

Lean Startup Business Model Generation Tricks and Trap

**More startups
fail from a lack of customers
than from a failure of product
development...**

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Robb Kunz

Co-founder/CEO @BoomStartup; Active Angel
Invested in 65+ Startups. @500 Startups
Mentor. Founder @Ventureblue Capital. Runs a
\$3M Angel Fund.

\$260K / 27 BACKERS

2,094 FOLLOWERS / 813 FOLLOWING

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Entrepreneur:

Started 4 Companies, Sold 2, and 2 still in Operation (BoomStartup, KnowledgeBlue)

Angel Investor:

More than 100+ investments of which 65+ have been in Startups. Runs \$3M Angel Fund

Mentor:

Provided Hands-on mentorship to more than 300 Companies over the past 10 Years

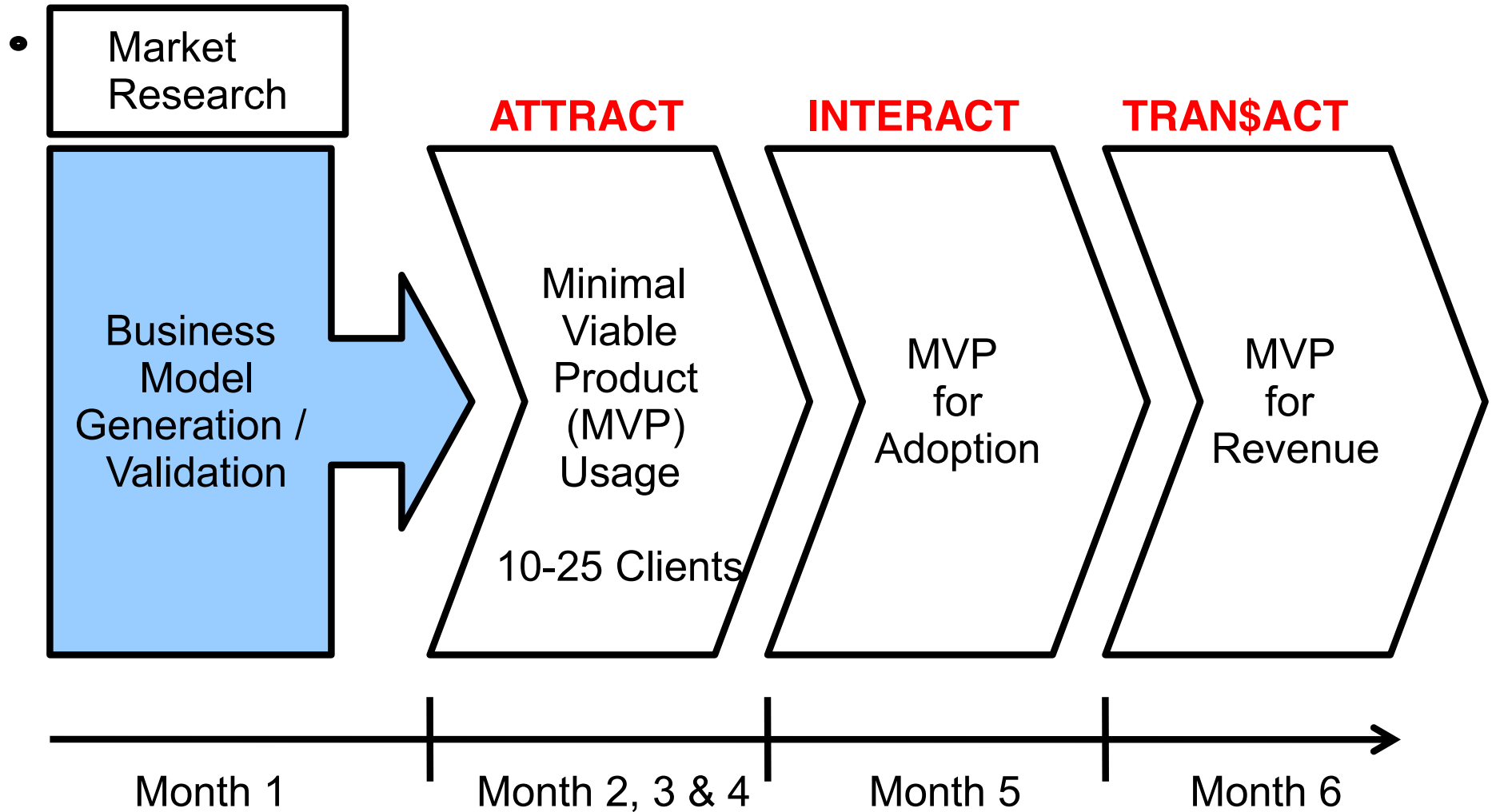
Lean Startup Context

- Lean, in sense of low-burn..."killing waste"
- Startup, a set of processes and tools used by entrepreneurs to develop products and markets
- Validated Learning Through Customer Experiences and Engagement that is validated by revenue generation



