# ENGR 245: The Lean Launch Pad

**Course Title:** Technology Entrepreneurship and Lean Startups  
**Units:** 3-4  
**Instructors:** Steve Blank, Ann Miura-Ko, Jon Feiber  
**TA’s:**  
**Grading:** Letter (ABCD/NP)  
**Days and Times:** Jan 8th – Mar 12th  
  Tuesdays 4:15-7:05 pm  
**Office Hours:** Tues 3:00-4:00pm  
**Location:** Y2E2 111  
**Webpage:** [http://e245.stanford.edu/](http://e245.stanford.edu/)  
**Texts:**  
  - *Startup Owners Manual* Blank & Dorf  
  - *Business Model Generation* Osterwalder & Pigneur  
**Online Lectures:** [http://www.udacity.com/view#Course/ep245/CourseRev/1](http://www.udacity.com/view#Course/ep245/CourseRev/1)  
**Software:** Launchpad Central [https://launchpadcentral.com](https://launchpadcentral.com)  
**Prerequisite:** Passion in discovering how an idea can become a real company

## Course Description:

This course provides real world, hands-on learning on what it's like to actually start a high-tech company. This class is not about how to write a business plan. It’s not an exercise on how smart you are in a classroom, or how well you use the research library to size markets. And the end result is not a PowerPoint slide deck for a VC presentation. And it is most definitely not an incubator where you come to build the “hot-idea” that you have in mind.

This is a practical class – essentially a lab, not a theory or “book” class. Our goal, within the constraints of a classroom and a limited amount of time, is to create an entrepreneurial experience for you with all of the pressures and demands of the real world in an early stage start up.

You will be getting your hands dirty talking to customers, partners, competitors, as you encounter the chaos and uncertainty of how a startup actually works. You'll work in teams learning how to turn a great idea into a great company. You'll learn how to use a business model to brainstorm each part of a company and customer development to get out of the classroom to see whether anyone other than you would want/use your product. Finally, based on the customer and market feedback you gathered, you would use agile development to rapidly iterate your product to build something customers would actually use and buy. Each block will be new adventure outside the classroom as you test each part of your business model and then share the hard earned knowledge with the rest of the class.

The Flipped Classroom

Unlike a traditional classroom where the instructor presents lecture material, our lectures are on-line at Udacity.com. Watching the assigned lectures are part of your weekly homework. We expect you to watch the assigned lectures and we will use time in class to discuss questions about the lecture material.

Class Culture

Startups communicate much differently than inside a university or a large company. It is dramatically different from the university or large culture most of you are familiar with. At times it can feel brusque and impersonal, but in reality is focused and oriented to create immediate action in time- and cash-constrained environments. We have limited time and we push, challenge, and question you in the hope you will quickly learn. We will be direct, open, and tough – just like the real world. We hope you can recognize that these comments aren’t personal, but part of the process.

We also expect you to question us, challenge our point of view if you disagree, and engage in a real dialog with the teaching team. This approach may seem harsh or abrupt, but it is all part of our wanting you to learn to challenge yourselves quickly and objectively, and to appreciate that as entrepreneurs you need to learn and evolve faster than you ever imagined possible.

Amount of Work

This class requires a phenomenal amount of work on your part, certainly compared to many other classes. Projects are treated as real start-ups, so the workload will be intense. Teams have reported up to 20 hours of work each per week. Getting out of the classroom is what the effort is about. You will be spending a significant amount of time in between each of the lectures outside your lab talking to customers. If you can’t commit the time to talk to customers, this class is not for you.

This class is a simulation of what startups and entrepreneurship is like in the real world: chaos, uncertainly, impossible deadlines in insufficient time, conflicting input, etc. This class pushes many people past their comfort zone. It’s not about you, but it’s also not about the class or the teaching team. This is what startups are like (and the class is just small part of what it is really like.) The pace and the uncertainty pick up as the class proceeds.
Team Organization: This class is team-based. Working and studying will be done in teams. You will be admitted as a team. Teams must submit a proposal for entry before the class begins. Projects must be approved before the class.

Team projects can be software, physical product, or service of any kind. The teams will self-organize and establish individual roles on their own. There are no formal CEO/VP’s. Just the constant parsing and allocating of the tasks that need to be done.

