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People are unreliable narrators.

When conducting customer interviews, remember that what they think they need will always be different from what they really need.

Your job is to listen between the lines in order to understand the actual problem, and how you can develop a great solution to it.

People are unreliable narrators.

"Ounce for ounce, there's no better way to learn what customers want and will buy than this wonderful little book. If you want your new product or new business to succeed, start here."

— John Mullins
Author of *The New Business Road Test*



Rob Fitzpatrick

THE MOM TEST

How to talk to customers and learn
if your business is a good idea
when everyone is lying to you

On the Recommended Reading
list at bus219.org:

The Mom Test

"How to talk to customers and learn if your business is a good idea, when everyone is lying to you".

**When doing Customer Development interviews,
you want to ask questions that yield insights,
you do not want to lead them. And you
especially don't want to pitch them!**

Phrasing these questions correctly can be hard.

Fortunately, this is a great use of AI.

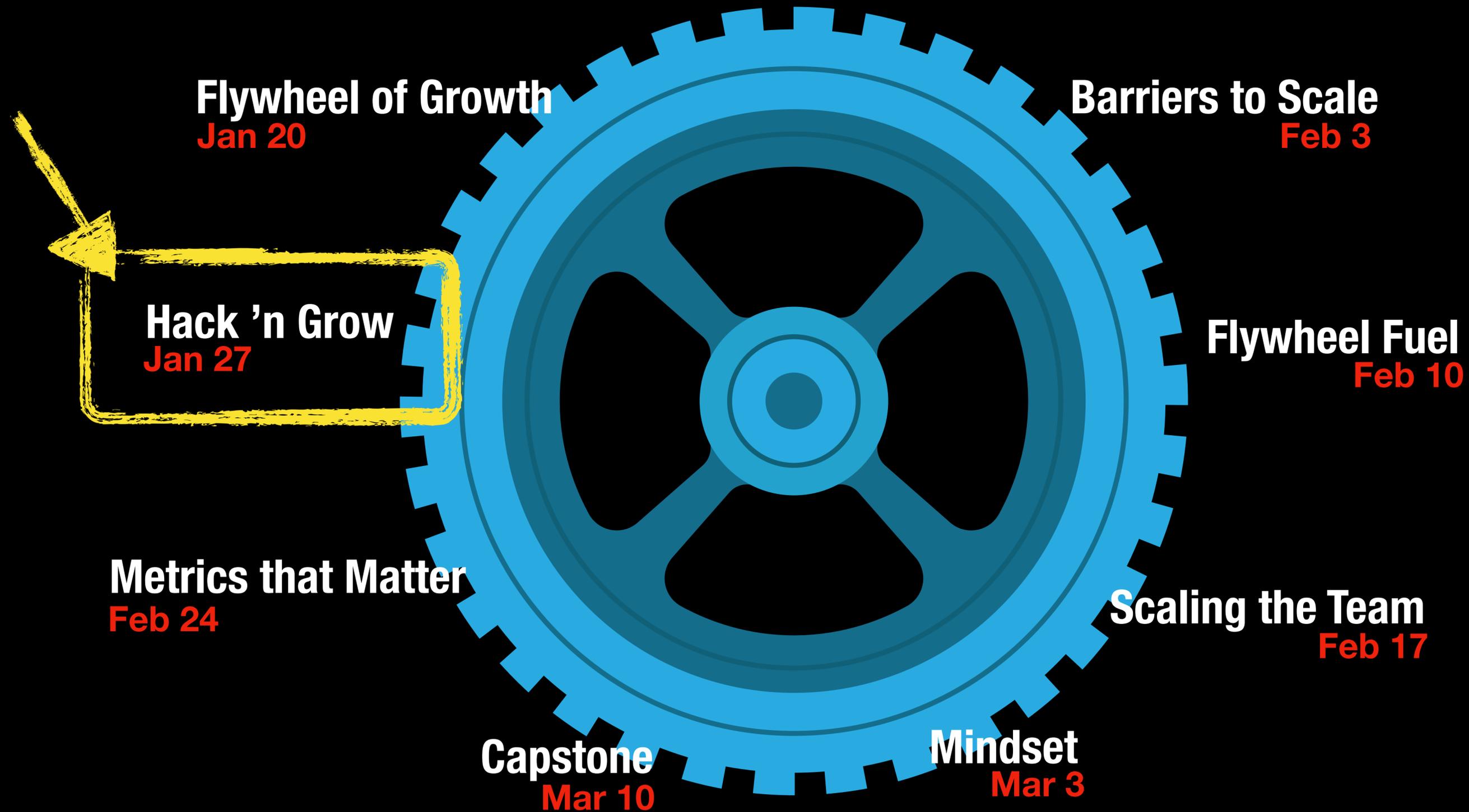
Example AI prompt:

**“We’re targeting [persona].
Our hypothesis is that they struggle with [problem].
Design a 15-minute interview guide that avoids pitching and maximizes insights.”**

Then after interviews:

**“Here are my interview notes.
Find patterns, contradictions, and weak signals.”**

BUS-219



I once had a venture-funded startup that was really struggling with getting customers. Since the investors were getting impatient (and I had plenty of venture money in the bank) we decided to really ramp-up the sales and marketing process.

I hired a very expensive VP Sales and gave her budget to hire a full sales team. And we plowed a large pile of money into marketing and advertising campaigns, fancy brochures, and much more.

All that effort didn't yield much in the way of new customers, but it sure made us lose money a whole lot faster.

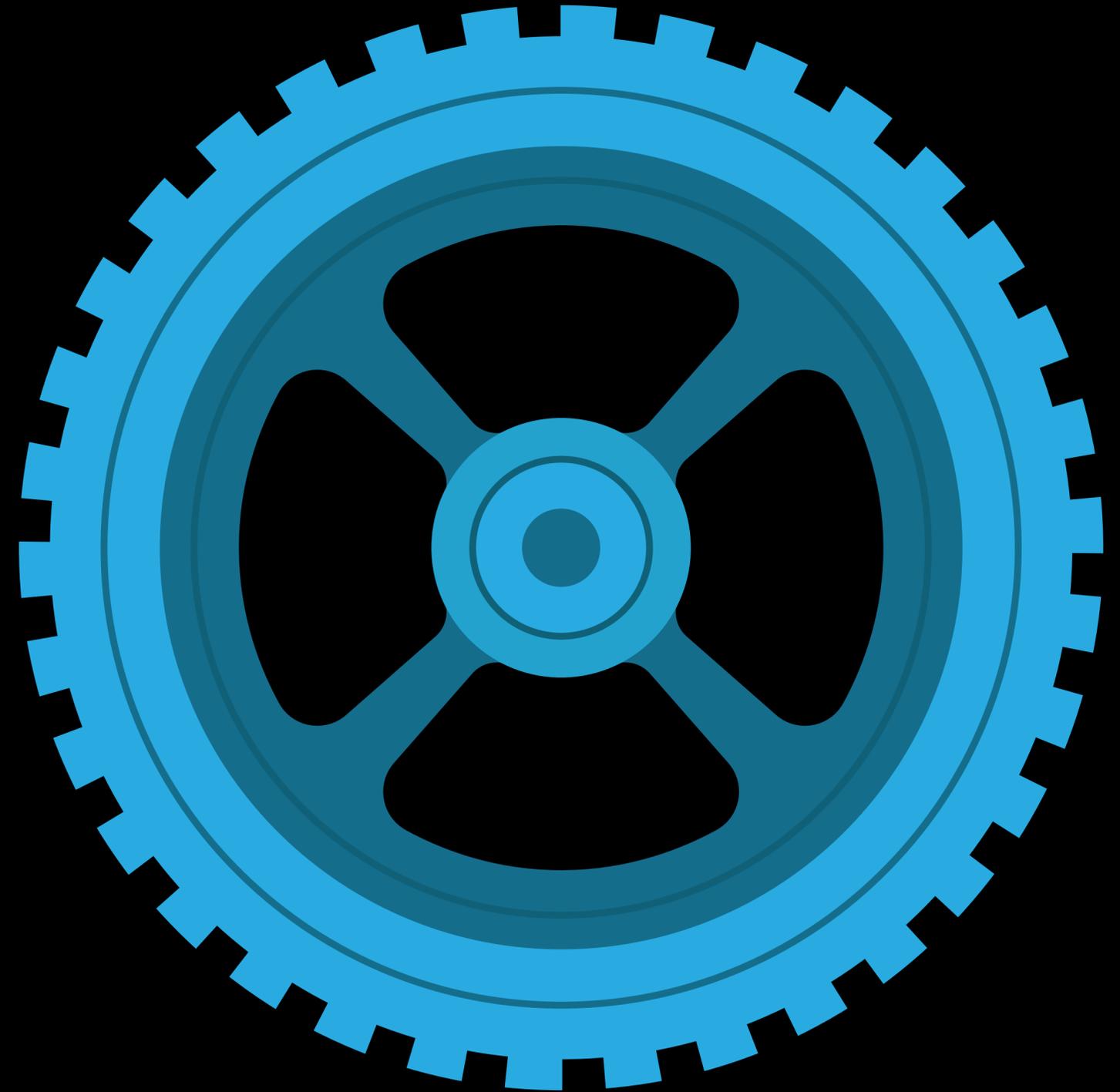
Tonight's discussion:

With an early-stage startup, the flywheel is spinning very slowly.

Trying to speed it up by throwing a bunch of money at sales and marketing is a very inefficient use of fuel.

So spend some time doing small hacks to optimize the flywheel.

It will make your future sales and marketing efforts much much more effective.



Growth Hacking

Rapid experimentation (hacks) to identify ways to grow a business. Growth Hacking relies heavily on data analysis and creative thinking, typically prioritizing speed and efficiency over traditional marketing methods.

Product-Led Growth

Using the product itself to help drive growth. A product with a “viral” aspect.

Founder-Led Marketing

A strategy where founders actively use their personal brand, voice, and expertise to drive company growth, primarily through LinkedIn, social content, and direct engagement. “Thought leadership”.

**Growth Hacking
Product-Led Growth
Founder-Led Marketing**

Hack 'n Grow

Founder-led initiatives to try small things that don't cost much, to grow the customer base while also learning as much as possible about that customer base.

By doing this you will add some velocity to the flywheel, and get learnings that will dramatically improve your future paid customer acquisition efforts.

Hack 'n Grow

Here's the thing: For an early-stage startup, the founder has to lead sales and marketing. I've never seen it work any other way. It's how you, as the founder, stay close to customers and develop empathy and deep insights.

Spending money on customer acquisition activities (sales, marketing, advertising) too early is incredibly inefficient. You don't yet know whether you have PMF, you don't yet have full clarity on your ICP, you don't know what the right messaging is, the key benefits to articulate, which channels to best reach your particular personas, etc.

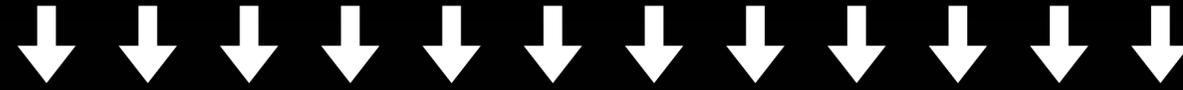
Once you know those things (with validated learnings), then your money spent on customer acquisition activities becomes enormously more efficient.

CAC < LTV, baby.

The Funnel

For any venture, the customer acquisition process can be visualized as a funnel.

A bunch of leads come into the top of the funnel.



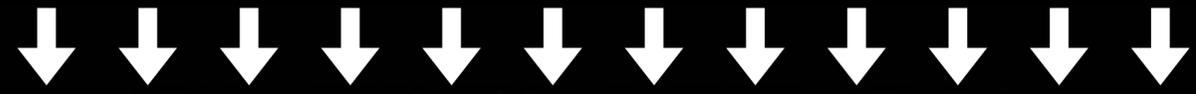
The Funnel

For any venture, the customer acquisition process can be visualized as a funnel.



And some of them become paying customers.

Knock on 100 doors.



10 of them invite you in. →

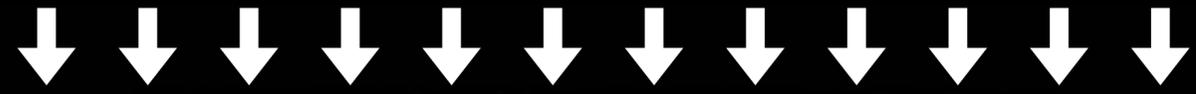
3 of them ask for a demo. →

1 of them makes a purchase.



Door-to-Door Salesman

100 inquiries from website.



