Opportunity Assessment Project (OAP)

Meet with team
Pick an idea
"Get out of the building" for research
Figure out whether it is a business opportunity
Develop a business story
Series of team deliverables – 1/31 and 2/2
Project website
Positioning statement and presentation
OAP Presentation
OAP written analysis
15% of your grade

- Ticket to introduction to them –> 1 pg. (2 paragraphs) initial opportunity, market, tech., customers
- Due Jan. 11th at the latest, ungraded, don't spend too much time on it
- Semester is short, get started

A Science and Engineering Approach to Tech-based Entrepreneurship

What can and can't we teach about entrepreneurship?

Venture performance = team + technology + market size + market growth + luck

Venture performance = startup process + team + technology + market size + market growth + luck

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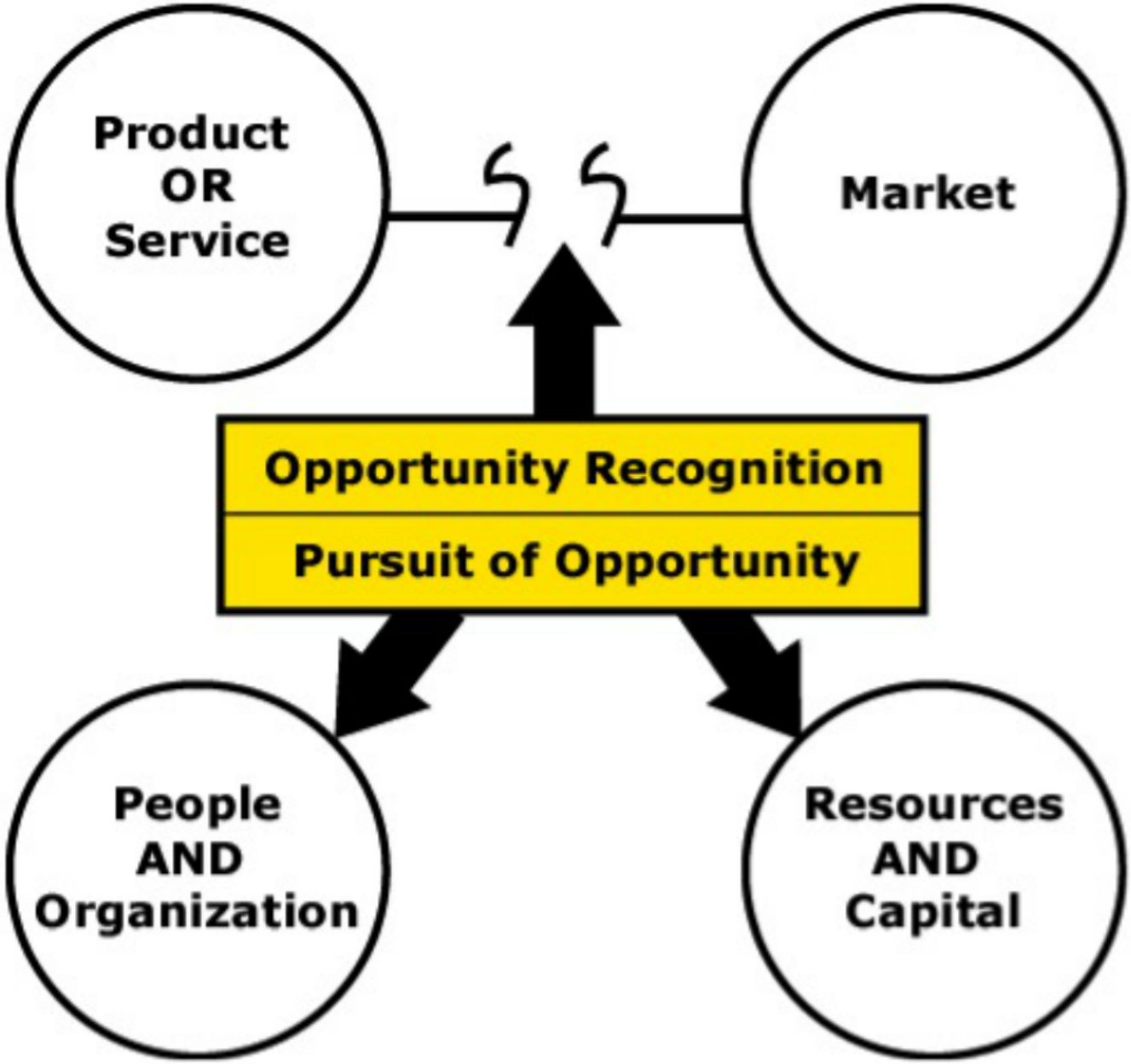
9 Key Models and Frameworks

