



MASTER IN ENTREPRENEURSHIP
INNOVATION MANAGEMENT
IN COLLABORATION WITH **MIT SLOAN**

IN COLLABORATION WITH
MIT MANAGEMENT
SLOAN SCHOOL



UNIVERSITÀ DEGLI STUDI DI NAPOLI
PARTHENOPE

MASTER MEIM 2021-2022

Experimental approach to strategy

March, 8th 2022

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Assistant Professor of Innovation & Business Design at Università degli Studi di Napoli Parthenope

Experimental approach to strategy

PART 1. THE LEAN STARTUP

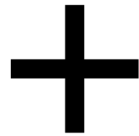


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STARTUP MYTH :

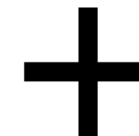
DETERMINATION



BRILLIANCE



TIMING



GREAT PRODUCT



=



NO BUSINESS
IDEA IS THAT
GREAT



I WILL PROTECT YOU
WITH EVERYTHING I
HAVE, MY PRECIOUS!



NOT FAIR TO HAVE
THIS GUY IN THE SAMPLE



MYTH :

DETERMINATION

BRILLIANCE

TIMING

GREAT PRODUCT



REALITY :

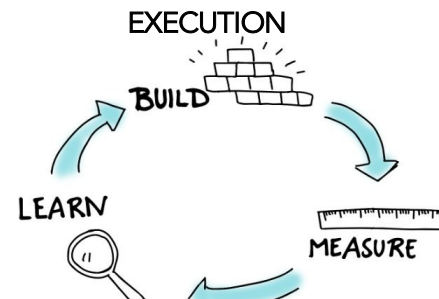
DETERMINATION

BRILLIANCE

TIMING

GREAT PRODUCT

EXECUTION



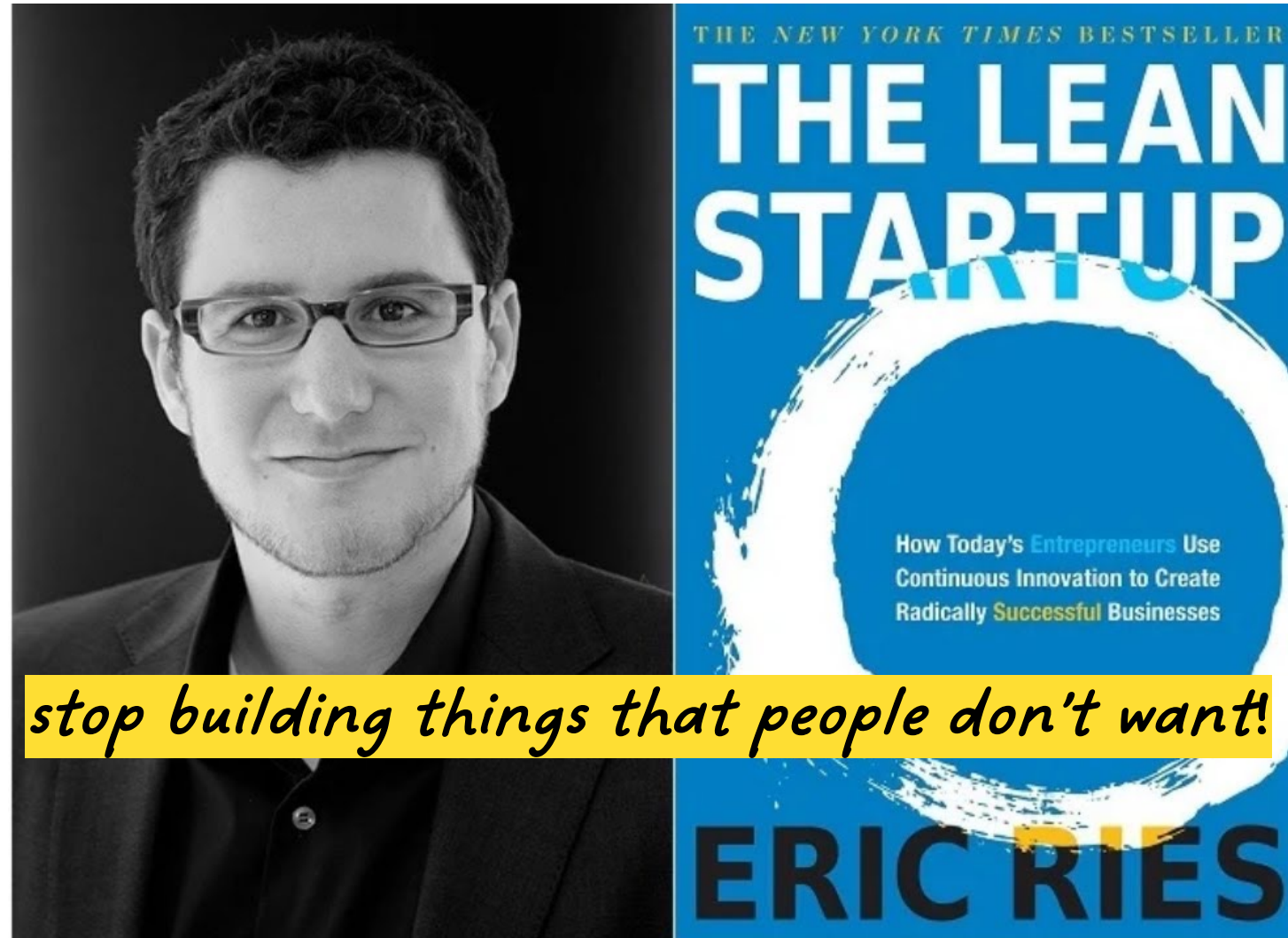
The Lean Startup

by ERIC RIES

A FRAMEWORK TO

- MITIGATE THE RISKS GOING FORWARD AS YOU PURSUE YOUR STARTUP
- INCREASE THE LIKELIHOOD OF FINDING AN IDEA OR A FEATURE OR A PRODUCT THAT STICKS

