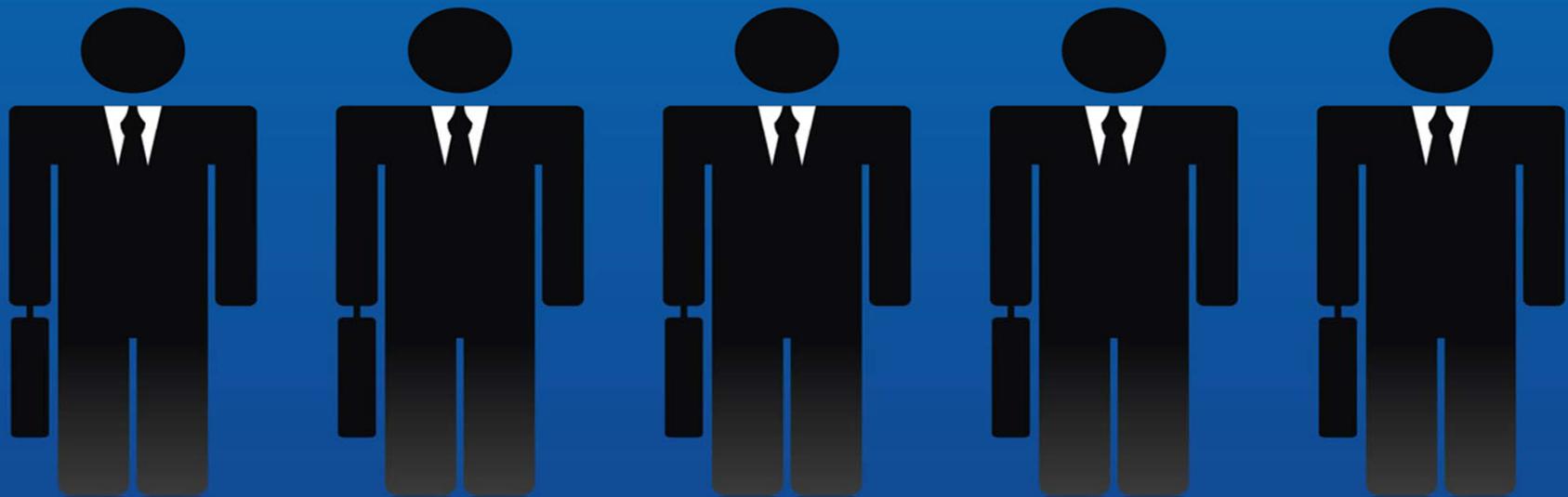


RUNNING LEAN AND INCUBATORS

VI Simposio Internacional sobre Energía y Foro de Innovación y
Emprendimiento



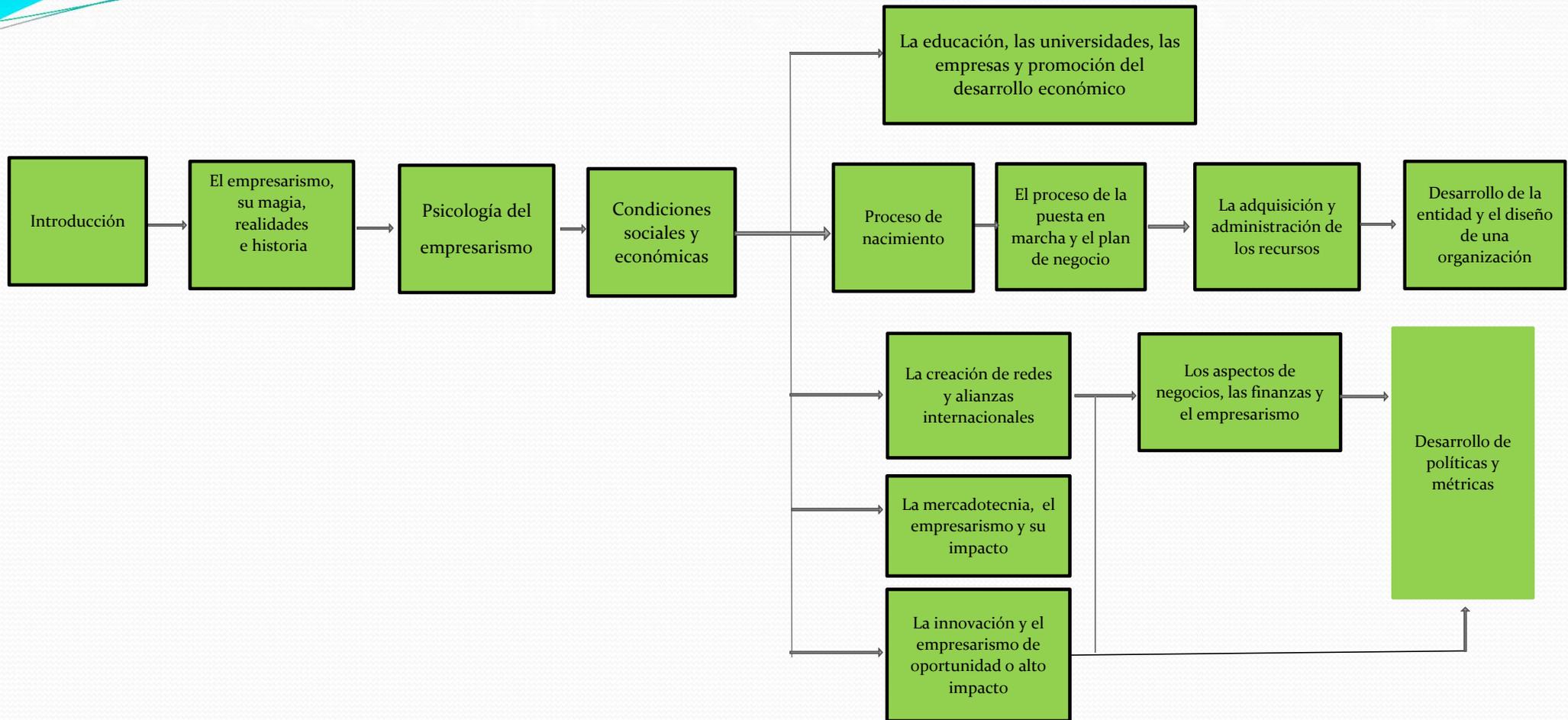
Por: Bartolomé Gamundi Cestero

*El empresarismo
es convertir ideas
en oportunidades*



Bartolomé Gamundi Cestero

EL PROCESO DEL EMPRESARISMO





What is a business incubator?

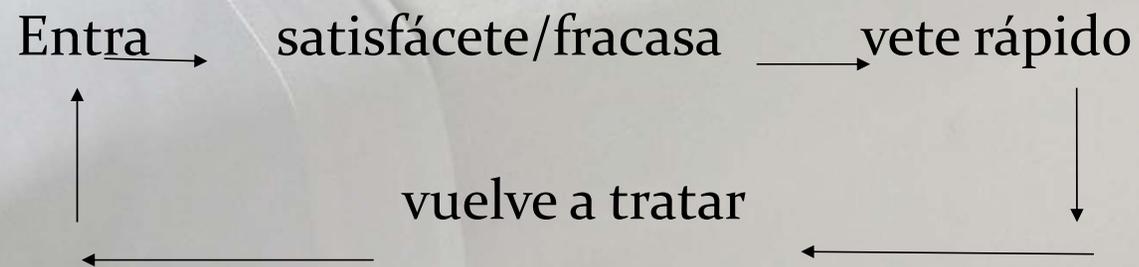
1. A facility is not enough.
2. A facility below market range is not recommended.
3. A facility offering just shared office practice service and equipment is not enough.
4. A facility offering management assistance via referral to other service organization is not enough.



What is a business incubator?

5. A FACILITY WITH LIST OF TANGIBLE BUSINESS SERVICES, MANAGEMENT ASSISTANCE AND TECHNICAL SERVICES (SOME REFERRAL AND SOME DELIVERED DIRECTLY) IS BEGINNING TO WARRANT THE LABEL OF BUSINESS INCUBATORS.

