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Vision and Entrepreneurship

Lecture 1, Dr. Konstantinos Fouskas

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Starting up

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Some definitions

- Idea: “A thought or collection of thoughts that generate in the mind. An idea is usually generated with intent, but can also be created unintentionally”
- Startup: “When the entrepreneur move from the idea stage to a newly established business”
- Entrepreneurship: “The capacity and willingness to develop, organize and manage a business venture along with any of its risks”



Traditional VS Start-up management - I

- ▶ Traditional management consists of two components:
 - developing plans,
 - overseeing the people executing them.
- ▶ A manager creates a plan, sets milestones, and delegates tasks to his employees, guiding them to ensure they hit their milestones on time. This management strategy works in established companies that have been around long enough to know what worked in the past and therefore what could work in the future.
- ▶ Start-ups are different though: They can't predict their own future because they have no past, don't know what their customers want, and don't know which approaches are best for finding customers or creating a sustainable business. To find out what could work, they must stay flexible. To adopt fixed plans with set milestones or rely on long-term market forecasts would be to delude themselves.



Traditional VS Start-up management - II

- Nevertheless, many founders **do use corporate-management tools such as milestone plans and long-term market forecasts**. They act as if they are preparing a space rocket for liftoff, tinkering with it for years and only launching it when they think it's perfect. In reality, **managing a start-up is more like driving a jeep across unstable and shifting terrain**, where the founders must constantly change direction and respond quickly to unexpected obstacles and dead ends.
- However, **start-ups shouldn't abandon planning completely to adopt a chaotic "just do it" mindset** either. Driving chaotically is not going to get you anywhere; someone has to be at the wheel to make intelligent decisions about which way to go.
- A **start-up's management team should try to maintain an overview of their situation and keep their company steered toward its overall goal**. Hence, they need to find the right metrics to measure whether their journey is leading them in the right direction.



Starting-up

- ▶ What is Basic for a new- founded company?
- ▶ Form the DNA of your Startup
 - ▶ Which are the fundamentals of your Company
- ▶ Find the Product of your Startup
 - ▶ What do the people want to have at the moment, why want to have that and how can I use this



1. Get your idea

- ▶ Start writing
- ▶ You can start by asking yourself few questions
 - ▶ What do you like ?
 - ▶ What are you good at ?
 - ▶ What kind of product would make my life better ?
 - ▶ What are your motives ?
- ▶ Also don't forget to inspire from your knowledge and your experiences
- ▶ After you find your idea, you should evaluate it



Ideas for your Start up - I

- Trend recognition
 - Follow the trend to find something useful for the future
- Ques of interest
 - An innovation or a replica of a succesful business model
- Improvement
 - Build on current frustrations, develop a product you cannot find
- Further Development (of an existing product)
 - Take a current product to the next level, find its shortcomings
- Make it easier
 - Improve an existing Product(DVD → Netflix)
 - Improve user friendliness (Apple)

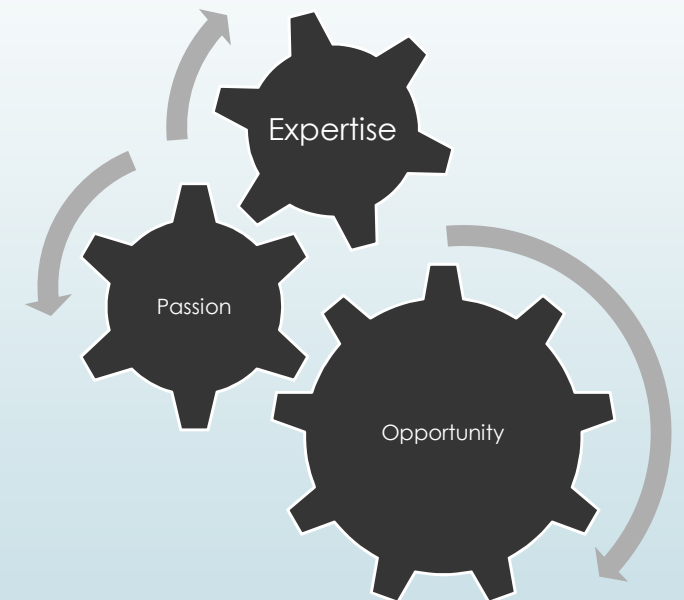


Ideas for your Start up - II

- Brake your current company's limitations
 - Propose something new that your customers need. Intrapreneurship is rising
- Invest on R&D.
 - Build solutions based on new technological trends and innovate!
- Defeat your market leader
 - Change the way of doing business (IBM VS Dell)
 - Get rid of customer's dissatisfaction (Blockbuster VS Netflix)
 - Hit them when they stop innovating (Microsoft VS Google)

2. Find your Target

- **Expertise:** fundamental knowledge of founders
- **Opportunity:** Existing market and potential new ones. Check the size of the market in the next few years
- **Passion:** Get excited about a business
- Factors are developing with time. Maybe you will not have all three at the begin





3. Make meaning

- ▶ Now that everything is set-up, ask you one more question: Does your startup make meaning ?
- ▶ Meaning is not money, power or prestige
- ▶ Meaning is making the world a better place (you should dream big)
- ▶ If you make **meaning**, you will probably make money
- ▶ In class exercise: Why is your start-up making the world a better place?



