



Runway & Pivot

Warum es deutsche
Startups schwer haben

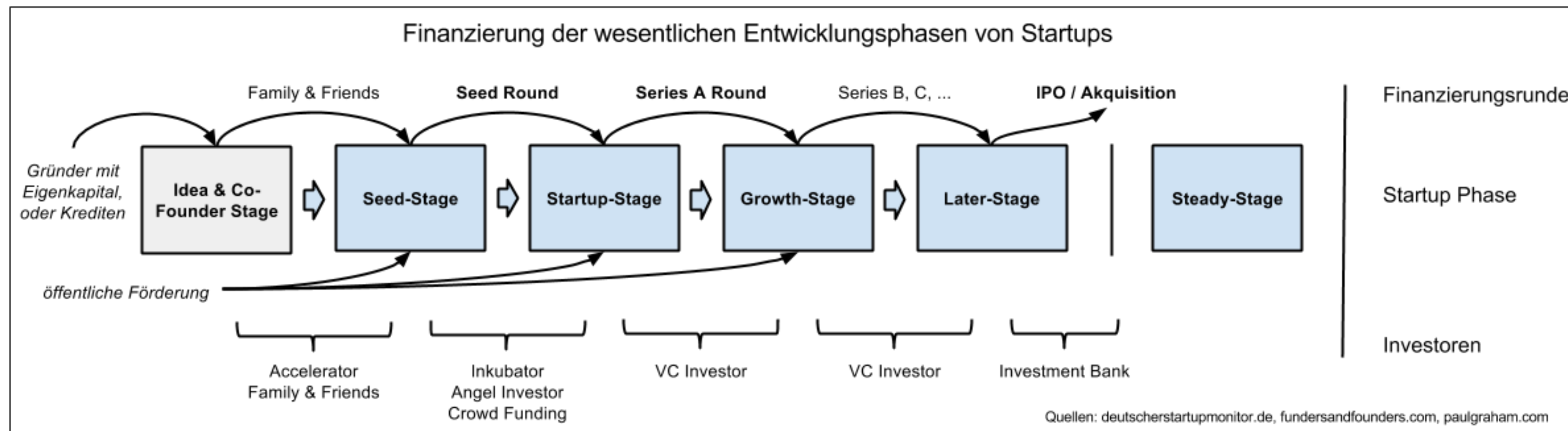
Moritz Philip Recke
Hamburg, 11. Dezember 2015

Um was geht's?

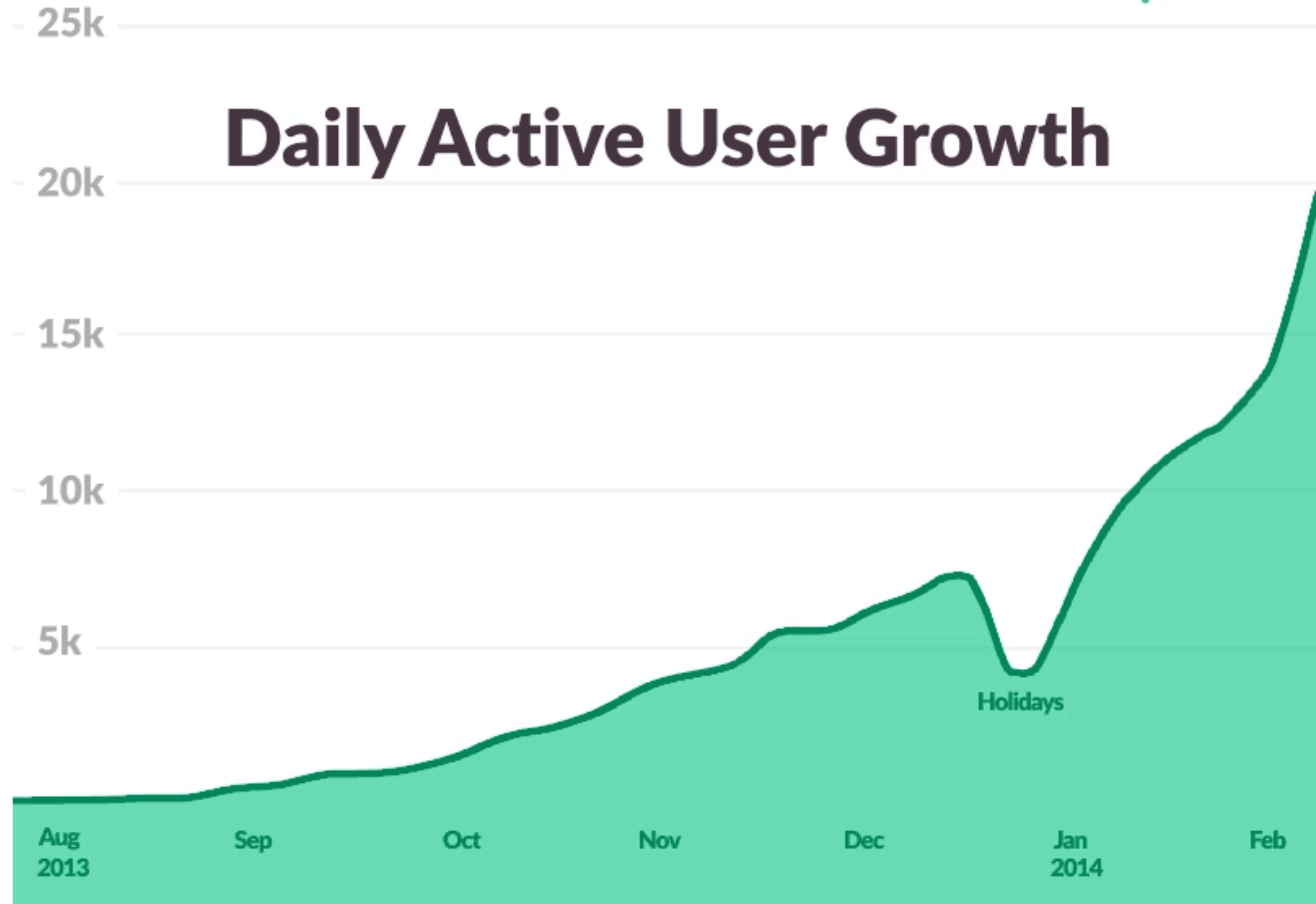
- Startup Methodology - The Lean Startup
- Herausforderungen für deutsche Startups
 - Runway
 - Pivot
- Und nun?

Startup, was war das noch mal?

