Stanford University

Technology Entrepreneurship

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question about course

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KW   **Karen West**
Posted 10 days ago.

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Hi, I took an entrepreneur course last semester (titled: Beyond Silicon Valley: Growing Entrepreneurs in Transitioning Economies, out of Case Western Univ. in Cleveland,Oh on Coursera). I did well and enjoyed learning how to form companies in both thriving economies but also in economies which would find that challenging (with Cleveland being one of those as an example, but also in other parts of the world). I live in Boston, and the economy here for entrepreneurs is pretty good so I hear, but perhaps not as thriving as the reputation that Silicon Valley has. In this course, we did not work in teams, but took quizzes and case studies and evaluated our own ecosystem (mine being Boston) for being an entrepreneur. I interviewed 8 entrepreneurs in depth, one being someone for whom I worked in the Boston area years ago, but also from other locations in the US (Albany,NY where I grew up, San Jose and San Francisco, where I have relatives involved in them) but when it came time for the final report, my focus was my Boston interview.

So I saw this course offered this semester and wondered - should I take another entrepreneur course? Well, this one forms groups of people, makes business plans to promote a product, and these are things we did not do in the other course. So I signed up, and I'm currently job searching and unemployed here, and have the time - it's not currently an investigation outside my day job. My husband is a computer science professor, and I've asked him if he ever might consider forming a start up with what he developed

with his research group, and so far, that answer has been no. However, I know the thought has crossed his mind, either in start up format, or otherwise some large company buying their research project to become part of a group within a large company. But so far--although the thoughts have crossed his mind - he continues to work on it only in academia.

So if I were to go through with this class, I would do it because I like the idea of being part of a team, but my question is as follows in terms of idea. Would my group be able to hypothetically investigate whether or not it made sense to form a start up out of the research project my husband's group works on in academia (would that be an anchor institution?) It would be completely hypothetical in nature, since it's his group's design, and they are the experts, and I would only be doing the investigation of whether or not it would ever make sense in the market today.

If it would not work - I really do not have any design or idea of my own to investigate - and would welcome becoming part of someone else's team, just to be working on a team from home. However - that would also mean that my skill set I have to offer would be a match with the groups offered here, and I have no idea about that!

Also - I'm new to novoed.com but have used EdX.org and Coursera.org many, many times in recent years. I watched the first video and saw it was offered in both Chinese and English, and then it said to go on to video 2, but I could not find that in English, only Chinese. So please let me know where to find that and I apologize that I'm so new to this forum of online classes!

So I will leave it at that for now. If anyone knows the answers to these things, please let me know. Thanks and happy new year!

Karen

Reply   ● **Resolved**   ○ **Unresolved**

Replies

Jennifer Gaddy
Posted 5 days ago.

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Hi Karen,

If I were you, I would be cautious about doing research for real-world startups with people you hardly know. Just off the top of my head, here are a few reasons NOT to do that...

Someone might poach your idea if it's worth pursuing.

Someone involved in the student research team might feel they are entitled to something - a portion of your profits, a share in your company - either before or after the fact, which could lead to a lawsuit.

While some of the people enrolled in this course are no doubt professionals with real-world experience, some are undoubtedly not. I would NEVER rely on inexperienced, unproven people to conduct research and testing on a business idea I was serious about.

That said, I think this class is a GREAT resource for perhaps identifying talent and interest for exploring your business idea OUTSIDE of your classroom project. Or, take what you have learned and research it yourself!

Best of luck,

Jennifer

Comment

KW

Karen West 5 days ago.

Thanks for the response and advice, Jennifer. I will only continue to participate in this class if I join someone else's team to learn from the experience of working on a team entrepreneur project, since my last class did not involve that, or the business planning part of it. Thank you for telling me exploring an idea of my husband's academic world in the business world would not make sense here, and why it does not. So I guess the next step is to determine whether or not my background and skills are a fit for joining another online team in this class, and if not, then perhaps the course would not be a good fit for me at this

time. Thank you for your help.

Edit

Emil Safier (Mentor) 4 days ago.
I wanted to comment on the point made by Jeffifer Gaddy:

"Someone might poach your idea if it's worth pursuing."

While it does make sense to protect intellectual property (by filing patents, etc.) you will find that in the world of entrepreneurship you will need to EXPOSE your idea in order to make progress as follows:

1) In order to validate your Product Market fit you MUST test it out - which means you must expose it to your market and get validation.   How will you know if you product has a market unless you discuss it (explain it, show a prototype, etc.) first.