4. Collaborate- Find a teammate

- Like for every adventure you will need a team to make it work
- In order to make it work, you and your mates need to have both similarities and differences
- **Errors to avoid**
 - Don't rush, you **will work with your founders a lot of time**. It's better to find a founder with who you get along well right from the start
 - Don't **add founders to have more fund** or if the only reason you want him is to hire him. It's probably a bad idea
 - Plan for the worst, **prevent any scenario** which could make your startup blow up



Similarities with partners

- ▶ Points where you should be agree with:
 - ▶ The **vision**, you should have the same vision for your future business
 - ▶ The **size**, you should also agree on how big you want your company to be
 - ▶ The **commitment**, you should agree on what comes first, your personal life or the startup, in order to share the same level of commitment.



Differences with partners

- ▶ Point where you should be different
- ▶ The **expertise**, the founders should complement each other, you will need at least one person to make the product and one person to sell it
- ▶ The **orientation**, you should have different way of working, again to complement each other
- ▶ The **perspective**, you will be able to touch a larger public by including different perspectives



5. Develop a Vision (Mantra)

- ▶ Mantra: a word or sound repeated to aid concentration.
- ▶ A good mantra can play the role of a **guide to develop your company**
- ▶ Here the most important characteristics of a mantra
 - ▶ **Brevity**, mantras are short, sweet and memorable
 - ▶ **Positivity**, mantras explain how your startup does good things
 - ▶ **Outward** focus, mantras explain what you do for your customers and society



Tagline (Mantra) Examples

- ▶ “Think different” – Apple
- ▶ Authentic Athletic performance – Nike
- ▶ Fun family Entertainment – Disney
- ▶ Democratize Commerce – eBay
- ▶ Empower craftspeople – Etsy
- ▶ Accelerate the advent of sustainable transport” - Tesla motors



In-class exercise

- Pick your start-up's mantra
- If you are already working as a team do it individually
- Is it the same for all of you?
- Pick also the meaning of your start-up for your clients



6. Pick a business model

- A business model is important to know how you will make money
- A good business model should answer those two questions:
 - **Who can pay** for you product?
 - **Why will he pay** for it?
- There is plenty of different business model, you have to pick the one which suits your product the best.
- You should keep you business model simple in order to understand it well.
- You can always change your business model afterward. Pivoting is essential to any start-up



Business Model Examples - I

- ▶ **INDIVIDUALIZED SOLUTION.** This involves a deep dive into customers' problems and doing what it takes to make them happy. Over time a startup can add deep relationships with other entities to reach significant total sales, but each new customer involves hand-to-hand combat. (the customer solution.)
- ▶ **MULTICOMPONENT.** Coca-Cola embodies this model. Coca-Cola sells in supermarkets, convenience stores, restaurants, and vending machines. The same product is sold in different business settings and at different prices per unit and liter.



Business Model Examples - II

- ▶ **MARKET LEADER.** Apple embodies the market-leader business model. A market leader creates the most innovative and coolest products. Attaining this position enables a startup to charge a premium for its products, but it must work brutally hard to achieve and then maintain this position.
- ▶ **VALUABLE COMPONENT.** Intel and Dolby don't sell products directly to consumers, but their products are valuable components in the devices they use. Intel supplies the computer chip for many hardware companies; Dolby provides audio-compression and noise-reduction technology for many audio and video manufacturers.



Business Model Examples - III

- **SWITCHBOARD.** This term applies to describe an organization like De Beers, when it controlled the supply of diamonds. This business model involves several challenges: achieving control of supply and convincing people that that control is desirable and not subject to antitrust issues.
- **PRINTER AND TONER.** This business model involves selling a product that needs refilling. Whether it's an HP printer, a coffee maker, or a razorblade , a sale is not an event but a stream of revenue for the course of the product's life. This can also apply to a startup that sells software and then charges for upgrades, service, and support. This is also called the after-sale model.



Business Model Examples - IV

- ▶ **FREEMIUM.** The freemium model involves giving away services, up to a point: when customers want more features or capacity or to remove advertising, then they have to pay. For example, Evernote enables people to store information in the cloud for free. However, if they want more storage space and more functionality, the fee is forty-five dollars a year.
- ▶ **EYEBALLS.** The eyeballs business model involves providing a platform to create or share content that attracts viewers. The concept here is that certain brands would like to reach these same eyeballs, so companies can sell advertising and sponsorships on the platform. Facebook and Huffington Post are examples of this business model.



Business Model Examples - V

- ▶ **VIRTUAL GOODS.** Imagine selling digital codes for items that had near zero cost of goods and inventory holding costs—stuff like virtual flowers, swords, and badges for members of a community. That's the digital-goods business and is largely applied to mobile phone games.
- ▶ **CRAFTSMAN.** Thomas Moser furniture is an example of the craftsman business model. This is the kind of startup that places the highest priority on quality and craftsmanship. It may never get large, but it's the finest in its sector . . . although with a marketplace like Etsy this is possible.