- wenig Startkapital zur Verwirklichung innovativer Geschäftsidee
- Ziel: skalierbares Geschäftsmodell, dass repliziert werden kann



Daily Active User Growth





The Lean Startup



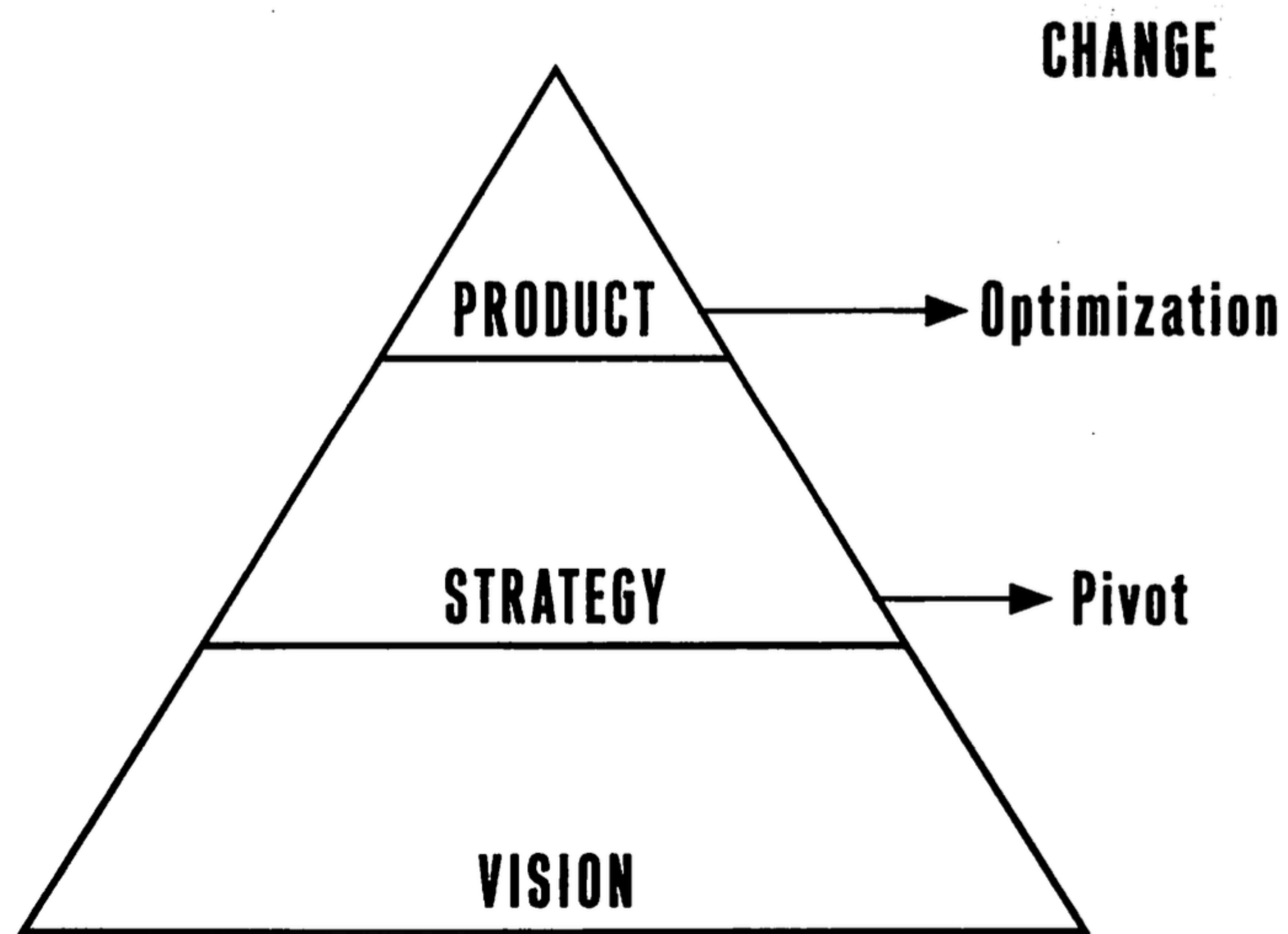
Entrepreneurs are everywhere

The Lean Startup



Entrepreneurship is Management

The Lean Startup



The Lean Startup



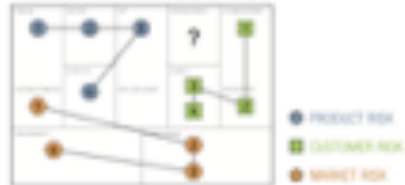
Validated Learning

PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
	KEY METRICS <i>List the key numbers that tell you how your business is doing.</i>			
EXISTING ALTERNATIVES <i>List how these problems are solved today.</i>	HIGH-LEVEL CONCEPT <i>List your X for Y analogy e.g. YouTube = Flickr for videos.</i>	EARLY ADOPTERS <i>List the characteristics of your ideal customers.</i>		
COST STRUCTURE <i>List your fixed and variable costs.</i>		REVENUE STREAMS <i>List your sources of revenue.</i>		

Lean Canvas is adapted from The Business Model Canvas (www.businessmodelgeneration.com) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.



CANVAS FILL ORDER



RISK ITERATION PATH

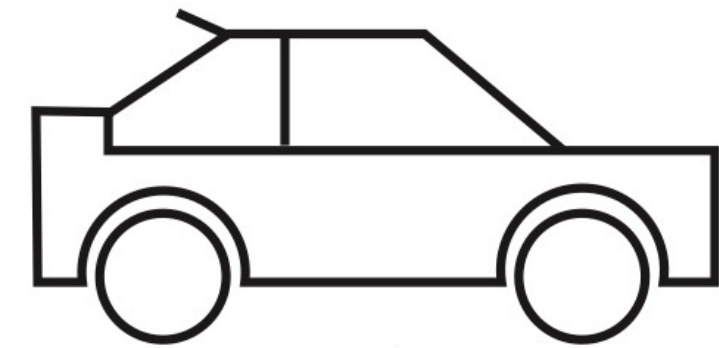
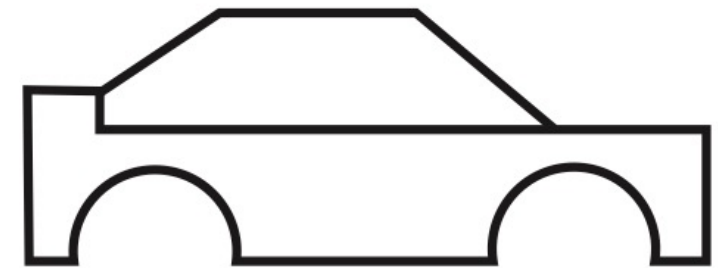


Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

MINIMUM VIABLE PRODUCT (MVP)