LA TEORÍA DEL MOTEL





RUNNING LEAN

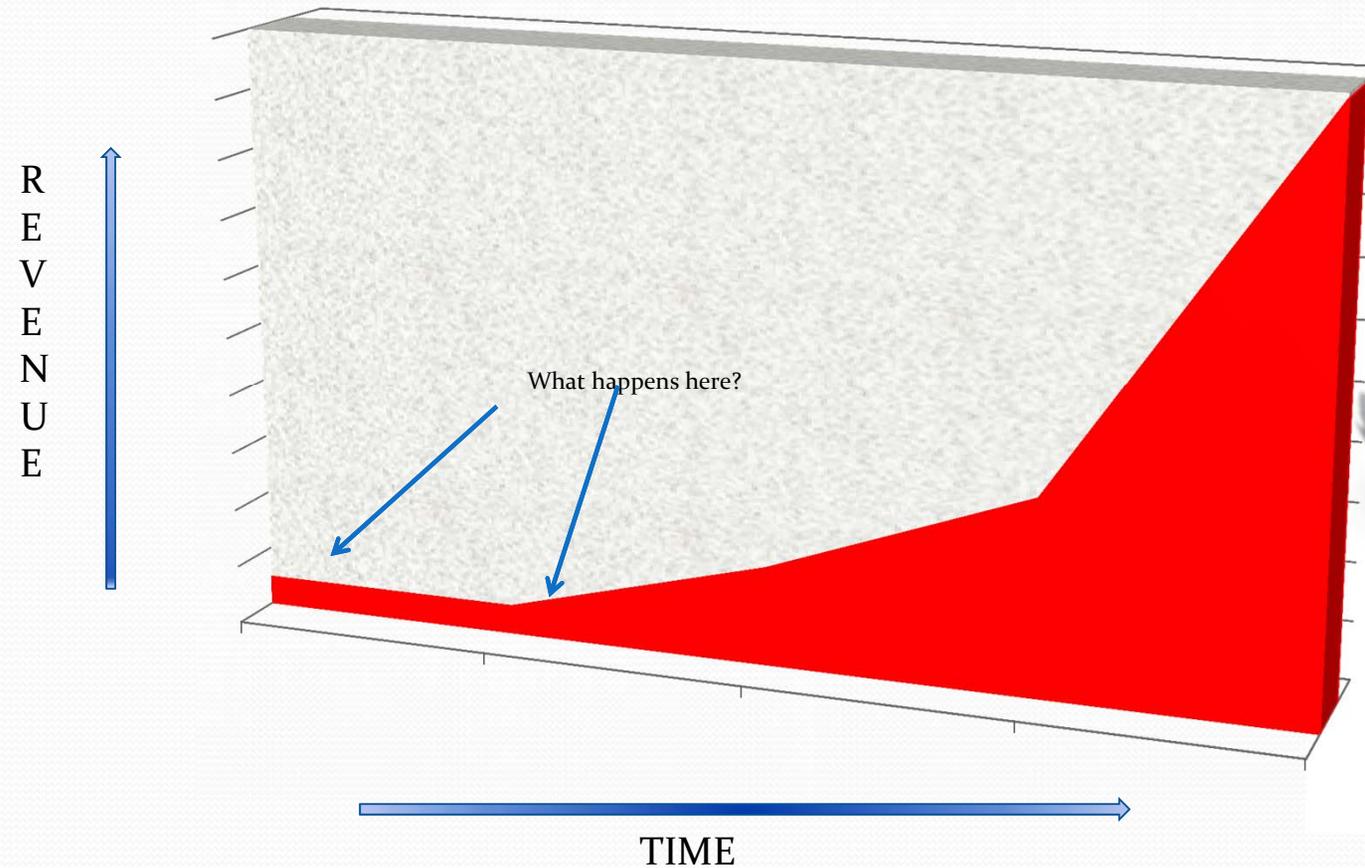
Is a systematic process from iterating from plan A to a plan that work, before running out of resources.

