Jeffrey Char — Entrepreneurial Management revision guide

MGMT-S-0060 · Quiz preparation · Sessions 1–4 · Original study aid, not an official paper or an exam prediction.

Scope and how to rehearse

The syllabus sets a 20-MCQ quiz at the start of Session 4 on November 22, worth 20% of the course grade. It covers assigned readings and videos through Session 4 and previous class discussions. Session 4 below is **assigned reading, not a claim about a lecture that has not happened**. Jeffrey confirms the inclusive scope in S1 00:43:12–00:43:53. In S2 00:20:30–00:20:48 he explicitly rejects asking students simply to list the idea recipes. Practice making decisions, explaining the evidence and spotting the tempting mistake.

A useful answer sequence is: identify the specific customer and payer; state the urgent problem; distinguish evidence from an assumption; choose the smallest useful test; explain what result would change the decision. This sequence is a study synthesis, not a named framework attributed to Jeffrey.

Read this guide first, then attempt one 20-question set without looking at answers. Explain your choice aloud before marking. For mistakes, explain why each other option fails rather than memorizing the letter. The five sets are practice coverage, not predicted topic weights.

All prose below is paraphrase unless explicitly quoted. Page references mean actual pages in the supplied PDF, not the browser's old footer denominator. Full machine lecture transcripts were read; they are not human-certified quotations. Unclear workshop ASR was not used to invent teaching points.

S1-CORE · Jeffrey's decision lens and entrepreneurial behavior

Who is the customer—who pays? A person who enjoys the product is not automatically the buyer. Follow whose budget moves and why. **What urgent problem do they have?** A broad aspiration such as improving society is not yet an actionable starting problem. **Is it worth doing?** Consider the opportunity cost of time, effort and reputation as well as money. A worthwhile idea must pass more than a technical-feasibility test. In Jeffrey’s coupon venture, shoppers handed over cash, but the company collected it as an agent for merchants and

retained a cut. The merchants were the customers buying new repeat business. Discount hunters instead returned to the coupon website for the next deal; deadline-driven crowds strained service and could damage merchant reviews. Trace the economic exchange and promised customer outcome, not only whose hand supplies the cash. [S1 01:02:19–01:11:51]

Jeffrey's own three qualities are **curiosity** (notice what others accept and ask why), **problem-solving** (turn an observation into a workable improvement), and **grit** (keep learning through difficulty). Grit does not mean preserving a disproven solution. A constructive skeptic challenges a claim in order to improve it; a reflexive cynic dismisses action without helping to test anything. Conflicting advice is information to interpret in context, not a reason to obey the loudest adviser. [S1 02:00–02:02; 02:26:19–02:27:40]

Corporate entrepreneurship needs room for small teams to act and learn. Giving a team the startup label without changing permission, resources or feedback does not create that room. [S1 02:55:10–03:05:37]

S1-MINDSET · Thomas J Law: all twenty traits, explained

The assigned Oberlo copy is dated June 8, 2023; the syllabus lists an earlier version. Treat these as behaviors to apply, not twenty guaranteed predictors of success. [Provided PDF pp6–20]

1. **Independent:** take initiative rather than wait for instructions; still investigate other people's evidence.
2. **Responsible:** own the next improvement instead of spending all your energy blaming circumstances.
3. **Abundant:** look for value that can be created and shared, rather than assume every opportunity is a fixed pie.
4. **Goal-oriented:** turn a wish into a plan. SMART means specific (clear action), measurable (observable result), attainable (feasible), relevant (connected to the goal), and time sensitive (a deadline).
5. **Not afraid of failure:** treat a failed test as information about an approach, not proof you are a failed person.
6. **Growth-oriented:** believe skills can improve through effort and learning; this differs from treating ability as fixed.
7. **Feedback-seeking:** ask what needs improving, not only whether people like you or your idea.

