Syllabus For Business.101.1 at NYU ITP

Instructor: Jen van der Meer
Days and Times: Mondays, 12:10 PM
Fall Term, 2016
Location: ITP NYU 421 Broadway at Waverly, 4th Floor

Business.101.1

This course is all about getting the levers of business to turn in your favor. We cover the basics of B-School curated for the ITP mindset.

You will learn through experience and work in teams to develop a concept from the generation of an idea to launch or market test. We'll bring the best thinking and methods from MBA school, Lean Startup, Design Thinking, Business Model Canvas, Social Impact Entrepreneurship, Leadership Development, Agile Development and we'll also cover the economics of a small growing company, and investment strategy.

Key questions answered:
- How do you get support for your ideas to attract customers, investors, and partners?
- How do you strengthen your ideas to turn them into revenue, a career, or a company?
- What’s the smartest thinking in business that actually helps you get an idea launched in the world, or get a job?
- What is the old-school MBA dominant logic that stops creativity - that you should know about - and learn to work around?
- What are the new forms of company (B-Corps, LC3s, Co-Ops) and new flows of money (social impact investing, equity crowdfunding) and what do these mean for the dominant logic of business?
- What are your individual and team values, motivation, and vision for the future - and how do you manifest your vision through business structures?

The course is for any student who wants to pursue an entrepreneurial path - either starting your own company, or becoming a leader in the company you join.

We will facilitate and organize student teams of 3-4 to develop a concept from idea through market test over the course of the semester. The primary focus of the course is the work of developing your network capital - building connections with potential customers, partners, investors, and subject matter experts to help define opportunities that the concept is designed to solve, and early stage product development. A strong component of individual leadership development is built into the course for students to identify your core values, and to work in teams to co-create a vision for your business.

This course was originally developed as Lean LaunchPad – the course taught by Steve Blank during the 5-day program offered at NYU and the NYU Summer LaunchPad Accelerator. We have adapted the curriculum and augmented the approach with business fundamentals and leadership development exercises to strengthen the student and team experience.
Texts:

Required:
*Business Model Generation*, Alexander Osterwalder
*Talking to Humans*, Giff Constsable and Frank Rimalovski

Optional:
*Interviewing Users: How to Uncover Compelling Insights*, Steve Portigal
*Traction: How Any Startup Can Achieve Explosive Customer Growth*, Gabriel Weinberg
*Lean Analytics*, Alistair Croll and Ben Yoskovitz
*The Founder's Dilemma*, Noam Wasserman

Grading criteria:

15% Participation in class, giving feedback to your peers.
40% Progress in customer development interviews (not users, customers)
20% Lessons learned weekly presentation and class blog
25% Final lessons learned report

Class Schedule:

Week 1: Class Intro, Team Formation, and Concept Development
Week 2: Business Models and Customer Development
Week 3: How to Interview, Deeper Dive
Week 4: Value, Value Props, and The Purpose of Business
Week 5: Personal Values, Motivation, Vision, and Team
Week 6: Customer Relationships and Channels Overview
Week 7: How to Read Analytics
Week 8: Key Resources, Activities, and Partners
Week 9: The Money: Cost, Revenues, Investment
Week 10: Turning Insights into MVP
Week 11: How Small Can it Start, How Big Could it Get?
Week 12: What We Learned
Week 1: Class Intro, Team Formation, and Concept Development

Lecture (30 minutes) Class Intro and Overview

Workshops (2 hours 15 minutes): A series of workshops to find teams with likeminded values, complementary skills, and to develop and refine initial concepts and arenas for exploration

Homework Reading: Business Model Generation by Osterwalder Intro pp. 1-55.

Week 2: Business Models and Customer Development

Lecture (30 minutes) Business Models and Customer Development – why is this an old but new way of working? How far have these methods spread? What is the overlap and difference between Lean Startup, Design Thinking, User Experience Design, Business Models, and Customer Development?

Workshops (2 hours, 15 minutes) A series of workshops to initial Personas, work with the Business Model Canvas to develop initial assumptions, and creative approaches to finding customers to interview.

Homework: Team talks to at least 5 potential customers and presents findings.
Homework Reading: Talking to Humans by Constable and Rimalovski, all.
Post customer interview narratives to your team blog.

Week 3: How to Interview, Deeper Dive

Lecture: (30 Minutes) How to conduct a strong customer discovery interview vs. conducting user research. How to build trust. How to create an interview guide. How not to pitch or sell. Best ideas from Design Research and Design Thinking to increase your learning capacity and insight skills. Also: How to quantitatively size a market (TAM or total addressable market, SAM or served available market, TM or target market). Where to find quantitative sources, how to evaluate accuracy and trustworthiness of third party research sources.

Workshops: (2 hours, 15 minutes) Customer Interview Role Play. Quantitative Market Sizing workshop.

Homework: Team develops a shared interview guide, and talks to at least 5 potential customers and presents findings.
Post customer interview narratives to your team blog.
Homework: Reading:
The End of Competitive Advantage, by Rita Gunther McGrath, HBR, 8, 2013.
What is Disruptive Innovation? By Clayton Christensen, Michael E. Raynor, and Rory McDonald, HBR, December 2015.
Week 4: Value, Value Props, Competition, and The Purpose of Business

Lecture (40 minutes) Milton Friedman, the quick history and evolution of the purpose of business, C.K. Prahalad’s Dominant Logic Theory, Clayton Christensen’s Disruptive Innovation Theory, Rita McGrath and The End of Competitive Advantage, David Aacker’s Definition of Value Proposition, and Alexander Osterwalder’s Value Proposition Design,

Workshops: (2 hours, 5 minutes) Additional workshops: Design a Value Proposition. How to create a competitor/frenemy map/petal diagram. Develop a Concept Paper Prototype. Identify the dominant logic business model of the industry you’re trying to attack.