- Running lean is about speed, learning and focus.
- Running lean is about testing a vision by measuring how customer behave.
- Running lean is about engaging customers throughout the product and markets validation in parallel using short iterations.
- Running lean is a discipline and rigorous process.

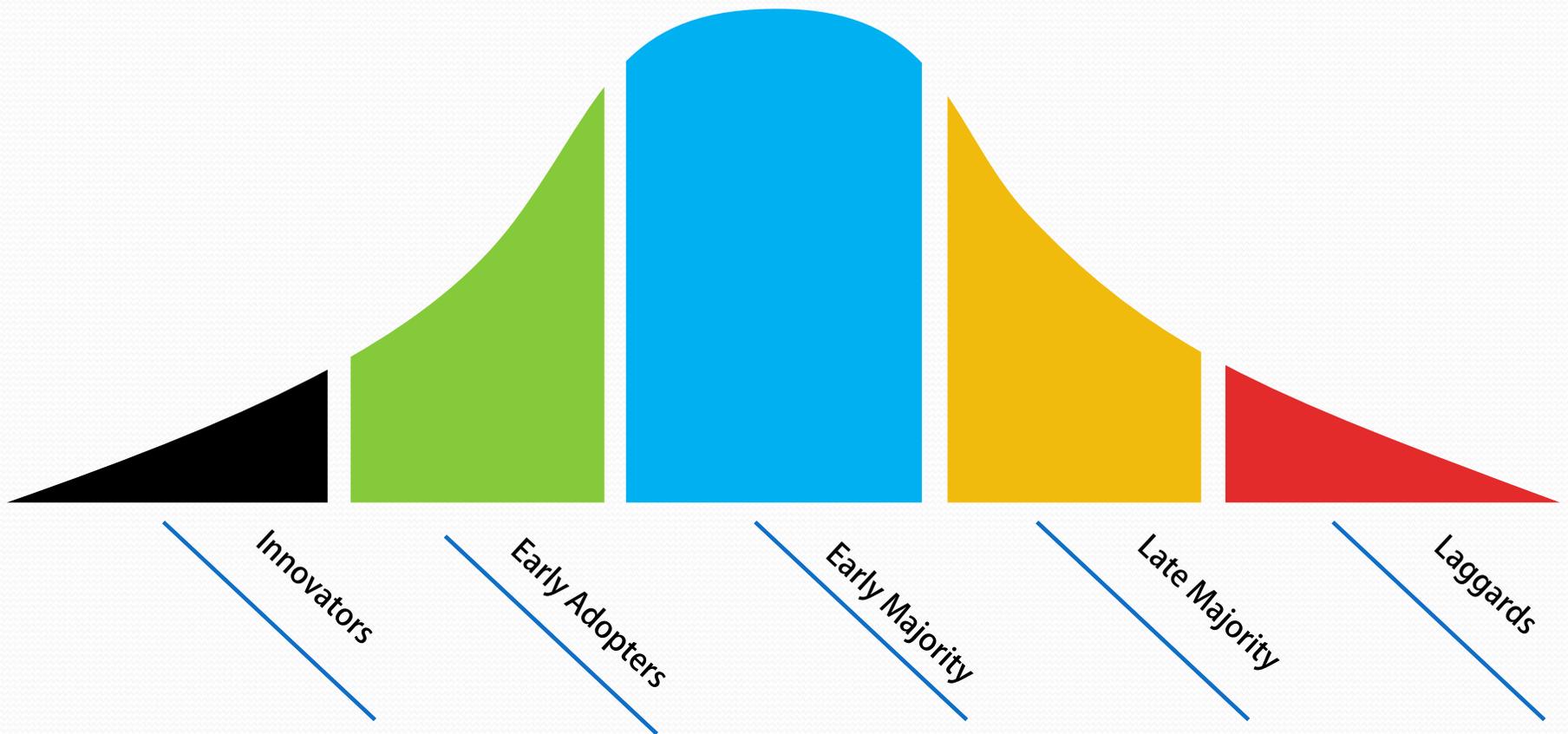
*The Four Steps to the Epiphany by Steven Gary Blank

*Running Lean by Ash Maurya

LEAN TIME FRAME IN THE DEVELOPMENT OF A PRODUCT



THE REVISED TECHNOLOGY ADOPTION LIFE CYCLE



WHAT LEAN START-UPS DO DIFFERENTLY

The founders of lean start-ups don't begin with a business plan; they begin with the search for a business model. Only after quick rounds of experimentation and feedback reveal a model that works do lean founders focus on execution.

