

Startup Lessons Learned Session Overview

In this session, “serial” entrepreneur Steve Blank shared one of the most important things he learned by the end of his long career as an entrepreneur: five ways to fail at a startup.

The following five assumptions are leading causes of start-up death:

1. I know **who** the customer is rather than trying to understand the customer
2. I know **the product** my customer needs rather than listening to what customer needs are
3. I know **the problem** my customer has rather than understanding what solutions they are looking for
4. We can fix it **after** we ship it all rather than getting right the first time
5. I need to **execute** the plan rather than adapting the plan to customer needs.

Even if an entrepreneur thinks she knows the customer’s problem and the product she is promoting, no business plan survives first contact with customers. An important part of a business plan is to continuously test each component, and adjust based on feedback. Steve advised founders not only to get out and talk with potential users and partners, but also to stop selling and start actually listening, in order to make iterative adjustments according to what people want.

A company founded by Stanford students in just eight weeks serves as an example. The students’ first step was to develop a minimalist prototype for the company, offering online shared digital libraries. While there was interest, their customer base of education professionals and students couldn’t afford to pay for the service. The team was able to quickly shift focus, and realigned their business to serve other customers.

To conclude, Steve emphasized just how critical consumer data is for entrepreneurs developing and iterating their business plans.