Besides the instructors and TA, each team will be assigned a mentor (an experienced entrepreneur or VC) to provide assistance and support.

Suggested Projects: While your first instinct may be a web-based startup we suggest that you consider a subject in which you are a domain expert, such as your graduate research. In all cases, you should choose something for which you have passion, enthusiasm, and hopefully some expertise. Teams that selected a web or mobile-based product will have to build the site for the class. Do not select this type of project unless you are prepared to see it through.

Deliverables

1. Teams building a physical product must show us a costed bill of materials and a prototype.
2. Teams building a web product you need to build the site, create demand and have customers using it. See http://steveblank.com/2011/09/22/how-to-build-a-web-startup-lean-launchpad-edition/
3. Your weekly blog is an integral part of your deliverables. (We currently use the Lean LaunchLab. It’s how we measure your progress
4. Your team will present a weekly in-class Powerpoint summary of progress

Grading Criteria: this course is team-based and 85% of your grade will come from your team progress and final project. The grading criteria are broken down as follows:

15% Individual participation in class. You will be giving feedback to your peers.
40% Out-of-the-building progress as measured by blog write-ups and presentations each week.
   Team members must:
   1) update business model canvas weekly
   2) identify which team member did which portion of the work.
3) detailed report on what the team did each week
4) weekly email of team member participation

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<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>20%</td>
<td>The team weekly “lesson learned” presentation (see appendix for format)</td>
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<tr>
<td>25%</td>
<td>The team final report (see appendix for format)</td>
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Class Roadmap

Each week’s class is organized around:

- Student presentations on their “lessons learned” from getting out of the building and iterating or pivoting their business model.
- Comments and suggestions from other teams, and teaching teams on the lessons learned.
- Discussion about the on-line lecture on one of the 9 building blocks of a business model (see diagram below, taken from Business Model Generation).
- Each team will capture their customer discovery progression in learning by using the LaunchPad Central Software.

“Genius is the ability to make the most mistakes in the shortest amount of time.”
**Guidelines for team presentations**

Each team is expected to speak to at least 10+ customers every week. The 10-minute weekly team presentations are summaries of the team’s findings during that week.

<table>
<thead>
<tr>
<th>Slide 1</th>
<th>Cover slide (team name, team members/roles, number of customers spoken with, what the team does)</th>
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<tbody>
<tr>
<td>Slide 2</td>
<td>Updated business model canvas</td>
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<tr>
<td>Slide 3-n</td>
<td>What did you learn about “topic of the day” (Canvas block x)?</td>
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<tr>
<td></td>
<td>- Hypothesis: Here is what we thought</td>
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<td>- Experiments: So here’s what we did</td>
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<td>- Results: So here’s what we found</td>
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<td>- Iterate: So here’s what we are going to do next</td>
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<tr>
<td>Slide 4</td>
<td>Diagram (if appropriate) of what you learned this week (e.g., customer workflow, payment flows, distribution channel diagram)</td>
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Feedback from the teaching team during oral presentations is where the most learning occurs. Due to the pace and tempo of the course, participants must be held accountable to the material for the specific class.
Pre-class Preparation for January 8\textsuperscript{th}

| Reading/Viewing Assignment for day 1 of the class | Watch Udacity lectures 0, 1 and 1.5  
Read: Business Model Generation: pp. 14-49  
Startup Owners Manual:  1-50 intro to customer development  
I-Corps team presentations: [http://www.slideshare.net/sblank](http://www.slideshare.net/sblank) |
|---|---|
| Before You Show Up in Class | Students should come to class able to answer the following questions:  
- What's the difference between search and execution?  
- What is a business model versus business plan?  
- What is the business model canvas?  
- What are the 9 components of the business model canvas?  
- What is a hypothesis?  
- What is Customer Development?  
- What are the key tenets of Customer Development? |
| Assignment for Jan 8\textsuperscript{th} class | • Prepare your team’s business model using the business model canvas  
• Come prepared with a customer contact/visit list that will last a week |
| Presentation Guidelines for Jan 8\textsuperscript{th} class | Prepare a 2-slide presentation to present your team to the cohort:  
Slide 1: Title Slide  
Slide 2: Business Model Canvas |
## Class 1 Business Models and Customer Development

### Learning Objectives

Students should understand the concepts of:

