

Paul Hoyt's "Office Hours" Series



THE **Awakened** CEO System

Office Hours

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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

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The Reasons

- Being a successful small business owner can be a great experience!
- But it's tough - you need Education, Training, Tools, and Team to be successful
- I want you to get to know me

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The Reasons

- First and most importantly, I want you to know that I care about you.
- I want you to succeed in every area of your life, whatever that means to you.
- I 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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My Passion

- To increase the survival rate...
- Accelerate the growth rate...
- And reduce the struggle rate of businesses in America

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My Vision...

- To help millions of CEOs and Entrepreneurs accelerate their business growth and enjoy greater harmony and balance in their lives
- You can help by passing 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!

- Brilliant Business Groups on Facebook and LinkedIn
 - <https://www.facebook.com/groups/BrilliantBusiness/>
 - <http://bit.ly/BrilliantBusinessGroup>

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Join Us!

- Business Success Principle of the Day postings on both Facebook and LinkedIn
- Energy of the Day posting on Facebook

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During the Call...

- Make comments, ask questions, share insights and “takeaways”
- Goal: 20 comments and likes in Facebook group

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THE **Awakened** CEO Conversation

- An Interactive Webinar, with guests Justin and Tonya Recla
- Wednesday, May 13th, 6 PM PT
- Watch your emails for signup information

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Today's Topic:

**The Startup Owner's Manual -
The Step by Step Guide for Building a
Great Company**

**By Steve Blank
and Bob Dorf (2012)**

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The Key Performance Areas



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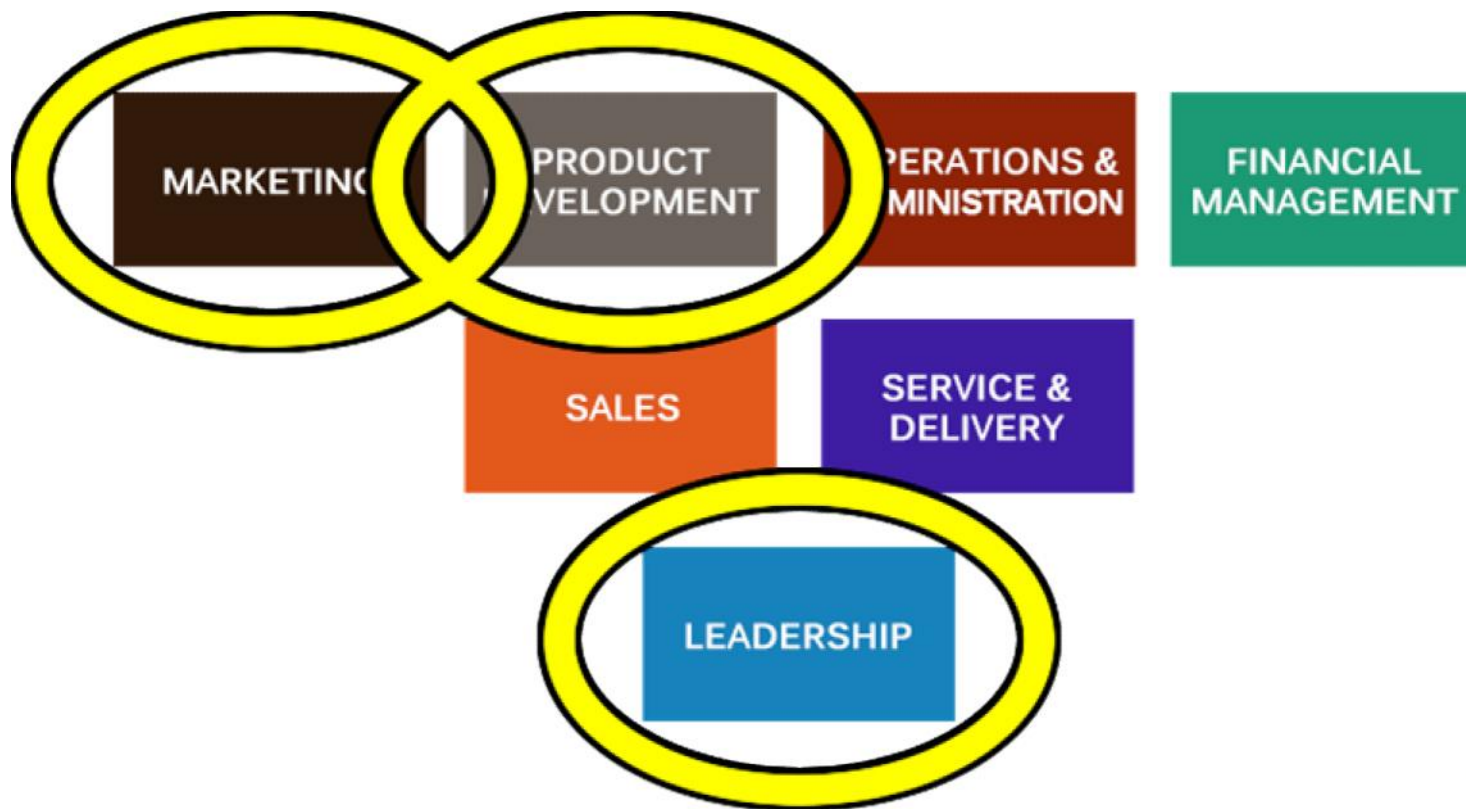
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The Key Performance Areas