8. **Learning-oriented:** deliberately build useful knowledge and skills rather than confuse consumption with progress.
9. **Forward-thinking:** work backward from the long-term outcome to the next step; accept delayed rewards.
10. **Self-accepting:** acknowledge your current limitations without turning them into permanent identity judgments.
11. **Self-aware:** notice strengths and weaknesses so that you can improve or find complementary people.
12. **Collaborative:** build with others; independence does not mean attempting every task alone.
13. **Courageous:** act despite fear when the decision is justified; fearlessness is not required.
14. **Comfortable with discomfort:** practice handling rejection and unfamiliar work rather than avoid every uncomfortable test.
15. **Adaptable:** revise the means when the situation or evidence changes.
16. **Problem-solving:** improve a concrete difficulty someone experiences, not just produce an impressive object.
17. **Driven and tenacious:** sustain useful effort through setbacks; combine persistence with adaptation.
18. **Focused:** prioritize the task that advances the goal now; reject attractive distractions.
19. **Action-oriented:** carry out a test rather than keep collecting plans indefinitely.
20. **Decisive:** make an informed-enough choice, act and revise; do not demand impossible certainty.

Rehearse the contrast: asking a rejected customer why they chose an alternative combines feedback, learning and adaptation. Repeating the same pitch while calling it grit does not.

S1-CONSTRAINTS · Whitney Johnson: Why Innovators Love Constraints

The article identifies three useful mechanisms. **Proximity** increases interaction and unexpected combinations, though friction must be managed. **Fast feedback** exposes weak assumptions before a comfortable resource cushion hides them. **A bounded resource set** forces choices and creative recombination. Adobe's office arrangement and Lit Motors' small-budget prototype are attributed examples, not universal spending benchmarks. [Provided PDF pp1–4]

A constraint helps when it concentrates the search and speeds learning. It hurts when it removes the essential ability to test safely or deliver value. The right response is not automatically to starve every team. i.e., limit a prototype to one customer workflow and a short test period, but preserve the tools needed to observe whether it works.

S1-BOOTSTRAP · Ryan Smith: Why Every Startup Should Bootstrap

Three benefits are **scrappiness** (discover abilities and creative workarounds), **the right self-believing team** (people join because they believe in the work, not only a funded package), and **control/partner choice** (learn before choosing outside capital). The VitaminWater trade-show example shows creative demonstration without the full conventional setup. Qualtrics bootstrapped for about a decade and later accepted funding to scale. [Provided PDF pp1–3; S1 02:43:58–02:55:04]

Bootstrapping is therefore a learning and resource discipline, not a lifetime ban on investment. Nor does belief justify unfair compensation or concealment of employment risk. Ask whether funding now buys a necessary capability or merely delays confronting demand. Jeffrey distinguishes two additional traps. In a startup, a high valuation raises the performance hurdle for the next funding round; growing a physical business may still require more cash, so “this is our last round” needs testing. Inside a corporation or family firm, a large new-business budget can take resources from other units, create envy and inflate expectations; even real progress may look like failure against those promises. Start small enough to learn and earn the next commitment. [S1 slides pp75–76; 02:50:47–02:56:58]

S1-NFX · Gigi Levy-Weiss: The Promotion You Never Asked For

This is the article inside Session 1/link.md, whose URL contains building-a-career-in-the-ai-era. The page's search title differs from its displayed essay title. [NFX, September 2026, sections Effort Was Never Enough and How Do You Approach a Career Today?]

AI shifts work from **execution to direction**: define the problem, choose the goal and own the outcome. Producing more text or code is no longer a sufficient measure of contribution. Hours logged, token consumption and visible busyness are not substitutes for a result someone values. Judgment, experiments, repetition, timing and luck mean effort and outcomes are not a simple one-for-one exchange.

The 85% clerical/15% thinking story concerns Licklider's own work diary; it is an illustration, not a measured ratio for every modern job. The practical advice is to build expertise, ask overlooked questions, move before being instructed, learn by building, and become someone others can trust under uncertainty. The article's frontier technology and investment examples are attributed claims, not promises that any small team can achieve the same result.

Rehearse: if AI makes the team's outputs faster but customers remain indifferent, the next task is to reconsider the chosen problem and experiment—not reward output volume alone.