by **VALIDATED LEARNING**



#1: THE BUILD-MEASURE-LEARN FEEDBACK LOOP

FORMULATE HYPOTHESES

WHAT IF
NOBODY
WANTS THIS
ANYWAYS?



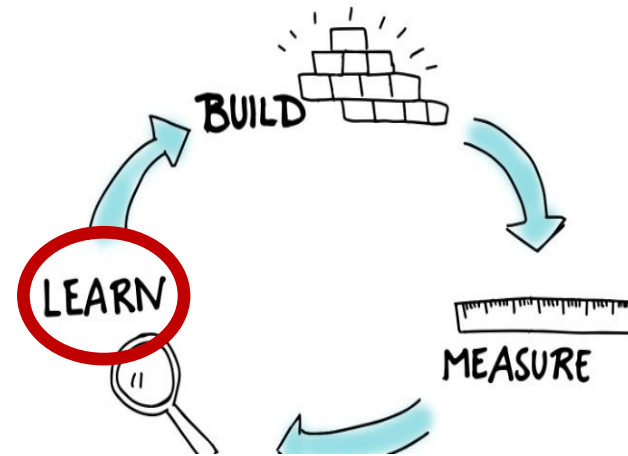
"COMMUTERS WANT TO BE ABLE TO ORDER FOOD FROM THEIR CARS"



"PEOPLE ARE WILLING TO ASSEMBLE THEIR OWN FURNITURE AT HOME"



"PEOPLE ARE WILLING TO PAY MONTHLY FOR BEING ABLE TO STREAM UNLIMITED MUSIC ONLINE"



**JUST
DO IT!**



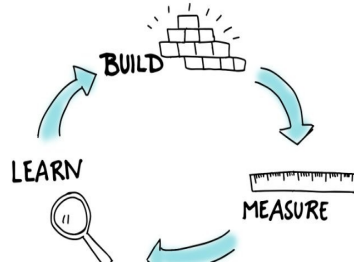
THE GOAL OF A STARTUP IS TO FIGURE OUT THE RIGHT THING TO BUILD - THAT CUSTOMERS WANT AND WILL PAY FOR - AS QUICKLY AS POSSIBLE

Airbnb Build-Measure-Learn Feedback Loop



HYPOTHESIS

PEOPLE ARE WILLING TO PAY
TO SLEEP AT STRANGERS' HOME



Two designers create a new way to connect at the year's IDSA conference

- AB&B STORY
- FAQ
- VACANCIES
- LIST YOUR AIRBED
- CONFERENCE GUIDE
- FIRST TIME TO SF?
- PRESS
- ADVERTISE

NEWS AB&B will be blogging live from the conference floor!



IDA attendees, welcome to San Francisco.

35 Hotels in Siena (17)
Book your hotel in Siena online. Good availability and great rates!

Inns Bed And Breakfast
Low rates on Bed and Breakfast! Compare B&Bs and Save.

Ads by Google

FEATURED SPONSORS



SUPPORTING IDSA CONFERENCE ATTENDEES WHERE OTHERS CAN'T.