LEAN	TRADITIONAL
Strategy	
Business Model Hypothesis-driven	Business Plan Implementation-driven
New-Product Process	
Customer Development Get out of the office and test hypotheses	Product Management Prepare offering for market following a linear, Step-by-step plan
Engineering	
Agile Development Build the product iteratively and incrementally	Agile or Waterfall Development Build the product iteratively, or fully specify the product before building it
Organization	
Customer and Agile Development Teams Hire for learning, nimbleness, and speed	Departments by Function Hire for experience and ability to execute
Financial Reporting	
Metrics that Matter Customer acquisition cost, lifetime customer value, churn, viralness	Accounting Income statement, balance sheet, cash flow statement
Failure	
Expected Fix by iterating on ideas and pivoting away from ones that don't work	Exception Fix by firing executives
Speed	
Rapid Operates on good-enough data	Measured Operates on complete data

Harvard Business Review



IS IMPORTANT TO RECOGNIZE

Leading from the future as it emerge

- Intuition.
- Embracing high level of ambiguity, uncertainty and willingness to fail.
- Opening ourselves to the unthinkable and desired to do the impossible.
- Balancing fear and risk, by feeling ourselves part of something important is emerging.

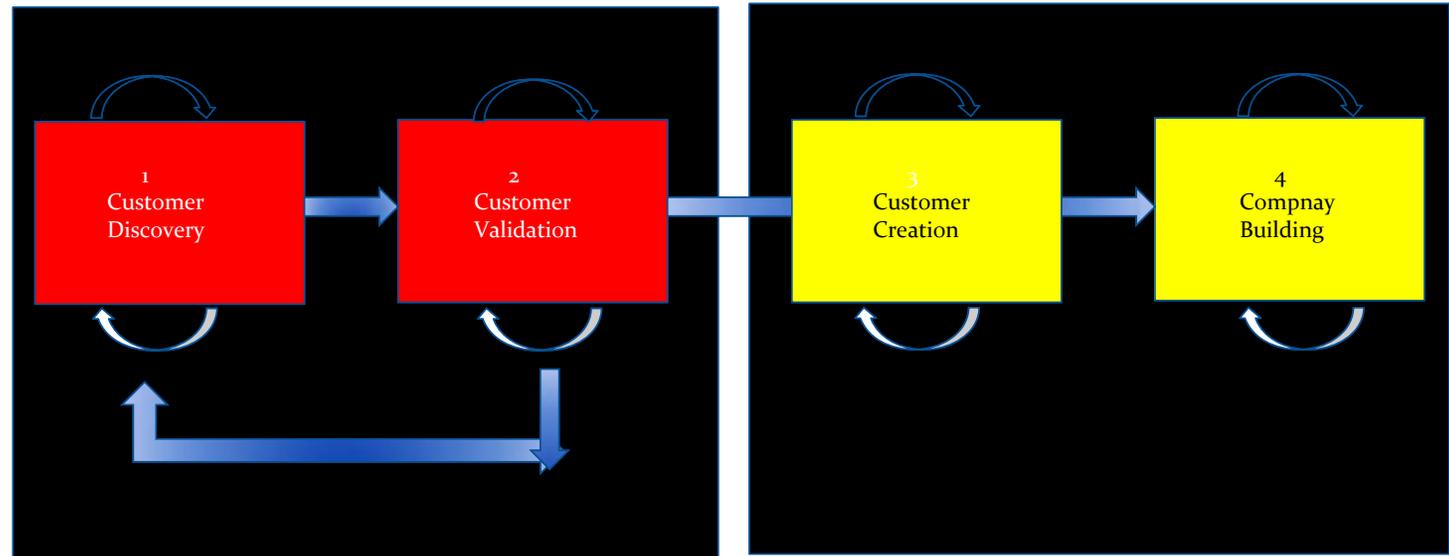
A stage with red curtains and spotlights. The stage floor is wooden and has several spotlights. The curtains are red and have tassels. The background is dark.