- Problem
+ Solution
Value Proposition

Canvas in Larger Context



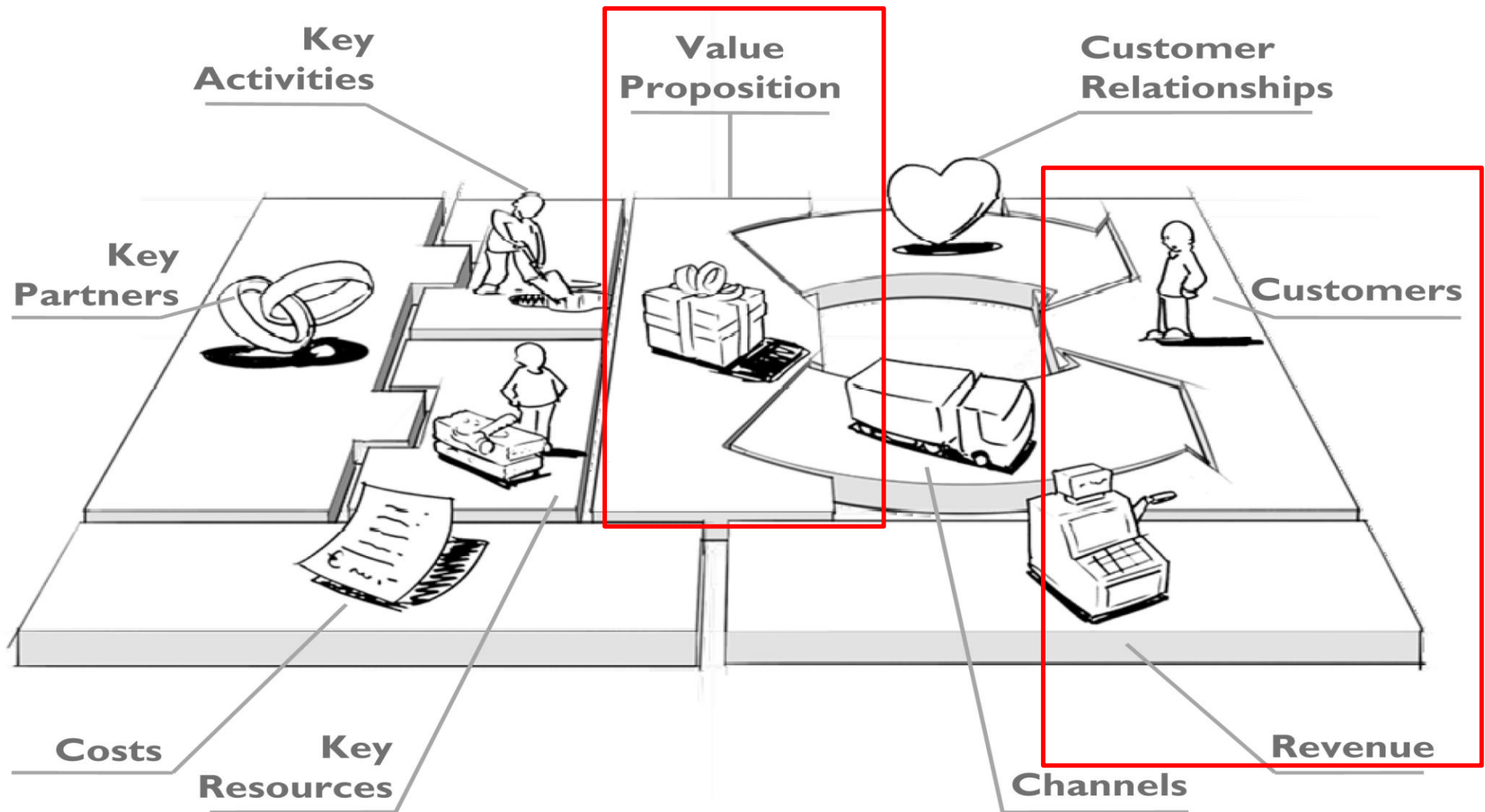
Tricks & Traps for Business Canvas

- Mobilize a Experienced Mentor to help facilitate discussions
- Bring all founders / key players together in person
- Limit sessions to 2 hours max, Plan 4 x 2hrs
- Leverage online tools for easy access & updates

Tricks & Traps for Business Canvas

- Produce several poster size prints for awareness...
wall paint is best – challenge team for daily updates
- “Get out of the Office” To Validate the model...
Family and friends don’t count!
- Test it on mature Companies that are growing...
BREAK your own hypothesis/experiments
- Record Interviews / Capture Requirements Backlog
using automated tools like Sprint.ly

Specific Canvas Context – Think in 3D



drawings by JAM

After Reviewing
More Than 300+
Business Models

Here are the.....

Top 3 Biggest Failures!

Business Model Canvas Failures

FAILURE 1: Canvas is not kept current....
turns into Shelfware.

Solution: Appoint Canvas Executive, Conduct 30-day reviews, Run Contests....make this part of your Company Culture!

Business Model Canvas Failures

FAILURE 2: Value Propositions never get fully discovered or validated

Why: Problems are not painful enough and Solutions are not valuable enough probably because of **Failure #3**

Solution: Prove by getting your Users/Customers to Pay...Now!

Business Model Canvas **Failures**

FAILURE 3: Experiments/Metrics not clearly defined

Example: Snowshovel Inc.

Hypothesis: People will use our mobile App

Experiment: Survey 25 people and see if they would use the App

Metric: More than half of users will say “yes”

Solution: Lets Get “Hands on” – Whiteboard