S2-IDEAS · Jared Friedman: choosing a promising starting point

Four mistakes: **solution in search of a problem** (start with fashionable technology then invent a superficial need); **tar-pit ideas** (an appealing common problem hides structural obstacles); **accepting the first idea without evaluation**; and **waiting for a perfect idea and never starting**. The middle path is a promising initial hypothesis that can evolve. Before building another friends-meeting app, investigate previous attempts and their hard parts. Hard does not mean impossible. [Assigned video 01:43–06:29]

Ten evaluation questions, all to be applied rather than memorized:

1. **Founder-market fit:** is this team particularly suited to this problem? PlanGrid pairs construction insight with development capability.
2. **Market size:** is demand substantial now, or small but plausibly growing? Coinbase illustrates the latter, conditional on the market developing.
3. **Problem acuteness:** is the pain strong enough to drive action? Brex addresses an inability to obtain a corporate card.
4. **Competition and insight:** what do alternatives prove, and what do they miss? Existing competitors may validate demand.
5. **Personal demand:** do you or people you know want it? If not, talk to users rather than assume nobody—or everybody—does.
6. **Why now:** what changed in technology, regulation or behavior? Checkr illustrates background checks for newly expanding delivery platforms.
7. **Proxies:** does something similar work elsewhere? DoorDash is a proxy for Rappi, not proof that every geography works identically.
8. **Long-term willingness:** could you work on this for years? Interest can grow with meaningful progress, even in a boring space.

9. **Scalability:** does serving another customer require proportionally more skilled labor? A service can be useful without fitting the same venture economics as software.
10. **Idea-space quality:** do related opportunities and team insight leave room to learn? Fivetran iterated within data tools until customers wanted the offer.

Three seemingly bad signs can be good: **hard to start** keeps others away (Stripe's banking work); **boring** leaves valuable pain underserved (Gusto payroll); **competition** may reveal an unmet version of a real need (Dropbox's automatic syncing). [Video 06:29–19:42]

Organic noticing improves with expertise, startup work and building interesting things. The video then offers seven recipes plus a bonus: start with team expertise (REZI); a personally encountered problem (Vetcove); something you wish existed (DoorDash, but check tar pits); recent change (Gather Town); variants of successful companies (Nuvocargo/Flexport); conversations in a fertile idea space (AtoB's trucking research); a large broken industry (investigate its specific failure); or join a cofounder with an idea (complement their skills). None removes the need to test demand. [Video 19:42–end; S2 00:10:16–00:11:25]

S2-MODELS · Aaron Epstein: how money arrives and value holds

The other two URLs in Session 2/link.md are the Friedman and Epstein videos. Epstein's assigned segment ends at **16:05**; the later pricing talk is not silently treated as assigned. Nine model labels appear at 01:20–02:01. Plain-English definitions: **SaaS** rents cloud software by subscription; **transactional** takes a cut of money moving through the service; **marketplace** brings buyers and sellers together; **hard tech** commercializes difficult physical/engineering innovation; **usage-based** charges for consumption; **enterprise** sells organizational contracts; **advertising** sells access to an audience; **e-commerce** sells goods online; **bio** commercializes biological/life-science innovation. The video names the latter six without giving all of them equally detailed treatment.

Begin with one coherent model rather than copy a mature company's many revenue streams. A marketplace must create useful supply and demand together before network effects can reinforce it. A transactional business close to the flow of funds can collect its fee naturally and become important infrastructure. SaaS needs recurring value and retention, not merely a subscription checkout. [Video 02:28–13:00]

Network effect means more relevant participation makes the service more valuable to users. **Virality** concerns acquisition through sharing; it can exist without a network effect. **Switching costs** make replacing a system costly; they are not automatically a benefit to users. Other moats include technical innovation, scale economics and organic distribution. A generic feature can be copied; a moat makes competing harder for a reason. [Video through 16:05; S2 00:59:27–01:00:58]

The historical top-100 YC sample contains SaaS 31%, transactional 22%, marketplaces 14%. These are shares **among selected winners**, not each model's probability of success. The SaaS slide's transactional wording is a copy error; the video resolves it. Services, hardware and platform-dependent businesses have particular labor, capital or dependency risks; they are not universally bad businesses. Retention compounds, so a growing acquisition funnel can hide a leaky product. Do not assume long lifetime value when retention evidence is missing. [S2 00:00–00:01:39; 01:30:37–01:33:09]

S2-PROBLEM · Ash Maurya: Love the Problem, Not Your Solution

Innovator's Bias is attachment to your proposed solution; it returns throughout the product lifecycle. Customer requests are clues to the job being done, not a feature order to obey literally. Requests for PDF export, fonts and colors shared the goal of presenting a Lean Canvas to investors; presentation mode addressed that job more directly. [Provided PDF pp2–8]