Key Framework #1: Two "Phases"



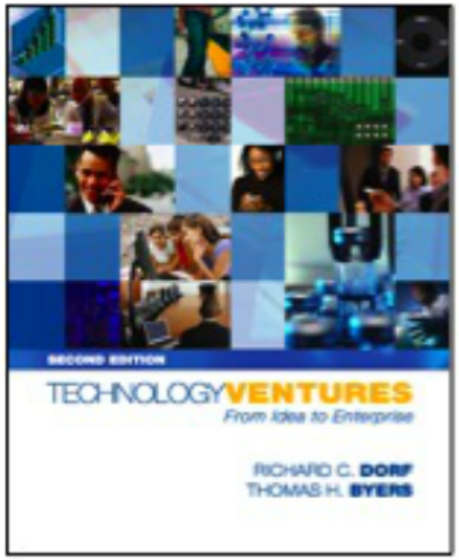
Reference: Mark Rice, Babson

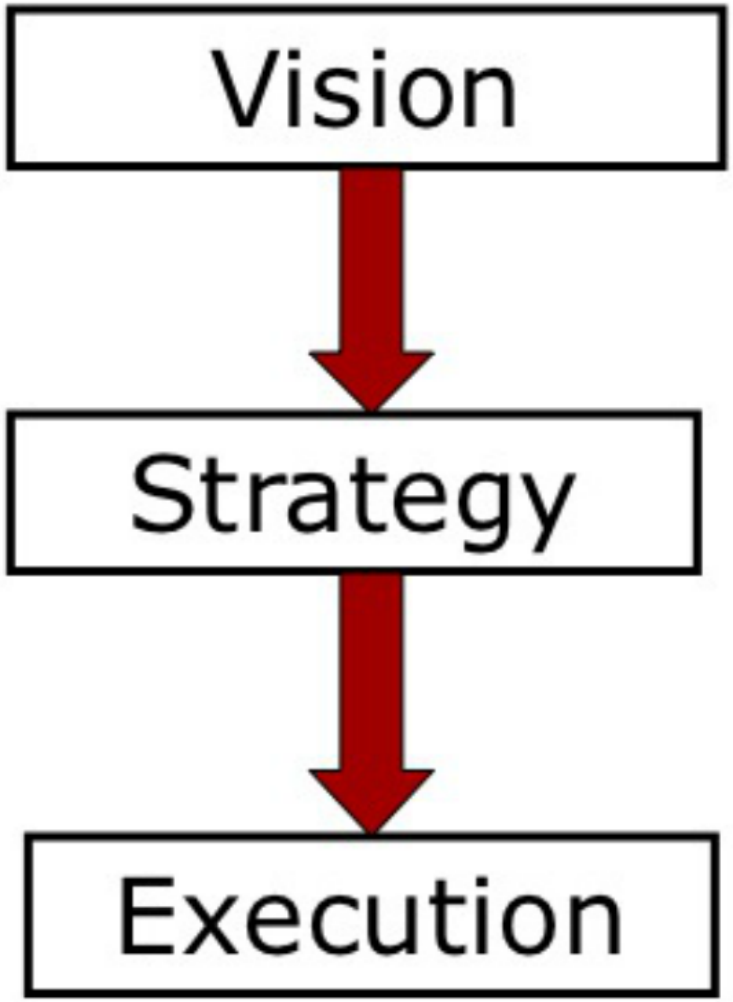
Fundamental Questions: Vision

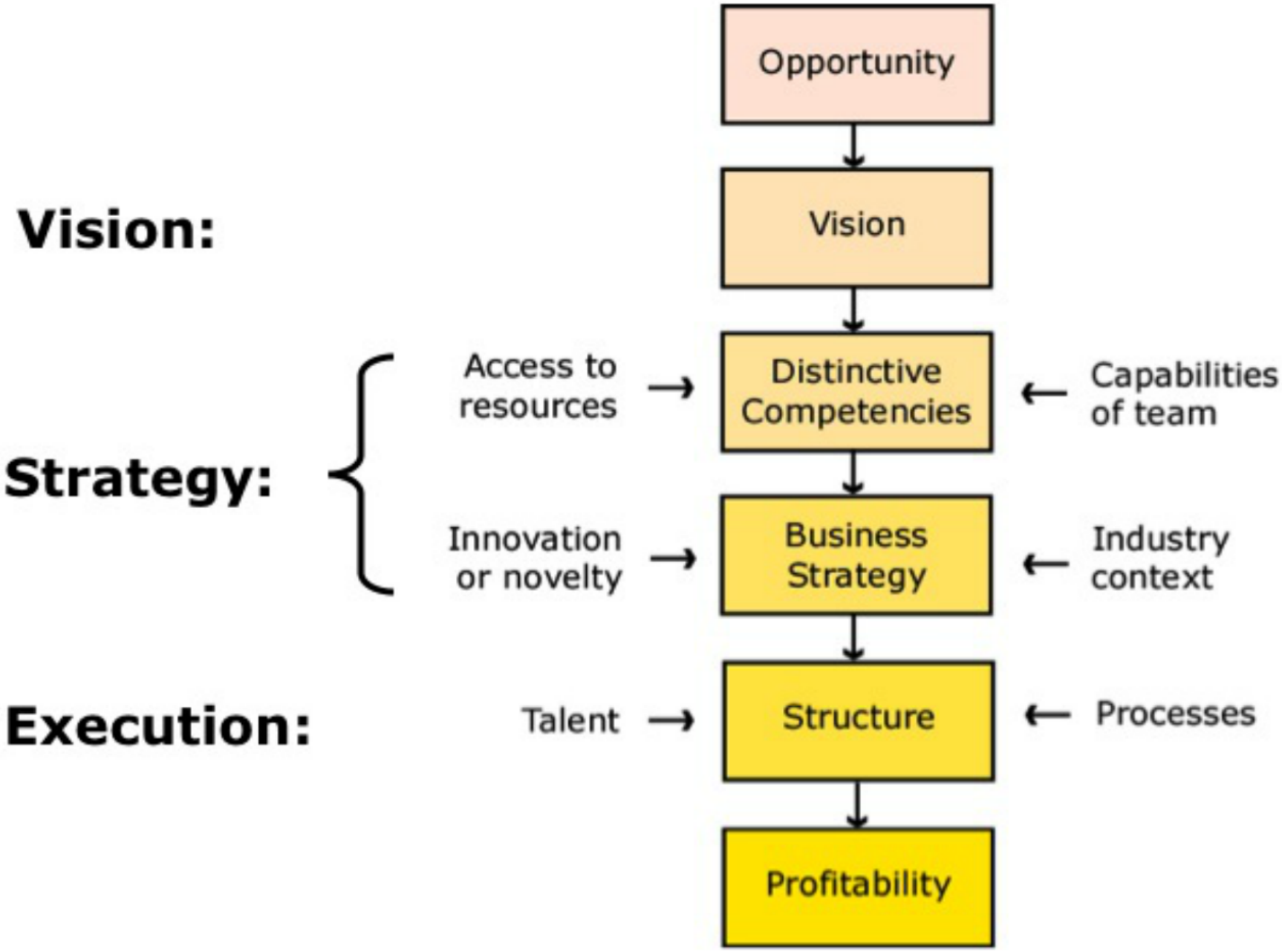
What do the founders wish to achieve with the business?
What is our shared vision and goals?
What is our story and what business are we in?

Examples …what business are they really in:
Yahoo … Internet Directory?
Google … Search?