Write proposals on 35 of them. →

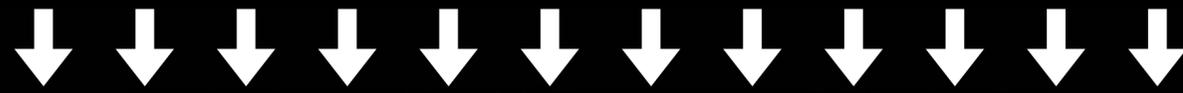
15 of them want to have a meeting. →



Consulting Firm

3 of them become clients.

1,000 App Store Searches



35 download the free version. →

15 activate the app and register. →



Mobile App

↓
3 of them upgrade and pay for the premium version.



The world's first Tacos as a Service (TaaS) startup.

\$1,000 spent on social media ads
Ads are displayed 800,000 times.



2% click on our ad and get taken to our landing page.

20% stay on the landing page for more than 5 seconds.

6% are interested enough that they enter their email address on the landing page.

We send them a follow-up email and **3%** make a purchase.

6 new customers (CAC=\$167).



The world's first TaaS startup.

\$1,000 spent on social media ads
Ads are displayed 800,000 times.



Improve targeting on the ads.

3% ~~2%~~ click on our ad and get taken
to our landing page.

New headline.

21% ~~2%~~ stay on the landing page for
more than 5 seconds.

Move up on page.

7% ~~6%~~ are interested enough that they
enter their email address on the
landing page.

Change subject line.

We send them a follow-up email
and ~~3%~~ make a purchase.
4%

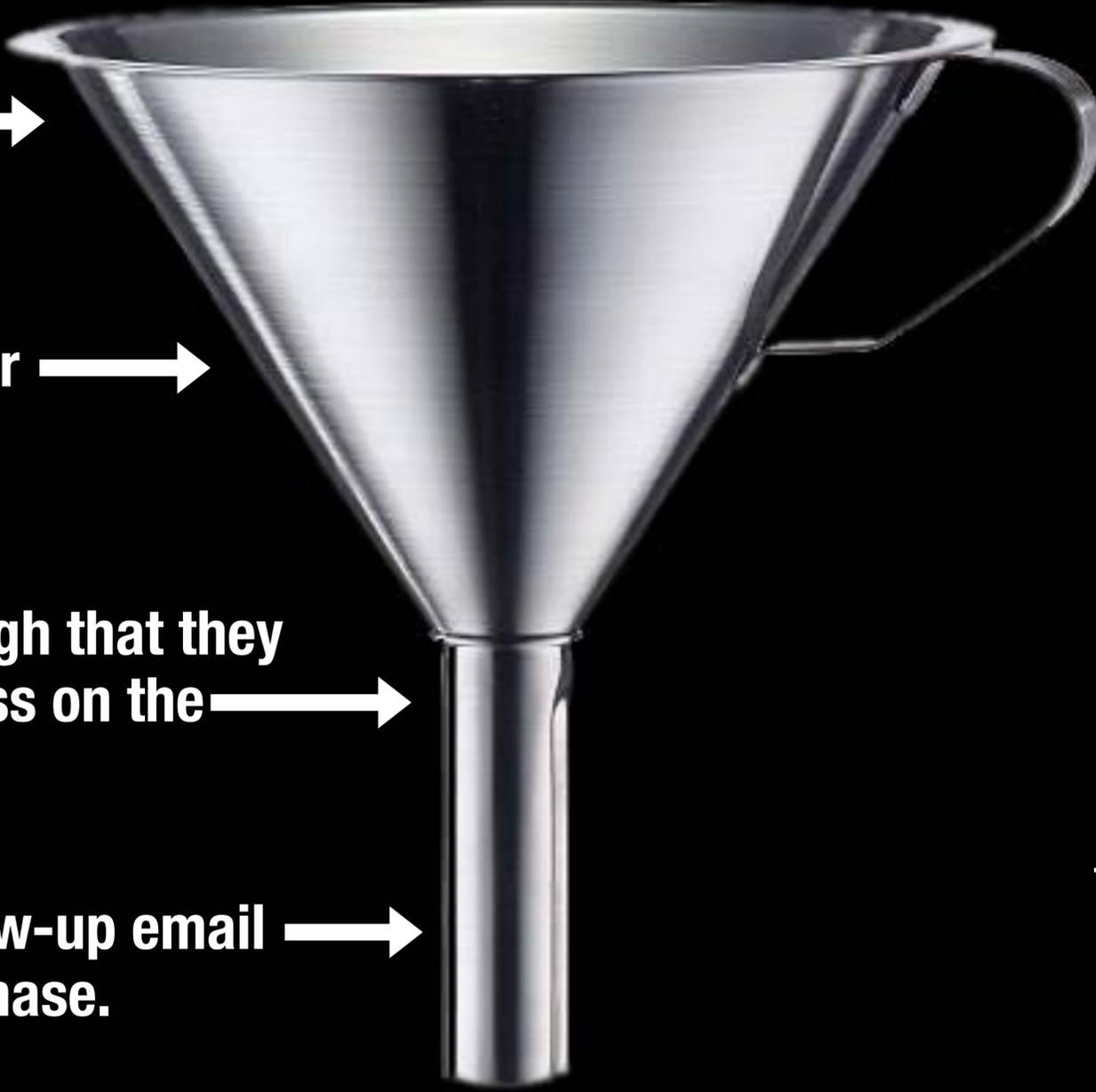
6 new customers (CAC=\$167).
14 new customers (CAC=\$71).



The world's first TaaS startup.

~~\$1,000 spent on social media ads~~

Ads are displayed 800,000 times.



Improve targeting on the ads.

~~3%~~ ~~2%~~ **6%** click on our ad and get taken to our landing page.

New headline.

~~20%~~ **21%** stay on the landing page for more than 5 seconds.

Move up on page.

~~6%~~ **7%** are interested enough that they enter their email address on the landing page.

Change subject line.

We send them a follow-up email and ~~3%~~ **4%** make a purchase.

6 new customers (CAC=\$167).

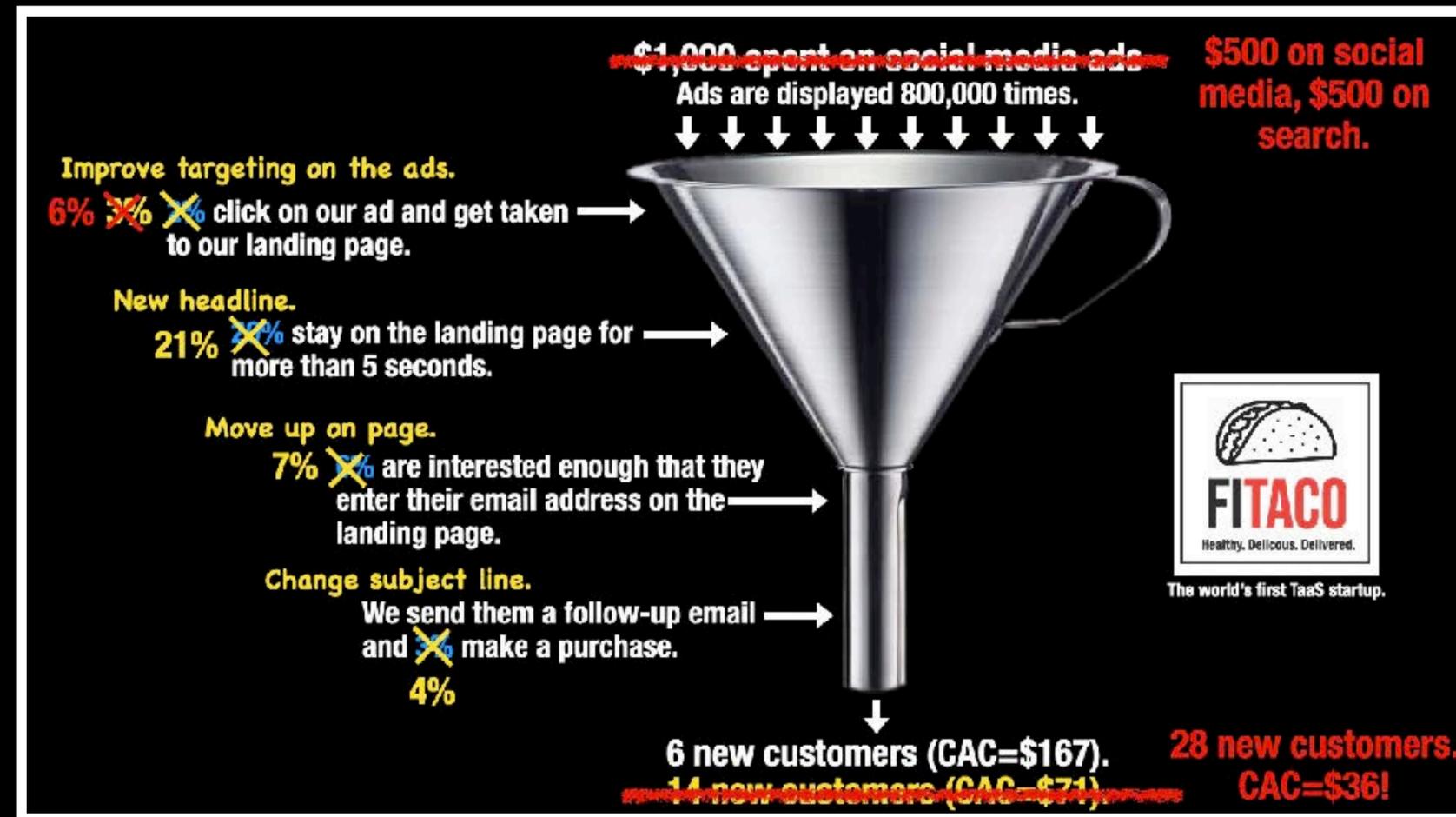
~~14 new customers (CAC=\$71).~~

\$500 on social media, \$500 on search.



The world's first TaaS startup.

28 new customers. CAC=\$36!



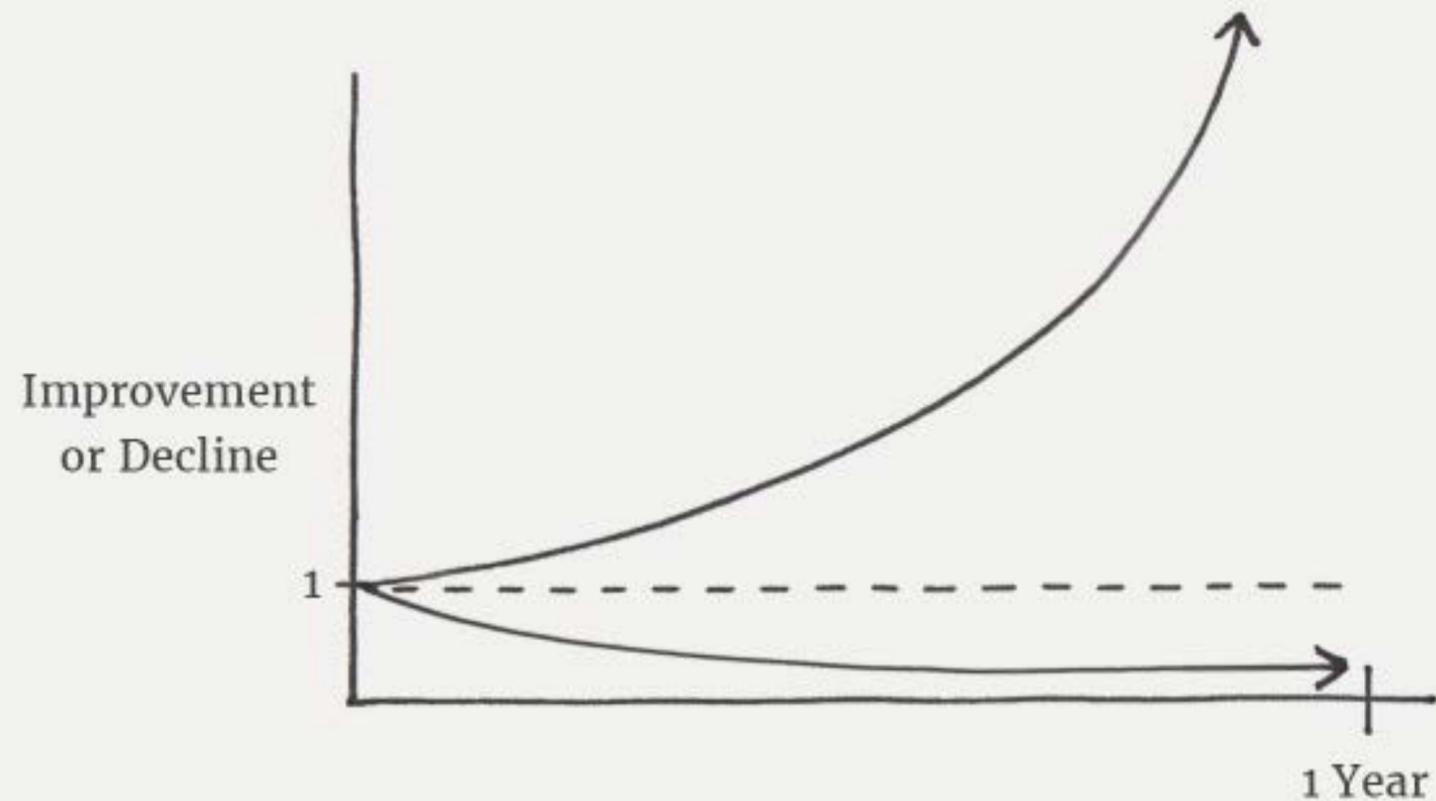
In this example we brought the CAC from \$167 to \$36!