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Agenda

- About the Authors
- What is a Startup?
- Traditional New-Product Model
- The Nine Deadly Sins
- The Customer Development Manifesto
- The Four Steps
- The Bottom Line

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Steve Blank

- Recognized for developing the Customer Development methodology and the Lean Startup movement
- Founded or worked with eight startups, four of which have gone public
- Famously lost \$35 million another
- Published *The Four Steps to the Epiphany* and *Not All Those Who Wander Are Lost*



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Bob Dorf

- Serial entrepreneur, founded first success at 22
- “Mid-Wife” of the Customer Development Methodology
- Worked with Blank at E.piphaney
- Co-Founded Marketing 1to1 (later Peppers and Rogers)

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What is a Startup?

- Not a smaller version of a large company
- A temporary organization designed to search for a repeatable, scalable business model
- A business model is how a company creates value for itself while providing value (through products and services) to its clients and customers.

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What a Startup Should Do

- Turn their guesses and assumptions into known facts....
- because business models are fairy tales

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Who the Manual is For

- Companies with market risk
 - Can I find my customer?
 - Are there enough of them?
 - Can I reach them easily?
 - Will they buy it at a price that allows me to make a profit?
- Not companies with invention risk
 - Will it work?

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Your Startup is NOT a Hero's Journey

- It's not about persevering against unbelievable odds and emerging a hero on the other side
- It is about defining your unknowns and making them known
- A startup is a series of untested hypotheses

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Traditional New-Product Introduction Model

- Concept
- Development
- Test
- Launch
- It's a waterfall process

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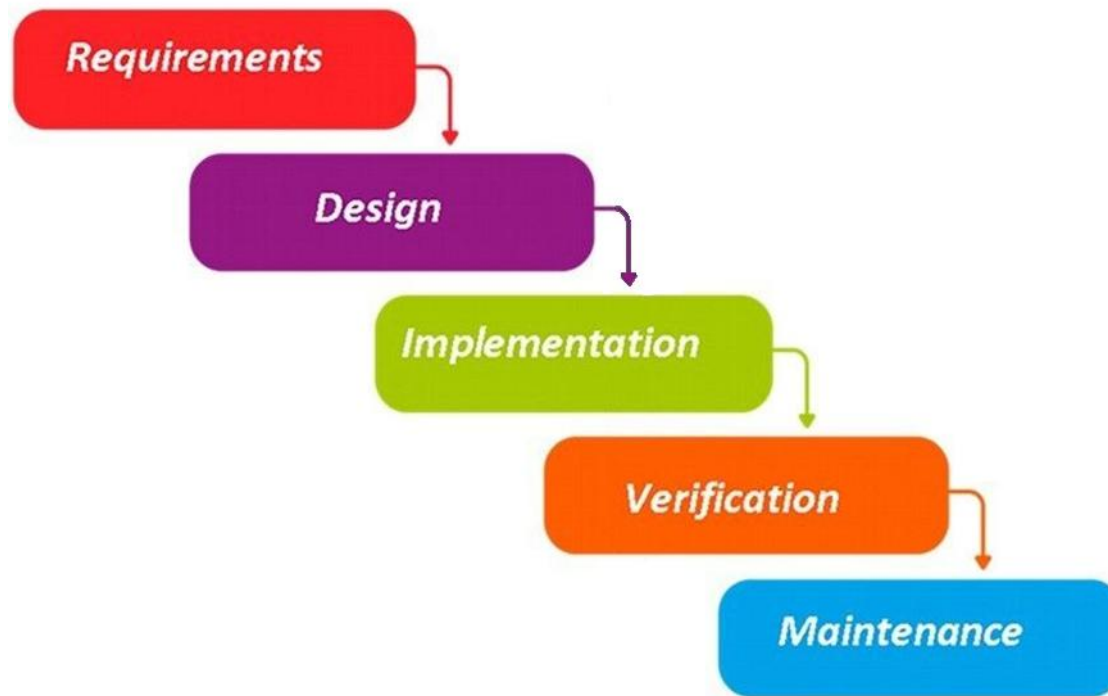
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Traditional New-Product Introduction Model



