

*Paul Hoyt's "Office Hours" Series*



# THE **Awakened** CEO System

## Office Hours

mindset

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# Welcome to Office Hours

- A relaxed, informal mentoring program
- Held every Monday at Noon Pacific Time
- All recordings, slides, and exercises are archived in our member's area
- All recordings are available on my YouTube channel:

[www.YouTube.com/user/PaulHoyt](http://www.YouTube.com/user/PaulHoyt)

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# The Reasons

- Being a successful small business owner can be a great experience!
- It's tough - you need Education, Training, Tools, and Team to be successful
- We want you to get to know us

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# The Reasons

- First and most importantly, we want you to know that we care about you.
- We want you to succeed in every area of your life, whatever that means to you.
- We want you to find the **greatness**, the **happiness**, the **divinity** within yourself, and then remember it, embrace it, and live it every day.



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# Our Passion

To increase the survival rate...

Accelerate the growth rate...

And reduce the struggle rate  
of businesses in America

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# Our Vision...

To help millions of CEOs and  
Entrepreneurs accelerate their business  
growth and enjoy greater harmony and  
balance in their lives

*Please Pass the Word!*

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# Office Hours Agenda

- In depth discussion of a business success principle
- Closing remarks, special offers, and invitation for next weeks session
- Open Q&A and coaching

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## Join Us!

- The Awakened CEO Communities on both LinkedIn and Facebook
- Business Success Principle of the Day postings on both Facebook and LinkedIn
- Energy of the Day posting on Facebook

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# Today's Topic:

# Nail It, then Scale It!

by Paul Ahlstrom  
and Nathan Furr, PhD

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# The Key Performance Areas



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# The Key Performance Areas



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THE **Awakened** CEO  
System



A Balanced and Comprehensive Approach  
to Business Growth, on multiple levels



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# Levels of Performance

- **Mindset** – your beliefs and perspectives
- **Methods** – your plans, processes, and procedures
- **Momentum** – taking action, accelerating your velocity



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# The Awakened CEO System



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# Agenda

- About the Authors
- The Myths of Entrepreneurship
- Primary Reasons Startups Fail
- Characteristics of Successful Startups
- Insights from Decades of Experience
- Steps in the Nail It - Scale It Process
- Fundamental Concepts
- The Bottom Line

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# About the Authors

- From professional investors:
  - Paul Ahlstrom is with Alta Ventures
  - Nathan Furr was Stanford PhD
- Made over 100 investments
- Invested \$900 million over 20 years, and another \$2B+ in other funds
- Students of the startup experience



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# The Myths of Entrepreneurship

- **Myth 1: The Entrepreneur as Hero**
  - Hard work, talent, and persistence are not enough
- **Myth 2: The Process Myth**
  - Raise some money, build a product, find a way to sell it doesn't work well
- **Myth 3: The Money Myth**
  - Too much money can contribute to your demise



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# Primary Reasons for Failure

- Poor prioritization
- No customer interaction
- No business model validation
- Hiring people before finding customers
- In general: premature scaling
- Waterfall development model  
(works with incremental growth,  
but not innovation)

