Disciplined Entrepreneurship

Step 0 Getting Started

Three Ways to Start a New Venture

How to Go From “I Have a Passion” to “I Have an Idea or Technology”

Finding a Founding Team: Entrepreneurship is Not a Solo Sport

Where You Go From Here

The Search for the Holy Grail of Specificity

Step 1 Market Segmentation

The Single Necessary and Sufficient Condition for a Business

Create a New Market that You Will Dominate

When “Paying Customers” Lead You Astray

Complex Paying Customers: Primary Versus Secondary Customers and Two-Sided Markets

How to Do a Market Segmentation

How Long Should I Spend on Market Segmentation

Step 2 Select a Beachhead Market

How to Choose Your Beachhead Market

Your Beachhead Market Still Needs to be Segmented Further

Step 3 Build an End User Profile

Why Target a Specific Demographic?

Potential Characteristics to Include in Your End User Profile

Does Your Founding Team Include Someone in the End User Profile?

Step 4 Calculate the Total Addressable Market (TAM) Size for the Beachhead Market

Bottom-Up Analysis

Top-Down Analysis

From “How Many End Users?” to “Show Me the Money”

What Should My TAM Be?

Step 5 Profile the Persona for the Beachhead Market

How to Choose and Profile Your Persona

The Persona is More than Just an Example

Should I Create Multiple Personas? If So, When?

The Persona Helps You Focus on What to Do – and What Not to Do

Step 6 Full Life Cycle Use Case

What to Include in a Full Life Cycle Use Case

Step 7 High-Level Product Specification

Creating a High-Level Product Specification

Then, Make a Product Brochure

Step 8 Quantify the Value Proposition

Aligning Your Value Proposition with the Persona’s Priorities

Keep It Simple: The “As-Is” State Versus the “Possible” State with Your Product

Step 9 Identify Your Next 10 Customers

How to Complete This Step

Is the Current Persona Valid?

Dealing With Negative Feedback

Step 10 Define Your Core

A Few Examples of Core

How to Define Your Core

What About Intellectual Property? Or Culture?

Core is Different than Competitive Position

First-Mover Advantage is Not a Core

Locking Up Suppliers is Typically Not a Core

Step 11 Chart Your Competitive Position

The Toughest Competitor of All: The Customer’s Status Quo

How to Chart Your Competitive Position

Step 12 Determine the Customer’s Decision-Making Unit (DMU)

Primary Roles in the Decision-Making Unit

Additional Roles in the Decision-Making Unit

How to Determine the Decision-Making Unit

Step 13 Map the Process to Acquire a Paying Customer

How to Map the Process

Budgeting/Purchasing Authority

Time is of the Essence

Consumer Versus B2B

Step 14 Calculate the Total Addressable Market Size for Follow-On Markets

How to Calculate Broader TAM

Step 15 Design a Business Model

A Business Model is Not Pricing

Key Factors When Designing a Business Model

Free is Not a Business Model

Generalized Categories of Business Models

Step 16 Set Your Pricing Framework

Basic Pricing Concepts

Step 17 Calculate the Lifetime Value (LTV) of an Acquired Customer

Key Inputs to Calculate the LTV

How to Calculate Lifetime Value

How to Calculate the LTV: “Widget” Plus Yearly Maintenance Fee

Important Considerations

Step 18 Map the Sales Process to Acquire a Customer

Four Factors that Entrepreneurs Often Overlook About Customer Acquisition Costs

Your Sales Process Changes Over Time

How to Map Your Sales Process

Sales Process Comparisons: Zynga, Groupon, LinkedIn, Facebook

Step 19 Calculate the Cost of Customer Acquisition (COCA)

Why COCA Matters

How Not to Calculate COCA: A Bottom-Up Perspective

The Right Way to Calculate COCA: A Top-Down Perspective

How to Reduce COCA

Step 20 Identify Key Assumptions

How to Identify Your Key Assumptions

Step 21 Test Key Assumptions

Now That We Have Identified the Assumptions, Let’s Test Them

Examples of Easily Testable Assumptions: Student Teams

Step 22 Define the Minimum Viable Business Product (MVBP)

Three Conditions of a Minimum Viable Business Product

Step 23 Show That “The Dogs Will Eat the Dog Food”

Step 24 Develop the Product Plan