



BUSINESS MODELING & LEAN STARTUP

Book Summaries

CONTENTS:

- *Boom Start* | Swenson, Rhoads, & Whitlark
- *Business Model Generation* | Osterwalder & Pigneur
- *Lean Startup* | Eric Ries
- *Nail It Then Scale It* | Furr & Ahlstrom
- *The Startup Owner's Manual* | Blank & Dorf

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Boom Start | Michael Swenson, Gary Rhoads, & David Whitlark

Too often great ideas never become businesses. If they do become businesses they often are lost in the owner's vision, and never become a customer necessity. Even if they do survive the startup phase, traditional marketing will inevitably bleed a startup clean of its cash. *Boom Start: Super Laws of Successful Entrepreneurs* provides readers a process to discover great ideas, to validate customer needs, and most importantly to carry out effective, efficient, and economic marketing strategies to aid a company's path to success. The authors have given creative steps to ensure a product will alleviate a pain, and that a lean marketing strategy will prevail over traditional marketing methods.

Boom Start organizes its entrepreneurial toolkit into 5 "Super Laws" and explains effective best practices associated with each law. These Super Laws and their best practices include:

1. **Sharpen the Angle:** discovering whether the product is actually meeting customer needs and will dominate that product category.
2. **Ride Horses:** gaining strategic partners, and ensuring they are right for you.
3. **Play Big:** becoming trusted, recognized, and respected.
4. **Do an Event:** putting the right eyes on the product in a successful way.
5. **Reap the Rewards:** becoming a closer, pricing effectively, and going to market at the right time.

To conclude the book, the authors detail a "Startup Audit" in which sample questionnaires and validation exercises are explained in detail. As part of discovering a new product, the authors encourage intense validation through a step-by-step focus group, implementing colored hats to maintain participant focus, and to truly discover real feelings customers are experiencing.

Business Model Generation | Alex Osterwalder & Yves Pigneur

The first thing a reader should understand about this book is boldly printed on its cover, “You’re holding a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow’s enterprises.” *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers* is an instructional guidebook, which lays out a systematic way to thoughtfully pursue new and innovative business models. The book is laid out in chapters detailing the authors innovative Business Model Canvas, established business model patterns, business model design, business strategy, and business model implementation process.

Canvas

To aid readers in their product/service discovery process, Osterwalder and Pigneur designed a “Business Model Canvas” which helps readers understand what factors should be considered as a new model is being constructed: Key Activities, Key Partners, Key Resources, Customer Relationships, Customer Segments, Value Propositions, Channels, Cost Structure, and Revenue Stream. Each piece is treated as an interlocking segment of a whole business model.

Patterns

Osterwalder and Pigneur effectively provide examples from myriad of industries to give readers a clear understanding of how to apply the canvas approach to their situation. They explain several business model variations, and how each should be developed and maintained.

Design

Business model innovation results from one of four objectives: 1. To satisfy existing but unanswered market needs. 2. To bring new technologies, products, or services to market. 3. To improve, disrupt, or transform an existing market with a better business model. 4. To create an entirely new market.

Strategy

When developing a strategy Osterwalder and Pigneur provide readers with a look at possible environments each business may be participating in, and the give examples of business, which have thrived through implementing inventive business model strategies.

Lean Startup | Eric Ries

The Lean Startup takes an innovative look at entrepreneurship within startups as well as established firms. Eric Ries provides in-depth observations, as well as pragmatic tools to aid individuals developing agile products and services, by causing them to take a fresh approach at creating business development cycles. It is separated into three main parts, with explanatory sub chapters supporting Ries's three-part process:

Part 1: Vision

The Lean Startup philosophy preaches short, rapid building and implementation of products or ideas. Ries instructs that Minimum Viable Products (MVP's) should be built, tested, and validated by customers early and often to indicate customer centric data which should be used to make changes to goods, giving a clearer indication of what features should be pursued. This section contains chapters that explain how to: Start, Define, Learn and Experiment.