- 9 parts of a Business Model
- Hypotheses versus facts
- Getting out of the building
- Web/Mobile versus Physical
- Problem/Solution
- Product/Market Fit
- Hypotheses/Experiment design/Test/Insight
- Iteration versus Pivot

Students should understand the relationship between canvas components:

- Value proposition/customer segments – product market fit
- Customer relationships: get/keep/grow
- Revenue/costs – making money

### Reading for next week -

- *BMG*, pp. 86-111, 135-145, skim examples pp. 56-117
- *SOM*, pp. 51-84, market size, value proposition and MVP pgs 188-199
- Getting out of the building, 457-459 market type
- **What's a Startup? First Principles**
- **Make No Little Plans – Defining the Scalable Startup**
- **A Startup is Not a Smaller Version of a Large Company**
- **12 Tips for Early Customer Development Interviews**

### Assignment for next week

**Lecture**
- Watch Lecture 2 Value Proposition

**Presentation**
- Identify your market size
- Identify your type of business (IP/licensing/startup/unknown)
- Propose experiments to test your value proposition, customer segment, channel and revenue model of your business model
- What constitutes a pass/fail signal for each test?
- Talk to at least 10 potential customers
- Get team Launchpad Central up and post first discovery narratives

**Presentation Guidelines**
- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: Market size (TAM/SAM/Target)
- Slide 4: What type of business are you building?: IP, licensing, startup, unknown
- Slide 5: What are your proposed experiments to test customer segment, value proposition, channel and revenue model of the hypotheses
- What constitutes a pass/fail signal for each test (e.g., at what point would you say that your hypothesis wasn’t even close to correct)?
## NO CLASS JANUARY 15\textsuperscript{th}

### Class 2  Jan 22\textsuperscript{nd}  The Value Proposition

<table>
<thead>
<tr>
<th>Class 2 Value Proposition</th>
<th>Students should understand:</th>
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<tbody>
<tr>
<td></td>
<td>• &quot;it’s not all about my invention&quot;</td>
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<td></td>
<td>• &quot;it’s all about the business model&quot;</td>
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<td>• The majority of product features are never used by customers</td>
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<td>• The MVP and customer development eliminate waste in time/cash</td>
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<td></td>
<td>• Engineers love to add features</td>
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<td>• The goal of the MVP is to find the minimum feature set</td>
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<td>• The difference in an MVP for a physical product versus the Low and High Fidelity MVP's for a web/mobile product</td>
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<td>• Understand why customer development can’t be done with Waterfall engineering but needs an Agile Development process.</td>
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| Reading for Next Week | • BMG pp. 146-150, 161-168 and 200-211 |
|                       | • SOM pp. 85-97, 112-125, 203-217 problem understanding, 218-221 gain customer understanding, 260-266 product/market fit |

<table>
<thead>
<tr>
<th>Assignment for Next Week</th>
<th>Lecture</th>
<th>Watch Lecture 3 Customer Segments</th>
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<tr>
<td></td>
<td>Presentation</td>
<td>o What are the Pain Relievers, Gain Creators and key features?</td>
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<td>o What is the resulting MVP?</td>
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<td>o Propose experiments to test your value proposition</td>
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<td>o What constitutes a pass/fail signal?</td>
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<td>o See <a href="http://www.slideshare.net/sblank">http://www.slideshare.net/sblank</a> for examples of what’s needed in next weeks presentation</td>
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<td>Talk to at least 10-15 potential customers</td>
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<td></td>
<td>Post discovery narratives on Launchpad Central</td>
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<td><strong>Web startups</strong> need site or wire frame</td>
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<table>
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<tr>
<th>Presentation Guidelines</th>
<th>Slide 1: Cover slide</th>
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<tr>
<td></td>
<td>Slide 2: Current business model canvas with any changes marked</td>
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<td></td>
<td>Slide 3: What were your experiments to test value proposition?</td>
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<td></td>
<td>Slide 4: Diagram of Value Proposition Pain/Gain/Features and MVP</td>
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<td>Slide 5 - n: What did you learn about your value proposition from talking to your first customers?</td>
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<td>▪ Hypothesis: Here’s What we Thought</td>
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<td>▪ Experiments: So Here’s What we Did</td>
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<td>▪ Iterate: So Here’s What we Are Going to Do Next</td>
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### Students should understand:
- Value proposition + customer segment = product/market fit
- Customer pains and gains
- Customer “Jobs to be done”
- Customer archetypes/personas and why they are useful
- Problem versus Needs
- The difference between users, influencers, recommenders, decision makers, economic buyers and saboteurs
- Market Type – explain the difference between Existing, Resgmented, New and Clone markets  
  - Explain why it matters to know which one you are in
- The difference between single- and multi-sided markets