Business Model Tips - I

- ▶ **TARGET A SPECIFIC NICHE.** The more precisely you can describe your customer, the better. Many entrepreneurs are afraid of too narrow and specific a focus because it won't lead to worldwide dominance. However, most successful companies started off targeting a market or two and growing (often unexpectedly) to a large size by addressing other markets.
- ▶ **KEEP IT SIMPLE.** If you can't describe your business model in twenty words or fewer, you don't have a business model. Avoid whatever business jargon is hip (strategic, mission-critical, world-class, synergistic, first-mover, scalable, enterprise-class, etc.).*
- ▶ Business language does not make a business model. Think of eBay's business model: charge a listing fee plus a commission. End of discussion.
- ▶ **In class Exercise: Describe your business model in 15-20 words.**



Business Model Tips - II

- ▶ **COPY OTHERS.** Commerce has been around a long time, so by now people have pretty much invented every possible business model. You can innovate in technology, marketing, and distribution, but attempting to come up with a new business model is difficult. Try to relate your business model to one that's already successful and understood. You have plenty of other battles to fight.
- ▶ **EXPANSIVE.** Business models involving creating a bigger pie rather than grabbing more of the same pie work better for startups. This is because customers expect to discover products that are innovative and cool and are less interested in me-too, better sameness from startups.



7. Set Milestones

- Accomplishing a large number of goals is a necessary objective for every startup. However, some goals stand above the others because they mark significant progress along the road to success.
- **Focus on setting milestones early:**
- The most important Milestones are:
 - A working prototype
 - An initial capital to start the business
 - A field-testable version of your product
 - Paying customers
 - A cash-flow break-even
- You should spend around 3/4 percent of your time on this five points

8. Set Assumptions

- ▶ You have to establish your business based on some assumptions.
- ▶ Major assumptions about your business include:
 - ▶ Market size
 - ▶ Gross margin
 - ▶ Sales calls/ emails / contacts per salesperson
 - ▶ Cost of customer acquisition
 - ▶ Conversion rate of prospects to customers
 - ▶ Length of sales cycle (from sale to full payment)
 - ▶ Return on investment for the customer
 - ▶ Technical support calls / emails per unit sold
 - ▶ Payment cycle for receivables and payables
- ▶ Making these assumptions is important in order to **check the viability** of your startup
- ▶ Discussing and documenting these assumptions at an early stage is important because they are a **reality check on the viability of a startup**. For example, assuming that the length of the sales cycle is four weeks and finding out that it's a year will cause cash-flow problems.



9. Test Assumptions

- ▶ You made your assumptions but you can't know for sure before you start testing them:
 - ▶ Will people use your product ?
 - ▶ Can you afford to support them ?
 - ▶ Can the product withstand real-world use ?
 - ▶ In order to make those tests you can use a prototype of your product
 - ▶ You can also use a simulation software to make your tests
 - ▶ **See:**
 - ▶ <https://proto.io/en/demos>



10. Focus on essential tasks

- Finally there is some essential Tasks you should include in order to reach your milestones and test assumptions. Any activities that don't contribute to achieving them are not crucial and are low priority.
- Develop a business strategy and focus
- Recruit employees
- Find vendors and partner
- Set up accounting, payroll and legal systems

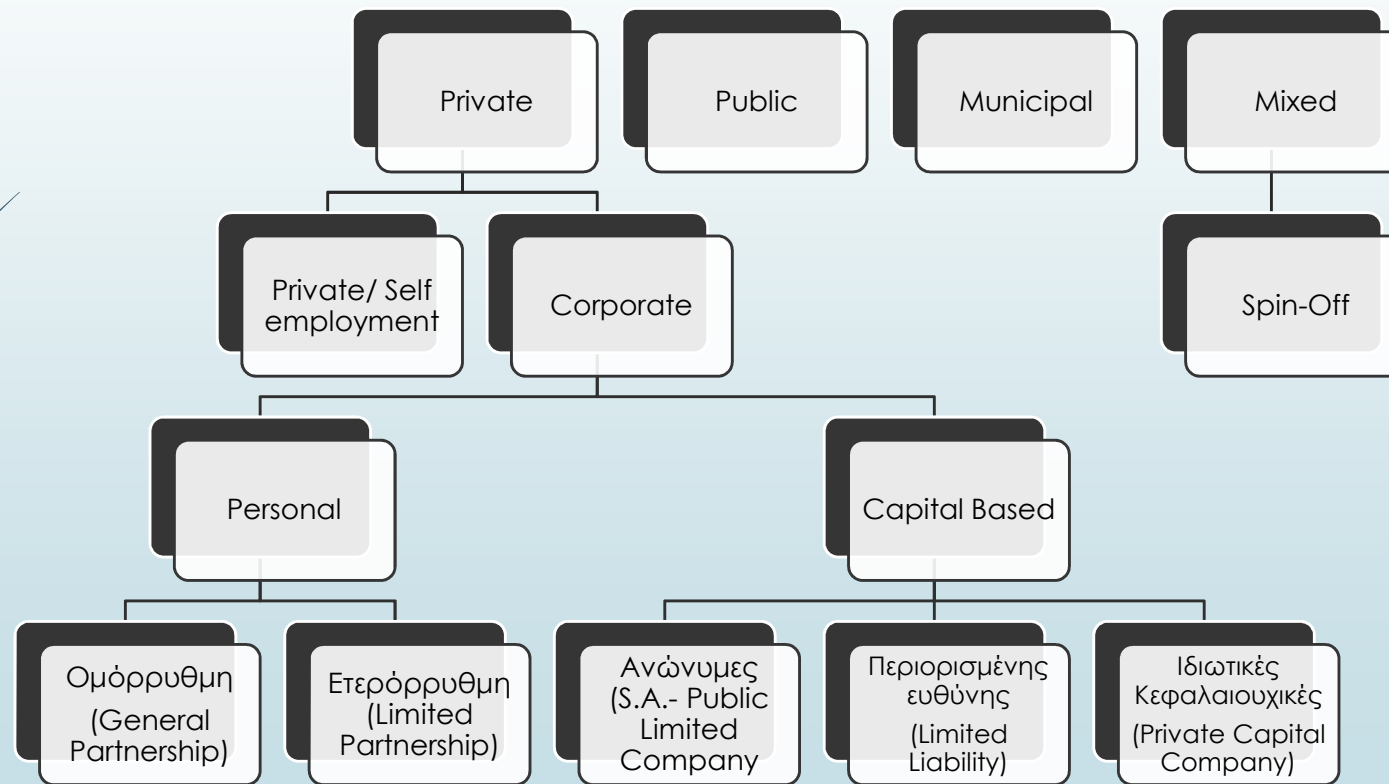
- **Stay Focused**
- You will face hundreds of decisions during the startup process, and there's often a temptation to optimize each one of them—sometimes by breaking new ground. However, it's best to focus your energy and attention on milestone issues.