2) If you need funding, you will be politely told the meeting is over if you ask the angel investor or venture fund to sign a NDA.   No one will take your seriously.   Only a rank amateur would do that.

3) The real point here is that Entrepreneur know that EXECUTION of an idea is the key ingredient, and if an idea can not be protect with patents, then it will be copied, and in that case only better execution will protect you.... or speed to market, which is also a form of execution.

~ emil

Waleed Dirani (Mentor)
Posted 5 days ago.

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Hi Karen and Jennifer -

Later on students will be asked in one of the assignments to form or join a team, and you will get a lot of info from students who are looking or willing to make a team and seeking certain skills.

However, you can check the most relevant team that matches your skills or experience or interest and join.

Hope this helps and feel free to ask if you have further questions.

Regards,

W.

Comment

Jennifer Gaddy
Posted 3 days ago.

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Emil, there is some validity to some of your points, but by sharing a great deal about a business idea and model, especially in an unknown and fairly open forum such as a college course with thousands of strangers worldwide, one is increasing the chance that you will NOT be first to market, and that someone else will develop a go-to-market strategy that may or may not be better than yours, find funding first or simultaneously, and beat you out of the garage.

Lest you think I am just some idiot talking on the internet, I worked for almost five years for a company that DID have patented technology that was ultimately acquired by a large software company. And they were careful to protect it before and after patenting. **Every potential investor,** from the individuals who collectively invested millions to the larger companies looking at acquisition, **signed an NDA for us** before getting any kind of deeper look at our technology, our go-to-market strategy, our business plans, or our financial status or projections, and not one party that I am aware of refused to sign the document.

I would also point out that **not all entrepreneurs rely on angel investors or VC funding to grow their**

business. Shark Tank makes it look so magical, and those are valid avenues and good arrangements for some, but certainly NOT the magic formula to success. So I will reiterate to my fellow students, please be judicious about whom you trust with your concepts, your business strategies, etc. and that INCLUDES potential investors. There's a reason that particular show is called SHARK Tank.

I will say again that there is also a risk of having a classmate try to claim some stake in your future business if they feel they contribute materially to your success. Whether a suit would be successful, I've no idea, but I would personally not want to risk it. If I had a business idea I was serious about, I wouldn't use a free online class to prove it out, I would work with trusted professionals on it.

That's just my thought on it.

Comment

KW **Karen West**
Posted 3 days ago.

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I'm learning even from this small discussion I started so thank you Jennifer, Emil and Waleed.

What I did yesterday for my brainstorming submission, is put this idea of investigating my husband's academic team of Ph.D.'s project as "bad idea 1" since we had to give 5 bad ideas, and 10 good ideas, and I listed the reasons Jennifer gave (having only seen hers when I submitted it) as the reasons why I should not do this.

I honestly had not thought of any risks involved with producing a business plan for this idea with other online students I do not know. My thought now is that my husband has mentioned that if he may consider applying for start up funding for the operating system they designed, but when I asked him this morning if he would stick it out just in academia if he could overcome the obstacles of academia, he said Yes - it's the obstacles that are driving him out.

These obstacles are things like research funding and the promotion structure of academia that tends to reward people more for the number of citations to their research papers rather than a demo of an operating system that works on the latest Intel multi-core processors, taking advantage of hardware virtualization in one instance of it, and without that in another, and is appropriate for safety critical systems when you demo it

--my husband has said that to actually produce something that works like that takes an enormous amount of time for a small team (handful) of Ph.D. students and himself, and when they go for their promotions in academia - they grade you upon the number of research grants and number of citations you have for your published research papers - and not that you have an actual working prototype to demonstrate to those who promote or those bodies of research grant people who give out money to do research in an academic environment. And especially if you are not doing this at one of the top "brand" universities, and he works at a good one but there are some that he finds just by their brand name are more paid attention to than those that do not have that name brand on the ranking list - well then it can be a very frustrating place to work, academia.

For these reasons - although he is an amazing speaker - all the students love him - an inspirational type speaker and teacher for the classes he gives, or the presentations he makes on the research he does with his research students - he is considering leaving his tenured professor position behind if they give him too much frustration in terms of promotion to "full professor" he is up for this year, or he continues to have all his NSF type research grants rejected when they appear to the rest of the professional world as impressive. He writes less research papers because he actually writes code to go with it, but this appears to be less respected in academia, at least where he is. He also finds his research area is now less "trendy" in that most people prefer NOT to be designing operating systems for the latest Intel microprocessors, or making them safety critical appropriate as well, or making them better than what our current selection of OS's might be, and although the students all think it's cool--most professors where he is don't want to collaborate or put the time in needed to produce this, especially if their interest and funding comes elsewhere.

