

# Entrepreneurship Lecture 8 Lean Startup

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# Goal of Startup

Essentially, to find an applicable business model that able to generate value



# The Contemporary Methodologies

1. The Design Methodology – Design Development
2. Design-Centered Entrepreneurship
3. The Lean Start-Up Methodology

(Kuratko, 2017)



# 1. Design Development

- A. Learning from qualitative research
- B. Learning from prototyping
- C. Learning from feed back

“Feasibility, Desirability, and Viability”



## 2. Design-Centered Entrepreneurship

Four action stages:

1. Ideation
2. Prototyping
3. Market Engagement
4. Business Modeling

“Iterate, Opportunity Development and Opportunity Fulfillment”





### 3. THE LEAN START-UP METHODOLOGY

Scientific approach to conduct a concept for early venture and delivers a desired product toward customer faster

(Kuratko, 2017)



## FACT

Since 2010, every year there are more than 400,000 new firms have created in the United States

(Kuratko, 2017)

# HISTORY OF LEAN START-UP

Japanese concept of lean manufacturing, increasing the value-creation & eliminate wasteful practices

(Kuratko, 2017)



## LEAN STARTUP PRINCIPLE

“Startups operate under conditions of extreme uncertainty.”

(Ries, 2011)

# LEAN START-UP QUESTIONS

Answer questions:

1. “Should this venture be created?”
2. “Will it be a sustainable business?”

(Ries, 2017)

# KEY CONCEPT OF LEAN START-UP

**1. “Hypothesis driven and take the feedback early and frequently”**

(Kuratko, 2017)

# KEY CONCEPT OF LEAN START-UP

## **2. MVP (Minimum Viable Product)**

Basic feature to customer; easy to use, affordable, yet contain the core value of product/service.

[Customer willingness]

(Kuratko, 2017)

# KEY CONCEPT OF LEAN START-UP

## **3. Pivot**

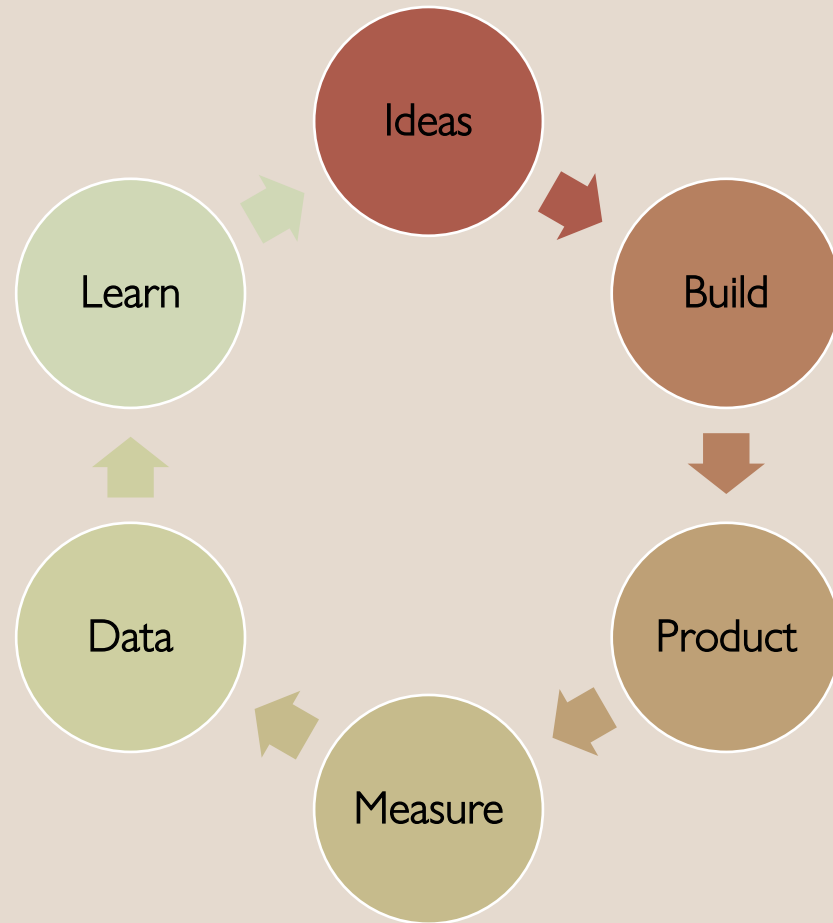
Course correction, evaluate and decision to change.

## **4. Validated Learning**

Iteration, refining, testing, learning, and applying.