Key Framework #2: Byers, Dorf & Nelson






Opportunity
Vision:
Vision
Access to resources
Distinctive Competencies
Capabilities of team
Strategy:
Innovation or novelty
Business Strategy
Industry context
Execution:
Talent
Structure
Processes
Profitability

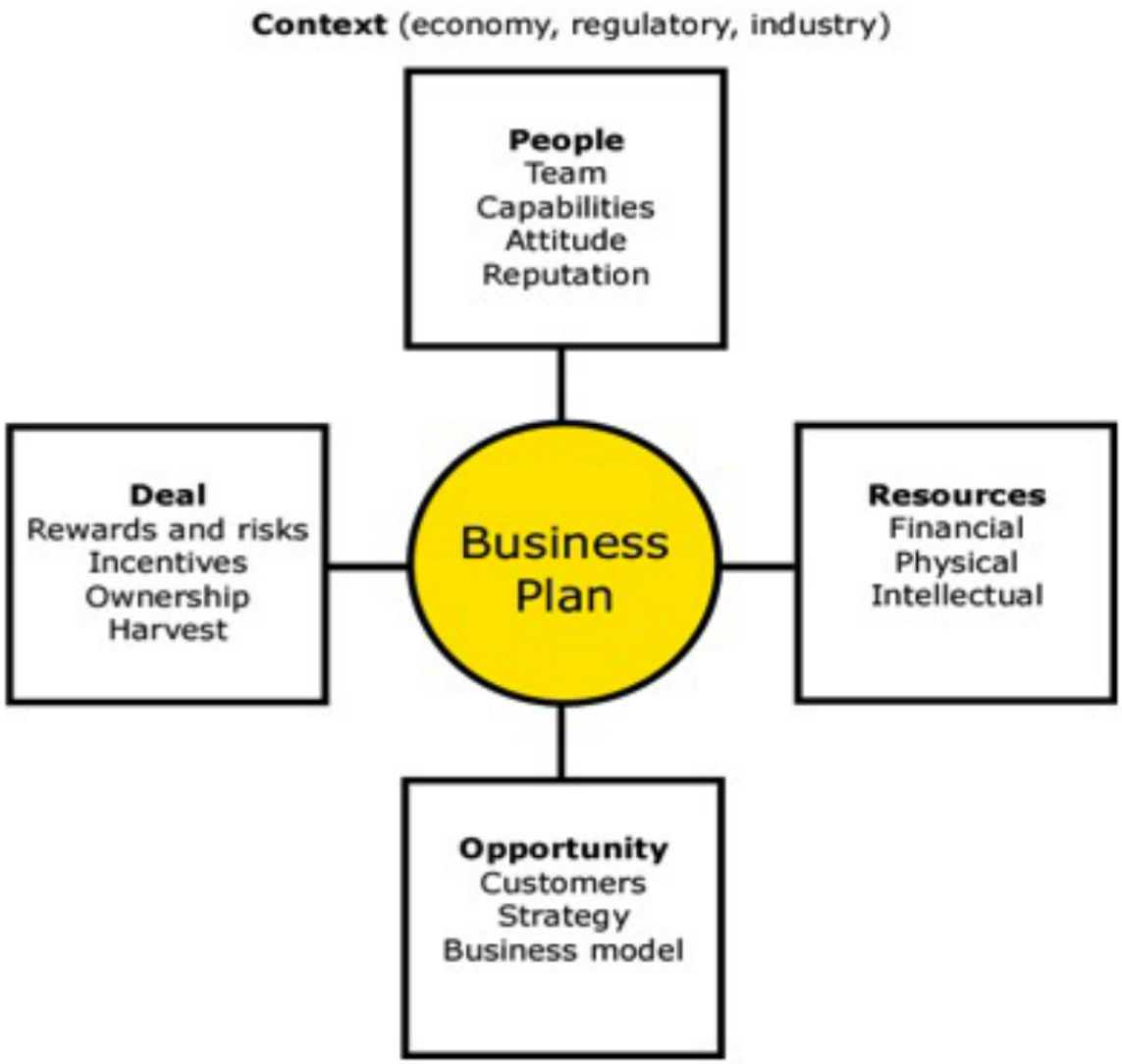
Fundamental Questions: Strategy

Do we have the right strategy?
Who is going to buy?
What are we selling?
Why are we better?

