30

Calculate Costs for MVP Development

Focus on what is essential to include in your MVP to keep its development costs manageable

How much does it cost to develop an MVP?

For example, the average cost of a mobile app MVP may vary from $5,000 to $50,000. However, pricing completely depends on the complexity of the idea and other factors

- Is it a web-only, app-only, or a solution for both?
- The number of operating systems your solution should run on: Google Android, Apple, Microsoft?
- Do you need upload and download functions?
- Does your product require APIs? Purchase functions?
- What are your product's design features?

Be aware of MVP post-launch costs! After development happens, you need to promote, market, and maintain it to get the desired results.

Tools

BuildMyMvp · Framer · uizard · balsamiq · axure

MoSCoW Prioritization

Must Have
- Non-negotiables
- Belongs to MVP
- Can't deliver on target date without it
- Not legal without it
- Not safe without it
- Not viable without it

Should Have
- Important but not vital
- May be painful to leave out but the solution is still viable
- May need some kind of workaround

Could Have
- Desirable but not as important as should have
- Only do if there is extra time

Won't Have
- Out of budget
- Nice to have but has no real value

60% of total effort

80% of total effort

Contingency

Choose 1 out of 3 options to develop MVP

- In-House Development
- Outsource Development Firm
- Hand it over to a freelancer

When considering which features to include, repurpose the Eisenhower Matrix for building your MVP

MVP Matrix

	urgent	not urgent
important	1 Do — *Include in MVP*	2 Plan — *Develop for Beta Launch*
not important	3 Delegate — *Consider third-party integrations*	4 Eliminate — *Remove from product roadmap*

Cockpit

LAUNCH
- Function: Finance & Legal
- Start Week: 8
- End Week: 8
- Sub-Stage: Develop MVP

The two core principles my venture advisory relies on are to do things fast and to do them lean.

Setting up a lean project management office, especially from the early stages, will allow you to facilitate a smooth and successful launch.

Moreover, it will allow you to achieve this launch on the fastest timeline possible, and with the minimum resources necessary.

At its core, lean PMO is an institutionalized form of project management that adheres to what hedge fund guru Ray Dalio would call “radical transparency”.

The key to a great lean PMO is in its name - Keeping it as lean and as simple as possible!

It is cyclical in nature and can be broken down into 4 key components: Task list, Dashboard, Meeting, and Status. We’ll take a look at each one slightly deeper. It starts with your task list.

Essentially this should be generated from the steps you gathered and streamlined in Tasks 6 & 7, but reduced to the scope of go-to-market.

Your task list should stay consistent with the theme of simplicity and meet the basic criteria of outlining what needs to be done, when it needs to be done, and who needs to do it.

The ultimate goal here is to foster a process for accountability. Your dashboard is where you should be able to find the story in numbers. Break it down by function so that you can see how many tasks have been completed per function and how many are left to do.

This will allow you to see who’s falling behind - and trust me, somebody will fall behind - so you can immediately shift your attention to where it's needed.

Your dashboard should tell you the numbers and the different meetings you’ll have will tell you the story behind those numbers.

Set up reasonable timelines to touch base with the different functions. I would suggest weekly meetings, or perhaps even bi-weekly if the other 4 steps of your cycle are solid. Regardless, each meeting should have a clear, predetermined agenda on what needs to be covered.

Likely, there will be ad-hoc occasions that you’ll have to accommodate for in a theoretical sense. Be sure to be flexible in this regard, as well as frugal.

The underlying principle behind your meetings should be productivity and insights. Follow Elon Musk’s strict mantra of ending a meeting the moment value is no longer being produced from it.

And finally, the cherry on top - Status emails. A streamlined form of recapping where progress was made, and where it wasn’t.

As you set up your lean PMO, here is a good overview to remind you what exactly you’re doing it for. When done right, you’ll consolidate everything you need to know in regards to project tracking into one place. By doing so, you’ll have fostered accountability across the entirety of your venture.

And most importantly, you’ll have fostered a decisive roadmap to a quick and successful launch.

Having many investors to choose from is a good problem to have! Task 41 centers on how to go about solving that problem. Essentially, there's two sorts of criteria you should be looking at.
The first is the hard criteria. These are the stone cold numbers that you should be taking into consideration. Of course, the basic benchmark is securing your minimum amount of funding necessary.

But alongside that, you should look at factors such as how much equity you would be giving up relative to this.

Or the amount of control in the boardroom that you would give up as well.

And finally, take into consideration what the investment implies in terms of contingencies. In the case of an exit or failure for example, what would happen?
On the other side of things we have soft criteria. In other words, your tailored criteria that you generated back in Task 38. The two pillars should form the basis of your due diligence so that you understand the full dimensions of each potential engagement.

This will be a task that will be largely dependent on how your previously executed tasks went.

The lookout, dynamics and outputs will be a widely unique mix. However, the point remains the same - that you, as a founder, must keep a level playing field when securing investment.

The investor should not have the upper hand here and your own due diligence is the key to ensuring that.

Task 50 is another step forward in your bureaucratic checklist - But it'sits an important one. It's where you draw out the neat line that your customer will sign as you close the deal.

On the front end it's where you turn a lead into one of your beloved customers. On the back end, it's a river leading into your data ocean.

The intricacies of this, as with most bureaucratic processes, will be highly localized. What's important are the considerations that will allow you to understand which method is the best for you, and your customer.
Decide on a mix of payment methods in the target market. This decision should take the habits of your target customer and conventions of your industry into account, as well as local conditions. Foster a mix that takes both the front end and back end needs into account.

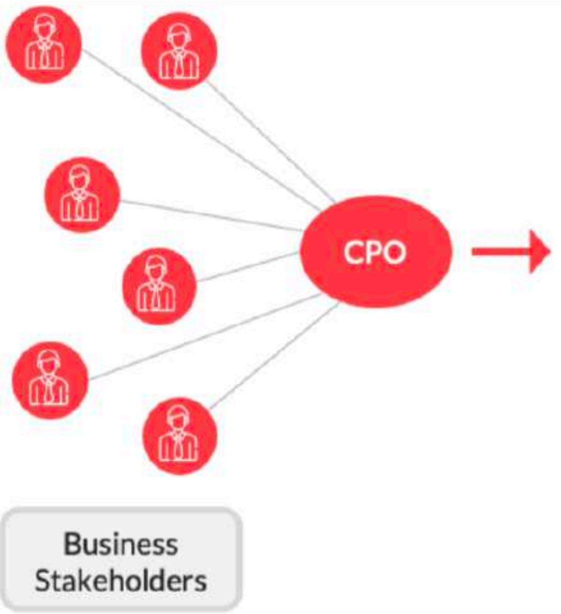
One example could be using Stripe on the back end due to legal compatibilities, Paykickstart at the front due to a user friendly interface, and Paypal on the side due to the international nature of your market.
Once the decision is made, the implementation can run through a simple cycle of legal check, technical check, and test transactions to ensure all is in line. On the right, with time abiding, you'll find some best practices to optimize the experience of your customer. This task is just another step of due diligence in making sure your launch will be free of any hiccups.

26

Specify MVP

Specify MVP using customer-centric view and must-have only logic

CPO* gathers requirements from business stakeholders



CPO -- Chief Product Officer
PM -- Product Manager

CPO translates requirements into technical specifications

Specifications for MVP

- **Definition:** Describe the final product (incl. all of its features) in granular detail
- **CPO:** Develops roadmap to guide the development process, allocating resources and scheduling work using tickets (e.g., in Jira)

The specifications have to:

- ☑ be developed with a customer-centric approach
- ☑ meet the expectations of the business stakeholders
- ☑ be technically feasible
- ☑ be built on the "must-have" logic of the MVP

Product Development Cycle

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 7
- End Week: 9
- Sub-Stage: Develop MVP

Determine Tool Stack

Determine a standardized Tool Stack that will be consistent across your startup

Sales & Marketing	Google AdWords	salesforce	facebook Ads	MailChimp	klenty
Product & Tech	Jira Software	aws	New Relic.	invision	LINX
Payment	stripe	adyen	PayPal	Square	wepay
Customer Care	zendesk	sipgate	freshdesk	LiveChat	Outseta
Business Intelligence	tableau	mongoDB.	Google BigQuery	QlikView	GoodData
Productivity	G Suite	asana	zapier	zoom	PROJECT MANAGER

The Venture Management or other internal experts define a tool stack for the venture and its departments

For all departments, the tool stack enables quick setup, a reliable workflow, enhanced negotiating power in procurement, and a consistent tech landscape.

Thus, key advantages are

Lower costs

Easier maintenance

Transferable best-practices

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 7
- End Week: 9
- Sub-Stage: Develop MVP

28

Setup Lean PMO

Setup lean PMO infrastructure for launch and scale phases (checklist, dashboard, status email) to collaborate to meet launch & scale timeline

Dashboard

- Spreadsheet **condensing information** from task list
- Provides a **quantitative overview** for PMO
- Example:

Functions	Tasks Done	Completion
Cross Functional	10/20	50 %
Business	18/20	90 %
Operations	6/20	30 %
Sales & Marketing	2/20	10 %
Tech & Product	14/20	70 %
Total	**50/100**	**50 %**

PMO

1. Task list

Task list updated weekly

2. Dashboard

Dashboard summarizes progress of tasklist (i.e., quantitative report)

3. Meeting

Discussion of progress and bottlenecks, resulting in qualitative report

4. Status

Update per email

Lean PMO Objectives & Responsibilities

- Ensuring progress by launch the right projects, at the right time and to make sure they succeed:
- Facilitation of project execution by defining roles & responsibilities to ensure adherence to timeline
- Allocating resources
- Promoting agile values and practices
- Planning & forecasting of project finances
- Management of project portfolio
- Providing information to stakeholders

Tasklist

- **Streamlined tasks** (as explained in Task 7)
- Example:

Functions	Task	Responsible	Due	Progress
Business	Hiring Roadmap	Launchpad	Week 3	Implemented
Business	HR Dashboard	Venture MD	Week 7	In Progress

Status (Email)

- To: Founding Team/Founder
- Mail from: PMO
- Body: Status update on **progress of venture development**, including **timeframe to launch, 3 Lowlights & 3 Highlights,** and **roles & responsibilities**

Cockpit

LAUNCH

- Function: Cross-Functional
- Start Week: 7
- End Week: 7
- Sub-Stage: Develop MVP

29

Perform Legal Check of Business Model & Key Documents

Proof your understanding and get ready to answer legal questions related to your business model

Legal Check of Business Model

The legal check should examine if your venture is

- Qualified to do business in foreign jurisdictions?
- Compliant to all tax laws in the targeted countries?
- Meeting all employment laws and regulations?
- Protecting its intellectual property thoroughly?
- Documenting all management and financial processes?
- Using legal marketing, distribution, and sales techniques?
- Properly covered with suitable insurance for the business?
- Compliant with all specific product regulations in all countries?
- Meeting global standards e.g., in packaging and environmental law?

The aim of the legal check is

- To spot possible legal bottlenecks in the planned business practices and modify the business model at an early stage
- To obtain all proper permits and licenses and to avoid fines, penalties, and other restrictions
- To ensure that books and records comply with applicable laws
- To align business processes to tax, employment, environmental, privacy, and other relevant laws in order to avoid possible restrictions by federal law and government agencies

"Before you see an investor, see a **lawyer**"

Who? External law firm and key people from founding team

Key Documents

Furthermore, perform an **external legal audit** on all **key documents** of your venture:

- The **main documents** of your venture should undergo this external audit as well
- According to the results of the legal check of your business model, **modify your key documents**

Cockpit

LAUNCH

- Function: Finance & Legal
- Start Week: 7
- End Week: 8
- Sub-Stage: Develop MVP

30

Calculate Costs for MVP Development

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Tools

BuildMyMvp, Framer, uizard, balsamiq, axure

MoSCoW Prioritization

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60% of total effort (Must Have)

80% of total effort (Must Have + Should Have)

Contingency (Could Have)

When considering which features to include, repurpose the Eisenhower Matrix for building your MVP

MVP Matrix

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Choose 1 out of 3 options to develop MVP

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Cockpit

LAUNCH
- Function: Finance & Legal
- Start Week: 8
- End Week: 8
- Sub-Stage: Develop MVP

31

Develop MVP

Begin process of developing MVP specifications into first prototype

Development Process

Software

Technical Architect
- Based on specifications from Task 26 and costs calculated from task 30, write detailed **architectural plan** for further development

Database Engineer/BI
- Based on the software architecture and business requirements, design a suitable **database** for your website, software or application
- BI should be integrated in this process, as it is crucial for a successful monitoring of all business **KPIs**

Developers
- Write the code for all components to **develop the product**

Hardware

Review and improve all **designs, materials,** and **components** depending on the performance of the prototype

Accordingly, adjust your planning on **production and cost planning** with manufacturers or external suppliers. Recalculate all key figures of your final version and **develop the product**

Product Development Cycle

Specification	CPO / PM Task 26
Development	Developers / Engineers Task 31
Testing	Tester / Quality Assurance Task 65 & 69

Cockpit

LAUNCH
- Function: Product & Tech
- Start Week: 8
- End Week: 11
- Sub-Stage: Develop MVP

32

Define Your Brand

Create a brand that aligns with your value proposition and your customers' expectations

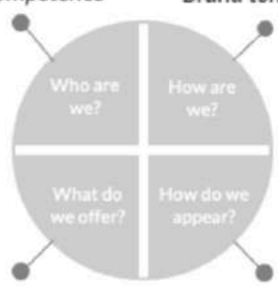
Branding Workshop

Check the availability of the domain for your brand name!

Why?	Why do you start your venture? Why is it interesting for others? (See Simon Sinek's book on this topic)
How?	How does your product/service work?
What?	What does your venture do?
Vision?	Where are you headed?
Values?	What do you stand for? Define your core values
Customer?	What are the characteristics of your target customer? Build a persona
Personality?	Think of human characteristics for your brand. You may also think of specific celebrities as brand ambassadors
Identity?	Define your venture's brand assets! • Verbal: Name, slogan, diction • Visual: Logo, guidelines, photography, colors, fonts • Interactive: UI Design • Sensory: Physical characteristics

Useful tools from neuromarketing

Brand Steering Wheel



Limbic Map®

Brilliant example of a legacy brand LEGO

Lego's brand values:

Imagination	Learning
Creativity	Caring
Fun	Quality

Cockpit

LAUNCH
- Function: Sales & Marketing
- Start Week: 8
- End Week: 8
- Sub-Stage: Develop MVP

33 Establish an Online Footprint

Make your venture and its value proposition visible online and on social media

1 Create a website, register a domain, and build an interface

Own programming

In-house or via freelancer/agency

Website building tools

JIMDO, WIX, IONOS, WordPress, SQUARESPACE

Keep in mind legal website requirements

Depending on your jurisdiction you may need to add:

- Terms & Conditions
- Imprint
- Data security policy

Legal Issues

- Liability and Disclaimer
- Privacy policy
- Foreign contents, foreign rights
- Price information
- General terms and conditions, cancellation policy
- Keywords, AdWords, Metatags
- Newsletter and advertising
- Embedding / Framing / Hyperlinks

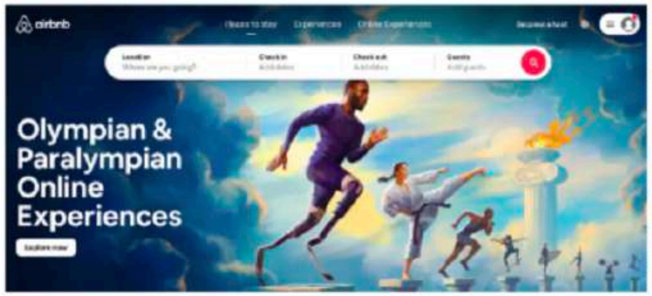
2 Choose which social media channels to be present on

Must-haves	Optional
Google My Business	facebook
Google Maps	Instagram
LinkedIn	YouTube
	twitter

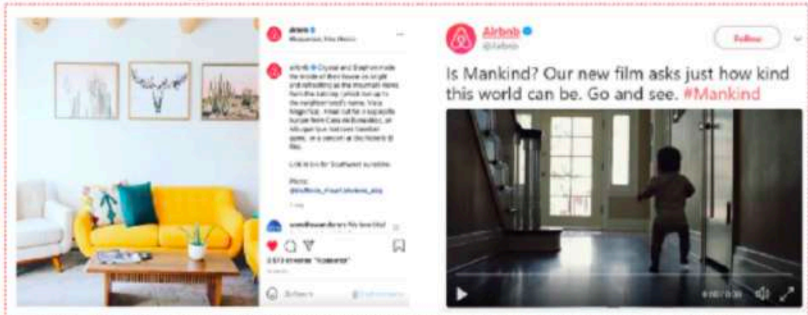
Keep in mind

- You don't need to be present on every channel, focus on the channels that serve your overall strategy
- Have someone manage the respective account
- Rather have no account at all than an empty account

Example of an easy-to-use website: airbnb.com airbnb



Airbnb's social media presence



Cockpit

LAUNCH

- Function: Sales & Marketing
- Start Week: 9
- End Week: 9
- Sub-Stage: Develop MVP

34

Create Design & Wireframes

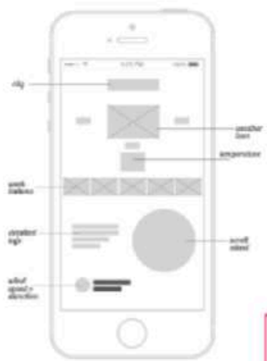
For software: Create wireframes
For hardware: Create product design drawing

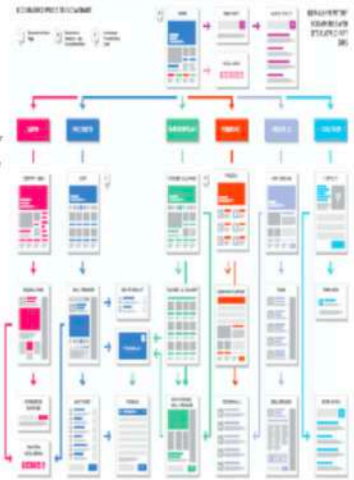
Software

Wireframes and user flow should be designed under **guidance of an UX designer**. The **customer journey** should be **well-prepared** to lay the foundation for conversion tracking and optimization when going live. You may use tools like balsamiq.

Stages of Website + **Wireframes** = **User Flowchart**

- Homepage
- Category Page
- Sub-Category Page
- Product-Detail Page
- Basket
- Checkout
- Payment
- Payment Confirmation



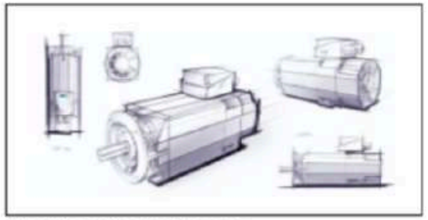


Hardware

For physical products, this task means a **detailed product design drawing** to work with. This step is for **visualization** and **feasibility evaluation.**

Product Design Drawing

Shoe by Adidas



Electric engine by Siemens

This task is based on the specifications for the MVP (see Task 26).

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 9
- End Week: 11
- Sub-Stage: Develop MVP

E-commerce flow chart by Keri-Lynn Mitoff; Design for shoe by Adidas; Industrial design for electric engine by Siemens.