We optimized the funnel and learned some things.

Small experiments lead to big things.

The Power of Tiny Gains

1% better every day $1.01^{365} = 37.78$
1% worse every day $0.99^{365} = 0.03$



Famous Examples

Here are some famous examples of startups that used Hack 'n Grow tactics to build very successful ventures.



18 months later they sold to Microsoft for \$400M

Hotmail

Launched 1996 by Sabeer Bhatia and Jack Smith.

First free browser-based email.





Drew Houston
Founder of Dropbox
Market Cap \$10B

Invite by email

Invite your contacts (Gmail, AOL, Hotmail, Yahoo, etc.)

Email

Password

[Retrieve contacts](#)

or invite email addresses:

[Send invites](#)

Invite friends from Facebook or Twitter

Always have your stuff when you need it with @Dropbox. Sign up for free! <http://db.tt/QL58PvN>

47 characters remaining

[Share on Facebook](#) [Tweet on Twitter](#)

Get up to 16 GB of free space by inviting your friends to Dropbox!

For every friend who joins and installs Dropbox on their computer, we'll give you both 500 MB of bonus space (up to a limit of 16 GB)! If you need even more space, upgrade your account.

Invite your friends by email

Add names or emails

[Send](#)

More ways to invite your friends

[Copy link](#) <https://db.tt/Qp2DWlfx>

Using search ads, their CAC was \$284 - way too high. So they tried a referral program where you got an extra 500MB for free, and so did your friend. The program increased Dropbox signups by 60%.

Their CAC on this was 1GB of storage, much cheaper than the search ads.



Drew Houston
Founder of Dropbox
Market Cap \$10B



MEGAUPLOAD

File name: avg_free_stb_all_2012_1889_cnet.exe
File description: AVG Anti-Virus Free Edition 2012.0.1969
File size: 3.72 MB

Feature	Premium	Free
High-speed download with Meat Manager	✓	
Download speed priority	Highest	Lowest
Maximum parallel downloads	Unlimited	1
Download limit per 24 hours	Unlimited	Very limited
Advertising	Little	Maximum
Waiting time before each download begins	None	45 seconds
Support for download accelerators	✓	

Premium download

Please wait
35
seconds

Google Pays Me \$173 An Hour
Make Money With Google
Earn \$379 A Day Using Google
Read How

Dropbox
BETA

Store, Sync and Share your files online.

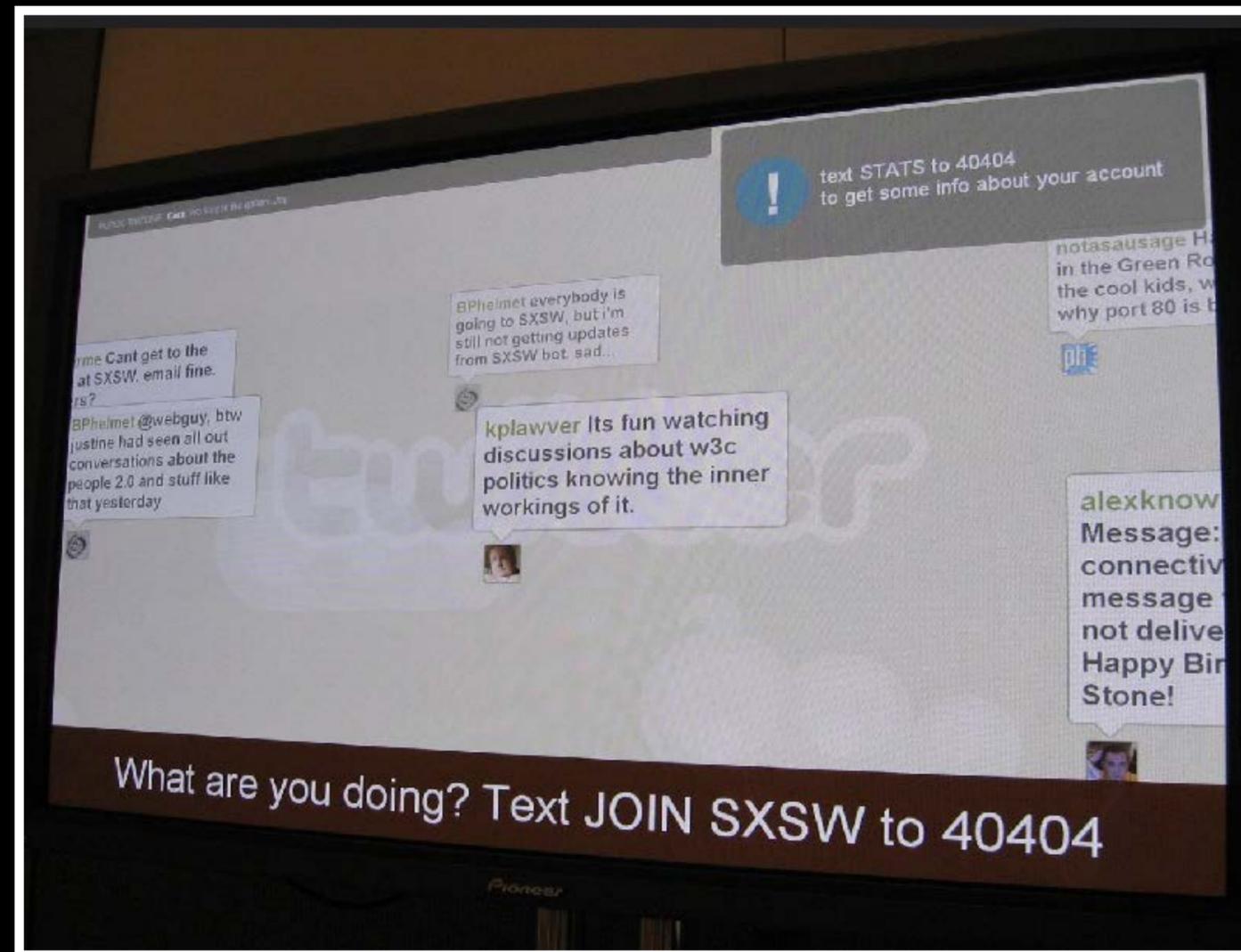
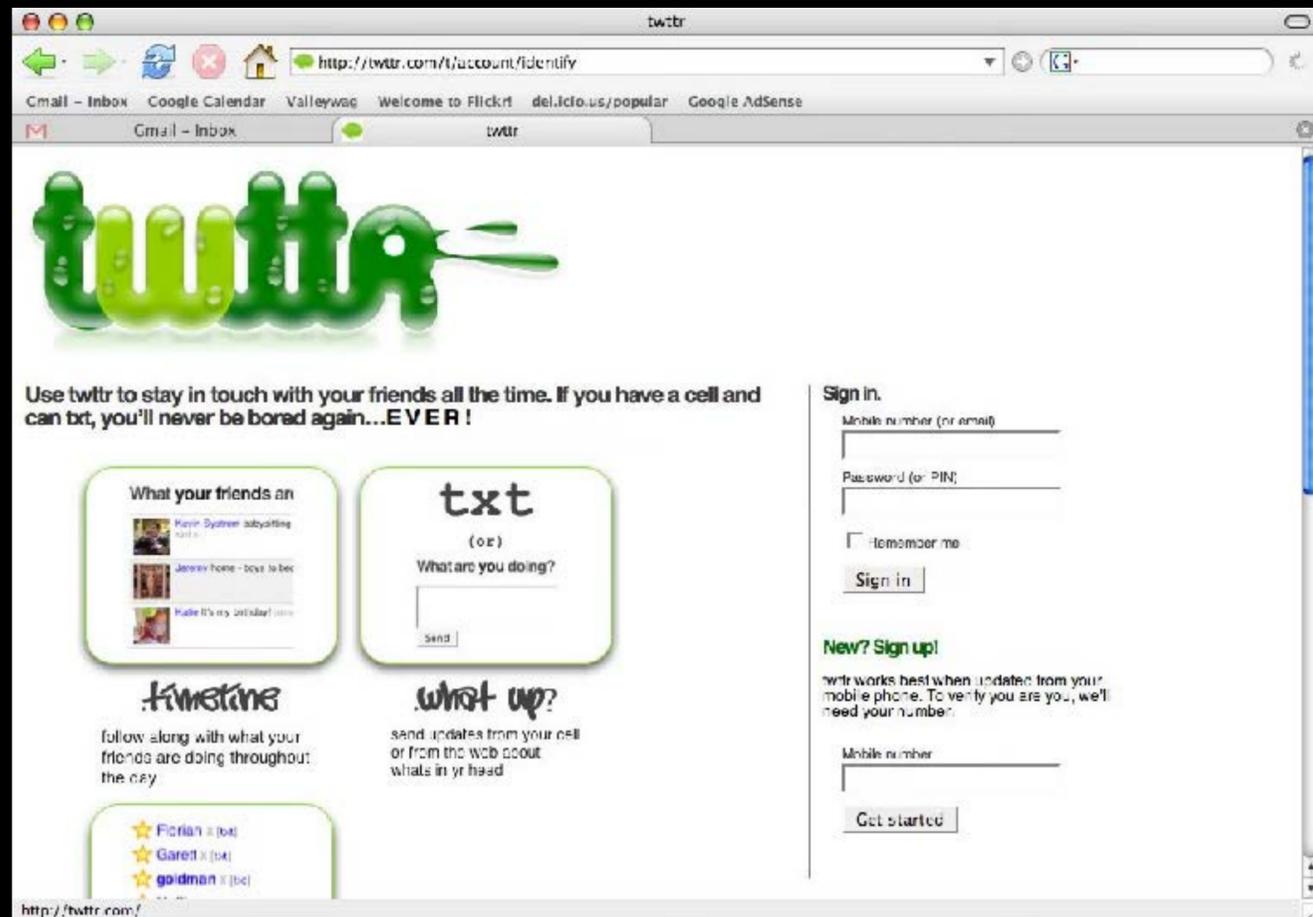
Download Dropbox Watch the Video

Want to find out more? Take a quick tour!

Available for Windows, Mac and Linux

Contact Us · Feedback · Press · Partnerships

**Engineers develop features,
but customers buy benefits.**



Twitter

Twitter took their group-SMS platform to the SXSW conference in Austin. Rather than buy booth space, they put flat-panel screens in the hallways and created an event-specific feature that allowed attendees to text a message in order to sign up and receive group texts from ambassadors at SXSW. By the end of the conference they had 30,000 registered users and they discovered the concept of “followers”.



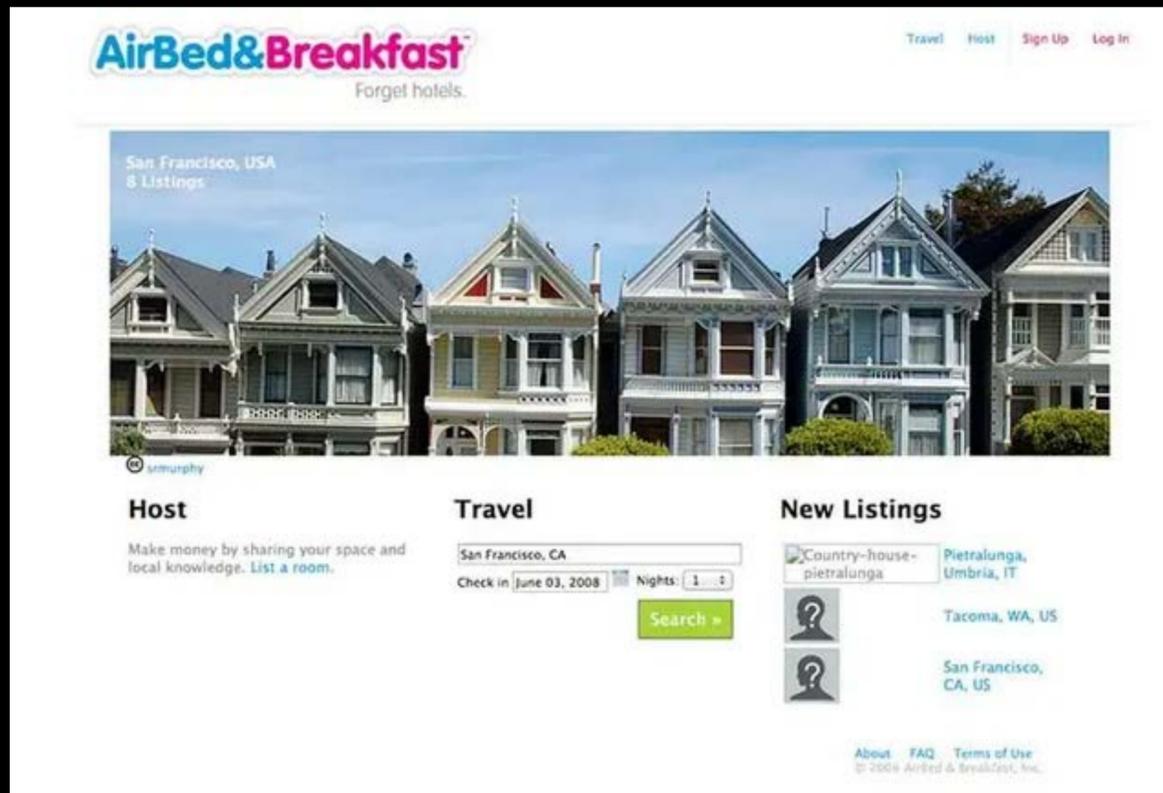
Reneta Jenik

Founder and CEO

Foodom offers private chefs cooking a meal for you in your own kitchen.

