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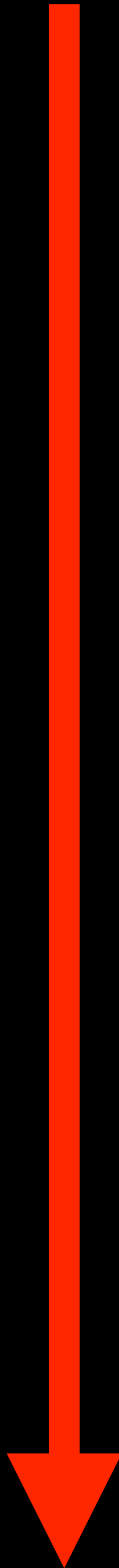


AMBO



Frame a Funnel

LaunchPath



Step 1: Listen to the waves.

Step 2: Create something people want.

Step 3: Draw the landscape.

Step 4: Build an engine of growth.

Step 5: Create an economic model.

Step 6: Develop a capital strategy.

Step 7: Frame a funnel.

Step 8: Be a master storyteller.



Top reasons startups fail:

- 1. Not enough customers.**
- 2. Inability to get customers at a rational cost.
(CAC > LTV).**

A common failure pattern is to spend many months just focused on building the product, then panic when it doesn't sell as expected.

Tonight I want to convince you to be developing the sales and marketing process early, with a focus on learning. If you do that, your eventual customer acquisition process will be much more successful.

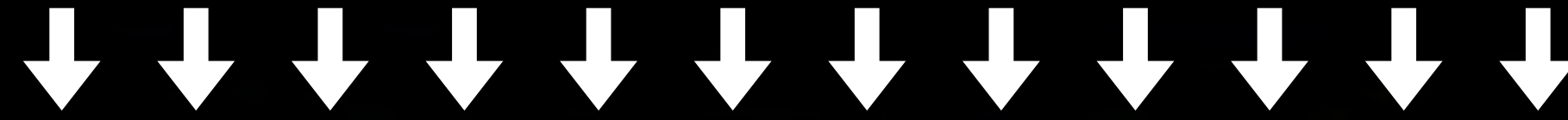
The customer acquisition process will look quite different for different kinds of businesses.

But I'm going to give you a few high-level concepts that are applicable to all.

The concepts that are applicable to all ventures:

- **It's always a funnel.**
- **Identify ICPs and Triggers.**
- **Pre-PMF, prioritize learning.**
- **Not all customers are created equal.**
- **Establish Beachheads.**
- **Founder-led Marketing.**

A bunch of leads come into the top of the funnel.



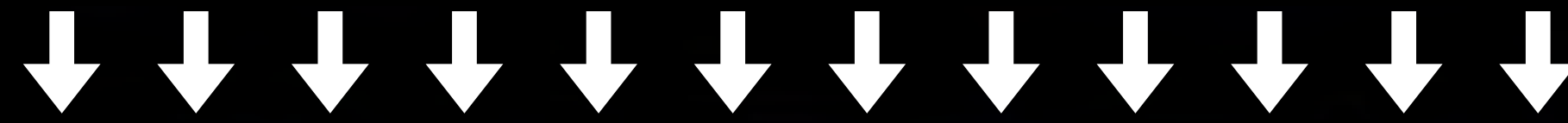
The Funnel

For any venture, the customer acquisition process can be visualized as a funnel.



And some of them become paying customers.

Knock on 100 doors.



10 of them invite you in. →

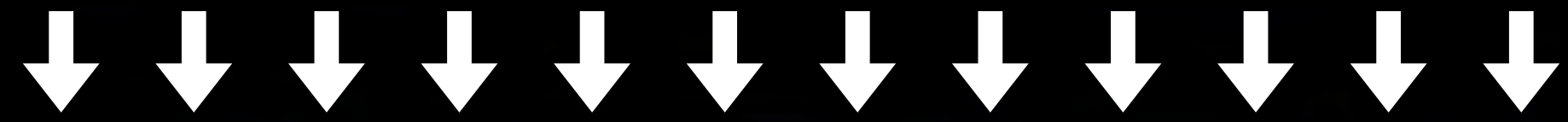
3 of them ask for a demo. →

1 of them makes a purchase.



Door-to-Door Salesman

100 inquiries from website.



Write proposals on 35 of them. →

15 of them want to have a meeting. →

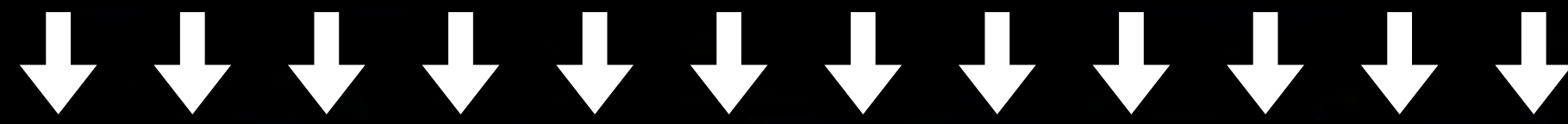


Consulting Firm

3 of them become clients.