Check out our website

FEATURED EVENT

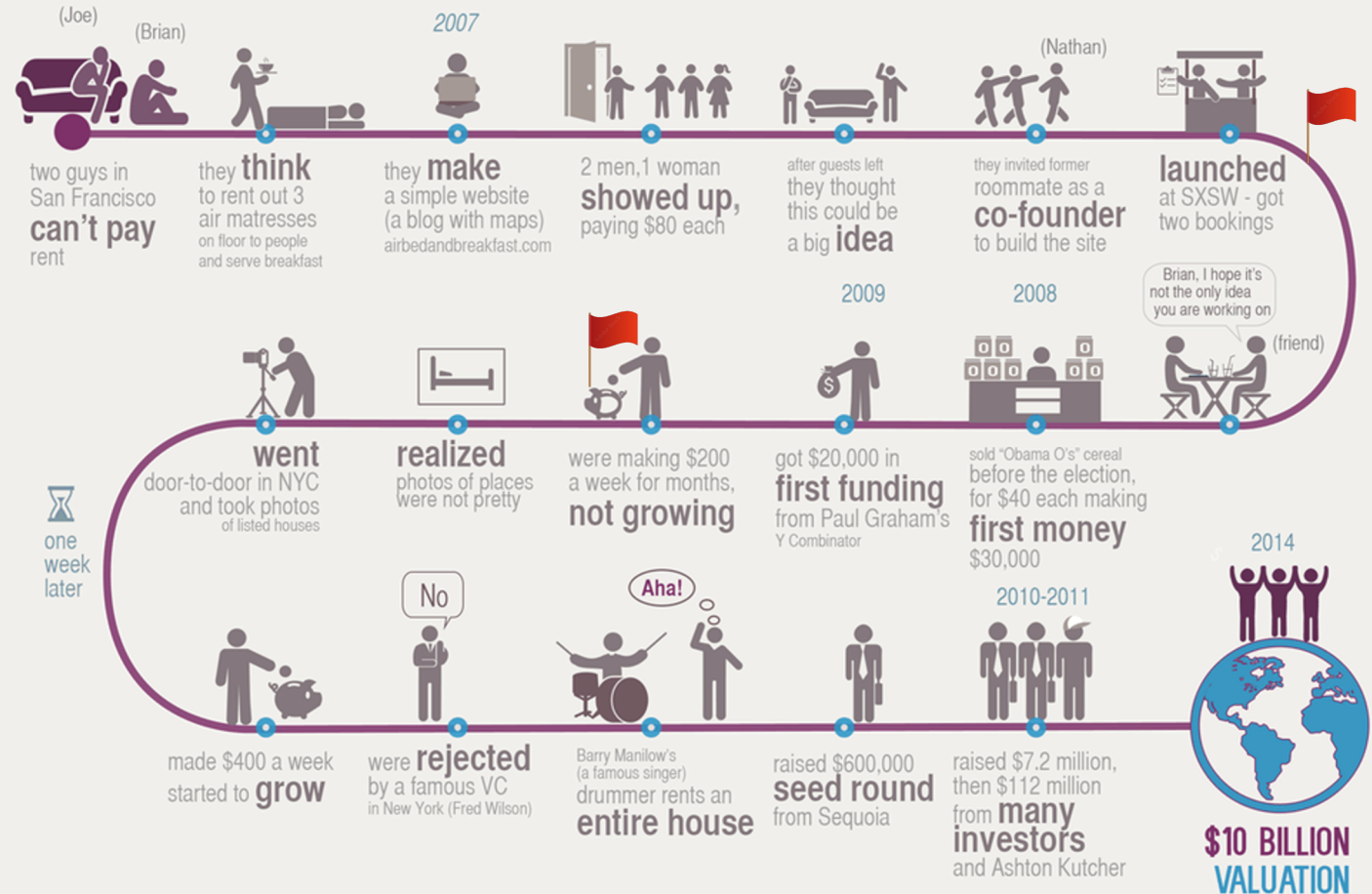
A launch party of sustainable proportions.