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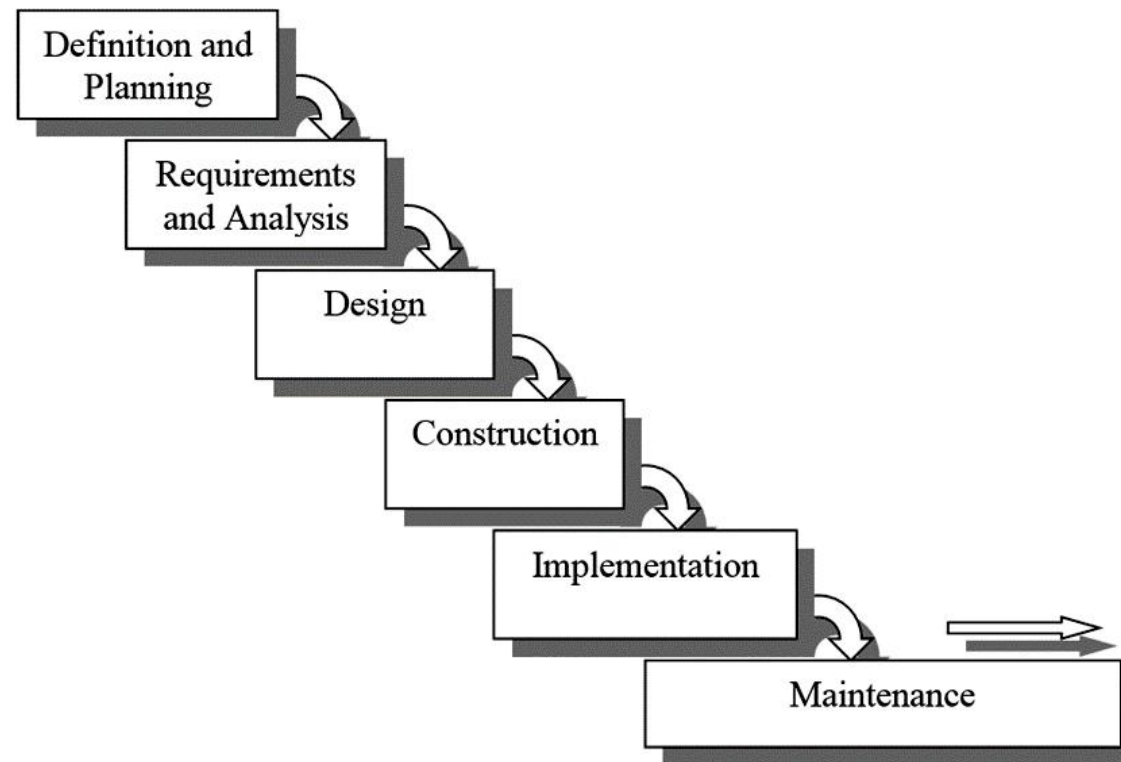
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# The Waterfall Approach



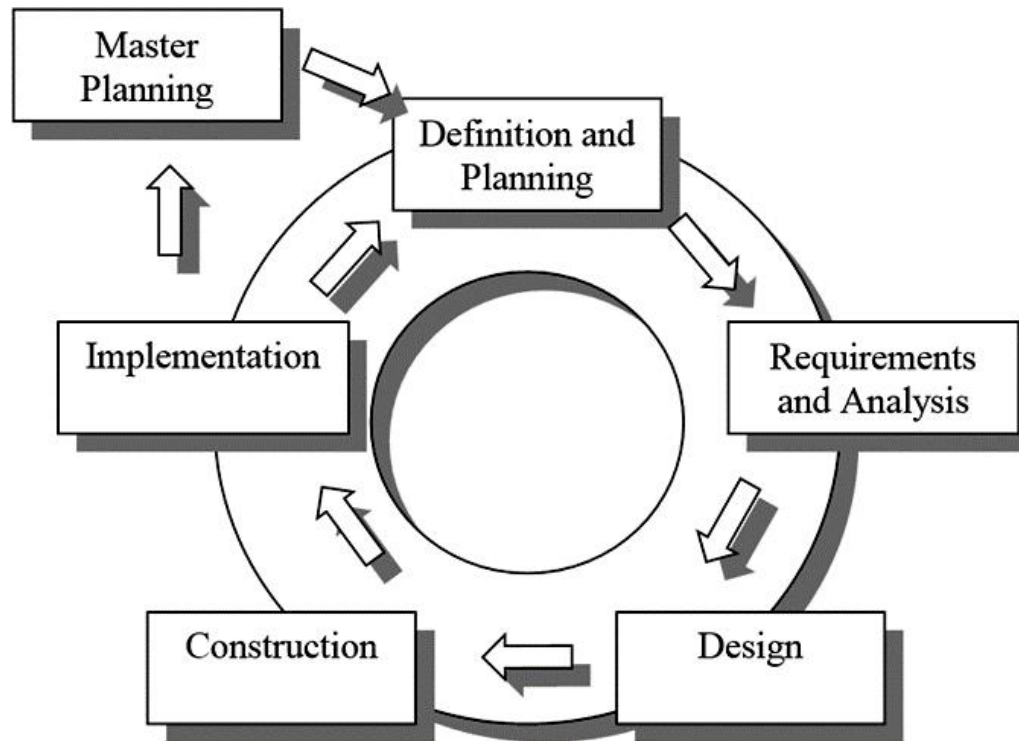
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# The Iterative Approach



