

THE STARTUP WAY

How Modern Companies Use Entrepreneurial Management to Transform Culture & Drive Long-Term Growth

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ERIC RIES is an entrepreneur, blogger and founder of the *Lean Startup* methodology. After founding a couple of his own companies, Eric Ries joined venture capital firm Kleiner Perkins as a venture advisor and later as an independent adviser for high-tech startups. He also served as entrepreneur--in-residence at Harvard Business School. Based on his experiences with startups, Eric Ries wrote *The Lean Startup* to put forward the concepts and methodologies of acquiring rapid customer feedback on product prototypes. The book was a bestseller and has since led to a number of other books based on the Lean Startup philosophy and management system. He is a graduate of Yale University.

The website for this book is at: www.thestartupway.com.

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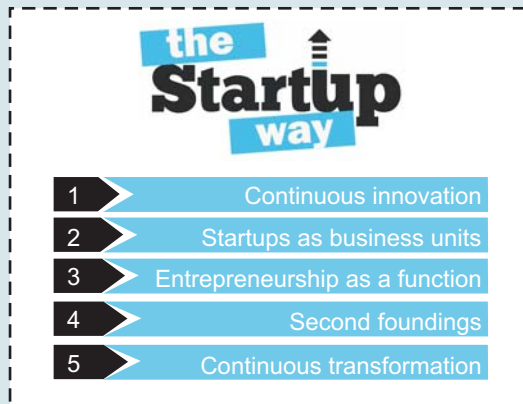
MAIN IDEA

How do you go about harnessing the talents and creativity of all your employees and not just your managers? Or put another way, how do you make ongoing continuous innovation focused on long-term results happen?



"The Startup Way" is the answer to these questions. It's a blend of conventional management practices and lean startup methodologies. You empower everyone to be more entrepreneurial by allocating organizational resources in savvy ways and then following through on the results achieved.

The Startup Way embodies five key operational principles:



"Ultimately, the goal of the Startup Way is to enable the entire organization to function as a portfolio of startups. This is the key to making the kind of long-term bets that provide growth and sustainability. Just as with a cohort of startups in a place like Y Combinator, expect that innovation projects in a larger organization will also have a high mortality rate. But the projects that survive from year to year can have dramatic impact."

– Eric Ries

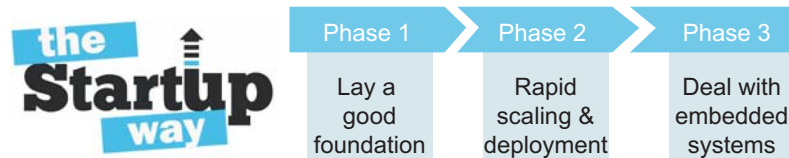


1. Creating the modern company – Respect the past, invent the future Pages 2 - 3

Traditional management practices are no longer up to the task. To become a modern company and then to excel over the long haul, you have to embed an entrepreneurial mindset into your management team and organization. Specifically, you need a management system which enables continuous innovation, continuous transformation and continuous experimentation by internal startups to highlight the way ahead.

2. A road map for transformation Pages 4 - 7

To move your organization to a more effective, entrepreneurial way of thinking and acting, three phases will generally be required:



3. The big picture – Moving from continuous innovation to continuous transformation Page 8

For today's companies, innovation is not a once-and-done activity. Instead, you need an active program of experimentation driven by in-house entrepreneurs to be happening in the background all the time. As that happens, those innovations will ultimately combine to generate corporate transformations. That is the only way to successfully invent the future.