NOT LIKE THIS



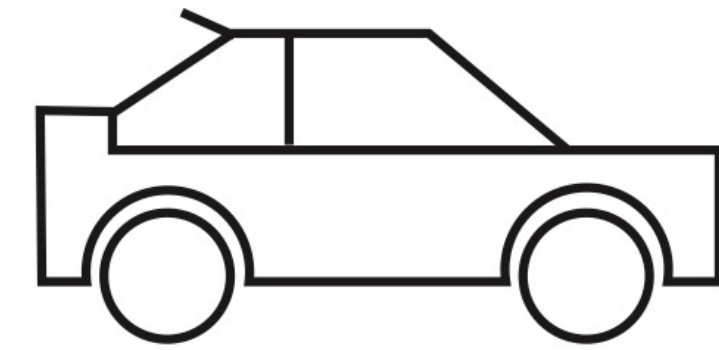
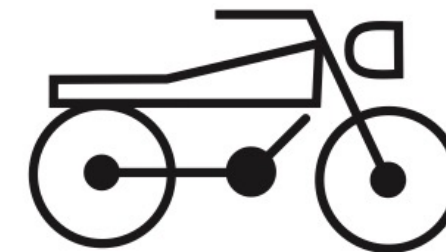
1

2

3

4

LIKE THIS



1

2

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5

The Lean Startup

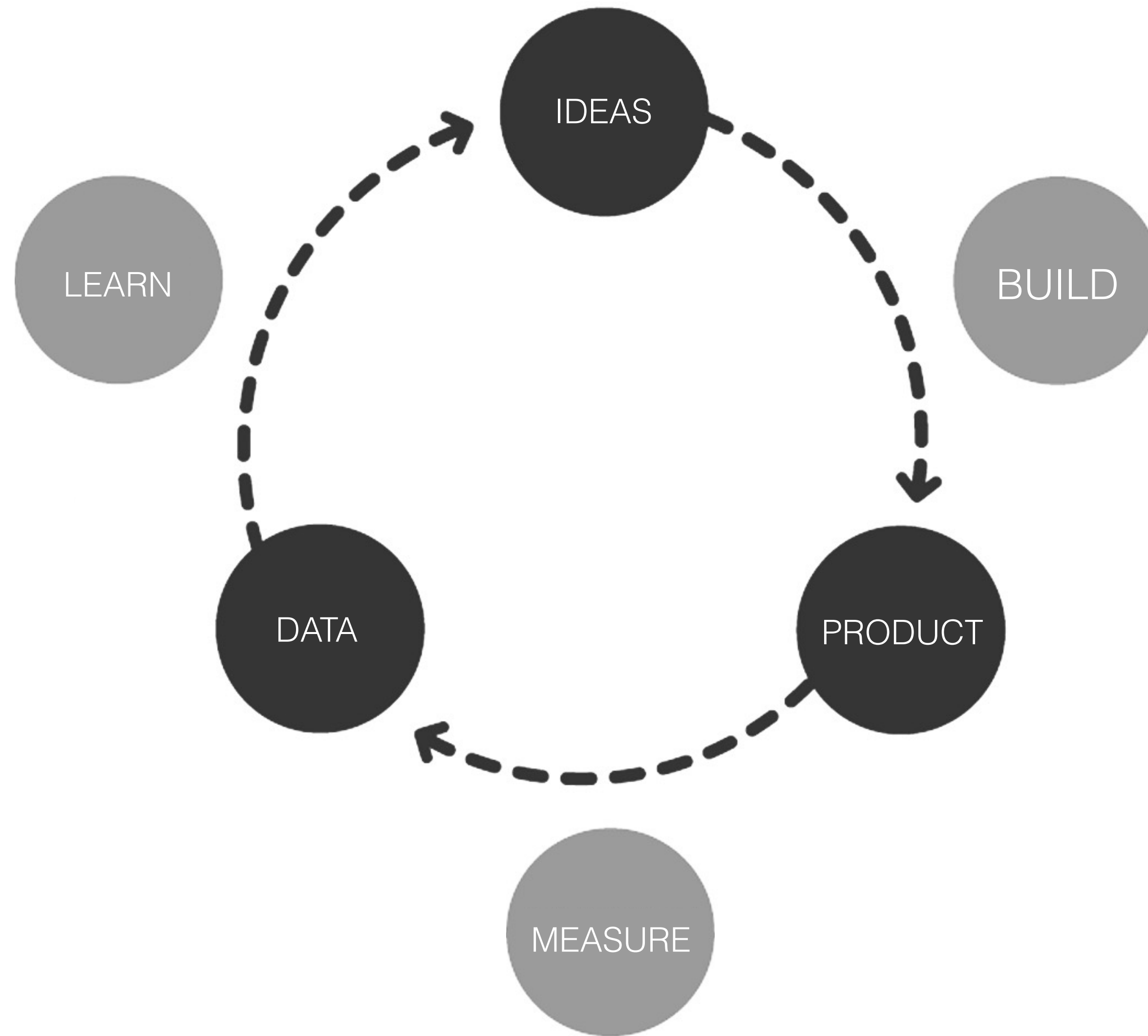


Innovation Accounting

The Lean Startup



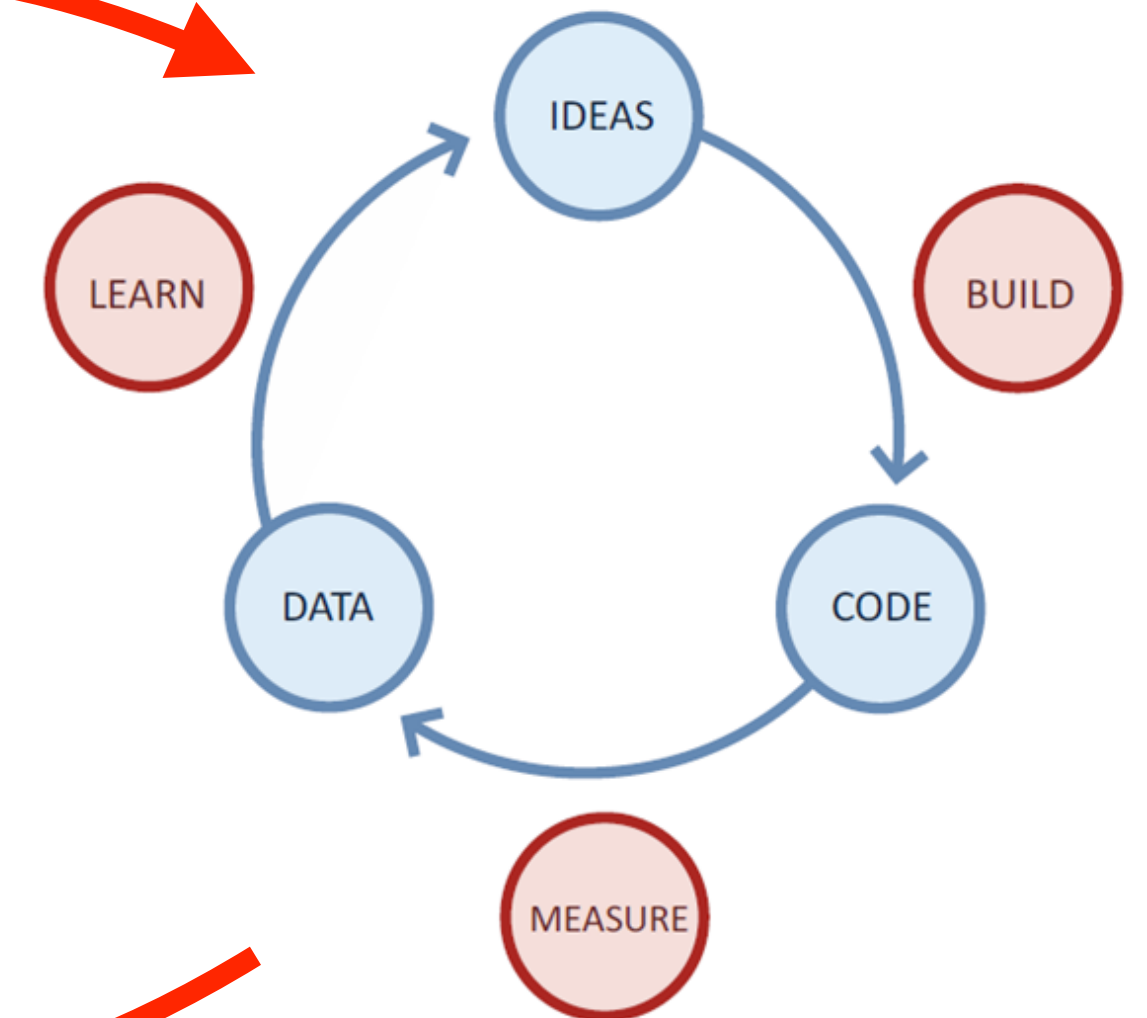
Build Measure Learn



The Lean Startup

PROBLEM <small>List your top 3-5 problems.</small>	SOLUTION <small>Outline a possible solution for each problem.</small>	UNIQUE VALUE PROPOSITION <small>Single value compelling message that states why you are different and worth paying attention.</small>	UNFAIR ADVANTAGE <small>Something that cannot easily be bought or copied.</small>	CUSTOMER SEGMENTS <small>List your target customers and users.</small>
EXISTING ALTERNATIVES <small>List how these problems are solved today.</small>	KEY METRICS <small>List the key numbers that tell you how your business is doing.