



# Session 8 - Product Design Entrepreneurial Product Development

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## Selling Direct via Internet

- Unique, proprietary product.
  - Gross margin >50%
- Price point \$50 - \$300
- Compact – UPS/USPS/FedEx freight <10% of price
- Easily searchable via keywords
- Amazon a critical channel.



## Fun

- Your design in production.
- Working with a great team over many years.
- Positive cash flow.
- Seeing your product on the street.
- Controlling your own destiny.
- Getting things done efficiently.



## Not Fun

- Product not perfect.
- Loaning the company money and guarantees of third-party loans.
- Laying off a factory workforce.
- Being sued.
- A customer falling and suffering injuries.
- A safety recall.
- Knock offs and trademark violations.
- Cyberfraud.
- Homeless employee living in back of factory.
- Fake reviews.

# 1. When market uncertainty is high, just make and sell 100-1000 units (“lean” and “mvp” strategies)



## 2. Luck (Exogenous Factors) is a Key Determinant of Success

$$V = f(I, D, E)$$

A black and white advertisement for Xootr scooters. The image shows a man and a young boy standing on their respective scooters. The man is on the left, labeled 'Ours', and the boy is on the right, labeled 'Theirs'. Both are smiling. The scooters are Xootr brand, with the logo visible in the top right. At the bottom, the text 'Joy | Toy' is displayed, followed by the website 'www.xootr.com'. The bottom left corner has 'Nova Cruz Products LLC' and 'info@novacruz.com'. The bottom right corner has the phone number '1 888 353 4464'.

**Ours**

**Theirs**

**Joy | Toy**

**www.xootr.com**

Nova Cruz Products LLC

info@novacruz.com

1 888 353 4464

### 3. Sometimes new venture success is about staying alive long enough for something random and good to happen to you.



TECHNOLOGY | Uber to Buy Jump, Maker of Electric Bicycles, After Bike-Sharing Test



## *Uber to Buy Jump, Maker of Electric Bicycles, After Bike-Sharing Test*

By DAISUKE WAKABAYASHI   APRIL 9, 2018





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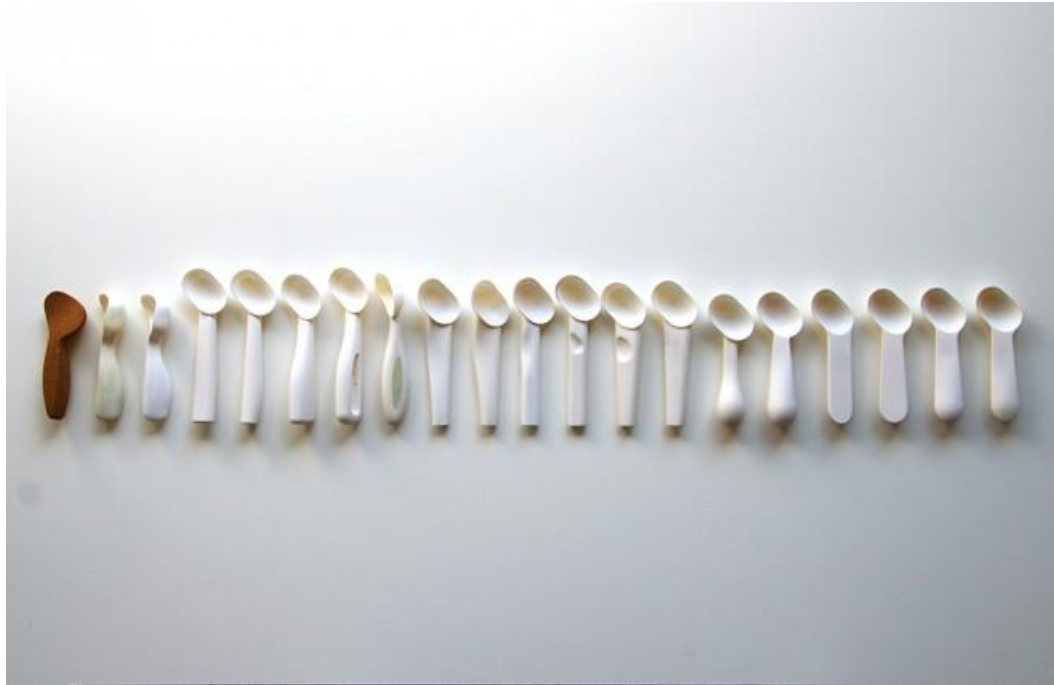
Southeast Asia's Ride-Hailing War Is Being Waged on Motorbikes   DEC. 8, 2017