It is a small team of students and one professor, and in my previous class on entrepreneurs, we learned about "anchor institutions" and how start ups sometimes grow out of an anchor institution such as a university. However, that is all they are unless you have funding from somewhere else (VC, angel, friends and family, etc) that want to take a risk on the investment.

So in terms of me - I think perhaps I should NOT investigate his OS as an exploratory project in this class, to produce a business plan and do a market analysis, since it is not clear yet what his next move will be, and as Jennifer mentioned, there could be risks involved that I had not thought about. Perhaps all the frustration he is experiencing in academia will work itself out, who knows, and even though it is most likely appropriate in the start up world, perhaps he will choose to keep it as his toy for his research group in academia.

So my thought today is that I should learn from this class, how to make a business plan, see the market analysis of its worth, etc, the things this class does that my other entrepreneur class did not do. In the event that my husband does someday give up on academia (which he should know this year I think), then perhaps I will have built some knowledge up on how this world works.

However - as you mentioned above, I'm not sure if I have the skills any other team may be looking for in this class, to be able to join their team. I offered 5 bad ideas and 10 good ideas yesterday, but I had no idea if they were realistic, and I did not just focus on one of them, because when I first started, I had thought I would focus on the investigation of my husband's academic group's OS with a business plan and market analysis, etc. But when the night before the brainstorm was due, I read Jennifer's response, I thought instead I would just present the ideas, 10 good, 5 bad, and the reasons why, and await the response after submission. It may be that none of them are any good, and it may be that I can join someone else's idea, or it could be that I do not have the skills and background to join someone else's idea, I have no idea yet.

So sorry for a long reply, but I thought I should explain why I changed my mind! I'm waiting now to see if any of my ideas are well received in any way (and perhaps someone will say that it would make sense to explore my husband's project, but so far, I'm thinking no there), or if they like any of the others, and if not, then see if I have the skills to join someone else's team for an idea to explore, and learn from that experience.

Thank you so much for your responses! Even if this class does not end up working out for me to take - I've learned from this discussion. ;-)

Karen

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MC   **Miguel Angel Cobo Lozano**
Posted 3 days ago.

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I evaluated bad a partner with a one; unintentionally. I thought I had changed his note but I haven't seen that has been saved which the note marked by default (one).
Can I change somehow?

Comment

Waleed Dirani (Mentor)
Posted 2 days ago.

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Hi- Between exposing the idea or keep it hidden there is some controversy;What Emil has stated sounds logic and what Jennifer has stated there is also some logic part.

Therefore I would say that having " A Really Good Idea" cannot be weighted till it is validated and really has market for it , because I might consider my idea is valuable, but indeed after being exposed and explained to entrepreneurs could be a "lousy" one!

And it could be indeed a reliable and startegic idea , so if I don't expose it and share how I am going to validate it !?

And in order to match between both of these perceptions, I would say that:

1. A deep research about your idea should be done to get an approximate weight/value for it.

2. Find "Trusted" team members that are really willing to work with honesty and long run venture. It could be a hard task, but checking backgroundd could help and if you know them will be better. Or try to have a signed contract/disclaimer if you really consider your idea a successful core for a venture.

3. Take a risk and try your idea, because it is more worthy to expose your idea than hide it, and if it works you will win, but if you loose (they steal it), you should learn a lesson.

" It doesn't matter if they steal my idea, what matters is they don't have their own "!

@Miguel - If you mean the peer evaluation and you have submitted, unfortunately, you cannot change it !

Regards,

Comment

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Paulo Machado (Mentor)
Posted 1 day ago.

Hi all-- Great discussion! I believe there are a couple of important points that are being missed.

First, I agree with Emil that to validate the business idea one have generally to make the idea (or part of idea) public-- otherwise, how do you get feedback from the market to get the right product-market fit? And above all, how the business gets any customers if the idea is kept secret?

Now, **sharing the idea does not mean declaring all the fine technical details of how the product is implemented or marketed**. This is part of execution, and a large amount of the startup effort goes into iterating to discover and fine-tune these details. These are generally not public.

