

How will undergraduate founders destroy your company?

What is the purpose of this article?

- 1) Help existing companies improve the return on the investment they make in new business ideas.
- 2) Help startup founders succeed by reducing the time spent on ideas with little market demand. Help founders understand what's necessary to destroy incumbents.

The audience for this article includes business, ranging from pre-revenue through to long established global companies.

This article does not provide tax, legal or financial advice.

You must do your own research and fact-based analysis using current and relevant information.

AI did not write this article. I wrote every word.

How do you read this article.

The article reflects my observations regarding the early-stage startup programs at 5 US universities.

The Appendix contains brief highlights of these programs.

What are the critical learnings in this article?

- 1) Founders first go through a program to validate that cash paying customers believe they have a problem which needs a solution.
- 2) The first step is to have face-to-face interviews with cash paying customers.
- 3) There should a multi-disciplinary set of founders e.g. business, technical, social sciences
- 4) Program, mentor, and founder problems are addressed by AI.
- 5) The programs have a structured learning process to rewire the founders' brains over a period of several semesters.
- 6) The program is part time, with the founders taking other courses during the semester.

Why focus first on validating that a cash paying customers believe they have a problem?

- 1) This saves founders' time. No point in building a solution people who don't think they have a problem.
- 2) The founders are not building a solution. They are building a temporary organization to learn what solution to build
- 3) The founders can think about the necessary solution once they know the problem to focus on.

Why are immediate face-to-face interviews with cash paying customer critical?

- 1) This immediately identifies if founders have both the desire and skills to meet with cash paying customers. Weaknesses in this area can be addressed through a combination of team changes and talent development.
- 2) Consulting reports and industry surveys rarely focus on the specific problem the founders are trying to understand.
- 3) Surveys by founders don't allow the deep understanding of problems resulting from probing customer dialogue such as the Five Whys root cause discussion.

Why does success depend on a multi-disciplinary team?

- 1) There are many aspects to how cash paying customers perceive a problem: financial; functional, operational & technical; and emotional. All decisions are emotional.
- 2) A silo-based team e.g. all engineers, often lacks the broad base of skills to understand how customers perceive their problem and the value of addressing the problem.
- 3) A multi-disciplinary team reduces the cognitive load on founders' brains, reducing the need to learn and unlearn, and enabling more focus.

Why do the programs, founders, and mentors use AI tools?

Some of the many program pain points which AI can address are:

- 1) Tracking and reporting on the long-term outcomes of founders and startups.
- 2) Matching potential founders across faculties to create multi-disciplinary teams.
- 3) Helping to analyze program applications.
- 4) Matching founders with mentors and advisors.

Some of the many founder pain points which AI can address are:

- 1) Enabling business founders to create software without becoming software experts.
- 2) Enabling technical founders to create marketing and sales materials without becoming marketing and sales experts.
- 3) Helping founders prepare for face-to-face interviews by interacting with AI simulated customers.
- 4) Providing multiple founder team equity split scenarios.

Some of the many mentor pain points which AI can address are:

- 1) Saving mentor time at the beginning of the meeting by generating a pre-read package.
- 2) Helping mentors better communicate with founders by coaching the mentors on appropriate communications approaches.
- 3) Answering simple founder questions using AI coaches, allowing founders to focus on the most difficult and valuable issues.

Universities are implementing AI enabled infrastructure to reduce administrative load and enable both more and better startups to succeed. One example is MIT's Orbit.

Why do the founders' brains need to be rewired by a structured learning process?

- 1) Learning requires biological changes to the founders' brain structure e.g. new connections among neurons, strengthen connections among neurons, and delete connections. The brain will naturally resist ideas and knowledge which is not consistent with historical ideas and knowledge.
- 2) The structured learning process encourages founders need to quickly learn new things, do things they are not comfortable with doing, do things they don't want to do.
- 3) The founders don't need to use cognitive capacity to figure out what are the critical things to do. The founders can use their cognitive capacity to learn and figure out how to execute what is critical.
- 4) This rewiring takes place over several semesters resulting in founders who can quickly learn and unlearn.

What are your next steps?

- 1) Define the words/concepts you're using, in a glossary. I've seen major confusion when the same words mean different things to different people.
- 2) Do your own research and fact-based analysis using current and relevant information.
- 3) Compare your company's process, talent, and technology for assessing new customer needs with the approach taken by the leading US Universities.
- 4) Transform your company's approach. You may need to make talent changes as well as implement talent development process. Your capital and talent allocation processes may need transformation.

What further reading should you do?

Is your company planning to fail

<http://koorandassociates.org/avoiding-business-failure/is-your-company-planning-to-fail/>

Do you understand your customers

<http://koorandassociates.org/understanding-customers/do-you-understand-your-customers/>

Why is learning critical for your company's success

<http://koorandassociates.org/avoiding-business-failure/why-is-learning-critical-for-your-companys-success/>

Appendix – 5 U.S. Universities. Startup programs for undergraduate students

This appendix provides some very brief highlights of undergraduate student startup programs.

Stanford University

- 1) Stanford has a decentralized set of student run and departmental programs.
- 2) Cardinal Ventures is a 10-week university wide student run program, on a part time basis during semesters.
- 3) BASIS is a first-year university wide undergraduate program with \$100,000 prize money.

University of California, Berkely

Berkely has university wide structured funnels.

- 1) The STEP program is a university wide “top of the funnel” program with 1,000 new students annually. 70-75% are undergraduates. This is a 10 week long, part-time, program during school semesters.
- 2) Free Ventures is a student run program during school semesters. The expectation is at least 5 hours a week devoted to the startup.

Harvard

Harvard has a single process which encompasses all 13 schools.

- 1) The i-Lab program has three stages: Explore for students exploring ideas or looking for teams. Test is for teams with ideas. The focus is to validate that there are cash paying customers with problems. Propel is focused on revenue. All programs are semester based and are part-time

Wharton

The Venture Lab serves the entire university and is based in the business school.

- 1) The Venture Initiation Program (VIP) Venture Track runs on a rolling basis with no fixed end date for each startup. The program is part-time, during semesters.

MIT

MIT has a highly structured funnel.

- 1) MIT Sandbox Innovation Fund provides seed funding as milestones are met. Expectation of at least 6 hours per week. This part time during the semester program has no fixed end date.
- 2) VMS is an indefinite part time program with 90 minute in person mentoring sessions every 4-6 weeks. A team in VMS may be other MIT startup programs.