Reading: The Founder’s Dilemma (HBR) and optional - The Founder’s Dilemma Noam Wasserman
Homework: Team talks to at least 5 potential customers, initial paper prototype, TAM/SAM/TM expectations, and presents findings. Post narratives and findings to team blog.

Week 5: Personal Values, Motivation, Vision, and Team

Lecture (30 minutes) Values, Motivation, Vision and Team, and the connection between Values, Business Models, and Decisions. How decisions in a startup are different than decisions in a big company. Incremental, Adjacent, and Breakthrough Innovation. The Conscious Pivot.

Workshops (2 hours, 15 minutes) Students present findings and lessons learned from previous week. Defining your personal values, your team values, your collective motivation and vision. How to make a conscious pivot.

Homework: Refine validation plan based on team discussions and present shared agreements, disagreements that can be validated through discovery. Post narratives and findings to team blog.

Optional Reading:
Weinberg, Traction
Croll, Lean Analytics

Week 6: Customer Relationships and Channels Overview

Lecture (30 minutes) How to get, keep and grow customers. How to create an Oz Test. Growth metrics, customer metrics, how to develop assumptions in your customer marketing efforts. Customer Channels: how to choose which channels will work for you. channels, indirect channels, OEM. Multi-sided markets. B-to-B versus B-to-C channels and sales (business to business versus business to consumer).
Workshops: (2 hours 15 minutes) Students present findings and lessons learned from previous week. How to develop a marketing test concept before you have a product. Setting up an Oz Test and analytics. Setting up a lead generation funnel. Preparing a test.

Homework: Develop a validation plan: what can be tested through a marketing test plan? Run organic or low cost paid test (no more than $20/day in paid advertising). What do you think will happen? Prepare to present findings.

Optional Reading: Lean Analytics by Alistair Croll and Ben Yoskovitz overview.

Week 7: How to Read Analytics

Lecture (30 minutes) How to understand effectiveness of your marketing test

Workshops (2 hours 15 minutes) Students present findings and lessons learned from previous week. Additional workshop: update Business Model Canvas, and Validation Plan

Homework: Uncover qualitative questions posed by quantitative findings, and interview 5 customers or experts. Update Business Model Canvas.

Week 8: Key Resources, Activities, and Partners

Lecture (30 minutes) How do you understand the backstage of a business model- what makes the business model work. Key Resources, Activities and Partners. Assumptions for resources – people, things, patents, software. What is a Bill of Materials. How does it differ when you are a social impact company?

Workshops (2 hours 15 minutes): Students present findings and lessons learned from previous week. Additional workshop: deciphering the leading business models of our day (Uber, Warby Parker, Airbnb, and others as requested). Resources and Activities cost estimates for a new hardware company workshop.

Homework: Uncover questions posed in designing the backstage of the business model – interview 5 experts to validate key assumptions. Assemble a resources assumptions calculation, including people, hardware, software, prototypes, financing, etc., and determine when will you need these resources, at what time in the first year? For physical product projects: Get real costs from suppliers – Bill of Materials. Update Business Model Canvas.

Week 9: The Money: Cost, Revenues, Investment

Lecture (30 minutes) How Money Drives everything, unit economics, how to calculate CAC (cost of customer acquisition) and LTV (lifetime value). Personal runway vs.
company runway. Bootstrap vs. raising money. How to present financials to investors. How to present financials to yourself, your family, your team. Overview of financing options and new company structures. What does an angel investor look for? What does a social impact investor look for? What does a VC look for?

Workshops (2 hours 15 minutes): Students present findings and lessons learned from previous week. Using Google Docs, student teams create a core assumptions and unit economics financials model. Students analyze ability to bootstrap vs. raise money to achieve growth potential.

Homework: Revise key assumptions for unit economics, conduct any expert interviews to understand cost and revenue anchors. Update Business Model Canvas.

**Week 10: Turning Insights into MVP**

Lecture (30 minutes) What constitutes and MVP (minimum viable product/service)

Workshops (2 hours, 15 minutes) Students present findings and lessons learned from previous week. UX workshops: How to eliminate and reduce down to key features necessary for an MVP launch. How to storyboard the onboarding sequence.

Homework: Begin developing lessons learned deck/video.

**Week 11: How Small Can it Start, How Big Could it Get?**

Lecture (30 minutes) How to figure out if you should proceed with your emerging business idea. Lean startup and cost investments. Upside and valuation expectations. Options for financing, incubation, grants, bootstrapping, or finding a home for your tech and team. Exploration of new company structures such as BCorp and L3C, what to do when you realize you have a not for profit. LLC vs. C-Corp.

Workshops/Expert Interviews (2 hours 15 minutes) Learn from recent ITP alum, NYC founders, and investors how they went from classroom to company.

Homework: Develop final lessons learned deck / video.

**Week 12: What We Learned**

Teams present lessons learned, and receive loving applause from class advisors and mentors, who are all invited to celebrate with a delicious catered dinner.