Business as Usual?

- Frans M. Donders
- Eelco Bakker
- CoE Value en Inc. Cube
Incubator Cube050
Extracurricular

- Startup Academy (entrepreneurs)
- Entrepreneurship College (professionals)
- Teach the Teacher Entrepreneurship Program
- Honours minors Da Vinci and The Northerners
- Community and Monitoring System Monitor050
- Incubator Cube050
- Hanze Design Factory

Intracurricular

- Groningen Entrepreneurship Development Model
- Hanze Top Entrepreneurship Scheme
- Student Companies
- Minors and Specializations
- Entrepreneurship Graduation Program
- NVAO Special Quality Entrepreneurship
- HG/VNO-NCW Quality Label Entrepreneurship

Generic

- All programs have a vision on and methods for entrepreneurship development
- 10-15% teachers qualified for entrepreneurship
- All students monitored on entrepreneurship

Yearly

- 250+ students in minors entrepreneurship
- 350+ students initiate a startup
- 15-25 startups in Healthy Ageing and Energy

Impact

- Hanze startups employ 5000+ people
- Hanze top university in NL in (inter)national rankings on entrepreneurship education
- Groningen has innovation and startup ecosystem in top 3 of the Netherlands
New business models

Challengers that change the world

How did they start?

How can you use these techniques?
WHAT IS a business model?

“A business model describes the rationale of how an organization creates, delivers, and captures value.”
Value of a business model?
How much did the **cost** of coffee consumption at home change in the last decade?

A commodity

20% more?
30% less?
500% to 700% more!
After more than 20 years still 1 of the fastest growing Nestlé Group products!

Since 2000, still an annual 30% growth!
It’s strengths?

Technique at its base

Device + alu cup

= good coffee!

Is that all?
Assignment:

2 minutes
2 persons

Describe, what according to you is crucial in the business model. What makes them this successful?
When Nespresso started in 1987, they almost failed because of a non functioning business model.

Same product
Same technology
Wrong business model!
Brian Chesky
@bchesky

Marriott wants to add 30,000 rooms this year. We will add that in the next 2 weeks.

11:11 PM - 10 Jan 2014
HOW AIRBNB STARTED
Or How 3 Guys Went From Renting Air Mattresses To A 10 Billion Dollar Company

2007
- Two guys in San Francisco can't pay rent
- They think to rent out 3 air mattresses on floor to people and serve breakfast
- They make a simple website (a blog with maps) airbedandbreakfast.com
- 2 men, 1 woman showed up, paying $80 each
- After guests left they thought this could be a big idea

2008
- They invited former roommate as a co-founder to build the site
- Launched at SXSW - got two bookings
- They started to grow
- Made $400 a week
- Rejected by a famous VC in New York (Fred Wilson)
- Barry Manilow's drummer rents entire house

2009
- Went door-to-door in NYC and took photos of listed houses
- Realized photos of places were not pretty
- Were making $200 a week for months, not growing

2010-2011
- Got $20,000 in first funding from Paul Graham's Y Combinator
- Sold "Obama O's" cereal before the election, for $40 each making first money
- Raised $600,000 seed round from Sequoia

2014
- Raised $7.2 million, then $112 million from many investors and Ashton Kutcher
- Made $10 billion valuation

Based on reports in Telegraph, WSJ, and The Atlantic
HOW UBER STARTED

2008
2 friends at LeWeb conference in Paris discussing the future of tech

January 2010
New York Test Run
Using only 3 Uber Cars

March 2009
One Thing's For Sure
It has to be an iPhone App that includes drivers on demand

May 31st 2010
Official Launch in San Francisco

Prototyping
Testing
Start small
Scale fast

$17 Billion
Valuation

Funding Series

6 MONTHS

Series A
$1.5 Million

2nd Round
$32 Million

Final Round
$1.2 Billion

2008
Why is it so damn hard to get a cab?

Limo Timeshare service? Nahh

What are Geeks for?
Got the brains, got the skills...

Prototyping
Testing

More on www.gulfelitemag.com
Sharing economy is here to stay,
Economic crisis was an accelerator
What drives their business model?
Business Model Canvas

**Key Partners**
- Hosts (People who rent their space)
- Guests (People who book spaces)
- Photographers (Freelance)
- Investors
- Payment Processors

**Key Resources**
- Local Hosts
- Skilled Employees
- Technology

**Value Propositions**
- Hosts:
  - Hosts can earn money by renting their space.
  - Airbnb offers insurance to house owners.
  - Free photo shoots for property listings through photographers.
- Guests:
  - Guests can book a homestay instead of hotels.
  - Prices are often less as compared to hotels.

**Customer Relationships**
- Customer Service
- Social Media
- Promotional Offers
- Home Insurance

**Customer Segments**
- Hosts:
  - People who own a house and want to earn extra money.
  - People who want to meet new people.
- Guests:
  - People who love to travel.
  - People who want to stay comfortably at a cheap price.

**Channels**
- Website
- Mobile App for Android
- Mobile App for iOS

**Cost Structure**
- Technological Set up & running costs
- Salaries to permanent employees
- Payments to freelance photographers

**Revenue Streams**
- Commission from Hosts upon every booking
- Commission from Guests upon every booking
Uber
The world’s largest taxi company, owns no vehicles.

Facebook
The world’s most popular media owner, creates no content.
The most valuable retailer, has no inventory.

Alibaba
The world’s largest accommodation provider, owns no real estate.

Airbnb

Something interesting is happening.
TOM GOODWIN
It keeps on going...

Uber for...deliveries (MyLorry)
Uber for...boats (Barqo)
Uber for...dog walking (Wag!)
Uber for...private jets (JetMe)
Uber for...snow plowers (Plowz)
AirBnB for...camper vans (Camptoo)
AirBnB for...parking spots (Mobypark)
AirBnB for...music studios (Studiotime)
AirBnB for...storage (Roost)
AirBnB for...3D printing (3D Hubs)
AirBnB for...studybooks (Studieboekendelen)

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How to start?

“The way these start-ups develop, grow, execute...”
Time for a challenge.
30 Spaghetti  1 mtr. Rope  1 mtr. Tape  1 Marshmallow

→ TALLEST 'FREESTANDING' TOWER

18 min

* * * Marshmallow on top
* * * No taping it to table
* * * No taping the marshmallow
* * * You can use as much or as little of the material provided
* * * You can cut rope & tape in pieces
Business model versus Business plan
‘More startups fail from a lack of customers than from a failure of product development.’

~ Steve Blank
Dropbox

Video MVP

Focused target group

Validate!
Zappos Concierge MVP (1999)

Manual testing

‘Fake it till you make it’
Groupon

Group buying

Wordpress, pdf, test!

2 pizzas for 1
Paper testing

App: POP - Prototyping on Paper
To conclude

Act lean, learn fast

Stop selling, start listening

Build prototypes, testcases

And....
GET OUT!
OF THE BUILDING