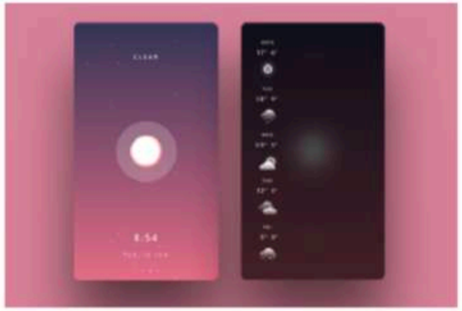
35 Finish Logo and Creatives

Finish logo and creatives using assistance from design and graphics experts

Brand Bible
Logo and creatives have to **reflect the brand** you've committed yourself to in the **brand bible**

Legal considerations
Your designers should **coordinate** their work with your **legal counsel**, as logo and creatives should be **unregistered** and **legally protectable** in all markets you want to enter

Creatives for Software and Hardware – Examples



Weather app design

Packaging design for lightbulbs

Logo Design – Examples

Best practices

- Consider choosing a **word-*and*-design mark** instead of a mere design mark. There are only a few companies in the world that are recognized by their design mark
- Make sure the style will fit all of your products in the **long term**, even when thinking of possible product adjustments after launch

Cockpit

LAUNCH
- Function: Sales & Marketing
- Start Week: 9
- End Week: 9
- Sub-Stage: Develop MVP

Sources: Marline App; CS Light Bulbs

36

Consider Various Funding Options

Make yourself familiar with the different funding options available and choose which way of financing fits to your venture

Bootstrapping

- Any company in its earliest stage
- Early stage (Pre-Seed, Seed)
- 4-5-digit dollar/euro amounts
- Founders' equity

Grants

- In the early stage with an innovative product or business model
- Pre-Seed, Seed
- 4-5-digit dollar/euro amounts
- Equity and debt-free capital

EXIST SILICON ALLEE

Incubator Programs

- Earliest stage, founders without business model or with a concept
- Pre-Seed
- Offer non-financial support (office space, mentoring) or lower 4-5-digit funding amounts
- Usually no or a low one-digit percentage of equity is taken

THE INCUBATOR GSAS HARVARD BIOTECH CLUB

Accelerator Programs

- Any company in the early stage with an innovative product or business model
- Pre-Seed, Seed
- Lower 5-digit amounts for a one-digit equity share
- Equity

Y Combinator techstars

Angel Fundraising

- Early-stage ventures
- Pre-Seed, Seed
- Mid-5-digit to lower 6-digit amounts
- Equity

Crowdfunding

- Early-stage ventures that want to bring a B2C-product to the market
- Pre-Seed, Seed
- From lower 5-digit to medium-5-digit amounts
- Debt, Equity, or purely donation-based

KICKSTARTER INDIEGOGO

Small Business Credit Card

- Any business except earliest stage without any revenues
- Any, except pre-launch
- 4-5-digit amounts, depending on company size and type
- Debt

AMERICAN EXPRESS BREX

Venture Capital

- Ventures with an innovative product/business model with first traction of high growth potential (in a multi-billion-dollar market)
- Seed/Growth stage (Series A or later)
- 6-7-digit amounts, later also 8- or even 9-digit amounts
- Equity

Small Business Loans

- More established small companies with a predictable and ideally already existing revenue stream
- Any stage with existing and/or very predictable revenue stream
- 30k-5m
- Debt

KFW

Start here

- *Suitable for:*
- *Stage:*
- *Typical funding amount:*
- *Type of financing:*

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
- End Week: 10
- Sub-Stage: Raise Seed Capital

37

Calculate Required Funding Amount and Valuation

Ask for enough – but not more – money to survive the next 18 months

Keep in mind

- The easiest way to value an early-stage venture is through comparisons. Even though, businesses are unique, and the accuracy is low, it can be a good benchmark to compare yourself to another venture in the same region and same industry
- Get additional input by working backwards from how much money you need
- Be aware of over-inflating your pre-seed/seed-stage valuation: hitting the required milestones could prove impossible if your valuation is too high

Choose an important milestone

Time till Milestone × Monthly burn in (in €) = Investment size

Key milestones	*Date*	*From now*
1. Product release	Nov-18	4 months
2. Launch in France	Nov-18	7 months
3. Launch in France	Nov-18	10 months
Investment size*		€250.000

*assuming the company is burning € 25.000

How much to raise

Refer to your financial model and calculate how much money you need for the 18 months

+

Add a buffer of 10-20% and 6 months of additional cash burn

↓

Your rough starting point for investor discussions

You need to focus

Don't raise for a much shorter time horizon, because fundraising takes several months to complete, and you need to focus on bringing the business forward

Don't raise for a much longer time horizon, because you may end up giving away too much equity for a low valuation

This should be a crucial milestone, after which you should either break through with the expected MRR or have enough traction to start another round of raising capital.

How much equity to give away

In a pre-seed or seed-round the general rule of thumb is that founders should sell between 10% and 20% of the equity in the company

Factors impacting your seed valuation

- Current stage
- The founding team
- Your entrepreneurial track record
- The availability of investors and founders
- Your location
- Market size and forecasted revenue

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
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38

Determine Non-financial Investor Requirements

Do not just look for money – try to get the investor that gives you the best non-financial support

The only thing investors have in common is that they invest financial capital in exchange for equity in your venture. However, they differ in several characteristics which impact the way they may support your venture or put it at risk

- Develop your venture (through employee recruitment, providing advice on competition, providing access to future financing sources)
- Provide your venture with enhanced reputation and legitimacy towards third parties

Strategic interests

Strategic investors may provide your venture with enormous benefits a classic would not provide. However, strategic support is a two-sided coin:

May find your technology complementary, so you can develop a great solution together	May access your technology for own purposes you would not benefit from, or which may even put your venture at risk

Long-term VS short-term interests

Does your investor give you enough time to develop your venture?

When does the investor need to return his/her money to his/her investors?	Do you see excessive focus on rapid commercialization rather than more long-term technical innovation?

Conflicts of interest

Check your investor's portfolio: does it have a competitor of yours in it?

Hint

Conduct reference checks, talk to founders of other venture the investor has invested in. Ask about the investment relationship and terms and conditions about the investment

Analyze your investor

- Where does he/she get his/her money from?
- How is the investor incentivized?
- Are the investor's incentives the same as yours or is there potential for conflicts of interest in the future?
- Do you feel a good personal fit (i.e., 'gut feeling') towards the investor?
- Does the investor share/add value to your vision of what the venture should become?

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
- End Week: 10
- Sub-Stage: Raise Seed Capital

39

Identify Relevant Investor Types

Based on Task #36, #37, and #38, decide who are the right investor types for your founding team, your venture, and your business model

Find your investors

Angel and VC Databases

Search for both private and public databases listing active VCs and angel investors who are searching for investment opportunities.

CrunchBase

LinkedIn Sales Navigator

LinkedIn Sales Navigator is an extremely powerful pool that you can use to your advantage to find both angel investors and venture capital funds looking to invest

Angel and VC Networks

We've shared a source on angel and VC networks as an additional source. You can easily leverage these networks to find leads that you can reach out to.

Extended Network

Try to find friends or colleagues who might know investors or people from a specific VC. Reach out to them and ask for a warm introduction.

Create a list of potential investors and choose based on

Eliminate:

The required funding options	Those funding options that do not fit to your business model
The required funding amount	All potential investors that do not invest at such a stage/valuation
The required non-financial support	All potential investors that cannot provide your required support mechanisms

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
- End Week: 11
- Sub-Stage: Raise Seed Capital

40

Prepare and Pitch to Potential Investors

Use your pitch deck to convince investors of your business model

Prepare the documents

- Pitch Deck
- One Pager
- Executive Summary
- Investor Deck
- Elevator Pitch
- Business Plan

What are investors looking for?

Amazing teams	Venture Scale
Building an Asset	Velocity

How to reach out

Instead of sending cold emails, try to become a "warm lead"

Pitching preparation

- Compile a list of objections and prepare convincing arguments to debunk the objections
- Prioritize your list of investors and start reaching out to those at the bottom (you're less interested in)
- Organize a meeting with your investor in person

How to handle the process

- Instead of immediately asking for money, ask for feedback first
- Appoint a single member team to handle everything regarding the fundraising process
- Work on the business and the product while raising funds
- Attack the process with an "abundance mindset"
- Don't spend too much time creating due diligence documents

Meeting etiquette

Do	Don't
Incorporate a product demo	Ask for an NDA
Skip the trivial and obvious	Create detailed financial projections
Prove your team is right to tackle the problem	Use random market size numbers without justification
Let the investor do a lot of talking	Seem indecisive or hesitating
Emotionally involve and ask for advice	Be slow to follow up or to close the deal
Make the experience as frictionless as possible	Walk away without without clear next steps defined

Market yourself online

AngelList, LinkedIn, crunchbase, F6S, LetsVenture, gust

Typical investment process

1st meeting → 2nd meeting → Business DD → Term sheet → Tax, Legal, Tech DD → Term sheet

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
- End Week: 13
- Sub-Stage: Raise Seed Capital

41

Evaluate Potentially Interested Investors

Evaluate interested investors based on hard and soft criteria and select the most attractive option for you and your venture

Hard Criteria

Equity dilution (Task 37)

- Financial capital amount invested by and % of equity transferred to the investor

Other investment terms

- Board voting rights, i.e., the degree of control you keep as a founder/founding team (Task 42)
- Availability of potential follow-on investments
- Terms in case of liquidation or founder exit events (Task 42)

Soft Criteria

Your non-financial requirements

- Non-financial support (access to follow-on financing, recruiting etc. or access to production, distribution, and customers in case of a corporate investor)

The investor's reputation

Preferred investor type (Task 39)

Personal fit and sufficient level of trust

The investor's non-financial interests

Use visualisation tools to see the whole picture

Make sure to consult both a specialized lawyer and a specialized financial advisor before signing off the terms sheet

2-sided Due Diligence

Accounting

Have structured and uniform accounting and reporting set up when your prospective investor is researching your company. Paint a realistic and optimistic picture of your status quo

Do your own due diligence

Has your investor helped other early stage start-ups in your industry? How successful are those start-ups now? Has the investor given continuous support to the company it invests in

Legal

Whether your team is handling the legal side of things themselves or you've outsourced it to a reliable partner, make sure to have all important documents at your disposal.

Cockpit

LAUNCH

- Function: Fundraising
- Start Week: 10
- End Week: 12
- Sub-Stage Raise Seed Capital

42

Secure (Pre-)Seed Investment

Finalize the investment with your preferred investor and pay attention to founder-friendly investment agreements

Letter of intent

Outlines the terms of a deal and serves as an "agreement to agree" between two parties

Term sheet

An agreement between the investor and startup laying out the basic conditions under which an investment will be made

What to look out for in a term sheet?

Vesting agreement & Cliff

A standard vesting schedule for equity awards (such as stock or stock options) is four years with a one-year so-called cliff. The cliff refers to the minimum period the employee needs to work to earn any of the shares

Liquidation preferences

The multiple determines the amount an investor must be paid back before the common shareholders start receiving any remaining proceeds. As a founder, try to avoid 2x or 3x liquidation preferences for your investor

Voting rights

As a founding team, make sure to have the majority of voting rights after the seed round, so that you keep control

Overly long due diligence periods

Promised non-financial resources written in contract

Hints

Unless you are very well familiar with the mechanics of startup investing, conduct a legal check by a lawyer to make sure the investment terms are founder friendly (e.g., with regards to liquidation preferences, voting rights)

Investment cycles can take several months. Plan your liquidity accordingly to make sure you don't run out of cash

Cockpit

LAUNCH

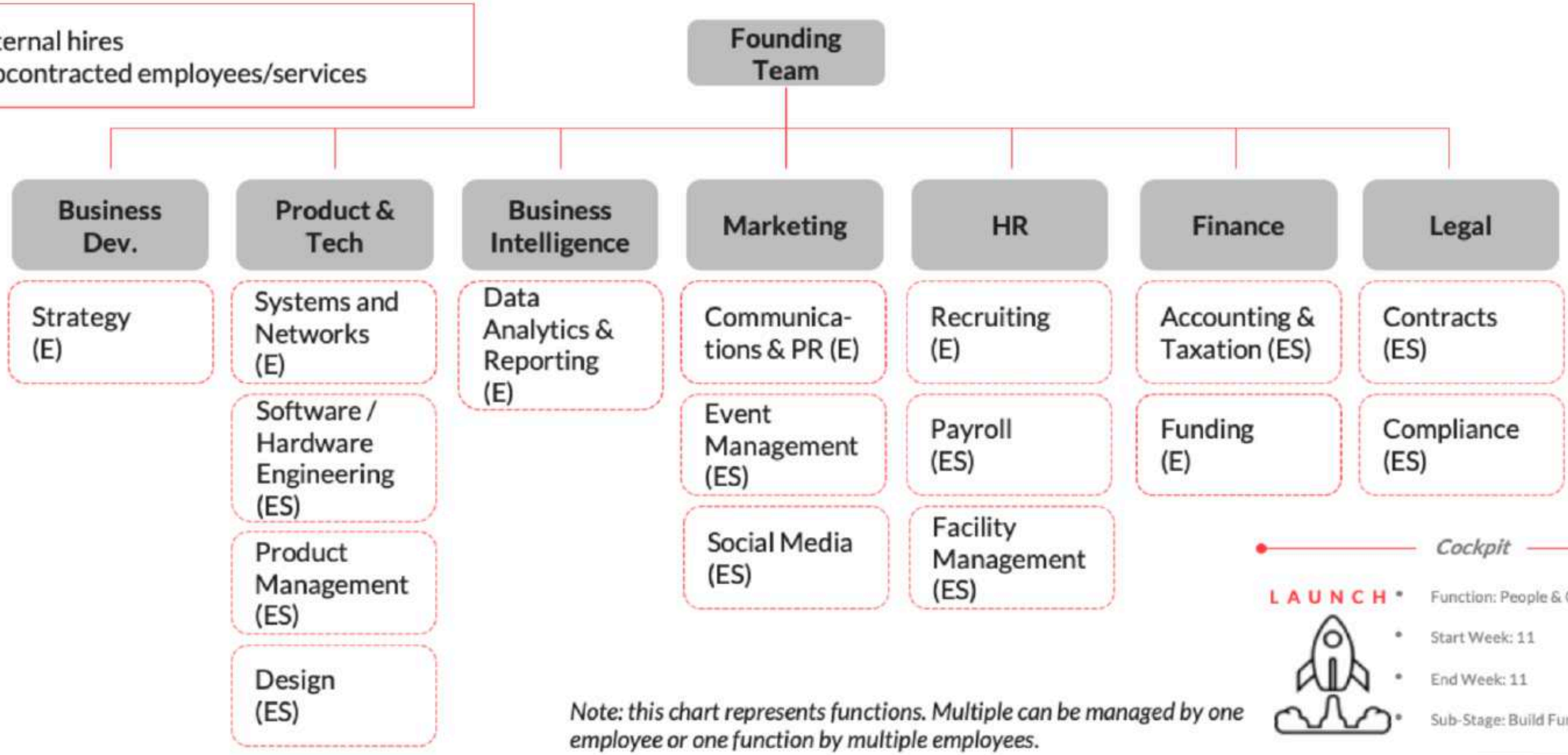
- Function: Fundraising
- Start Week: 11
- End Week: 16
- Sub-Stage: Raise Seed Capital

43

Define Target Organizational Chart

Design target org chart, decide on internal vs. external hires and who to sub-contract vs. payroll

E = External hires
S = Subcontracted employees/services



Note: this chart represents functions. Multiple can be managed by one employee or one function by multiple employees.

Cockpit

LAUNCH

- Function: People & Culture
- Start Week: 11
- End Week: 11
- Sub-Stage: Build Functions

44

Gather Requirements for Each Function

Gather requirements to launch for each department with founding team, department heads, and external specialists

Founding Team

Meetings with Department Heads

These kick-off meetings are crucial as a **first touchpoint** between department heads and members of the founding team

Questions to be answered are:

- What tasks are essential for each function?
- What does the founding team need to know for every function?
- Who else could provide these services?
- What do these services cost?

Attending should be the team leads of:

- Marketing
- HR
- Business Intelligence
- Finance
- Product/Tech
- Legal
- Business Development

Meetings with External Specialists

These meetings are necessary to understand market-specific characteristics that cannot be answered internally (e.g., legal issues, local experts in case of internationalization etc.)

Questions to be answered are:

- What are the legal guidelines to consider in our market and potential other markets?
- Which adaptations have to be made for specific customer groups?
- What has to be considered in marketing for the respective customer groups?
- Are there any local guidelines in managing employees?
- Which role do politics play in different markets for the product?

Goal

For your founding team and department heads to acquire a **360° overview of all tasks ahead**

LAUNCH

- Function: Cross-functional
- Start Week: 11
- End Week: 12
- Sub-Stage: Build Functions

45

Design Operating Model

Engineer target operating model including entire value chain

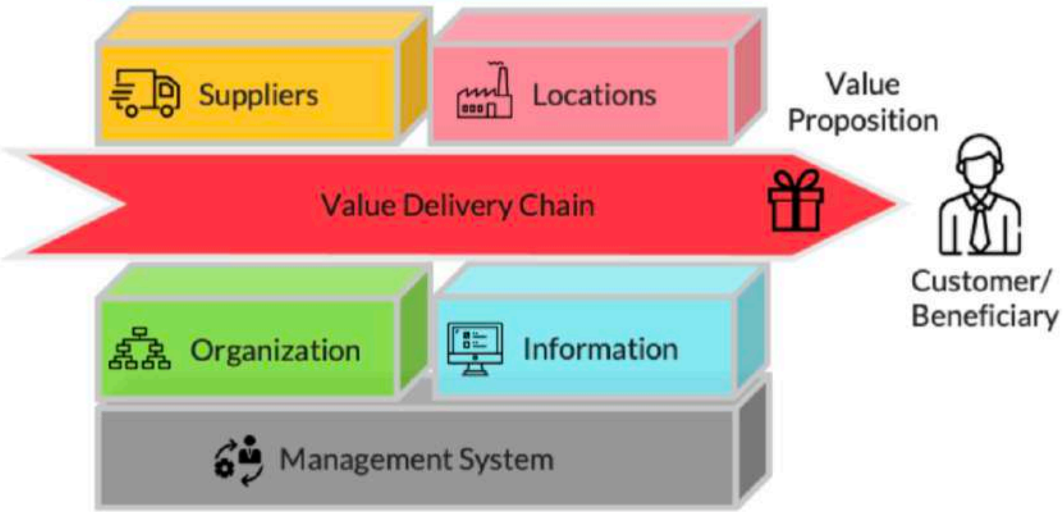
What?

- Breaking the complex structures of an organization into its components
- Visualizing the value delivery chain

Why?

- Helps you understand your venture in its entirety
- Helps management implement visions for the future of your venture within the current strategy

Operating Model Canvas



Resources

To fill out the canvas, consult resources such as the following:

- IT Blueprint
- Location Maps
- Organization Model
- Supplier Matrix
- Stakeholder Map
- Decision Grid
- People Model

After filling out the canvas, **star the elements** that are essential for the **value proposition.**

For **further information** you can have a look at the completed canvas for McKinsey or Uber. For more details, you can visit the website of the authors of the canvas here.

Cockpit

LAUNCH

- Function: Operations
- Start Week: 11
- End Week: 14
- Sub-Stage: Build Functions

Source: Operating Model Canvas (2017), Andrew Campbell, Mikel Gutierrez, Mark Lancelott

46

Incorporate Legal Entity

Set up a company's structure, define ownership structure and incorporate legal entity

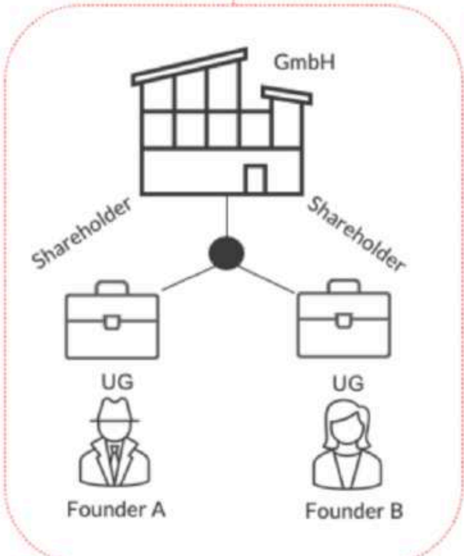
As early as possible

Why?

Because there are many **important dependencies. Examples:**

- Contracts (employees, suppliers, consultants, etc.)
- Funding & investors
- Revenue (tax structure)
- Brand & credibility
- Terms & conditions, privacy policy
- Regulatory matters

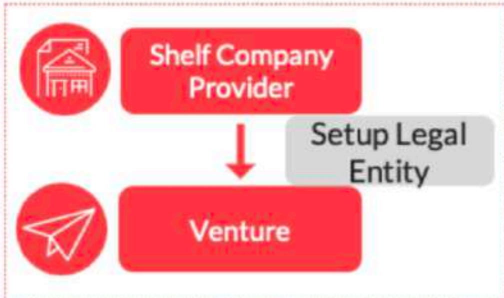
UGs (German limited liability companies with low capital requirements) are the shareholders of a GmbH (standard German limited liability company form). This way, early tax payments can be avoided in an exit event and financial capital can be easily reinvested



As quickly as possible

How?

Form a partnership with a **shelf company provider** for your venture (optional).



Structure Chart (Example)

Define a standard (template) for your legal entities' **international setup** and **ownership structure.**

Cockpit

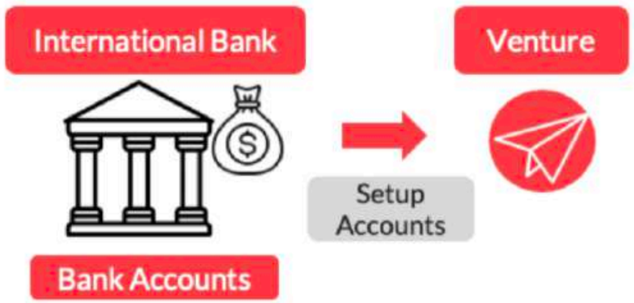
LAUNCH

- Function: Finance & Legal
- Start Week: 11
- End Week: 11
- Sub-Stage: Build Functions

47

Set Up Bank Accounts

Set up agreements with international bank to set up back accounts



As early as possible

As quickly as possible

Why?