Metrics show **what** changed; interviews and focused experiments help explain **why**. In Maurya’s actual case, Lean Canvas completion rates were already falling. The designer proposed simplifying the workflow, the developer proposed features, and the marketer proposed lifecycle emails. Usability tests ruled out UX as the cause, so the team pursued a different solution instead of automatically using its favorite professional tool. Use small additive tests where possible so that you can tell what caused the change. Randomly trying new things without learning is not an evidence-driven pivot. [PDF pp8–12]

Jeffrey’s discovery sequence: begin with face-to-face, open-ended interviews because you do not yet know enough to write a useful survey. Ask why the problem exists, how urgent it is, whether it is changing, and who else has it. When answers become predictable, use a survey to confirm or rank the known alternatives—not to discover an unfamiliar problem from scratch. This is his practical saturation heuristic, not a fixed required interview count. [S2 01:19:15–01:21:53]

S2-CURRIER · James Currier: five hidden patterns

1. **Innovate just enough:** change something meaningful while keeping enough familiar structure for adoption; changing every dimension adds avoidable risk.
2. **Use a technology shift:** a new capability can make an old need newly solvable; ride-hailing combines familiar payment/transport needs with the smartphone.
3. **Consider nonconsensus risk:** unanimous approval can mean a crowded obvious idea; disagreement is useful only if your contrary insight is sound.
4. **Solve a problem or create an opportunity:** some opportunities expand what people can do rather than answer an already articulated pain. Do not erase this view to make every author identical to Jeffrey.
5. **Distinguish market from execution risk:** uncertainty about whether people want the category differs from uncertainty about delivering well in an established one. The required first experiment changes accordingly. [Provided PDF pp3–7]

A large ambition is not permission for an unbounded initial customer definition. In Jeffrey’s Valentine’s Day classroom story, an imported chocolate-giving idea initially failed; framing the occasion as permission for girls to express interest addressed a specific social difficulty. Obligation chocolate and reciprocal White Day were later iterations. Study the need and the evidence behind the change, not the anecdote as a universal formula. [S2 01:15:12–01:19:07] When a question names Currier, preserve his opportunity-creation view; when it asks for Jeffrey's preferred starting discipline, specify the customer and urgent problem.

S2-SETH · Seth Godin: AI together, including the full long essay

This is Session 2/link.md's article, not just its short opening. The May 5, 2026 post includes the longer But is it a business? discussion. Five benefits proposed for peer conversations with AI are: continuity (discussion need not stall), inclusion (less overlooked participation), nuance (context can be remembered), reduced isolated spiraling (people interact with peers), and patience (discussion can deepen). These are the author's proposed benefits, not independently proven outcomes.

Cost reduction versus value creation. Saving time can sell quickly, but a cheaper competitor can displace an undifferentiated tool. A useful network can create ongoing value that a standalone model gateway or hidden prompt does not defend. Seek expensive problems with resourceful buyers, not automatically the most price-sensitive audience.

Consumer motives: status means feeling significant; affiliation means belonging; freedom from fear means safety. Middle-layer benefits include trust, control, certainty, transformation, health and leverage. Convenience, efficiency, access and time are ways of delivering those benefits, not necessarily the deepest reason for paying.

Organizational motives: avoid blame (a defensible choice), claim credit (a champion benefits from success), and reduce uncertainty (planning becomes easier). Growth, compliance, resilience, morale or efficiency can be the organizational benefit; savings, reporting and integration help justify it. **New purchases** need an internal champion and a credible story. **Repeat purchases** lean on relationships, switching costs and network value. Commodity buyers fear overpaying; buyers making uncertain strategic bets fear choosing wrongly.

Three forcing functions create urgency: competitive crisis (a rival changes expectations), technology crisis (the old approach stops working or becomes inadequate), and public/market upheaval (regulation, cultural shifts or a shock). Sell into a real forcing function instead of assuming a technically good product will automatically get a budget.

Four-part theory of profit: (1) specific, useful, trusted data belonging to the users/project, not just the model supplier; (2) built-in network effects or a clear reason to spread; (3) an expensive problem for people with resources, creating more than cost savings; (4) a bootstrappable concept, not dependence on owning huge infrastructure. Each part addresses a business risk: defensibility, distribution, willingness to pay, and feasibility.

Spreading requires tension, not enthusiasm alone. Economic tension means collaborators need each other on the system to work together. Social tension means being outside the group creates a gap someone wants to close. A product that creates neither may need paid acquisition and sufficient margins to fund it. Ask what makes sharing necessary, not only whether people say they would recommend it.