www.ecolect.net

HOW AIRBNB STARTED

BY ANNA VITAL

Or How 3 Guys Went From Renting Air Mattresses To A 10 Billion Dollar Company

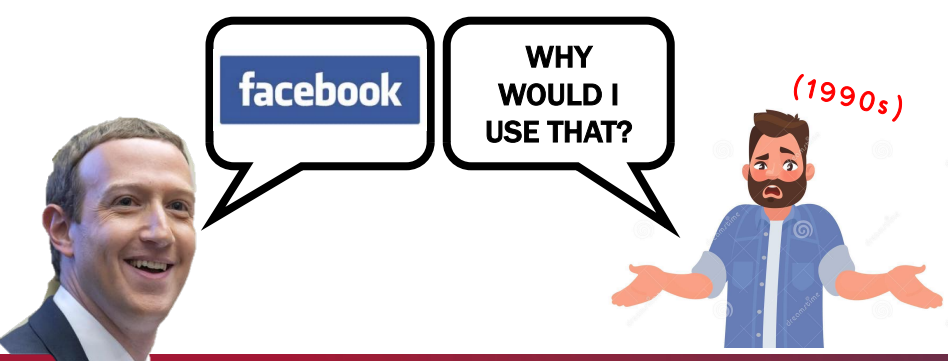


#2: EVERYTHING IS A GRAND EXPERIMENT



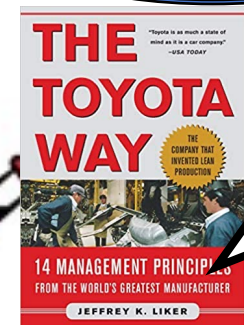
SUCCESSFUL WAY OF DOING IT:

OBSERVE - DON'T ASK



EXPERIMENTS

MVP
(MINIMUM VIABLE PRODUCT)



EVERYTHING THAT DOESN'T CREATE VALUE FOR CUSTOMERS IS A WASTE

EVERYTHING THAT DOESN'T LEAD TO VALIDATED LEARNING IS A WASTE



THIS IS RUBBISH CAN WE REALLY RELEASE IT?



#3: DIFFERENT TYPES OF MVPS



THE VIDEO MVP



SIGNUPS:
5.000
-->
75.000
OVERNIGHT!



THE CONCIERGE MVP

FOCUS ON A
SINGLE
CUSTOMER!

LEARN
EVERYTHING!

ADAPT THE
PRODUCT
FOR HER!



THE WIZARD OF OZ MVP

WHO'S
BEST?

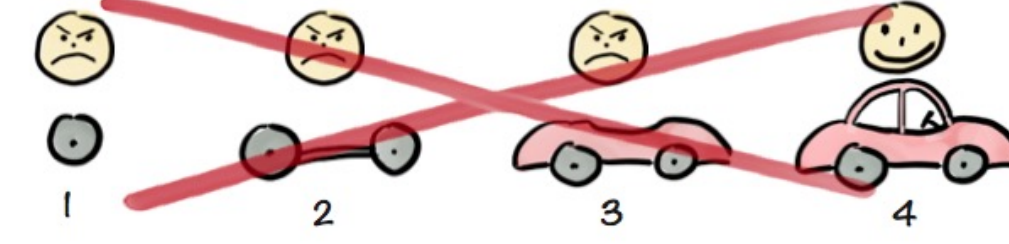


PRETEND THAT YOU HAVE
DEVELOPED A FANCY
TECHNICAL SOLUTION,
WHILE BEHIND THE
CURTAINS, IT'S OPERATED
BY HUMANS

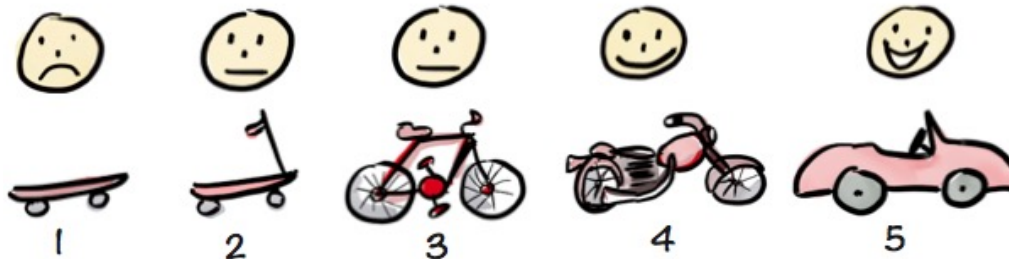
Dropbox original MVP video - 2008



Not like this....



Like this!