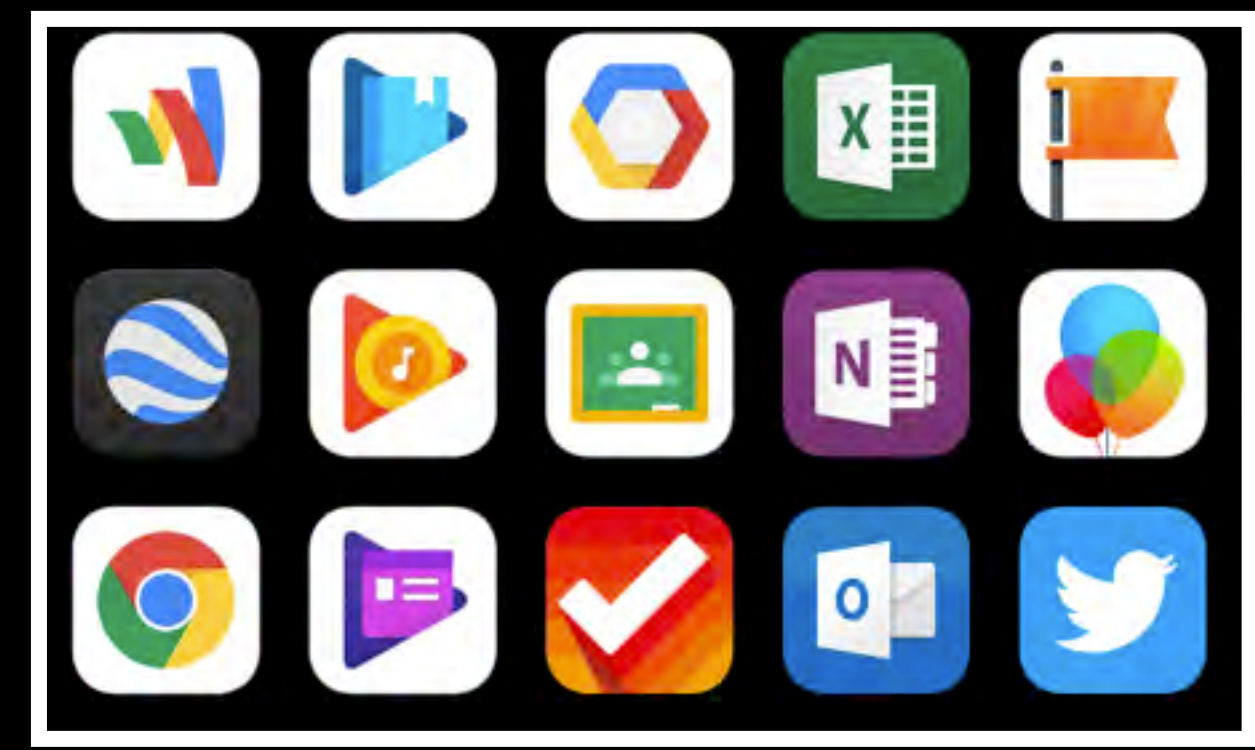


1,000 App Store Searches



150 download the free version. →

15 activate the app and register. →



Mobile App

↓
3 of them upgrade and pay for the premium version.

It's all about incremental optimization.

\$1,000 spent on social media ads
Ads are displayed 800,000 times.



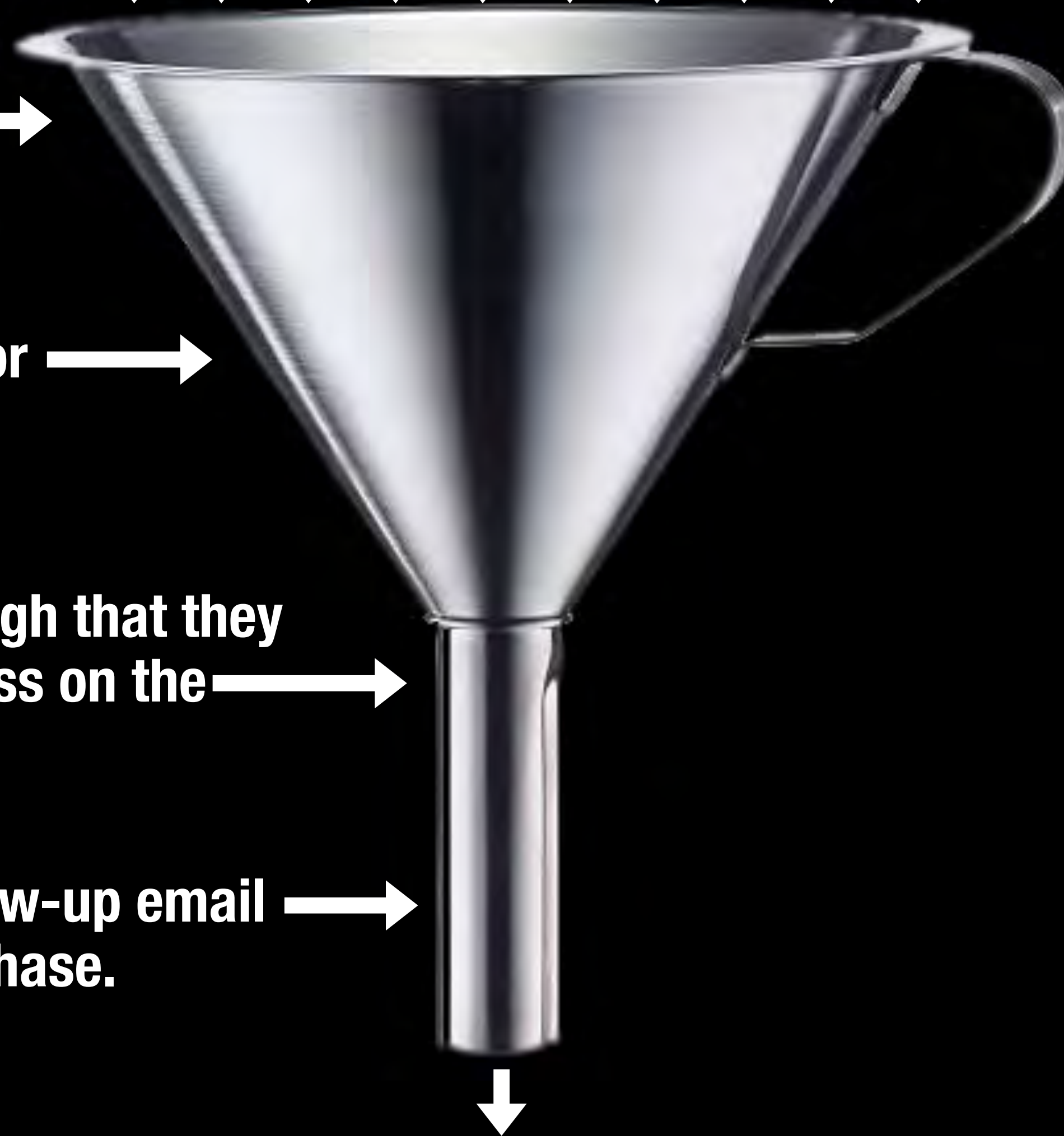
2% click on our ad and get taken
to our landing page.

20% stay on the landing page for
more than 5 seconds.

6% are interested enough that they
enter their email address on the
landing page.

We send them a follow-up email
and **3%** make a purchase.

6 new customers (CAC=\$167).



\$1,000 spent on social media ads
Ads are displayed 800,000 times.



Improve targeting on the ads.