### Reading for next week
- **BMG** pp. 127-133
- **SOM** pp. 98 – 111, and 332-343, 406-412-Distribution Channels

### Assignment for next week

#### Lecture
- Watch Lecture 4 Distribution Channels

#### Presentation
- What are the Pains, Gains and Jobs to be done?
- Draw a diagram of the customer workflow
- What is the resulting Customer Archetype? Draw a diagram
- How do they solve this problem(s) today? Does your value proposition solve it? How?
- What was it that made customers interested? excited?
- If your customer is part of a company, who is the decision maker, how large is their budget, what are they spending it on today, and how are they individually evaluated within that organization, and how will this buying decision be made?
  - See [http://www.slideshare.net/sblank/](http://www.slideshare.net/sblank/) for examples
- Talk to at least 10-15 potential customers
- Post discovery narratives on Launchpad Central
- **Web startups** need site up and running

### Presentation Guidelines
- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3 What were your experiments to test your customer segment?
- Slide 4: Diagram of archetype(s)
- Slide 5 - n: What did you learn about your customers segments from talking to customers?
  - Hypothesis: Here’s What we Thought
  - Experiments: So Here’s What we Did
  - Results: So Here’s What we Found
  - Iterate: So Here’s What we Are Going to Do Next
  - Did anything change about Value Proposition?
Class 4  February 5th  The Channel

### Learning Objectives

**Students should understand:**

- Definition of a distribution channel: direct, indirect and OEM
- Difference between physical and virtual channels
- Types of physical and virtual channels
- Distribution channel versus product complexity
- Distribution Channel economics.

### Reading for next week

- *SOM* pp. 126-168 customer relationships hypotheses, pp. 296-351 Get/Keep/Grow

### Assignment for next week

**Lecture**

- Watch Lecture 5 Customer Relationships

**Presentation**

- What is the distribution channel? Are there alternatives?
- Draw the channel diagram - Annotate it with the channel economics
- What were your hypotheses about who/what your channel would be? Did you learn anything different?
- What was it that made channel partners interested? excited?
- Did anything change about Value Proposition or Customer segment?
- See [http://www.slideshare.net/sblank/](http://www.slideshare.net/sblank/) for examples
- Web portion of your site should be operational on the web
- Talk to at least 10-15 potential customers and channel partners (Salesmen, OEM's distributors, etc.)
- Post discovery narratives on Launchpad Central

### Presentation Guidelines

- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: What were your experiments to test your channels?
- Slide 4: Diagram of Channel
- Slide 5 - n: What did you learn about your channel from talking to customers?
  - Hypothesis: Here’s What we Thought
  - Experiments: So Here’s What we Did
  - Results: So Here’s What we Found
  - Iterate: So Here’s What we Are Going to Do Next
  - Did anything change about Value Proposition?
Class 5    February 12th    Customer Relationships

**Learning Objectives**

Students should understand:

- How teams *get* customers into their sales channel and move them successfully through the sales cycle
- How to *keep* them as customers and
- How to *grow* additional revenue from those customers over time.
- Students should understand how to develop “get customer” experiments to determine tactics that move customers into and through the sales funnel in a repeatable and scalable way.
- Ensure that the students have an understanding of the concept of “Lifetime Value of a Customer” and how to calculate this figure and incorporate it into their customer acquisition strategies.