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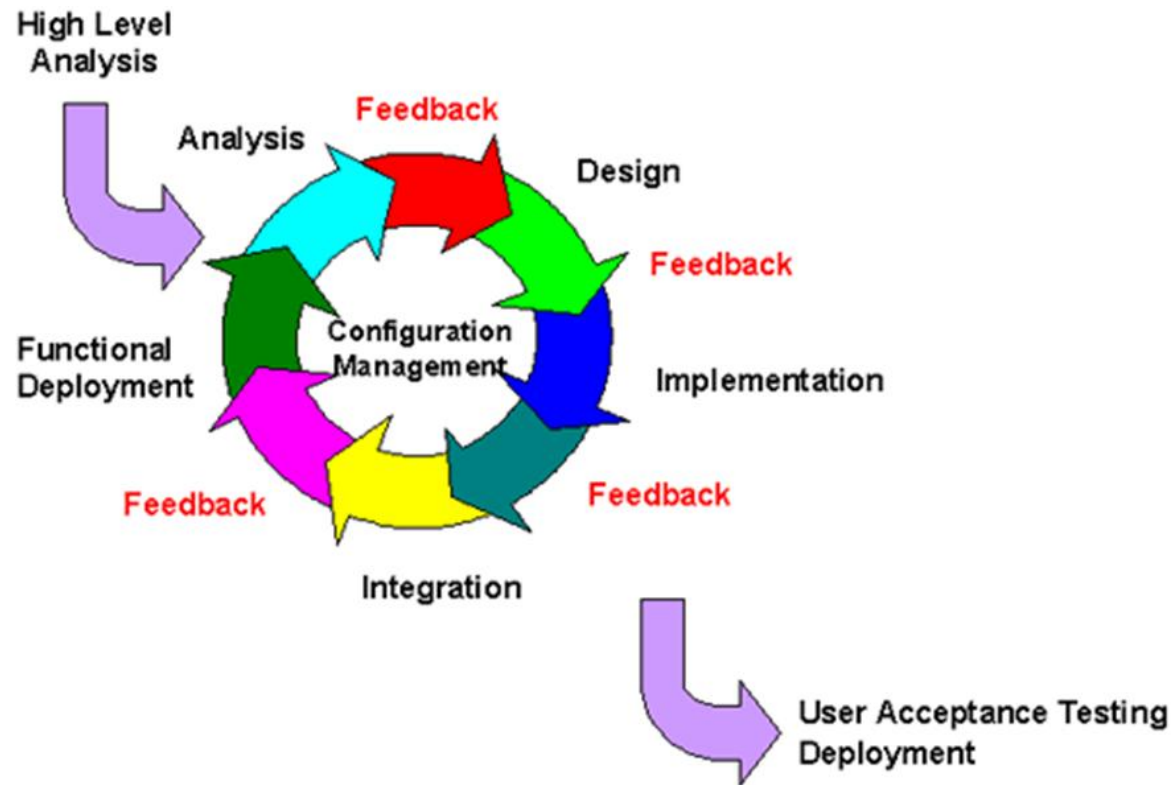
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An Iterative Approach



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Nine Deadly Sins

1. Assuming “I know what the customer wants”
2. Assuming “I know what features to build”
3. Focus on the launch date
4. Emphasis on execution instead of Hypotheses, Testing, Learning, and Iteration
5. Traditional business plans presume no trial and no errors