Because there are many **important dependencies:**

- To receive revenue
- To receive funding
- To settle invoices (employees, suppliers, consultants, software fees)
- To set up accounting

Banks that target start-ups

N26, PENTA, First Republic — It's a privilege to serve you, HOLVI, svb Silicon Valley Bank

Cockpit

LAUNCH

- Function: Finance & Legal
- Start Week: 11
- End Week: 12
- Sub-Stage: Build Functions

48

Set up Accounting

Setup financial and managerial accounting to inform internal and external stakeholders

Accounting

Financial Accounting	Managerial Accounting
Recording of transactions for a business enterprise or other economic unit and **the periodic preparation of various reports** from such records	Usage of both **historical and estimated data** to **assist management** in daily operations and in planning future operations. Also includes **cost controlling** (e.g., for product and in manufacturing processes)
External Users of Accounting Information	**Internal Users of Accounting Information**
Investors, Customers, Tax Authorities, Creditors	Employees, Management

Done by one person in venture

An accurate accounting is very important for all internal and external stakeholders of the venture:

- It provides necessary **data for management decisions**
- It enables a detailed reflection on the **health of your venture**
- It ensures **compliance to** all financial **rules and regulations**, like IFRS or US GAAP

Cockpit

LAUNCH

- Function: Finance & Legal
- Start Week: 12
- End Week: 12
- Sub-Stage: Build Functions

49

Define central & local logistics value streams

Define central & local logistics value stream

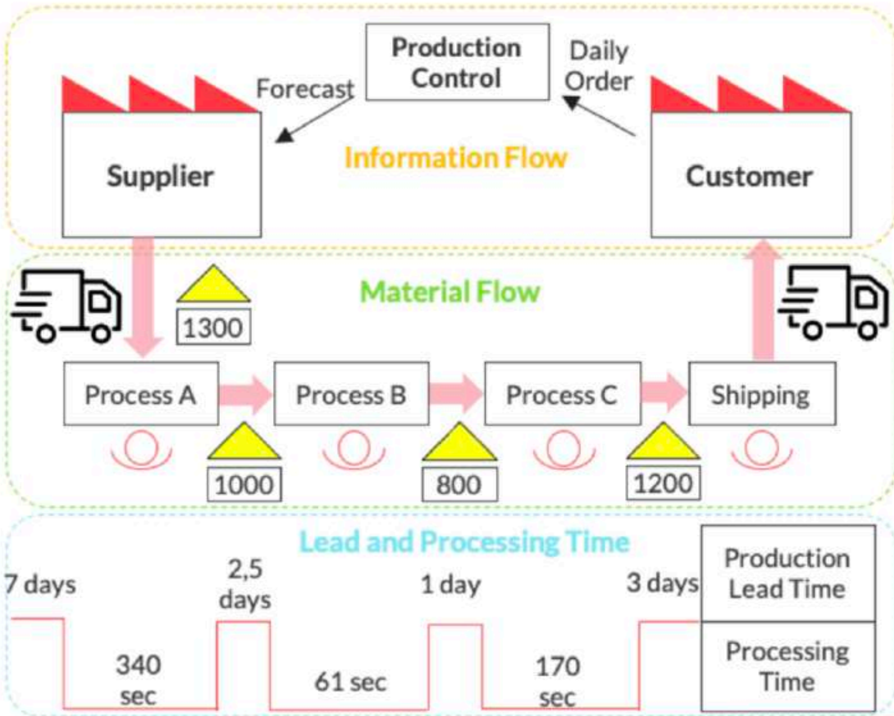
Principles

This task is about **increasing efficiency and productivity** by **reducing "waste"** in the value stream. There are 8 types of "waste" (mnemonic DOWNTIME):

- Defects
- Over-production
- Waiting
- Non-utilized Talent
- Transportation
- Inventory
- Motion
- Extra Processing

Value Stream Map

aka material- and information-flow mapping



Deployment

Resources

For further information and deployment, you can use this introduction and this step-by-step guide.

Toyota

Toyota was one of the first companies to use this tool – and it became a central element of their innovative management approach.

Cockpit

LAUNCH

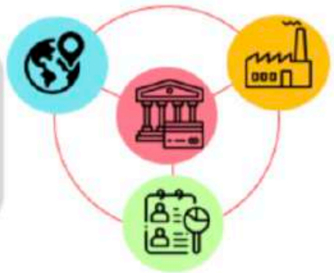
- Function: Operations
- Start Week: 12
- End Week: 13
- Sub-Stage: Build Functions

50

Select Payment Service Provider

Select payment service provider and optimize user experience of checkout funnel

Decide on a **mix of payment methods** in the target market. This decision should take **the habits of your target customer** and **conventions of your industry** into account, as well as **local conditions**



Select Payment Service Provider (PSP, also called "Payment Gateway") accordingly – choose a provider, which meets your needs very specifically

stripe Skrill adyen PayU PayPal worldpay

Implement your payment service provider

- **Legally**: Make sure to meet all rules and regulations in your target market (e.g., PCI Compliance Level)
- **Technically**: Implement native checkout (with API) and use solutions for fraud prevention

Test live payment transactions

UX in Payment Funnel
Best Practices

- ✓ Provide guest checkout
- ✓ Implement instant in-line validation of all fields
- ✓ Do not ask for unnecessary information or the same information multiple times
- ✓ Provide a mix of payment options with a good conversion rate
- ✓ Avoid distractions, e.g., pop-ups, newsletters
- ✓ Autofill shipping address from billing address
- ✓ Store information for future purchases

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 12
- End Week: 13
- Sub-Stage: Build Functions

Register Trademark

Protect your brand from abuse by others and register it at the trademark authority

Where to register?

Federal trademark protection	*Regional trademark protection*	*Global trademark protection*
Deutsches Patent- und Markenamt	EUIPO European Union Intellectual Property Office	WIPO World Intellectual Property Organization
From 290€ for registration of a Word & Picture trademark in up to three Nice Classes (+100 Euro for each additional Nice Class)	From 850€ for first Nice Class (+50 Euro each for second and third Nice Class; +150 Euro for each additional Nice Class)	From CHF 1,003 Calculator: https://madrid.wipo.int/feecalcapp/

Types of trademarks

Word trademark	Picture trademark	Word & picture trademark	Three-dimensional trademark	Color trademark	Sound trademark	Others
Coca-Cola		LACOSTE	TOBLERONE	Magenta®	Audi heartbeat	

What to look out for

- Exclude identical and similar trademarks abroad
- Meaning of the brand name in foreign languages (for the word mark)
- Meaning of logos in other cultures (for figurative mark)

International Nice Classification of Goods and Services

- Groups products into 45 classes (classes 1-34 include goods and classes 35-45 embrace services)
- Allows users seeking to trademark a good or service to choose from these classes as appropriate

Cockpit

LAUNCH

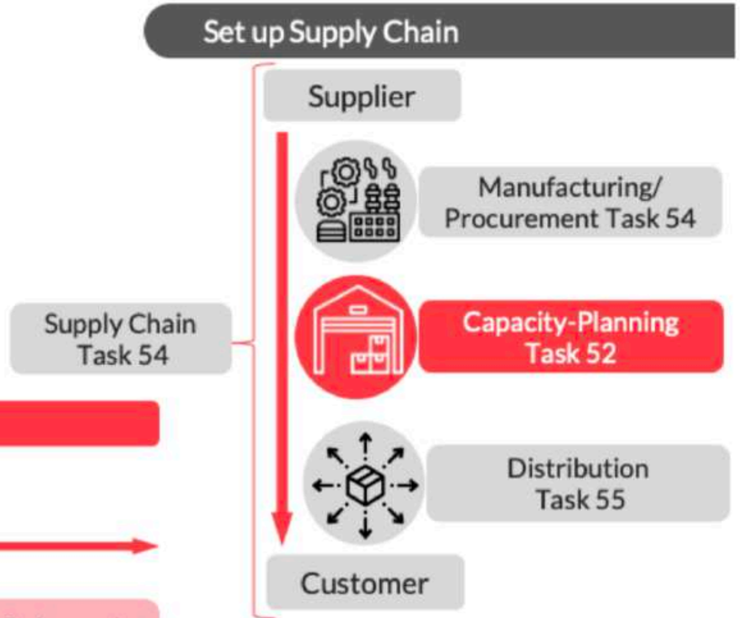
- Function: Finance & Legal
- Start Week: 12
- End Week: 12
- Sub-Stage: Build Functions

52

Perform Capacity-Planning for Facility

Plan capacity based on optimal utilization and forecasted end-user demand with bottom line in mind

Capacity-planning is the central task in building the supply chain. All processes are **controlled by production control**, as visualized in the **value stream map** in Task 49.



Capacity-Planning

Pre-Launch | **Launch** | **Scale**

1. Develop a detailed estimate of demand
2. Translate demand into capacity requirements
3. Set up facility
4. Track sales & inventory
5. Align capacity & demand (value stream mapping)
6. Reassess workload & resources management

Cockpit

LAUNCH

- Function: Operations
- Start Week: 12
- End Week: 12
- Sub-Stage: Build Functions

53

Set Up Content Production

Set up content production engineered with operational leverage to ensure scale economics of production

Steps

Analyze

1 Analyze which types of content and format and what intervals of actualization will be necessary

Assign responsibilities

2 Assign responsibilities in content production to appropriate department

Design process

3 Design a content production process fitting your product and industry

Implement process

4 Implement content production in your logistics value stream and sales process

Examples

Food delivery service

Content production in this industry means setting up a process to list new participating **restaurants** and new **menus** as fast as possible with appealing **pictures** and **text**. Options would be to use stock photos or to send your own photographers to the restaurants.

eCommerce

Optimizing content production in eCommerce means to accelerate and automate the process of listing all **products** in your shop with good **photos** and appealing **sales copy**. The process has to include all steps from goods inbound, photoshoot, and graphic design through to product upload in tech department.

Content production

The term "content" is often used as a synonym for blogposts or videos in marketing. However, applied to the 100 Tasks, it means **all product- related information and material** which has to be provided **for customers (B2C) and clients (B2B)**, such as:

- Product photography
- Product videos
- Detailed product information
- Articles or blogposts
- Infographics
- Sales & marketing materials

Cockpit

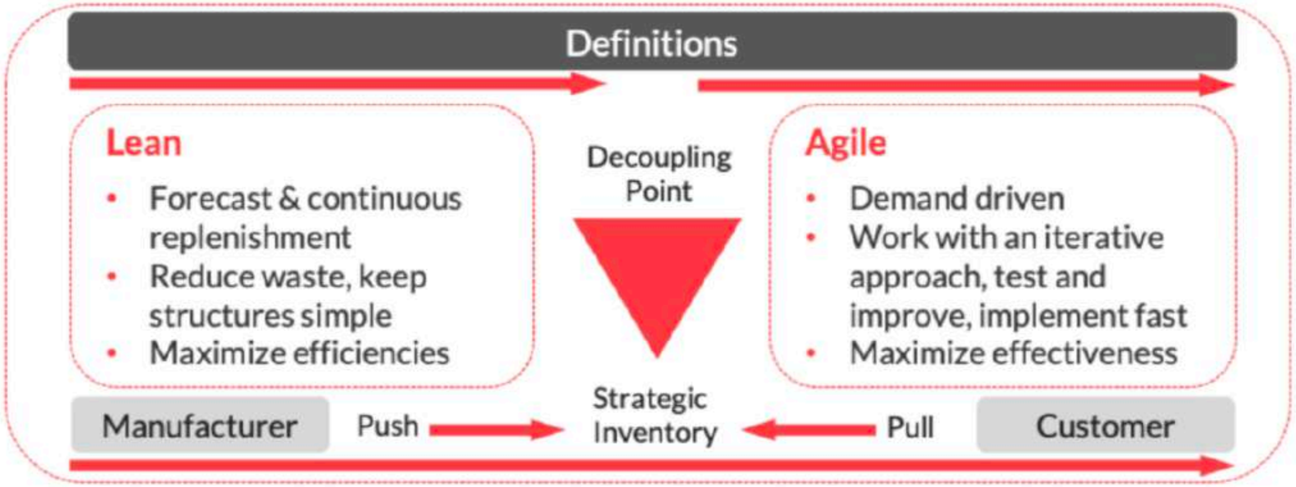
LAUNCH

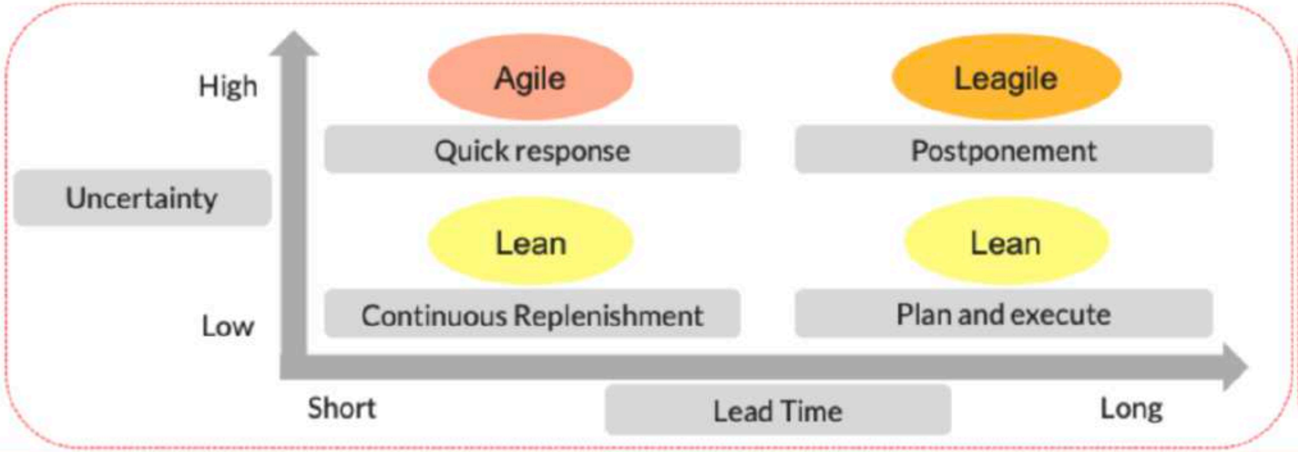
- Function: Operations
- Start Week: 12
- End Week: 13
- Sub-Stage: Build Functions

54

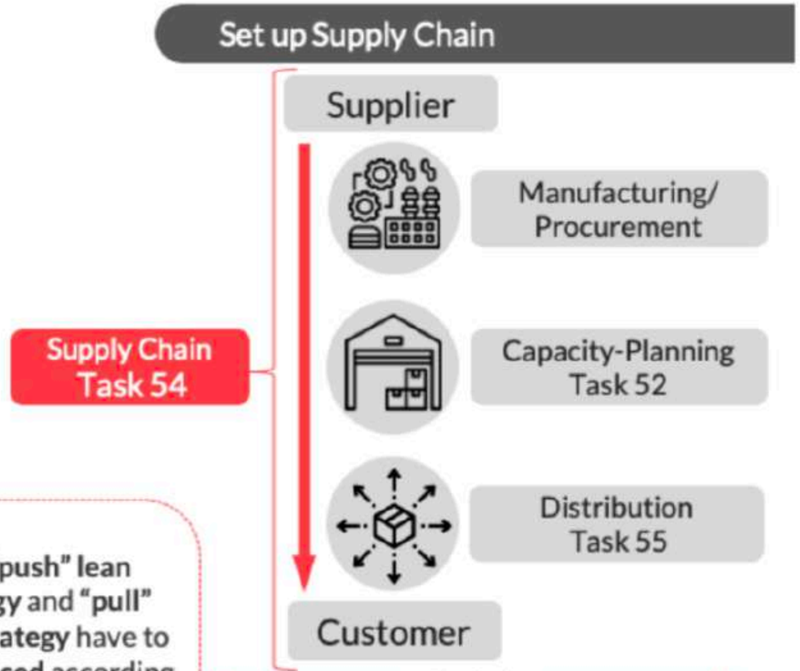
Build Supply Chain

Build supply chain to ensure responsiveness towards demand fluctuations while ensuring solid unit economics





The **"push" lean strategy** and **"pull" agile strategy** have to be **balanced** according to your product (weigh proportion by **shifting decoupling point**). That determines where you are located in the matrix on the left.



Cockpit

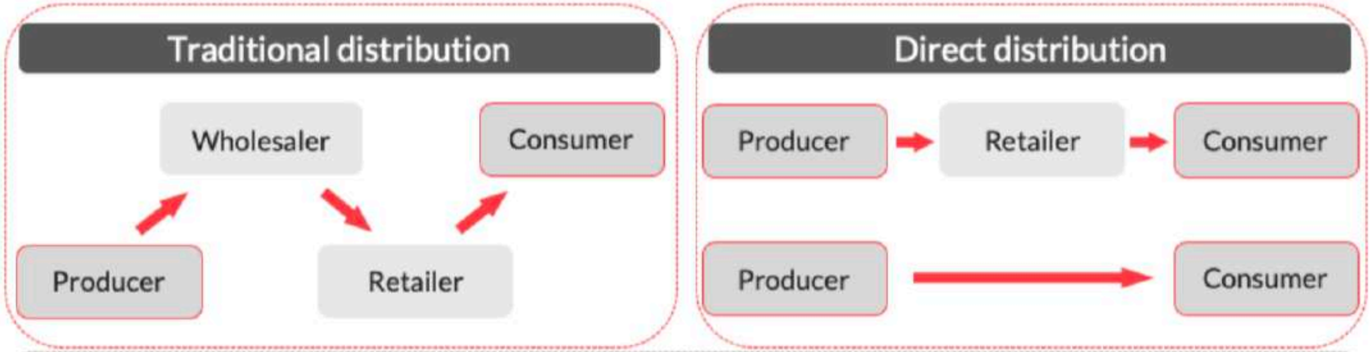
LAUNCH

- Function: Operations
- Start Week: 13
- End Week: 14
- Sub-Stage: Build Functions

55

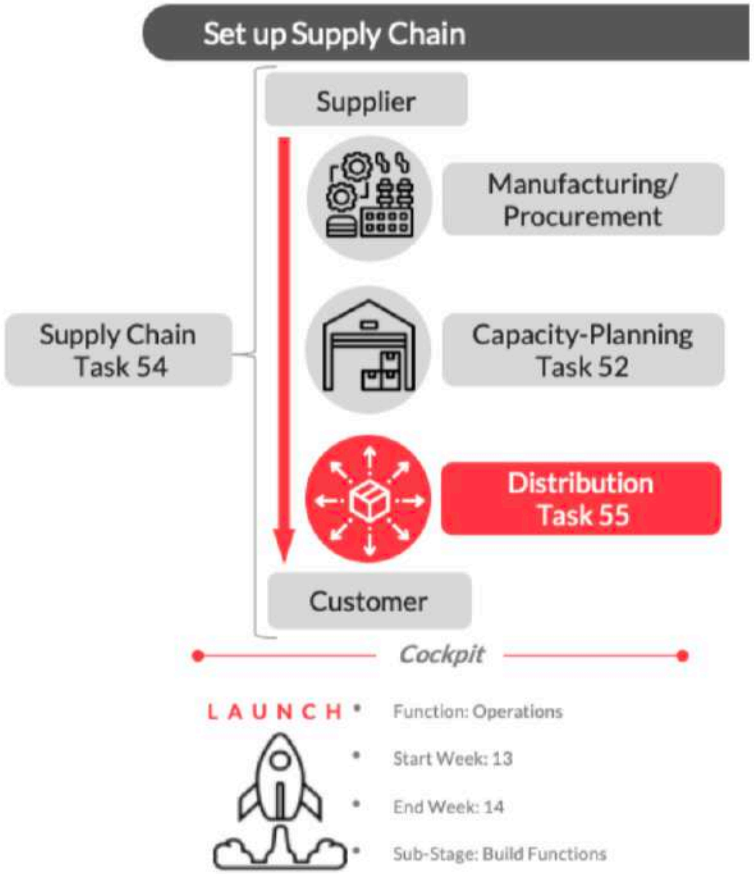
Organize Distribution

Engineer distribution infrastructure with minimum intermediaries by serving only demand hotspots



In general, the objective should be to set up a **fast and simple distribution network** with **minimum intermediaries**. Nevertheless, the wholesaler model can have its advantages, e.g. with complicated products (need to be cooled, very large, niche software, etc.) But even those are becoming easier to distribute directly to the customer via **platform sales and fulfillment services**.