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# Successful Startups

- Passion and competence
- Teams (not soloists, 2-3 preferred)
  - Need a “hacker, huckster, and a hopeful”
  - Engineer, salesperson, visionary
- Focus on solving the pain (monetizable pain)

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## Insights from Decades of Experience

- Most businesses fail somewhere between idea and mass market...
- Because they tried to sell a product that did not have sufficient demand
- Companies that follow the Nail It then Scale It process have an increased probability of success



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# Steps

- Nail the Pain (the really BIG pain)
- Nail the Solution
- Nail the Go-to-Market Strategy
- Nail the Business Model
- Scale It

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# Nail the Pain

- Get out of the office
- Look for tears and anguish
- Collect the customer's words
- Gather market research
- Develop your "Monetizable Pain Hypothesis"

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# Nail the Solution

- Translate your Monetizable Pain Hypothesis into a minimum feature set
- Run three tests:
  - A virtual prototype
  - A real prototype
  - The minimum feature set solution
- Ask: “Is this what you were looking for?”
- Listen!



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# Nail the Go-to-Market Strategy

- Run the same time as Nail the Solution
- Study market dynamics and key players
- Understand the customer buying process
  - How they find out about new products
  - What channels of distribution are available
  - Who is already selling to your customer

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# Nail the Go-to-Market Strategy

- Sell from the start
  - If they are willing to pay, you aren't relieving enough pain

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# Nail the Business Model

- Revisit all your numbers
- The original model was just guesswork, anyway
- Ask yourself:
  - “What are our margins?”
  - “What is our breakeven point?”
  - “Can we make enough money?”



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# Scale It!

- The nature of your operations will change
- Move from creative exploration mindset to operational discipline mindset
- Players come, and players go
- Delegation and systemization are key
- Get great at goal definition and achievement

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# Review: Fundamental Concepts

- Get into the field
- Fail fast
- Keep it simple – simplicity wins
- Start small, stay lean
- Be brutally honest
  - Your job is not to be right
  - Your job is to

**Discover the TRUTH**

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# Review: Fundamental Concepts

- As soon as you start selling, you are dead. You go into protection mode
- Random positive feedback is very addicting
- Be disruptive – look for a 10x advantage
- Your current customers are not looking for disruptive technology...
- ... if you are innovating, you need a new customer base



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# In My Language

- Engage with the marketplace as quickly as possible...
- So you can learn the lessons that only the marketplace can teach you
- Then have a relentless pursuit of financial stability

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# The Bottom Line

- Dream BIG
- Start small
- Stay flexible
- Be humble, be smart

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# Homework / Exercise

- Be objective about how well you are employing the principles of Nail It then Scale It
- Buy the book!
- Build your team – (2-3 to three minimum)
- Review additional Office Hours
- Get coaching and support to understand these principles and implement them



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# Related Office Hours

- 61 – The E-Myth
- 77 – Startup Owners Manual
- 81 – The Power of Why
- 94 – The Lean Startup Methodology
- 105 – How to be Great at Product Development

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# Open Q & A and Coaching – in a minute

- Comments and questions on the topic of the day, then any other issues
- Tell me what your biggest “take-aways” are and what insights you gained from this presentation
- Tell me what you are going to focus on

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# Our Support Services

Service	Teach You	Do It With You	Do it For You
Education	X		
Training	X		
Coaching	X		
Advising / Mentoring	X	X	
Consulting		X	X
Growth Management		X	X



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# Next Office Hours: Apr. 18th

- Topic is: TBD
- Let me know what topics you would like for me to address: [www.PaulsSurvey.com](http://www.PaulsSurvey.com)
- Do your homework!

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# Open Q & A and Coaching

- Comments & questions on the topic of the day, then any other issues
- Contact Me at [paul@paulhoyt.com](mailto:paul@paulhoyt.com)  
call or text: 415.997.8001
- [www.SchedulePaul.com](http://www.SchedulePaul.com)



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