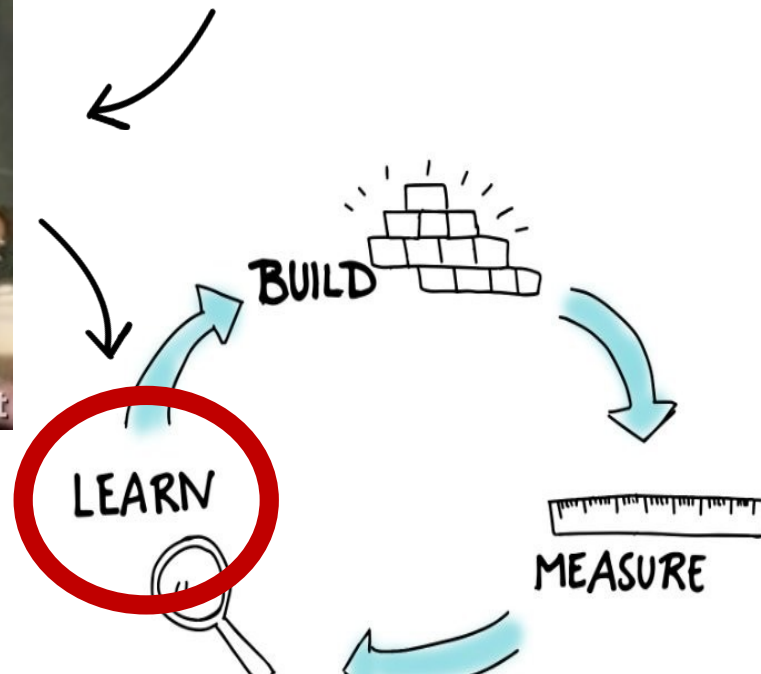


MVP EXPERIMENTS

MVP EXPERIMENTS ARE
MINIATURE VERSIONS OF YOUR FIRST PRODUCT THAT WE PUSH OUT RAPIDLY
WITH A **MINIMUM AMOUNT OF TIME AND EFFORT**
JUST TO SEE HOW ARE CUSTOMERS REACT



MVP EXPERIMENTS



MVP DEVELOPED IN 1 MONTH

1
MONTH = 1 test

MVP DEVELOPED IN 1 WEEK

1
MONTH = 4 tests

#4: THE THREE ENGINES OF GROWTH

THE STICKY ENGINE



CUSTOMER
ACQUISITION RATE

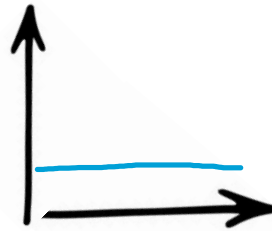


CHURN RATE

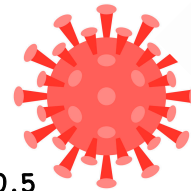
Bring customers back
month over month

Focus on retaining
customers long-term

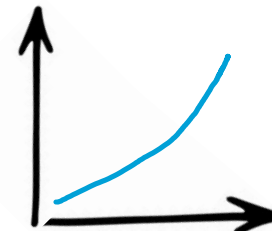
THE VIRAL ENGINE



VIRAL COEFFICIENT: 0.5



VIRAL COEFFICIENT: 1.1



VIRAL COEFFICIENT



Customers bring in
new customers

Once your product is awesome -
it will self-sustain its growth

THE PAID ENGINE

LTV-CPA



CPA

COST PER
ACQUISITION

LTV

LIFETIME
VALUE

Gain customers through
paid ads

Profit fuels this engine
+ profit = + paid advertising

Uber growth engine: A bit of everything



THE STICKY ENGINE

APP AND PAYMENT IS AUTOMATICALLY
WITHDRAWN FROM YOUR CARD

THE VIRAL ENGINE

WORD-OF-MOUTH IN
THE NIGHT CLUB SCENE

THE PAID ENGINE

SPONSORING EVENTS & FREE RIDES
TO THE ATTENDEES

#5: PIVOT OR PERSEVERE?

WHEN TO PIVOT?



ESTABLISH A BASELINE

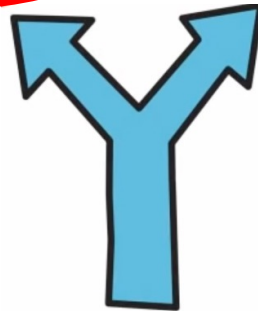


ATTEMPT TO TUNE
TOWARDS IDEAL

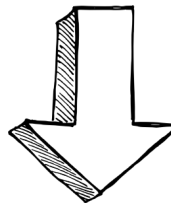


PIVOT OR PERSEVERE

PIVOT



YOU GOTTA BE HERE!