A mix of distribution channels is possible. Evaluate: more sales through resellers and integrators with **traditional distribution** versus brand exclusivity and full profit margin control with **direct distribution.**



54

Build Supply Chain

Build supply chain to ensure responsiveness towards demand fluctuations while ensuring solid unit economics

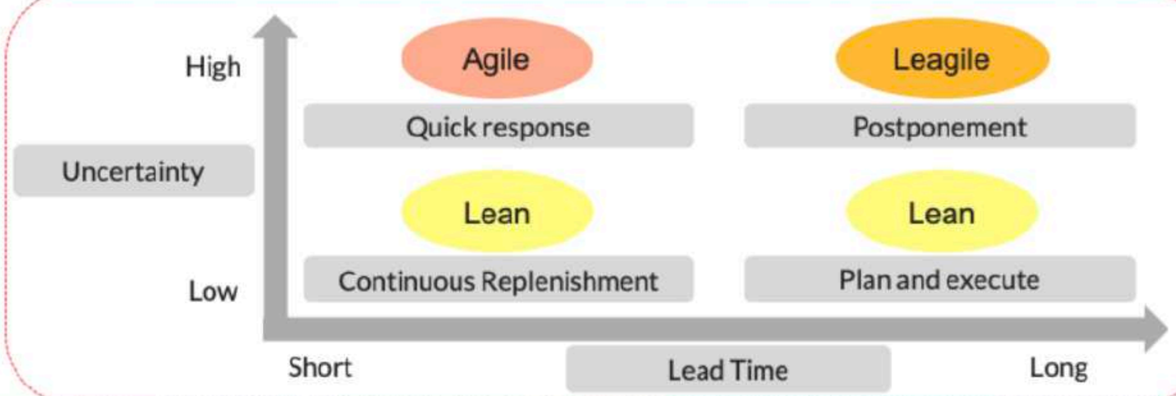
Definitions

Lean
- Forecast & continuous replenishment
- Reduce waste, keep structures simple
- Maximize efficiencies

Decoupling Point

Agile
- Demand driven
- Work with an iterative approach, test and improve, implement fast
- Maximize effectiveness

Manufacturer — Push → Strategic Inventory ← Pull — Customer



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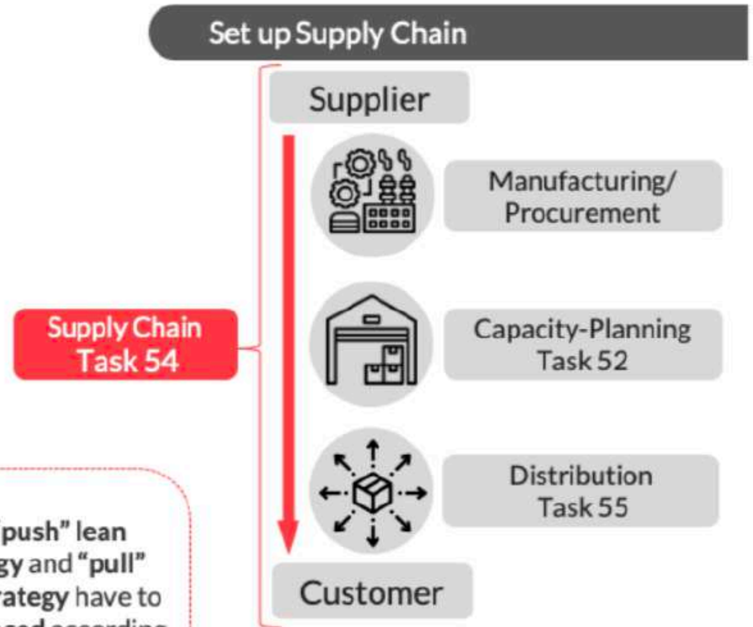


Cockpit

LAUNCH
- Function: Operations
- Start Week: 13
- End Week: 14
- Sub-Stage: Build Functions

56

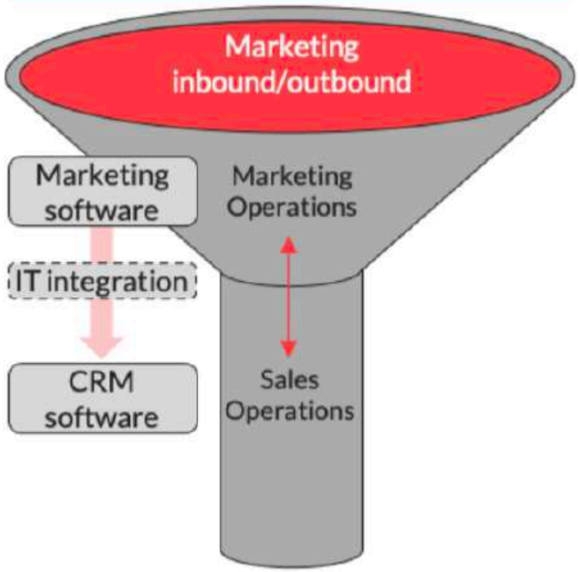
Institute Sales Funnel

Implement sales funnel from lead to closed deal and track each lead with your CRM tech stack

Why is a sales funnel important?

1. Maximize conversion rate
2. Extract KPIs on all sales levels
3. Increase efficiency of sales process
4. Be agile and adjust strategy fast

Sales Funnel



Stage 1: Potential Leads

- Potential leads (website visitors, newsletter subscribers, potential customers on LinkedIn etc.) who are identified with their contact info

Stage 2: Marketing Leads

- Identified contacts on the list who qualify as potential customers but did not make a sales inquiry yet

Stage 3: Sales Leads

- Marketing leads who are ready to be contacted based on predefined criteria or who already made an inquiry (make "dreamlist", prioritize)

Stage 4: Sales Process

- Contact sales leads and carry on sales negotiations, build a framework for the process (1. call, 2. follow-up call, 3. send draft contract, etc.)

Stage 5: Deals

- Leads who make a purchase. Develop a process for your existing customers (for next purchase, other products, recommendations, etc.)

CRM Software

Implement a CRM software as **early as possible** in your sales process. Especially in the first weeks and months, the tracking will give your team priceless **insights into your sales strategy** and **allows fast adjustments.** You could use software like:

pipedrive, HubSpot, nimble, ZOHO CRM, salesforce, SUGARCRM

Cockpit

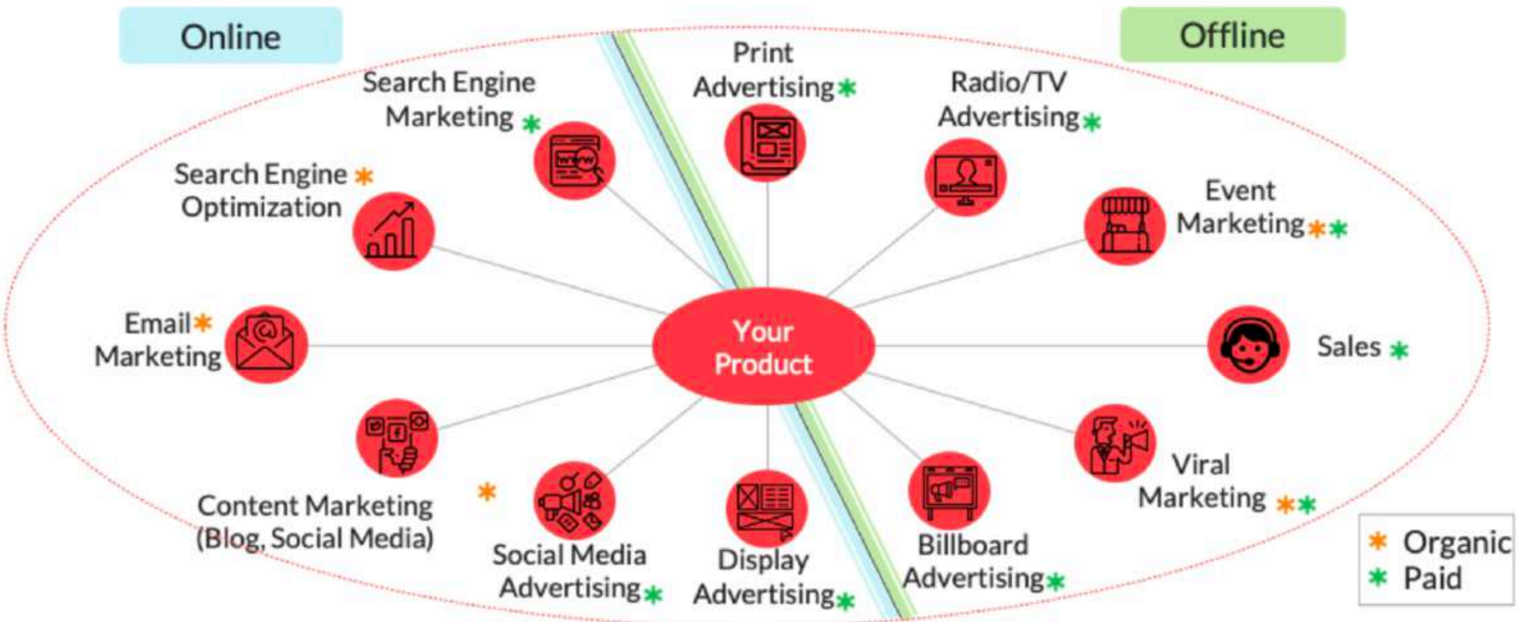
LAUNCH

- Function: Sales & Marketing
- Start Week: 13
- End Week: 14
- Sub-Stage: Build Functions

57

Prepare Cross-channel Marketing & Sales Strategy

Decide on which marketing channels to use based on product and target customers



Marketing Mix

Select all suitable **online and offline marketing channels** and compose your **marketing mix**, according to **your product and target customer.**

To establish a sustainable strategy, **balance organic and paid marketing,** as **paid marketing** will give you a **strong boost** in sales in the short term but **organic marketing** is **cost-efficient** and will help you to establish a **loyal customer base** in the long term.

Who to market to?

In other words, **who is your target customer**? That's the central question in marketing. If you know who to address, you will find some way how to connect with them. Use the **persona and appearance** you committed yourself to (Task 32).

Marketing budget

Make a reasonable forecast on how many people you want to **reach**, what **conversion rate** is standard in your industry, and what **marketing mix** your product might need. Then, evaluate **daily marketing spend**, considering **fixed costs and recurring expenses**. Test and reassess.

Cockpit

LAUNCH

- Function: Sales & Marketing
- Start Week: 14
- End Week: 14
- Sub-Stage: Build Functions

57

Prepare Cross-channel Marketing & Sales Strategy

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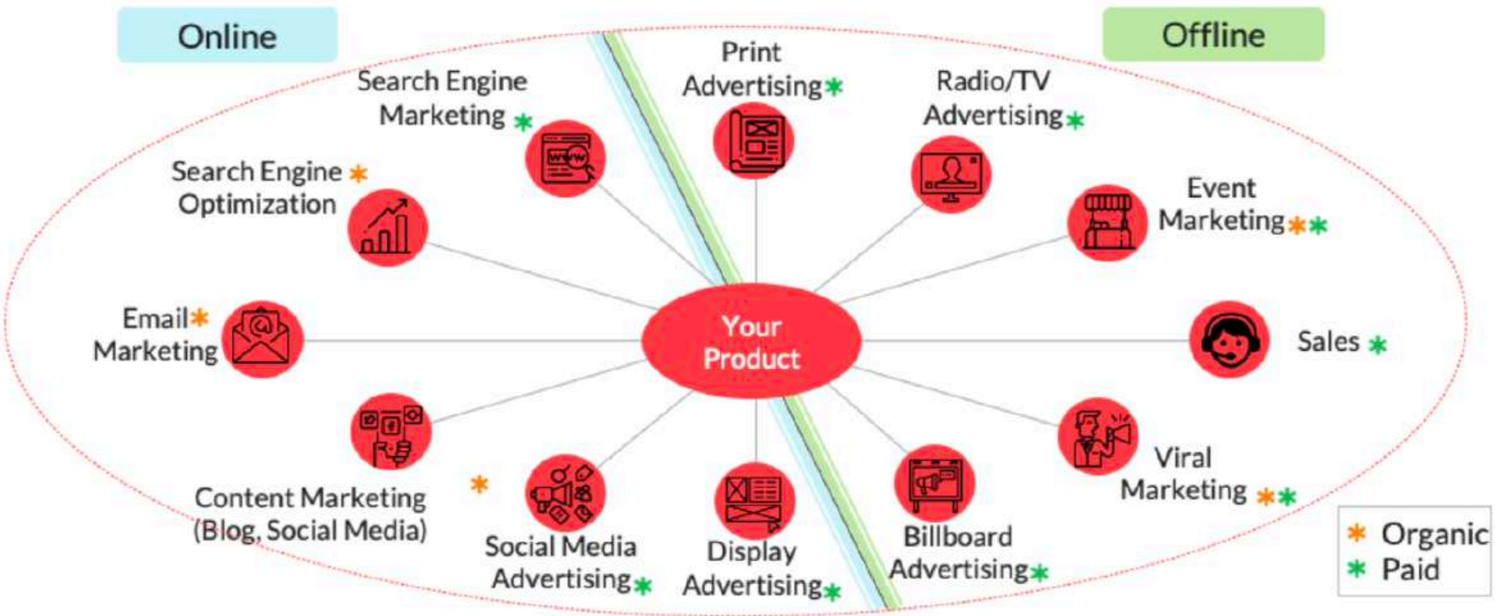

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Cockpit

LAUNCH

- Function: Sales & Marketing
- Start Week: 14
- End Week: 14
- Sub-Stage: Build Functions

58

Ramp Up Facility

Prepare for hard launch with ramp up facility

Step 1: Set up basic structures

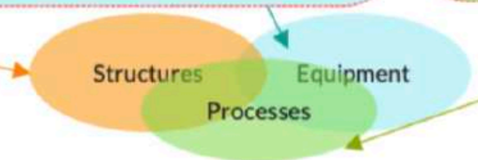
- Where are facilities located?
- What is the intended grade of automation and connectivity?
- How is workflow managed?

Step 2: Define your required equipment

- Which equipment do you need for your manufacturing or distribution goals?
- Do you use external infrastructure?
- Will your equipment be adaptable for agile product adjustments?

Step 3: Build processes according to structures and equipment

- Which operating cycles are most effective for your product and setup?
- What are the objectives (e.g., target KPIs) you want to achieve?
- What are your team's roles & responsibilities to ensure efficiency?



Logistics Value Stream (Task 49)

Capacity-Planning (Task 52)

Supply Chain Model (Task 54)

Distribution Model (Task 55)

Ramp Up Facility

Facilities for

Digital Products

Depending on the nature of the digital product, its facilities can take on very individual forms.

They include **offices for software engineering, design, research & development, sales, operations, customer-care, and other teams.**

Self-Manufactured Products

For self-manufactured products, this step is more complex.

Manufacturing (processes, assembly line) has to be prepared, **warehouses for incoming parts** of subcontractors as well as **distribution** have to be built.

Third-Party Products

For example, in eCommerce, facilities could be **warehouses, fulfillment center, offices, maybe pop-up stores,** etc.

Many options are possible, considering outsourced fulfillment services or retail stores for distribution.

Cockpit

LAUNCH

- Function: Operations
- Start Week: 14
- End Week: 14
- Sub-Stage: Build Functions

Set up Customer Care

Implement customer care in all functions to ensure it is a culture and not a department

Customer Satisfaction

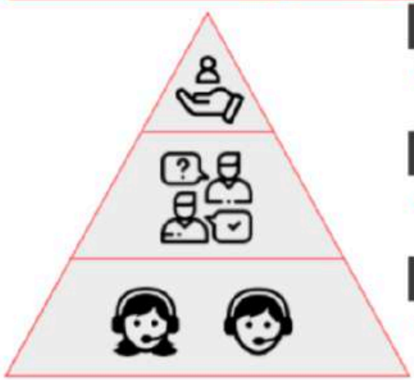
Customers who have **questions** about the product or delivery nowadays **expect an immediate answer**. Furthermore, customers who are **upset or have complaints** often can be **turned into loyal customers** through pleasant and helpful support.

Why is great customer care so important?

Customer Feedback

Using an agile strategy, you shall **gain** as many **insights** as possible into how the customer **values** your product. This creates data to rely on for **management decisions**, simplifies **product improvements**, and enables you to quickly make customer-centric **adjustments.**

Organizational Chart for Structuring Data and Processes



3rd Level: Highly Individualized Support & Problem Solving

- Very complicated or time-consuming cases are supported on 3rd level (e.g., fraudulent behavior, complicated warranty cases)

2nd Level: Advanced Support

- Tickets for more complicated cases (like payment issues, shipping problems etc.) are processed by advanced support

1st Level: Basic Support

- Customer contact from all countries and through all kinds of media is at first handled by basic support, easy cases are immediately solved

One of the most important KPIs in this section is the **Net Promoter Score** (NPS, measuring customer satisfaction from 0-10). It should be collected **for each customer touch-point** and in case of bad performance a solution should immediately be implemented.

Paragons

amazon

Amazon's customer service is outstanding – that's widely known. Amazon not only has an excellent help center, giving its customers the easy alternative between DIY problem solving and personal contact, but also has its customer-centric approach as one of its core business values.

Zappos.com POWERED by SERVICE

Another great example of exceptional customer service is Zappos. Prices are not the lowest in the market, but the rate of repeat customers is up to 75%. Problem solving and comforting the customer is the first priority. For example, when a product is not available at Zappos, the call center employee will actually search competitor websites to help you.

Cockpit

LAUNCH

- Function: Operations
- Start Week: 14
- End Week: 14
- Sub-Stage: Build Functions

60

Prepare Tech Infrastructure and Security

Iterate through tech and security infrastructure

Tech Infrastructure

Prepare your tech infrastructure for launch by **testing** and **evaluating possible issues** which might occur.

Doublecheck all **integrations, services and processes** in every section like **CRM, accounting, payment, supply chain/distribution, content production, customer care, data storage, HR, productivity** etc.

Make sure that all systems run flawlessly. Prepare an **action plan** for technical errors like server downtime or memory deletion.

Security Check

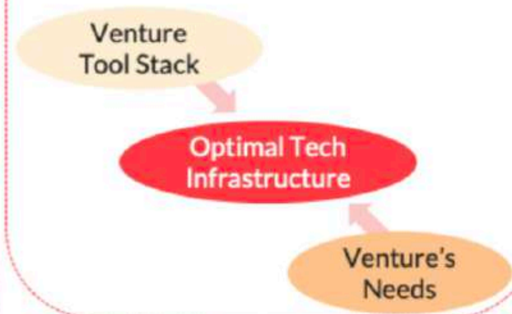
Perform a **comprehensive security check** on your **system security** and **data security.**

Assess possible threats and respective **vulnerability, consequences, risk** and **solutions.** Prepare an **action plan** for events like DDoS attacks or data breaches.

Possible areas of the security check could be **APIs and integrations, payment, malicious human interference** (like DDoS attacks), **accidental human interference** (error in code, deletion of files), **data security,** etc.

Finding an optimal mix

The **optimal mix of software and hardware solutions** often comes as a **tradeoff** between **solutions from the tool stack**, offering good conditions & easy implementation and **suitable solutions for your venture.** Make sure to calculate **cost-benefit ratio.**



Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 14
- End Week: 14
- Sub-Stage: Build Functions

61

Define Top 20 KPIs

Define top 20 KPIs focused on balancing long-term profitability with short-term growth

Identification of KPIs

Vision & Mission

Long-term Business Goals

Short-term Actionable Objectives

Main KPIs – Top 1-5

KPI #1 | KPI #2 | … | KPI #5

Supporting KPIs – Top 6-20

Venture Teams / Departments

KPI #6

…

KPI #20

Targets & Comparables

Step 1: Identify your KPIs

Start with the question, which **quantitative feedback** you need to monitor the **business development and performance in the short- and long-term**. Likewise,

- Cover **all areas** of your business
- Be sure not just to apply generic KPIs but to identify the **most important ones** for your **specific business model**

Step 2: Define Top 20 KPIs

Develop a universally valid **method to measure and extract** the KPIs within your venture. That means:

- **Which data source** is each KPI extracted from?
- **Who is accountable** for each KPI? *Define a single person on venture level*
- **Which formulas** are used for the calculation of the KPIs?

Step 3: Set targets for your KPIs

Set **KPI-based goals** to outline and measure what you want to accomplish during a certain timeframe (monthly, quarterly, yearly). There are **several sources** of information to help you **set targets**:

- **Historical performance** of your company
- **Estimates** based on **research** tools
- **Performance** of **comparable companies**

Best Practices

To reveal your Top 3-5 KPIs, ask yourself which **combination of factors** matter most to the **success of the company**?

Example

WhatsApp → Success Factor #1: Stickiness of Users

KPI 1	Daily active users	Main KPIs
KPI 2	Messages sent daily	
KPI 3	Time spent online / day	
KPI 4	Open rate of messages	
…		
KPI 20	*Supportive KPI #20*	

Cockpit

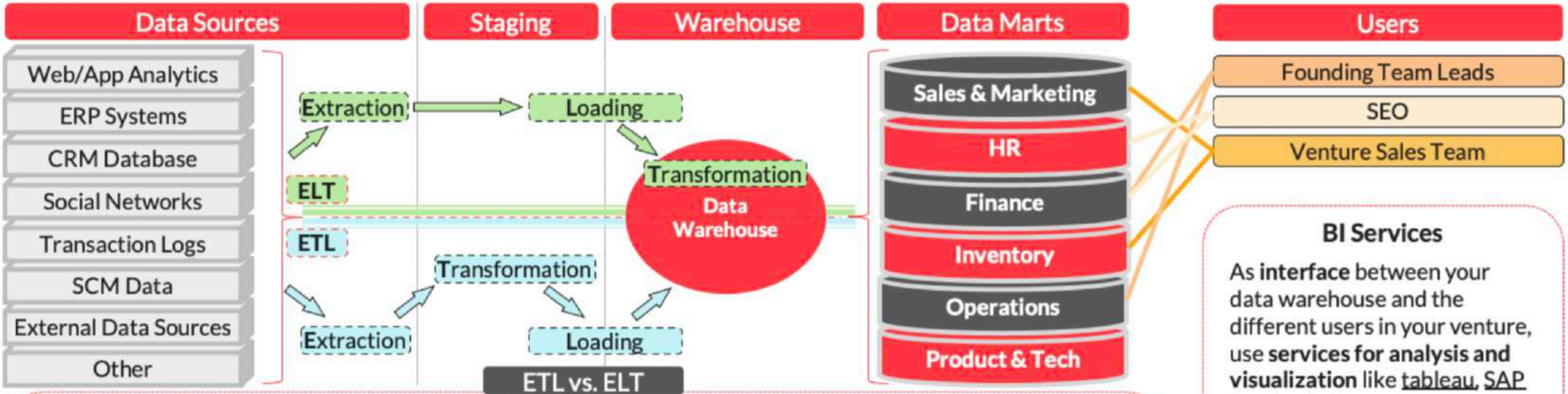
LAUNCH

- Function: Cross-Functional
- Start Week: 14
- End Week: 14
- Sub-Stage: Set Up KPI Reports

62

Set up Data Warehouse

Design seamless business intelligence by collecting data sources for all KPIs and storing them securely



- **E = Extraction**, copied from the source system into the staging
- **T = Transformation**, reformatted for the warehouse with business calculations applied
- **L = Loading**, copied from the staging into the warehouse

Traditionally, the sequence **ETL** is used. ETL is in general **faster**, as the transformation of the data happens **"along the way"** (i.e., in the ETL pipeline or transformation engine).