Data collection has a social tradeoff. Automatic capture reduces effort but can feel like surveillance; control reassures users but can add friction. Explain who controls data and what happens if something goes wrong. Better access to information users already generate can be less threatening than a new surveillance layer.

Sponsored model: an institution with budget and distribution pays while underserved end users receive value free. It works when the population is underserved, the benefit is legible to a sponsor, and data serves users and the sponsor's mission. Payer and user are distinct. **Cheap inference model:** structured tasks such as forms, document organization and record matching may not need the most expensive frontier model. Specific trusted data and useful structure can matter more than model glamour. These are proposed opportunities, not guaranteed margins or adoption. [Full linked article: consumer/business motives; forcing function; theory of profit; spreading; data stack reality; sponsored model; cheap inference model]

S3-OBSERVE · learn from real situations, not just new technology

Jeffrey's notebook/refrigerator exercise asks you to notice repeated friction. Moving an existing solution across contexts can be innovative. The old Japanese medicine-box model left stock near users, collected payment and replenished it. In the donut case, individual packaging extended shelf life; boxes placed in established companies let employees take a donut and leave payment without leaving the office. This bypassed low shop foot traffic, increased production utilization and reduced unit cost. The transferred distribution/payment model—not a new donut technology—was the innovation. Its trust assumptions still needed to fit the local setting. A sequential-ripeness banana pack addresses the tradeoff between spoilage and frequent shopping. First explain the behavior and benefit, then decide whether technology is needed. [S3 00:04:13–00:06:40; 00:12:17–00:20:56; 00:25:21–00:30:30]

Candy is enjoyable but optional, sometimes dependent on a fad. **Vitamins** improve a situation but their benefit is harder to quantify or prioritize. **Painkillers** relieve an urgent, critical problem that motivates action and payment now. Jeffrey recommends starting with the painkiller, not assuming the other categories can never succeed. The same offer can be a painkiller for the early adopter and only a vitamin for another segment. [S3 slides pp12–13; 00:22:26–00:25:08; 02:20:49–02:21:18] In the cattle examples, corporate dairy buyers and farmer users can differ; do not merge Blue Ocean Barns and Hoofprint Biome merely because the ASR says same company. Price around value and alternatives rather than assume a low price fixes weak demand. For a

newly identified urgent problem, Jeffrey favors testing a high initial price: willingness to pay reveals urgency, and margin helps the venture survive. It is easier to lower the price later than raise a low starting price without losing customers. He explicitly distinguishes an undifferentiated competitive market, where an unjustified high price can fail. [S3 00:41:30–00:43:50] [S3 00:22:26–00:25:08; 00:33–00:43:50]

Product-market fit means a product matches real market demand. It is **not the same as immediate profitability**: acquisition, delivery and capital costs still matter. Jeffrey questions the exact 7%/93% slide figures; do not memorize them as a settled universal rate. Prioritize controllable fatal risks rather than testing the easiest assumption first. [S3 00:44–00:48:01]

S3-CANVAS · Ash Maurya: Capture Your Business Model in 20 Minutes

A Lean Canvas is a timeboxed first snapshot of assumptions, not a polished business plan. Make a separate canvas for each materially different customer/problem pair. A payer, user and early adopter may be different people. Early adopters have particular urgency, not just a demographic label. [Assigned full 22:59 video; S3 02:20:18–02:26:06]

The nine boxes, with embedded prompts:

1. **Problem:** list the top one to three pains; ask why repeatedly to reach the underlying job. Record existing alternatives—including doing nothing—not just direct competitors.
2. **Customer segments:** identify who pays, who uses, and the urgent first adopter. CloudFire's parents of young children differ from relatives viewing photos.
3. **Unique value proposition:** state the compelling customer outcome, the finished story rather than feature inventory. A high-concept X-for-Y analogy helps people orient themselves but is not itself a convincing benefit.
4. **Solution:** outline only the essential response to the selected problems. The solution, value proposition and revenue offer together shape an MVP.
5. **Channels:** identify how the first users will find and adopt it. Start testing on day one; the first channel need not scale forever.
6. **Revenue streams:** test what customers will pay, using alternatives and value as anchors; begin with a simple offer rather than confusing plans.
7. **Cost structure:** estimate fixed costs (not tied directly to another sale) and variable costs (increase with use/sales). Ballpark break-even and desired scale before pretending the model is viable.