3% ~~2%~~ click on our ad and get taken to our landing page.

New headline.

21% ~~20%~~ stay on the landing page for more than 5 seconds.

Move up on page.

7% ~~6%~~ are interested enough that they enter their email address on the landing page.

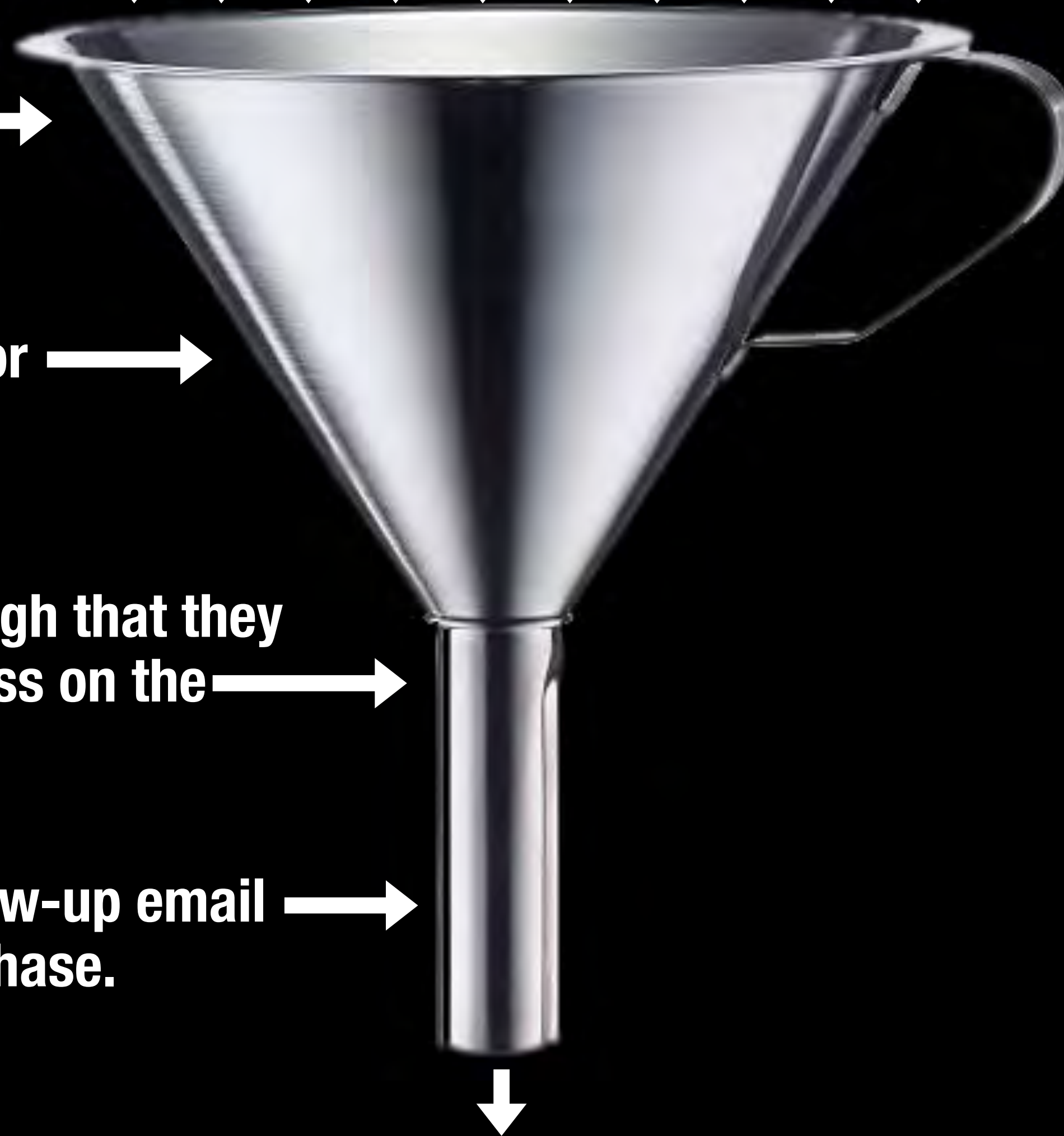
Change subject line.

We send them a follow-up email and ~~3%~~

4%

6 new customers (CAC=\$167).

14 new customers (CAC=\$71).



~~\$1,000 spent on social media ads~~

Ads are displayed 800,000 times.



\$500 on social media, \$500 on search.

Improve targeting on the ads.

6% ~~3%~~ ~~2%~~ click on our ad and get taken to our landing page.

New headline.

21% ~~20%~~ stay on the landing page for more than 5 seconds.

Move up on page.

7% ~~6%~~ are interested enough that they enter their email address on the landing page.

Change subject line.