Nevertheless, if your data warehouse is a **high-end data engine** (e.g., cloud installation), you can use free capacity to let it perform the transformation step itself as a **ELT** process. It's useful if data source and target are the same or if you have **loads of data.**

BI Services

As **interface** between your data warehouse and the different users in your venture, use **services for analysis and visualization** like tableau, SAP Lumira, looker, etc.

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 14
- End Week: 14
- Sub-Stage: Set Up KPI Reports

63

Prepare Daily, Weekly, and Monthly Reports

Define schedule of reports and allow ad hoc reports to automatically track performance

	Ongoing Reports		
	Daily Reports	**Weekly Reports**	**Monthly Reports**
KPIs	Top 20 KPIs	Specific KPIs for each department (e.g., sales & marketing, product & tech, operations, etc.)	Top 20 KPIs + Specific KPIs for each department
Team	Venture Management (usually Founding Team)	Venture Department Teams	Venture Management, Venture Department Teams
Objective	To exhibit transparency and act promptly on identified obstacles	To reflect on how to meet monthly target KPIs	To set next month's target KPIs and to decide on actions how to meet them
Viewpoint	*Activations*	*Active Users*	*Retention*
Lowest Threshold*	-50%	-30%	-15%
Alignment	KPI owners meet with venture management to explain the status in case of significant deviations	KPI owners meet within their departments to assign action items	Venture-wide meeting to reflect on performance and set new targets

Ad Hoc Reports

If a **specific management question** comes up **on short notice** (e.g., on customer cohorts) there has to be a way to prepare a **fast ad hoc report on the topic.**

If the ad hoc report turns out to be very important, it may be added to the regular reports.

**The max. acceptable deviation from previous period's figures*

Cockpit

LAUNCH

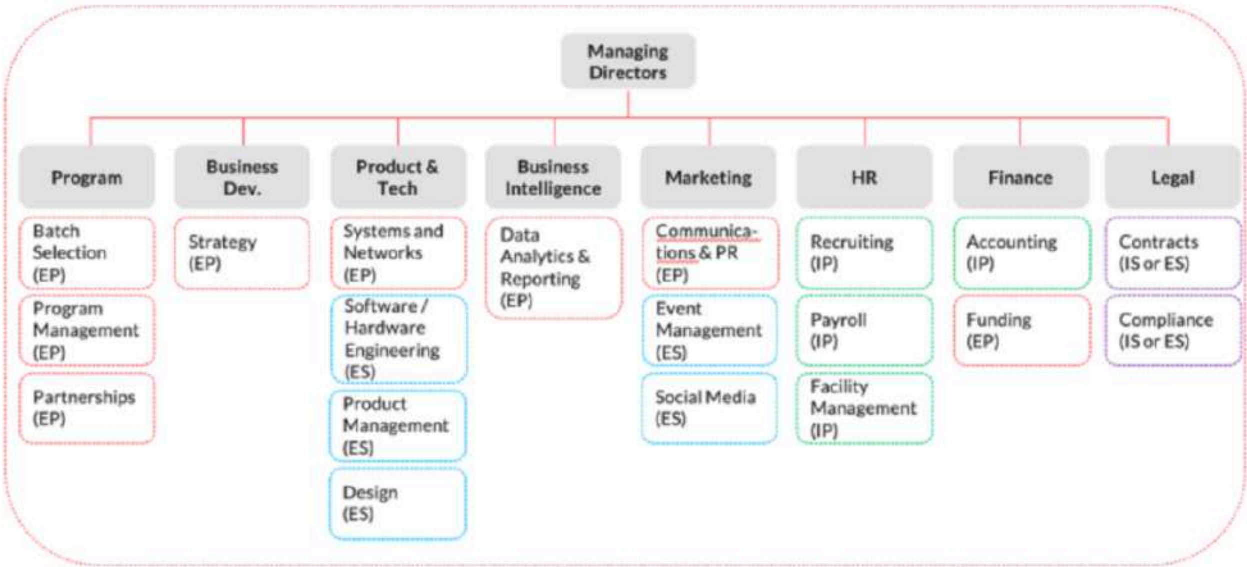
- Function: Business
- Start Week: 14
- End Week: 14
- Sub-Stage: Set Up KPI Reports

64

Set Hiring Targets

Start hiring top-down with venture leadership first

1. Start hiring **as soon as possible** – hiring has a long lead time
2. Hire **top-down** – let executives shape their teams
3. Perform **direct** search – hire external candidates faster



Prioritized Hiring Roadmap

1. Founding Team
2. Head of Business Development
3. Head of Marketing
4. Recruiting Manager
5. Accountant
6. Legal Counsel
7. Head of Product
8. Head of Tech
9. Business Intelligence Analyst

...

Cockpit

LAUNCH

- Function: People & Culture
- Start Week: 14
- End Week: 14
- Sub-Stage: Set Up KPI Reports

65

Stress Test & Bug-Fix Across Functions

Stress test by simulating exceptional & high-load transactions across all functions

Stress Testing Process

1. Identify key functions involved in the **customer journey**
2. Identify **scenarios** for difficult and **extreme test cases**
3. Set up a **testing environment** with defined metrics
4. Create **test cases**
5. **Simulate** normal and **extreme workload**
6. **Analyze** the results, prioritize, and **fix identified bugs**

Iterate

Levels of Testing

Unit	Individual units of code (inputs)
Integration	Ties between the system units
System	Whole system when integrated
Acceptance	User-level experience

Before launch

- ☑ Launch-critical functions work under heavy workloads
- ☑ There are no single points of failure (SPOFs)
- ☑ High priority bugs are fixed
- ☑ Launch-critical functions are tracked daily using KPIs
- ☑ Customer journey has no interruptions

Product Development Cycle

Specification	CPO / PM Task 26
Development	Developers / Engineers Task 31
Testing	Tester / Quality Assurance Task 65 & 69

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 14
- End Week: 14
- Sub-Stage: Go Live

66

Prepare Press List

Solve backwards to ensure PR campaign is ready for launch

Whose attention do you want to attract?

Product → Customers

Venture → Investors

How do you want to reach them?

- Newspapers
- Blogs
- Newsletters
- Startup News
- Magazines
- Industry News
- Influencers

Conduct research on **which media and formats might be best** to reach your potential customers or investors.

Send press kit:

Press Kit

- Photos of founders and team and teaser of product
- Logo, artwork, and designs from brand bible
- Info about the venture, team, and product, like white paper, business model, and product specs
- Videos and various media about your venture or product
- Advertising copy and guest contributions for certain publications (posts, articles)

Best Practices

Solve this task **backwards.** First, ask the questions: Who do you want to attract? What are they interested in?

Then, start assembling the relevant materials and contacts.

Your PR team or external advisors should **prepare your founding team** for media appearances with **interview coaching.**

Launch of PR campaign → **Task 68**

Cockpit

LAUNCH

- Function: Sales & Marketing
- Start Week: 14
- End Week: 14
- Sub-Stage: Go Live

67

Start KPI Reporting

Start KPI reporting as soon as venture goes live
to navigate uncertain environment

Reporting Process

1. The BI Lead extracts data from the data warehouse and **fills information** in the **reporting template** (usually excel sheet)
2. In case of significant **deviations**, BI Lead includes **comments** from **KPI Owners**
3. The **email** is then sent with attached reporting **excel file** (Day, Week, Month X only) and a **screenshot** of it. The email title can look like: "*Company Name* Daily KPI report - 22 Dec 2018"
4. Access to **dashboards** is provided to the **founding team** as well as **selected members** from venture teams (e.g., KPI owners)

Reporting Frequency

- KPI reporting helps you **keep track** of the **health** of your **venture**, gives crucial **insights** on your **customers** and the **effectiveness** of the **business model**, helping you achieve **product-market fit**.
- The **daily report** is distributed to the founding team **at the start of each day**, updating them on progress from the previous day.
- A **weekly and monthly report** is distributed across **founding team and departments** to present **comparative progress** (week-over-week or month-over-month).

	Daily	Weekly	Monthly
Founding Team	✓	✓	✓
Venture Teams		✓	✓

Best Practices

To ensure a **sense of ownership** and **transparency** of KPI tracking, appoint **one KPI Owner per KPI**.

KPI Owner can be selected at **any venture level**, based on **responsibility** for a certain **process, function**, or **activity**.

That way you have a **group of people** with **best knowledge** of a specific area and who are **accountable** for its performance.

Cockpit

LAUNCH

- Function: Cross-Functional
- Start Week: 14
- End Week: 15
- Sub-Stage: Go Live

68

Conduct Launch PR Campaign & Paid Marketing

Launch PR campaign across all channels and begin paid marketing

Example for Press List on Launch Day		
Media Company	**Type**	**Status**
TechCrunch	Startup News	Published
GRÜNDERSZENE	Startup News	Published
THOMSON REUTERS	News Group	Received
axel springer	News Group	Received
Handelsblatt	Newspaper	Published
WIRED	Magazine	Published
FORTUNE	Magazine	Published
STRICTLY VC	Newsletter	Received
AVC	Blog	Received
Ashton Kutcher	Influencer	Not sent

Start Paid Marketing

Implement your **marketing strategy** (Task 55). Structure it into **different stages** with precise goals, depending on your budget and stage of development.

Decide whether your product needs a marketing campaign **to either broadly raise brand awareness or to granularly use personalized marketing** at launch.

The Objectives

Keep PR and marketing separate and focus on each one's **objectives** to keep processes lean.

If you have **scarce resources and are at an early stage**, raise **brand awareness** and draw attention from **investors** to your venture with a **comprehensive PR strategy** – which incurs **no marketing spend.**

Likewise, a very efficient **marketing strategy for the launch** could be **performance marketing**, as you use your resources to **instantaneously drive sales.**

Marketing & PR Schedule

PR

Prepare Press List (Task 66)

Launch PR Campaign (Task 68)

Marketing

Prepare Marketing (Task 57)

Start Paid Marketing (Task 68)

Test & Improve Marketing Mix (Task 72)

Cockpit

LAUNCH

- Function: Sales & Marketing
- Start Week: 14
- End Week: 15
- Sub-Stage: Go Live

Continue Testing & Bug-Fixing

Constantly test and bug-fix MVP to harness into final product

Before Going Live

1. 100% of bugs with Severity **Critical/High** are closed
2. 60% of bugs with Severity **Medium** are closed with a workaround plan for the rest of the 40%
3. 20% of bugs with Severity **Low** are closed with a workaround plan for the rest of the 80%

Best Practices

- **Allow plenty of time** to work out critical bugs and **re-test** several times before launch
- Have your **customer care ready** – do not overlook your user's **full experience**
- **Pore over your KPIs** – this data will give you **valuable insights** into your customers and allow to adjust early on

Function & Bug Prioritization

Area	Bug/Flaw Identified	Severity	Team
Payment	Payment option "Credit Card" returns an error	Critical	Product & Tech
Checkout	Items' quantity displayed wrongly in the cart	High	Product & Tech
Delivery	Order tracking is delayed by 2 minutes	Medium	Operations
Customer Support	Average waiting time exceeds 10 minutes	Low	Customer Care

High/Critical Severity bugs must be fixed **before** the launch

Low/Medium Severity bugs can be fixed **after** the launch

Product Development Cycle

Specification	CPO / PM Task 34
Development	Developers / Engineers Task 39
Testing	Tester / Quality Assurance Task 62 & 66

Cockpit

LAUNCH

- Function: Product & Tech
- Start Week: 14
- End Week: 15
- Sub-Stage: Go Live

100 TASKS

Brand Steering Wheel

Brand competence

Who are we?

How are we?

Brand tonality

Benefits and Reasons

What do we offer?

How do we appear?

Brand picture

Create Design & Wireframes

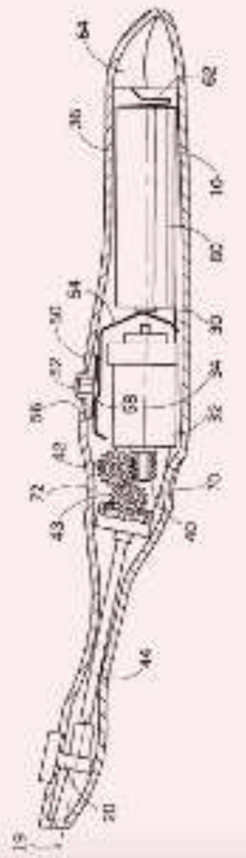
Case Study: Spinbrush

spinbrush

A low-cost battery-powered toothbrush from Spinburh entered the market in 1999 when it was dominated by giants such as Colgate, Oral-B, Reach, and Crest. Before testing the waters in distribution and going live, early that year, the founder, Osher, and his colleagues first came up with a thorough product design and filed for patent protection of the device and its unusual packaging design.

To allow consumers to see first-hand how the brush works, the package was built with a "try-me" feature that allowed them to turn it on without removing it from the package.

Spinbrush Product Design Drawing



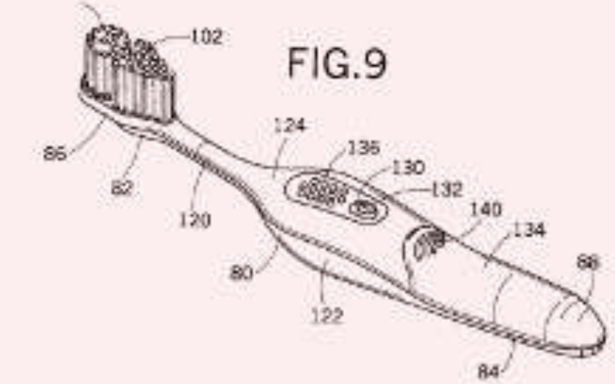


FIG.9

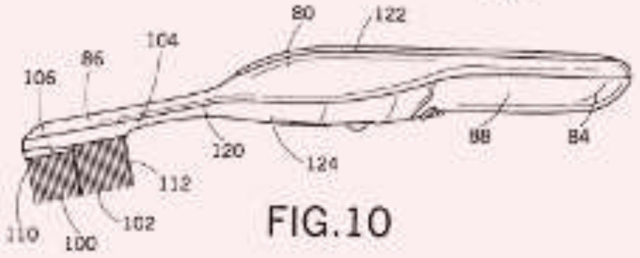


FIG.10

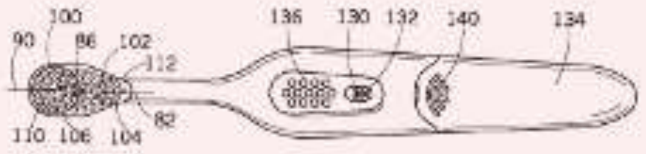


FIG.11

Spinbrush Patent Abstract

“An electric toothbrush comprising an elongated body portion and a head including a static portion and a circular portion, a handle, and an angled shaft between the head and the handle. The circular portion rotates or oscillates about an axis normal to a longitudinal axis of the head. The circular portion includes stiff bristles and the static portion includes soft bristles. The elongated body portion is hollow and further includes a motor in the hollow portion, which is operatively connected to the circular portion for rotating or oscillating the circular portion. A switch is operatively connected to the motor to provide momentary and continuous operation of the toothbrush. A worm gear and a pair of step gears are located in the hollow portion. The motor is operatively connected to the worm gear and to each other. One of the step hears is offset with respect to a longitudinal axis of the elongated body portion. A shaft which is operatively connected to the offset step gear and to a second end to the circular portion. A battery is located within the hollow section for powering the motor”.

Spinbrush Packaging Design

Cockpit

LAUNCH

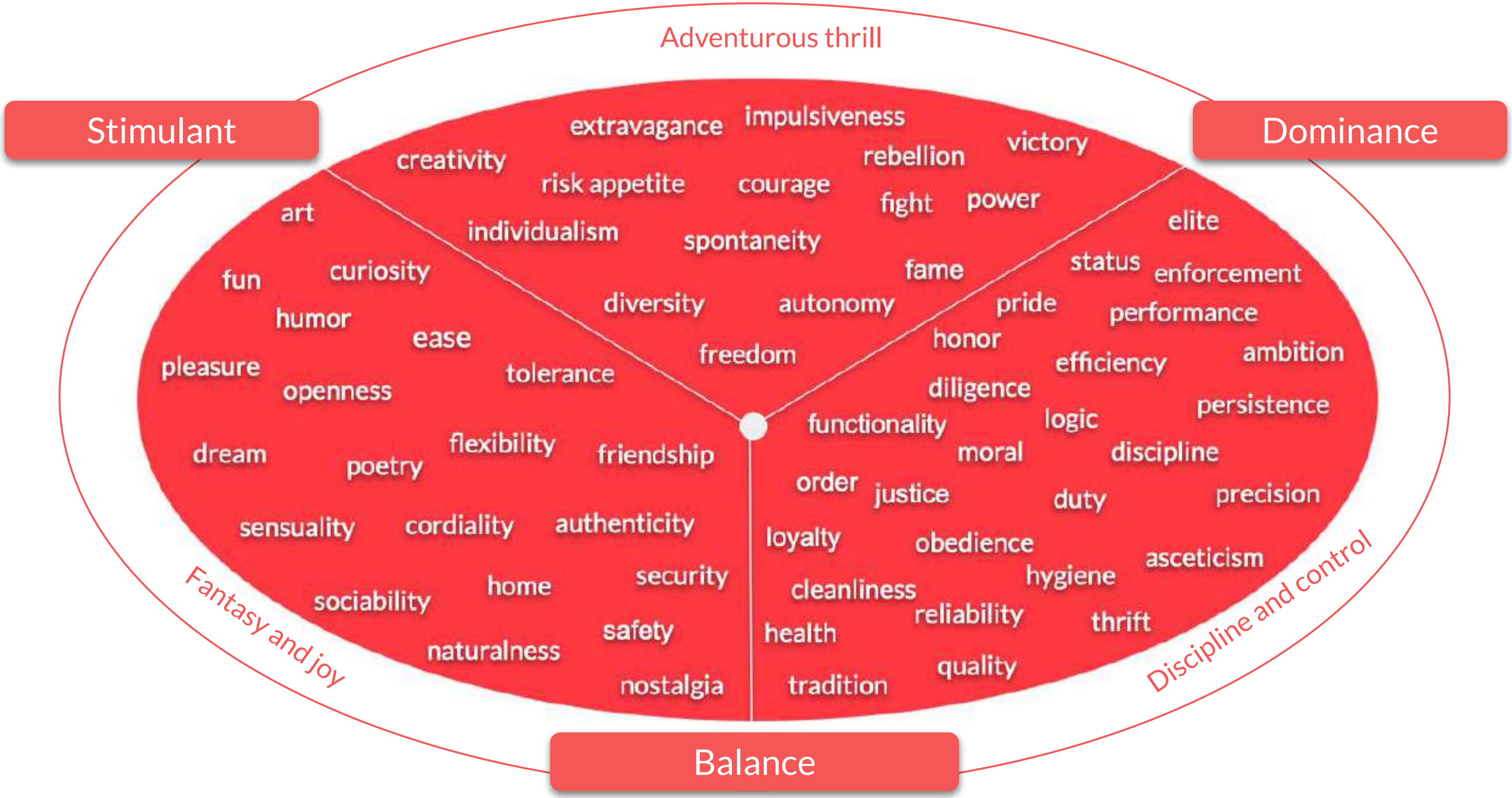
- Function: Product & Tech
- Start Week: 9
- End Week: 11
- Sub-Stage: Develop MVP

LAUNCH

1. Develop MVP
2. Raise (Pre-)Seed Capital
3. Build Functions
4. Set up KPI Reports
5. Go Live

100 TASKS

Limbic Map



Up until this point, we've been working a lot with intangibles. Task 26 is a turning point as we shift our attention to the long-awaited MVP. It's the first part of a three-part product development cycle that will include specification, development, and testing.

It begins with your product lead (often your CPO) as he or she works towards defining your product and its features thoroughly on paper. Their main sources of information in doing so should be the various stakeholders involved.

Look across functions and make sure no stone is unturned as everything ties back to your product. It has to be built with all of the necessary inputs, from all of the necessary places.