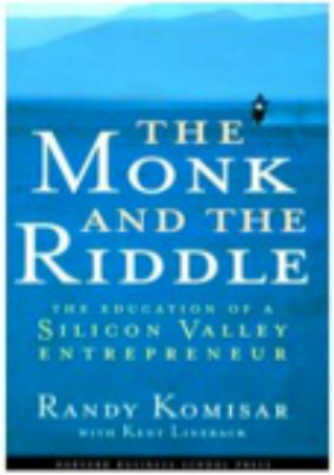
Fundamental Questions: Execution

Can we do it?
What resources are needed?
What is the blueprint for growth?
Can we adapt?

Key Framework #3: Sahlman's Concept of Fit

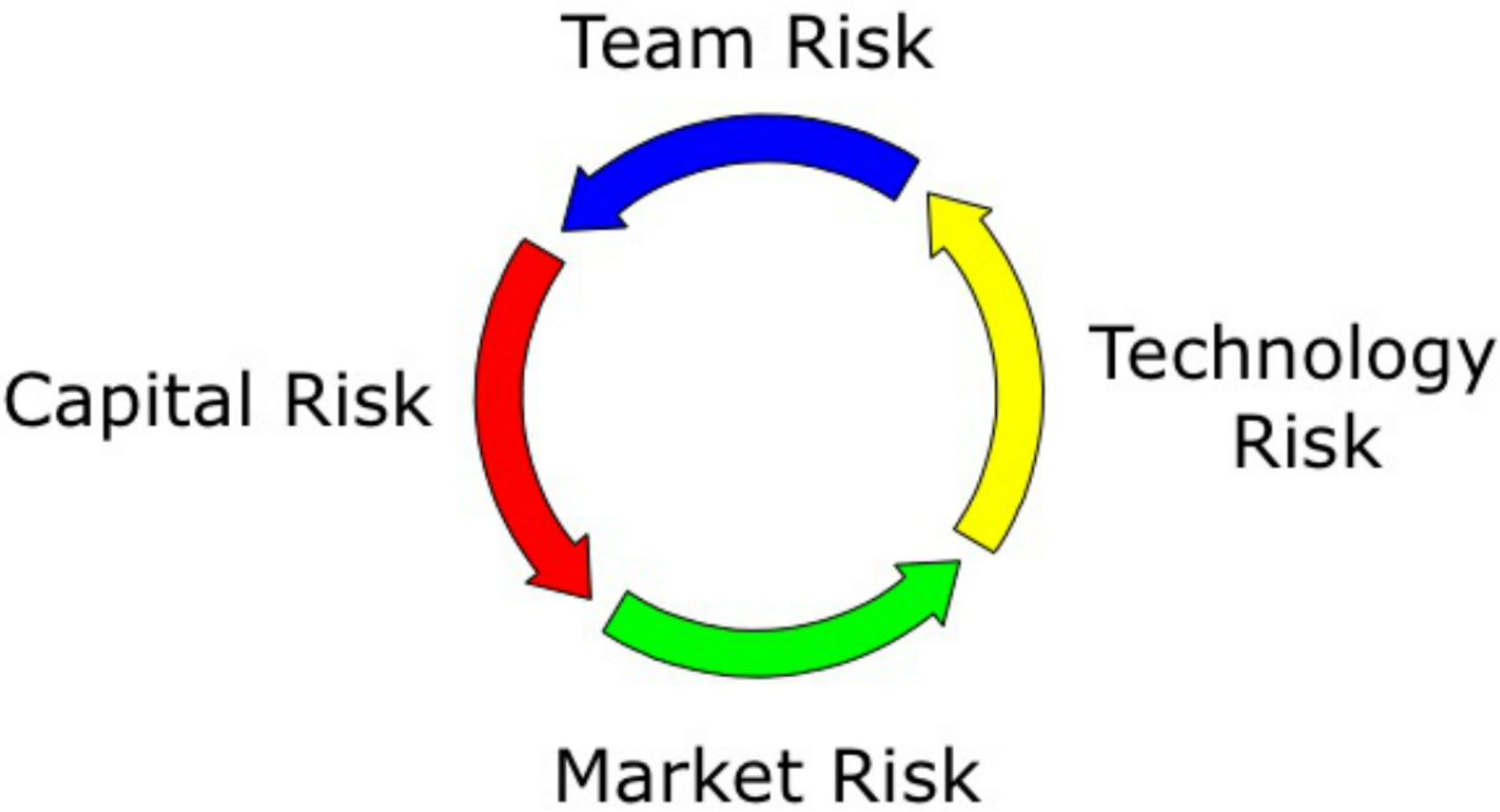