(Kuratko, 2017)

# Build-Measure-Learn Feedback Loop (Ries, 2011)



# KEY CONCEPT OF LEAN CANVAS

## “Customer-Problem-Solution Hypothesis”

(Maurya, 2010)

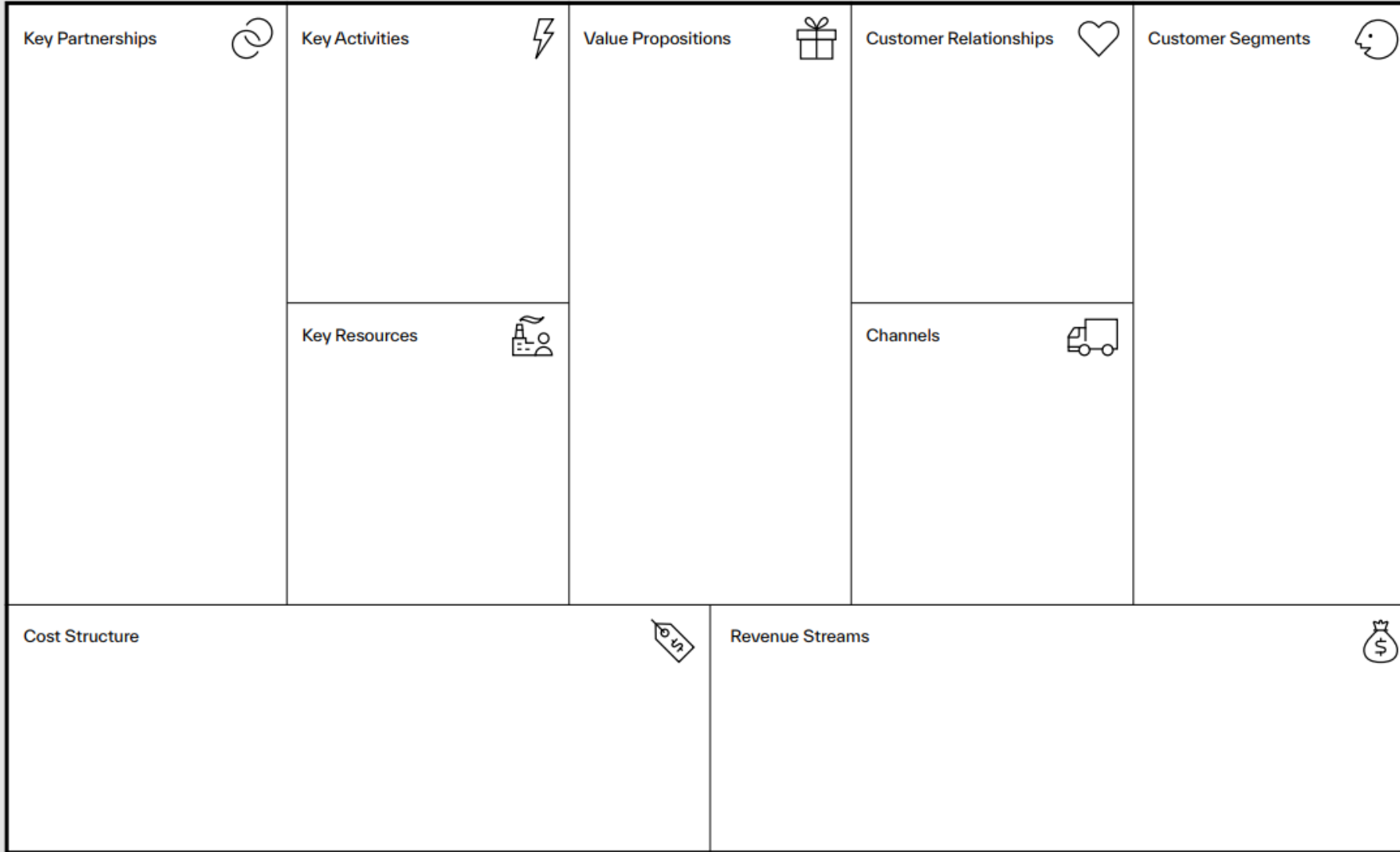
# The Business Model Canvas

Designed for:

Designed by:

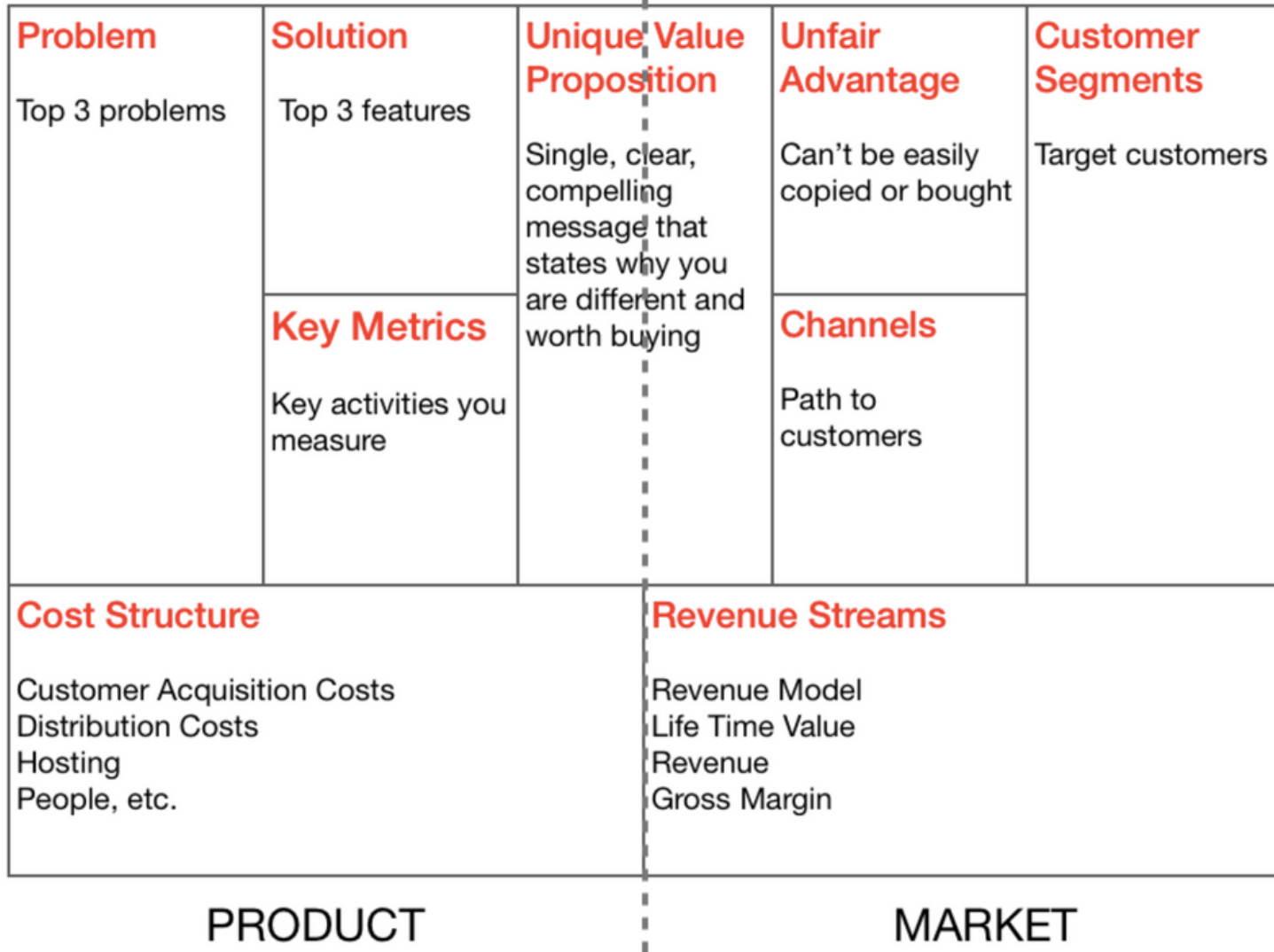
Date:

Version:



Source: Strategyzer, 2023





Source: Maurya, 2010

Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.

# THE BUSINESS MODEL CANVAS & LEAN CANVAS

1. Existing enterprise
2. New-Venture (Startup)

(Maurya, 2010)

# 1. Problem

A brief description of the top 3 problems that we found

# 2. Customer Segments

Target customers/user of this system

## **3. Unique Value Proposition**

The primary argument of product's difference and worthiness

## **4. Solution**

The minimum feature set (MVP) that demonstrates the unique value proposition (UVP).

## 5. Key Metrics

Track and evaluate the success of a specific business process

## 6. Channels

The way to reach the customer free or paid, direct or indirect approach

# 7. Cost Structure

The overall costs that required of a company to operate their business model.

- Fixed Costs

- Variable Costs

## 8. Revenue Streams

Revenue model - subscription, ads, freemium, break-even point

## 9. Unfair Advantage

Beyond “competitive advantage”; hard to copy.



## CONCLUSION

Lean Canvas helps entrepreneurs build the right business model, target the correct market, and deliver the right value to the specific need faster

# Reference

1. Maurya, A. 2010. How to Document Your Business Model On 1 Page. <https://blog.leanstack.com/businessmodelcanvas/>
2. Kuratko, D. 2017. Entrepreneurship: Theory, Process, Practice. 10th ed. Canada: Cengage Learning.
3. Ries, E. 2011. The Lean Startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Business.
4. Strategyzer. 2023. The Business Model Canvas. [Online image] <https://www.strategyzer.com/library/the-business-model-canvas>



thank you

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