11. Chose a Corporate Structure

- Corporate structure: Which to choose?
- Choose a corporate structure adapted to your product
- Choose an adapted capital structure
 - Familiar, sellable to other companies on the public stock market capable of offering financial incentives to employees.

Distinction based on the legal form



Comparison of company types - I

Type of company/ Characteristics	Personal	General Partnership (O.E.)	Limited Partnership (E.E.)	Limited Liability Company (ΕΠΕ)	Private Capital Company (IKE)	Public Limited Company SA (ΑΕ)
Flexibility / scalability	Large/ Small	Large/ Moderate	Large/ Moderate	Medium/ Large	Medium/ Large	Small/ Large
It can be established from a single part	Yes	No	No	Yes (if no previous Private Limited Liability company has been established)	Yes	No
Obligatory Book keeping type	Simple form (Απλογραφικά)	Simple form (Απλογραφικά)	Simple form (Απλογραφικά)	Advanced form (Διπλογραφικά)	Advanced form (Διπλογραφικά)	Advanced form (Διπλογραφικά)

Comparison of company types - II

Type of company/ Characteristics	Personal	General Partnership (O.E.)	Limited Partnership (E.E.)	Limited Liability Company (ΕΠΕ)	Private Capital Company (IKE)	Public Limited Company SA (ΑΕ)
Minimum capital required	Not specified	Not specified	Not specified	1 Euro (Was 2.400,00 €, until ΦΕΚ Α' 122/31.05.2013)	1 Euro	24.000 Euros
Responsibility of partners with private property (even after termination)	Yes	Yes	Yes (for the general partners)	No	No	No
Publishing of economic data	No	No	No	Yes	Yes	Yes

Features of Non-capital Companies

Type of company			
Ατομική Personal	Especially widespread, suitable for cases where the personal supervision is necessary (Manufacturing, trade, rural)	There were no capital nature – has the characteristics of the businessman and personal property	Can not support large scale of activity
Ομόρρυθμη Εταιρεία (Ο.Ε.) General Partnership	Requirement of joining of at least two parts which shall mutually pursue a common purpose (Natural or legal entities)	No need of notarized document but just a draft agreement	The partners are liable with their entire property for all obligations of the Company and this does not end with the termination of it.
Ετερόρρυθμη Εταιρεία (Ο.Ε.) Limited Partnership	Separation of partners in general partners and limited partners, who have limited liability up to the amount of their contributions to the company. There must be at least one general partner and many limited partners.	The limited partner's liability is restricted until to the amount of his contribution (capital input) against third parties. He is also denied the right to represent the company in dealings with third parties.	The limited partner is liable as a general partner in cases his name is presented in the company name or participates in the management and representation.

Features of Capital Companies

Type of company			
Εταιρεία Περιορισμένης Ευθύνης (ΕΠΕ) Limited Liability Company	Establishment from at least two entities both natural and legal. May be established by one entity (natural or legal) (Single-LTD), if has not already established other Single-LTD and the sole shareholder is already Single-LTD	This is a commercial enterprise according to the N.3190/1955 even if the purpose is not commercial. The exercise of certain activities such as banking, insurance etc. is prohibited. The decisions made by a majority of more than half of all partners representing more than half of the total capital	The capital is divided into "units of participation" each of which consists of shares with a minimum value of 30 Euro each. The contributions may be either cash or in-kind contribution, that contribution asset (eg property) until 50% of the initial capital.
Ιδιωτική Κεφαλαιουχική Εταιρεία (IKE) Private Capital Company	Establishment of one or more natural or legal entities (founders). The statutory management assigned collectively by all partners. Required insurance for managers IKE and optionally other partners.	The contributions are of three types: capital, non-capital (in-kind contribution) and guarantee.	Participation in IKE requires the acquisition of one or more shares with a nominal value of at least EUR 1 which can not be represented by shares and are freely transferable.
Ανώνυμη Εταιρεία (ΑΕ) Public Limited Company (SA)	The capital must be taken from at least two founders. Divide into equal shares, incorporated in documents equities, called shares. The participation ratio of the founders is not defined.	Strict conditions for publicity at its inception and throughout its lifetime. Long term lifespan.	Majority voting and the existence of two bodies, the General Meeting of Shareholders and the Board of Directors.