</small>	HIGH-LEVEL CONCEPT <small>List your X for Y analogy (e.g. "Facebook = X for Y" for the website).</small>	CHANNELS <small>List your path to customers (inbound or outbound).</small>	EARLY ADOPTERS <small>List the characteristics of your ideal customers.</small>
COST STRUCTURE <small>List your fixed and variable costs.</small>		REVENUE STREAMS <small>List your sources of revenue.</small>		

PROBLEM <small>List your top 3-5 problems.</small>	SOLUTION <small>Outline a possible solution for each problem.</small>	UNIQUE VALUE PROPOSITION <small>Single value compelling message that states why you are different and worth paying attention.</small>	UNFAIR ADVANTAGE <small>Something that cannot easily be bought or copied.</small>	CUSTOMER SEGMENTS <small>List your target customers and users.</small>
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Document your Plan

Identify the riskiest parts of your plan

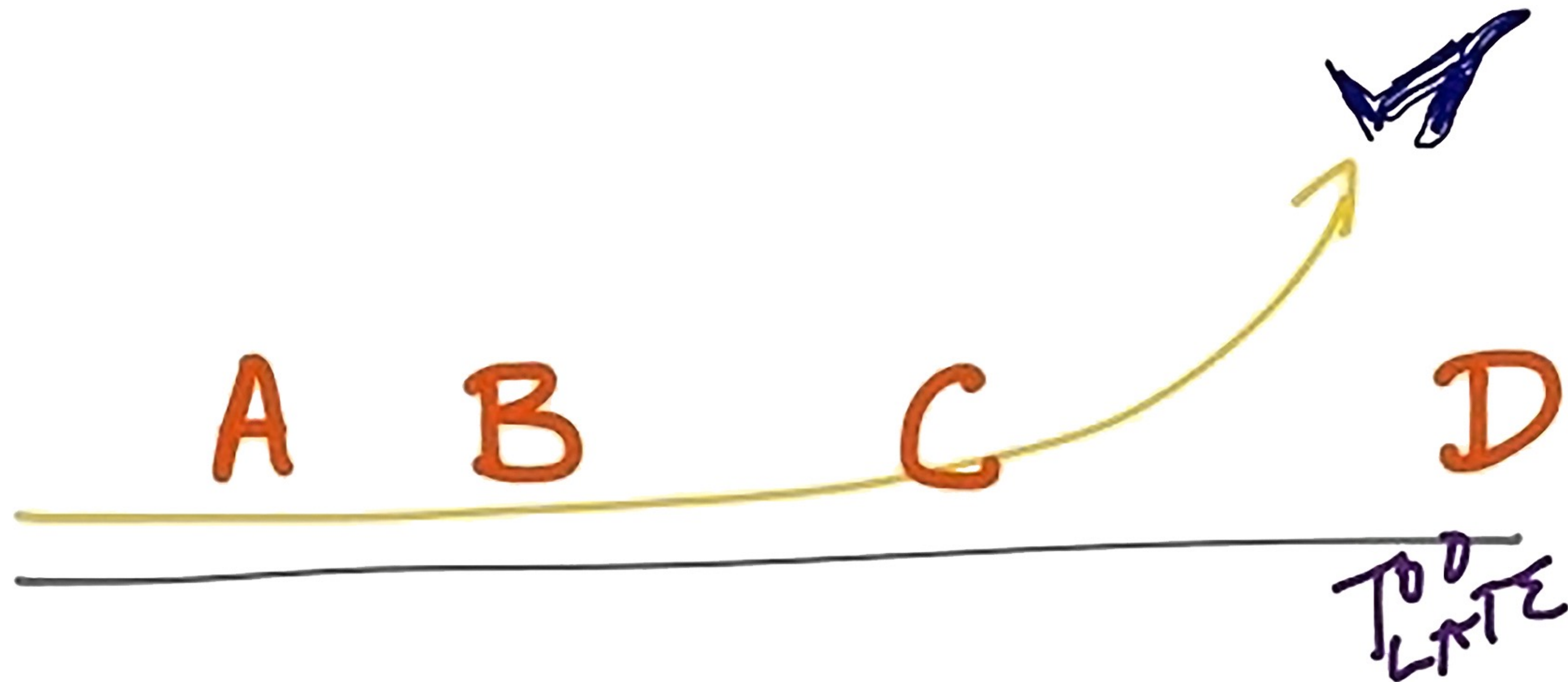
Systematically test your plan

Herausforderungen:

