Project 35 Company

A new startup company undertaken by an [entrepreneur](https://en.wikipedia.org/wiki/Entrepreneurship) to seek, [develop, and validate](https://en.wikipedia.org/wiki/Lean_startup) a scalable [economic model](https://en.wikipedia.org/wiki/Economic_model).

The company has 4 co-founders: Moshe Shmulevich, Max Shapira, Tanya Zelenko, Amei Michaelov.

Our principles:

**Lean startup**

[Lean startup](https://en.wikipedia.org/wiki/Lean_startup) is a clear set of principles to create and design startups under limited resources and tremendous uncertainty to build their ventures more flexibly and at a lower cost. It is based on the idea that entrepreneurs can make their implicit assumptions about how their venture works explicit and empirically testing it. The empirical test is to de/validate these assumptions and to get an engaged understanding of the business model of the new ventures, and in doing so, the new ventures are created iteratively in a build–measure–learn loop. Hence, lean startup is a set of principles for entrepreneurial learning and business model design. More precisely, it is a set of design principles aimed for iteratively experiential learning under uncertainty in an engaged empirical manner. Typically, lean startup focuses on a few lean principles:

* find a problem worth solving, then define a solution
* engage early adopters for market validation
* continually test with smaller, faster iterations
* build a function, measure customer response, and verify/refute the idea
* evidence-based decisions on when to "pivot" by changing your plan's course
* maximize the efforts for speed, learning, and focus

### Market validation

A key principle of startup is to validate the market need before providing a customer-centric product or service to avoid business ideas with weak demand. Market validation can be done in a number of ways, including surveys, cold calling, email responses, word of mouth or through sample research.

### Design thinking

[Design thinking](https://en.wikipedia.org/wiki/Design_thinking) is used to understand the customers' need in an engaged manner. Design thinking and customer development can be biased because they do not remove the risk of bias because the same biases will manifest themselves in the sources of information, the type of information sought, and the interpretation of that information.Encouraging people to “consider the opposite” of whatever decision they are about to make tends to reduce biases such as overconfidence, the hindsight bias, and anchoring (Larrick, 2004; Mussweiler, Strack, & Pfeiffer, 2000).

### Decision-making under uncertainty

In startups, many decisions are made under uncertainty, and hence a key principle for startups is to be agile and flexible. Founders can embed options to design startups in flexible manners, so that the startups can change easily in future.

Uncertainty can vary within-person (I feel more uncertain this year than last year) and between-person (he feels more uncertain than she does). A study found that when entrepreneurs feel more uncertain, they identify more opportunities (within-person difference), but entrepreneurs who perceive more uncertainties than others do not identify more opportunities than others do (no between-person difference).

**Partnering**

Startups may form partnerships with other firms to enable their business model to operate. To become attractive to other businesses, startups need to align their internal features, such as management style and products with the market situation. In their 2013 study, Kask and Linton develop two ideal profiles, or also known as configurations or archetypes, for startups that are commercializing inventions. The *inheritor* profile calls for a management style that is not too entrepreneurial (more conservative) and the startup should have an incremental invention (building on a previous standard). This profile is set out to be more successful (in finding a business partner) in a market that has a dominant design (a clear standard is applied in this market). In contrast to this profile is the *originator* which has a management style that is highly entrepreneurial and in which a radical invention or a [disruptive innovation](https://en.wikipedia.org/wiki/Disruptive_innovation) (totally new standard) is being developed. This profile is set out to be more successful (in finding a business partner) in a market that does not have a dominant design (established standard). New startups should align themselves to one of the profiles when commercializing an invention to be able to find and be attractive to a business partner. By finding a business partner, a startup has greater chances of becoming successful.

Startups usually need many different partners to realize their business idea. The commercialization process is often a bumpy road with iterations and new insights during the process. Hasche and Linton (2018) argue that startups can learn from their relationships with other firms, and even if the relationship ends, the startup will have gained valuable knowledge about how it should move on going forward. When a relationship is failing for a startup it needs to make changes. Three types of changes can be identified according to Hasche and Linton (2018):

* Change of business concept for the start up
* Change of collaboration constellation (change several relationships)
* Change of characteristic of business relationship (with the partner, e.g. from a transactional relationship to more of a collaborative type of relationship)