With the information flow properly built, the task for your CPO then becomes to outline a self-explanatory roadmap for product development. It should be remarkably detailed and should specify what needs to be done by whom, all on an ambitious timeline.

Some rules of thumb while doing so: remember to utilize the pool of knowledge generated from the previous tasks. Everything must tie back to your customer.

Be careful as it is easy for a lot to be lost in translation in the journey from back-end to front-end. This is why each specification needs to be clear in what needs to be done and be grounded in the original information provided by the stakeholders.

The specification of your MVP should have clear links drawn back to Task 20 with your proof of concept. If the feature did not go through the concept cycle, then the feature should not be added yet.

And throughout, I must take the opportunity to reiterate the mantra of must-haves and nice-to-haves.

If it's not launch critical, then it does not need to be part of your MVP.

Your MVP will be the first soldier out - It's important to walk the line between prudence and quality. If you can achieve this balance, you'll be able to get to market fast, generating real feedback for a product you are proud of.

Any great builder has his tools to thank for it. I'll keep this one short and sweet.

Decide on your tool stack and stick to it. Leave no function unarmed - Work through defining your tool stack systematically.

Make sure each function is automated to the maximum extent possible and that the tools are understood by each responsible party.

We've laid out great starting points for you to begin, but be sure to choose a tool stack that works for you, and your business model.

The goal should be minimizing costs to the maximum extent. This happens when you find that sweet spot between employing tool stacks to automate manual processes and being frugal in your search to keep costs low.

Bureaucracy, rules, and a mouthful of legal terminology. This is something you can't get away from, even in the startup world.

This is a difficult subject to cover from a framework point of view, as it varies so intensely based on geography and industry.

However, there are some things that are still in fact universal. For one, that to some degree or another, it must be done. And two, it will be something your investors ask about.

Starting early on and validating the legal technicalities will allow you to get the paperwork out of the way and focus on actual disruption. Use this task as a general checklist, but I highly recommend outsourcing this to somebody well versed in the law field.

You can use this task to supplement your conversations with the expert. The ultimate goal of this task is ensuring that you haven't overlooked anything that could be detrimental to the timeline of your launch later on.

By doing it earlier and accounting for what is intrinsically a long timeline, you'll give yourself breathing room in ironing out the kinks.

Be diligent in your legal checklist and if done effectively, this can be completed as a once-off. In other words, do it right the first time, so that it'll be the last time!

Task 30 takes us back to our beloved MVP. In task 26 you specified your MVP. And this task is about outlining how much those specifications will cost.

Continuing with the principles of must-haves only, you will work to keep costs as low as possible, while developing an MVP that captures the value it was intended to.

So the question of the hour is “how much is an MVP going to cost?” And of course, the answer is that “well, it depends.” Go through the process of what exactly it depends on, but a first step is realigning on the purpose of the MVP.

It doesn’t have to and certainly shouldn’t cost a fortune. Its primary focus is to validate value and feasibility. We’ve outlined some fundamental considerations in the broad case of developing a software-based MVP as an example. So often I’ve seen the case of an early stage founder assuming that MVP costs are wholly pre-launch.

An MVP is only good as the infrastructure surrounding it. The construction and maintenance of this infrastructure is largely post-launch. What this means is that when calculating costs, scope must extend past going live as well.

When bootstrapping, the Moscow Prioritization helps you concretely answer the Must-Haves vs Nice-to-Haves dilemma. Let your Product Lead drive this forward with all other significant stakeholders involved to ensure alignment cross-functionally. For this, think founding team, tech team, and marketing team.
The Moscow Prioritization works on a left-to-right scale with necessity diminishing the further you move along. Run each singular specification from Task 26 through this to categorize each feature based on necessity.

The must-haves are the existential features behind your product. The question to determining whether or not it's a must-have is asking if the value AND feasibility of the product will exist without this feature. If the answer is no, then it is indeed a must-have.

Now to the should-haves - These are often known as ‘Added Value’.

In other words, not essential to your core value proposition, but features that can be slated for a future release without compromising the first release. Common instances of should-haves are minor bug fixes or the luxuries of consumer choice.

In other words, the product still works without the should-haves, but could be slightly better with them.

The line separating could-haves from should-haves are the definitive value of should-haves and the prospective value of could-haves.

The output of value is simply just not as explicit with could-haves. In other words, could-haves and won’t-haves are the detailed breakdowns of nice-to-haves.

This is where you ask the question on whether it's likely to give value or not. If the answer is yes it is likely, then it's a could-have. If the answer is anything less, it's a won’t-have.

The Eisenhower Matrix is a common tool used in the context of time management.

It can be repurposed to help visualize the development of your MVP. Take your findings from the Moscow Prioritization and plug them into the matrix.

Some cases will be straight forward such as your must-haves going into the DO box. Or your won't-haves going into the ELIMINATE box.

However, the cases in-between might be a little more tricky. The matrix will allow you and your team to be aligned in regards to an action list.

Now, with your what and when clearly defined, you can move on to the fundamental how in doing so. In broad terms, there's three ways to go about it.

The first is to go in-house. It's rare that your current team will have all of the expertise required, but in the case that it does, utilize the bright faces sitting across the table from you.

The second would be to go with an agency of some sort.

In assessing whether to go with an agency or a freelancer, the main benefit is that an agency will usually be significantly more efficient. They'll hit ambitious deadlines with multiple members on the job.

On the other hand, where a freelancer is slower, the exchange is intrinsically more personal. They're more likely to meet detailed specifications and it will be consistent throughout as they are usually a one-man- or one-woman-show.

In deciding which method you'll employ, it's a simple matter of determining trade-off between costs, quality, and efficiency.

You should come out of this task not only with a clear idea of the costs associated with your MVP, but an even better understanding of what your MVP will actually look like.

This will be the basis you build on as we dive into the next tasks.

Task 31 is a big one. It's where you take your specifications from task 26, your actionable takeaways from Task 30, and start the process of realizing your MVP vision.

The actual intricacies of this process will vary deeply depending on the outcomes from your previous tasks. We've broken down the development into two broader processes, based on whether it's hardware or software you're dealing with.

If your product is software based, then the process will likely be highly technical with engineers being the primary players pushing it forwards. If your product is based on hardware, the process will likely be highly functional and creative.

The main purpose of the task is to be explicit in the kick off of your development process.

The previous tasks should have given you solidified actions to be taken, this is where you start executing. It's your opening ceremony being announced cross-venture that construction has finally begun!

Truly defining your business is a critical first step in developing your marketing plan. But before you can start building your brand's experience for customers, you need to take some fundamental first steps to define the kind of brand you want to be.

With your MVP designed and developed, our attention turns to how to market your MVP.

Laying a persuasive marketing infrastructure around your product will be a decisive factor on whether your product will succeed or not.

However, before doing so, you have to define the message you'll be telling. And any message is only as good as the voice delivering it. Your brand will be your voice - It will be the character behind your entire venture.

Crafting a brand that falls in line with your core values, value proposition and resonates with your customers at a personal level is no easy feat. Let's dive into the first steps in accomplishing such a feat.

Start with organizing a branding workshop based on several fundamental questions: Defining a brand is a creative process, so it's only right that a workshop will be the weapon of choice. In designing a workshop that will produce definitive results, it has to fundamentally be question-based.

Involve as many relevant parties as possible in the workshop, and design a straightforward agenda that will allow everybody to voice their insights per question.

Through such a process, you'll be able to identify recurring notions throughout your team. Take these recurring notions and distill it into what will be your branding.

Neuromarketing is an approach to marketing based on the customer's cognitive tendencies. It is an invaluable approach to crafting your brand as well, purely because of how rooted in the customer it is.

There are two useful frameworks from neuromarketing you can apply when defining your brand:
The first is a Brand Steering Wheel. It allows you to outline 4 key components of your brand as a whole.

Let's look at each of them:

Brand Competence. This where you'll define what your brand stands for and what it wants to achieve. Task 4 was where we defined a mission and vision statement for the company and should be your foundation in answering these questions.

However, while your mission statement was largely internal-facing and aimed towards team members, your brand statement should slightly differ as it aims outwards towards your customers. How do you want them to perceive your brand?

Next is Brand Tonality. This is linked to the emotional perception of a brand.

It describes what the brand is like, as if the brand could walk and talk, and were a person of their own. Most importantly, it describes which values and personal characteristics are important to the brand.

And then we have the benefits and offers of your brand.

Why would somebody choose it? Where is the added value? Is it the person behind the brand, the materials used, or something intangible? Think about this question as a 'What else' to your product. And finally, Brand Picture.

This is where you start to paint the picture of what your brand will look like. The result here should be a clearly defined visual style guide that will carry you through the creation of creatives, logos, and all things visual.

The purpose of the brand steering wheel was to help you define internally what your customer-facing brand should look like.
This second tool, the Limbic Map, will allow you to gage your assumptions with our favorite stakeholder: The Customer.
Ideally, this map can be executed with the focus group you assembled back at Task 22.
The general idea here is to gather a relevant group of people and ask them targeted questions associated with your brand.
The questions should hit various pain points in various emotional categories.
The stimulant customer is attracted by quick and risky decision-making, and wants that reflected in a brand.
The dominant customer wants a bargain and operates on emotions such as power.
A balanced customer lives on social proof, he or she deals largely with secure emotions like trust and loyalty.
With the limbic map, you'll give yourself a better idea of what drives a consumer in their decision making. You can build your brand based on these perspectives and be able to A/B test what works and what doesn't.
Keep your questions focused and directly related to what you outlined in the brand steering wheel.
Some basic questions to get you rolling could be along the lines of:
What words do you most often associate with our company?
Or how would you describe the character of our organization?
In mapping out these three emotions evoked on the limbic map, you'll be able to generate recurring themes in the answers provided.
Take these answers and make sure they are in line with what you generated internally through the brand steering wheel. Through the alignment of the two frameworks, you'll have successfully defined a brand bible that will guide you moving forward. With a clearly defined brand, you'll have laid the groundwork in building a persuasive marketing narrative for your product.

Essentially, you'll have laid the groundwork for consistency, differentiation, and customer trust in your product, operations, and marketing!

It's no secret we live in a digital age, and any marketing strategy worth its buck will stress the importance of a digital footprint.

Your footprint will be a key determinant of just how far your brand will spread and it will be the credible leg that your company has to stand on.

How you craft your presence will be vital in determining the overall success of your venture.

First things first - Your website. This is the central hub of your presence. It will be the ‘Rome’ that all of your social media roads will eventually lead back to.

A clean and compelling website will capture the attention of a prospective customer and lead him or her seamlessly in understanding your value proposition.

Make sure there is a person responsible for your social media and remember it is better not to have an account, than to have an empty one.

If your website is your headquarters, your social media platforms are your sponsors out in the field. The chief principle here is crafting a social media mix that diversifies based on relevance.

In other words, choosing a variety of platforms that make sense for your particular target audience. A lackluster online presence can be a huge conversion killer.

On the other hand, an effective presence will build credibility, be the bridge to your intended market, and reiterate your brand vision.

It will be the CV behind your soon-to-come marketing strategy!

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Now that you have the technical and logistical aspects of your MVP developed, as well as a clearly defined brand, the task becomes to consolidate the two.

Your design and wireframe involves the aesthetic aspect of your product. It is the perfect balance between something beautiful and something that still gets the value across.

Much like before, we've continued that narrative of this framework in two parts depending on the base of your MVP.

Starting at software, we'll take a look at the wireframe. Wireframes facilitate the structural design you'll undertake. There are a myriad of ways to construct the same screen.

But choosing the right one - an interface structure that will get your message across best - could be the most important part of your design.

Ultimately, a multitude of Wireframes based on the different stages of your website or app will produce a user flow chart.
A well-thought through user flowchart begins with the customer's entry point to the product. It ends with the result, or last action intended.

Often it starts with a homepage and ends with a purchase funnel.

Comprehensively outlining this process will allow a designer to optimize the UX & UI to increase conversion rates.

It will also lay a foundation in design aligned with various already-established factors such as branding, specifications, and overall value prop.

Taking care of this now, before coding or major developments will help you avoid costly reiterations in the future.

In the case of a hardware MVP, the logistics are a little less complex.

It more centers on designing the product thoroughly while accounting for the materials that will construct the MVP both inside and out.

While working through this task use not only the obvious, such as task 26, but it's also about taking what you decided in task 31 and ensuring it aligns with your designed brand in Task 32.

It's about painting the facade of your extensively thought through MVP!

A critical continuation of the last task is the production of your Logo and corresponding creatives.

Draw from your defined brand in Task 32 to design a logo that captures the essence of your company. Think of your brand bible as the northern star guiding your creation of all creatives.

It brings cohesion to all subsequent communications of your venture, whether they be internal or external. It will be a gem of an onboarding resource for new recruits, and the book that all of your marketers live by.

A rough outline of a brand bible should include: Brand Purpose, Mission & Vision, Brand Pillars, Colour Palette, Typography and rules, Logo Versions and Guidelines, Iconography, Mock-Ups, and Photography Guidelines.

Use these as the cornerstones of developing an effective brand bible that you can lean on.

Don't forget to consider copyrights and trademarks in the creative process.The latter is especially important, as it will protect how you build your logo and creatives - e.g. the combination of colors you use, the shapes, and so and so forth.

When thinking about your logos and creatives, I suggest at the very least starting with in-house mock ups. Ask yourself and those responsible to produce something as organically as possible, without any influences in mind. The result will be something born naturally and an embodiment of the company's values.

Only with that done and in place would I recommend to start looking outwards at competitors, peers, or just researching as a whole. Pick and choose externally, in order to curate the foundations you laid beforehand internally. The measure of a good logo is in what it provokes. People should look at your logo and think not only of your product, but the brand you built behind it.

They should be bombarded subconsciously by the values, principles, and USP setting you apart. Consumers, people in general actually, are highly visual creatures.

Designing a distinguishing logo, and the creatives to run alongside it, will be the building blocks of a brand that sticks to your consumer for the long run, and consequently, finds success for the long term.

Securing funding is often such a sought after goal, that founders stumble blindly into the first offer on their table. This is because to be funded is misconstrued as being validated, and the desperate founder doesn't want to let their chance slip away.
I cannot stress enough how crippling this can be in the long term. Just like there is founder fit, there is such a thing as funding fit.

There is a trade-off in the method you choose to pursue - By clearly understanding the implications surrounding various types of investment, you'll be able to invest your time into pursuing the right option from the get go. In turn, you'll increase your chances of not only securing funding, but securing the right funding.
Now to one of my favorite terms - Bootstrapping.

I strongly advise that as a founder you bootstrap as long as possible. Until you simply can't anymore. And if there's not a point where you can't anymore, I would avoid fundraising entirely.

The reason being is that by bootstrapping, you'll be forcing yourself to be ruthlessly creative in cost reduction. Moreover, everything you build pre-funding will be done your way. Autonomy, shares, direction, these will be completely yours to direct.

The more funding rounds you enter, the more shares you'll give away - Especially in the early rounds as your shares will be remarkably undervalued.

If you bootstrap until you can't anymore, you'll ultimately keep the company as close to your vision as possible. Moreover, once securing funding, you'll be able to put the funds more purposefully towards disruption rather than survival.

Grants are a magical word in the world of funding.

This is where Task 23 can be such a big help, as ESG's often are the main criteria in securing a grant.

The upside is incredible - Government validation and organic support in the sense that no shares are given up.

Incubators can also be an interesting route to take. Although, it is worth mentioning that Incubators often work with early stage startups without a business model in place, so to go this route, you must do so early.

Some incubators have an application process, but others only take on those through their network. In other words, securing a place can be quite difficult as they are typically selective. While they are indeed selective, entering an incubation process can be highly beneficial due to the hands-on mentorship once inside.

As for the funding implications, incubators are usually fee based, rather than taking a stake in the company. This can be extremely attractive for those looking to maintain autonomy.
On the other side of the incubator coin, you'll find accelerators. If you are able to bootstrap until the later stages, accelerators are the route to go. The main difference is that accelerators are more focused on scaling existing companies, while incubators take on disruptive ideas and grow them from scratch.

Accelerator programs offer the same benefits of a highly hands-on approach. However, they are often even more selective than incubators, especially in regards to the bigger names out there. Another consideration is that the exchange with accelerators is almost always equity, which is not always true in the case of incubators.

Angel investors are usually hard to come by, but offer a ton of upside in regards to funding. They can offer not only financial resources but warm leads to a wealth of other resources, such as their network.

Also, when involved, they can provide insights and mentorship that will bolster the growth of your company. Something to keep in mind here is that much like securing mentorship, securing an angel investor demands that the investor be a good cultural fit.

If not, the same problems are on the horizon as securing a mentor that isn't a fit.

A final, but important, factor is that Angels, opposed to VCs for example, often have an exit strategy in mind. They are primarily coming in to make significant returns, and will soon sell their shares to the highest bidders. This brings larger implications of not having the choice in who the associated autonomy will be passed on to.

Crowdfunding is also an ideal route to pursue your funding. It's trending for a reason: The Audience Reach, Ease, and Level playing field that a platform brings. But this does not increase likelihood by any means. Its a platform available to the average joe and is often saturated.

Competition will be high so if you go along this route you will have to stand out. In other words, due to its ease but also its competitive nature, I would recommend Crowdfunding as a plan B running in-parallel with your plan A.

Credit cards for SME companies can be a great supplement that will give you some breathing room in regards to cash flow.

It's definitely a less sexy option than some of the counterparts, but often very available to the wider audience, while reaping the same benefits as other options. Keep in mind that this is not an option for early stage, pre-launch ventures, as you need a business with revenue stream to be approved by the traditional bank or fintech.

Venture Capital is a term that probably carries the most weight in the funding world.

This is due to their investments often being the largest. The byproduct of this is an extremely strict criteria that is very one-lane in approach: Growth. Better said, VCs usually only care about high revenue potential, and a fast road to reaching that potential.

This makes it particularly hard for certain startups depending on industry, ESGs, vision, among other things. If you do manage to secure VC funding, another factor to consider is that there is often little to no involvement with your venture.

This can be seen as either positive or negative depending on your take on guidance, but a trade-off that must be thought through in depth beforehand. And of course, there's always a catch with VCs. Often that catch is that the equity stake they take is the largest.

Much like Credit Cards, loans can be a more objective and easily reachable method of securing funds. They are something to seriously consider if short term cash flow issues are looming.
The objective of this task is to force you to raise your standards for funding and to not take it for the buzzword it often is. Funding can in fact be the make or break to your success, but it does not always have to be. Much like not securing funding can be detrimental to a startup, securing the wrong funding also can kill a startup.

So, be rigid in your criteria. If you have a great problem you're solving, the funding will come.

Task 37 is all about finding the golden middle when asking for a funding amount. The most common question I hear in regards to funding is: “How much should I aim to raise”

This task is all about answering that question. It's about finding the sweet spot between raising too much and raising too little capital.. We’ve laid out three points on the left that should keep you on track as you venture towards the valuation of your company.

With that in mind, let’s get back to the question of the hour: How much to raise? It's a painful question, but a lot of the hard work here was already done back in Task 25.

Start with cutting your scope to solely the first 18 months. Using this as your base, add 10-20% on top, as well as 6 months worth of cash burn.

This should give you a good starting point to move forward with. The typical fundraising round lasts 3 - 6 months, and this needs to be accounted for as you set a timeline to raise for.

Too short and you’ll be dragged away from the ever-important task of pushing your venture forward.

Too long and you’ve undervalued your venture, giving away an excess of shares on discount prices.
Fixate on an important milestone that your team wants to achieve and make an estimate on how long it will take to achieve that milestone.

This should somewhat already be outlined based off of Task 7 and Task 25.

The milestone you choose should be a crucial milestone - Perhaps it's when you expect to breakeven or turn cash flow positive. Do so and provide a buffer to accommodate for unexpected delays.

A common tactic is to realistically calculate how long something will take and then multiply that timeline by a factor of 1.5 or even 2 to be safe.

The second painstaking question has to do with how much equity to give away. Of course, in an ideal world you’re giving away as little as possible. But things are not always ideal, and you’ll likely have to compensate for the capital you’re demanding.

There is no magic number but if you’re within the 10-20% window then you’re at a good standard. Your pre-seed valuation is a blank page and there will be several factors influencing how the page fills up.

The first is the current stage of the venture. Where are you? Is it only a concept, or is there a finished product? If only a concept then you’ll raise at a lower valuation. For instance being valued at 1 million and raising 100K for 10% equity.

Regardless, if you have the resources, I recommend outsourcing your valuation so as to get an objective result and avoid being exploited by investors.

This also where you highlight the background of the founding team you put together back in Task 9. Leverage their experience as well as your own to subsequently increase the value backing your venture.

And of course, the environment surrounding your startup - whether it be the current investor network or the market size you’re entering - will either prove positive or negative factors to your valuation.

The ultimate aim of this task is to lead you carefully along the tightrope of equipping yourself with the resources necessary to succeed, without compromising your autonomy along the way.

We touched briefly on the many sides to funding in Task 36 and in this task we'll dig deeper into one of those sides: Non-Financial Requirements.

More specifically, we'll look at how an investor can play into the strategy behind your venture's growth. As with most things in the startup world, there is a give and take to deciding for a strategic investor rather than a more hands-off investor such as a VC.