Part 2: Steer

In this section Ries leads readers through what he calls the Leap, which is trusting personal assumptions. After making assumptions Ries encourages constant testing, followed by measuring performance each time assumptions are made, and finally, deciding if those assumptions are valid. This part of the process determines whether an entrepreneur should hold on or give up, but gives insight to provide them with a more educated decision when that time comes.

Part 3: Accelerate

The acceleration portion of the process encourages entrepreneurs to continually refine the business model, and their own role as an entrepreneur, as the business begins to scale. He warns against growing too fast, and being tempted to measure success based on traditional accounting metrics, encouraging individuals to measure customer activity and product usage instead. Ries gives several personal examples from his time at the social networking site IMVU to portray the information clearly, and very practically.

Nail It Then Scale It | Nathan Furr & Paul Ahlstrom

The *Nail It Then Scale It* process is a systematic way to add value to, and organize an individual's experience with innovation and entrepreneurship. Each step of the process challenges the innovator to "get out of the building," to test assumptions and validate the value of these assumptions. Furr and Ahlstrom designed this process through analyzing the innovative pursuits of successful entrepreneurial individuals, and by observing the habits employed by these entrepreneurs. *Nail It Then Scale It* leads hopeful entrepreneurs through the process of nailing a pain, nailing a solution, nailing a go to market strategy, and ultimately a successful business model.

Nailing the Customer Pain

Nailing the pain is the initial step which works on validating "good ideas" through letting potential customers, field experts, and experiments determine whether people actually are looking to have their "pains" solved.

Nail the Solution

Nailing the solution is the process of taking newly found pains and looking for ways to solve those pains, again through validated ways.

Nail the Go-to-Market Strategy

This section of the book is the proving grounds for the entrepreneur's assumptions; verifying the effectiveness of pain solutions and then transforming the solutions into viable products, rounded off with a thorough exploration of how products can and should be sold in their intended market.

Nail the Business Model

Discovering the right business model comes as a result of nailing a sustainable go-to-market strategy. Nailing the business model should be an entrepreneur's goal, as it provides a working blueprint for business operations.

Scale It

When a business can sustain growth, and the model will support a high volume of sales and production, the business may be ready to scale. Furr and Ahlstrom warn against premature scaling often, imploring them to complete the *Nail It Then Scale It Process* prior to going after the big bucks.

The Startup Owner's Manual | Steve Blank & Bob Dorf

The Startup Owner's Manual: The Step-by-Step Guide for Building a Great Company is not designed to be an easy read, or a weekend self-help booklet, but it is a hard-core reference tool for the serious entrepreneur. Steve Blank and Bob Dorf have compiled an exhaustive guide accumulating many of the latest discoveries in lean startup practices, and agile business model development. The manual breaks up the startup process into two large steps, Customer Discovery and Customer Validation, with several sub chapters further dividing the process into phases, covering topics such as creating your business model, testing products and selling them, as well as identifying advisory board members. The steps and their associating phases are:

Step One: Customer Discovery

Phase One: State Your Business Model Hypotheses

Phase Two: Get Out of the Building to Test the Problem

Phase Three: Get Out of the Building to Test the Product Solution

Phase Four: Verify Business Model and Pivot or Proceed

Step Two: Customer Validation

Phase One: Get Ready to Sell

Phase Two: Get Out of the Building and Sell

Phase Three: Product Positioning and Company Positioning

Phase Four The Toughest Question of All: Pivot or Proceed?

Keeping to the thorough nature of this manual, the authors also provide additions to each chapter applying that chapter's instruction to mobile and web products and services. The authors show how physical and virtual goods should be treated differently in the way customers are acquired and how they ultimately make purchases.

The Startup Owner's Manual is an essential addition to any startup owner's library. It effectively teaches concepts that have been time tested, and instructs with clarity and detail that will help even first time entrepreneurs appear to be seasoned veterans.