Lean	Traditional
Strategy Business Model Hypothesis-driven	Business Plan Implementation-driven
New-Product Process Customer Development Get out of the office and test hypotheses	Product Management Prepare offering for market following a linear, step-by-step plan
Engineering Agile Development Build the product iteratively and incrementally	Agile or Waterfall Development Build the product iteratively, or fully specify the product before building it
Organization Customer and Agile Development Teams Hire for learning, nimbleness, and speed	Departments by Function Hire for experience and ability to execute
Financial Reporting Metrics That Matter Customer acquisition cost, lifetime customer value, churn, virality	Accounting Income statement, balance sheet, cash flow statement
Failure Expected Fix by iterating on ideas and pivoting away from ones that don't work	Exception Fix by firing executives
Speed Rapid Operates on good-enough data	Measured Operates on complete data



$$\frac{\text{money in bank}}{\text{monthly burn}} = \text{how long until we are dead}$$



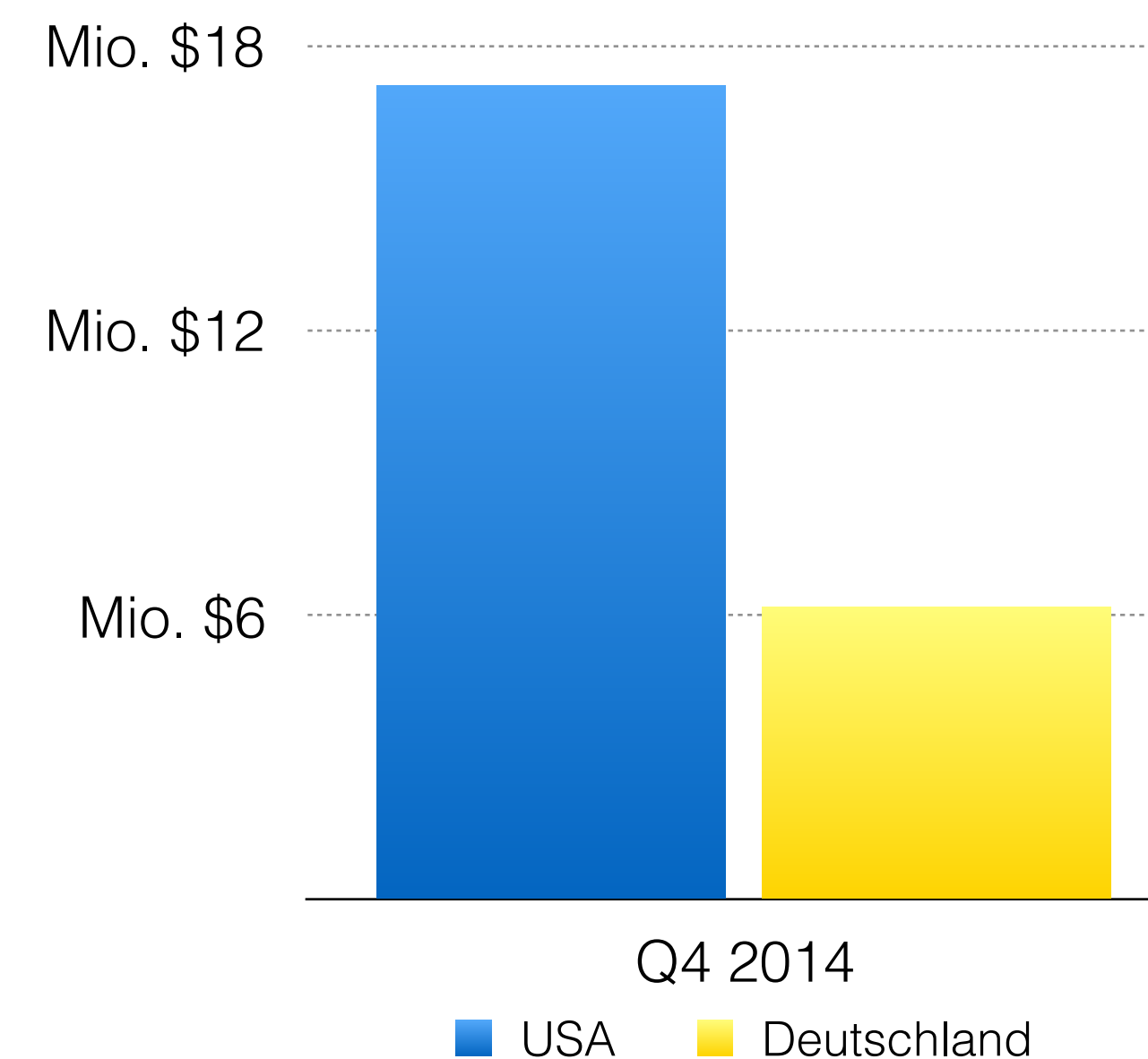
Venture Capital Investitionen nach Regionen (Hotbeds) 2009-2014

Quelle: Dow Jones VentureSource

Hotbed	2009	2010	2011	2012	2013	2014
Bay Area	\$8.790,55	\$11.277,45	\$14.154,21	\$12.837,45	\$13.917,21	\$24.763,10
Peking	\$916,32	\$2.983,24	\$2.850,90	\$1.598,93	\$2.291,81	\$7.712,95
New York Metro	\$1.816,98	\$2.393,42	\$3.346,94	\$2.731,84	\$3.636,97	\$5.332,79
New England	\$3.274,45	\$2.707,91	\$3.868,73	\$4.060,63	\$3.820,32	\$4.787,70
Südkalifornien	\$2.280,23	\$2.753,33	\$4.019,07	\$4.024,04	\$3.256,36	\$4.082,34
Deutschland	\$1.033,60	\$923,06	\$822,71	\$1.168,42	\$2.038,40	\$2.857,63
Großbritannien	\$1.480,06	\$2.620,51	\$2.004,70	\$1.913,61	\$2.427,61	\$2.707,45
Bangalore	\$112,55	\$108,10	\$316,68	\$384,40	\$597,50	\$2.248,08
Shanghai	\$413,53	\$789,48	\$1.183,92	\$596,71	\$789,46	\$2.082,62
Israel	\$879,63	\$1.925,48	\$1.989,68	\$1.206,61	\$1.752,52	\$1.930,17
Kanada	\$556,89	\$1.026,22	\$1.207,85	\$912,66	\$1.120,24	\$1.357,68
Frankreich	\$956,77	\$1.204,48	\$1.281,87	\$1.018,92	\$1.164,47	\$1.249,77
Illinois	\$408,34	\$981,16	\$755,93	\$725,17	\$496,81	\$862,30
Potomac	\$658,08	\$1.003,92	\$1.637,38	\$702,64	\$1.171,68	\$821,91
Schweiz	\$384,94	\$300,90	\$384,32	\$298,40	\$413,19	\$546,58

