

CSC454 - Business of Software

①

say 'tech' ↓

Arnold Wytenberg: "we wired the town w/ glass"
 3.6 trillion \$ industry → 2/3 is software
 → 4.5% of total commercial activity

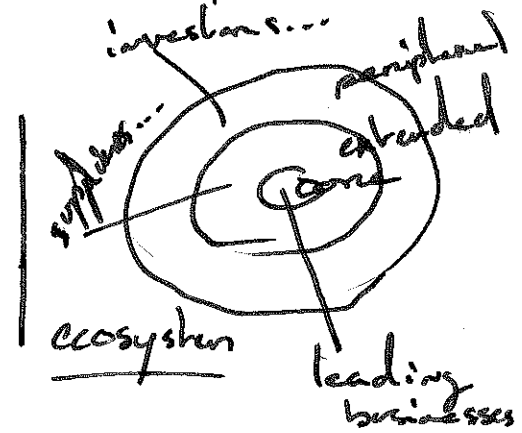
Bigger you are → slower you are
 Only industry where business can be started and grow w/ the little funds
 → build a business vs build a job
 → to be resold potentially

"Software is a business of businesses"

With internet, organic ecosystem developed | "Cleaning out the dinosaur shit at the back of the room"

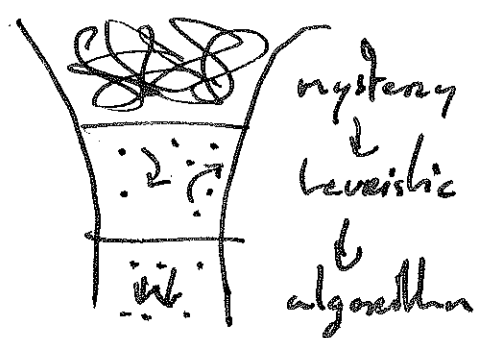
industry = ecosystem of ecosystems -

Zappa: make sth out of nothing then selling it; that's art -



Selling up vs selling down
 keeping leaving

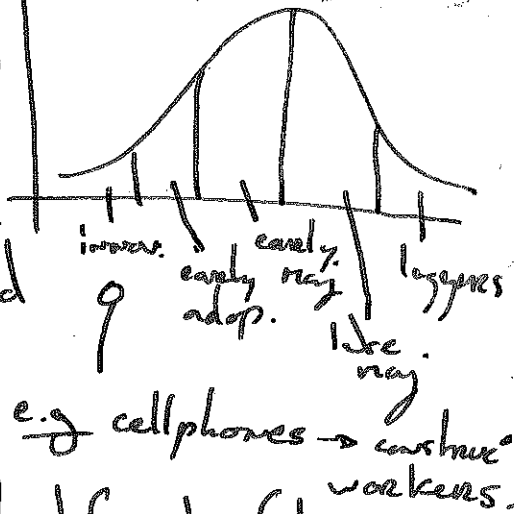
"Red Queen Effect" - huge effort for staying in place
 - need innovat



turn mystery into history
 e.g. 1-click order by Amazon

Modern management -> Peter Drucker

Private equity -> asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange



A good business is always putting itself out of business

-> "effort to create purposeful focused change in eco or soc potential"

-> Best thing you can do is often knowing stuff from product

"pulling a Steve Jobs" = making sth we didn't know before and make ppl lust for it

Ad. Do not fail! Learn.

Google killer is very focused, e.g. Wolfram

→ maximizing innovaⁿ is an essential trait.

→ 'pet projects' are not investible -

Traditional market analysis: top-down
better: bottom-up

SAM ⊆ TAM — served addressable market — ppl effectively interested and reachable
total available

PROXY: marijuana ↔ alcohol

→ how much are you paying monthly ✓
vs how much a bottle cost x

ppl potentially interested

→ reasonable —

→ Wordle (grab & filter keywords) → good SEO tools
primary research vs secondary research
directed first-hand db market research

unethical vs illegal

WHOGAS - who gives a shit → most Δ^{1st} question

Requirements for investability { at least 10x better than status quo
at least 1 Billion + (1% of 1 Billion is pretty good)

Every startup is a one-off (VxUniverse, x is uni^o at Einstein)

→ Think big, don't think vague

1st rule of holes: "if you are in a hole, stop digging"

Glossy slides => bad feedback (too pretty to be faulty) → RAW is better

Prezi is bad! Get the point across

↳ Powerpoint killer: Bunker -

AW: "Napkin-sketchy product"

(↳ 24h review flip through
really helps ingrain knowledge)

~~Sketchy~~
"get out of the building"

AW: "You should be ashamed if you are not embarrassed by your product"

Pivoting: substantive change

MVP → story about ~~sanctified~~ firm that once MVP = 5 stars, destroy it, and now that mission is known, reach for the gold -

Cash is king

always try to put yourself out of business -

Arnold → S. Jobs is a flawed leader, he is mostly arrogant and lucky -

Arnold → rules are just tools, if you just follow them, you are a fool

turned a headshop into a hardware shop

Both share resp

the fish is the last to discover water