

**LEAN ENTREPRENEURSHIP PROJECT**  
*HOW TO INCREASE THE ODDS OF SUCCESS*

Academic Year: **2016/2017**

Semester: **2nd**

Instructor(s): **António Lucena de Faria e José Vasconcelos-Sousa**

Course Description:

This course will present a new approach to starting a business that can significantly increase the chances of success. The main concept is simple but very powerful: before starting a business we have to develop its customers.

During this course students will learn about the concepts of Lean Startup divulged by Eric Ries, Business Model Design created by Alex Osterwalder and Yves Pigneur and Customer Development and Evidence-Based Entrepreneurship proposed by Steve Blank.

This course starts with a session about ideation and design thinking. Students will have to select a customer segment, find an important problem or unmet need and discover an innovative solution.

After finding an idea students will create teams and start designing the Business Model for the idea that the group selected. Each team of students will then embark on a journey of defining and testing the riskiest hypothesis that support the Business Model, executing a set of experiences and making the necessary adjustments to the Business Model.

The course will end with a presentation by each team to representatives of the Portuguese entrepreneurial ecosystem.

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Course Content:

This course is structured around six different phases:

- 1) The Ideation Phase, focused on discussing how to find and evaluate business Ideas;
- 2) The Design Phase, during which we will create the Business Model related to each team's idea;



- 3) The Validation Phase, composed of different steps dedicated to validating the components of the Business Model and adjusting in accordance with the results of the experiments;
- 4) The Financing Phase, during which we will put together a 1-Page Business Plan and discuss how to finance the project;
- 5) The Go-to-Market Phase, dedicated to defining the best marketing and sales tactics that will make the business grow;
- 6) The Launching Phase, consisting of planning the next steps related to the creation of the business and defining the go-to-market strategy.

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Course Objectives:

**The main learning objectives are:**

- Improving the ability to spot and evaluate opportunities for a new business venture;
- Thinking in a creative and critical way and solving problems in highly unstructured circumstances;
- Acquiring the concepts and attitude necessary for business entrepreneurship;
- Examining a business model as a whole, rather than concentrating separately on its functional aspects;
- Learning the importance of validating the idea and the team before creating a business;
- Communicating effectively through presentations and in writing;
- Experiencing the benefits of effective teamwork and of peer-group review and feed-back throughout the planning phases of a new business venture.

Course Outline:

	<b>Topics</b>	<b>Readings</b>	<b>Work Due</b>
1	Course Overview and Business Ideas		
2	Business Model Canvas	BM: Pages 1 to 72 Class Presentation Internet Links and documents on Google Drive	Venture teams formed by this date Group presentation: Business idea
3	Customer Development and Lean Startup	Class Presentation Internet Links and documents on Google Drive	Team Business Model 1.0 Presentation
4	P-S-M and Competitors Analysis	Class Presentation Internet Links and documents on Google Drive	Business Model Hypothesis
5	Customer Segments	BM: Pages 126 to 133 Class Presentation Internet Links and documents on Google Drive	Competitors Positioning Map
6	Value Proposition	Class Presentation Internet Links and documents on Google Drive	Personas, Empathy Maps and Interview Scripts
7	Channels and Relationships	Class Presentation Internet Links and documents on Google Drive	Value Curves Presentation
8	Revenue Sources	Class Presentation Internet Links and documents on Google Drive	Marketing and Sales Plan
9	Activities, Resources and Partners	Class Presentation Internet Links and documents on Google Drive	Pricing Model and Business Model 2.0 Presentation
10	Cost Structure	Class Presentation Internet Links and documents on Google Drive	Value Chain, Org Chart and Position Contracts
11	Financing, Business Plan and Pitching	Class Presentation Internet Links and documents on Google Drive	P&L Estimate
12	Final presentation and Investment Pitch Rehearsal*		Business Plan and Pitch Deck



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Grading:

Grades will be assessed in conformity with the hypothesis validation work done by each team, the individual and group graded exercises, the 1-Page Business Plan, the final presentation to representatives of the entrepreneurial ecosystem, as well as with the quality of individual class participation. There will be no final exam.

