DISCOVERING MANAGEMENT | SPRING 2020

CASE STUDY 1

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Feedback theory lectures

- https://freeonlinesurveys.com/s/tjQDz7PZ#/0

Discovering management: project work

- Get insight into key topics related to entrepreneurship and corporate innovation

- You will work in teams on two case studies

- For each of the case studies, there are deliverables that will be graded (each case study counts for 50%)

- Project work counts for 30% of final grade for Discovering Management

Schedule

Date	Online session	Preparation or deliverable
2nd of April	Case study Doug Rauch	- Read Doug Rauch Case Study - Read HBR article "Why the Lean Startup Changes Everything"
9th of April	Case study Doug Rauch	- **Hand in group responses by 10am** - General group discussion from 10-11am
23rd of April	Case study Bosch	- Read Bosch Case Study - As background information: read the 2 BCG reports on corporate venturing and corporate innovation tools
7th of May	Case study Bosch	- **Hand in group responses by 10am** - General group discussion from 10-11am

D MTEC

Discovering management: project work

- During the online session you will have time to work on the team task

- Important: you need to hand in your team responses by the following session 9th of April, 10 am, on Moodle under "Deliverable" > "Case 1"

- Only teams that hand in their answers by then will receive a grade

Learning objectives of case study 1

- Get insight into key principles of the lean startup methodology

- Understand how to use the Business Model Canvas and the Value Proposition Canvas

- Be able to apply these to the case study

Agenda today

- Introduction to the lean startup method and the case study

- Break-out rooms:
  - Starting to work in team
  - Team exercises and homework

- !! Important: please make sure that you are signed in with your full name
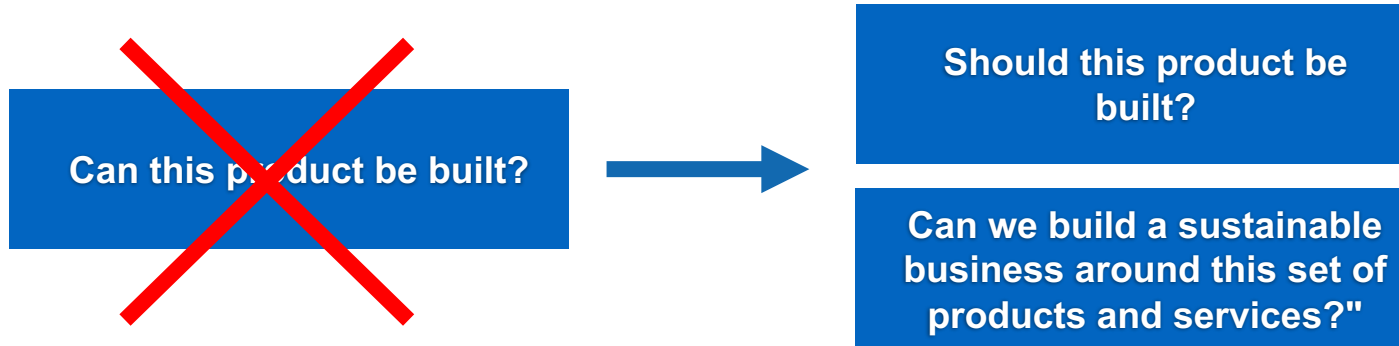
The Lean Start-up