Company Headquarters / Installation

- **Owned:** A copy of ownership titles
- **Rented:** Contract endorsed by Tax authorities (online also)
- **Free concession:** Sworn statement for space usage by the being-established company with a stamped authenticity signature of the owner
- Rent or Buy;
 - Buy with borrowing or capital commitment
 - Configuration options of the space
 - Terms of rental contracts
 - Tax Charges to homeowners
 - Rent prices and opportunities for public funding



12. Choose your mentors carefully

- New Entrepreneurs → No experience, no money, supervision, positive feedback, reinforcement, advice
- Experienced Business Person → No experience in Startups, making mistakes
- People who started their own company or worked at a company before an IPO can probably provide good advice. People who have not started a company or joined a company after it went public probably cannot. Experienced, successful, and savvy business executives at large companies don't necessarily understand the particulars of startups and venture capital.
- For example, how much do you think a vice president of a multinational knows about starting a company?
- It is important to identify good advisers, board members, and investors (if you have the luxury of choosing ones).



Incubators and accelerators

- Incubators focus on providing office space and shared services
- Accelerators focus on mentorship, training, and helping you make connections to customers, partners, and sources of capital
- There is many variations in these programs, it's your job to choose the most adapted to your situation
- It's your choice to join one of this program who can be great for first-time entrepreneurs who need some help but you need to know that there is always alternatives. Maybe in an harder and slower way but it is also cheaper



Intrapreneurship

- Aspiring entrepreneurs also have the same job as external entrepreneurs
- Problem: Working for a large Business is not always aspiring
- Putting the company aside is also not easy
- Kill the cash flows: Create a product, which kills the existing product
- Radar: Earn as much attention as you can
- Find a godfather: Gain Experience
- Separate Building: Not every aspect to talk about
- Motivate your employees for innovating
- Utilize existing infrastructure- makes the innovation easier



Reality Check – The hard questions

Starting up



Do I quit my day job?

- **I can't afford to quit my current job. Is this a sign that I don't have what it takes to succeed?**
- It doesn't mean anything. You should be scared. If you aren't scared, something is wrong with you, and your fears are not a sign that you don't have the right stuff. In the beginning, every entrepreneur is scared. It's just that some deceive themselves about it, and others don't.
- You can overcome these fears in two ways. First, the dive-in method is to dive into the business and try to make a little progress every day. One day you'll wake up and you won't be afraid anymore—or at least you'll have a whole new set of fears.
- Second, you could start by working on your product at night and on weekends and during vacations. Make as much progress as you can, try to get some proof of your concept, and then take the leap.



Do I share my idea?

- ▶ There is much more to gain—feedback, connections, sales opportunities—by discussing your idea with many people than there is to lose.
- ▶ Also, if discussing your idea makes it indefensible, you don't have much of an idea in the first place. Ideas are easy; implementation is hard.
- ▶ My hypothesis is that the more an entrepreneur insists on a nondisclosure agreement, the less viable the idea.
- ▶ I've never heard of someone stealing an idea and implementing it well.

- ▶ **How far along should I be before I start talking to people about what I'm doing?**
- ▶ **A:** Start right away. By doing so you'll be constantly mulling over your idea—as both



How do I implement my great idea?

- ▶ **I think that I have a great idea, but I don't have a relevant skill/background. What should I do now?**
- ▶ If all you've done is come up with a great idea—for example, “a innovative mobile application”—but you can't implement it, then you have nothing.
- ▶ This is why you need a cofounder—until you've convinced other people about your idea, you may be a dreamer.

Where should I focus at the beginning?

- **When should I worry about looking like a real business, with business cards, letterhead, and an office?**
- **A:** What you should worry about is a working prototype and measuring your start-up improvements.
- A real business is one **with something to sell—not** one where people have business cards and letterhead.
- Also not one mentioned on TV and blogs
- Also not one being recognized as a promising start-up in a small Mediterranean country 😊



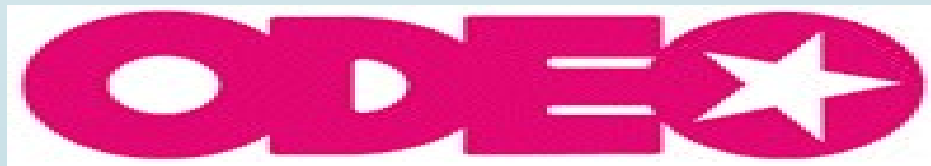
Startup Cases

The case of Twitter



Twitter started as Odeo

- ▶ Odeo was created in 2005 as a podcast service for users to find and subscribe to podcasts. There was also a tool for users to create their own podcasts.
- ▶ Later that year however, Apple announced that iTunes would include a podcasting platform - shipped in every one of the 200 million iPods Apple would eventually sell.

