

Disciplined Entrepreneurship Workbook

Beyond the 24 Steps – What is Missing in the 24 Steps?

I always talk about the need for focus and to be clear about what you are “deselecting” when you choose what to focus on. Similarly, in order for the 24 Steps to excel at guiding you through new product development, there were so many things relevant to startups in general that I had to leave out. In *Disciplined Entrepreneurship*, I ended with a reminder about the many areas essential to a startup that the 24 Steps do not cover, such as building a company culture, selecting a founding team, growing and building the team (HR processes), selling and sales execution, servicing the customer and building customer service processes, raising money to scale the business, entrepreneurial leadership and scaling the business, building and utilizing good company governance, and much more.

In this workbook, I want to elaborate a bit more on three key areas of focus so that you have guidance to keep your entrepreneurship education going and refreshed:

Team & Culture

As mentioned earlier, your team will be your most important factor to determine success. That does not mean that you should not put enormous focus on your customer and product plan (you should) as that is the best way I have found to determine whether you have a strong and aligned team. Always be aware that you must have a **great** team; “good enough” never is if you want a great company.

The customer and product plan is essential, but conditions will change and you must have a team that will adjust. As you think of different versions of your product, it is also important to think of different versions of your team, each time getting stronger. This may involve upgrading skills, adding people to the team, moving people off the team, redesigning the organization to work better, or changing responsibilities and reporting structures. You must do what is best for all the stakeholders, which includes not only the employees but also the customers and, later, investors. If someone on the team is not a good fit, you are doing no one (including that employee) a favor by failing to acknowledge the lack of fit. It does not mean that the employee did not play a vital role at some point, or is a bad person, but rather they are not in a job that allows them to shine. You need to have a very coherent and skilled team to succeed in the tough world of entrepreneurship. Keep upgrading your team and have a mindset and general plan to do so but always consider values in this decision process.

I wrote a piece on this topic for TechCrunch call “Culture Eats Strategy for Breakfast”¹ which talks about the incredible power of a strong corporate culture and the danger of ignoring this difficult topic. It also gives you some examples and references as to how to develop your own unique but appropriate culture.

With regard to a more prescriptive approach to the HR challenge of building and continually upgrading your team, I would recommend the definitive book on the topic by Noam Wasserman called *Founder’s Dilemmas* and his website www.noamwasserman.com which has assessment tools and lots of other useful materials.

Financials

In this book, you did product unit economics and you were encouraged to make a first draft marketing and sales budget, but that alone is insufficient to fully understand the viability of a business and to track progress. This analysis only briefly mentioned the investments you will need to make in research and development as well as general and administration expenses; much more needs to be done.

Sometime people say you should not worry about the financials because all financials are going to be wrong. Yes, they will be wrong, but without a simple, dynamic model to gauge the rough magnitude of the financials, you will be flying blind in a turbulent area when you don’t need to. At the outset of *Disciplined Entrepreneurship*, I state that the single

¹ See <https://techcrunch.com/2014/04/12/culture-eats-strategy-for-breakfast/>

necessary and sufficient condition for a business is a paying customer. That is not an accident. Money needs to come into your organization for it to be a business, and for it to be a sustainable business, you have to have more money come in than go out. Cash is the oxygen for your business; without it, you die.

So even if you know you can't get the numbers in your financial projections precisely right, it is so important that you need to build a general financial model to guide you in this critical area. Don't let this impossible-to-solve problem drag you down; instead, do enough so that you understand the underlying dynamics so that yours can be an economically sustainable business. You don't need an MBA but you do need to be financially literate.

There are many books and financial specialists who can guide you through how to make a simple model. There is no one-size-fits-all model here that magically solves the problem, as each startup has its unique story with different cost dynamics. It is not that hard, but you have to be organized and be comfortable with numbers – or someone on your team needs to be. If you and your team are not, I warn you that business requires this skill, so you should consider putting on your team someone (at least part time) who has an interest in and can ultimately do the financial analysis to guide you before you jump into the entrepreneurship world.

Other Functions

You will need to set up functional groups/teams for other things that need to be done to support the product getting to your customer in the most efficient and effective manner. This includes but is not limited to human resources (as per #1 above), finance (as per the above paragraph), customer service, marketing communications, public relations, engineering, research, legal, regulatory, manufacturing, fundraising (different than financial and often overemphasized for startups – most often the best thing you can do to raise money is to have a great business), and other general services.

Setting these up these functional teams within an organization is non-trivial and non-obvious. I personally got invaluable training at IBM in my early years on how to do this and the importance of organizational design. It is not something people are just born with and, in fact, it is often counter intuitive.

I suggest you seek out experienced people in designing scalable organizations and listen carefully. Sometimes success in the product area makes you believe that you can easily solve this problem and that is not true. First, it requires a different skill set. Second, it is very hard to get right the first time. It is complicated because it involves humans and their motivations, so get assistance as you do this.

Conclusion

Each one of these items, as well as each part of the 24 Steps, has a rich amount of experience and research behind them. Use this book as the beginning of your entrepreneurship education, not the end. The more you know about entrepreneurship, the more you will not only control your own destiny going forward, but you will thrive in the increasingly changing and unpredictable future. Hopefully this book has given you the insight, the confidence, and the hunger to want to become a better and better entrepreneur. The entrepreneurial journey never ends, and neither should your entrepreneurial education journey.

Worksheet

What other activities are you going to do to continue to build your entrepreneurial skills and network?

- Join legaltech and AI incubators such as **ReInvent Law** or **Google for Startups**
- Regularly attend webinars and masterclasses hosted by **Startup School (Y Combinator)**
- Build and engage a founder peer group or mastermind circle

- Subscribe to leading AI/Startup newsletters like **Azeem Azhar's Exponential View**
- Continuously upskill in fundraising, SaaS growth, and product management via **LinkedIn Learning**, **Coursera** or **TechCrunch Early Stage events**