(1) Appealing Idea

Customer Pattern

Motivation: Without an idea there is no business. Business ideas are based on problems or needs. Existing businesses execute business models, startups look for them.

What to do: Choose a problem or need you wish to address. Plan a potential solution to tackle it.

If you do not already have an idea, start thinking about problems you personally face, or a need that you have that no current product can address. For additional inspiration, you may wish to look at new, emerging technologies, demographic or societal shifts, or simply watch other people online or offline.

Common mistakes: Falling in love with your idea and becoming unwilling to change it later on. Being afraid to share your own ideas.

Sources: [1] Alvarez, S. A., and Barney, J. B. (2007). Discovery and creation: alternative theories of entrepreneurial action. Strategic Entrepreneurship Journal, 1(1-2), 11-26.
[2] Blank, S. (2013). Four Steps to Epiphany. K&S Ranch.
[3] Ries, E. (2011). The Lean Startup - How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses. Crown Publishing.

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(2) Great Pitch

Customer Pattern

Motivation: Pitching means presenting your idea and your business in a concise manner. I.e., selling your idea.

What to do: Prepare a pitch for your startup and keep it up to date as you progress. Practice until you know it word-to-word. A pitch is usually 1 to 10 minutes. The focus of the pitch depends on your progress and your audience. Pitches typically include at least:

(1) Problem: what problem are you solving?
(2) Solution: how are you solving the problem?
(3) Customer/User: who is your target audience?
(4) Business: how do/will you make money? Numbers!
(5) Market: how big is it? Is there competition?
(6) Team: who are you?

Use evidence to back your claims up. Convince your audience you are not just selling them your hallucination.

Common mistakes: Unclear explanations. Failing to explain core aspects of your startup, e.g. business model. Not practicing your pitch beforehand.
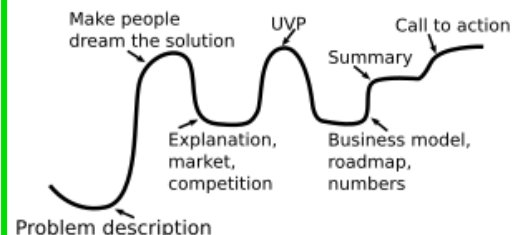
Sources: [1] Colin Clark (2008) The impact of entrepreneurs' oral 'pitch' presentation skills on business angels' initial screening investment decisions, Venture Capital, 10(3), pp. 257-279.
[2] Moss, J. (2018). How to Make A Winning Pitch Deck for Your Startup. Retrieved from <https://www.forbes.com/sites/forbesnycouncil/2018/08/28/how-to-make-a-winning-pitch-deck-for-your-startup/>

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(3) Validating the Appealing Idea

Customer Pattern

Motivation: Before building a solution, it is crucial to ensure that the problem or need your startup is trying to address with it is real. Without a market there is no business.

What to do: Validate the existence of the problem by collecting data. Based on the data you gather, change or improve your idea as needed.

The most straight-forward way to do validate your idea is to ask people directly (e.g., interviews, surveys). When pitching your startup idea very early on, you can also simply ask if anyone in the audience has faced the problem you plan on tackling. Additionally, you may use other, less direct ways of validation such as searching the Internet for data supporting the existence of the problem.

Common mistakes: Not validating whether people would actually pay to have the problem solved. Asking biased or leading questions while validating the idea. Insufficient validation.

Sources: [1] Blank, S. (2013). Four Steps to Epiphany. K&S Ranch.
[2] Maurya, A. (2012). Running Lean: Iterate from Plan A to a Plan That Works. O'Reilly Media Inc.
[3] Ries, E. (2011). The Lean Startup - How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses. Crown Publishing.

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(4) Get the Right Team Together

Endeavor Pattern

Motivation: Many investors consider the team to be the most important part of any startup. An idea is only worth something once a team successfully executes it.

What to do: Understand the capabilities of your startup team. Divide responsibilities in your team based on the strengths of the members. Be committed.

If your team lacks key capabilities such as programming skills, leverage your personal networks in an attempt to find the missing pieces. Depending on the audience, you can also mention it in your pitches if you are looking for new team members for your startup. Alternatively, you may simply have to learn to do new things yourself.

Common mistakes: Failing to divide responsibilities in the team according to the strengths of each individual. Failing to adapt to your team's needs; if new skills are needed, you may have to learn them. Not being committed to your startup.

Sources: [1] Kemell, K. -K. et al. (2020). Business Model Canvas Should Pay More Attention to the Software Startup Team. In proceedings of the 46th Euromicro Conference on Software Engineering and Advanced Applications (SEAA), Portoroz, Slovenia, 2020, pp. 342-345.
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