## 4. Pull from Needs (to Maximize Chances of Value Creation)

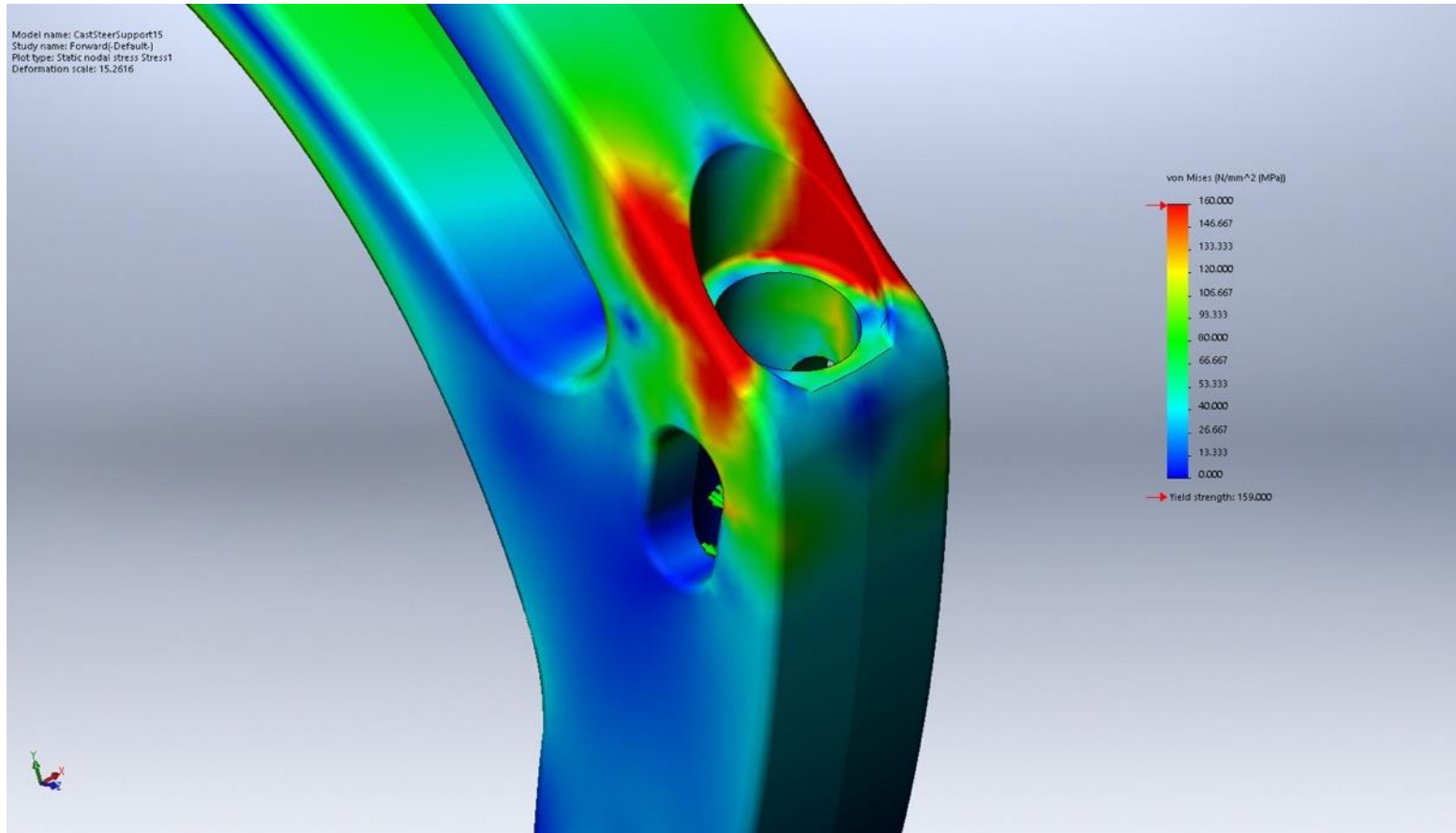
*A “push” is fun, and may change the world, but is very, very risky.*



## 5. Care and Craft Matter, and Refinement is Hard Work



## 6. There's a reason they call it HARDware.

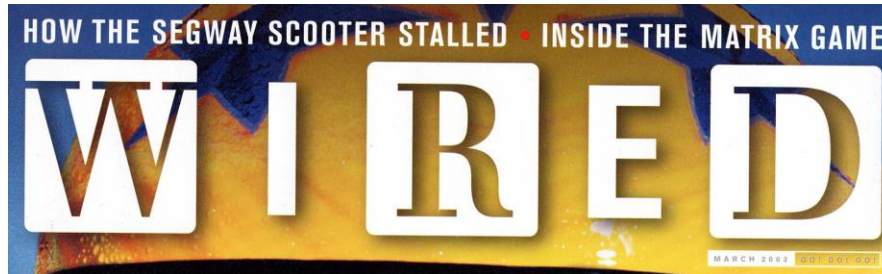


## 7. Forecasts of New-Category Ventures Often Wildly Optimistic

Original volume projections:  
40,000 units/month by end of 2002.

“I would stake my reputation, my money and my time on the fact that 10 years from now, this will be the way many people in many places get around. If all we end up with are a few billion-dollar niche markets, that would be a disappointment. It’s not like our goal was just to put the golf-cart industry out of business.”

– Dean Kamen



## 8. Sometimes the service and business model is more important than the hardware

