

TOOLS AND TECHNIQUES FOR BUSINESS DEVELOPMENT LABORATORY

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TOPICS OVERVIEW

- Course evaluation survey
- Final assignment
- Guest speaker

TASK ALTERNATIVES

1. Objective: Analyze real-world examples of successful startup teams to identify key factors contributing to their success.

Task: Select a successful startup team and analyse the team dynamics, leadership styles, and how the team navigated challenges. Report and present your findings, highlighting practical insights that can be applied to the formation and management of startup teams.

TASK ALTERNATIVES

2. Objective: Explore how startup teams navigate and recover from crises.

Task: Select a case study of a startup that faced a significant crisis.

The analysis should focus on team responses, leadership decisions, and strategies for recovery. Teams present recommendations for building team resilience and managing crises in startup environments.

Good example: WeWork

TASK ALTERNATIVES

3. Objective: Post-mortem analysis of failed startups.

Task: Select a famous startup that failed. Learn from the mistakes of failed startups to understand team dysfunctions and leadership pitfalls.

The analysis should focus on team dynamics, leadership decisions, and key factors contributing to the failure. Teams present lessons learned and propose strategies for avoiding similar pitfalls in startup team building.

Interesting case study: Theranos

INFORMATION SOURCES

Official documents: annual reports, official statements

News outlets: Business news websites, technology publications (e.g., Wired, MIT Technology Review, TechCrunch), and financial news sources (e.g., Financial Times, the Wall Street Journal, Bloomberg).

Interviews: CEO and executive interviews.

Books, biographies, movies: Books written by or about the founders, executives, or investigative journalists can provide comprehensive insights. Documentary and biography movies can illustrate the picture.

Academic articles: Publications about case study startup (GoogleScholar)

Remember to cross-reference information from multiple sources to ensure accuracy and obtain a comprehensive understanding of the startup's journey.

CASE STUDIES - WEWORK

WeWork provides flexible shared workspaces for individuals and businesses. Founded in 2010, WeWork aimed to create a platform where entrepreneurs, freelancers, and companies of all sizes could rent office spaces with flexible lease terms, offering a communal and collaborative environment.

Main points about WeWork:

- **Rapid Expansion:** WeWork experienced explosive growth, expanding globally and becoming one of the most valuable startups in the world. The company attracted significant investment from venture capital firms, reaching a peak valuation of \$47 billion in January 2019.
- **Financial Challenges:** WeWork's rapid growth was accompanied by significant financial losses. The company faced scrutiny over its business model, high valuation, and governance practices. As it prepared for an initial public offering (IPO) in 2019, these concerns became more prominent.

CASE STUDIES - WEWORK

- **Failed IPO:** WeWork's plans to go public in September 2019 fell apart as potential investors raised concerns about the company's financial health, corporate governance, and the leadership style of CEO Adam Neumann. The IPO was eventually withdrawn.
- **Leadership Controversy:** Adam Neumann faced criticism for his management style, including unconventional business practices and a reported party-centric culture. His leadership style and decisions, such as leasing properties personally owned by Neumann to WeWork, raised concerns.
- **Corporate Restructuring:** Following the failed IPO, WeWork underwent a significant corporate restructuring. Adam Neumann stepped down as CEO, and the company implemented cost-cutting measures. SoftBank, a major investor, took control of WeWork.

The rise and fall of WeWork became a prominent example of the challenges associated with rapid expansion and governance issues in the startup world.

CASE STUDIES - OPENAI

OpenAI is an artificial intelligence research laboratory consisting of the for-profit OpenAI LP and the non-profit OpenAI Inc. It was founded with the mission of advancing digital intelligence in a way that is beneficial and aligned with human values. OpenAI aims to conduct cutting-edge research in artificial intelligence (AI) and to develop technologies that have a positive impact on society.

Main Points about OpenAI:

- **Founders:** OpenAI was founded in December 2015 by Elon Musk, Sam Altman, and others.
- **Leadership:** The organization has had changes in leadership, with Sam Altman serving as the CEO till autumn 2023, causing public scandal. Elon Musk resigned from the board in 2018.

CASE STUDIES - OPENAI

- **Mission:** OpenAI's mission is to ensure that artificial general intelligence (AGI) benefits all of humanity. AGI refers to highly autonomous systems that have the ability to outperform humans at most economically valuable work.
- **Principles:** OpenAI is committed to broadly distributing the benefits of AGI, prioritizing safety, conducting research to make AGI safe, and actively cooperating with other research and policy institutions.
- **AI Research:** OpenAI conducts advanced research in artificial intelligence, contributing to the broader scientific community by publishing most of its AI research findings.
- **Safety and Policy:** In addition to technical research, OpenAI focuses on safety and policy aspects of AI. The organization aims to address potential risks and ethical considerations associated with powerful AI systems. However, the exploratory approach of the CEO was evaluated as a big threat to humanity.

CASE STUDIES - THERANOS

Theranos was a health technology startup founded in 2003 by Elizabeth Holmes. The company gained significant attention and acclaim for its purported revolutionary technology, which claimed to conduct a wide range of medical tests using just a few drops of blood. Elizabeth Holmes, the CEO, presented Theranos as a groundbreaking company that would transform the healthcare industry by making diagnostic testing faster, cheaper, and more accessible.

Main points about Theranos:

- **Technology Claims:** The core of Theranos' pitch was its proprietary device, which supposedly could perform a myriad of tests using a small amount of blood. The company claimed that this technology could revolutionize the diagnostic testing industry.