A screenshot of the Foodom website homepage. The top navigation bar includes a hamburger menu icon, the Foodom logo, a location pin icon with the text "Service areas", and a "Log in" link. The main content area features a large heading: "Use HSA/FSA for fresh diabetes meals". Below this is a sub-heading: "Qualifying customers save 30%-40% on homecooked diabetes-friendly meals". At the bottom of the main content area, there is a light orange input field labeled "Enter your ZIP code" and a red "Get started" button. The right side of the page is partially obscured by a vertical image showing a woman in a blue patterned shirt smiling while cooking in a kitchen.

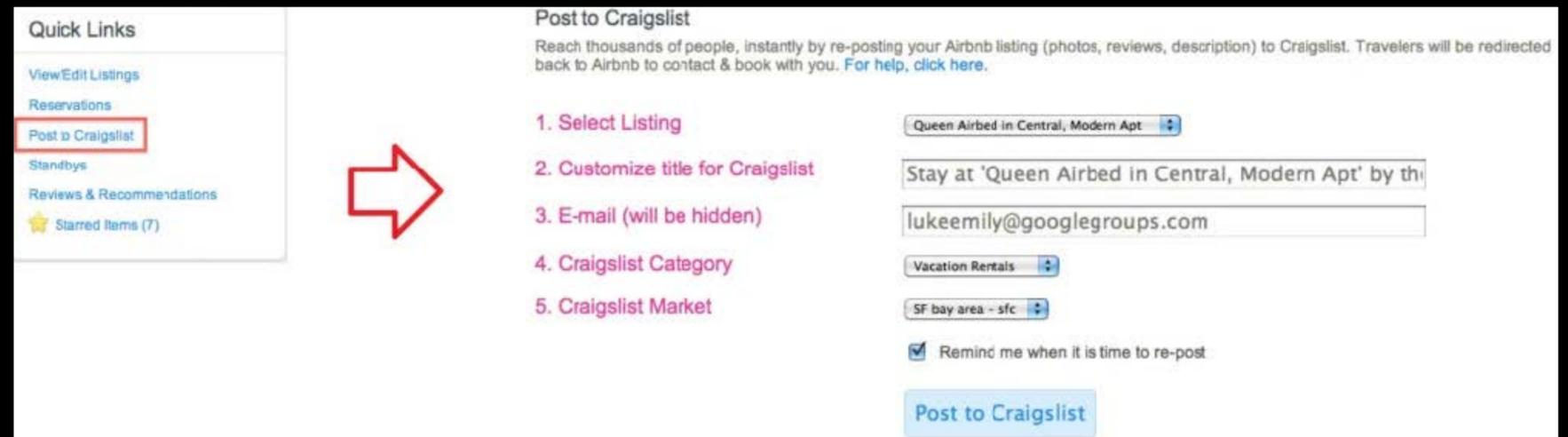
By interviewing early customers, they found out that many had signed up as a result of a recent diagnosis from a doctor. Understanding this “trigger” that made someone start looking for a solution like theirs was a huge breakthrough



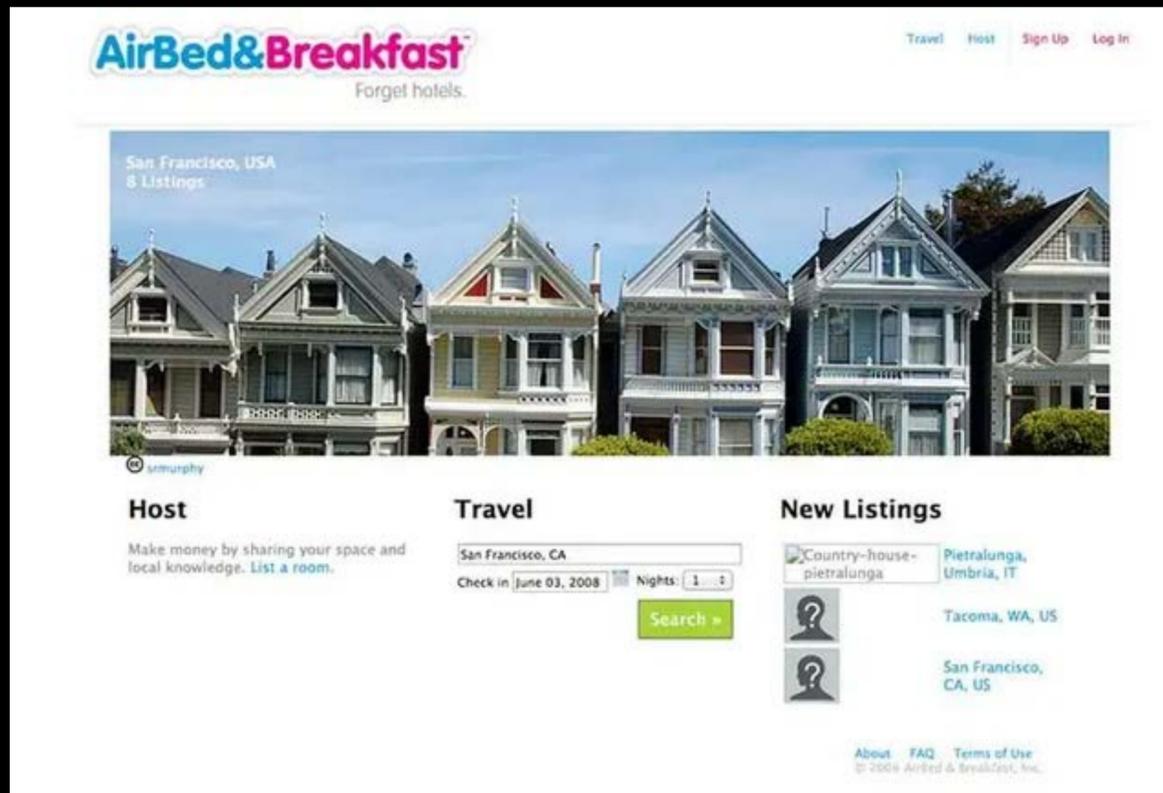
Airbnb

Founders rented an air mattress in a spare bedroom.

Launched in 2008 during an SF conference when hotel rooms were hard to find.



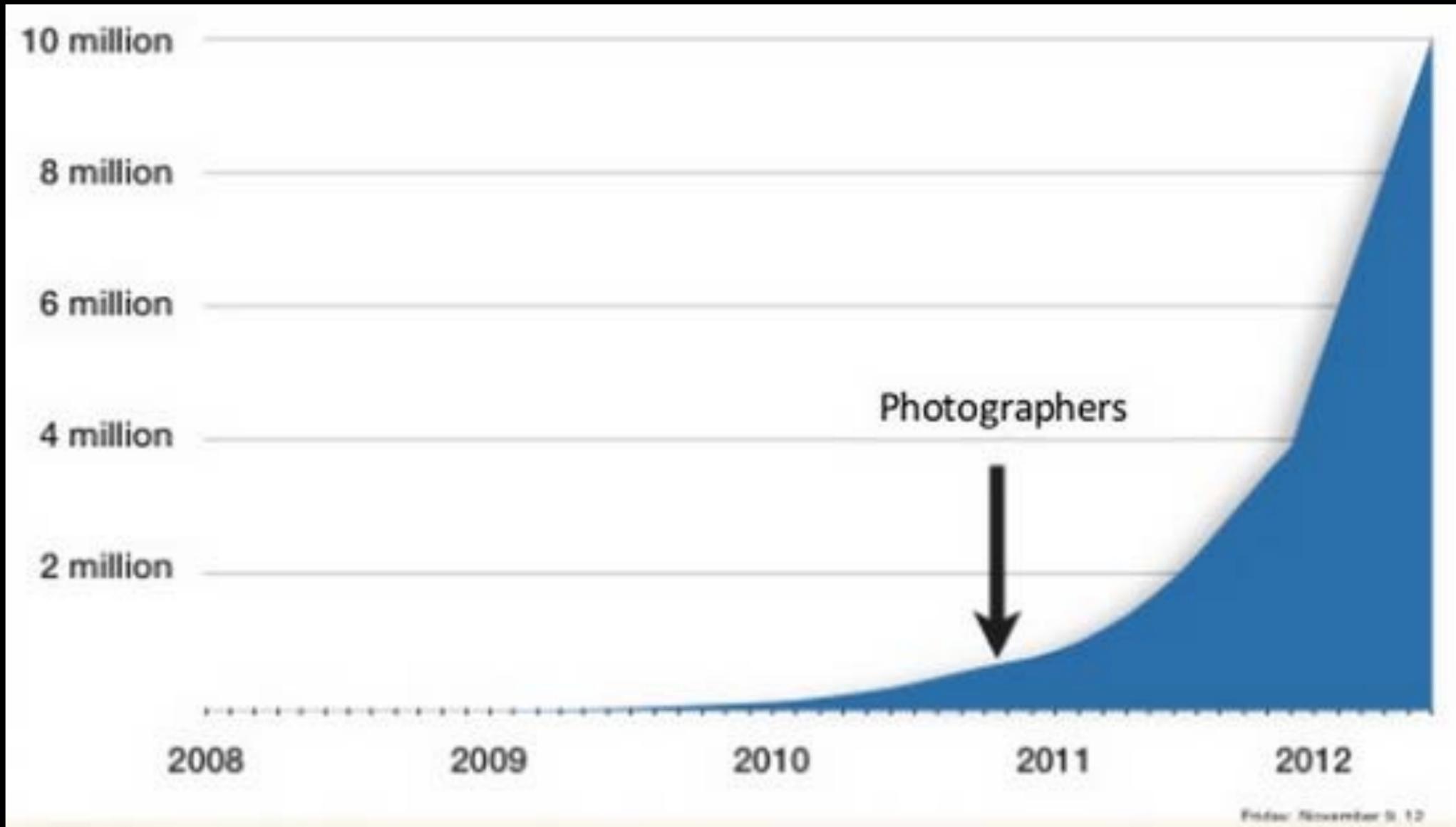
Airbnb is a two-sided marketplace. They got people coming looking for place to rent, but not enough people listing places to rent.



Airbnb

Founders rented an air mattress in a spare bedroom.

Launched in 2008 during an SF conference when hotel rooms were hard to find.



They noticed a correlation between poor-performing listings and bad photography.

So they started offering free photo sessions.



Markus Villig

Founded Bolt with a €5,000 loan from his family.

Original company name was Taxify

Last year raised €628 million at a valuation to €7.4 billion

Villig is the youngest unicorn founder in Europe.

