

BA260H READING for 4/8/2019

Vignette (6th ed) Chapter 2

- Two guys combined their love of 3D printing and a bad experience with insoles to see and create wiivv - that makes custom, 3D printed insoles
- They used Kickstarter to verify that demand existed (2000+ some backers = Yes)

- assembled the wiivv 100 - 100 people that tested the product through many versions

↳ These people also helped wiivv get the word out on social media.

- \$7.88 mil raised in 3 rounds of Seed (2) and Series A (1)

What went wrong (6th ed) Chapter 2

- 3 guys designed a program to crawl through all photos and organize them (in response to personal frustrations)
- Raised \$1.8 mil
 - ↳ Released MAR 2013
 - ↳ People LOVED it

- EverPix team was too focused on making the program, less (much less) on advertising

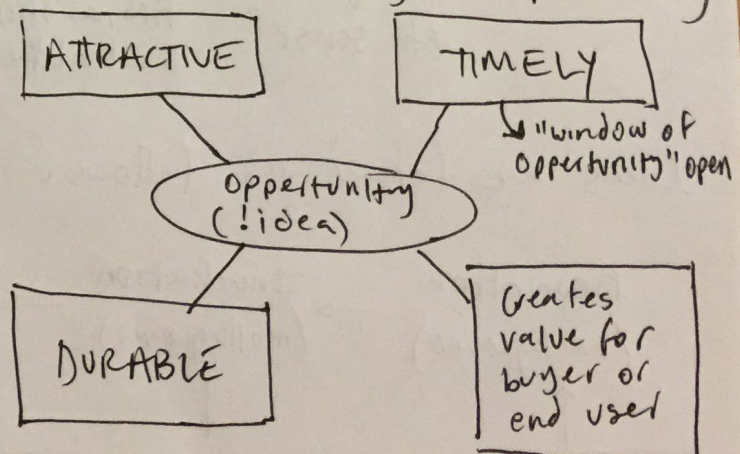
- lacking "virality" of userbase killed them...

↳ also, they were competing against those giving SW away for free.

Chapter 2 Notes

- Opportunity: set of favorable circumstances creating need for a product.
- Venture Stimulation
 - ↳ EXTERNAL: "I want to find an opportunity to turn into a company"
 - ↳ INTERNAL: "there is an issue I have, and I created this company to address it"

- opportunity gap: void filled by a business fulfilling an opportunity.



- 3 ways to identify opportunities

↳ Observe trends

↳ Economic, social, technological
political, regulatory

↳ create opportunity gap
↳ create opportunities!

↳ Solving a problem

↳ finding gaps in the marketplace

{ Distinguish
between trends
and fads

→ { trends are
interconnected

→ { social forces like
(age, diversity ...

{ Check out daily
challenges

{ Start companies
that fix problems

→ A product that is not available, but
should be (24 hr fitness ...)

→ Also taking an existing product
and adapting it to different T.M.

- Entrepreneurs good at recog-
nizing opportunity have these qualities

Prior Experience

"Entrepreneurial
Alertness"
- recognizing
or "sniffing out"
opportunities.

↓
6th sense?

Social Networks

↓
weak and
strong ties.

↓
Ideas come
from weak
ties, as strong
think alike!

↓
Types of entrepreneurs

↓
Solo

↓
more attentive
to ideas,
fewer ideas

↓
Network

↓
more ideas,
less creative

- Ideas are formed as follows:

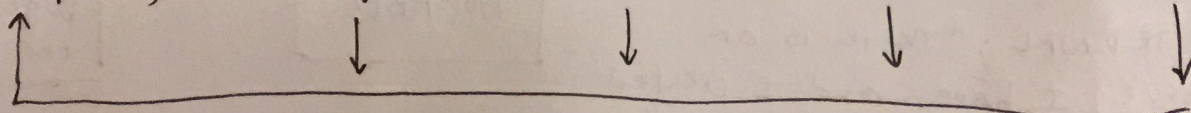
Preparation
(background)

→ Incubation
(mulling over)

→ **EUREKA!**

→ Evaluation
(Viable?)