REMEMBER

- Innovation is only significant when is doing thing differently, not just talking about new ideas.
- Innovation and leadership come from a levels.

LISTEN TO CUSTOMERS

During customer development, a start-up for a business model that works. If customer feedback reveals that its business hypotheses are wrong, it either revises them or “pivots” to new hypotheses. Once a model is proven, the start-up starts executing, building a formal organization. Each stage of customer development is iterative: A start-up will probable fail several times before finding the right



1. Founders translate company ideas into business model hypotheses, test assumptions about customers' needs, and then create a “minimum viable product” to try out their proposed solution on customers.

2. Start-up continues to test all other hypotheses and tries to validate customers' interest through early orders or product usage. If there's no interest, the start-up can “pivot” by a changing one or more hypotheses.

3. The product is refined enough to sell. Using its proven hypotheses, the start-up builds demand by rapidly ramping up marketing and sales spending, and scales up the business.

4. Business transitions from start-up mode, with a customer development team searching for answers, to functional departments executing its model.

THE BUSINESS MODEL CANVAS

Key Partners	Key Activities	Value Propositions	Customers Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure			Revenue Streams	

Changing the Business Model to changing the Business Model Canvas to Lean Canvas to define your hypotheses.

Key Partners Problem	Key Activities Solution	Value Propositions	Customers Relationships Unfair Advantages	Customer Segments
	Key Resources Key Metrics		Channels	
Cost Structure			Revenue Streams	

<p>Problem</p> <p>Top 3 problems</p> <p>1</p>	<p>Solution</p> <p>Top 3 features</p> <p>3</p>	<p>Unique Value Propositions</p> <p>Single, clear, compelling message that states why you are different and worth buying</p> <p>2</p>	<p>Unfair Advantages</p> <p>Can't be easily copied or bought</p> <p>7</p>	<p>Customer Segments</p> <p>Target Customers</p> <p>1</p>
<p>Cost Structure</p> <p>Customer Acquisition Costs</p> <p>Distribution Costs</p> <p>Hosting</p> <p>People, etc.</p> <p>5</p>	<p>Key Metrics</p> <p>Key activities you measure</p> <p>6</p>		<p>Channels</p> <p>Path to customers</p> <p>4</p>	
		<p>Revenue Streams</p> <p>Revenue Model</p> <p>Life Time Value</p> <p>Revenue</p> <p>Gross Margin</p> <p>5</p>		

LEAN CANVAS VS. BUSINESS MODEL CANVAS

- Lean Canvas was created by Ash Maurya as an adaptation of Business Model Canvas by Alex Osterwalder. These tools look similar at first – both of them are visual and allow to see there are significant differences.

	LEAN CANVAS	BUSINESS MODEL CANVAS
Business	Startups	Both startup and existing business
Purpose	Problem-solution approach, includes the channels to achieving the solution, costs and revenue streams.	Defines the infrastructure, costs and revenue streams.
Competitive advantages	Focuses on unfair advantage that can help to win the market.	Focuses on value proposition, its quantitative and qualitative.
Main focus	Entrepreneurs-focused.	All the stakeholders: customers, advisors, investors, ****?
Attention to customers	The model doesn't pay much attention to customer segments as startups often have no products to test the demand.	Pay much attention to customer segments, channels and ****?