Traditionally, startups would…

- Write a fully-fledged business plan
- During a long period of planning

- Many startups fail (9 out of 10!), often because they develop something to then find out that the customers don't want or need it
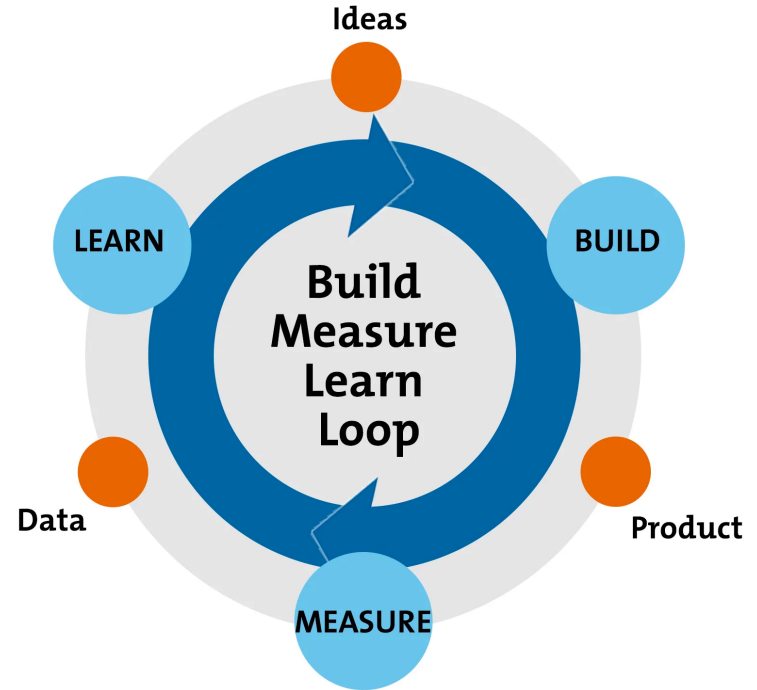
The lean start-up methodology

- Every startup is a grand experiment that attempts to answer a question:

Can this product be built?

→

Should this product be built?

Can we build a sustainable business around this set of products and services?"

The lean start-up methodology

- Aim is to shorten
  product development cycles
- Core component is build-
  measure-learn feedback loop

Formulating hypotheses

- First, figure out what you want to learn

- What are your hypotheses about your customers and your competitors?
  - ❖ Critical assumptions about how a business will work, about the target market, pricing, competitors, …
  - ❖ They are beliefs that you rely on to make business decisions

The Business Model Canvas

- Entrepreneurs start with series of untested hypotheses
- The Business Model Canvas is a tool that helps to map this out
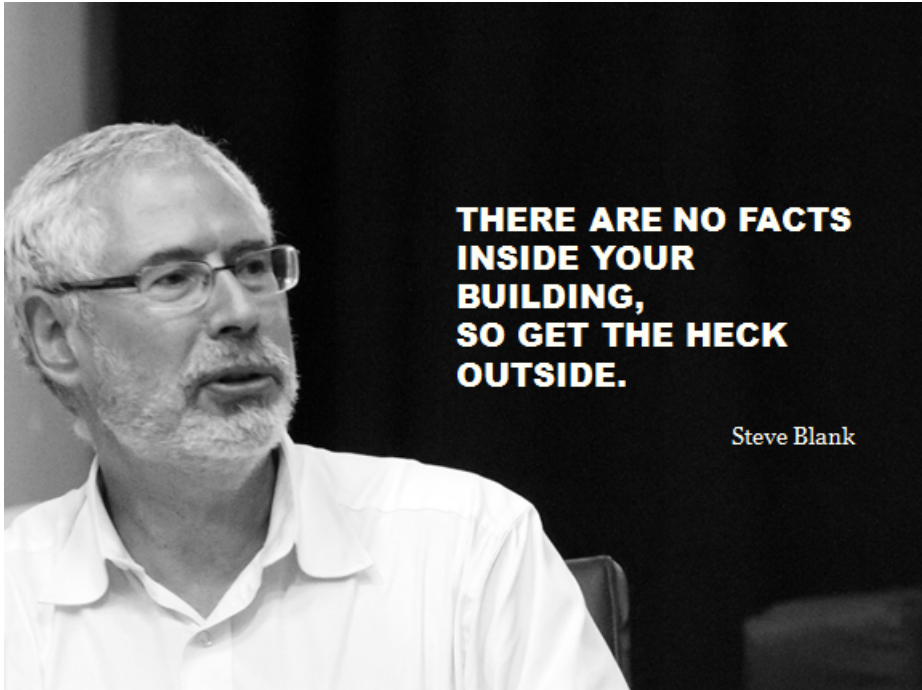

The Business Model Canvas

| Designed for: | Designed by: | Date: | Version: |

Key Partners 🔗

Key Activities ✔

Key Resources

Value Propositions

Customer Relationships ♥

Channels

Customer Segments

Cost Structure

Revenue Streams

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Reaching out to the customer

THERE ARE NO FACTS
INSIDE YOUR
BUILDING,
SO GET THE HECK
OUTSIDE.