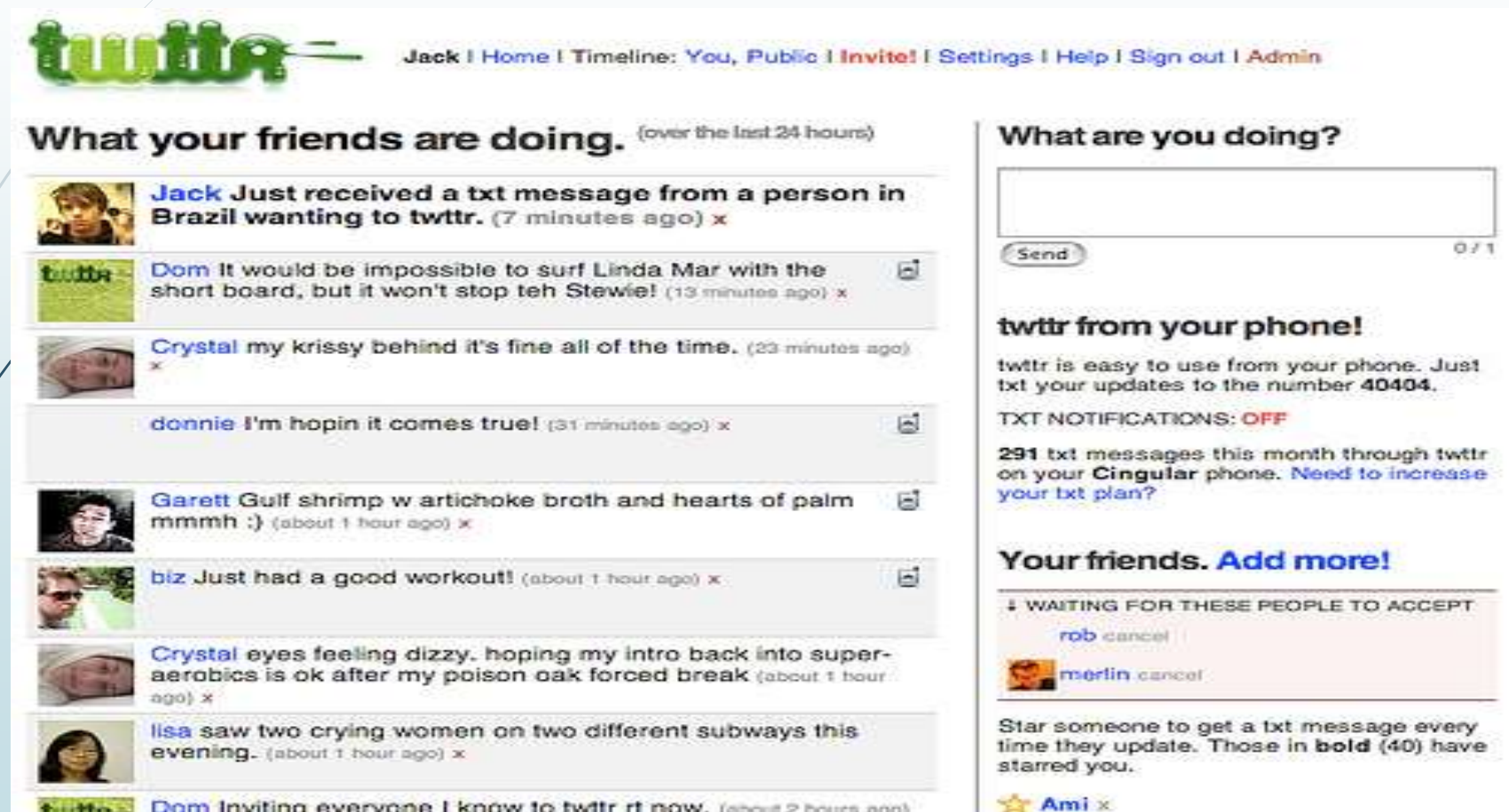


Pivot Sought

- ▶ The company realized the product needed a pivot.
- ▶ The 14 employees began working on new ideas, looking for a new direction. The best idea came from an employee named Jack Dorsey, who wanted to launch a product focused on “status” updates by SMS to friends.
- ▶ In July 2006, TechCrunch reported Odeo released a new service called Twtrr - “a sort of ‘group send’ SMS application”.











The first Twttr frontpage



twttr Jack | Home | Timeline: You, Public | Invite! | Settings | Help | Sign out | Admin

What your friends are doing. (over the last 24 hours)

-  **Jack** Just received a txt message from a person in Brazil wanting to twttr. (7 minutes ago) x
-  **Dom** It would be impossible to surf Linda Mar with the short board, but it won't stop teh Stewie! (13 minutes ago) x
-  **Crystal** my krissy behind it's fine all of the time. (23 minutes ago) x
- donnie** I'm hopin it comes true! (31 minutes ago) x
-  **Garett** Gulf shrimp w artichoke broth and hearts of palm mmmh :) (about 1 hour ago) x
-  **biz** Just had a good workout! (about 1 hour ago) x
-  **Crystal** eyes feeling dizzy. hoping my intro back into super-aerobics is ok after my poison oak forced break (about 1 hour ago) x
-  **lisa** saw two crying women on two different subways this evening. (about 1 hour ago) x
-  **Dom** Inviting everyone I know to twttr rt now. (about 2 hours ago)

What are you doing?

Send 0 / 1

twttr from your phone!



twttr is easy to use from your phone. Just txt your updates to the number **40404**.

TXT NOTIFICATIONS: **OFF**

291 txt messages this month through twttr on your **Cingular** phone. [Need to increase your txt plan?](#)

Your friends. Add more!

↓ WAITING FOR THESE PEOPLE TO ACCEPT

-  **rob** cancel
-  **merlin** cancel

Star someone to get a txt message every time they update. Those in **bold** (40) have starred you.

★ **Ami** x

Evolution

Twitter has introduced some concepts, like the hashtag which started in 2007 with naysayers remarking “Pshh! The # is too techy to ever become widespread in usage. You nerd!”



Today you recognize Twitter as this :



A dark blue arrow points to the right from the left edge of the slide. Below it, several thin, curved lines in shades of blue and grey sweep across the left side of the slide.

