- SEO previously - white text on a white background
  Later: Adwords, links, Pagerank

- Growth:
  Great product → customers → spread the word → retention



% active (monthly)

# users

days from acquisition
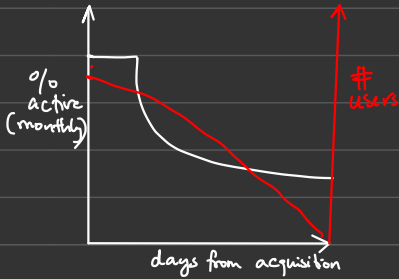
- all of your users would have been on the product atleast one day
- if product has been around a year, you'll have 0 users who've been on it for 366 days
- if curve doesn't flatten out, focus on getting <u>product market fit</u>
- retention rate is dependent of the vertical
- "whether or not the users who install it actually stay on it long-term when you normalize on a cohort basis
- start ups should not have a growth team. CEO is the head of growth
- North Star is not always active users. Others: # sent messages,
  ↳ leader defines it                # nights booked (ABNB)
                                      % ecommerce through site
- Magic moment — what users are looking for on your site.
  ↳ find what is it that connects people on your site.

- building an awesome product — all about the power user
- driving growth — think about the user on the margin — don't think about yourself
- "build it and they will come" → false  → if no one gets a friend, why will they be active on FB?
- Alex Schultz focused on <u>10 friends in 14 days</u> + getting users to their magic moment

i18n :
- Fb was late, but built it in a scalable way
  ↳ Professional translators + community translators
  ↳ prioritized the main languages
  ↳ building for where the world is today: easy mistake to make
    but instead built a scalable translation infrastructure, be ready for where the future is gonna be

Virality :
  [book: Viral Loop (Adam Penenberg)]
  #1 payload — how many people can you hit at once
  #2 frequency — how many times can you hit them
  #3 — Conv. rate% — what are they gonna convert at

SEO :    research — what do people search for, how many search, what's the value (supply, demand, value)
         ("drink" recipes vs. "cocktail" recipes)

- "A good plan violently executed today > a perfect plan tomorrow"
- work really hard + execute fast

# LECTURE 7 - How to build products users love

Conversion ↗
↕ Growth
Churn →
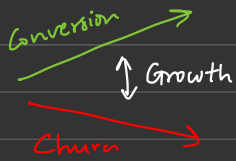
- being fanatical about creating meaningful relationships with our users
  New users :: Dating → First Impressions (word-of-mouth stories)
  Existing users: Marriage ↓ lower threshold in terms of pass/fail

- what is the emotion on the person's face when interacting with the product (doesn't have to be design side always)
  [funny use cases shown, example Chocol. editor,]
  intelligent hurl 404, etc.

- Cost /Billing ⎤
  Users' Clients ⎥ Customer
  Performance ⎥ Support
  Roadmap ⎥
  Others (competition, partnerships) ⎦

- Before Launch   (Create software 100%) → Support-Driven Development
                                            (Creators = Supporters)

- After   
  Hiring Crap / Software / Biz Crap / Fix Crap / Customer Support
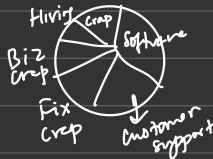
- Direct exposure to users ⇛ great software
  intuitive app ⇛ decrease in knowledge gap
- New features "Since You've Been Gone" shown to users
- Market Dominance :
        Best Price
        Best Product
        Best Overall Solution

- → founder of Door Dash
- <u>Stanley Tang</u> was interested in building technology for small business owners
  - interviewed a macaron shop in Palo Alto
  - talked to 200 others and they agreed on the idea
  - PaloAltoDelivery.com — to test hypothesis — ugly website but got good traction!
  - they actually drove and delivered food
  - launched in an hour (just using a landing page)
  - At the beginning, it's all about testing your idea, trying to get it off the ground, and
  - At a point, Square shut down their account due to suspicion of money laundering
  - talked to customers, asked questions about their experience

  *figuring out if this is something people even wanted*

1. Test your hypothesis ( like experiments)
2. Launch fast
3. Do things that don't scale

- Walker Williams — Three places to leverage your advantage
  - Finding your first users — first users are hard to find, try really hard
  - Turning those users into <u>champions</u> → who talks about + advocates for the product. Talk to users
  - Finding product / market fit
    - ↓
    - *don't pass off customer service to someone else*
    - ↓
    - *talk to users who left (personal outreach)*
    - ↓
    - *understand how communities & social media are talking about problem*

    - Build faster, forget about scalability for now
    - Only worry about the next order of magnitude
    - Do things that don't scale as long as you can — don't give it up willingly

- Press should have targeted audience and goals
  such as : investors, customers, industry
- Stories — product launches, fundraising, milestones/metrics, business overviews, stunts, hiring, articles
  ↳ Think objectively when pitching a story — will audience be interested
- Mechanics of a story — Think of a story, Get introduced, Set a date, Reach out, Pitch, Follow up, Launch your news!
  (to reporters)
- PR Firms are expensive and can't help with stories
- Getting press doesn't mean you are successful, press is not a scalable user acquisition strategy

## LECTURE 9 — How to Raise Money

what makes you decide whether to invest in a founder or company?
→ is this person a leader? focused? great product? product driven by problem?
    + communication skills

· VC business → game of outliers
    ↳ invest in those with really, really extreme strength that makes them an outlier
        (along an important dimension)

· in 1 line → what does your product do?

· quick decisions → hire & fire

· "bootstrap as long as you possibly can" (starting lean without the help of outside capital)

· "be so good they can't ignore you" — make your business better than pitch better
                                                                                        your

· raising money, is not actually a milestone — there are other hard things
    ↳ used to peel away layers of risk and achieving milestones — Onion Theory of Risk

> Acquihire — acquired for the team, not for the product

· Seed stage — picking the right investors

· AirBnB's success — really good, cofounders — equally well
                                    phenomenal

· It's not about losing $5million because a company's doing bad (because the winners will very well make up for it).
    It is about conflict policy (investing in a company locks out that category. They don't invest in competing companies).
    and also about opportunity cost (Warren Buffet's punching holes + time)

· interesting topic to explore — Startup exit strategies pros & cons — M&A, friendly buyer, IPO, Acquihires, etc

## LECTURE 10 — Culture

· Company culture — Everyday <u>core values</u> and <u>actions</u> of each member of the team in
    pursuit of our company <u>mission</u>

· why it matters — first principles, alignment, stability, trust, exclusion, and retention (helps move faster)
        — Stock market returns doubled (compared to standard index) for the 100 "Best Companies
                                                                                            to work for"
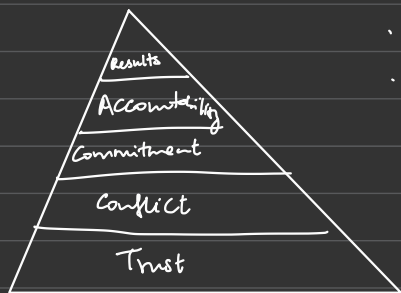


· Interview for culture fit

· Evaluate performance on culture as well

· be with people that make you uncomfortable because they know a lot and are very smart.

· clear sense of values + mission is important for companies to stick around.

· you want diversity of background, age, etc. but not diversity in values

· Samwer brothers cloned Airbnb, but ABNB did not buy because they thought this was
    done for $ → "missionaries outlast and out-endure mercenaries" — Brian Chesky

· what is your moat?

· perfect experience to one person then scale