Steve Blank

- To test your hypotheses, you need to get out of the building!
- = GOOB (Get Out Of the Building)

- *Video of Steve Blank:*

https://www.youtube.com/watch?v=fNVRMPhRHmo

Reaching out to the customer


MVP   PRODUCT

- Minimal Viable Product (MVP)
- An MVP is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort..

The Value Proposition

- An MVP allows you to build up your value proposition step by step
  = "validated learning" and "iterative product building"

The Value Proposition Canvas

- Canvas zooms in on two elements of the Business Model Canvas

- Ensure that there is fit between "jobs to be done" and the set of products/services you offer

- The Value Proposition Canvas is a tool that helps to map this out
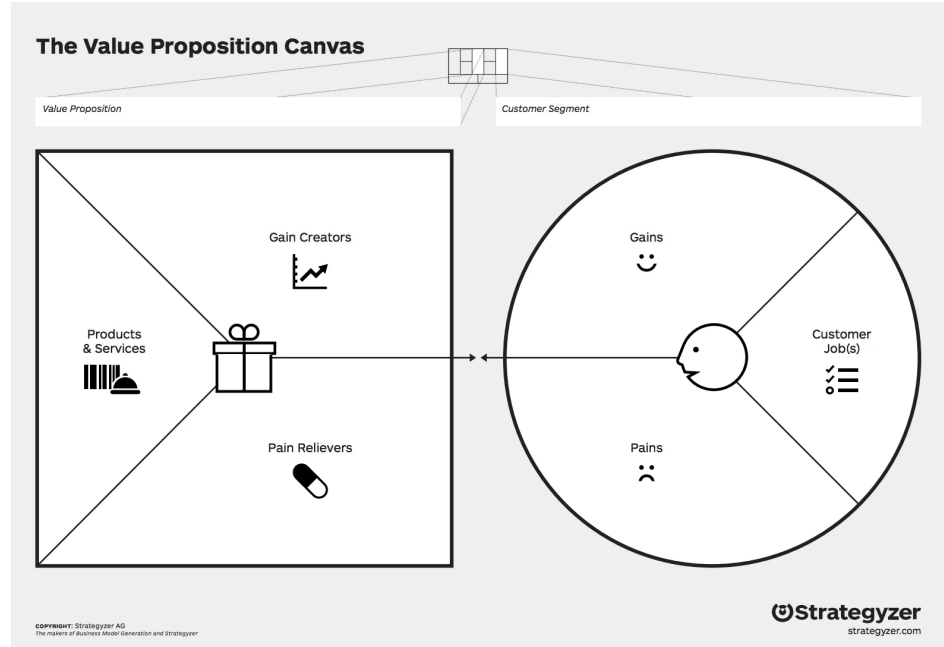
Be critical

- **If you're always right, you're doing it wrong**

- Sometimes, people don't create risky hypotheses.

- If every hypothesis ends up being true, you need to pick different hypotheses.

- You can only meaningfully learn from your hypotheses if they are false.

Applying this to the Doug Rauch case study

Team work

Team agreement

Write your agreements down in your google doc!

- Introduce yourself to each other
- Given that everything will be organized online, please make some agreements about:
  1. How you will interact which each other (email, zoom, google meet, etc.) & share contact details
  2. Each group has received a link to their google document. Decide who will be responsible for handing in or uploading the final deliverables

Team Exercise 1: The Business Model

- What are the assumptions/hypotheses of Dough Rauch?
- Fill out the Business Model Canvas, based on the information provided in the case study
- You can find the Business Model Canvas on Moodle: "Project work sessions" > "Case1_DougRauch" > "BusinessModelCanvas"