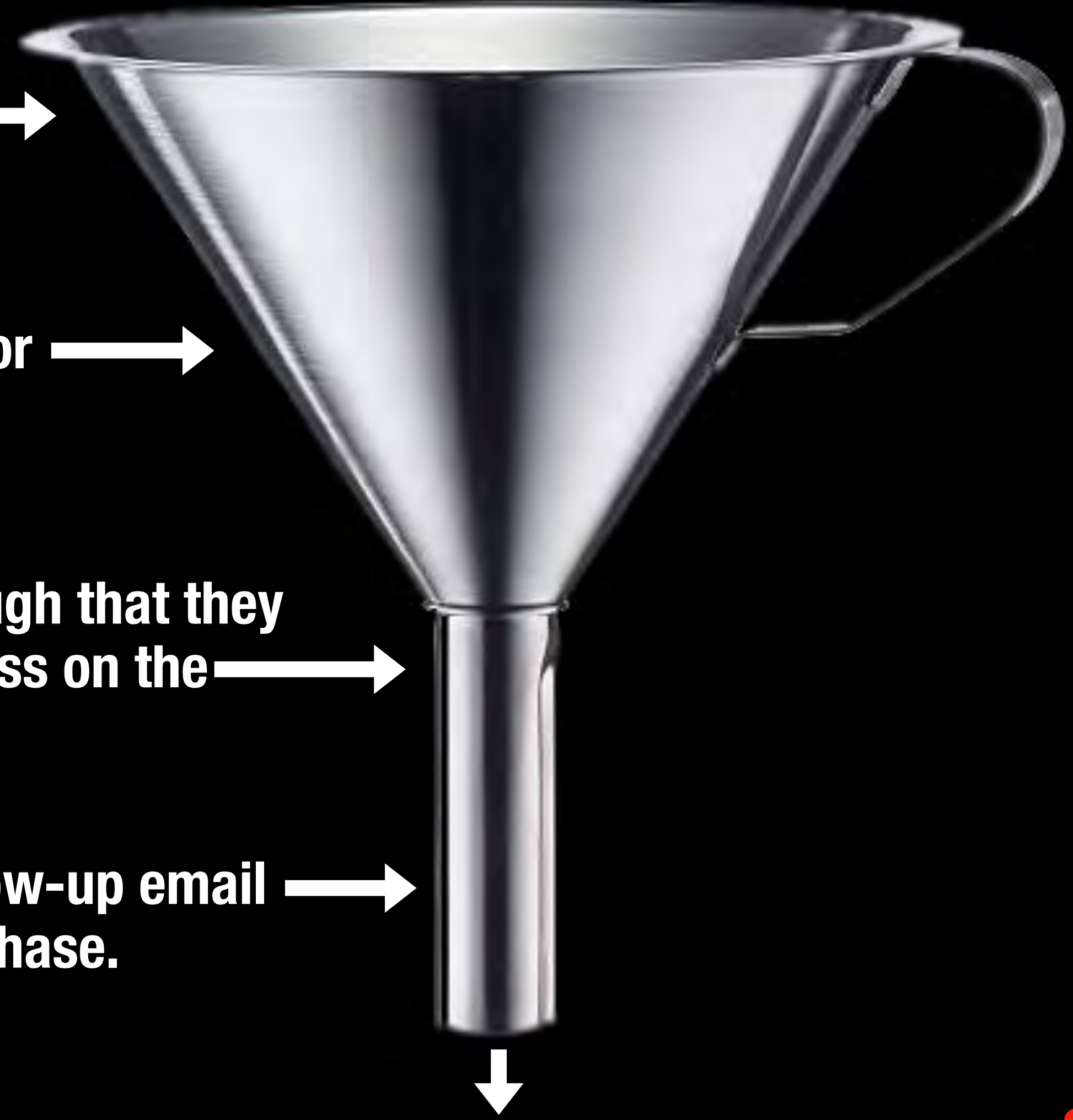
We send them a follow-up email and ~~3%~~ 4% make a purchase.

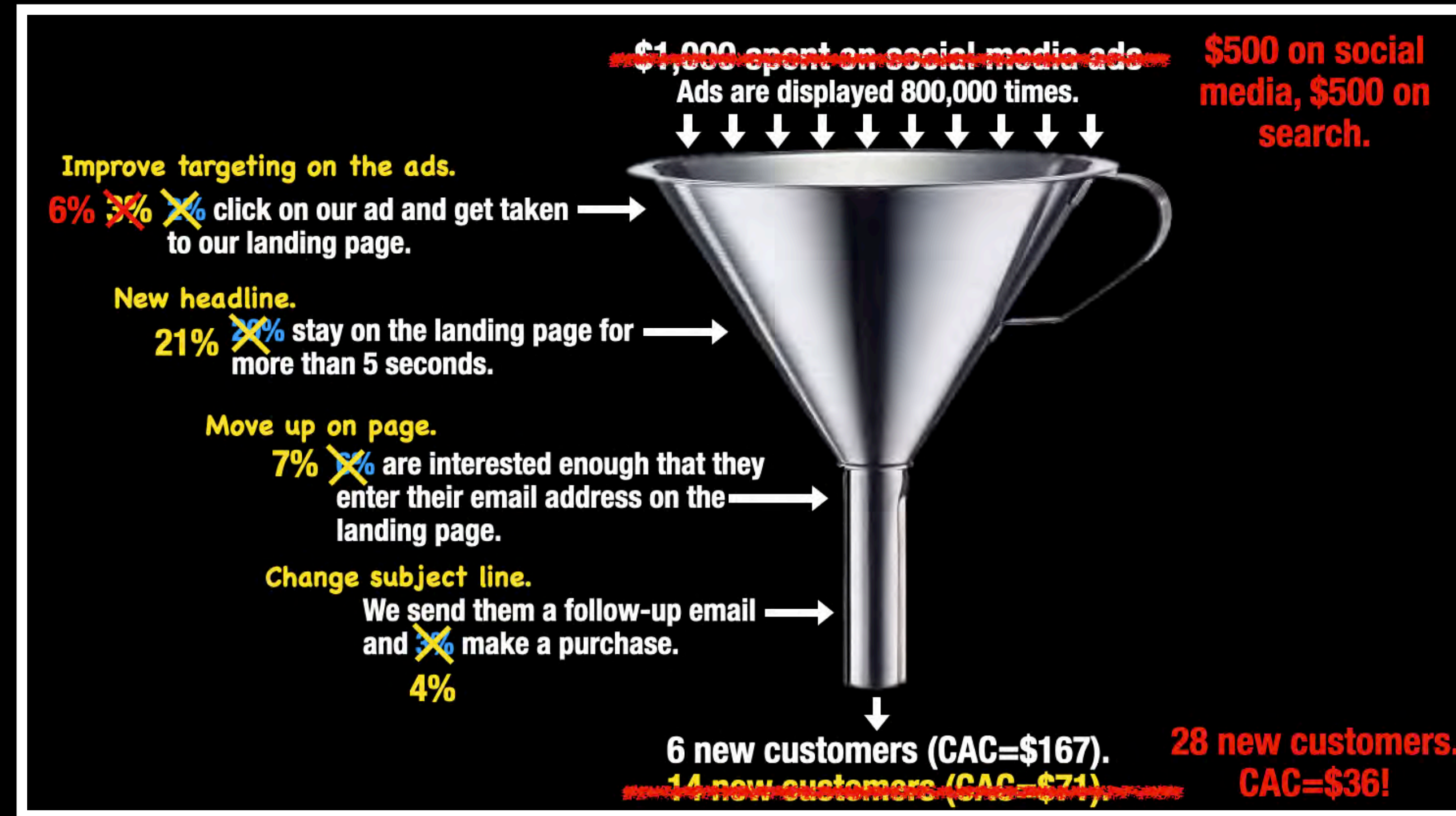
6 new customers (CAC=\$167).