LEAN CANVAS BUSINESS MODEL (LCBM)

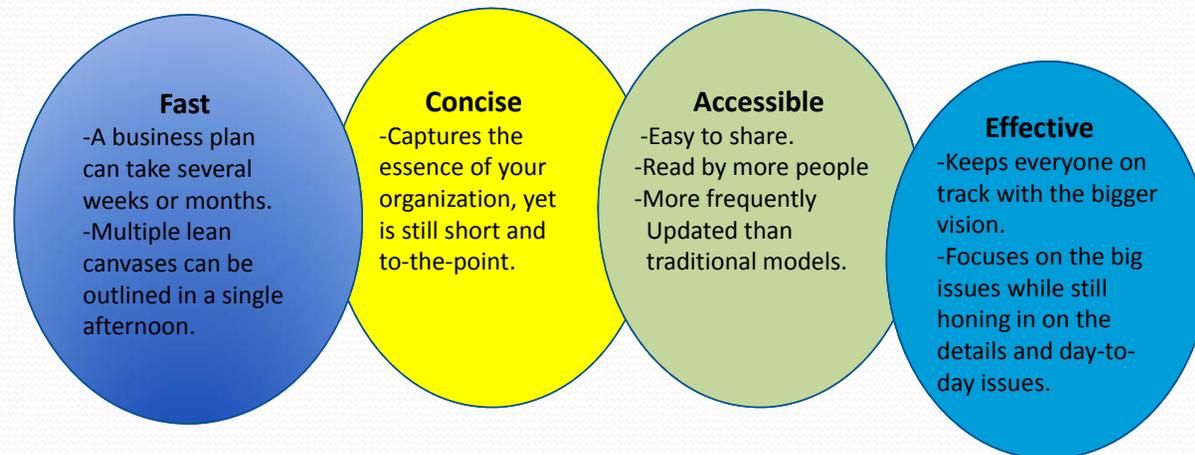
What is a Lean Canvas Business Model?

A Lean Canvas Business Model is a portable, one-page diagram that is structured to brainstorm possible business models, prioritize where to start, and track ongoing learning.

How does it differ from a Business Plan?

Traditional business plan take too long to write, are seldom updated, and are almost never read by others.

Why do I want to use it?





STAGE 1: PROBLEM/SOLUTION FIT

- Key Question: Do I have a problem worth solving?
- Before investing months or years of effort towards building a product, the first step is determining if this product is something worth doing. You do this by decoupling the problem from the solution and testing each through customer interviews – a process Steve Blank calls “Customer Discovery”.
- Testing the problem this way lets you validate whether you have a “problem worth solving” before investing effort building out a solution. From there you then derive the minimum feature set to address the right set of problems - the Minimum Viable Product (MVP).

PROBLEM AND CUSTOMER SEGMENTS

1. List top 3 problems for the customer segment you are working with, describe the top 1-3 problems they need solve.

-If you plan to sell to many customer segments you have to do this for each!!! For example, if you plan to sell to mining companies but also to mining company suppliers, **list problem for each one.**

2. List existing alternatives then document how you think your early adopters address these problems today. Unless your are solving a brand new problem (unlikely), most problems have existing solutions. Many times these may not be a readily obvious competitor.

-As an example, the biggest alternative to most online collaboration tools is not another collaboration tool, but email. Doing nothing could also be a viable alternative for a customer if the pain is not acute enough.