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Nine Deadly Sins

6. Confusing job title with what a startup needs to accomplish
7. Too early focus on sales and marketing
8. Presumption of success leading to premature scaling
9. Management by crisis leads to a death spiral

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The Customer Development Manifesto

- Rule No. 1: There are No Facts in Your Building, so Get Outside
- Rule No. 2: Pair Customer Development with Product Development
- Rule No 3: Failure is an Integral Part of the Search

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The Customer Development Manifesto

- Rule No. 4: Make Continuous Iterations and Pivots
- Rule No. 5: No Business Plan Survives First Contact with Customers (So use the Business Model Canvas)
- Rule No. 6: Design Experiments to Validate Your Hypotheses

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The Customer Development Manifesto

- Rule No. 7: Agree on Market Type. It Changes Everything
- Rule No. 8: Startup Metrics Differ from Those in Existing Companies
- Rule No 9: (Have) Fast Decision-Making, Cycle Time, Speed, and Tempo
- Rule No. 10: It's All About Passion!

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The Customer Development Manifesto

- Rule No. 11: Startup Job Titles are Very Different from a Large Company's
- Rule No. 12: Preserve All Cash Until Needed. Then Spend
- Rule No. 13: Communicate and Share Learning
- Rule No. 14: Customer Success Begins With Buy-In

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The Four Steps

- Search
 - Customer Discovery
 - Customer Validation
- Execution
 - Customer Creation
 - Company Building

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Step 1: Customer Discovery

- Test the perception of the problem and the desire to fix it
- Test the customers recognition that your product solves the problem and is something they will buy

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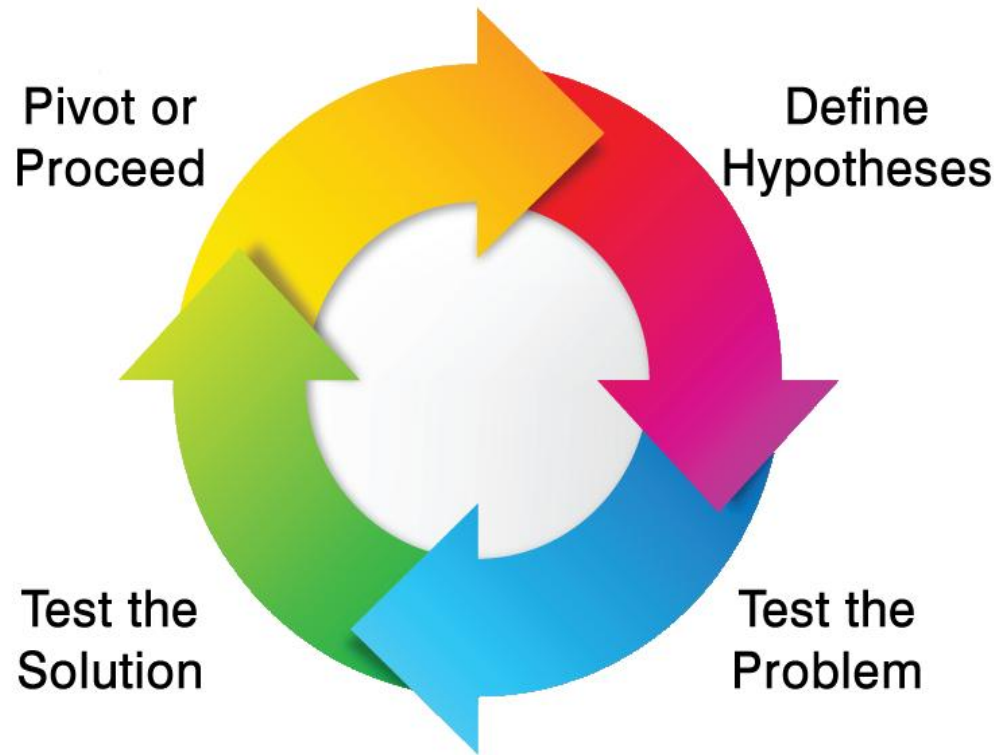
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Step 1: Customer Discovery



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Step 1: Customer Discovery

- I'm pretty sure this isn't exactly what you are looking for...
- If you could wave a magic wand and change anything, what would it be?
- What would you like to see added?
- What seems unnecessary or in the way?
- What should I have asked?