8. **Key metrics:** track the action that creates customer value and the outcome defining success, not just attractive traffic counts.
9. **Unfair advantage:** something not easily bought or copied. Generic enthusiasm or having an app is not enough. It can legitimately be blank at the start; testing need not wait for an invented moat.

CloudFire's historical $49/year illustration was anchored against alternatives and a target customer count; do not adopt it as a universal price. A canvas's purpose is to expose the next uncertainty, not make every box look certain. [Video, including pricing 13:48–16:18]

S3-KLEIN · Stop Validating Your Product

Separate three variables: **market** (who), **problem** (what pain), and **product** (your proposed solution). Validate an important problem first, or choose a market and investigate what actually troubles it. Interviewing people about your finished solution changes too many things at once and invites flattering feedback. The mechanic example begins with customers’ situations. In the market-first alternative, Klein chooses porcelain-owl collectors as the community and investigates which problem matters—perhaps sourcing owls, perhaps finding help with hoarding—rather than prespecifying a product for them.

Once the chosen market and problem have credible support, a failed solution test points more clearly to a product issue. Do not change all three variables simultaneously and claim you learned which assumption failed. [Provided PDF pp1–4, raster OCR supplemented by complete public original, sections Validate a Problem and Pick a Market]

S3-MVP · Monica Dhiman: minimum viable product

An MVP is a minimal way to obtain useful customer learning, not a deliberately broken product or a feature-complete miniature. The article contrasts Robinson's risk/return formulation with Ries's validated-learning emphasis. Seven benefits: **hypothesis testing** (check demand), **faster release** (learn earlier), **focused effort** (avoid speculative features), **UX improvement** (observe usability), **funding evidence** (show learning rather than promise), **risk reduction** (limit expensive wrong bets), and **customer relationships** (learn with early users). [Provided PDF pp1–5]

Low-fidelity tests explore interest and understanding; higher-fidelity tests can reveal actual solution value and willingness to pay. Choose fidelity for the uncertainty, not for appearance. Process: identify the need and alternatives; align the MVP with business goals; plan and implement the smallest useful test.

The Dropbox demo tests demand before a full system; UberCab narrows the initial service; Zappos tests online shoe orders without first buying inventory. A waiting list is a demand signal, not proof of retention or profitability. [PDF pp5–10; S1 02:32:49–02:34:31]

S3-ITERATE · Babson: It's Not Failure, It's Intentional Iteration

Prototype, test, analyze and refine deliberately. Corporate training can make people overvalue perfection and a fixed plan; de-education means unlearning that reflex. Hold a meaningful mission while adapting the means. Manage risks you can influence rather than pretend to remove all uncertainty. Bootstrapping describes iterative development as well as absence of external funding. [Provided PDF pp1–4]

The article also describes a **portfolio of related opportunities**, with shared infrastructure and learning, rather than declaring one initial product sacred. Rajiv's shift from a wellness nonprofit toward employee wellness and Mike's civic-software laboratory illustrate changing means within an area of purpose. This portfolio view does not mean cramming unrelated segments into one Lean Canvas: manage alternatives coherently while testing each customer/problem hypothesis distinctly. [PDF pp3–5]

S3-MISSION · Marco Marandiz: I'm Done Pretending Silicon Valley Tech Is Visionary

The essay criticizes substituting fashionable convenience, fundraising and publicity for meaningful ambition. The author's interest in human potential and important problems challenges founders to ask why the work deserves sustained effort. It is not evidence that every convenience product is worthless or that every startup must solve every global challenge. Translate a mission into a specific tractable problem and seek people whose values support the work. [Provided PDF pp1–6]

S3-DILEMMA · Suster and Jeffrey: why capable incumbents miss entrants

Incumbents rationally listen to their biggest current customers and add performance, features and cost. A simpler, cheaper entrant may initially look inadequate for those customers but serve new buyers or an overlooked need. As it improves, it can become good enough to threaten the incumbent. The article's

Salesforce/Siebel comparison is historical, not a current price quote. Better execution for existing premium customers alone may deepen the trap. [Suster provided PDF pp3–6; S3 01:22:49–01:32]