→ Elaboration
(final form)



- Ideation Generation
 - Brainstorming: No criticism, Free-flowing, Quick moving, Leapfrogging.
 - Focus Groups: Gathering people related to the topic
 - Library / Internet research

Vignette (6th Edition) Chapter 9

- started when two women decided to make peanut butter from scratch at home, and it was good
- started selling locally in Eugene (poor school choice :) but to good success
- started website with great success, contract to commercial kitchen.
- grew cautiously to not lose culture.

What Went Wrong (6th Edition) Ch 9

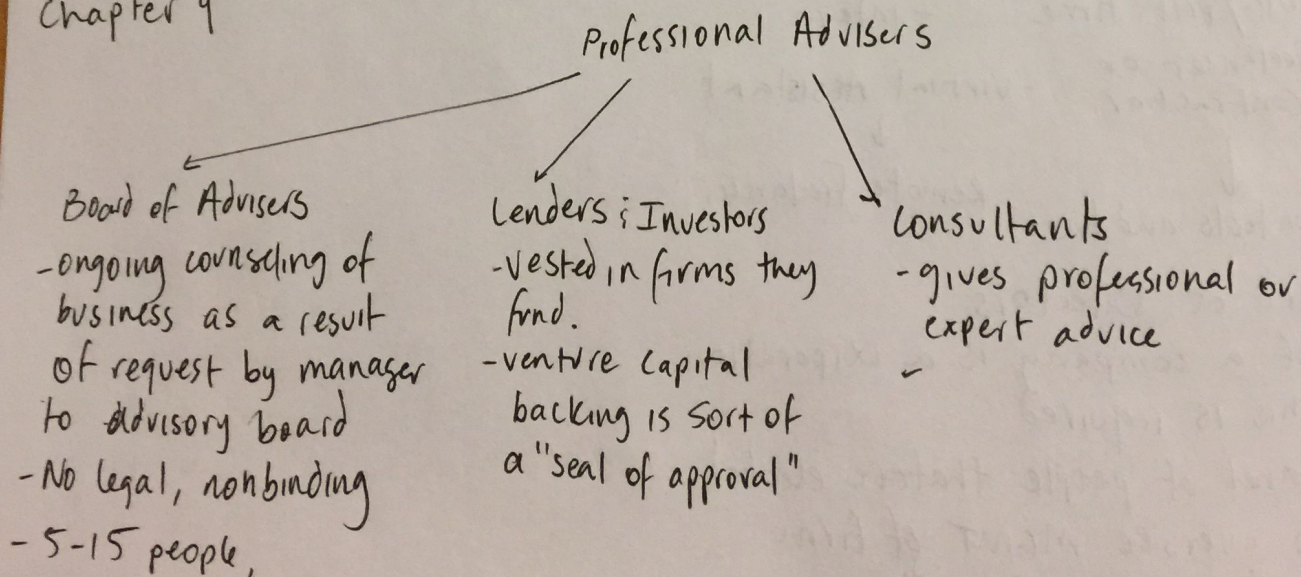
- company sold use of cloud based "CI" - ish stuff - like bad code detection...

- They failed for 3 reasons

↳ lack of minimal viable product

which is ~~related~~ to their lack of customer development (too much time developing SW, not enough customers)
 ↳ Too like minded were the 2 founders. No business motivation
 ↳ Remote working posed challenges..

Chapter 9



- Liability of Newness: the fact that some companies fail because the people running them are inexperienced

→ Signaling: when a big cheese signs on to your board of directors.

- New Venture Team consists of

- Key Employees
- Board of Advisors
- Other pros
- MGMT Team
- Lenders/Investors
- Board of Directors

Founding team should be 2-3 not more. (solo is $\leq 50\%$ or so, and can work)

- Things people "look for" in a founder

↳ College Degree (knowoowwwledge)

↳ started company in field relative to their expertise is better

↳ Prior Experience

↳ Networking Skills

↳ Industrial Experience

- Types of Employee

- Full/part time - Intern

- Freelancer or Contractor - Virtual Assistant

↓
Own tools and time Remote Freelancer

- Board of Directors

→ if a company is a corporation this is required

→ panel of people that are elected to oversee MGMT of firm

Outside Director (not emp) Inside Dir (is emp by company)