Framework #4: Komisar's "3 Questions Every Venture Capitalist Wants to Know"

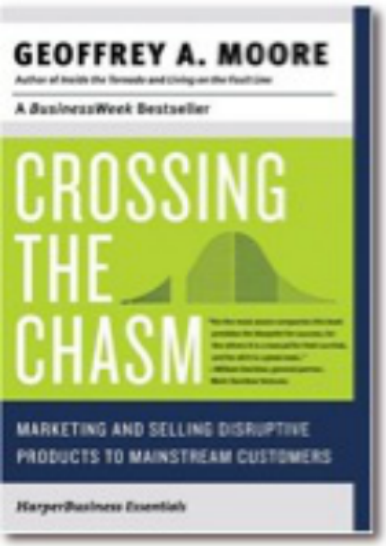


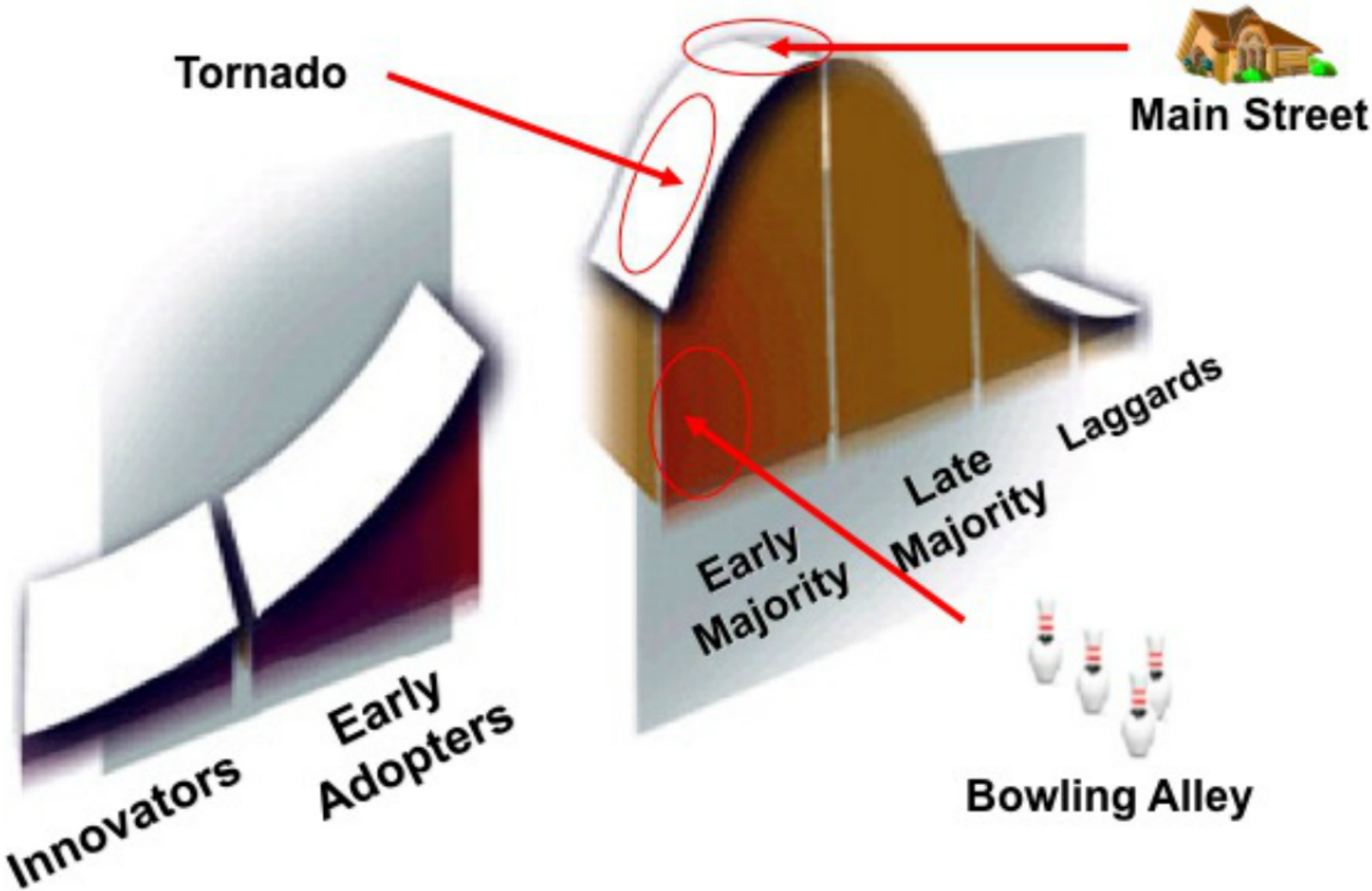
1. Big Market?
2. Winning Strategy?
3. Excellent Team?