CASE STUDIES - THERANOS

- **Media Hype:** Theranos received extensive media coverage and was once valued at several billion dollars. Elizabeth Holmes was lauded as a visionary and was featured on numerous magazine covers, including Forbes and Fortune.
- **Controversies and Investigations:** In 2015, investigative journalism by The Wall Street Journal raised serious questions about the accuracy and reliability of Theranos' technology. The reports suggested that the company misled investors and patients about the capabilities of its devices.
- **Legal Troubles:** In 2018, the U.S. Securities and Exchange Commission (SEC) charged Elizabeth Holmes and former Theranos President Ramesh "Sunny" Balwani with an elaborate, years-long fraud. The SEC alleged that they exaggerated or made false statements about the company's technology, business, and financial performance.
- **Downfall:** As a result of these investigations and legal challenges, Theranos faced financial difficulties, and its valuation dropped. The company dissolved, and Elizabeth Holmes faced a high-profile criminal trial for fraud.

The Theranos case serves as a cautionary tale about the risks associated with hyped claims in the startup world and the importance of thorough due diligence, especially in industries as critical as healthcare.

CASE STUDIES – EARLY DAYS FACEBOOK

- **Founders:** Facebook was founded by Mark Zuckerberg, along with his college roommates. The founding team collaborated on the initial development of the platform.
- **Harvard Connection:** The idea for Facebook emerged from an earlier project called "Facemash," a hot-or-not style website that Zuckerberg created in 2003. However, the official launch of "The Facebook" (its original name) took place on February 4, 2004. Initially, Facebook was limited to Harvard University students, providing them with a platform to connect and share information within the Harvard community.
- **Expansion to Other Universities:** Facebook quickly expanded beyond Harvard, opening up to other Ivy League universities and subsequently to colleges and universities nationwide. This rapid expansion contributed to the platform's growth.
- **User Base:** As Facebook gained popularity, its user base increased significantly, attracting students from various educational institutions. The platform's intuitive design and emphasis on real identities distinguished it from other social networking sites of the time.

CASE STUDIES – EARLY DAYS FACEBOOK

- **Venture Capital:** Facebook received early investments from venture capitalists, including Peter Thiel and Accel Partners, helping the company secure funding for expansion and development.
- **Employee Growth:** The company began hiring more employees to support its growing user base and to enhance the platform's features.
- **Open Registration:** In September 2006, Facebook opened its doors to the general public, allowing anyone aged 13 and older to create an account. This move significantly contributed to the platform's explosive growth.
- **International Expansion:** Facebook expanded internationally, reaching users beyond the United States and becoming a global phenomenon.

CASE STUDIES - SPACEX

SpaceX is an American aerospace manufacturer and space transportation company founded by Elon Musk in 2002. The company is known for its ambitious goals of reducing space transportation costs and enabling the colonization of Mars. SpaceX has achieved several milestones and has played a significant role in revolutionizing the space industry.

Main points about SpaceX:

- **Founding and Mission:** SpaceX was founded with the mission of reducing space transportation costs and making space exploration more feasible. Elon Musk aimed to advance space technology and eventually enable human colonization of other planets, with Mars being a primary target.
- **Reusable Rocket Technology:** One of SpaceX's most notable achievements is the development and successful implementation of reusable rocket technology. The company designed its Falcon 9 rockets and Falcon Heavy to be partially reusable, significantly reducing launch costs.
- **Falcon Heavy:** SpaceX launched the Falcon Heavy, one of the most powerful operational rockets in the world, in 2018. It is capable of carrying large payloads and has been used for a variety of missions, including satellite launches and interplanetary missions.

CASE STUDIES - SPACEX

- **Starship:** SpaceX is actively developing the Starship spacecraft, a fully reusable spacecraft designed for missions to the Moon, Mars, and beyond. Starship is intended to carry both crew and cargo on a variety of missions, including interplanetary travel.
- **Commercial Crew Program:** SpaceX's Crew Dragon spacecraft, developed as part of NASA's Commercial Crew Program, became the first commercial spacecraft to carry astronauts to the ISS in 2020. This marked a significant milestone in the commercialization of space travel.
- **Satellite Internet:** SpaceX launched the Starlink project, which aims to create a satellite internet constellation in low Earth orbit. Starlink satellites are designed to provide high-speed, low-latency internet access to underserved and remote areas around the world.

SpaceX's innovative approach to space exploration, focus on reusability, and successful execution of a wide range of missions have made it a leading player in the aerospace industry, with a significant impact on the future of space travel and exploration.

CASE STUDIES

Alternative: find your own case study startup.

You can use famous startups, or reach out to startup founders you know, using primary data (interviews, surveys) and official documentation.

ASSIGNMENTS

- PDF format
- Approx. 10 pages, including the references, figures
- Appendices with data sources can be included (these pages do not count)
- Mandatory appendix: roles, functions and contribution of each team members
- Structure: clear introduction to the startup and its journey, the main topic of interest, its analysis, conclusions and outtakes
- **DEADLINE: December 20**
- Project presentation: December 13th, 10 minutes

EVALUATION CRITERIA

- Use of concepts and theories covered in class (both modules, but emphasis on module II)
- Depth of investigation of the case study startup
- Critical thinking and insights
- Creativity
- Clear structure
- References
- Presentation