Takeaways from the case study

- ▶ If what you're doing doesn't work, come up with entirely new ideas and start something from scratch.
- ▶ Create one simple solution.
- ▶ And continue improving it

Case study #2 : GROUPON



Groupon started as ThePoint

Consumer activism site **The Point** launched in in 2007 and raised over \$6 million in funding to help crowdfund with a tipping point campaigns. However, the site never really took off.





Witty humor, emails

- ▶ Groupon employed a large number of copywriters who draft descriptions for the deals featured by email and on the website.
- ▶ Groupon's promotional text for the 'deals' has been seen as a contributing factor to the popularity of the site, featuring witty humor. Owing to Groupon's market being primarily composed of female customers, the daily deals are often focused on the health, fitness, and beauty markets.
- ▶ Groupon took off and experienced rapid growth, raising over a \$1 billion before going public on NASDAQ November 2011.



Takeaways from the case study

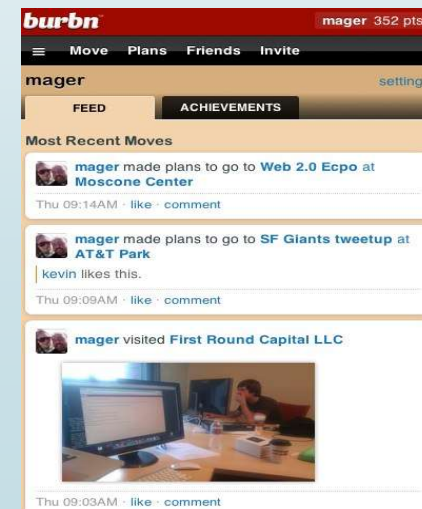
- ▶ Witty email and website design drove traffic.
- ▶ Remarkable deals.

Case study #3 : Instagram



Instagram started as Burbn

- ▶ Location-based social network Burbn launched in October 2010 as a browser-based mobile app using HTML5.
- ▶ **The photo upload feature turned out to be the most-used feature.**
- ▶ This led to Burbn's pivot to an iPhone app exclusively focused on photo-sharing.





Two month pivot

- ▶ **For 8 weeks, the founders stripped Burbn from its overloaded feature bloat to one main feature.** They worked day and night to perfect Instagram. They shared it with friends, tested it in beta, and fixed bugs. The decision to use 11 filters was pared down from over 30 filters.
- ▶ **Instagram was released in October 2010 and became an immediate hit with 100,000 downloads** in the first week. The free app was a simple photo-sharing tool. You can also **easily share your Instagram photo to your Twitter, Facebook, Tumblr, and Flickr accounts.**
- ▶ The photo filters serve to make the ordinary, spectacular.
- ▶ In 10 weeks, Instagram had 1 million users. There is also the element of luck and timing – iPhone 4 had just launched and users were new to using their powerful smartphones as digital cameras.



Instagram

- ▶ The founders of Instagram agreed: "We decided that if we were going to build a company, we wanted to focus on **being really good at one thing.**" Instagram is fast, fun and addictive.
- ▶ In April 2012, Facebook bought Instagram (12 employees) for \$1 billion. Why? Instagram had 30 million registered users, and photos are a key driver of user "engagement" - or how long someone spends time on Facebook.



Takeaways from the case study

- ▶ Simple is better. Less is more.
- ▶ You can launch a successful product in a few months.
- ▶ Key traits – speed, ease of use, fun and easy to share!
- ▶ Timing is also crucial

Case study #4 : Pinterest



Pinterest began as Tote

Mobile app Tote provided tools for users to window shop with their phone in 2009. The app let users save their favorite items, alerted them when clothes went on sale, and pointed them to nearby stores.

The app never took off for its intended goal of helping with buying, due to difficulty purchasing thru mobile...





Users were collecting

Directly fueled by **the growing mountain of coveted items users were saving**, the new website **Pinterest emerged in 2010 as a visually appealing way for users to display their collections** of coveted items.

Pinterest going strong

How popular is it? Today, Pinterest is the on of the most visited websites in the United States and the world!

Today, Pinterest has raised over \$1 billion in funding and still looking for ways to monetize with brands.





Takeaways from the case study

- ▶ What do users do? Watch how they behave.
- ▶ Then, create a straightforward yet appealing solution.

A dark grey arrow points to the right from the left edge of the slide. Below it, several thin, light blue lines curve upwards and to the right, resembling stylized grass or reeds.

Case study #5 : Fab.com

Fab. ♥

Smile, you're designed to

Fab started as Fabulis

A social network launched to help gay men meet people and find things to do launched in 2010.

Fabulis raised nearly \$1 million.





Learning...

Fabulis was phased out the following year due to lack of traction.

One of the site's popular features was the **Gay Deal of the Day** - the website sold chocolates, underwear, tshirts, chairs, etc.