QUITTER

PIGHEADED



PERSEVERE

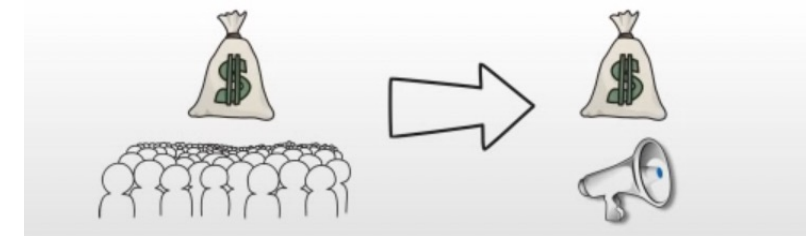
10% INCREASE?

PIVOT

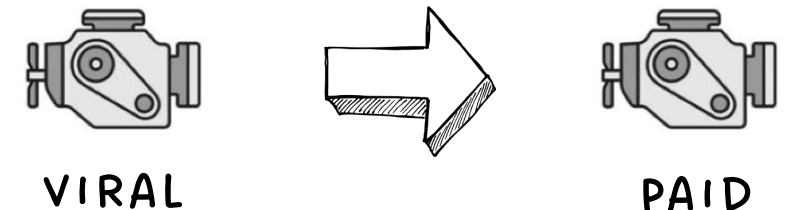
CUSTOMER SEGMENT PIVOT



VALUE CAPTURE PIVOT



ENGINE OF GROWTH PIVOT

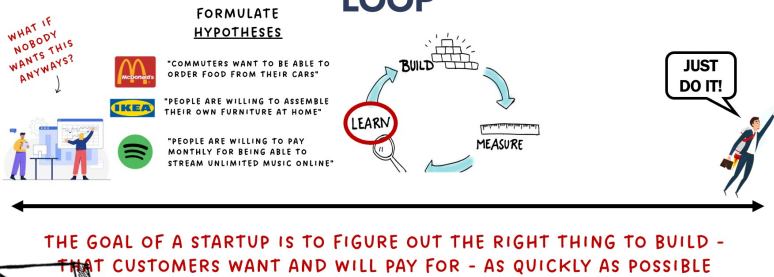


Netflix pivot strategy

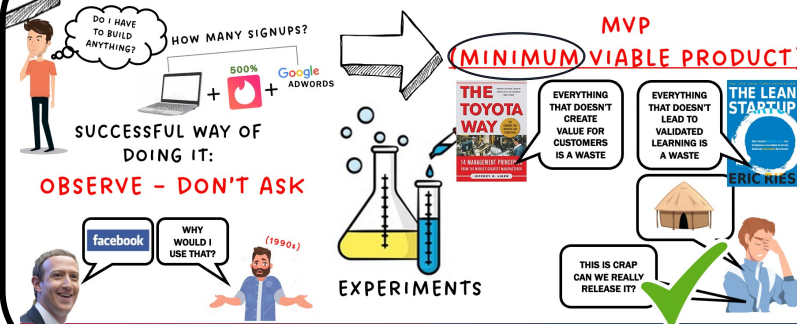


The Lean Startup - Wrap up

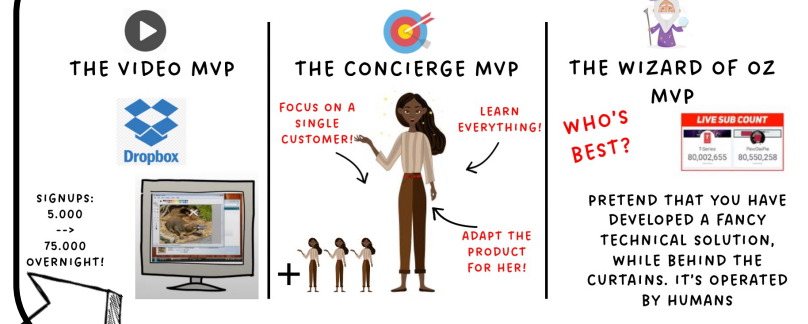
#1: THE BUILD-MEASURE-LEARN FEEDBACK LOOP



