Nail It Then Scale It Summary

1-Sentence-Summary: _Nail It Then Scale It_ teaches you how to craft the perfect business plan and grow your company by focusing on getting to know your customers and solving their problems then creating products to solve those issues.

Read in: 4 minutes

Favorite quote from the author:

"Pursuing a rapid experiment and finding out you were wrong and changing directions isn't failure. That is the road to success."

– Nathan Furr & Paul Ahlstrom

If you start a business, you have about a 50/50 chance that it will fail within the first five years.

Usually, without much research, entrepreneurs build and launch their first product as quickly as possible. They put in long hours and invest their money to try to get it off the ground.

Before long it's time to grow and suddenly, without warning, the whole thing is going down in flames.

Although having and working on a new entrepreneurial idea is exciting, passion alone isn't going to make it succeed. You need a solid strategy that focuses on customers.

This path and the steps on it are exactly the subjects of Nathan Furr and Paul Ahlstrom's book _Nail It Then Scale It: The Entrepreneur's Guide to Creating and Managing Breakthrough Innovation_.

Here are just 3 awesome entrepreneurship lessons I got from this book:

1. Funding and reliance on a "brilliant idea" can threaten your new company's survival.

2. Make a plan that centers around customer's needs, then refine it.
3. Use a tested business model and bring in top talent once it's time to scale.

Get that business idea ready, after this you're going to be ready to turn it into a full-blown company! Here we go!

Lesson 1: Your new company might not survive if you get too much funding or rely too much on your "brilliant idea" alone.

If I walked up to you, handed you a million dollars, and said you had to use it to start a successful company, could you do it?

Chances are most people would be a little more than apprehensive about it. That's because we know deep down that money alone won't solve all the requirements to build a thriving business.

Too much money can even hurt your entrepreneurial dreams by breeding complacency. **A startup with not as much funding, in contrast, knows what's necessary and gets it done.**

The success of 3D Realms 1996 game *Duke Nukem 3D* is a prime example. Without much funding, the company got the game out in about 18 months. It was a hit, and with the money, they began working on a sequel.

But this success had granted them too much time that the company only wasted. 12 years later the game still hadn't come out of development and never ended up being released.

Another major pitfall of entrepreneurs is relying on a perfect idea and the passion they have for it. The blind trust that comes from your own inspiration can be a sure path to failure because it leads to too many false assumptions. When you build a product with the "ready, fire, aim" approach like this, it's almost certain to fail.

Without knowing what your customers want, there's little chance it will catch on in the market.

Lesson 2: Customer's needs come first when it comes to making your plan, then you can refine it.

It's obvious that the easiest way to beat someone at their own game is with a solid strategy. Business is no different, but the process of crafting a good plan isn't always so clear.

The foundation of your success comes from the knowledge you gain about what your customers want.

Webvan, for example, was an online grocery service that shows how not to do this. Their failure to do sufficient market research made them grossly overestimate how much people would want their service.

As a result, they poured money into infrastructure, warehouse stock, and trucks. But upon launching they discovered their terrible mistake. Their estimates of how many purchases customers would make was 60% too high.

Webvan filed for bankruptcy in 2001 and lost $1 billion.

Your secret weapon against a similar failure is careful observation of your customer's purchasing habits. Consider how you can adjust your strategy to meet their needs. Once you have that, continue to modify it into a reproducible business model.

In your business's early stages, your plan will likely go through many changes, and that's normal. But don't take too long to craft a more solid long-term model.

Apple, for example, began by selling kits so people could put together their own computers at home. Today, however, its main source of revenue is the small improvements to its existing products.

Lesson 3: Hire talented people and use a tested business model to scale effectively.

If you do your market research and nip assumptions in the bud well enough, your company will begin to grow. At some point, you may even find your business taking off in ways you hadn't anticipated.

Although you might love your little company, you're going to need some outside help to take charge so you can scale it. When it's hard to relinquish control, remember that business managers have a lot more experience than you do.

The popular classifieds website Craigslist gives us a great example of how this is done. **When it began growing, founder Craig Newmark realized he didn't have the know-how to manage it anymore.**

That's when he decided to promote Jim Buckmaster, an employee of the company, to take over management. Buckmaster is still in the position today and has helped Craigslist grow into a behemoth billion-dollar company.

Giving up control is just half of the scale equation though. You also need to get a solid business model that's supported by paying users. Scaling without a solid customer base is reckless.

The dot-com boom of the 1990s shows why this is true. Many companies with unvalidated business models were trying to scale as fast as possible. Because of this, they couldn't get a hold on the market before their resources ran out, and failed.

The e-commerce site eBay, on the other hand, survived by focusing on slow growth. Expansion according to the size of its customer base was the key to eBay's success.

Nail It Then Scale It Review

I hate the idea of startup funding, which is why I loved *Nail It Then Scale It*! This book focuses more on the focus on the customer that you need if you really want to succeed in business. I hope that more entrepreneurs will catch on to this idea because it's vital to building a sustainable company.

Who would I recommend the Nail It Then Scale It summary to?

The 28-year-old who loves their new business idea but hasn't done any market research yet, the 55-year-old that has build companies that have failed but wants to take a crack at entrepreneurship, and anyone that wants to learn the real way to get a startup off its feet.