Innovation Driven Entrepreneurship
• What is IDE?
• How to manage Innovation Driven startups?
• What are the resources at METU for Innovative Founders?
Innovation

Invention

+ 

Profit Formula (Business Model)
Innovation Driven Entrepreneurship

the creation of “innovation-driven enterprises” that pursue global opportunities based on bringing to customers new innovations that have a clear competitive advantage and high growth potential.
# Innovation Driven Entrepreneurship*

<table>
<thead>
<tr>
<th>Small/Medium Business Enterprise Entrepreneurship</th>
<th>Innovation Driven Enterprise Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local &amp; Regional Markets only</td>
<td>Focus on Global/Regional Markets</td>
</tr>
<tr>
<td>Innovation is not necessary and not an competitive advantage</td>
<td>Based on innovation (Tech., Business Model/Process )</td>
</tr>
<tr>
<td>Non Scalable Jobs (restaurant, dry cleaner, etc.)</td>
<td>Scalable Jobs. Do not have to be performed locally.</td>
</tr>
<tr>
<td>Family Businesses or businesses with little external money</td>
<td>More diverse ownership base, including external capital owners</td>
</tr>
<tr>
<td>Growth is linear</td>
<td>Growth starts with losing money, if successful exponential growth follows.</td>
</tr>
</tbody>
</table>

Innovation Driven Entrepreneurship*


“FuturMaker”
Innovation Driven Enterprises
Innovation Driven Enterprises

2013 to 2015 Uber Monthly Net Revenue

Net Revenue (in $M)

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“FuturMaker”
Innovation Driven Enterprises

Xiaomi Global Smartphone Sales

Source: News Reports, Company Statements, BI Intelligence Estimates

“FuturMaker”
Innovation Driven Enterprises

Consumer Hardware Startup Exits (2013-2015)
How about big companies?
Apple’s largest-ever purchase

Apple has sealed a $3 billion deal to buy Beats Electronics, a headphone maker and music streaming service. The acquisition will boost Apple’s challenge to Spotify – the streaming music leader of the moment.

**Beats Electronics:** Founded in 2008 by Dr. Dre and Jimmy Iovine

**Beats Music:** Streaming service launched in January. Now receives 16% of all U.S. mobile iOS music revenue

$15 billion Global music industry revenue (2013)

$7.65 billion Physical sales

$6 billion Digital downloads

$1.05bn Performing rights

$300m Synchronisation revenue

<table>
<thead>
<tr>
<th>Apple’s acquisitions</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 NeXT computers</td>
<td>$400m</td>
</tr>
<tr>
<td>2008 PA Semi microchips</td>
<td>$278m</td>
</tr>
<tr>
<td>2010 Quattro Wireless</td>
<td>$275m</td>
</tr>
<tr>
<td>mobile ads</td>
<td></td>
</tr>
<tr>
<td>Siri voice technology</td>
<td></td>
</tr>
<tr>
<td>Polar Rose</td>
<td>$29m</td>
</tr>
<tr>
<td>facial recognition software</td>
<td></td>
</tr>
<tr>
<td>WiGear wireless headphones</td>
<td></td>
</tr>
<tr>
<td>2011 C3 Technologies</td>
<td>$154m</td>
</tr>
<tr>
<td>next-generation 3D mapping</td>
<td></td>
</tr>
<tr>
<td>2012 Anobit flash memory</td>
<td>$390m</td>
</tr>
<tr>
<td>Chomp app store search</td>
<td></td>
</tr>
<tr>
<td>Redmatica music editing</td>
<td></td>
</tr>
<tr>
<td>AuthenTec biometrics</td>
<td>$393m</td>
</tr>
<tr>
<td>2013 WifiSLAM GPS start-up</td>
<td></td>
</tr>
<tr>
<td>HopStop.com transit guide</td>
<td>$10m</td>
</tr>
<tr>
<td>Matcha.tv video recommendation site</td>
<td></td>
</tr>
<tr>
<td>Cue personal assistant</td>
<td>$35m</td>
</tr>
<tr>
<td>PrimeSense 3D motion sensors</td>
<td>$350m</td>
</tr>
<tr>
<td>Topsy Labs social media data analytics</td>
<td>$200m</td>
</tr>
<tr>
<td>2014 TestFlight iOS beta app testing platform</td>
<td></td>
</tr>
<tr>
<td>Beats Electronics</td>
<td>$3bn</td>
</tr>
</tbody>
</table>
Applied Semantics
$0.1bn
(Developed AdSense, now 33% of Google’s revenues)

Android
$0.05bn

double click
$3.1bn
(Display advertising)

MOTOROLA MOBILITY
$12.5bn

ITA Software
$0.7bn
(Travel reservations software)

Waze
$1.3bn
(GPS navigation software)

YouTube
$1.65bn

Postini
$0.6bn
(Email security tool, now integrated with Google Apps)