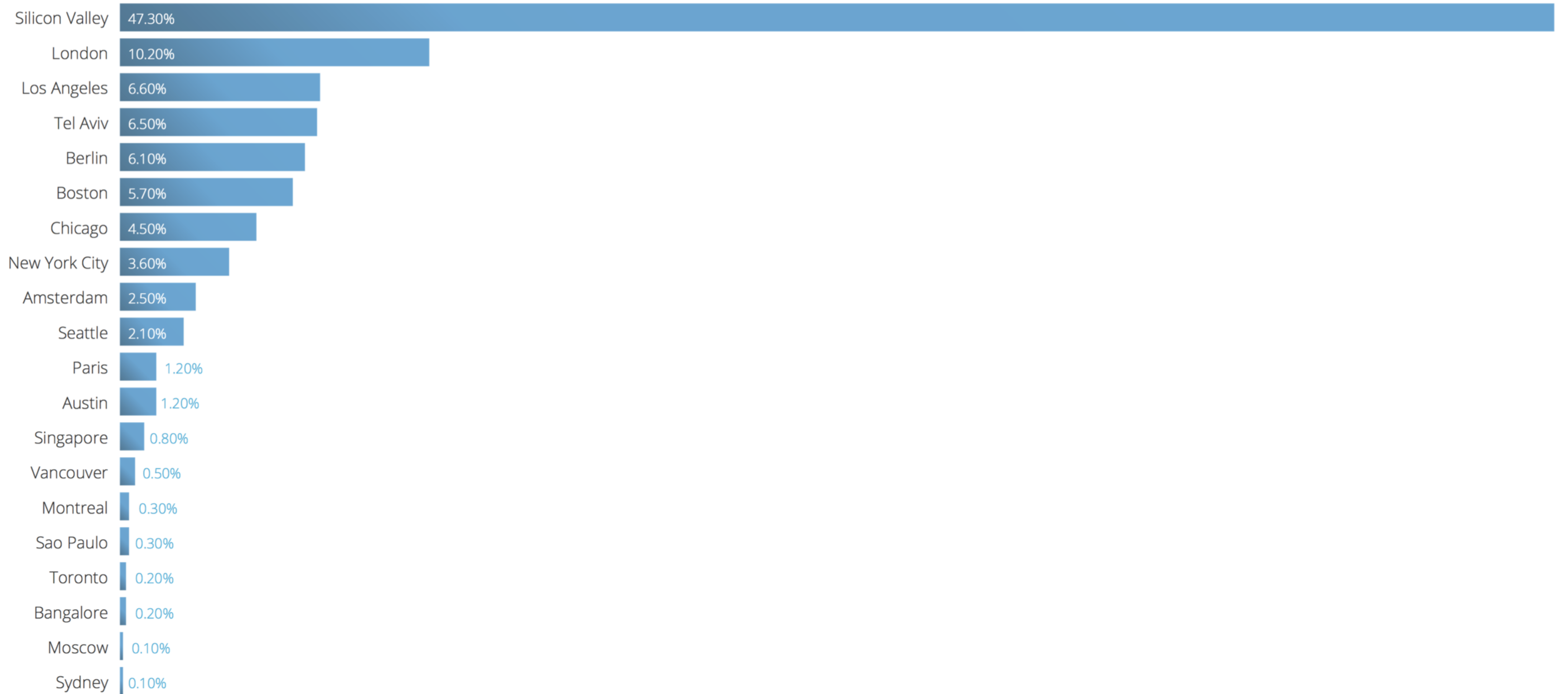
x 14,23

Investition pro Deal



Investierter Betrag in Millionen US-Dollar

Total Exit Volume 2013 & 2014 in USD





Zwischenfazit:

← OLD WAY

NEW WAY →

A Catalog of Pivots

1. ZOOM-IN
2. ZOOM-OUT
3. CUSTOMER SEGMENT
4. CUSTOMER NEED
5. PLATFORM
6. BUSINESS ARCHITECTURE
7. VALUE CAPTURE
8. ENGINE OF GROWTH
9. CHANNEL
10. TECHNOLOGY

PayPal™

Though the platform has always focused on payments, it has undergone many changes.



First designed as PDA security software, known as **Confinity**.

It later changed to become an electronic “wallet” and partnered with financial services to become the preferred payment method for eBay.com, and has gone on to succeed.



Today, the company has more than **148 million** active accounts.



2.6 million “top customers” use PayPal to make an average of 98 purchases per year, totalling **\$4,214**, each.

Did you Know?

PayPal accidentally credited a man’s account with **\$92 quadrillion!**



GROUPON®

Originally conceived as a social good fundraising site, "The Point", Groupon became a side project that eventually eclipsed the original idea.



When enough people agree to buy something - they unlock a discount.

Since their current concept turned out to be a better idea, the founders ran with it.



Today:

Groupon has featured more than **650,000** merchants.



Groupon is available in **48 countries** worldwide. More than **200 million** subscribers worldwide.

Groupon employs more than **12,000 people**.

Did you Know?

Groupon has posted a net loss every year since its founding, and still continues to operate successfully.



twitter

Perhaps the most legendary pivot in the history of social media, Twitter was once Odeo - a service that allowed people to find and subscribe to podcasts.



Founders feared the rise of iTunes® in the podcasting niche would lead to Odeo's demise, so they changed directions to the micro-blogging status updating platform you see today.

Today:



Twitter has over
1 billion
registered users.



Users spend an
average of
170 minutes
per month on the website.



Stock traded at **\$49.43**
at the close of market on
August 28, 2014, up
from the **\$26/share** set
at the initial public
offering (IPO) in 2013.



Instagram

Now one of the most popular photo sharing apps, the Facebook acquisition was once known as Burbn - a combination gaming and photo app.

Worried that the app was too cluttered and would never take off, the creators removed the gaming features.

In 2012, Facebook acquired Instagram for **\$1 billion.**



\$300 million cash
Remainder in Facebook stock
At the time, stock traded for \$18.36/share making the deal worth ~\$736 million.