~~14 new customers (CAC=\$71).~~

28 new customers.

CAC=\$36!





In this example we brought the CAC from \$167 to \$36!

We optimized the funnel and learned some things.

Small experiments lead to big things.

In a previous edition of BUS-217 our fictional class venture was on-demand fresh-baked cookies delivered to your door.

We assumed men in their 20's would be our ICP.

To find out what flavor cookies people liked most we spent \$50 on a little A/B test on Facebook.

We didn't learn much about flavor choice, but we were surprised that **woman over 50 clicked on our ads more than than any other demographic.**



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A very small hack (\$50 on two different FB Ads) gave us key insight into which demographic to target.



Ideal Customer Profile (ICP) and Triggers.

Who are your ideal customers?

What makes them suddenly look for a solution like yours?

The Launch Path Canvas 2.0

Name of Startup Venture: TacoBox Name: Bret Waters
 One Sentence Description: A subscription-based service delivering healthy meal kits (tacos!) for your friends and family.

Problem
 One clear sentence that articulates the problem your startup solves.

Many consumers want to eat healthy, but the convenience of fast food drives Americans to buy \$300B/year in unhealthy fast food.

Solution
 How does your venture solve the problem you have articulated? Keep this short and concise!

Fast food doesn't need to be unhealthy. Our startup is developing a new brand of health-conscious fast food (healthy tacos!), as family-friendly meal kits.

Why it Matters
 Why is this a problem worth solving?

The National Institutes for Health say that today a fast food diet may kill more people prematurely every year than cigarette smoking.

Landscape
 This is a list of competitors and alternatives. When a customer looks at alternative ways to solve the problem your startup solves, what will they see?

There are many food delivery services, from meal kits like Blue Apron and CookUnity to on-demand prepared food from Uber Eats to Doordash to GrubHub.

[Link to a full visualization.](#)

ICP
 What do you think your startup's Ideal Customer Profile will be?

Busy parents and professionals looking for an easy and healthy way to prepare meals for big gatherings.

[Link to a more personas.](#)

Path to PMF
 What is your plan for getting to Product-Market Fit?

- Farmers' markets where we can get input on our menu items and the price of our TacoBox kits.
- Sign up 100 of our friends, relatives, and neighbors. Run it for two months, collecting feedback.
- Scale slowly, adding customers in additional markets, continue to learn.

PMF Metrics
 As you work your way toward Product-Market Fit, what are the key metrics that matter?

We will sell direct-to-consumer, via our mobile app and website.

In the future, we may be open to distribution partnerships, including potentially UberEats and the other on-demand players.

Distribution
 What are your distribution channels? Direct to consumer, or via resellers, or?

We will sell direct-to-consumer, via our mobile app and website.

In the future, we may be open to distribution partnerships, including potentially UberEats and the other on-demand players.

Positioning
 Within this landscape of competitors and alternatives, how is your venture positioned?

Our positioning can basically be summed-up in two words: healthy and delicious.

We serve delicious tacos designed by a nutritionist. That's our unique positioning within the landscape of competitors and alternatives..

Trigger
 What makes someone suddenly be in the market for what your startup provides?

An upcoming family celebration might cause someone to be looking for a healthy-but-crowd-pleasing way to have a big dinner for family and friends.

Economics [Link to spreadsheet.](#)

What are the Unit Economics for this venture, what do we expect the CAC<LTV to look like, and what are our capital needs?

Unit Economics:
One box: \$50, cogs=\$28, GP = \$22.

Customer Economics (CAC:LTV goal):
\$18:\$105 (5.8x)

Enterprise Economics (runway):
Cash flow breakeven < 12 months.

Capital Strategy

What source and structure of capital will best align interests between founders, employees, shareholders, and investors?

We will raise a \$200 revenue share note.

We believe we can get to profitability on that one financing.

Unfair Advantage

What unique advantage does your startup have that may help to defend from competitors?

The fact that we own the customer and customer data is a big part of our defensibility.

A restaurant selling through a 3rd-party like Doordash owns neither the customer nor the data.

Top 3 Benefits

What are the top 3 benefits that your product or services provides to customers?

- Convenience. A complete meal kit delivered to your door.
- Healthy food, designed by a nutritionist.
- Tacos. Everybody loves tacos!

The original Business Model Canvas was developed by Alexander Osterwalder and published in this great book: Osterwalder, Alexander; Pigneur, Yves; Clark, Tim (2010). Business Model Generation: A Handbook For Visionaries, Game Changers, and Challengers. Strategyzer series. Hoboken, NJ: John Wiley & Sons. ISBN 9780470876411 This version is to align with my book, The Launch Path: Getting from a startup idea to a launch-ready venture, ISBN 979-8989090402. Feel free to use, adapt, copy, and change.

NORMANDY, 1944
EXPANDING THE BEACHHEAD 51
Operations, 21 July 1944

ELEVATIONS IN METERS
0 100 200 OVER

SCALE OF MILES
0 5 10 15 20

Omaha Beach



Don't try to take the whole market at once. Identify a small corner of the market you can take first.



Not all customers are created equal.

**You will eventually find that 20% of your customers are
creating 80% of your success.**

Founder Led Marketing

Thought Leadership: Educate your audience instead of pitching to them. Share your lessons, mistakes, and industry insights.

Choose Your Platform Wisely: Focus on one or two channels where your ideal customers hang out, such as LinkedIn, X (formerly Twitter), a niche podcast, or a personal newsletter.

Consistency over Perfection: You do not need viral hits. Regular, authentic, and insightful posts build authority and mental real estate over time.



Photo by [Stephen Phillips](#) on [Unsplash](#)

Marketing your early-stage startup for free (do it now, not later).

Here is a list of free (and nearly-free) things you should be doing right now, even if your startup's product won't be ready for several months.

The concepts that are applicable to all ventures:

- **It's always a funnel.**
- **Identify ICPs and Triggers.**
- **Pre-PMF, emphasize learning.**
- **Not all customers are created equal.**
- **Establish Beachheads.**
- **Prioritize learning before prioritizing efficiency.**
- **Founder-led Marketing.**

Summary:

Small experiments lead to big things. Start now.