**Reading for next week**

*SOM* pp. 180-188 revenue and pricing hypotheses, 260-269 verify business model, 438-456 metrics that matter

*Watch: Mark Pincus, “Quick and Frequent Product Testing and Assessment*

**Assignment for next week**

**Lecture**

- **Watch Lecture** 6 Revenue Streams

**Presentation**

- Create objective pass/fail metrics for each “Get” test/methodology
  - What is your customer acquisition cost?
  - What is your customer lifetime value?
  - Build demand creation budget and forecast.
- Did anything change about Value Proposition, Customers/Users, Channel?
  - Did anything change about Value Proposition or Customers/Users?
  - What is your assumed customer lifetime value? Are there any proxy companies that would suggest that this is a reasonable number?
- Post discovery narratives on Launchpad Central
- Talk to at least 10 -15 potential customers

**For web teams:**

- Get a working web site and analytics up and running. Track where your visitors are coming from (marketing campaign, search engine, etc) and how their behavior differs. What were your hypotheses about your web site results?
- Actually engage in “search engine marketing” (SEM) spend $20 as a team to test customer acquisition cost
  - Ask your users to take action, such as signing up for a newsletter
  - use Google Analytics to measure the success of your campaign
  - change messaging on site during the week to get costs lower, team that gets lowest delta costs wins.
• If you’re assuming virality of your product, you will need to show viral propagation of your product and the improvement of your viral coefficient over several experiments.
• See http://www.slideshare.net/sblank/ for examples

Presentation Guidelines
• Slide 1: Cover slide
• Slide 2: Current business model canvas with any changes marked
• Slide 3 What were your experiments to test Getting Customers?
• Slide 4: Diagram of Get/Keep/Grow
  o Annotate it with costs to “Get” customers
• Slide 5 - n: What did you learn about how to Get/Keep and Grow customers?
  o Hypothesis: Here’s What we Thought
  o Experiments: So Here’s What we Did
  o Results: So Here’s What we Found
  o Iterate: So Here’s What we Are Going to Do Next
### Lecture 6
#### Revenue Streams

**Learning Objectives**

- Students should understand:
  - Revenue model = the strategy the company uses to generate cash from each customer segment
    - Direct Sales, Licensing, Subscription
  - Within the revenue model – how do I price the product?
    - Pricing is a *tactic*
    - Revenue model is the *strategy*
  - This is not about income statement, balance sheet and cash flow. Those are operating details that are derived after a proven Revenue Model and pricing.

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**Reading for Next Week**

- *SOM* pp. 176-179 partners 257-270 and 429-459

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**Assignment for Next Week**

- **Lecture**
  - Watch Lecture 7 - Partners

- **Presentation**
  - Talk to at least 10 potential customers
  - Test pricing in front of 100 customers on the web, 10-15 customers non-web.
  - What’s the revenue model strategy?
  - What are the pricing tactics?
  - Draw the diagram of payment flows
  - Assemble an income statement for the your business model.
  - What are the metrics that matter for your business model?
  - Did anything change about Value Proposition, Customers/Users, Channel, Customer Relations?
  - Update your blog and canvas
  - See [http://www.slideshare.net/sblank](http://www.slideshare.net/sblank) for examples

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**Presentation Guidelines**

- Slide 1: Cover slide
- Slide 2: Current business model canvas with any changes marked
- Slide 3: What were your hypotheses and experiments to test your Revenue Model and Pricing tactics?
- Slide 4: Diagram of Payment flows
- Slide 5: Rough income statement
- Slide 6 - n: What did you learn about your Revenue Model & Pricing?
  - Hypothesis: Here’s What we Thought
  - Experiments: So Here’s What we Did
  - Results: So Here’s What we Found
  - Iterate: So Here’s What we Are Going to Do Next
### Lecture 7

**Partners**

#### Learning Objectives

- What is a Partner?
- Why do you need them
- Types of Partners
- Risks associated with having a Partner and how to manage them
- Suggestions related to selecting a Partner as a startup

#### Reading for Next Week

- *SOM* pp.169-175 resources, 180-188 revenue and pricing

#### Assignment for Next Week

- **Lecture**
  - Watch Lecture 8 - Resources, Activities and Costs

  **Presentation**

  *Talk to at least 10-15 potential customers including potential partners*

  - What partners will you need?
  - Why do you need them and what are risks?
  - Why will they partner with you?
  - What's the cost of the partnership?
  - Draw the diagram of partner relationships with any dollar flows
  - Did anything change about Value Proposition or Customers/Users, Channel, Demand Creation or Revenue Streams?
  - What are the incentives and impediments for the partners?
  - Update your blog and canvas
    - See [http://www.slideshare.net/sblank/](http://www.slideshare.net/sblank/) for examples