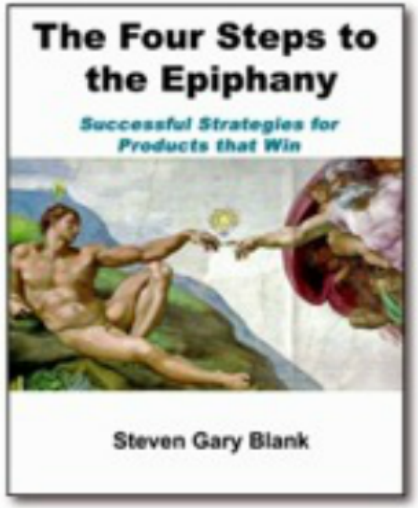
Framework #5: Risk Reduction



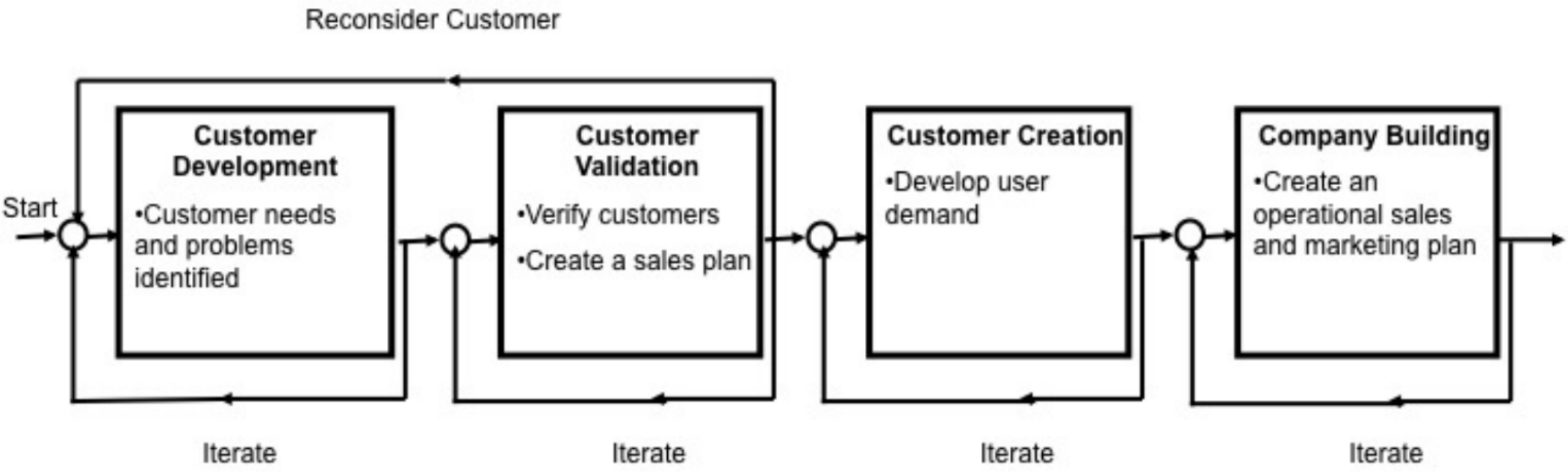
Framework #6:
Moore's "Crossing The Chasm" Model and Positioning Statement Template







#7 Blank's Customer Development Process



"Get out of the building" and talk directly with customers, users, and partners.