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Step 2: Customer Validation

- Tests the company's ability to discover customers, close customers, and deliver in volume
- Find out whether a \$1 investment in marketing results in \$2+ dollars revenue
- Aka: Business Model Validation

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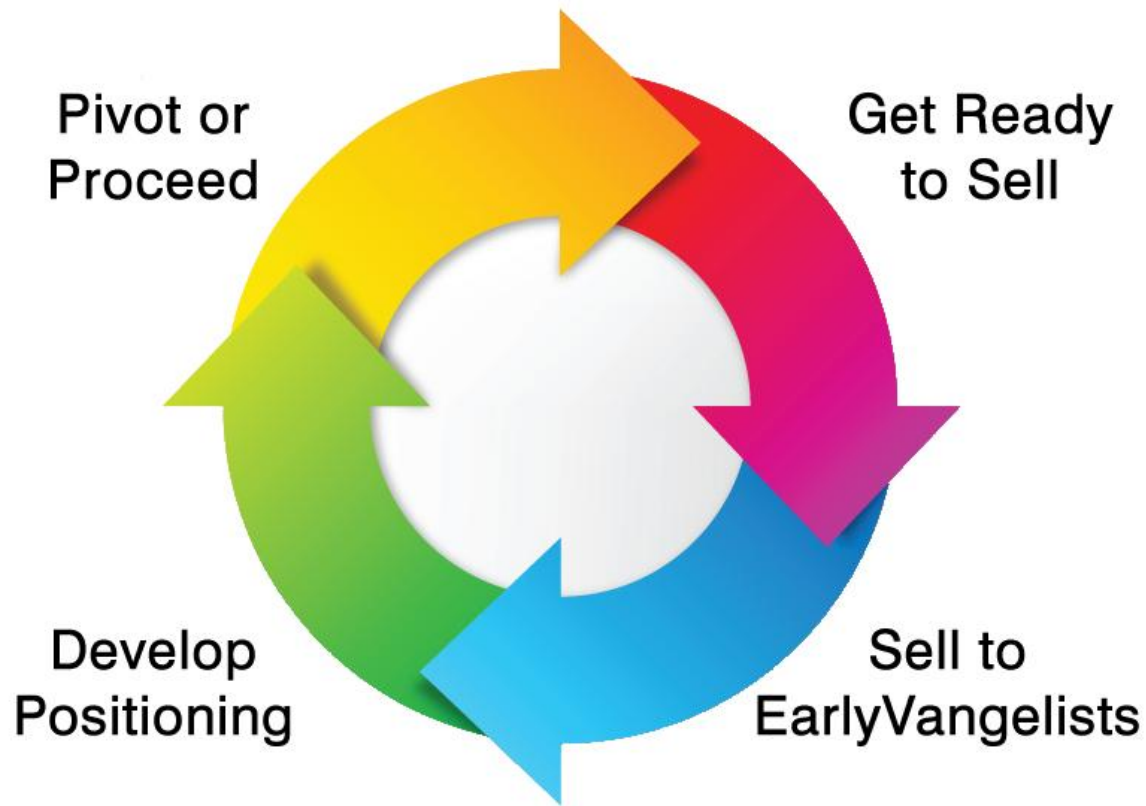
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Step 2: Customer Validation



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Step 3: Customer Creation

- Step on the gas!
- Depends on market dynamics
 - Well defined
 - New market
 - Hybrid

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Step 4: Company Building

- Transition out of startup mode
- Build departments to scale with the company
- May require a change of leadership

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Great Quotes

- Failure is an integral part of the search for a business model
- Learning that a hypothesis is wrong is not a crisis
- A pivot is not a failure!
- The goal of customer development is to understand what not to ship

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The Bottom Line

- There is only one proven way to bring new products and services to market
- It takes a lot of humility to listen to your customers, but it really pays off
- You will save money, save time, and increase your probability of success when you do

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Homework

- Buy the book – it is chock full of checklists and templates
- Eliminate your resistance and follow their advice
- Get coaching and support to help you along the way from someone who “gets it”!

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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: May 18th

- Topic is: TBD
- Let me know what topics you would like for me to address: 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
call or text: 415.997.8001
- www.SchedulePaul.com

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