It boils down to your priorities. Is it important to you to have a complete grip on the direction of the company or do you prefer a sparring partner that has an equal grip?

If you are confident on the strategic side, and are in need purely of capital or networking resources, I advise an alternative route.

If you do opt for a strategic investor, bear in mind that you are simultaneously handing over trust. In deciding who to hand this trust over to, a variety of factors need to be taken into consideration.

Another major one of these factors is the timeline. It is not necessarily a bad thing if the investor is looking for speedy returns. But it's important to understand the implications.

This will put pressure to speed up the process, which is great for cost reduction but could be detrimental to quality. Moreover, what this tells is that his interests lie primarily in the return, rather than your idea itself.

On the other hand, a longer timeline implies faith in your product on a grander scale. This could be great for stability but will imply larger costs.
In scouting a potential investor, be sure to check their portfolio beforehand. If any competitors of yours are present, its not likely to work out as this will simply increase risk for both, the investor and yourself.

The point of this task is that you be thorough in understanding the person behind the capital. It's a make or break choice, who you choose, and could significantly impact the direction of your venture.

By now, you should know how much funding you need, which source of investor you'd like to tap into, and the criteria outside of the numbers this source should meet.

With all of that in mind, the search begins. Here are three excellent sources to utilize: Angel and VC Databases. Through these databases you'll be able to reduce your efforts and consequently increase your likelihood of securing funding.

Make sure to take advantage of the fact that these databases can narrow down the search to factors such as pre-seed funds only or investment size.

Linkedin Sales Navigator can be an excellent hunting tool. For those not familiar, you'll be able to utilize a variety of filters to enable a targeted search. The account filter options will let you generate pools of your chosen source of funding. The outreach that follows is also more personal than a cold email.

Keep in mind that this is the tool that most sales teams use to generate prospective leads. Therefore there are a lot of further tools out there to automate this outreach. You can use the same tools for your own purposes, like Octopus CRM for one. This way, you'll reduce your time spent and maximize capacity in spreading your pitch.

In additional resources you will find a list of angel and VC networks that you can easily leverage to find leads that you can reach out to.

Finally, don't overlook your own network in the scheme of things. The power of a warm intro can lead to a lot of possibilities. After conducting your broad outreach, you'll likely have received some interest here and there.

This is where you take the criteria generated from the previous tasks and evaluate each of your potential suitors based on these three dimensions. Resources like Linkedin and Crunchbase will be great touchpoints to provide the information you'll be needing.

The founder that secures funding is the founder that does not take no for an answer. The no's will definitely come, but there needs to be a persistence in how you trudge on. The confidence behind your pitch should be unwavering and your outreach should be tireless.

Once again, the search for funding is simply a search for a little bit of help. Just show that your idea is an idea worth helping.

In Task 25 we curated a winning pitch deck. It's time for that pitch deck to take the field.
However, there are countless factors surrounding the pitch deck that will also make or break your pitch.
This task is about understanding the before, during, and after of the process.
More importantly, recognize that the process of securing funding will be a task that runs in parallel with the process of growing your venture.
It should always be of second priority when relative to your product. Ultimately, you're here to solve a problem, not to raise funds. Funding is merely a tool that could help you solve that problem.
Stress the following components through your verbal pitch as they are often the most weighted in an investor's decision making:

The importance of people is also a well known factor to investors. Especially in the early stages, investors tend to put their trust in teams rather than ideas.

This is particularly due to the fact that ideas go through a rigorous process and to change along the way. The founding team is what remains constant.
Are you building an asset and a real business, not just developing a single product?

An asset would be for example, a huge database of driving information for an AI autonomous driving startup. Investors want to put their money into real businesses that are actively building an asset. At the end of the day, an investor is interested in the prospect of returns.

Startup investment is a risky business, and an investor knows this. 90% of startups fail, so each one they invest in should have at least the potential to recover the losses of all of the other failed startups in the portfolio.

You should highlight the growth potential of the market and be explicit in your business plan that venture scale is on the roadmap.

As with anything important, preparation is key. I highly advise using a basic sales tactic in your pitch prep - An objection handling sheet.

Anticipate all possible objections and then prepare convincing, but natural, counter-arguments for each objection.

Practice indeed makes perfect so a good strategy is to start with those who are least interested in investing. This way you'll have a couple of action rounds to iron out the kinks.

This last point is particularly difficult in such a digital age and also post-pandemic, but the importance of an in-person touch shouldn't be overlooked, even in the case of a pitch.

Securing funding is not an easy task, especially while simultaneously building a great venture.

We've laid out 5 tips here on the left that'll keep you in the right headspace throughout.

And if you do manage to secure an in-person meeting, my biggest piece of advice regarding this would be to follow this simple do's and don't list.

Finally, my last piece of advice would be to make sure that the online presence we established back in task 33 is up to date and in top form.

Moreover, establish yourself in more investor related platforms like Crunchbase.

With all of the pieces in place, I leave you with this:

There will be no’s, take those in stride and be sure to gather the reason behind those no’s to swiftly improve on them.

The yes will come, it's simply a matter of when!

Once you've done your homework and are confident in your choice, the next step is to finalize the investment. These are the final touches before you officially secure the funding that will bolster your venture forward.

This is a highly technical task where I highly urge you to bring on a competent legal party to support you. To minimize costs you can ensure that the following points are covered, and simply have a standard legal check at the end to look over the agreement.
Your first step will be a letter of intent. This is primarily an informal step, but an important one as it will set the tone for the remainder of your relationship with the investor.
The term sheet is the first of many technicalities in formalizing the process. It's the playing field that you'll have to pay close attention to in the early stages.
As for what exactly to pay close attention to, use the following as a basis. Make sure the stock options are justified and there is a substantial cliff outlined. As mentioned in the previous task, the terms around liquidation are also an important blind spot to take care of. A good rule of thumb is that anything above 2x liquidation is advantageous towards the investor.

Next is voting rights, make sure that the heavy majority always remains with the founding team, especially in the pre-seed round.

Finally, keep a close eye on the fine print such as the investor demanding an overly long due diligence period. A good benchmark for this is around the 30 day mark.
The actual securing of your funding might happen anywhere along the timeline of building and scaling your venture.
When it does, you'll be thrilled, and as a founder, you very well should be.
I simply ask that you not be blinded by the thrill of the moment, and remain diligent until the very end.
This way, you'll secure the funds necessary to grow your startup in the short term, and not be harmed by its implications in the long term.

Hiring is such an important aspect of building a successful venture. This is because People are the most important asset in your venture, but consequently, the most expensive.

There is an equilibrium to be met in staffing an organization to operate on minimal costs, while still maximizing value. Having a clear overview of your target org chart is a significant first step towards achieving this.
Your founding team is composed of, but not limited to, you and your co-founders. It is essentially the team that you'll go to market with. We've laid out a bird's eye view of the different responsibilities within a venture, and they're categorized by function. Each responsibility should have an owner, but often multiple fall under the wing of one team member.

You should be able to map out which positions you need, how many people you need, and begin to understand how you go about acquiring these people. Effective team building is the key to minimizing costs to the maximum extent. Ask yourself how many responsibilities, or perhaps even whole functions, can fall under one person's domain.
Also important is that this is one of the first chapters in defining the culture of the organization, as well as how the growth of your team will look from here on out.
The second form of minimizing costs comes with the decision between external and internal hires. External hires are always cheaper due to the associated costs of an internal hire. Therefore in the early days, it's pivotal to outsource as much as possible. However, this is a path that must be carefully taken, as outsourcing increases quality risk.

At the end of the day, the main criteria for hiring is that you want a team that cares about the problem that you are solving as much as you do. This is hard to find with external hires, so a key here as well is laying the foundation for an eventual, smooth transition into internal hires.

Unfortunately, the early stages of a startup require the prioritization of cost reduction, and external hires are the means of achieving that.

Regardless, the bottom line to your targ org chart is making sure every responsibility is being covered, and that its being covered well.

Task 44 is a straightforward one. Its about bridging the knowledge gaps between your current team and specialized expertise.

You and your co-founders should be that very bridge connecting the dots. As mentioned before, often it will be your co-founders that are the department heads at the early stages. But the point here is that you and all of your co-founders are made aware of processes that are not necessarily their own.

These kick-off meetings are crucial as a first touchpoint between responsible functional heads, co-founders, and functional experts. These should be no-nonsense conversations that outline the further steps to take to ensure a smooth launch.

An example would be your administrative team understanding the legal implications around book-keeping in the context of your venture. The process should be cleared beforehand and you and your co-founders should be present to understand an overview of this process will look like.

Be frugal in enlisting experts - They are definitely necessary but are often costly.

You should do your homework beforehand and have everything well prepared going into the meeting. This way you can maximize time while reducing it and really get the most out of the meetings.

Through these kickoff meetings, you and your co-founders will have a broad understanding of everything to be done per-function.

Moreover, you can move with confidence towards your launch, knowing that your team is well equipped with the necessary knowledge.

Designing an operating model is a question of how to streamline the process of delivering value to your customer.

We'll break down the different moving parts to the value chain in order to visualize the entire process.

In doing so, your management structure can move forward under reasonable assumptions that are well understood throughout the organization.
While deconstructing your operations into the canvas, make sure to keep your value proposition as the center of gravity. Everything ties back to the question of how the value is generated and later delivered to the customer. For instance, if your value proposition is based on a fast delivery, then it is your suppliers and location that need to accommodate for this.
The content filling your canvas should be grounded in data based tools. Pool from different resources that span throughout the different functionalities. Take an IT Blueprint for one to better understand the staffing implications or budget in that particular department.

Your supplier matrix will supplement your decision in in-housing or outsourcing production. While the operating model canvas is inherently qualitative, it should still be generated based on quantifiable data.
Once completed, you should run a simple prioritization practice of what's within the canvas by starting with that which is essential.

By doing so, you'll have engineered an operating model that is able to meet the heavy feat of delivering value as fast as possible.

Task 47 is the second of these bureaucratic tasks that need to be completed.

There is not much to be explained here besides the well known fact that banking is a process stuck in time. In other words, if it has to do with banks, then it'll be slow.

I would start by targeting your accounts towards banks that work with startups, or are even startups themselves. There is often a lot less red tape than with the traditional big names.
Doing this as early as possible, is the key to doing it as quickly as possible. With your bank account setup, you'll be able to move on to the next of a long list of to-do's before going live.

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Doing this as early as possible, is the key to doing it as quickly as possible. With your bank account setup, you'll be able to move on to the next of a long list of to-do's before going live.

Accounting is an important bureaucratic process that should have its infrastructure set up from the beginning. If done right as a once-off, this can help a venture avoid needless bottlenecks in the long term. Through an effective accounting set up, you'll be able to measure, process, and communicate important financial information cross-functionally.
Our approach to this task will be essentially dividing accountancy into two parts: financial accounting and managerial accounting.
The box here on the right will give you an indication as to the concrete importance that accounting holds. As a whole, I highly urge you to consider outsourcing the entire operation to an accounting firm - Particularly for the financial accounting aspect.

The rates are usually more than reasonable and the labour costs you'll save are invaluable.

But whether you choose to take this on yourself, or leave it to someone else, you have to make sure you're covering your bases.

Financial accounting focuses on the day-to-day, nitty gritty flow of money in and out of the organization. Ideally, financial accounting should be outsourced.
On the other hand, managerial accounting deals with the management of assets directly related to future growth. It focuses on internal financial processes and how they are used to supplement strategic decisions.
To reiterate - Look into your network for reliable, and cheap accounting firms to outsource financial accounting.

Touch base with ideally your CFO, or whoever is dealing with the numbers internally, to ensure they have built the financial processes necessary within the firm. Moreover, be explicit that it is through these numbers that they should be basing the majority of strategic decisions on.

In task 49 we'll return to the question of optimization, but this time in direct regards to your central and local logistics value stream.

This is a deep dive into what you've laid out in Task 46 at the broader level. The goal is much the same, how can you speed up the delivery of value?
DOWNTIME will be our compass in reducing efficiency waste, and therefore optimizing our stream.

Look at defects, or where your product falls short in delivering any value to the customer.

Think about if you're overestimating demand and therefore overproducing products.

Consider your work flow, information flow, and generally any lag time that can be cut down in allowing a process to move from A to B.

Look inwards towards your team - Your people are your most valuable (and your most costly!) asset. Maximize their potential.

How about transportation? Are you using too much manpower, too many tools, or an excess of any other parts of the process?

A direct segway from overproduction is inventory implications. Essentially, is there a waste of space within your logistical stream?

Motion deals more with either repetitive tasks or needless tasks that can be easily bypassed in order to achieve the same result.

Finally, take any 'Extras' as a whole, and rid your process of them entirely.

DOWNTIME is your checklist to make sure your process is as clean, and as optimized as possible by tackling the key roadblock: Waste.
In order to effectively go about this checklist,, utilize a value stream map. It's a map that outlines all of the essential steps in your process to deliver value from A to Z. Through it, you'll be able to visualize each task, while also having status reports at a glance.

Moreover, it is a tool that will allow you to step into your customers shoes - Seeing where value is delivered and where it simply fails to do so.

Your ultimate flow analysis will calculate the time spent on each step. Take those that are longest and with the least value, and be ruthless in eliminating them from the process as a whole.
To truly be lean in operations and therefore be cost-effective, the tough decision will constantly have to be made on what's adding value and what's creating waste.

Differentiating between the two is not always an easy task, but is the one true 'Must-Have' in preventing an operational nightmare of a venture.

Next on our long list: Registering your Trademark. This is something to be done early on.

With your branding clearly defined back in Task 32 and your MVP development in full gear, there should be nothing stopping you at this point.

Your trademark is your great wall, protecting the value you've manifested from budding competitors in the market.
As a venture with big ambitions, you should very early on register your trademark at all three levels: Federal, Regional, and Global.
Remember that Trademark is an umbrella term, with many different types falling under it.

Use your brand and your product as the basis in researching which trademark will be most applicable to you. On the right here, we've outlined what to keep in mind while doing so. And with your trademark taken care of, you're but another step closer towards going live!

Task 52 finally takes us away from the bureaucracy and back to optimizing your operational processes.

Capacity planning is important because it helps you determine how much production you can take on with the resources you have. We've laid out a 5 step scheme to allow you to make this determination.

The first three tasks are concerned with establishing the cornerstones of capacity planning. Determining capacity pre-launch is a tricky endeavor. There's not much to go off as you have no operational data. Therefore the task is forecasting in other ways - this is often done through industry standards. Some techniques to employ can be the Delphi Method or using tools such as Ssales force.

After determining demand, the question naturally becomes if you have the supply, or the capacity, to meet that demand.

This will allow you to better understand the resources you have available in man-power, materials, and equipment. It will beg the question of whether one of these aspects needs allocated funding, and whether one is overstocked.

Planning too little could be detrimental to customer satisfaction but too much could prove costly operationally.

If you expect more demand than capacity then perhaps consider options such as outsourcing to a more capable firm at certain points along the value chain.

With the previous two established, you'll be able to set up your various operating units in line with your specific needs.
After doing so, the question of optimization is up next. This step might be particularly more important if your product is hardware, rather than software. Nonetheless, the idea here is to establish performance tracking before launch.
This basic first step will allow you to reduce costs and optimize spending later down the line. After having tracking in place, circle back to our old friend from Task 49 in order to ensure that you're detecting waste, eliminating it, and therefore increasing capacity.
The final step is to consolidate the previous steps to understand your current capacity landscape. This of course will happen later down the line, post-launch, but is the key phase of what is an iterative process.

This should be a knee-deep analysis across your various resources in regards to their time usage, skill deployment, quality control - In other words, your resources and the capacity of these resources.

Planning facility capacity is the first step in the process of setting up a supply chain, right in between manufacturing and distribution. The lean startup loop is at times some overarching buzz word every startup tries to achieve.

To be a lean startup is to start in the trenches, hitting that perfect sweet spot between capacity and demand.

Content production will stem from your efforts earlier on in defining your brand and will seep into your soon-to-be-addressed marketing strategy. Great content production will both directly and indirectly build out your customer base. It should be consolidated in a voice that reflects your core values throughout all communications.
In creating content, it is important to think of the long term. In other words, analyzing how long content can be relevant and at what points will there have to be a revamp.

In the case of producing visuals, there can often be long lifelines and a diverse use-case. Aim to have one-size-fits-all visuals that can be replicated across multiple platforms.

Copy on the other hand should be unique by context and also address the current happenings of the market. This is something that at the early stages can perhaps be easily outsourced at friendly rates. If done so, I would remain consistent in the party that it's outsourced to - For example, the same freelancer each time.

This way you still achieve the main advantage of keeping it in house: A consistent voice. Design a content production process fitting your product and industry. Make a clear plan and make sure the one executing it is on the same page with you.

Your process should include components such as a concept summary detailing inputs in depth. Moreover, project timelines should be clear, channels chosen, and you should have a clear time and financial budget in mind.
Finally, the time comes to publish content, measure its success and reiterate due to learnings. This should happen in a multitude of places, at different levels of your value stream and sales funnel.

Keep in mind that in Marketing especially, the customer will be at different phases of their journey whether it be interest, consideration, conversion, or retention. The content each step of the way has to reflect these various stages.
To understand content in the context of this task, we have to cast a large shadow. Content is all of the information that the customer consumes in regards to your venture.
Now with that in mind, let's have a look at two concrete examples that differ widely due to industry. Consider that there will be nuances to your product and your industry. Even more than that, these nuances will be broken down within themselves, for example digital and offline content production.
A winning content production process is crafted with the consumer's needs always at the forefront, and the brand, core values, and voice running in the back.

Successfully doing so lays the groundwork for a convincing marketing strategy that we will build shortly down the line.

With capacity established, we can focus on building out our supply chain.

A prerequisite to doing so is understanding the line between push and pull based supply chain.

The difference between the two is fairly straightforward. Push-based, or lean manufacturing, is where production is determined by demand forecasts like an airline with seats or a restaurant hosting a dinner buffet.

Pull, or agile manufacturing on the other hand, is demand-generated. Think tracking numbers for a shipment or customized production.
In understanding whether you are operating primarily in a push-based or pull-based supply chain you'll understand where you need to fall within the lean to agile scale.
In other words, you'll understand the level of fluidity you will have to achieve in your response to the market.

A lean supply chain will allow you to cut costs due to high, uniform volume. But it will only function where demand is stable and can be easily forecasted over longer periods of forecasting.

An agile supply chain however, is more concerned with seasonal or unknown markets. Therefore in a limited demand forecasting period, it will be more suitable

Somewhere at the confluence between the two, you'll find the lesser known concept of Leagile.

Leagile supply chains are capable of delivering to a dynamic marketplace and include a decoupling along the chain where a product becomes unique. Prior to this point the supply chain is lean, afterwards it turns agile. As an example, think of a retail giant buying production materials in bulk but adjusting the styles produced rapidly based on market trends.
Have a look at this graphic to begin to understand where your supply chain should be placed in the grander scheme of it all. Assess your standing based on certainty of the market and forecasting periods.
Task 54 addresses the manufacturing and procurement aspect of setting up your supply chain, and is the second step of what is a larger process..
Task 54 addresses the manufacturing and procurement aspect of setting up your supply chain, and is the second step of what is a larger process..
Understanding the needs of your manufacturing at an early stage will allow you to have a built-for-purpose rather than a built-to-survive supply chain.

In approaching the final stage of your supply chain, the goal to achieve is an optimal distribution infrastructure.

Recently the United States postal service went through a crisis. Talking to an old friend from suburban America, he told me about how his parents already had a nostalgia for the everyday mailman. In a digital landscape, there is simply less necessity for mailing letters and documents cross-country.

Task 55 is about finding out how to eliminate your supply chain postal system before it ever exists. Who is your mail man and how do you bypass him from the very early stages?
Remember that the more mailmen you kill off, the more costs you reduce.

This of course needs to be assessed in your specific context. For example if you're in the retail space then a traditional distribution channel will make more sense than direct to the consumer, as your marketing will likely start off shallow.
You should also be using this opportunity to think creatively on how you can limit distribution costs. Maybe your mentor, investor, or co founders have a network with certain ties in the field.
Continuing on the line of creativity, evaluate the effectiveness of a distribution mix. In general, I advise to eliminate complexity and keep things as simple as possible. But if the cost-effectiveness is truly beneficial, then don't hesitate to take a creative route.
With this task complete, you've finished but yet another crucial step in setting up your supply chain. In the next few tasks we'll talk about how to make sure that this clearly defined supply chain gets put into good use. In other words, how to get customers to make use of your value stream.

Instituting your sales funnel means designing your customer journey in relation to your marketing.

It's about answering the question of how your customer will find out about your product and what will take them from that starting point all the way to choosing to purchase your product. This is not a direct flight.

There are many layovers, connections and delays along the way. The key is keeping your passenger entertained every step of the way.
If done properly, this will be the foundation for your future growth. Feasibly speaking, a venture lives and dies by revenue generation. A poorly built sales funnel is a sales funnel that leaks. Could-Be customers will trickle out somewhere down the line and your venture will suffer gravely for it.
The process of building a great sales funnel can be broken down into stages. Standard marketing practice today is highly digital. Common practices are cold ad campaigns on platforms like facebook and google.