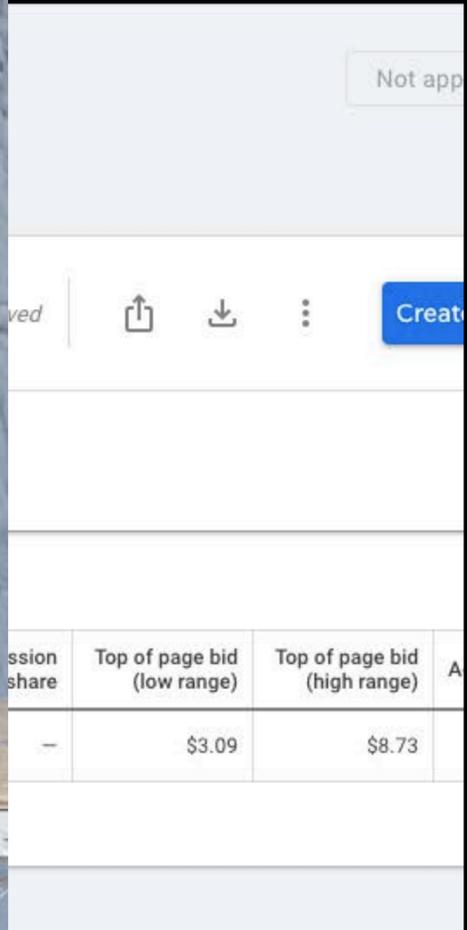
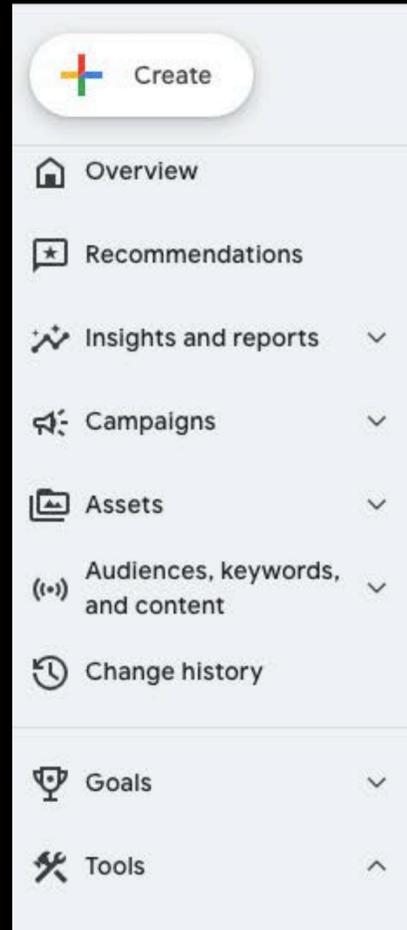
Bolt

“I would walk up to parked taxis at night, pound on their window, and offer to load up the app for the driver. That’s how we got our first 1,000 users”.





Christina Stembel
BUS-217 Alum.
Founded Farmgirl Flowers



Tried to raise venture capital, and got turned down 104 times.

Keywords for “flower delivery” on Google were very expensive. CAC of \$167 was way more than she made on an order and as a bootstrapped founder she couldn’t afford to lose money on every order.

So she started giving free arrangements to coffee shops and office reception areas in SF, with a stack of business cards at the base.



Christina Stembel

BUS-217 Alum

Founded Farmgirl Flowers



She originally thought her typical customer would be a man buying flowers for a woman. But as orders came in, she was surprised that nearly 65% were women buying flowers for women.



Christina Stembel
BUS-217 Alum
Founded Farmgirl Flowers

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FORBES > LEADERSHIP > FORBESWOMEN

How Founder Christina Stembel Turned Farmgirl Flowers Into A \$60 Million Empire, Against All Odds

Gabby Shacknai Contributor @
I write about the beauty and wellness space and the women shaping it. [Follow](#)

Jan 28, 2021, 09:17pm EST

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Michael Dubin
Dollar Shave Club

Michael Dubin graduated from college and was learning improv comedy in NYC.

One night he met a friend at a party and the two of them started talking about the ridiculous cost and hassle of men's razors.

Every couple weeks you had to go to the store and buy overpriced razors from Gillette and Schick, two brands that controlled 75% of the US market.

In many stores the razor blade packages were kept in a locked case, so you had to ask a clerk to unlock them before you could overpay for them!



Within a week he had registered dollarshaveclub.com

His idea was simple:

A monthly subscription service that would deliver reasonably-priced razor blades directly to your home.

Now he just needed a manufacturing source.



A screenshot of a LinkedIn company page. The top navigation bar includes the LinkedIn logo, a search bar, and icons for Home, My Network, Jobs, Messaging, and Notifications (with a red badge showing 11). Below this is a secondary navigation bar with links for Home, About, Posts, Jobs, People, and Insights. The main content area is titled "About" and contains two paragraphs of text. The first paragraph states that DORCO is a leading company in the Korean razor, razor blade, kitchen knives, and stationery cutters market, with over 65 years of manufacturing and exporting experience. The second paragraph mentions a leading brand "PACE" in the razor category and lists over 1,200 different SKU's in razors, blades, double edge blades, kitchen knives, and stationery cutters, offered under "DORCO" brands and Private Label lines. At the bottom of the "About" section, there is a "Show all details" link with a right-pointing arrow.

Dollar Shave Club

☰ MENU

OUR BLADES

OUR PRODUCTS

GIFT



HOW IT WORKS

REVIEWS

LOGIN

JOIN

BOX



BLADES



BUNDLES



THE HUMBLE TWIN

EVERY MONTH

\$1

+2.00 S&H

SELECT

A great basic shaver, for guys who dig simplicity and precision.



THE 4X

EVERY MONTH

\$6

SHIPS FREE

SELECT

Member favorite - a gentle shave in a single stroke.



THE EXECUTIVE

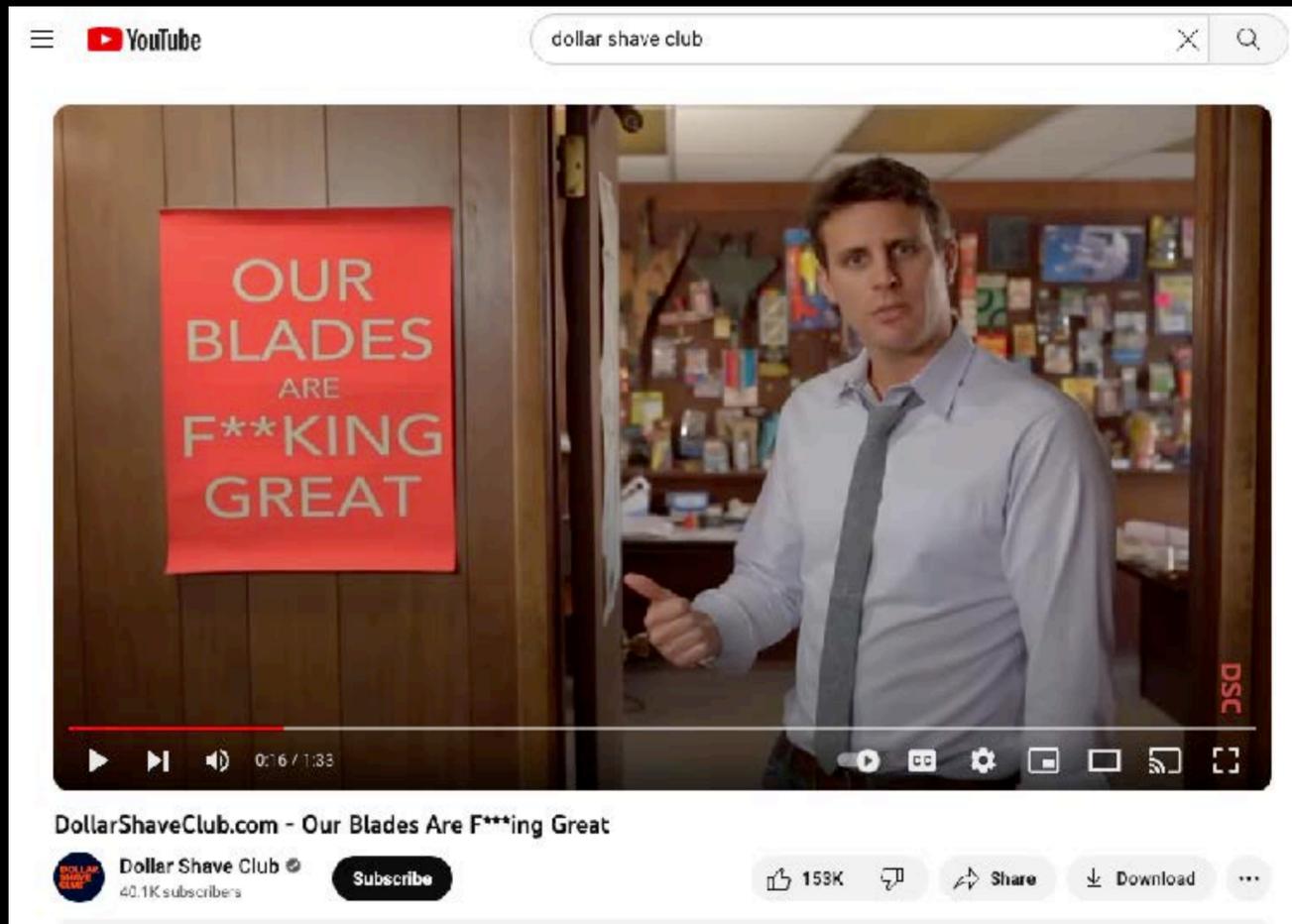
EVERY MONTH

\$9

SHIPS FREE

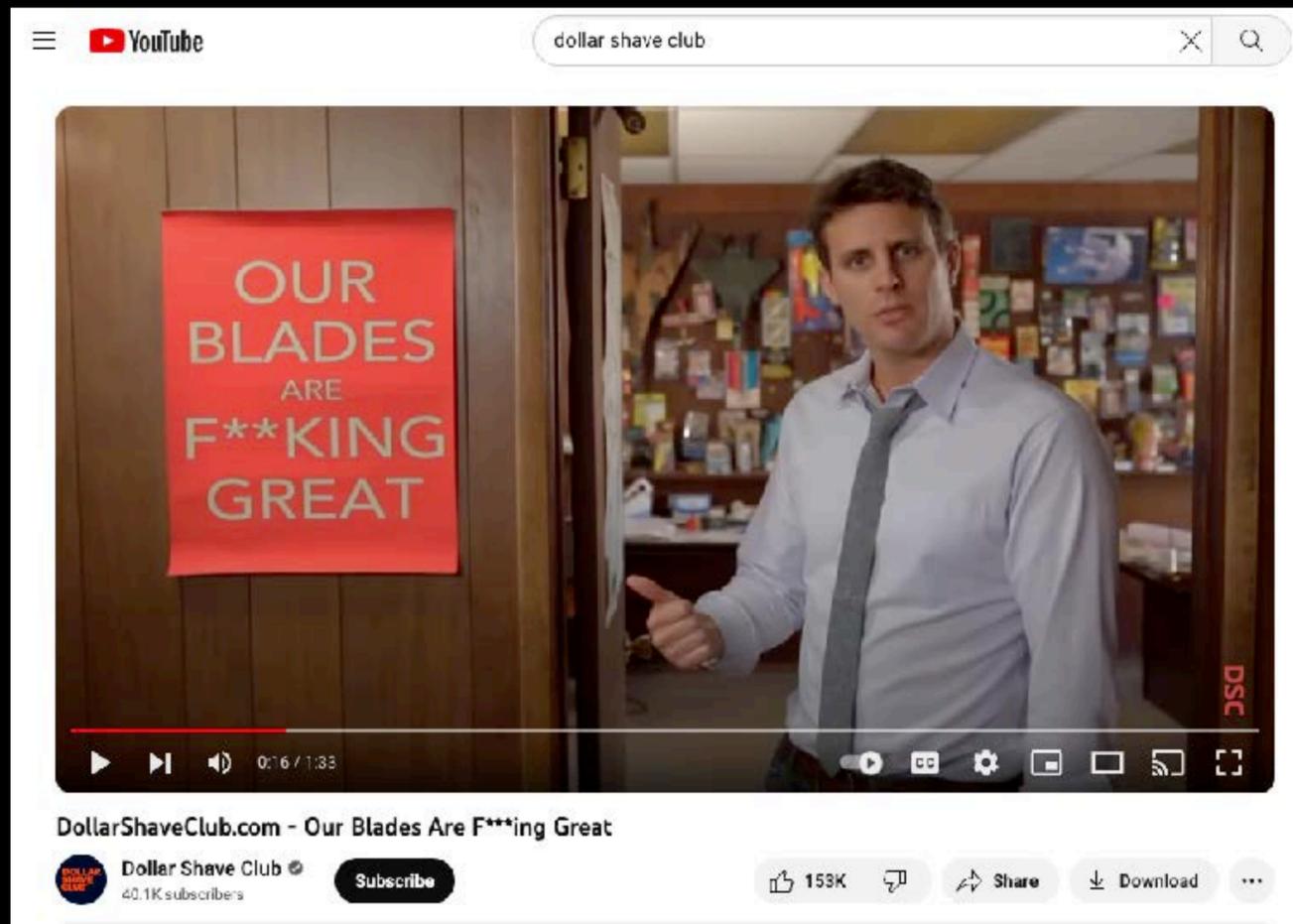
SELECT

The final frontier - it's like a personal assistant for your face.



Using his improv comedy skills, he produced a 90-second video about Dollar Shave Club and uploaded it to YouTube.