GEOFFREY A. MOORE

*Author of *Inside the Tornado* and *Living on the Fault Line**

A BusinessWeek Bestseller

CROSSING THE CHASM



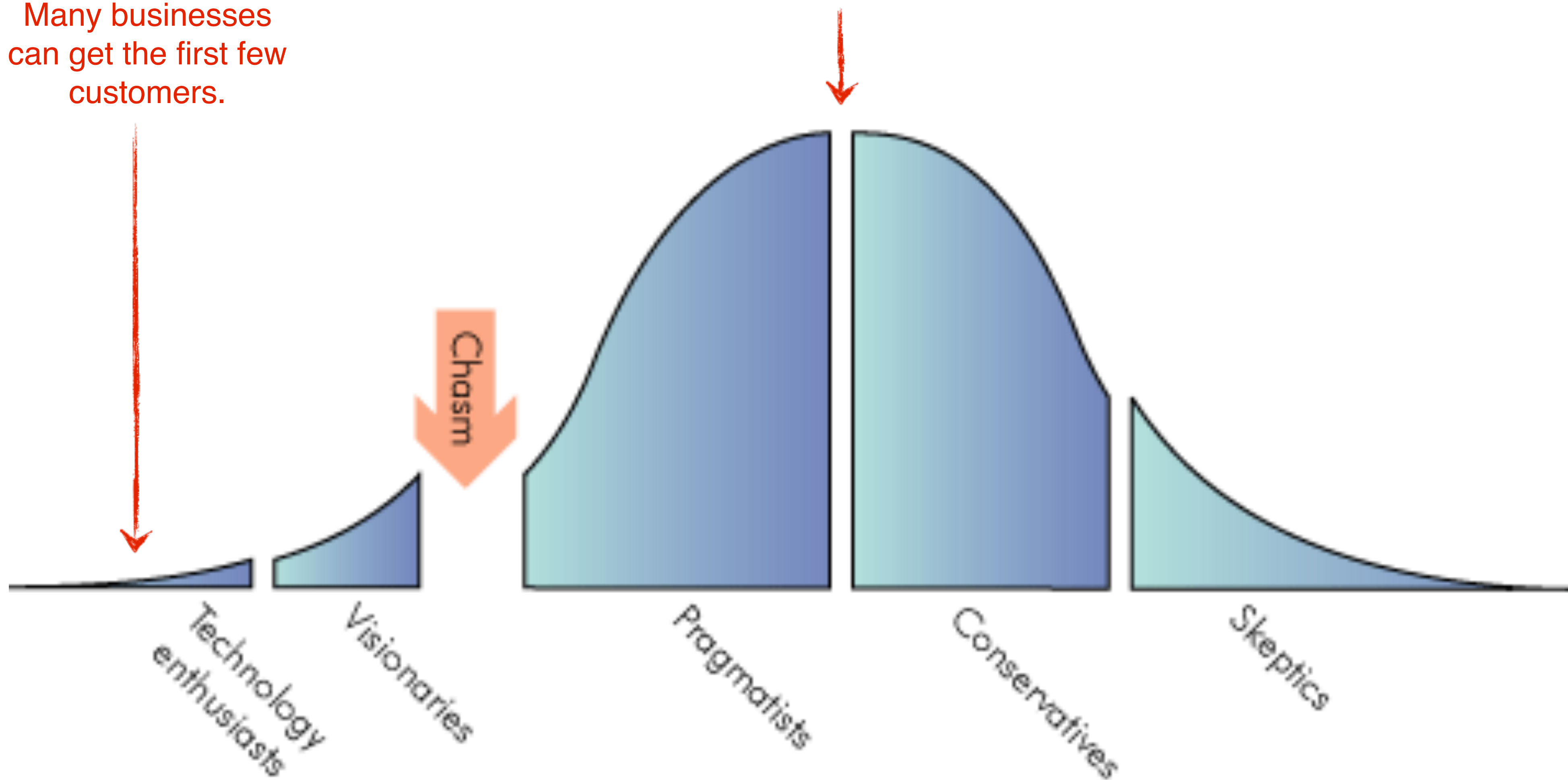
"For the most astute companies this book provides the blueprint for success, for the others it is a manual for their survival, and for all it is a great read."

