

## **CS 175: Starting a business**

(Kawasaki: Ch 1,2, 4 Kaw 2.0: 1, 2 --- and Berringer Ch 1 and 2)

### **1. Finding the reason and motivation**

Ideally: to add value to the world

Other: to have fun, to make money, to work independently

### **2. Assess how starting a business fits your personal goals and needs**

Types of businesses:

- Survival: (e.g. lawn service, dog sitter, home-care services)
- Lifestyle - Managed growth: (comfortable life for owner)
- Aggressive growth (e.g. computer startup)

### **3. Identifying a biz opportunity**

**IMPORTANT:** Identify a problem or an opportunity

Sources of opportunity

- problem you or people you know are facing
- Socio-economic trends and changes
- Technological trends
- Political actions and policy changes
- Brainstorming with friends

Types of business models: a) custom solution, b) market lead/creation, c) valuable component, d) recurring revenue, e) freemium, f) eyeballs, g) virtual goods

### **4. Screening your biz idea**

Approach 1: The NABC test: Need-Approach-Benefit-Competition

Approach 2: Extensive questions Appendix 2.1 in Barr book

Approach 3: The Lean Startup canvas (see material in iLearn)

### **5. Summarizing your idea: elevator pitch**

Elevator pitch: 1-2 minutes that capture the excitement and promise of your idea

Needs to cover:

- what you do
- what is the problem you solve
- why is this an important problem
- what is your novel unique approach
- how you beat the competition
- what is the market and how you are going to reach it
- what is the status and progress of the company
- who is the team and why they are the right people for the job