Framework #8: Kaplan's Startup Race

(1) Founding:

An entrepreneur begins with a vision and shares of stock in the new venture.

Entrepreneur trades stock for ideas, money, and people

Value has been successfully created.

(2) Seed Stage:

- Venture capitalists provide money in return for stock
- Employees join via friends & associates in return for cash salary and stock options
- Ideas become intellectual property which represents the initial value in the company

A race against time to create value and reduce risk

(4) Exit Stage:

- IPO or M&A
- Entrepreneur, investors, and employees can cash in stock for money
- A viable company has been created or expanded
- Each entrepreneur continues to build the company, retires, or starts the game again

Further growth is delayed until milestones are reached and risk of failure is reduced

(3) Growth Stage:

More money, ideas, and people are obtained, but for much less stock than in the earlier stage due to lower risk

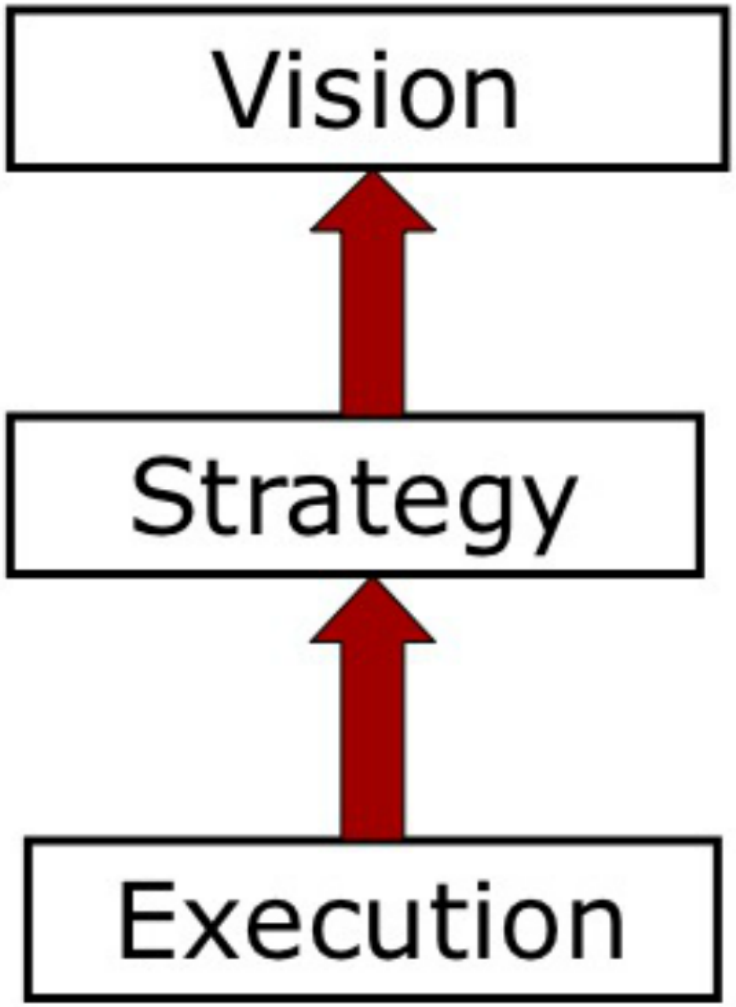
Company balances earning cash, taking investment, and spending cash to create value

Reference: Start-Up by Jerry Kaplan

Key Framework #9: Effectuation

What resources do I have now?

What can I do with them?



Engineering 145
Technology Entrepreneurship

Session #1-3: Frameworks for Entrepreneurship

Professor Chuck Eesley
Stanford University