ADMeld
$0.4bn
(Web/mobile advertising inventory optimisation)

Admob
$0.8bn
(Mobile display advertising network)

Wildfire
$0.5bn
(Social media marketing)

Nest
$3.2bn

KEY:
Less than $1bn
$1bn-$3bn
Greater than $3bn

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“FuturMaker”
Amazon Buys Twitch For $970 Million
Price of selected acquisitions by Amazon from 1999 to 2014

- **Zappos**: 2009, 1,200m
- **twitch**: 2014, 970m
- **Kiva Systems**: 2012, 775m
- **Quidsi**: 2010, 545m
- **LOVEFiLM**: 2011, 312m
- **Audible**: 2008, 300m
- **a Alexa**: 1999, 250m
- **goodreads**: 2013, 150m
- **woot!**: 2010, 110m

Sources: TechCrunch, CrunchBase
Ok they can’t innovate
But they hire people!
Net Job Creation: ZERO – SIFIR - 0
Let’s Startup!
Startup (IDE)

a temporary organization designed to **search** for a repeatable and scalable business model.

Startup >>>>>>>>>>> Enterprise
Q: HOW?
A: Just like the scientist do!
Q: WHY?
A: Startups are also searching for something new, why don’t we follow the same way?
How scientist search?

- Make an observation
- Ask a question
- Make a hypothesis
- Conduct your experiment
- Draw conclusions
- Report your results
Startup Management

Steve Blank
Startup Management

Your plan

Reality

“FuturMaker”
Failure is integral part of Startup!

ANYONE WHO HAS NEVER MADE A MISTAKE HAS NEVER TRIED ANYTHING NEW.

Albert Einstein
Get Out of The Building!

“no business plan survives the first contact with customers”

Steve Blank, entrepreneur & thought leader
Fail Fast

EVERYONE HAS A PLAN

UNTIL THEY GET PUNCHED IN THE FACE
Fail Fast or Succeed Faster

customer discovery → customer validation → customer creation → company building

pivot

search → execution

“FuturMaker”
OK, Let’s Start,
What do I Need?
1. Fellow Traveler (Cofounder)
2. Visionary
3. Ambitious
4. Persevering
5. Flexible
6. Talented
Your cofounder is sitting right next to you!

Start flirting right now!
All you need is a Problem!

If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and 5 minutes thinking about solutions.

— Albert Einstein —
Solve your own problem!

Family
Friends
You

“FuturMaker”
How Can We Help?

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“FuturMaker”
ODTÜ GİMER – Entrepreneurship Research Center

- **Course:** BA 4137 Entrepreneurship

- **Links**
  - ODTÜ GİMER: [https://twitter.com/odtugimer](https://twitter.com/odtugimer)
  - Assoc. Prof. Dr. Adil Oran:
    - [https://twitter.com/adiloran](https://twitter.com/adiloran)
    - [http://adiloran.com/](http://adiloran.com/)
YFYI Acceleration Programs

**T-IDEA**
Fikrin girişimin olsun.
Yenilikçi bir fikre sahip şirketleştirmenişiniz lisans, yüksek lisans ve doktora öğrencileri ile yeni mezunlar

**PROGRAM**
- Yalın Girişim Eğitimi
- İş Modelli Geliştirmek
- MVP Tasarımı
- Metrik Yönetimi

String Ventures Bootcamp
- Problem Çözüm Uyumu
- Persona Çalışması
- A/B Testi

Mentorluk Programı (5 hafta)
- Kurucular ve Yatırımcırdan İş Geliştirme Destekleri
- 1-1 Mentorluk
- Yatırımcı Sunumu Eğitimi

**T-BIGG**
TÜBİTAK ile 150.000 TL’lik sermaye desteği alın

**T-START**
Girişimin İşin olsun.
4 yaşından küçük 6 çalışanndan az ve 100.000 TL’den fazla yatırım almamış genç teknoloji şirketleri

**PROGRAM**
- High Intensity Innovation Training (HIIT)
- İnovasyon Kampı

String Ventures Bootcamp
- Ürün Pazar Uyumu
- Landing Page
- Growth Hacking
- Satışların Optimizasyonu

**T-BOOST**
Girişimini dünyaya duysun.
Yurdışı pazarlara hazır ürün ve takımları olan teknoloji şirketleri

**PROGRAM**
- Silicon Valley Culture
- Company Performance Management
- Equity Management

4 Hafta ABD programı
- Product Strategy
- Growth Strategy
- Legal Consulting
- Investor Relations

@T-JUMP Office San Francisco

ODTÜ • TEKNOKENT

“FuturMaker”
Success Stories

[Logos for onedio, evreka, and ISSD]

ODTÜ-TEKNOKENT

“FuturMaker”
YFYİ Hızlandırma Programı ortamların en hızlı girişimcilerini bekliyor!
2016 dönemi başvurularımız başladı.