  **Presentation Guidelines**

  - Slide 1: Cover slide
  - Slide 2: Current business model canvas with any changes marked
  - Slide 3: What were your hypotheses experiments to test your Partners?
  - Slide 4: Diagram of partner relationships
  - Slide 5 - n: What did you learn about your Partners?
    - Hypothesis: Here’s What we Thought
    - Experiments: So Here’s What we Did
    - Results: So Here’s What we Found
    - Iterate: So Here’s What we Are Going to Do Next
## Lecture 8

### Resources, Activities and Costs

**Learning Objectives**

Students should understand:

- Cover the four categories of resources
- Cover the types of activities
- Talk about the effect of people upon the culture of the startup
- Enumerate the ways in which a startup's intellectual property can be protected
- Add up all the Metrics That Matter. Is this a business? worth doing?

### Assignment

- Assemble a “Metrics that Matter” spreadsheet. Include people, hardware, software, prototypes, financing, etc.
- What resources do you need to build this business? How many people? What kind?
- Draw the diagram of a finance and operations timeline
- When will you need these resources?
- Roll up all the costs from partners, resources and activities in a spreadsheet by time.
- Submit interview notes, present results in class.
- Did anything change about Value Proposition or Customers/Users, Channel, Demand Creation/Partners?
- Update your blog/wiki/journal
- Keep talking to 10-15 customers a week
Class 9    March 12\textsuperscript{th}     Team Presentations of Lessons Learned

\textit{Deliverable:} Selected teams will present a 15 minute “Lessons Learned” presentation about what they learned plus a 2-minute youtube video summarizing their business.
Lessons Learned – Demo Day Presentation Format

*Deliverable:* Each team will present a 30 minute “Lessons Learned” presentation about their business.

Slide 1 – Team Name, with a few lines of what you initial idea was and the size of the opportunity

Slide 2 – Team members – name, background, expertise and your role for the team

Slide 3 - Business Model Canvas **Version 1** (use the Osterwalder Canvas do not make up your own).
Here was our original idea.

Slide 4 - So here’s what we did (explain how you got out of the building)

Slide 5 – So here’s what we found (what was reality) so then, ...

Slide 6 - Business Model Canvas **Version 2** (use the Osterwalder Canvas do not make up your own).
We iterated or pivoted... explain why and what you found.

Slide 7 - So here’s what we did (explain how you got out of the building)

Slide 8 – So here’s what we found (what was reality) so then,

Slide 9 - Business Model Canvas **Version 3** (use the Osterwalder Canvas do not make up your own).
We iterated or pivoted... explain why and what you found.

Etc. „„ Every presentation *requires at least three Business Model Canvas slides.*

Side n – “So here’s where we ended up.” Talk about:

1. what did you learn
2. whether you think this a viable business,
3. whether you want to pursue it after the class, etc.

Final Slides – Click through *each one of your business model canvas slides.*
ENG 245  Frequently Asked Questions (FAQ)

Enrollment
• Admission is by teams of 4 Stanford students from any school or department
• Teams must interview with the teaching team prior to the class start date.
• Your entire team must attend the first class to be enrolled.
• The class list and any wait-listed students will be posted online

Students
• Non graduates and non students can serve as advisors to the teams but our priority is providing a learning environment for Stanford Graduate students.
• Exceptions for team size and external members will be made on a case-by-case basis.
• There are no remote options for this course - you must take the class on campus.
• This is very intense class with a very high workload. We expect you to invest at least 5-10 hours per week.
• You cannot miss the first class without prior approval

Company Ideas
• Is this class for web startups only?
  No, anyone with any idea and preferably a product can form or join a team
• What if I do want to test a web idea?
  Great. Only condition is that you have to get the site up and deliver the minimum product feature set during the quarter.

Attendance and Participation
• You cannot miss the first class without prior approval
• If you cannot commit to 15-20 hours a week outside the classroom, this class is not for you.
• The startup culture at times can feel brusque and impersonal, but in reality is focused and oriented to create immediate action in time- and cash-constrained environments.
• If during the quarter you find you cannot continue to commit the time, immediately notify your team members and teaching team and drop the class.
• If you expect to miss a class, please let the TA and your team members know ahead of time via email.
• We expect your attention during our presentations and those of your fellow students. If
you’re getting bored, tired or inattentive step outside for some air. If we see reading email or browsing the web we will ask you to leave the class.

- We ask that you use a name card during every session of the quarter.