—William Davidow, general partner,
Mohr Davidow Ventures

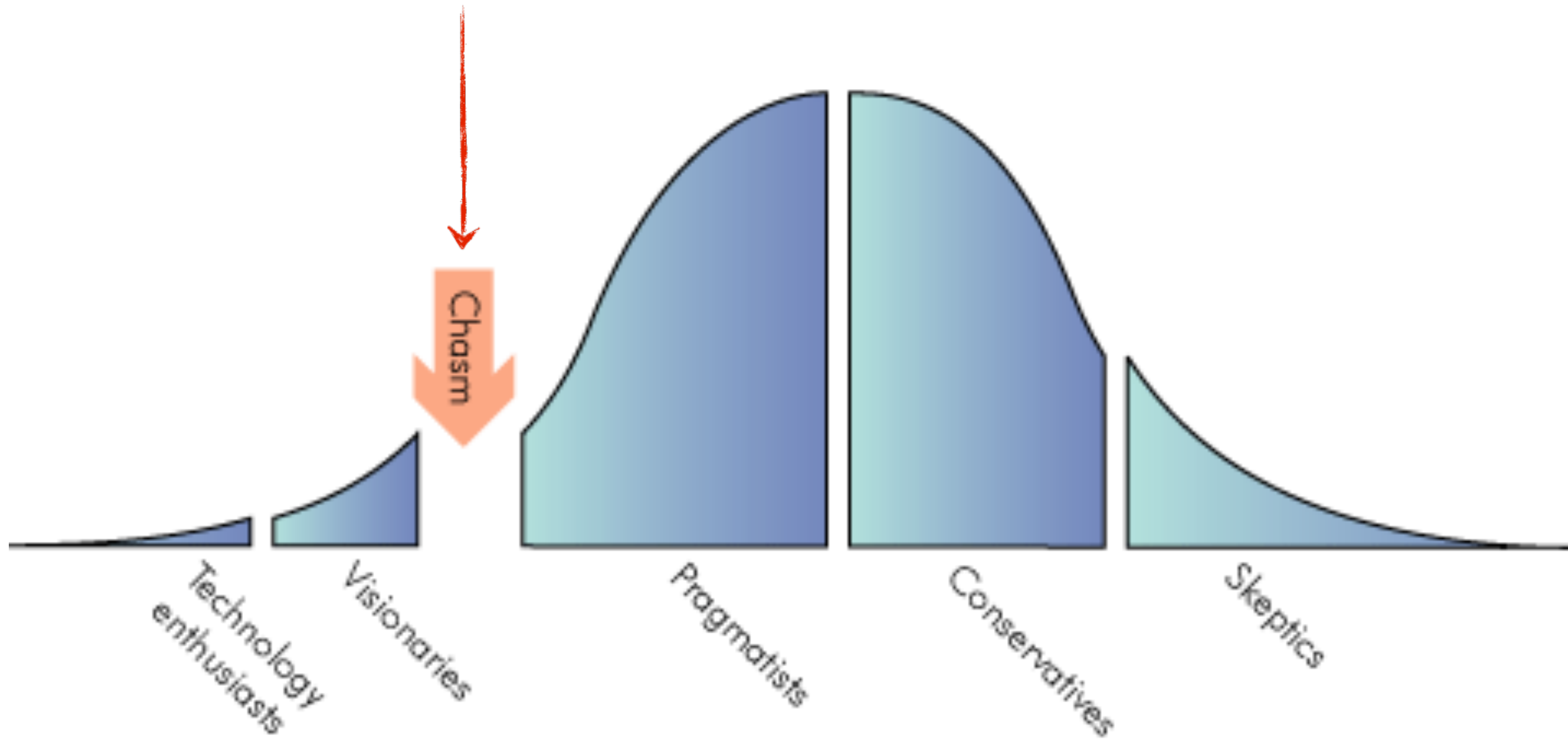
MARKETING AND SELLING DISRUPTIVE
PRODUCTS TO MAINSTREAM CUSTOMERS

Many businesses can get the first few customers.

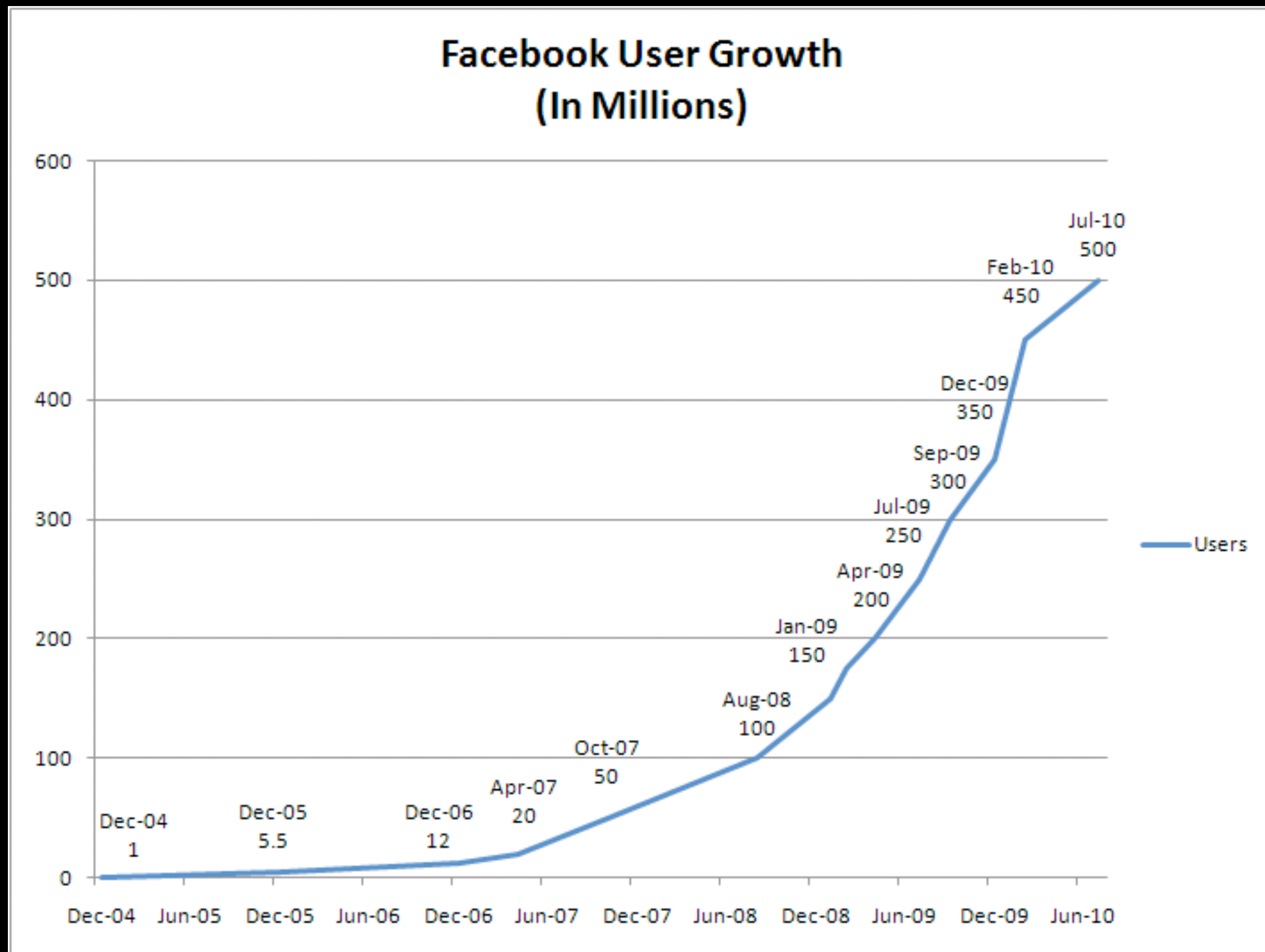
But getting millions of mainstream customers is hard.



This is littered
with the dead bodies
of many promising startups.



facebook



At launch was restricted to one university.

Then to three universities.

Then restricted to just .edu email addresses.

Then targeted mass market.

Now has >2 billion users.

“

The marketer should focus on one group of customers at a time, using each group as a base for marketing to the next group.

Geoffrey Moore

Crossing the Chasm

Dancing Man

Sasquatch 2009

Ten minute break.