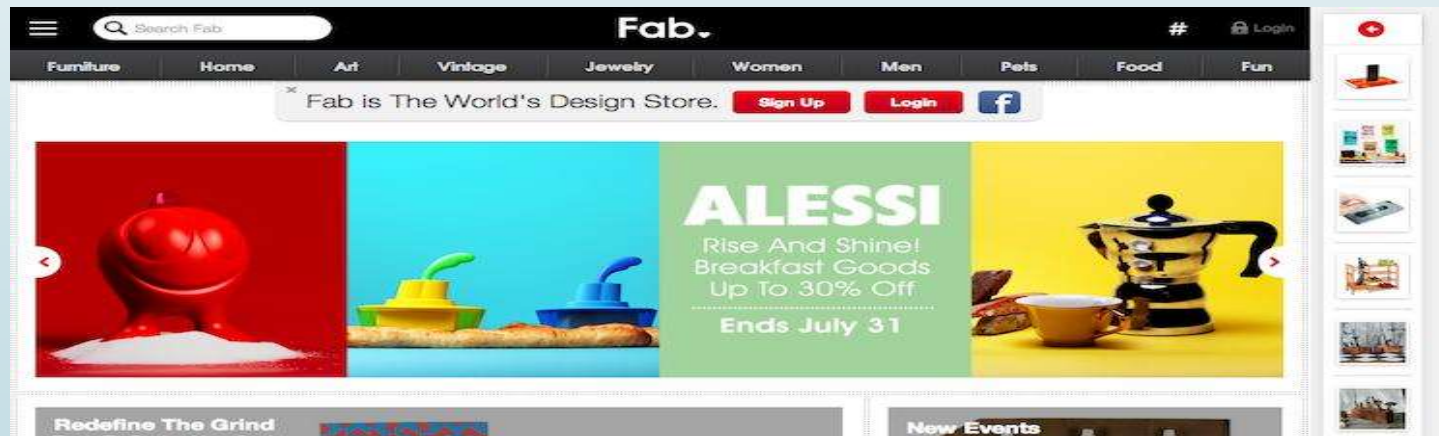
One day, the deal was for hamburgers - and **half of the buyers were women.**

This caused the team to realize there is **a market for selling goods** to women.

The pivot to Fab.com

Fabulis pivoted to **Fab.com** - a flash sale site for designer products.

The founder doesn't like to disclose how much **the three-letter domain name cost**





Fab.com acquired by PCH

Five years later, Fab stumbled in the business (from predicting hits to inventory purchasing).

Once valued at \$1 billion, **Fab was recently acquired by PCH** for a rumored \$15 million to become the platform to sell their hardware products designed by startups they incubate.

Goal is to change Fab into “The Netflix of Design”

The road is long...

PCH has expertise in managing a just-in-time supply chain and advocates lean inventory practices that reduce the risks associated with inventory buildup and the waste related to over-production.



Smile, you're designed to.™

Fab exists for one simple reason: To make you smile.

Every day we set out to **delight you, inspire you, make you laugh,** and give you something to look forward to. We strive to provide the best designed website and apps, selling the **best designed products,** delivered with the best designed service. **We want you to literally LOVE your every interaction with Fab.**

☺ How can we help you smile? ☎ 1 877 463 4322 ✉ Email Us



Takeaways from the case study

- ▶ See how your users react to your initial launch.
- ▶ Watch what feature(s) they actually use and ask for.
- ▶ Adapt to your user's response(s).

Case study #6 : Uber



U B E R



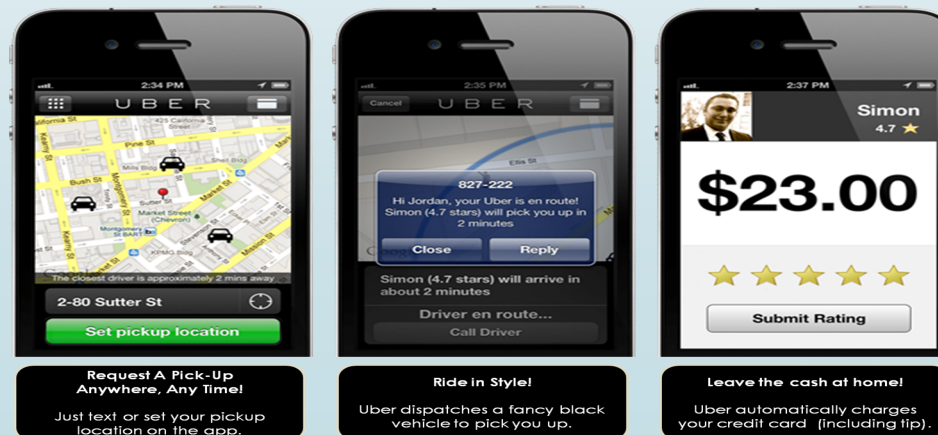
The story of Ubercab

In 2008, some guys in San Francisco (where finding a taxi on the street is difficult) had an idea: to split the cost of a black car - and to hail the driver of that car by their iPhones.

The location-aware app

In 2009, the iPhone app was being developed to be able to location-track the user, send the closest available driver in a car over, and take payment for the ride seamlessly.

Here is one of the early versions of the UberCab app, and the later version of UBER app:





Smart lobbying

UBER has hired an army of contract lobbyists - some of the most skilled and politically connected representatives in at least 50 U.S. cities and states.



Smart marketing

Across the country, the company has been fined, sued and repeatedly issued cease-and-desist orders.

UBER's city-by-city expansion involves rallying their users - to pressure government officials, and unleashing their well-connected lobbyists to influence lawmakers.

For example in the State of Illinois, UBER emailed all their users in the state to ask them to sign a digital petition asking the governor to veto a measure that would put UBER out of business. UBER also inserted a splash screen when users opened the smartphone app in the state, asking the user to get involved. It worked.



Takeaways from the case study

- ▶ Solve a problem with a seamless, responsive solution.
- ▶ Gain a reputation for being fast, responsive.
- ▶ Leverage your users.