Second, there's a secret sauce missing in the discussion (and the class) called "unfair advantage." The **unfair advantage** is something that is not easily copied by other businesses. Usually it's.a resource or combination or resources (technology, talent, licenses, supplies, production lines, channels, etc.) that are prohibitely expensive, time consuming, or otherwise hard to obtain. If the business idea gets traction, competitors will try to copy it. NDAs and patents are not very good at stopping fast followers, but an unfair advantage may stop or delay them sufficiently. Not all businesses start with an unfair advantage, but it's a good thing to have.

In contrast, NDAs are not very good since, once someone leaks the information, your only recourse is legal action. If you are an early startup, legal action takes too much time and money, and it's not a guaranteed win. It's often hard or impossible to prove that a specific person leaked the idea, and many ideas are often combinations of prior ideas and hard to prove that they are unique. If the idea leaks, the company is better off working on the next idea. And, yes, most VCs do not want to deal with NDAs for these and other reasons (good VCs help passing the word around to get deals and funding). Secrecy is better. Strategic patents can be good sometimes (VCs like them), but again hard to enforce by cash strapped early startups.

Separating the technological details from the business concept is important when launching a

high-technology startup. The initial assessment anyone makes of the business is based on an overview of the business aspects, and not the technological details-- we want to know whether the business idea makes sense, what is the value delivered to customers, and how revenue is generated. This is what we put in the business canvas (next week).

Let me point out that complex ideas do not have to be validate or executed all at once, and instead one can look for niche markets to get partial confirmation of aspects of the idea, make some money, and learn what works incrementally from real data from the market. This can let us build value and traction incrementally to get a better deal later from investors.

After all the long writing, let me leave you with a very entertaining and insighful video from Alberto Savoia that is relevant to the class. Enjoy and have fun with the class! Happy learning!

- https://www.youtube.com/watch?v=t4AqxNekecY

Comment

Waleed Dirani (Mentor)
Posted 1 day ago.

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Thanks Paulo for sharing such helpful post !

Regards,

W.

Comment

Spike Morelli (Teaching Assistant)
Posted 1 day ago.

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Just because sometimes re-iterating helps, I wanted to +1 everything Paulo said.

I mentor a lot of early stages entrepreneurs (that's what I focus on) and the question about secrecy, NDAs and sharing ideas come up most of the times.

The only cases where I've seen legitimate ground for NDAs were with Bio or electronic companies that had patents being registered. Incidentally those are also the only cases where I've seen VCs signing NDAs.

Despite Jennifer's case (there's always outliers), most VCs (in the valley at least), do not sign NDAs and if you put yourself in their shoes it makes a lot of sense not to. Their job is to scrutiny hundreds of companies looking for the best ones to invest into. The likelihood that tomorrow someone will knock on their door with a product similar to a startup they reviewed a year before, but with a much better team and opportunity, is so high that it makes no business sense for them to do something that would prevent them from investing in the second one or risk to be sued.

Also from a practical standpoint, like Paulo said, NDAs are useless for a startup because the legal action would likely drain the little resources you have already. The only purpose they serve and the reason why founders bring them up is purely a sense of fear. Of all the founders that approached me asking about NDAs I've yet to meet one that did so thinking it was truly going to offer them protection. Invariably people were just afraid of their baby being stolen and when you explain to them how low that risk is and how much they are missing out pursuing secrecy they always dropped it.

Again, this isn't an encouragement to act recklessly and spill the bins about all your secret tech in a public forum, good judgment always apply.

Comment

KW **Karen West**
Posted less than a minute ago.

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As it turns out, I'm not going to propose to focus my attention to my husband's academic research project, to try to build a team to explore a business or marketing plan for it's worth in the start up market. Maybe in the future that may makes sense, but not at this time. I would like to stick with the class though, so perhaps I'll join someone else's team, or be assigned to one, the other 2 choices, or perhaps one of the other ideas that I shared in my brainstorm would want to be explored by people, I don't know. I'll await that feedback. I was advised this morning not to give up on the class, and I am not doing that unless I received a job offer that would interfere with it, since I'm not working in any day job right now, exploring this on the side. If I got a job,

I would take it, and continue this exploration on the side after work, schedule permitting. But so far that has not happened, and I like the idea of working in a group, since I'm taking a number of online classes right now, but this is the only one that offers you the opportunity to work in a group. However, that depends on whether my skills are the right fit for joining a team! So we'll see. Thank you for all your responses! In any case, I did learn from this discussion I started! ;-)

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