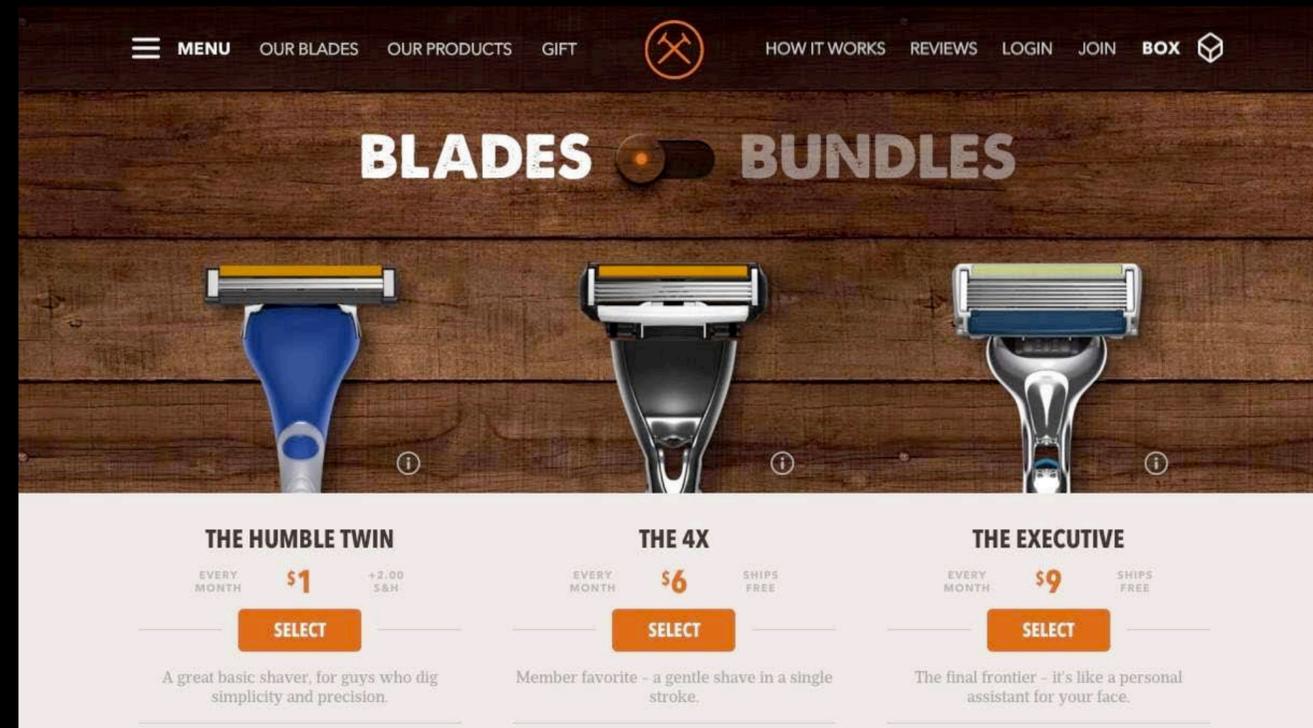




Within two days after the video was uploaded, the Dollar Shave Club website received 12,000 orders.

He had to recruit his friends to help fulfill all the orders.

Dollar Shave Club



By July of 2016, just five years after founding, Dollar Shave Club had 3.2 million customers on a subscription basis.

Unilever bought the company for \$1 billion in cash.

Bret 8:40 AM

My favorite food from where I grew up? Well, I grew up right here. And in California we consider delicious tacos to be our birthright.

image.png ▾



❤️ 10 🍌 4 😊

Kristina Novikova 8:50 AM

Good morning everyone, I was born in Russia . And lived there until 19. My favorite Russian food is Black Caviar and blinis.

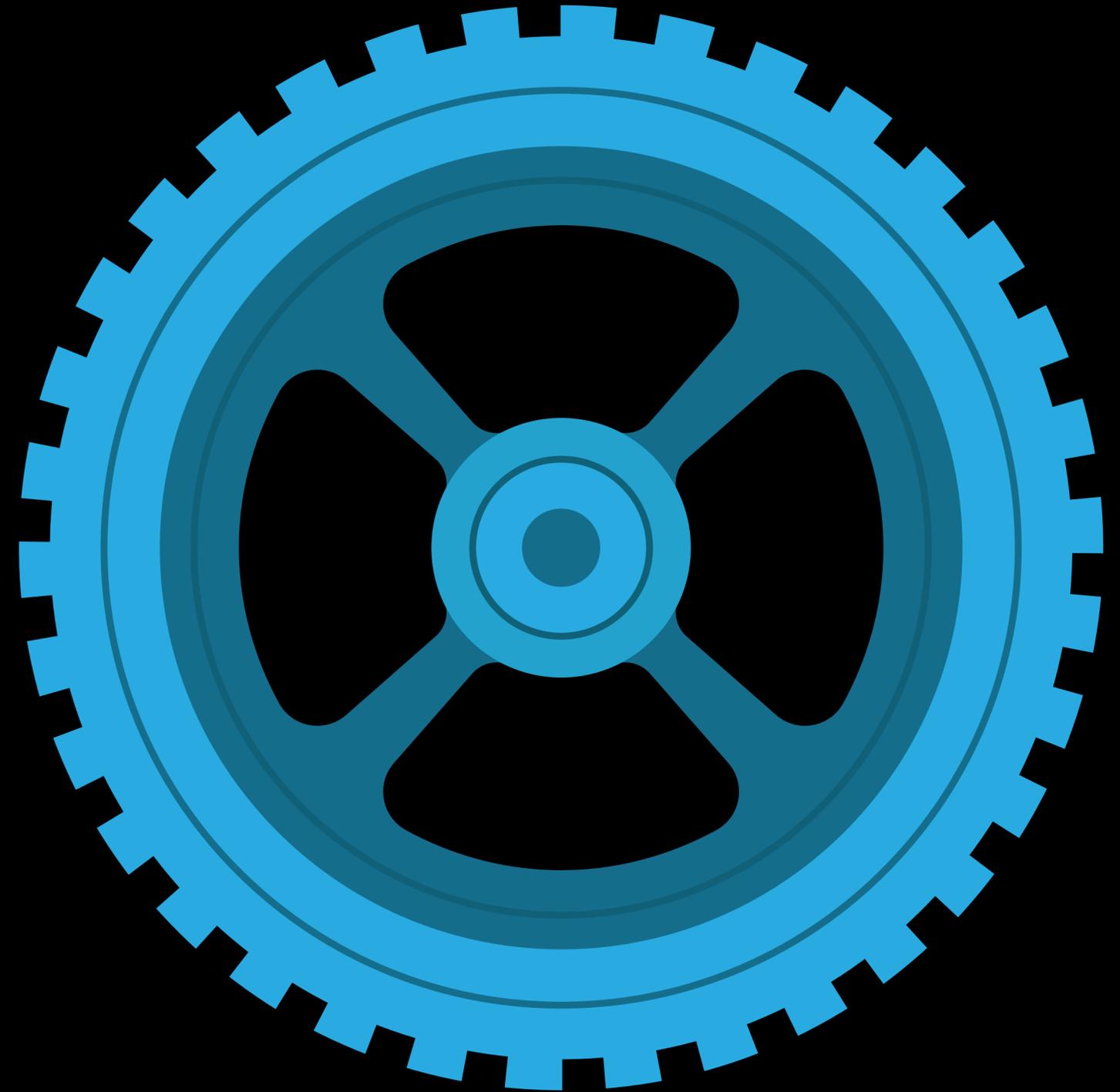
Summary of tonight's discussion:

With an early-stage startup, the flywheel is spinning very slowly.

Trying to speed it up by throwing a bunch of money at sales and marketing is a very inefficient use of fuel.

So spend some time doing small hacks to optimize the flywheel.

You will learn a lot, and it will make your future sales and marketing efforts much much more effective.



Administrative details:

Administrative details:

Eight Tuesdays, 7pm - 8:50pm.

Grade will be based on attendance, participation, and one deliverable.

Interactive format - ask questions, and bring thoughts!

Be respectful, raise your hand, ask good questions and let others do the same.

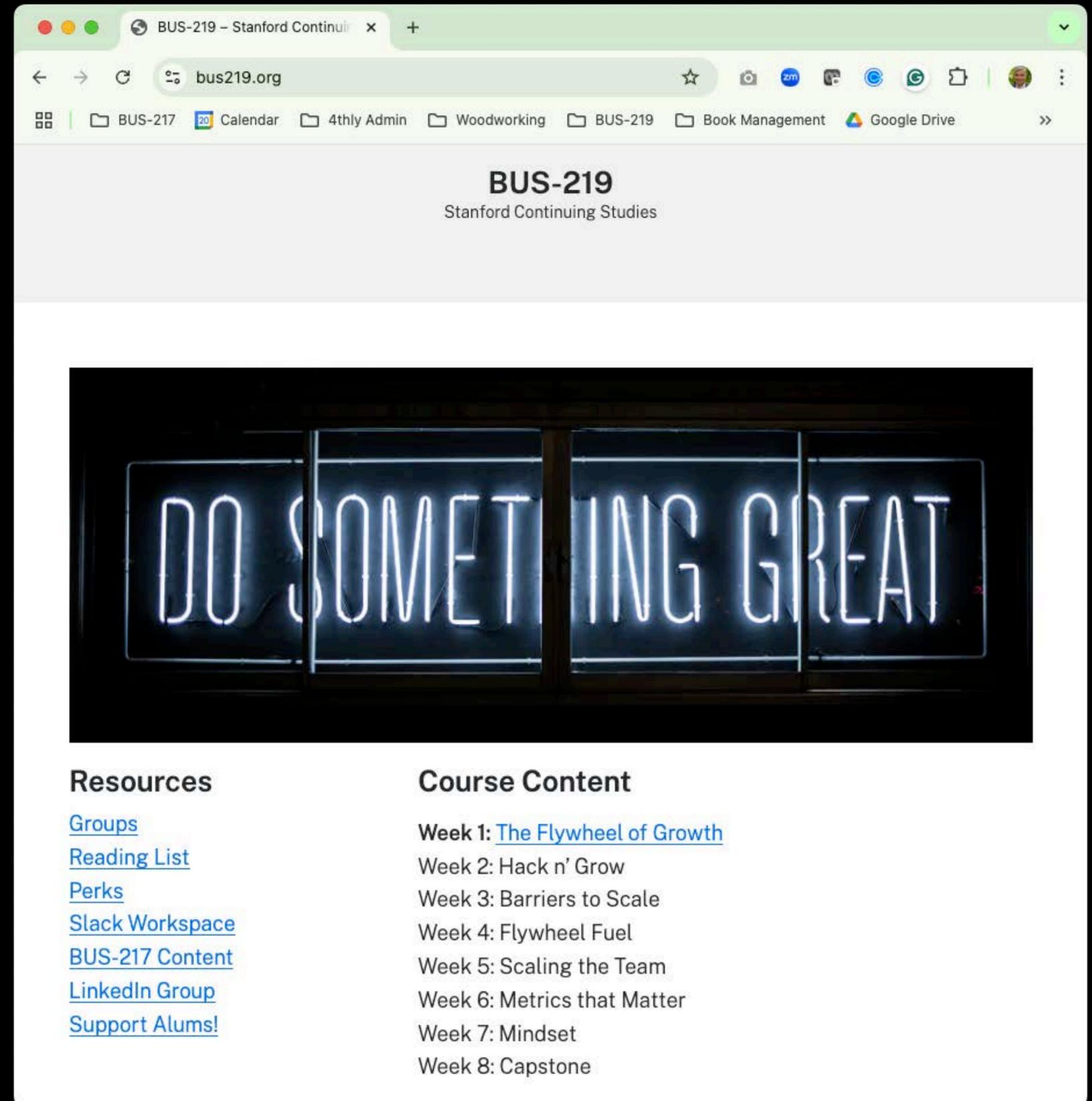
Our primary communication between classes will be Slack.

I'll give you 100% and ask that you please do your part.

bus219.org

The class website will provide all of the content you need.

(I do not use Canvas).



The screenshot shows a web browser window with the URL bus219.org. The page title is "BUS-219 Stanford Continuing Studies". Below the title is a large image of a neon sign that reads "DO SOMETHING GREAT". Underneath the image, there are two columns of text. The left column is titled "Resources" and contains a list of links: Groups, Reading List, Perks, Slack Workspace, BUS-217 Content, LinkedIn Group, and Support Alums!. The right column is titled "Course Content" and lists the course schedule from Week 1 to Week 8, with Week 1 being "The Flywheel of Growth".