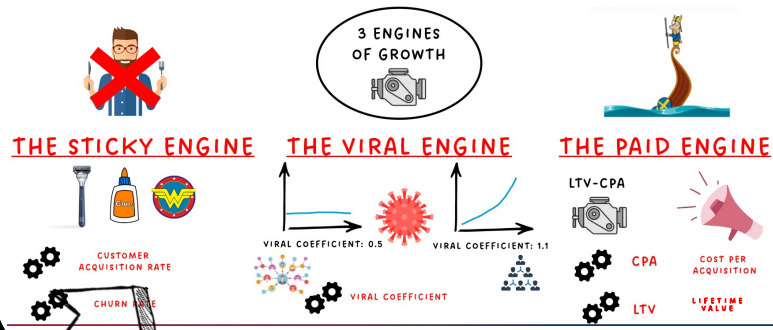
#2: EVERYTHING IS A GRAND EXPERIMENT



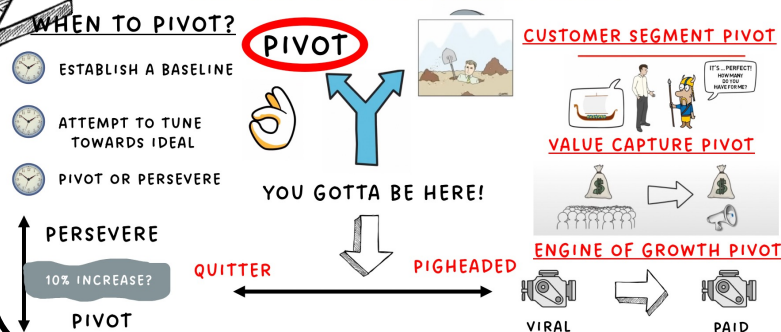
#3: DIFFERENT TYPES OF MVPS



#4: THE THREE ENGINES OF GROWTH



#5: PIVOT OR PERSEVERE?



QUESTIONS?

Experimental approach to strategy

PART 2. WHY BUSINESS PLANS DON'T WORK: THE GAME

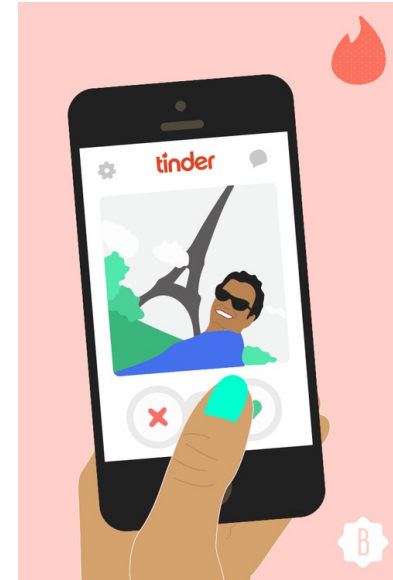
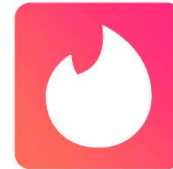
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What company made the phrase 'Swipe Right' famous?



Plinko game, anyone?



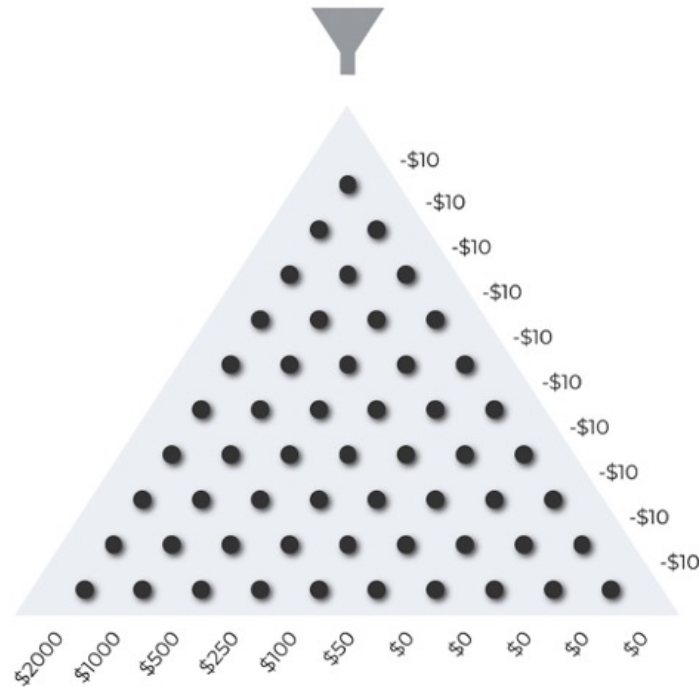
YOU'VE ALL BEEN HIRED AS VP OF INNOVATION AT THE COMPANY OF YOUR DREAM!



PLINKKROMATIC
A Simple Innovation Game

\$50
Earned

KICKOFF AN IDEA!