**Intellectual Property**

- **Who owns the intellectual property tested in the Business Model?**
  1. *You own* what Intellectual Property (patents, hardware, algorithms, etc.) you brought to class with you. No one has claim to anything you brought to class.
  2. *You all own* any intellectual property developed for the class (such as code for a web-based project) developed during class. If a team is working with a Stanford related-technology (i.e. either research from one of the team members or a Stanford patent), you *must* check with the Office of Technology & Licensing (OTL) to better understand any Stanford licensing and royalties issues.
  3. You and your team members need to disclose to each other what IP/Licensing rights any company you’ve worked at has to inventions you make at school.
  4. If any or you decide to start a company based on the class, *you own only what was written and completed in the class*. You have no claim for work done before or after the class quarter.
  4. If a subset of the team decides to start a company they do NOT “owe” anything to any other team members for work done in and during the class. *All* team members are free to start the same company, without permission of the others. (We would hope that a modicum of common sense and fairness would apply.)

- **I feel my idea / Business Model may become a real company and the "next killer app" and I want to own it myself what should I do?**
  This is more than likely the wrong class to take. Your slides, notes and findings will be publically shared. Your team owns everything done in class. Discuss Intellectual Property rights with your team from the beginning. If you can’t come to agreement with the team, join another team, pick another project, or drop the class. Remember anything you do and learn in the class is public.

- **Will my Intellectual Property rights be protected when I discuss my ideas with the class?**
  **NO.** This is an open class. **There are no non-disclosures.** All your presentations and Customer Discovery and Validation notes, business model canvas, blogs and slides can, and more likely will, be made public.
• This class is not an incubator. At times you will learn by seeing how previous classes solved the same class of problem by looking at their slides, notes and blogs. Keep in mind that successful companies are less about the original idea and more about the learning, discovery and execution. (That’s the purpose of this class.) Therefore you must be prepared to share your ideas openly with the class. It is a forum for you to "bounce" your ideas off your peers.

• I’m not comfortable sharing what I learn with others what should I do? Don’t take this class.

Help!
• What kind of support will our team have?
  The teaching team consists of three professors, a TA and a mentor per team. A mentor is an experienced entrepreneur or venture capitalist assigned to your team. They’ve volunteered to help with the class and your team because they love startups. Their job is to guide you as you get of the building.

• How often can we/sheould we meet with our mentor?
  Your mentor is expecting to meet with you at least every two weeks face-to-face. You can email them or meet with them more often as they have time for.

• Can I talk to a mentor not assigned to my team?
  By all means, do so. All the mentors are happy to help. However they cannot support your team full time unless your mentor decides to swap places with them.

• I have a busy schedule and my mentor can’t meet when I want them to.
  Mentors have day jobs. Asking them to meet or reply to you ASAP is not acceptable. So plan ahead to allow for a reasonable amount of time for a reply or meeting. Be concise with your request and be respectful of their time.

• I need help now.
  You first stop are your TA’s. Email or sit down with them during the week if you have a problem. Your professors have office hours every Tuesday at 3pm. If you need something resolved sooner, email us.

• Who are the Mentors?
  See the mentor list at the end of this document and on the class website.

Team Dynamics
• What roles are in each team?
  Traditionally, each team member is part of the “customer development team”. You have to
figure out how to allocate the work.

- **What if my team becomes dysfunctional?**
  Prepare to work through difficult issues. If the situation continues, approach the teaching team. Do *not* wait until the end of the quarter to raise the issue.

- **What if one of my teammates is not "pulling his/her weight"?**
  Try to resolve it within your team. If the situation continues *longer than a week*, please approach the teaching team. Final grades will also reflect individual participation and contribution.

**Grading**

- **How do you determine our grade?**

  - 15% Individual participation in class. You will be giving feedback to your peers.
  
  - 40% out-of-the-building progress as measured by blog write-ups *each week*.
    
    Team members must:
    1) update business model canvas *weekly*
    2) identify which team member did which portion of the work.
    3) detailed report on what the team did each week
    4) weekly email of team member participation
  
  - 20% team weekly “lesson learned” summaries (see appendix for format)
  
  - 25% team final report (see appendix for format)

- **What kind of feedback can I expect?**
  Continual feedback weekly. Substandard quality work will be immediately brought to your attention.