BUS-219
Stanford Continuing Studies



Resources

- [Groups](#)
- [Reading List](#)
- [Perks](#)
- [Slack Workspace](#)
- [BUS-217 Content](#)
- [LinkedIn Group](#)
- [Support Alums!](#)

Course Content

- Week 1: [The Flywheel of Growth](#)
- Week 2: Hack n' Grow
- Week 3: Barriers to Scale
- Week 4: Flywheel Fuel
- Week 5: Scaling the Team
- Week 6: Metrics that Matter
- Week 7: Mindset
- Week 8: Capstone

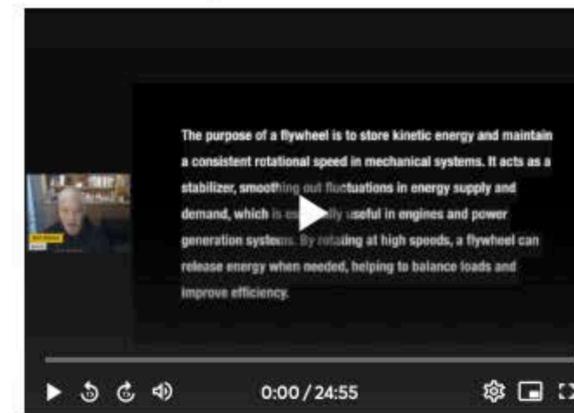


Week 1. The Flywheel of Growth

The scaling stage is dangerous for many startups. So what are the success patterns?

[Download Week 1 Slides.](#)

Lecture Video Clip:



A startup's journey can be thought about as having three phases. The first phase is getting from a startup idea to a launched and operating business. The second phase is from there to scale. And the third phase is operating as a mature company – serving happy customers profitably and sustainably.

Within those three stages, the one with the highest mortality rate is the second one. To put it in Silicon Valley terms, many startups can raise some seed funding and get launched, but precious few make it to the Series A stage. Harvard Business Review says

Add Reading:

- [Ziplines Case Study](#)
- [MailChimp Case Study](#)
- [Unit Economics](#)
- [CAC<LTV](#)

Assignments:

[Choose a group](#) to be part of for weekly calls.

Post to the [#problem_solution_statement](#) channel a nice simple problem statement and solution statement for your startup. No marketing buzzword mumbo jumbo! Just a nice clear sentence on the problem you solve, and a nice clear sentence on your proposed solution.

BUS-219 Recommended Reading

Here is some recommended reading you might enjoy. Many of the concepts presented in this course have been drawn from these influential books and blogs.

[The Lean Startup](#) This book by Eric Ries is the source of many of the concepts and terms that have become part of everyday conversations around Silicon Valley. Nice, easy read.

[Four Steps to Epiphany](#) Steve Blank's seminal work. If you want to read the background thinking behind *The Lean Startup*, this is it (warning: it's a bit dense and a bit hard to read –Eric Ries's book above distills the same concepts down into more readable form).

[The Launch Path](#). Gotta plug my own book.

[The Hard thing about Hard things](#). This book by Ben Horowitz is one of my favorites. Funny, profane, and insightful.

[Traversing the Traction Gap](#) This book is from long-time Silicon Valley venture capitalist Bruce Cleveland. As a VC, he's seen how many startups manage to raise a little bit of early funding, but never get enough traction to succeed and raise more money and so they die. He develops and presents a compelling framework for crossing that gap.

[Building a Successful Social Venture](#) An excellent book published last year by two experts on creating "hybrid organizations" that are run partly for economic results and partly for social impact. All over the globe today, social ventures are creating impact and changing lives.

[The Mom Test: How to talk to customers & learn if your business is a good idea when everyone is lying to you](#) –an indispensable guide to how to correctly conduct Customer Development interviews. Buy this book. Now.

[Why startups fail](#). I love a nice, clear title. Excellent book by an HBS professor about startup failure patterns.

[The Venture Mindset](#)

New book from Stanford GSB professor Ilya Strebulaev about the mindset of venture capitalists, and what we can learn from it.

[The Secrets of Sand Hill Road](#)

Not much about secrets, really, but a very clear book about how the venture capital business works,

Resources

BUS-219 benefits and other tools

Here are some benefits that BUS-219 students receive, as well as a list of free (and nearly free) resources every startup founder should be aware of.

AWS Activate

BUS-217 students receive a variety of free benefits from AWS, including [AWS Cloud credits](#), [AWS Business Support](#) credits, exclusive members-only offers, and access to the [Activate Console](#) to help build and grow their businesses.

- \$5,000 in AWS Activate Credits valid for 2 years
- 1 year of AWS Business Support (up to \$1,500).

Our Activate Provider Organization ID (Org ID) is: **0rU79**. You should enter this Org ID into the [Activate Portfolio application form](#) when applying for AWS Activate. **Note: this Org ID is a case sensitive, unique identifier that should not be shared publicly.**

Hubspot

HubSpot is an all-in-one software platform for CRM, Sales, and Marketing. Sign up at <https://www.hubspot.com/startups> and select “4thly” as the partner. You’ll receive up to 90% off as part of the partnership.

Vouch

BUS-219

Stanford Continuing Studies

Support BUS-217 and BUS-219 Alums!

Here are some BUS-217 and BUS-219 alums that you can help out by supporting their ventures and spreading the word!

[Procialize](#)

Founded by Omar Sehgal, Procialize is a mobile app that allows you to build a Visual professional network using pictures from your day to day professional life.

[Rejuvenated Knives](#)

Founded by Martin Kalberer, Rejuvenated Knives will pick up your kitchen knives, sharpen them better than brand-new, and return them to your doorstep. BUS-219 students will receive a 50% discount by entering in the comments section the secret promo code **Tacos4Me**.

[Helper Genie](#)

Namrata Arora has founded this platform for finding household help such as nannies, cooks, etc. Initial focus is serving South Asian families in Silicon Valley. Special free trial.

[Viva Chefs](#)

Founded by [Ravi Yatnalkar](#) and [Vaibhav Mistry](#), you can use the Viva Chefs platform to find and hire a private chef to come make special meals in your own kitchen.

[Antar](#)

Vidhi Raval founded this marketplace to help people to find culturally-relevant mental health support.

[Cybele Health](#)

[Zara Hajihashemi](#) founded this platform to help women 25-55 live healthier, happier lives.

[Zylch](#)

Vandita Joshi founded this innovative new startup to create zero-waste cups and save the planet. A collapsible, double-steel, leakproof cup for both hot and cold

Our Slack Workspace

BUS-219 Winter 2026 23 days left in trial

Threads
Huddles
Directories

Starred
Drag and drop important stuff here

Channels

- # general-announcements
- # new-channel
- # social

Direct messages

- Audrey Aui Yong
- Ellie Amanova
- Felipe Contreras
- James Milin
- Huili
- Angelika
- Rituparna K
- Kai
- Kristina Novikova
- Pujan Thapa
- Reilly Taha
- Amy
- Suryaa Kumara Relan
- Christopher López

social

Messages

studied in the DC area, where I did research on robotics. Outside of work, I enjoy exploring new cities/parks and playing board games. Looking forward to meeting you all and learning new perspectives.
(edited)

Kai 2:20 PM
Hi everyone, I'm Kai. Two months ago, I moved to the Bay Area from New York in search of my next venture. I began my career in private equity and founded an investment firm called Balius Capital. Since then, I've ventured into the startup world and founded several startups, including a dating app, a fintech company, and two AI-related projects. I enjoy playing tennis, meditation and frisbee. Looking forward to connecting with you all!

James Milin 3:14 PM
Hi all—I'm James Milin, co-founder and CEO of Workhelix. I co-founded the company alongside Stanford professor Erik Brynjolfsson, Andy McAfee, and Daniel Rock. We are a Series A 'future of work' startup focused on helping organizations accelerate their AI transformations. I'm looking forward to learning from all of you, having some fun, and finding plenty of great things to ~~taco~~ talk about during our time together.

Amy 4:15 PM
Hi everyone! I'm Amy. I've lived in the Bay Area for the past decade and work as an art writer, curator, and consultant. I took BUS-217 in Spring 2022 via Zoom, so I'm excited to be taking the class in person. I'm developing a digital marketplace for artists, and for fun I like hiking and cooking.

Avia Haimovich 4:22 PM
Hi! I'm Avia, a Product Marketer and former video editor and producer, exploring how AI (especially video and image gen) is empowering startup marketing teams and taking my first steps in vibecoding. I love running, reading, and discovering cozy cafés in the area. Excited to meet everyone

Jignesh Darji 4:34 PM
Hi all, I'm Jignesh. I am a Staff Software Engineer at Uber currently leading the Grocery Shopping Experience. I led a few major projects for Uber including the rollout of Uber One subscription and some around reliability engineering. I'm here to meet new folks and learn about startups. I enjoy reading, motorcycling, hiking and camping. Love Spikeball and Pickleball but waiting for better weather.

Message #social

Private LinkedIn Group

The screenshot shows the LinkedIn interface for a private group. At the top, there is a search bar and navigation icons for Home, My Network, Jobs, Messaging (with 2 notifications), and Notifications. The group header features a profile picture of Bret Waters, the owner, and a banner image of a Stanford building with a rocket icon overlaid. The group name is 'Stanford CSP BUS-219: Winter 2026', and it is listed as 'Private Unlisted'. Below the header, there are buttons for 'Manage group' and 'Edit group'. A 'Recent' list shows several other Stanford BUS groups. A 'Set your group up for success' section offers to 'Add welcome note' for new members. At the bottom, there is a 'Start a post in this group' button.

Group Information:

- Owner:** Bret Waters (Group created: Jan 2026)
- Status:** Private Unlisted
- Activity:** 0 Pending posts, 0 Requests to join

Recent Groups:

- Stanford CSP BUS-219: Win...
- Stanford BUS-217: Getting f...
- Stanford BUS-217, Spring 2...
- Stanford BUS-217, Winter 2...
- Stanford BUS-217: Spring 2...

Groups:

- Stanford CSP BUS-219: Win...
- Stanford BUS-217: Getting f...
- Stanford BUS-217, Spring 2...

Group Setup:

- Welcome new members:** Send new members an automated welcome note when they join. [Add welcome note](#)

Post: [Start a post in this group](#)

Make it easy for your classmates to get to know you by using the same name across everything in class.

Name: Samuel Robert Smith

Halimah Omogiafo

Be like Hallie!

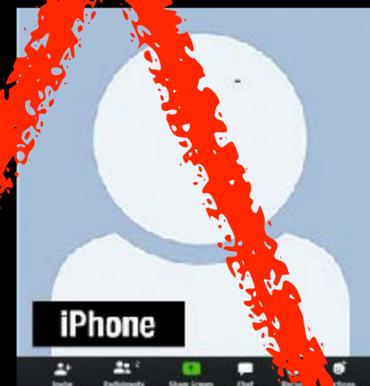
Name Tag:



Slack:



Zoom:





Zack Sefrioui 1:05 PM

Hi Everyone,

My name is Omar. I grew up in France and Arizona,

The image below is Tajin de Poulet, a dish from Mor
of a baguette and dip it into the sauce which comple



Amy ○

Art Consultant

Make it easy for your classmates to get to know you by using the same name across everything in class.

Name: Samuel Robert Smith

Halimah Omogiafo

Be like Hallie!

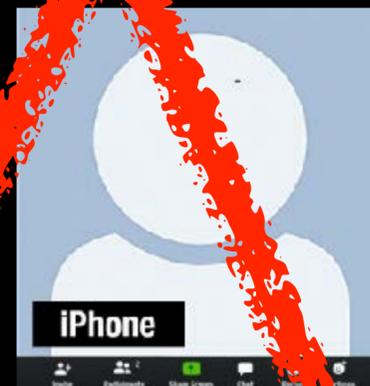
Name Tag:



Slack:



Zoom:



CO
HO



Every week I'll be at the CoHo an hour before class.

Join if you want for food, beverages, discussion.

Purely optional.



After each class, Irakli has volunteered to lead an after-class meetup at The Patio, in downtown Palo Alto. Purely optional



Some of you are sippers.



Some of you are gulpers.



If you want to sip this class:

**All you need to do is show up on Tuesday nights
and have something interesting to say.**



If you want to gulp this class:

Regular Tuesday night class sessions - be active in discussions.

Produce all of the optional assignments, and complete all the readings.

Participate in Slack discussions with classmates.

Join the pre-class discussions at the CoHo.

Choose to present your own startup idea to the class.

Join the optional calls we will have occasionally.



I have designed this course to be satisfying for both sippers and gulpers.

My goals for our time together:

Introduce you to a set of frameworks that will be helpful for any sort of new venture - tech, non-tech, social venture, etc.

Create an environment of knowledge-sharing and cross-pollination so that you learn from each other.

Have fun and make life-long connections.

The Launch Path Canvas 2.0

THE WHY

Problem

One clear sentence that articulates the problem your startup solves.

Solution

How does your venture solve the problem you have articulated? Keep this short and concise!

Why it Matters

Why is this a problem worth solving?