Today: •



200 million
monthly active
users.



60 million
(average) photos
uploaded per day.



1.6 billion
photo "likes" per
day.

Did you Know? **#love** is the most popular hashtag on Instagram, to date.



Nintendo's history dates back to 1889.
Products and services included:



Playing cards



Vacuum cleaners



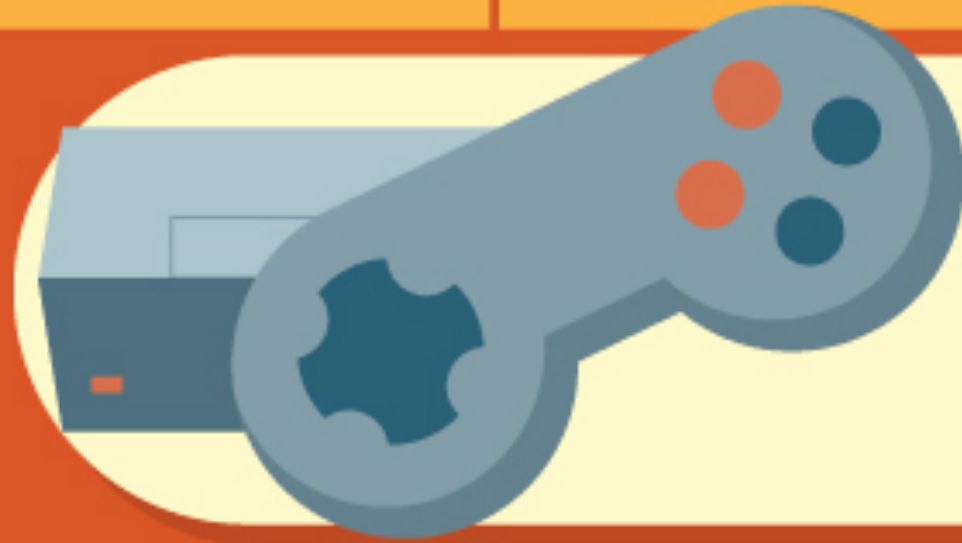
Taxi company



Chain of "short stay" love hotels



Instant rice



Nintendo didn't get started in the video game market until 1966.

Today the company has sold an impressive number of consoles:



Wii U
6,170,000



Wii
101,570,000



DS
158,000,000

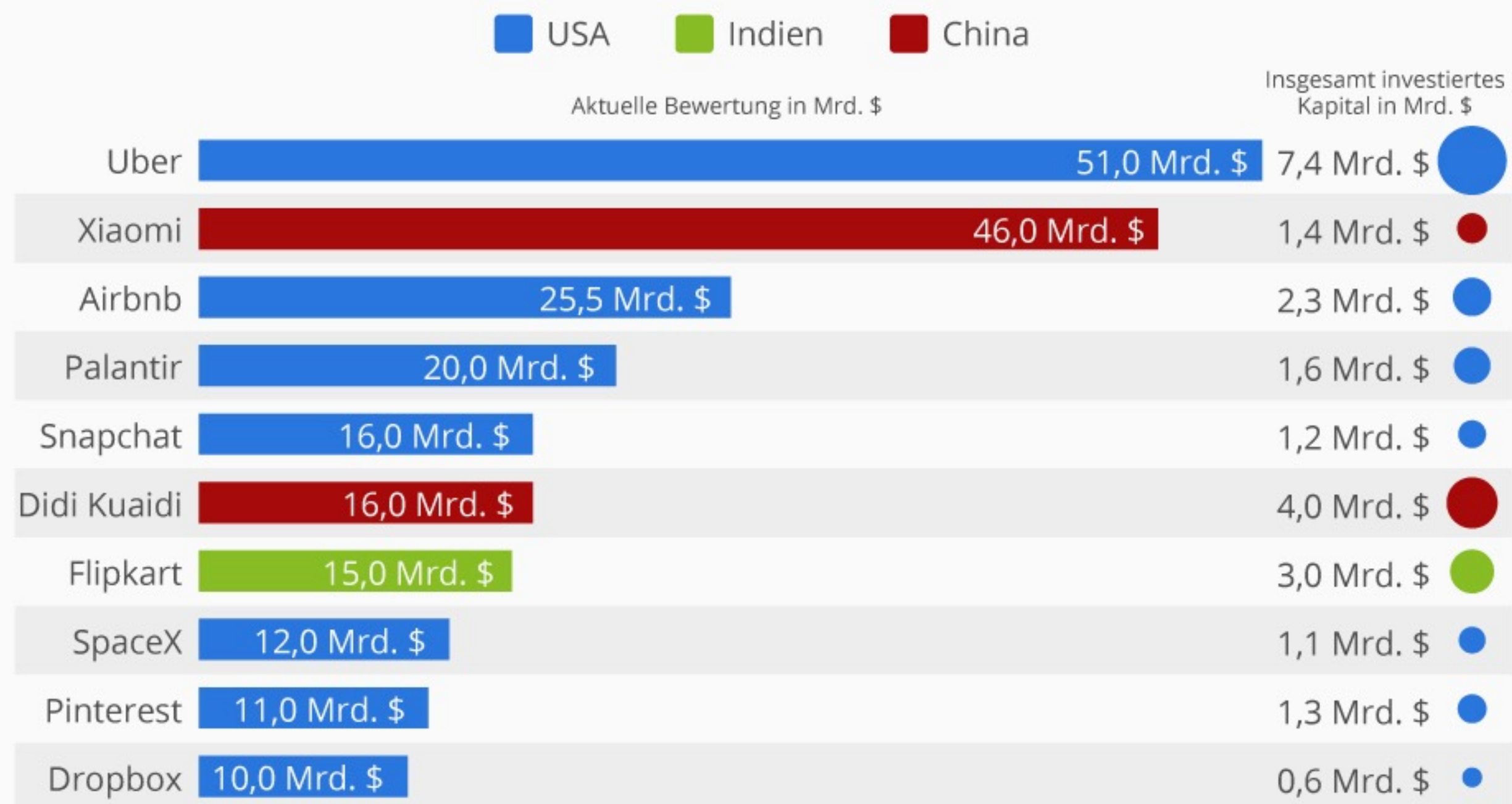
DS/3DS/DS XL
11,500,000+



Germany ist nicht dabei, but why?