The Business Model Canvas

| Designed for: | Designed by: | Date: | Version: |

| Key Partners 🔗 | Key Activities ✓ | Value Propositions 🎁 | Customer Relationships ❤ | Customer Segments |
| | Key Resources | | Channels 🚚 | |

| Cost Structure 🏷 | Revenue Streams 💰 |

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Team Exercise 2: The Value Proposition

- Now let's zoom in on two components of the Business Model Canvas: Customer Segments and Value Proposition

- You can find the Value Proposition Canvas on Moodle: "Project work sessions" > "Case1_DougRauch" > "ValuePropositionCanvas"

Video: The Value Proposition Canvas

https://www.youtube.com/watch?v=ReM1uqmVfP0
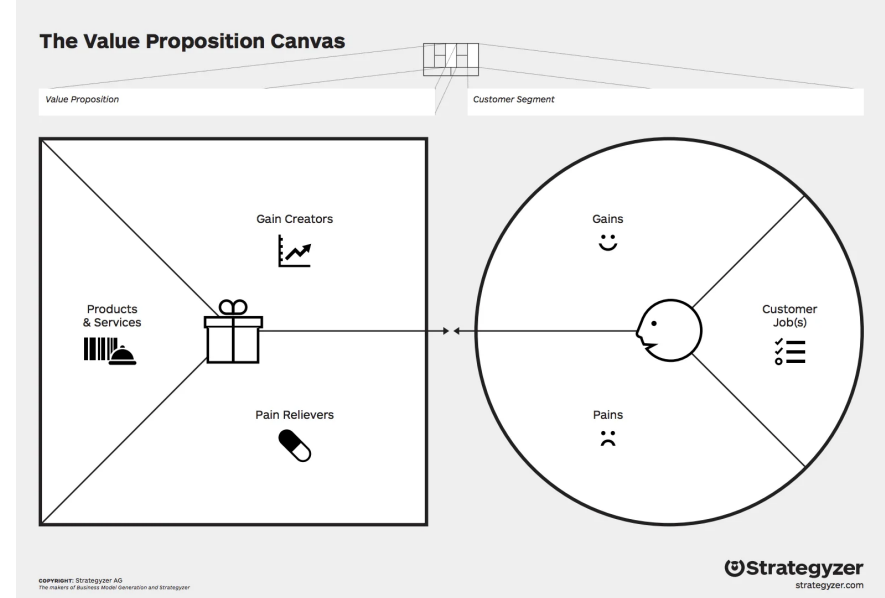
For extra info on "jobs to be done" watch this video:

https://www.youtube.com/watch?v=sfGtw2C95Ms

Team Exercise 2: The Value Proposition

- **Step 1: Based on the case information**, fill out the right hand side of the Value Proposition Canvas (jobs to be done, customer gains and pains)
- **Step 2: Now put the case information aside**, and **brainstorm** about one to three alternative solutions (set of products/services) that are different from the concept of Doug Rauch. Explain how these are pain relievers and gain creators, and fill out the left hand side of the value proposition canvas
- Verify whether there is a fit between the value propositions your team came up with (own input), and the right hand side of the canvas (case input)

Team Exercise 3: Homework – to be submitted on the 9th of April at 10am (counts for grade)

Based on exercise 1 and 2, fill out the questions below (be critical!):

1. What customer segment is Doug Rauch targeting (be as specific as possible)?

2. What is the problem Doug Rauch tries to solve? Define the problem statement (be as specific as possible – who, what, where, when, why).

3. What is the value proposition of Doug Rauch? Is this different from the value proposition you came up with based on the Value Proposition Canvas exercise? Explain what the similarities and differences are (if any).

4. What are the key principles of the lean startup approach?

5. If you were Doug Rauch, which steps would you take, in line with the lean start-up methodology? Develop a fictional action plan and explain the different steps.

6. As an investor, would you invest in Doug Rauch's plan? Explain why (or why not).

Deliverable

- Hand in your responses to the set of questions next week 9th of April, by 10am
- One submission per team on Moodle under "Deliverable" > "Case 1"
- You can decide on the format (word, ppt, pdf, …)
- After the deadline, we will have a general group discussion about the case