Landscape

This is a list of competitors and alternatives. When a customer looks at alternative ways to solve the problem your startup solves, what will they see?

[Link to a full visualization.](#)

ICP

What do you think your startup's Ideal Customer Profile will be?

[Link to a full visualization.](#)

PM(D)F

Path to PMF

What is your plan for getting to Product-Market Fit?

PMF Metrics

As you work your way toward Product-Market Fit, what are the key metrics that matter?

Distribution

What are your distribution channels? Direct to consumer, or via resellers, or?

Positioning

Within this landscape of competitors and alternatives, how is your venture positioned?

Trigger

What makes someone suddenly be in the market for what your startup provides?

Economics

What are the Unit Economics for this venture, what do we expect the CAC<LTV to look like, and what are our capital needs?

Unit Economics: _____

Customer Economics (CAC:LTV goal): _____

Enterprise Economics (runway): _____

[Link to a full visualization.](#)

Capital Strategy

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Unfair Advantage

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Top 3 Benefits

What are the top 3 benefits that your product or services provides to customers?

ECONOMICS

COMPETITION

CUSTOMERS

The Launch Path Canvas 2.0

Name of Startup Venture: Rejuvenated Knives Name: Martin Kalberer
One Sentence Description: Professional knife sharpening for home cooks and professional chefs, with easy pickup and delivery.



Problem

One clear sentence that articulates the problem your startup solves.

People want sharp knives but not another errand.



Solution

How does your venture solve the problem you have articulated? Keep this short and concise!

Make knife sharpening as easy as ordering online, with fast booking and flexible scheduling built around the customer's calendar.



Why it Matters

Why is this a problem worth solving?

Many households invest hundreds of dollars in knives and then neglect them, making them dangerous to use and shortens their useful lifespan.



Landscape

This is a list of competitors and alternatives. When a customer looks at alternative ways to solve the problem your startup solves, what will they see?

There are many options including DIY, sharpening stands at farmers' markets and hardware stores. Some people just buy new rather than sharpen.

[Link to a full visualization.](#)



ICP

What do you think your startup's Ideal Customer Profile will be?

Busy professionals and families who care about their investment in knives and other tools. They are already comfortable using online services and prioritize quality and efficiency in many things that they do.

[Link to a more personas.](#)



Path to PMF

What is your plan for getting to Product-Market Fit?

1. Began by running the service for family and friends, refine offering based on input.
2. Built the website and online ordering and tracking system.
3. Now running online ads and continuing to optimize the funnel and refine the service.



PMF Metrics

As you work your way toward Product-Market Fit, what are the key metrics that matter?

1. Number of new customers each month.
2. Number of repeat customers each month (retention).
3. Customer satisfaction survey/NPS score.



Distribution

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Direct-to-consumer, via our website or mobile app.



Positioning

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Trigger

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Also, a purchase of a new knife makes you realize how bad your old ones are.



Economics

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Enterprise Economics (runway):

Currently profitable on a small scale, so infinite runway. This will change when we scale.

[Link to spreadsheet.](#)



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Name of Startup Venture: Rejuvenated Knives Name: Martin Kalberer

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Why it Matters

Why is this a problem worth solving?

Many households invest hundreds of dollars in knives and then neglect them, making them dangerous to use and shortens their useful lifespan.



Landscape

This is a list of competitors and alternatives. When a customer looks at alternative ways to solve the problem your startup solves, what will they see?

There are many options including DIY, sharpening stands at farmers' markets and hardware stores. Some people just buy new rather than sharpen.



Link to a full visualization.



ICP

What do you think your startup's Ideal Customer Profile will be?

Busy professionals and families who care about their investment in knives and other tools. They are already comfortable using online services and prioritize quality and efficiency in many things that they do.



Link to a more personas.



Distribution



Positioning



Trigger

The Launch Path Canvas 2.0

Name of Startup Venture: Rejuvenated Knives

One Sentence Description: Professional knife sharpening for home



Problem

One clear sentence that articulates the problem your startup solves.

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Solution

How does your venture solve the problem you have articulated? Keep this short and concise!

Make knife sharpening as easy as ordering online, with fast booking and flexible scheduling built around the customer's calendar.



Why it Matters

Why is this a problem worth solving?

Many households invest hundreds of dollars in knives and then neglect them, making them dangerous to use and shortens their useful lifespan.



Landscape

This is a list of alternatives. It looks at alternative solutions to the problem and what will the market look like?

There are many DIY, sharpening markets and some people prefer to sharpen their knives than sharpening services.



Path to PMF

What is your plan for getting to Product-Market Fit?

! Began by running the service



PMF Metrics

As you work your way toward Product-Market Fit, what are the key metrics that matter?



Distribution

What are your distribution channels? Direct to consumer, or via resellers, or?



Positioning

Within this landscape, who are your competitors and how is your positioning?

Problem

Write a clear sentence that articulates the problem your startup solves.

People want sharp knives but not another errand.

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Positioning

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Economics

What are the Unit Economics for this venture, what do we expect the C<LTV to look like, and what are our capital needs?

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[Link to spreadsheet.](#)

For this venture, what do we expect the total cost of our capital needs?

Cost is \$48, so gross profit is \$32 (40%).

Goal: 100% of 4 orders (\$128)

Infinite runway. This will change when we scale.



Capital Strategy

What source and structure of capital will best align interests between founders, employees, shareholders, and investors?

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Distribution

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Direct-to-consumer, via our website or mobile app.



Positioning

Within this landscape, who are your competitors and how is your venture different?

The key to our positioning is convenience. Our offering is getting sharpening, with Uber-like convenience and less pickup and delivery time.



Economics

[Link to spreadsheet.](#)

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	A	B	C	D	E	F	G	H
3								
4								
5	Customer Acquisition Cost (CAC)	Jan	Feb	Mar	Apr	May	Jun	Jul
6	Marketing Spend (see tab).	\$300	\$300	\$3,100	\$11,250	\$17,250	\$17,250	\$21,250
7	New customers (see rev tab)	5	6	100	500	900	1,300	1,500
8	Customer Acquisition Cost	\$60	\$50	\$31	\$23	\$19	\$13	\$14
9	<i>CAC is just simply total marketing spend in a period divided by number of new customers acquired in that period.</i>							
10								
11	Lifetime Value of a Customer (LTV)							
12	Gross Profit on One Order (see Unit Economics Tab)	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20	\$7.20
13	Average Subscription Length (months).	1	2	2	3	3	3	4
14	Lifetime Value of a Customer (LTV)	\$7.20	\$14.40	\$14.40	\$21.60	\$21.60	\$21.60	\$28.80
15								
16	LTV/CAC Ratio	0.12	0.29	0.46	0.96	1.13	1.63	2.03
17	<i>A ratio under 1 means it costs us more to get a customer than we make from them.</i>							
18	<i>Usually the goal is to get to a ratio of better than 5.</i>							
19								
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CAC to LTV



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One clear sentence that articulates the problem your startup solves.

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Why it Matters

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Landscape

This is a list of competitors and alternatives. When a customer looks at alternative ways to solve the problem your startup solves, what will they see?

There are many options including DIY, sharpening stands at farmers' markets and hardware stores. Some people just buy new rather than sharpen.

[Link to a full visualization.](#)



ICP

What do you think your startup's Ideal Customer Profile will be?

Busy professionals and families who care about their investment in knives and other tools. They are already comfortable using online services and prioritize quality and efficiency in many things that they do.

[Link to a more personas.](#)



Path to PMF

What is your plan for getting to Product-Market Fit?

1. Began by running the service for family and friends, refine offering based on input.
2. Built the website and online ordering and tracking system.
3. Now running online ads and continuing to optimize the funnel and refine the service.



PMF Metrics

As you work your way toward Product-Market Fit, what are the key metrics that matter?

1. Number of new customers each month.
2. Number of repeat customers each month (retention).
3. Customer satisfaction survey/NPS score.



Distribution

What are your distribution channels? Direct to consumer, or via resellers, or?

Direct-to-consumer, via our website or mobile app.



Positioning

Within this landscape of competitors and alternatives, how is your venture positioned?

The key to our positioning is the convenience. Of all the ways to get sharpening, we provide the Uber-like convenience of frictionless pickup and delivery.



Trigger

What makes someone suddenly be in the market for what your startup provides?

A kitchen event (injury or just struggling with a dull knife) can be a trigger, or a guest in your kitchen making a comment.

Also, a purchase of a new knife makes you realize how bad your old ones are.



Economics

What are the Unit Economics for this venture, what do we expect the CAC<LTV to look like, and what are our capital needs?

Unit Economics:

One average order. Our AOV is \$80, cost is \$48, so gross profit is \$32 (40%).

Customer Economics (CAC:LTV goal):

Our goal is to get to a CAC of \$25, LTV of 4 orders (\$128)

Enterprise Economics (runway):

Currently profitable on a small scale, so infinite runway. This will change when we scale.

[Link to spreadsheet.](#)



Capital Strategy

What source and structure of capital will best align interests between founders, employees, shareholders, and investors?

Bootstrap operation until the business is ready to expand into new metro markets.



Unfair Advantage

What unique advantage does your startup have that may help to defend from competitors?

Our door to door workflow builds a sticky customer base because we keep direct customer data and can re-engage them on a predictable cycle, unlike one-off farmers market transactions.



Top 3 Benefits

What are the top 3 benefits that your product or services provides to customers?

1. Convenience. Turns sharpening into a 2 min task, book now and pay later, no credit card number shared
2. No boxes, no labels, no searching for bubble wrap, just a quick doorstep handoff
3. Quality you notice immediately, cleaner cuts, less effort, and fewer frustrating slips on tomatoes, onions, and herbs.

The original Business Model Canvas was developed by Alexander Osterwalder and published in this great book:

Osterwalder, Alexander; Pigneur, Yves; Clark, Tim (2010). Business Model Generation: A Handbook For Visionaries, Game Changers, and Challengers. Strategyzer series. Hoboken, NJ: John Wiley & Sons. ISBN 9780470876411

This version is to align with my book, The Launch Path: Getting from a startup idea to a launch-ready venture, ISBN 979-8989090402. Feel free to use, adapt, copy, and change.



The Launch Path Canvas (links below for downloading a blank one)

The Launch Path Canvas

A one-page business plan for your startup.

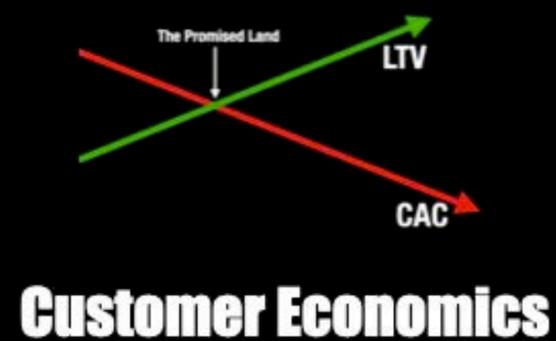
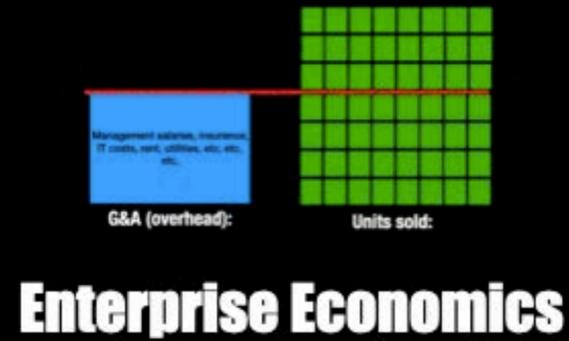
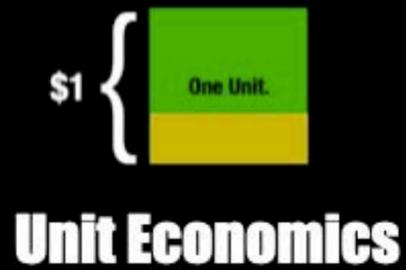


Bret Waters  6 min read · 3 days ago

This is a BUS-217 assignment, but you will benefit from having it for this class, BUS-219.

If you are working on a startup (or already have one) I recommend you do it.

I will help.



The Launch Path Canvas (links below for downloading a blank one)

The Launch Path Canvas

A one-page business plan for your startup.

Bret Waters 6 min read · 3 days ago

Our first optional startup coffee (via Zoom) this Saturday at 9am.

Join if you'd like to do a review of Unit Economics, CAC:LTV, and the Launch Path Canvas. I will send you an optional calendar invite. It will be recorded, if you cannot make it.

Your assignments this week:

In the **#hack_n_grow** channel, post one idea about how you could try a small “hack” that might gain a few new customers for your startup and potentially provide valuable learning.

Work on your Launch Path Canvas for your startup, and let me know what I can do to help.

In the **#social** channel, give us a reading recommendation, preferably something relevant to the startup world.

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