Die wertvollsten Startups der Welt

Unternehmen, die von Venture-Kapital-Firmen mit 1 Mrd. \$ oder mehr bewertet wurden



Stand: Oktober 2015, Nicht börsennotierte Unternehmen,
in die in den letzten 4 Jahren Fremdkapital investiert wurde

Quelle: The Wall Street Journal/Dow Jones VentureSource

statista

GERMAN Angst

“Deutsche sind
Sicherheitsfanatiker. Sozialstaat,
Versicherungen, Festanstellung:
Risiken vermeiden wo es nur geht”

Vanessa Köneke, Wirtschaftswoche 2015

“50% der befragten
Deutschen geben an, aus
Angst vor dem Scheitern die
Gründung zu unterlassen.”

Global Entrepreneurship Monitor 2015

“79% der befragten
Deutschen sagten, die Angst
vorm Scheitern und vor finanziellen
Schäden sei ein Hindernis.”

Alway Global Entrepreneurship Report 2013

“für fast die Hälfte der Unternehmen spielt die Digitalisierung der Geschäftsprozesse derzeit sogar noch überhaupt keine oder nur eine geringe Rolle.”

GfK Enigma, DZ Bank 2014

“43 Prozent der deutschen Unternehmen treffen Entscheidungen zu langsam [...] 88 Prozent gibt an, dass strategische Entscheidungen nicht so schnell fallen, wie es die geschäftliche Entwicklung erfordern würde.”

Vanson Bourne, NetApp 2012

“Angesichts der rasanten Entwicklungen disruptiver Technologien, neuer Märkte und Wettbewerber ist fraglich, ob die Anpassungsgeschwindigkeit der wirtschaftlichen Akteure in Industrie und Medien den Erfordernissen der Digitalisierung entspricht”

Zukunftsstudie Münchner Kreis Band IV 2015

“warum unser Programm 6 Monate dauert: wir wollen nicht, dass die Startups nach 3 Monaten ohne Finanzierung da stehen, aber erwartungsgemäß dauern Finanzierungsrunden in Deutschland immer etwas länger.”

Nico Lumma, NMA 2015

“In Deutschland wird viel geklont. [...] Investoren finanzieren gerne in Konzepte, die woanders schon funktionieren.

Das ist ein Problem.”

Alexander Hüsing, netzpiloten.de 2011

“Innovativer sind deutsche Startups wahrscheinlich nicht. Das ist ja der große Vorwurf an die deutsche Gründerszene.”

Alexander Hüsing, netzpiloten.de 2011

“Medien Startups im VC Bereich funktionieren in Deutschland nicht”

Jenni Schwanenberg, NMA 2015

“jetzt funktioniert das Pingpong-Spiel, dass sie einen Klon aufmachen und ihn dann wieder zurückverkaufen an das Original in die USA - nicht mehr.”

Johannes Reck, Manager Magazin 2013

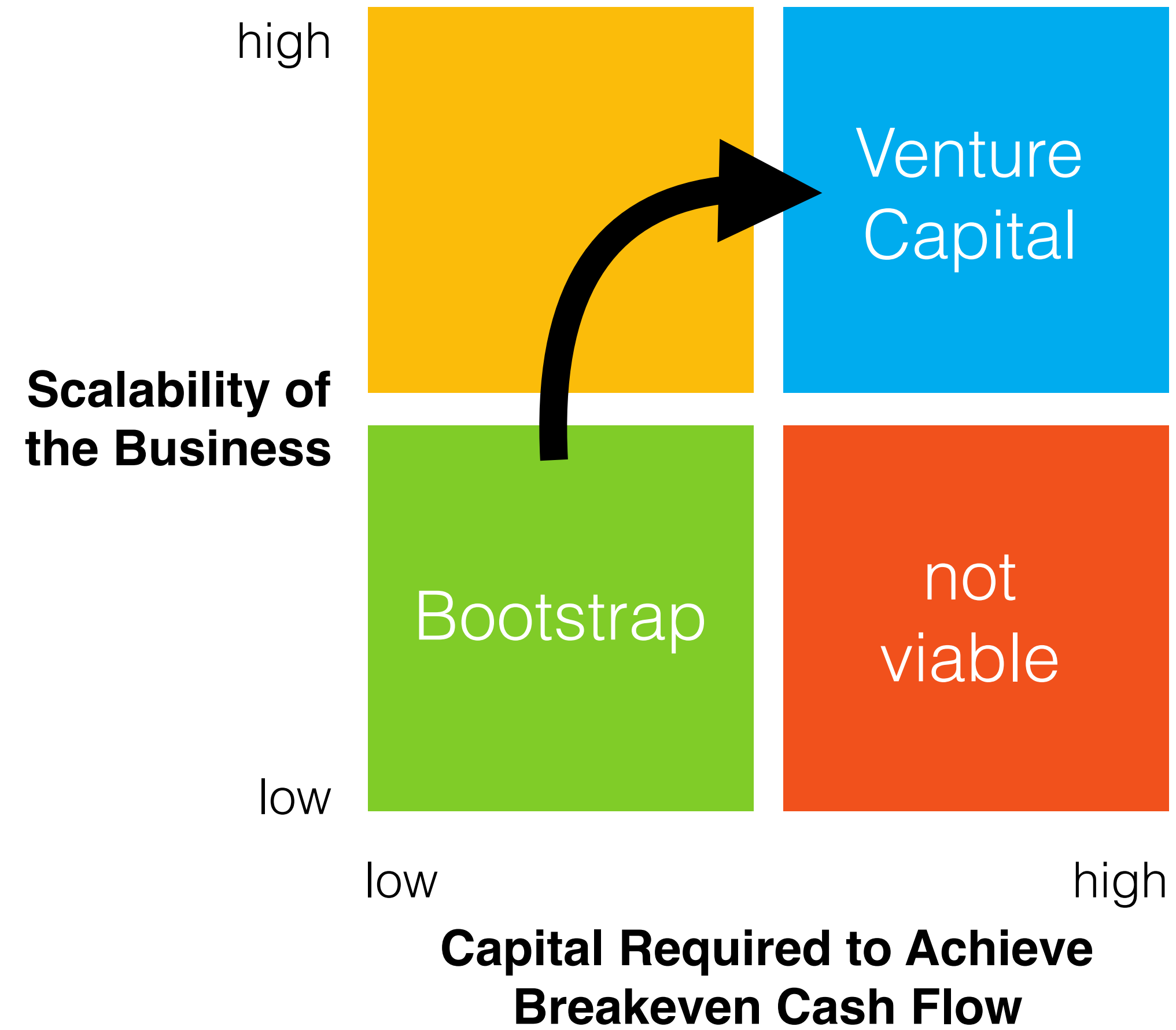


Zwischenfazit:

und nun?



und nun?



HOW TO BOOTSTRAP

1. Don't give up your job just yet
2. Bring in cash quickly
3. Control your burn
4. Get to revenue-based financing
5. (Act like you will never get funding again)



Vielen
Dank!

Fragen? Diskussion!

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