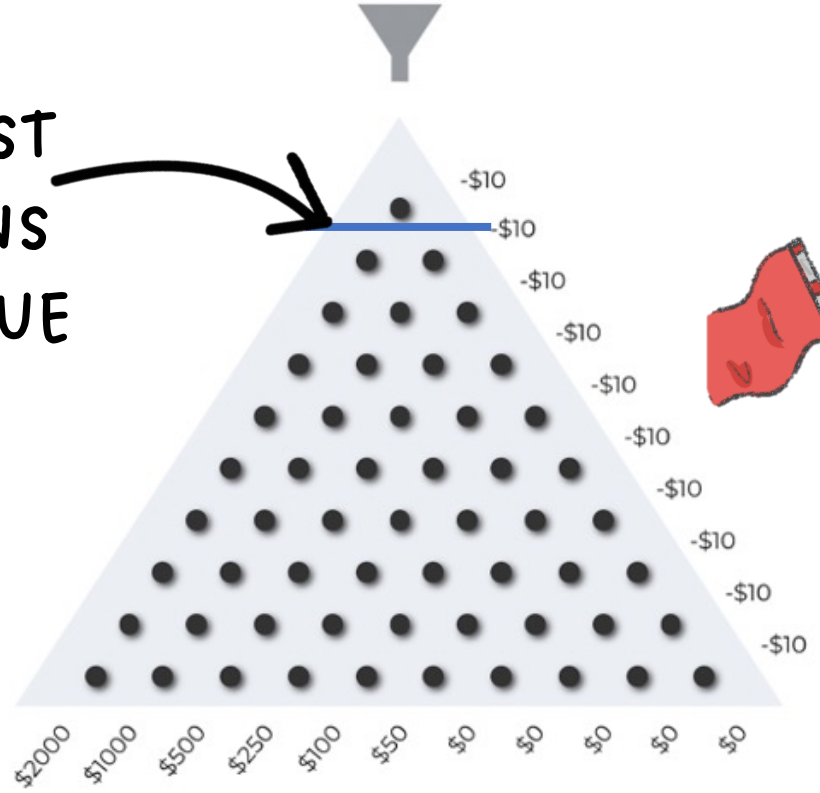
<https://bit.ly/PlinkoPlans>



\$50
Earned

KICKOFF AN IDEA!

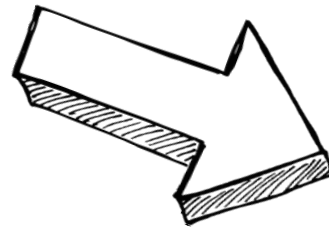
SO, IT TURNS OUT THE BEST PLACE TO MAKE DECISIONS ABOUT WHETHER TO PURSUE IDEAS IS **AS QUICKLY AS POSSIBLE!**



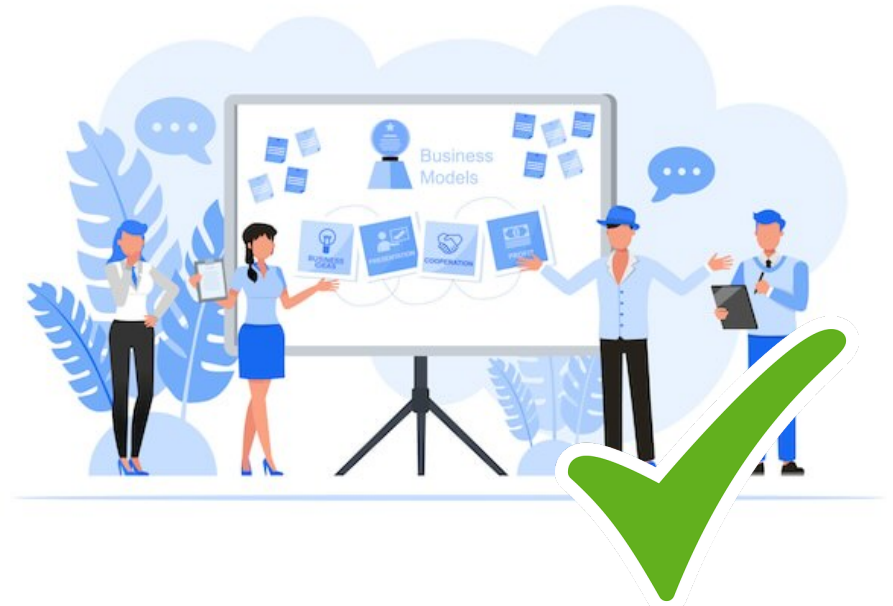
So what?



BUSINESS PLAN



BUSINESS MODEL





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PARTHENOPE

MASTER MEIM 2021-2022

Thank you

Prof. Eva Panetti

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