**Group (60%)**

Team's Business Model and Hypothesis Forms: 10% (grade attributed after class nº 5)

Team's Interview Forms and Prototyping: 10% (grade attributed after class nº 7)

10-Page-Business Plan: 20% (grade attributed by the end of term)

Investment Pitch Presentation: 20% (grade attributed after the final presentation)

**Individual (40%)**

Individual graded exercises: 15% (grade attributed by the end of term)

Individual class participation and in class performance: 15% (grade attributed by the end of term)

Individual contribution to the team's work (peer evaluation): 10% (grade attributed by the end of the term)

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Bibliography:

**Main Textbooks:**

Alex Osterwalder and Yves Pigneur, "Business Model Generation", Pub Wiley & Sons, 2010.

Eric Ries, "The Lean Startup".

Cindy Alvarez, "Lean Customer Development".

"Bootstrapping: Weapon Of Mass Reconstruction", Sramana Mitra

Other readings and materials will be distributed along the course.

The Internet links mentioned in the class presentations and Steve Blank's blog ([www.steveblank.com](http://www.steveblank.com)) are important additional resources.

Biography:

**Antonio Lucena de Faria** created his first business when he was 15 years old. His only job started in 1985 and lasted less than two years during which he was a Consultant for Arthur Andersen & Co. in the Minneapolis, USA office. In 1987 he founded Methodus Sistemas S.A., a Consulting and Software Development company specialized in Financial Services, and has been the President of the Board since then. In 1999 he started PortalFinanceiro.com S.A. and MTDS, SGPS. S.A. and was the President of both companies. In 2000 he was one of the founders and the CEO of forumB2B.com, a partnership between Methodus, EDP and GALP. In 2002 António was one of the three founders of Selplus S.A. In 2008 he created FundManager Lda., a software company specialized in Real Estate Fund Management. In 2010 he was the founder of ActionFlow.com and was the first Portuguese invited to pitch a project at DEMO in Silicon Valley, California. In 2012 he was the founder of Fábrica de Startups and is currently the President and CEO of this startup accelerator. António is also the organizer of the Energia de Portugal project, a partnership between Expresso, EDP and Fábrica de Startups. António is also member and coordinator of the Conselho Nacional de Empreendedorismo e Inovação (CNEI). He also served as Chairman of the Young President's Organization Portuguese Chapter.

Antonio has a degree in Economics from Universidade Católica Portuguesa and a MBA from the Carlson School of Management, University of Minnesota, USA. During his twenty five years of professional experience, António participated in several management courses including at HEC, Jouy an Jousas, France, London Business School, London, UK, Babson College, Boston, USA and Harvard Business School, Boston, USA.

António was a co-author of the book "A Alma do Negócio" and currently is finishing the book "Starting". He also collaborated in the creation of the book "Business Model Generation", by Alex Osterwalder and Yves Pigneur.

**José Vasconcelos-Sousa:** Entrepreneur. Founder of several startups. MSc M from Sloan School of Management at Massachusetts Institute of Technology. Completed 3rd cycle studies (doctorate) at the Marketing and Management Department of Universidad de Seville. Certification in mediation and conflict resolution by Harvard Law School, Program of Instruction for Lawyers and Program on Negotiation (PON.)

More than twenty years of experience as manager, consultant and trainer. As manager he founded several companies and brought these startups to become viable businesses (Examples: YDreams; Secretplaces.com; L&V Consultancy.) As consultant helped clients in multinational companies run their international subsidiaries, develop markets, and support their web.2 and growth hacker marketing efforts. As trainer moved underperforming teams to high performance, helped resolve and conquer the arts of conflict management and negotiation. Member of the Advisory Board at Fabrica de Startups (startup incubator and accelerator), Lisbon, Portugal. Member of APBA Portuguese association of business angels. President of the ONG MEDIARCOM European association for conflict resolution through mediation. Mentor of startup teams at the Energia de Portugal program (2012, 2013, 2014, 2015 editions); Mentor of startup teams at Summer of Startups (U Católica July-August

2012); Mentor of startup teams at Discoveries (program for startups for tourism) 2015. Member of the Board, American Club of Lisbon, 2001 – 2013) Member of the Board, MIT Alumni Association of Portugal, since 1999. Member of the Board, Associação Fulbright de Portugal, 2002 - 2004. Presidente, THE CLUB, Alumni of US universities in Portugal, 1993 – 1997. Founding member do CGOV Portuguese Institute for corporate governance.

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*Contact(s) and Office hours:*

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The instructors will be available to meet with students every week right after the class or when previously agreed between the instructors and the student(s) by email.

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