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# THE LEAN STARTUP METHOD:

## TEAM COMPOSITION, HYPOTHESIS TESTING, AND EARLY-STAGE BUSINESS MODELS

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**CORPS**<sup>™</sup>  
NSF Innovation Corps

**STVP**

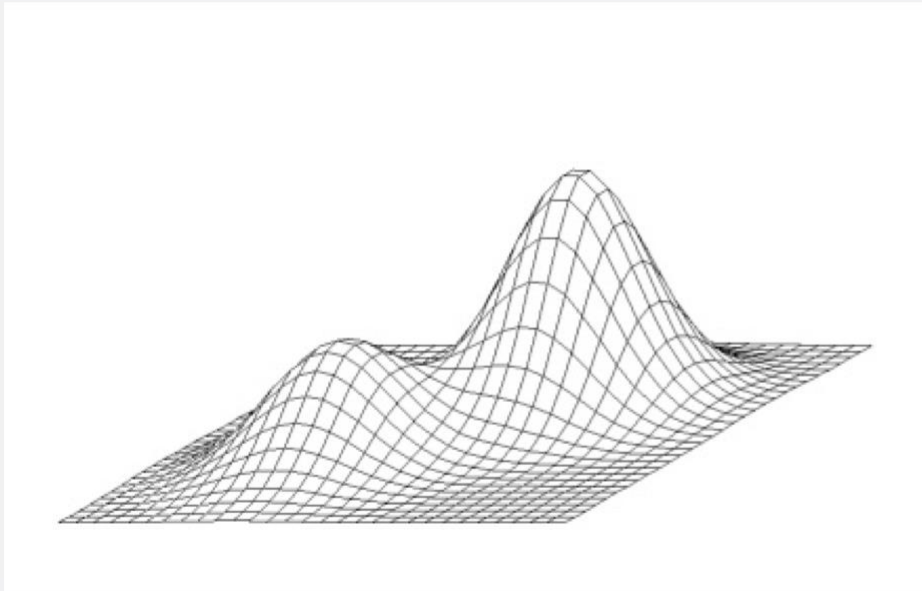
# LEAN STARTUP: EXPERIMENTATION PROCESS TO BUILD A NEW VENTURE

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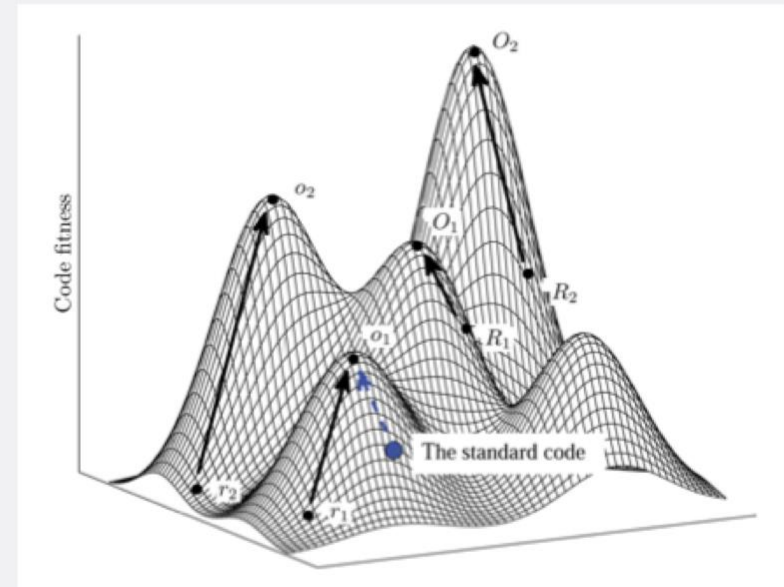


# CONCEPTUALIZED AS “SEARCH” OF NEW BUSINESS OPPORTUNITIES (Katila, 2002)

Perceived



Real



Novozhilov et al., 2007

# MOTIVATION #1

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- DESPITE THE POPULARITY, **EMPIRICAL EVIDENCE** OF THE METHOD IS SCANT (EMERGENCE OF BUSINESS MODELS IN FOUNDING TEAMS)
- ESPECIALLY EVIDENCE OF WHICH **TEAMS** SUCCESSFULLY USE THE METHOD IS LACKING

# MOTIVATION #2

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# RESEARCH QUESTION

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HOW ARE FOUNDING TEAM BEHAVIORS AND  
THEIR **COMPOSITION (EXPERTISE)** RELATED TO  
**EXPERIMENTATION?**

# EMPIRICAL CONTEXT

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## NSF-FUNDED VENTURE FOUNDING TEAMS (I-CORPS)

### APPROPRIATE CONTEXT: EARLY TEAMS, EARLY REFINEMENTS

- ALL FOUNDING TEAMS START WITH
  - INVENTION ORIGINALLY CREATED BY AN ACADEMIC
  - DRAFT BUSINESS MODEL
  - NO FIRM
- STANDARDIZED 8-WEEK 'EXPERIMENTAL METHOD' PROGRAM
  - RELIABLE MEASURES OF EXPERIMENTATION AND REFINEMENTS



# SAMPLE

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## 143 U.S. FOUNDING TEAMS

- 14 COHORTS IN ICORPS BETWEEN 2013-2016
- IT, BIO, BIOMEDICAL
- TRACKED DURING 8 WEEKS OF ICORPS (AND EVERY 6 MONTHS THEREAFTER)
- 1,032 TEAM-WEEK OBSERVATIONS



Principal  
Investigator  
(PI)



Entrepreneurial  
Lead  
(EL)



Industry  
Mentor  
(IM)



# DATA SOURCES

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- **>20 INFORMATIONAL INTERVIEWS**
- **LEAN LAUNCH PAD**
- **LINKEDIN**



# RESULTS



- **LEAN METHODOLOGY SEEMS TO WORK AS PROMISED**
- **TEAMS WITH MOST BUSINESS EXPERIENCE (WITH AN MBA) ARE THE LEAST LIKELY TO ENGAGE WITH THE METHOD**
  - OVERCONFIDENCE?
  - RESISTANCE TO A SCIENTIFIC METHOD THAT THREATENS TO REPLACE THEIR EXPERTISE?
- **PARADOXICALLY, TEAMS WITH MOST EXPERIENCE WOULD “GET MOST OUT OF THE METHOD” IF TRIED IT IN THE FIRST PLACE**

# NEXT STEPS

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**POST-ICORPS PERFORMANCE DATA  
MATCHED SAMPLE OF SBIR TEAMS?**