Jeffrey’s Kodak example separates inventing a technology from commercializing it: dismissing an initially poor digital image did not stop outsiders improving the alternative. In his Luckin/Starbucks example, convenient app ordering, small stores and lower overhead served people seeking cheaper, faster daily coffee rather than a premium place to linger. Starbucks could cut price and weaken its premium position, or keep it and lose volume. Jeffrey suggests considering a stake in the challenger or a lower-cost alternative before it is too late, even if this cannibalizes existing sales. A small innovation/venture team can act as an antenna—talk to the market and bring change signals back—not merely an immediate profit center. These are his classroom interpretations, not independently established histories. Do not use disruption as a synonym for every novel feature. Within a corporation, framing a project as solving a customer problem can be more useful than announcing an attack on colleagues' existing business. [S3 02:04–02:15:11]

S3-RICE · preserve the actual learning sequence

Pteah Baitong's initial corn-farmer adopter hypothesis was **rejected**; rice farmers emerged as the learned target. Do not study the initial canvas as the final conclusion. The 81ha pilot, 163ha expansion and separate 186ha project are distinct stages. Corn farmers needed water at particular times while they moved hoses; clouds interrupted solar pumping, and storage tanks or batteries added costs they would not pay. Rice canals already stored water, so intermittent pumping could still meet the need. The larger rice service also improved revenue and acquisition economics. The co-op was a partner, not a replacement customer: members avoided collecting from neighbors, while a blanket commission became disconnected from completed work. Jeffrey proposed paying for specific completed tasks and ultimately using locally based company employees whose incentives depended on collection. [S3 slides pp52–53; 01:04:13–01:08:24; 01:13:29–01:17:08] Founder/CEO fit can change as the venture moves from invention to local operations. [S3 slide pp44,52–53; lecture 01:00–01:22:42]

The transferable answer is not rice always beats corn. It is update the segment and delivery/payment assumptions when field evidence contradicts them, and test the next fatal risk.

S4-RYU · The Startup as Insurgent — assigned reading only

Marcus Ryu describes the startup's identity as an outsider trying to overturn an unsatisfactory order despite weak resources. Three powers: **name the enemy** (make the broken condition concrete), **pure strategy** (a diagnosis plus a plan, not aspirations alone), and **summon people to a cause** (a reason to contribute through adversity). An enemy can be an obsolete workflow; it need not mean personal abuse. [Provided PDF pp2–7]

Guidewire focuses on property-and-casualty insurance rather than all insurance, using its diagnosis of outdated systems to select a narrow attack. Purpose and shared difficulty can unite an unglamorous team. The Accenture suit and six quarters without sales show emotional burden and uncertainty, not a promise that suffering guarantees victory. Ryu's odds and valuations describe his dated source population; they are not general startup survival probabilities. His rhetoric is not advice to neglect health or family. [PDF pp5–8]

S4-PRENUP · Scott Kupor: Your next business partner should come with a prenup

Agree rules while founders still trust each other. **Vesting** earns equity over continued contribution; the article asks whether a conventional four-year term is too short for a long venture journey. Unvested shares can return to the pool for future contributors. Balance protection for the continuing team with fair treatment when founders are removed; do not impose retrospective changes without consent. [Provided PDF pp2–4]

Board seats and founder status are separate: an employment-linked board seat avoids a departed founder continuing to govern by default. **Right of first refusal** lets a company match an outside share offer; it does not necessarily prevent the sale. A **blanket transfer restriction** requires consent and gives a different control. **Single-trigger acceleration** vests on acquisition alone; **double-trigger** requires acquisition and the specified employment/nonretention event. Retention payments still come from a finite acquisition pot. These are conceptual governance lessons, not jurisdiction-specific legal advice. [PDF pp3–6]

S4-MIRROR · Mark Suster: Start-ups are all Naked in the Mirror

You see your own company's bugs and uncertainty from inside, but rivals through polished announcements. Comparing those views distorts judgment. Eight takeaways: (1) judge against your own expectations and customer feedback, not others' press; (2) let customers, not competitive obsession, be the compass; (3) communicate frequently and openly with your team about the comparison problem; (4) avoid transmitting every fear or overhyping every victory, which puts staff on the CEO's emotional roller coaster; (5) communicate your own news to the market because your PR also affects competitors; (6) get to know competing founders, compete respectfully and recognize shared interest in industry adoption; (7) reject the fantasy of a single knockout feature and execute consistently; (8) hire with honest expectations rather than promise paper wealth. [Provided PDF pp3–6]

A competitor's funding announcement is neither proof of your failure nor a reason to hide real problems from staff. Reground the conversation in customer evidence, progress and the next achievable step.