3. Identify other user roles. Next identify any other user roles that will interact with this customer.

MARKET \Leftrightarrow PRODUCT

- Unique Value Proposition
- Distribution & Marketing Channels
- Key Metrics



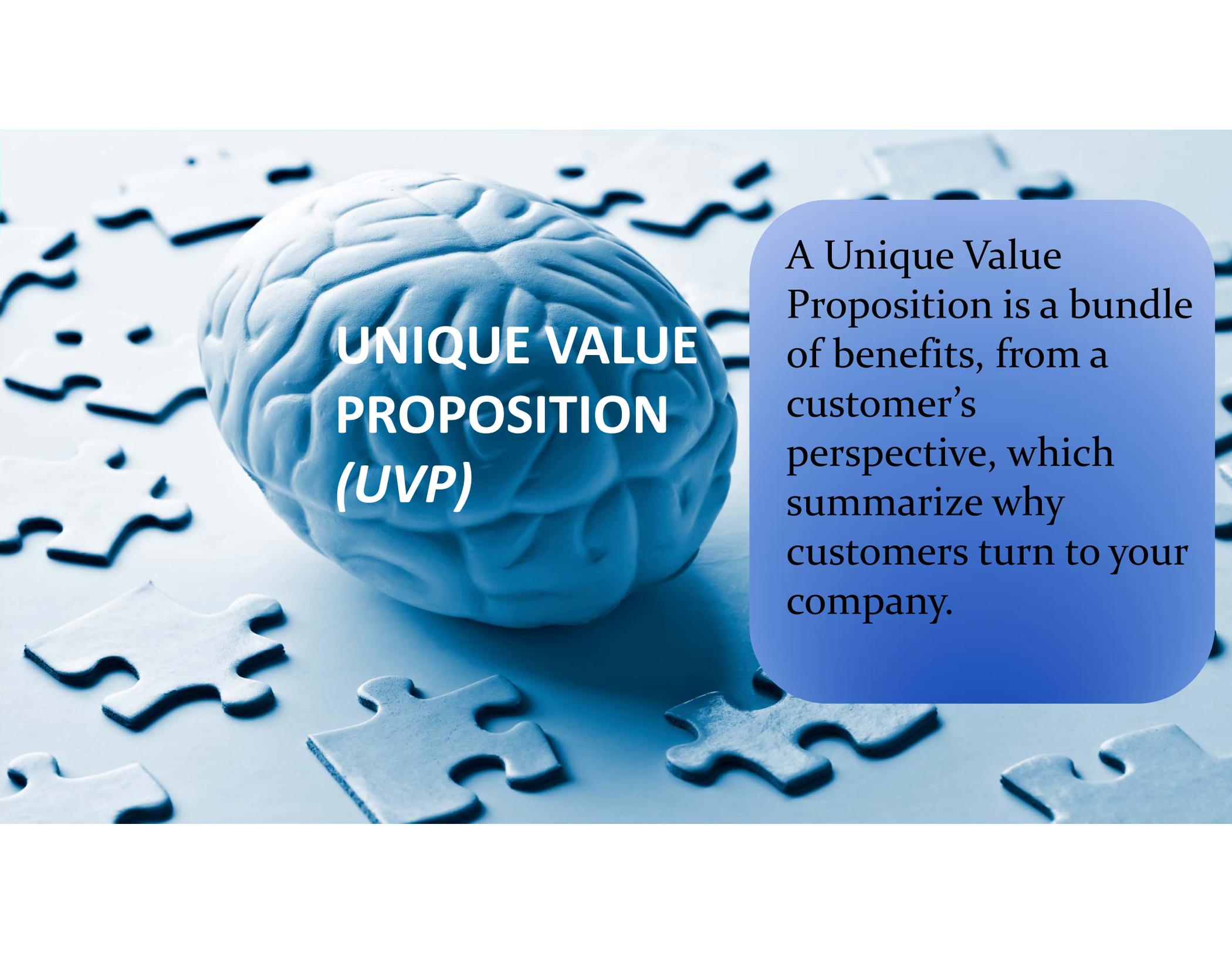


STAGE 2: PRODUCT/MARKET FIT

- Key Question: Am I building something people want?

-Once you have a problem worth solving and your idea of a solution, you can then start the process of learning from customers and testing how well your solves the problem.

-Unique Value Proposition distills the essential value of your products to your market.



UNIQUE VALUE PROPOSITION (UVP)

A Unique Value Proposition is a bundle of benefits, from a customer's perspective, which summarize why customers turn to your company.



UVP

- Thinking about your Value Propositions forces you to put yourself in other people's shoes, and understand what you're doing (and modify what you're doing) based on the people who will actually buy and use your product!
- Your initial UVP is likely **WRONG** so don't stress!

An aerial photograph of a large, irregularly shaped island, possibly a volcanic island, with a mix of green and brown terrain. The island is surrounded by deep blue water. The quote is overlaid in white text on the left side of the island.

“You can’t understand a system
unless you change it”

Kurt Lewin