Startups are about learning - not about execution

Topi Järvinen, Nestholma Accelerator
"I think you should be more explicit here in step two..."
Sounds familiar ... ?

We have a great idea and build it

Then a miracle occurs

Users will come

Topi Järvinen (@topij)
“In fact, let's start optimizing right now”

We have a great idea.

We'll build the money making execution machine.

The rest will take care of itself.
Get the miracle out of the equation

We have a great idea

Talk to customers

Build what you can validate

Money may come, but keep learning

Pivot Pivot Pivot Pivot

Topi Järvinen (@topij)
When you know your target, you can make, for ex., req spec, budget and try to stick to them.

In startups this is never the case.
Always ask yourself what creates the most value for you company

In startups, the answer is rarely “execute the plan in schedule and on budget”
Startup is a temporary organization designed to search for a repeatable and scalable business model.

- Steve Blank
How do you build great products in startups?
Screw it, just do it
- Richard Branson
That’s all you need. Right? Well...
Fact is that most startups fail. What can we learn from them?
Based on data analyzed for 3,200 companies by StartupCompass

#1 reason for startup failure is premature scaling

Startups do too much before they know what they should do

Topi Järvinen (@topij)
What are some of the best practices for startups?
Trust your instincts or ask advice from an expert

But predicting is hard...

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People who predicted either extremely good or extremely bad outcomes, are doing poorer in general.

Someone who has successfully predicted an extreme event is not likely to repeat the success very often.

- Christina Fang from NYU Stern Business School in Freakonomics.com
You need a great idea, but...
Most people think it’s all about the idea. It’s not. EVERYONE has ideas. The hard part is to execute on the idea.

- Mark Cuban, serial entrepreneur
An idea can be done in million+ ways

There were tens of social media network services before Facebook
Make sure you really understand what is the problem that is worth solving

Ie. customers think that it’s worth their time and/or money
Great products in three easy steps
Validate

1. your understanding of the problem
2. your solution to the problem
3. the value and scalability of your solution
There’s no need to be feature complete
If you are not embarrassed by the first version of your product, you’ve launched too late.

- Reid Hoffman, LinkedIn founder
Minimum Viable Product

Validated learning about customers

Get maximum learning with the least effort
MVP’s come big and small

- **Dropbox**: Video showing what the user experience will be
- **Groupon**: Simple WordPress blog with daily deals and minimal backend running on a Mac.
- **Yahoo!**: Hand-collected links to the world wide web
- **Virgin**: Single plane, single route, no routing, but with great service (Well, maybe an MVP only in spirit)

Topi Järvinen (@topij)
The Pivot: Sometimes it’s good to change direction

Topi Järvinen (@topij)
The pivot. It used to be called ‘the fuck-up.’

- Marc Andreessen, Netscape Founder, VC
Some of the greatest companies came out of pivots
Are you making a difference?
“How disappointed would you be if you could no longer use our product?”

“Very Disappointed” needs to be more than 40%

Or you may have problems ahead

Source: Brent Ellis, startup-marketing.com
"How likely are you to recommend us to your friends?"

Net Promoter Score
(-100 to +100)

+70 Top companies
Amazon, Apple etc.

+50 Successful companies

Source: Satmetrix 2013

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Are you?
There are good tools to help you along the way
1. Take the miracle out of the equation
2. Focus only on things that add value to your company
3. You need to love what you do, but that’s not enough
4. Don’t scale too soon
5. No one can predict the future
6. Ideas are only the beginning
7. Validate the problem and solution with customers
8. No need to be feature complete
9. Pivot, if needed
10. Make sure you’re loved
Thank you!

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