S4-WARD · Henry Ward: How to Hire

Four principles: **hiring is not success** (add a person when they create needed leverage, not to celebrate headcount); **effectiveness has a long tail** (exceptional contribution matters more than a perfectly average résumé); **false negatives can be costly and invisible** (rejecting a strong candidate leaves an unseen opportunity cost, whereas a mistaken hire can be detected and corrected); **culture is defined by hiring** (seek contributors who expand it, not only people who resemble you). The article's productivity multipliers are heuristics, not a universal measurement. [Provided PDF pp2–6]

Six heuristics: **strength over lack of weakness** (identify a distinctive capability); **trajectory over credentials** (look at growth, not only prestige); **doers over tellers** (use real work to test execution); **learners over knowers** (look for updating and curiosity); **difference over sameness** (add perspective); **no ego** (can they put the work above status?). Confidence need not be ego, and experience need not oppose growth. A strong talker is not automatically a strong performer. The hiring manager owns the choice rather than requiring committee unanimity. Faster risk-taking depends on respectful, timely correction when a hire does not work. [PDF pp6–9]

S4-MOTIVATION · Yakowicz/Kanter: mastery, membership, meaning

Adequate, fair pay remains necessary. The article is not a license to replace salary with motivational slogans. OPI means **Opportunity for Positive Impact**; it differs from motivating the founder with a possible lucrative IPO. [Provided PDF p1; full authorized recovered p2–3]

Mastery: let people develop deep skills through difficult problems, tools and support. Giving impossible assignments without resources is not mastery. **Membership:** help people belong while honoring individuality; connect people across departments instead of demand superficial sameness. **Meaning:** make the role's contribution to the larger whole clear and consequential. Reinforce how products or services improve the world so that employees can prioritize and decide; ordinary tasks can serve a larger purpose when this connection is part of daily conversation. Meaning is not merely printing a mission statement.

The complete Meaning paragraph was recovered from vector paths behind the supplied PDF's cookie banner; no missing passage has been filled by guesswork. The three terms here are **not** autonomy/mastery/purpose and are not another course's self-determination vocabulary.

S4-SPEED · Suster: Startup Mantra — Hire Fast, Fire Fast

Do the screening work, but do not make every hire wait for impossible certainty. Always Be Recruiting means keep looking for strong people. Suster goes further: when an exceptional, ambitious, culturally fitting person appears, he favors hiring them and finding a role, rather than waiting for the perfect résumé or exact vacancy. This differs from Ward’s emphasis on proving the leverage a hire adds; judge the named author and context. The 70%-now versus 90%-too-late illustration is about timely decisions and correction, not an actual scoring formula or permission to ignore evidence. A perfect résumé is not required. [Provided PDF pp1–3]

When a mismatch is clear, do not delay indefinitely. Check the legal framework, prepare paperwork, be candid and treat people respectfully. The article explicitly rejects slash-and-burn management. [PDF p4]

Keep the contrast: Suster uses intuition and cultural fit; Ward explicitly warns against similarity-based culture gatekeeping. They overlap on action and correction, but are not identical prescriptions. A question must name the viewpoint or provide enough evidence to choose a source-consistent response.

Final rehearsal · distinguish the look-alikes

- User versus payer: usage is not proof of purchasing authority.
- Compliment versus commitment: a nice reaction is weaker than an observed costly action or paid adoption.
- Problem versus solution: a requested feature may hide a different job.
- Grit versus rigidity: persist in learning, not a disproven implementation.
- MVP versus low quality: reduce scope while preserving the ability to test the important assumption.
- Pivot versus random change: explain what evidence changed which assumption.
- PMF versus profit: demand does not eliminate costs or prove sustainable economics.
- Network effect versus virality: user value from participation differs from how quickly invitations spread.
- Historical winners versus all startups: do not turn a selected-sample share into a success probability.
- Mission versus strategy: purpose motivates; strategy still needs diagnosis, focus and a plan.
- Culture contribution versus cultural sameness: identify which author is being applied.
- Mastery/membership/meaning versus other motivation frameworks: use this assigned source's language.

Before stopping, explain the rice pivot, the Lean Canvas presentation-mode example, the simpler Salesforce entrant, and the institutional-payer AI model in your own words. For each: who has the problem, what changed your view, and what would you test next?