Supplementary to your paid ads will be the online presence you set up - Website, social media, etc.

Your paid ads are often those out in the field, fishing for people who have yet to hear about your venture. If the paid ad is a compelling one, they are hooked into their preliminary research, checking you out on different platforms and understanding who you are.

This is where their journey begins. Focus on a persuasive outreach in your paid ads and strong supporting characters in your online presence to keep the customer interested once hooked.
Right, so they're in the funnel. That's a great start. Now you need to begin to give them value every step of the way. Now this is tricky.

You need to give them enough value to where they are curious and asking themselves what else? But still allowing them to understand what the rest of your value prop might look like.
What has largely been Marketing at the beginning of the funnel now transitions into the Sales domain slightly.

There should be a clear prioritization of A leads, B leads, and C leads.

A leads are those who will bring in the highest lifetime value and most closely match the consumer archetype defined earlier on.

In other words, they are likely to be very interested and should be prioritized above all.
Ideally your marketing funnel has been compelling enough to where A leads are inbound.

But regardless, outbound sales are likely necessary. For both however, a clear sales process needs to be established. This should involve a sales playbook with a high priority on a sales script, negotiation infrastructure, and a clearly-defined follow up process.
Now, to the beautiful close. Your funnel should be end-to-end crisp in practice. This includes the logistics of getting them across the finish line and what happens when they're across.
Think post-purchase automations, providing support, and basically never letting the value line drop.
There's no shortage of tools out there addressing the Sales pain point for businesses, as it's such a critical one. Assess which is the most optimal for yourself on a variety of criteria such as whether you're operating in a B2C or B2B market, whether you have a large sales team, what kind of post-purchase care needs to be provided, and of course, what your budget demands.

We’ve listed a bunch of big names here that could fill those needs, and I can also recommend lesser known platforms like Proposify or Close.com.
In a lot of ways sales has become a word that customers turn away from. There’s a stigma to the word that is sometimes hard to overcome.

The objective here is to craft a sales funnel that does not sell your customer, but that gives them value every step of the way.

Remember that at the end of the day it's a problem you’re solving - The revenue generated by this is not the ultimate goal, but rather, it's the nice-to-have byproduct.

Where the last task brought up the question of defining your customer journey, this task hones in on how to get your customer to embark on that journey in the first place..

Essentially, how and where do you reach that carefully defined consumer of yours? Your marketing strategy will be your tailored answer to such a pivotal question.
Determining how much you're willing to spend on Marketing is not an easy feat.

In some cases, it might make a lot of sense to heavily finance your marketing ads, for example within the B2C landscape, particularly E-Commerce.

But on the other hand, a highly B2B focused product should receive more attention in product development.
Be number driven in carving out your marketing budget and be flexible in adjusting.

Marketing within itself is intrinsically an A/B testing Art. Data such as Return on Ad Spend, Customer Acquisition Costs, and Customer Lifetime Value should be your basis in assessing.
Ideally, you'll employ a wide variety of strategies that span both the digital and real-world landscape.

Of course determining the balance will be dependent on your product, but a safe bet in today's landscape is to lean heavily towards digital strategy.
Regardless, your marketing mix will be the runway for your customer journey. A diverse mix is not always a great one. But in the early stages, the focus should be on testing.

Employing strategies that bring you traction is a key first step. Being data-driven in analyzing this traction is the second.
Your marketing strategy will inevitably fluctuate alongside the changing needs of your customer, the rapid technological advancements and the overall social trends of the time.

As it does, I urge you to reflect on the intrinsic nature of Marketing within your approach.

A/B testing should be routine, analyzing based on data should be non-negotiable, and a strategy that adapts to the customer must be paramount.

Task 58 is where you ramp up your facility in order to prepare for the hard launch. In doing so, you'll side-step any critical manufacturing or logistical issues, which is usually the reason for delays in launching.
This is a task with a very detailed structure to follow so I won't go too in depth here. It is often a case-specific task depending on the outcomes of your earlier tasks in the substage.
And while the earlier tasks are the ones with a more clear impact on the matter, it actually ties back all the way to task 1 as it is your product category that will largely impact which facilities exactly.
And voila, you've laid the foundations for your supply chain!

100 TASKS FOUNDERS

By now you should know what to expect my opening sentiment to be in a task that centers around the customer.

That the customer is so important. Therefore you have to care for them. This means before they ever become your customer, when they become your customer, and long, long afterwards.
Customer care is often a department and of course you'll certainly have one. But the mantra of building a customer care culture is meant to instill the customer as the center of gravity in the entire scope of your operations.
Customer care is often a department and of course you'll certainly have one. But the mantra of building a customer care culture is meant to instill the customer as the center of gravity in the entire scope of your operations.
Let's dig into some of the layers of Customer Care. It starts at the base.

Your ultimate goal in the case of a customer with a question that needs to be answered is answering that question as fast as possible. This saves both parties time and is a win-win.

Your front line for customer care should be always accessible and thorough in the information it provides. Standard practices of an in-depth FAQ section is a must. Behind that should be a straightforward touchpoint, often a customer care manager, for not-so-frequent questions.

In your early stages, this base level of support will likely be your entire pyramid, for advanced support and so-on.

As you begin to grow, this human touchpoint that was before your front line, will likely transition to advanced support only.

This will be because your operations will likely have grown to justify software to handle basic tickets. This can come in the form of chat bots, platforms like Zendesk, or outsourced agencies overseas.

Whether you have a second layer or not in place, there should be clear precedents set for escalating. In other words, when and how to bring an issue up to management level.

This is often a fail-safe, but an effective one, as a personalized apology from a CEO for example is likely to put out big customer fires.

In laying down the infrastructure for customer care in your early stages, you should operate under the intention of building a scalable process. Documenting bottled responses and carefully monitoring when exactly a software transition is justified by the amount of daily tickets..
Moreover, rather than just simply being there to put out fires, your customer care should be aimed at facilitating both product development and brand credibility.

Starting early in tracking your NPS score through a tool such as Usersnap, or via email automations will give your customer a push in the right direction to offer valuable feedback.

Moreover, for those who are explicitly satisfied, your customer care department can easily target those willing to leave great reviews. This is important due to the weight reviews carry and the fact that an angry customer is 3-4x more likely to leave a review then a satisfied one.
An excellent customer care system will trickle throughout all of your functions. It will bolster your marketing strategy by sparking word of mouth, building brand strength, and increasing your social media following.

It will be gold for your product team as they pick and prioritize where value is missing and how to fill it.

It will push sales forward without even trying and allow you to justify higher price points at times.

Take care of your customer every step of the way to ensure that your venture is in turn, taken care of, every step of the way.

Task 60 is a brief one in theory, but needs to be extensive in execution. It's that final check before the building is cleared or the final look before sending the CV out.

It's about doing your due diligence beforehand, so it doesn't cost you dearly post-launch. We split the diligence into two parts.
The first has to do with the usability and technical aspects of your product..
Much like we advised legally, this should be outsourced to an expert in the field, with these considerations listed supplementing your conversation.
The same goes for the security check. Ideally this can be outsourced at a once-off as this is often an ongoing process.

I would advise having somebody set up full-proof processes that offer straightforward alerts in the case of something not being right.

That way, security will always be monitored in the background and only in the case where something goes wrong will an expert have to be brought back in.
In finding your optimal mix regarding tech and security, tool stacks often are the answer, as manpower can be costly.
Determining this tool stack and ensuring that no stone goes unturned is a matter that can only be successfully done with the venture's needs in mind the whole way.
Building these sequences beforehand is a critical step in arriving at a smooth and successful launch.

This task is the closing stage of the product development cycle and the first of your run-up to launch day. Task 65 is the final brush-up in ensuring a fluid and effective launch.

Essentially, this is a giant, cross-functional rehearsal dinner the night before the wedding. Test-run everything. This includes aspects such as website, payment portal, data capturing. Anything that could possibly go wrong needs to be looked over in order to prevent it from actually going wrong.
The stress testing process starts by mapping out your customer journey. Envision each and every touchpoint that your customer will run into.

In this vision, it should be doomsday. What is the worst that could possibly happen and what is the contingency plan when it does?

Step 3 and onwards are an iterative process that can be picked up and placed over each functional aspect. Through this process you should be able to compile multiple contingency plans should any of these scenarios come to life.
While performing this testing, a leveled approach will allow you to ensure comprehensiveness, For the sake of understanding the diagram, let's take your payment process as an example.

Unit refers to each individual component of the process and testing that they individually work. This would be making sure Stripe is collecting the payments, that your checkout portal is up and running, etc.

Integration would be testing how stripe and your checkout portal are working together. While the system expands into other functions such as the financial dashboard you have set up.

And finally, user experience would be testing out in the field with all involved stakeholders, such as the prospective customer, or the prospective tech team member.
After doing everything mentioned, here is a final checklist. It's the brush-up to your brush-up to be certain you haven't jumped over anything critical.
Now let's be honest - Life is unexpected in nature, and this is no different within the realms of the startup world. If anything, this notion holds even more true.

The key is doing everything within our power to minimize to the maximum extent possible,

By doing so, we increase our capacity to deal with whatever does happen post-launch, and in doing so, set ourselves up for success, rather than failure.

A press list or a media list is a list of your media contacts: journalists, reporters, media influencers, bloggers, and more. It is for sending out your press release or story. Assembling your press list is the basic first step in preparing for a high impact launch.

Your launch will be your once-in-a-lifetime PR opportunity and you can not let it slip by you. We've laid out a clear-cut way to approach putting together a no-nonsense press list.
You need to approach this task backwards. The first question is who's at the end of the information flow.

In other words, who needs to hear about this? Is the priority of the customers to maximize revenue? Or is it the investors as funding is becoming time-sensitive. Ideally, you hit both but this is more about setting priorities straight.
It's a media world which means there's no shortage of mediums you can take advantage of. It's once again about creating a mix, and having a clear idea of which aspects in the mix should take center stage, and which should be the supporting characters.
Finally, the journalists and media are your friends in this case. Make their life easier.

At a once-off, compile a plug-and-play press kit that would constitute everything anyone might need to know about your venture.
With your press list ready to go, you'll be able to dive head first into constructing your PR Campaign in the next tasks here.

In this task, you'll learn everything surrounding the start of KPI reporting, which happens on launch day! KPI reporting starts on launch day because that's the day you start generating real customer data.
In other words, the daily, weekly, and monthly KPI reports that you created in the previous tasks will start gathering real data on your launch day.
On the left here is a four-step reporting process that can be plugged into your own workflow. Through it, you'll be able to implement best practices in how the KPI reports can be best distributed and viewed.
As you move on to reporting frequency you'll be able to work out just which stakeholders should be receiving which reports. This task is a straightforward one as it is a simple matter of pressing the on button to the reports you carefully built beforehand.

It's a symbolic one as it means you are on the verge of launch!

Two central pillars for a successful launch day can be found in the execution of your PR and Marketing come launch day. This is where you'll put into action your press list from Task 66 and pieces of your Marketing Strategy from Task 57.
Let's have a look at how your finalized press list should look on launch day. Have your media companies ordered and keep track of your status in regards to each of them. Be ready to be responsive should any faults occur.
This is also the moment where you flip the switch on for your paid marketing strategy, however you defined that earlier on. In deciding just how much ad-spend should be allocated to launch day, turn to the analysis of your target audience.

Is it a broadly categorized group, where a one-size-fits-all message can hit many targets? If so, inject ad-spend into your launch day. Is it a limited market, with many shades to it? Then perhaps more tailored, personalized messages in increments will work. Continue with a launch campaign, but do so sparingly.
As you kickstart both initiatives, be sure to have clear objectives in mind. More specifically, have your launch day objectives in mind. Is it brand awareness you're after or is it a revenue injection? Either way your campaigns should clearly reflect these objectives.
Remember that launch day is your chance to make a big splash and hit the ground running. A great PR and Marketing campaign is your runway that will allow you to do so.

Before launching, we prepared ourselves for the first funding round. But the thing about funding rounds in general is that there is no one-size-fits-all to it.

Sometimes terms like pre-seed and seed funding are used interchangeably. Sometimes ventures bypass pre-seed and go directly to seed funding. Or even go pre-seed to Series A.

For our context, let's put it this way - We're at the stage where true Growth is on the horizon. This is where two factors come into play.

The first is if internally, there are clear avenues of growth to pursue. Think high ceiling investments like expanding a sales team or localizing a product.
The second factor is whether there are funds available to pursue these avenues of growth. If the answer to factor 1 is yes and the answer to factor 2 is no - and this is often the case - then it's time to start considering your second round of funding.

At this point, with a lot of your processes established and with strategy rolling, securing a VC investment is likely the way to go.

Their lack of mentorship fails to be an issue, and your steady traction counteracts the selective nature of the funding.
So let's zoom out for a second in the context of funding and have a look at the funding rounds from a bird's eye view.

This might be your first round of funding - If so, backtrack to Substage 2.2 to refresh yourself on the considerations. If this is your second round, what you'll be doing is essentially a reiteration of what you did back in round one.
If you've bootstrapped up to this point - Congratulate yourself, as that is an impressive feat. Remember, continuing to bootstrap is still an option.

Growth will certainly be slower, but if the main priority is maintaining control - Priorities such as upholding core values and keeping culture personable - Then Bootstrapping might still be the answer.

But let's assume you've gone step-by-step and have secured pre-seed capital already.
If you've determined that funding is in fact necessary at this point due to growth implications, then you're likely to be between Seed Funding if it's your first go around or Series A if it's your second.

The key at this point is understanding the various criteria we associate with those different stages. Understand these criteria and apply tasks 37-42 with these in mind.
Maybe it's interesting to explore whether you'd like a diverse investor group backing you. And of course, remember that your Pitch Deck from before will not be your pitch deck for now.
With your growth capital raised, you can set the ship asail towards the expansion of your team, product, and operations as a whole!

Right, so you've put a lot of work in defining your KPIs, setting up the infrastructure where they and all of your data will be stored, and now it's time to give that precious data some context.

Basically, turning that raw data into tangible reports. There will be two broad categorizations of these reports - Ongoing and Adhoc.

For ongoing reports, this task will show you in detail how to decide what constitutes a daily, a weekly, and a monthly report.

This graphic breaks down your ongoing reports more in depth. These will be your continuously running reports which you'll learn to be obsessive over as time passes.

It's important to have varied timeframes so that your venture's standing in regards to the short steps, as well as the long strides, are both clear. Pay particular attention to the difference in the varying lower threshold between the different timelines.

That a daily reported KPI is only addressed as an issue if it falls 50% day to day, whereas a weekly is held to a standard of 30%. These different thresholds are the red flags that will alert the different owners of the KPIs when to take immediate action.

Based on my advisory of many different types of startups, I have often found a key difference in the frequency of reporting for B2C and B2B ventures.

- For B2C ventures, doing daily reports is essential
- For B2B ventures, daily reports may not be needed — especially in the beginning.

The reason for this difference comes down to marketing vs. sales. More specifically, it's that for B2C ventures marketing (especially digital marketing) is very measurable and very real-time. Conversely, for B2B ventures, sales cycles are longer and may not require daily transparency.

After establishing your consistent reports, you'll be able to have Ad Hoc reports in your back pocket for more case-specifc occasions that arise.

Essentially, your Ad Hoc reports will be your tools in answering sudden strategic questions that pop up along the way. And trust me, they will.

These different reports being produced should replace the morning newspaper you have your coffee with.

They should be maintained carefully and referred to every step of the way as you scale later on. A data driven venture, a venture that is measured from top to bottom, is a venture that can truly be managed effectively.

In these next few tasks you'll spend some time investing into your reporting structure pre-launch. Balancing the short term and the long term is a difficult, tightrope act for any venture.

By starting with your reporting early on you'll be able to gather real time insights to inform your decision making. As famous management guru Peter Drucker said - If you can't measure it, you can't manage it. It starts with your KPIs, your key performance indicators.

Your KPIs will embody your long term and short term goals, your core value, your ongoing process, and much more. Therefore, it is critical to hone in on the top 20 KPIs that matter most to your venture.

Your top 20 KPIs must cover all important areas of your business. They must be the critical, often not obvious drivers of the success of your business model. It's pivotal that you look at what similar, successful companies are tracking religiously.

Sure, there are some KPIs that are relevant for virtually every company, such as number of orders, revenue, customer acquisition cost, customer lifetime value, and so on and so forth.

But there will of course be KPIs that are very specific to your business model. Let's outline a three-step process to determine just which these specific KPIs are important for your business.

Here, you have a detailed three-step process for coming up with your top 20 KPIs. Let me outline this process briefly:

Be sure to cover all areas of your business. At each function, you should be starting with the question of what exact sort of quantitative data will allow you to strategically move forward in your industry.

If your venture operates on high costs in a limited market, then a KPI like CLV will hold more weight than number of orders.

If you're operating in a highly digital market, then a KPI such as return on ad spend will take the lead.
It's about Identifying KPIs that will reflect your context-specific progress unapologetically.

For each KPI, clearly define which data source(s) the KPI is extracted from, who is the single person accountable for that KPI, and which formula is used to calculate each KPI.

Set concrete, specific numerical goals for within different time frames (monthly, quarterly, yearly); to guide you in setting targets, reviewing the historical performance of your company, and estimating from research tools. Much like our ideation process long ago, we need to dedicate clear avenues of effort to the KPIs that tell a bigger story than others. Whittle down and define the top 5 within the 20.

Your KPIs will be the author of your strategic playbook. They should be monitored closely and understood objectively. In doing so, you'll be operating a venture that responds rapidly to any weaknesses, never allowing these weaknesses to manifest.

At the same time, you'll recognize where your strengths are and be able to play to them.

As a whole, the venture will function progressively, dynamically, and of course - Successfully.

At task 62 we've arrived at one of the more technically complex tasks of the framework.

Your data warehouse will be your pool of data all in one place. This pool will be a guiding roadmap in all decisions.

It will allow you to store data over clearly marked time stamps to further analyze trends, progress and be the basis of future expectation.

As it is a highly technical task, the responsibility should fall under a Business Intelligence or Data Analyst profile. This person at such an early stage will likely be contracted, but of course, if luck is on your side, can be found in-house.

After identifying your builder, the construction on our data warehouse can begin. It will be this warehouse that will be your single source of truth for all of your KPIs from here on out.

A key distinction to understand is ETL vs ELT. The difference is where the transformation happens. Better said, its about if the data will be formatted after arriving at your warehouse - So ELT - Or if it will happen along the way - ETL. The person responsible will of course be able to judge which is better in your specific use case.

As a founder, the point of this task is to first ensure that you've covered its execution even from a delegation standpoint, but also so that you understand its importance.

Strategy must be data-driven at all stages of the process. This allows you to understand what your data infrastructure looks like, and in turn, understand where your strategy initially flows from.

Despite being such a heavy task, this is by all means a must-have before launch.

Too often is setting up a data-warehouse either left for long periods of time post-launch, or never truly done at all.

By doing so pre-launch, you've built yourself a history book that starts from the dawn of time. This will allow you to better understand your venture - Where you come from, how you're doing, and where you should plan to go.

As your startup begins to grow beyond its founding team, every new hire fundamentally changes the company DNA.

When putting together your founding team, I spoke about laying the foundations of culture. This is where you lay a blueprint to build on that foundation, in line with your original vision from long ago.

As you grow, it becomes increasingly important to take a strategic, systematic approach to hiring. Queue task 64, where we set hiring targets.

Back when we designed our targ org chart, we were able to define and delegate all the responsibilities of the venture.

As you experience growth, the demand for each responsibility will grow as well.

That cost-saving method of bottling multiple responsibilities into one person will inevitably meet its end. Your people will be told to focus on what they do best.

Their side responsibilities will grow into their own department. Previous subcontracting, external tasks will begin to justify in-house positions for a variety of reasons. The need to hire will make itself known loud and clear.

Here are some simple principles to effectively meet that need:

1. Start hiring as soon as possible – having a fast recruiting process is a competitive advantage for you. I've had multiple clients — corporates, consulting firms, and startups — who told me that it takes at least 12 months to go from "we need to hire for position X" to "the new hire starts for position X".

Why are they so slow?

Because every single step in the hiring process is slow: it takes months to get the approval to hire for that position, months to get the job description out there, months for active recruiting to start, months in dragged out interview processes and then due to a notice period it takes months for the best person to start.

Move fast, your team will be better off for it.

2. Hire top-down — you want to hire the more senior people first, so that they can hire their own team using their networks. More than that, you can assure that the dynamic within functions will work beforehand.

Sometimes you may even get lucky and these senior hires will bring an entire team with them.

3. Perform direct search — by that I mean do aggressive, outbound recruiting as opposed to waiting for inbound applications to trickle in.

You’ll not only be faster but you will be more likely to get the best people to meet your needs.

Linkedin Sales Navigator is a fantastic tool to achieve this.

Your team is your most important asset.

Expanding a team is a sign of progress and success, but should be done cautiously.

The wrong hire can be crippling to an early stage startup, sometimes in the short term, often in the long term.

But on the other hand, the right hire can be your diamond in the rough and the key to taking your startup to the next level.