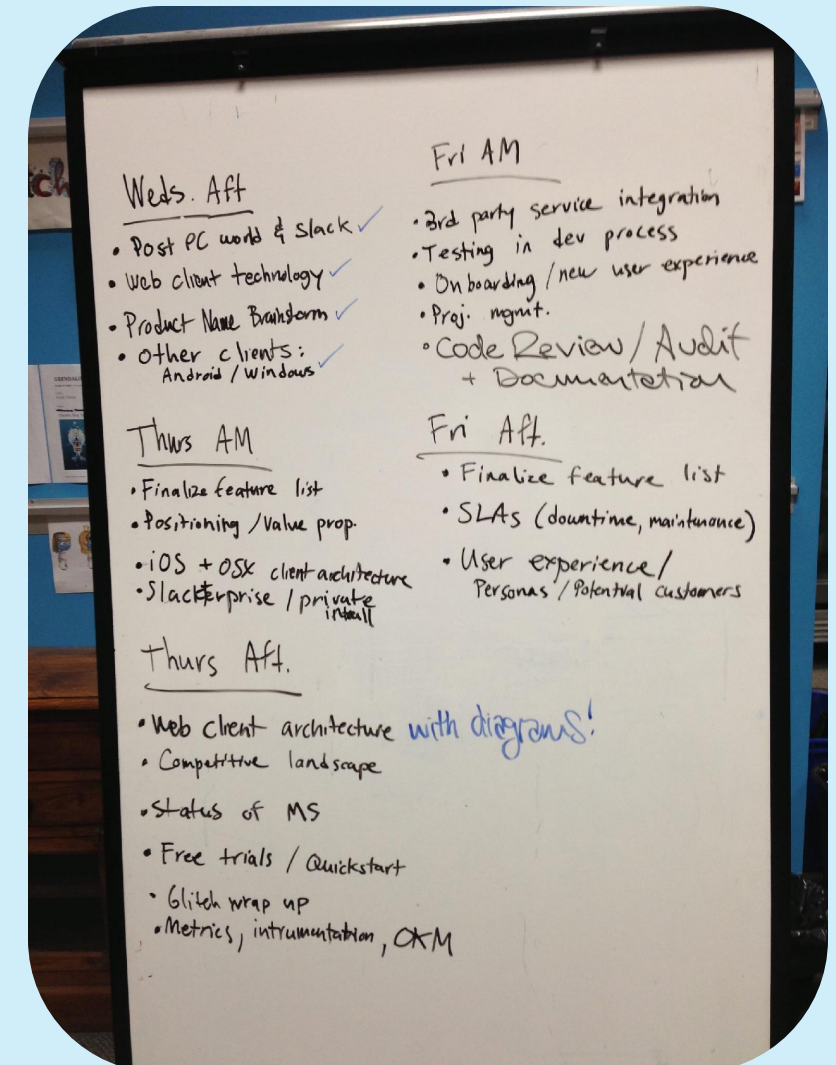


The turning point

The team closed its online game, Glitch. It began a new product informed by its own communication tools.

Discussion

Which knowledge could the team reuse?
Which customer assumptions needed a fresh test?



Slack: persist, pivot or pause?



Persist

Keep the problem and plan when evidence supports both.

Pivot or pause

Pivot changes a core hypothesis. Pause stops new commitment while evidence is weak.

Case 9: Airbnb's 2020 shock



2020 forecast

Revenue below half of 2019

About 25% workforce reduction announced

Discussion

Which earlier assumptions had changed?
What should management prioritize now?

Airbnb: Managing through the shock



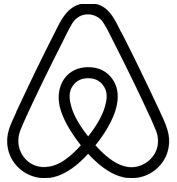
Decisions to examine

What must continue for customers?
Which commitments can the firm afford?
How should it treat affected people?

A later milestone

Airbnb listed publicly in December 2020.
That outcome does not make every earlier choice inevitable.

A lifecycle has returns and detours



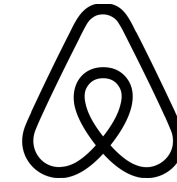
Airbnb's expansion

A larger operation brings new responsibilities.



Slack's new direction

Prior work can inform a different search.



Airbnb's crisis

Changed conditions can reopen basic assumptions.

Founder work and shared responsibility



Customer contact

Someone owns learning from real customers.



Product and delivery

Someone owns promises and service quality.



Money and priorities

Someone tracks commitments and priorities.



Team coordination

Agree decision rights and a weekly review.

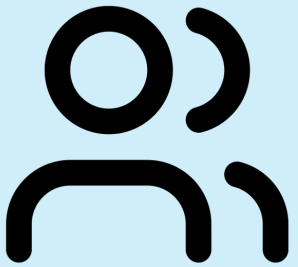
Case 10: Two founders, one week

The disagreement

One founder wants more features.
The other wants customer conversations.
Both say the launch is urgent.

Discussion

What information is missing?
Who decides?
What can the team agree to review next week?



Case 11: Airbnb's cereal boxes



2008: cereal as a funding detour

Founder's retrospective account

Sales

≈ \$30k

Retained

≈ \$10k

Discussion

What did cereal sales prove?

What did they leave unknown about accommodation demand?

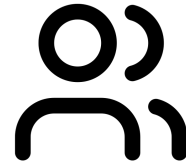


An ecosystem helps with specific gaps



Customers and partners

Customers provide evidence and access.



Peers and mentors

Peers help founders decide.



Institutions and finance

Facilities, specialist support and possible funding.

Case 12: A Ljubljana founder seeks help

The situation

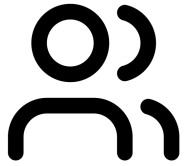
A student has a prototype but no clear customer evidence.

Discussion

Who could help with the missing knowledge?
What specific question should the founder bring?



What founders can control



Ownership

Name who does the work and who makes the decision.



Use of resources

Compare the learning and cash gained with time spent.



Quality of the ask

Seek help with a concrete gap in knowledge or capability.



Summary check

Startup definition

A bakery adds online ordering.
What would make it a startup?

Evidence

Why is a pricing-page click
weaker than an actual purchase
for a payment claim?

Founder decision

What changes when evidence or
conditions change?



Startup foundations: Key takeaways

A startup searches

The business model still needs evidence of repeatability and scale.

Priorities can change

Evidence can justify a new direction or a pause.

Evidence has limits

A useful observation supports a specific claim.

Founders make choices

Clear responsibilities and focused support improve the next step.

Course workflow: one team folder

Create

Make a Google Drive folder named [Team] — Startup Management.

Store

Keep anonymized research notes, sources, calculations and test records there.

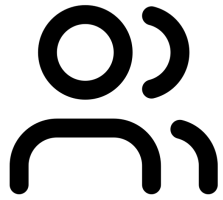
Share

Give the instructor access to the folder for the course.

Build deck

Inside, create [Team] — Investor Pitch; add each homework's slides in order.

Homework 1: venture introduction



Company intro

Name the team, venture and founders; identify the target customer, problem and tentative offer.



Status + submission

Label these as starting hypotheses. Put the one intro slide in the shared team pitch deck.