The #social channel: Book recommendations.

social

108

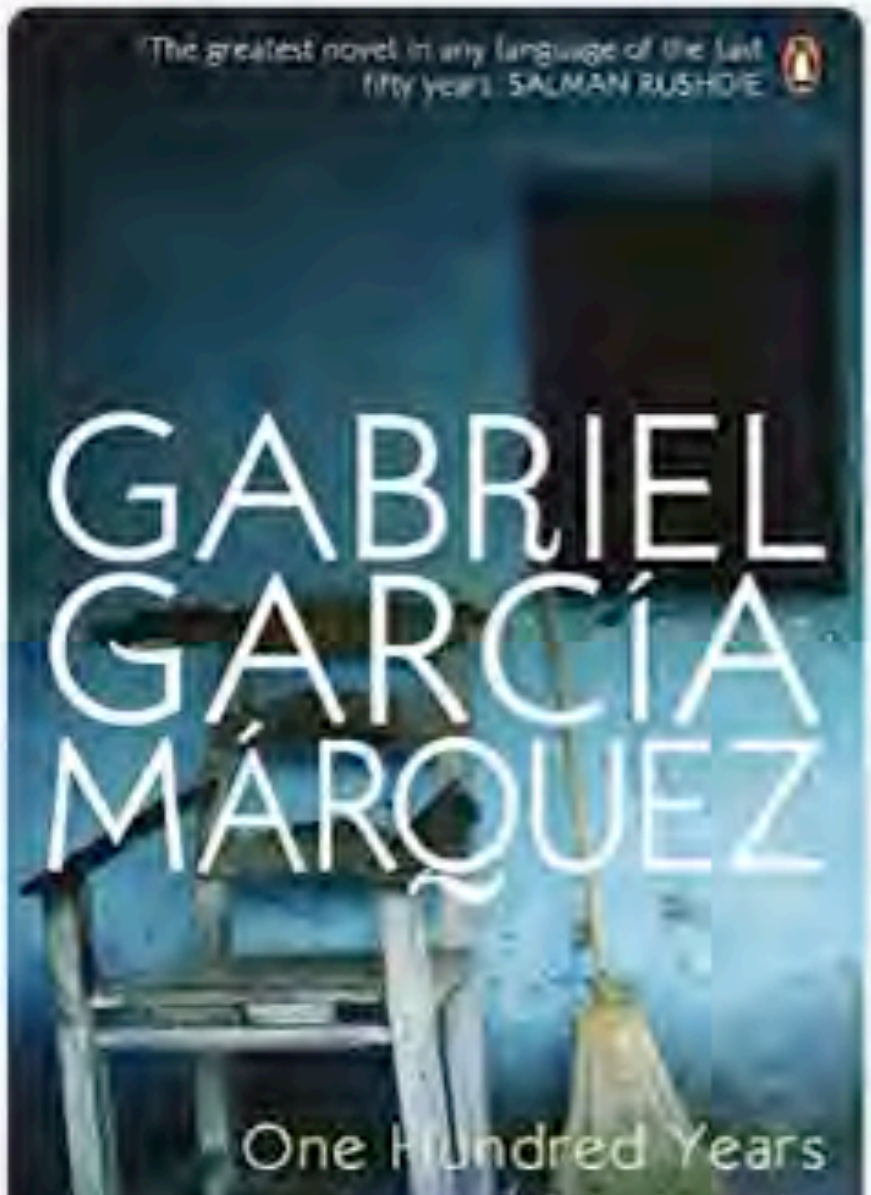
Messages 🌸💖👉 📁 Files +

🔍 Search messages in this channel (%F) ✕

Lola 1:00 AM
Release your breaks by Jim W. Newman
❤️ 1 😊

Bret 8:56 AM
My startup book recommendations are already on the class website, so I'll go with a fiction recommendation here. For me, anything by Gabriel Garcia Márquez - I think he's one of the greatest writers of the 20th century. If you haven't read any of his stuff, start with *One Hundred Years of Solitude*, his most famous book. Every sentence is lovingly crafted. (edited)

image.png ▼



One Hundred Years

49:09

Veronika Moroian +3 others raised hands

Aadita Thareja

Veronika Moroian

Ravinder Reddy Avangapuram

Lydia He

Bret Waters

John Bartas

Romina

Andrew

Josie Gaillard

Lauren Paul

Swaroop Rath

seandanielmurphy

Participants (14)

Search

- Bret Waters (Host, me)
- AT Aadita Thareja
- Veronika Moroian
- RR Ravinder Reddy Avangapuram
- Lydia He
- A Andrew
- FN Fireflies.ai Notetaker John
- John Bartas
- Josie Gaillard
- Lauren Paul
- L Lola
- R Romina
- S seandanielmurphy
- Swaroop Path

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Invite Mute all More

On Saturday morning we had a good optional side session on **Fundraising for Your Startup.**

BUS 217

Accelerate your startup idea.

This course is about getting from a startup idea to a launched and successful venture, in eight steps.

Bret Waters

Wednesdays, 7:00 – 8:00 PM

8 weeks

Spring 2026

WEEK BY WEEK

01 Listen to the Waves

Where do great startup ideas come from? What are the factors that tend to drive startup success — or failure?

02 Build Something People Want

We've all seen startups spend time and money building something no one wants. What process can we follow to avoid this?

03 Draw the Landscape

Every venture operates within a landscape of competitors and alternatives. How do we position ours for success?

04 Create an Engine of Growth

We need a successful business model. What does that mean — and how do we create one?

05 Engineer an Economic Model

Whether you like spreadsheets or not, your startup's numbers will have to work. How do we build a sound economic model?

QUICK LINKS

[Launch Path Canvas](#)

[Join Slack Workspace](#)

[Private LinkedIn Group](#)

[Recommended Reading](#)

THIS WEEK'S ASSIGNMENTS

If you want to participate in the pitch contest, send me a 45-second pitch, via video, by midnight the night before our next class. No slides, no graphics. Just you, talking.

In the #social channel, give us a book recommendation. It could be related to startups, or not.

Where do great startup ideas come from? What are the factors that tend to drive startup success — or failure?

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05 Engineer an Economic Model

Whether you like spreadsheets or not, your startup's numbers will have to work. How do we build a sound economic model?

06 Create a Capital Strategy

In 2026 there are more sources and structures of startup capital than ever before. What's the right one for our venture?

[Private LinkedIn Group](#)

[Recommended Reading](#)

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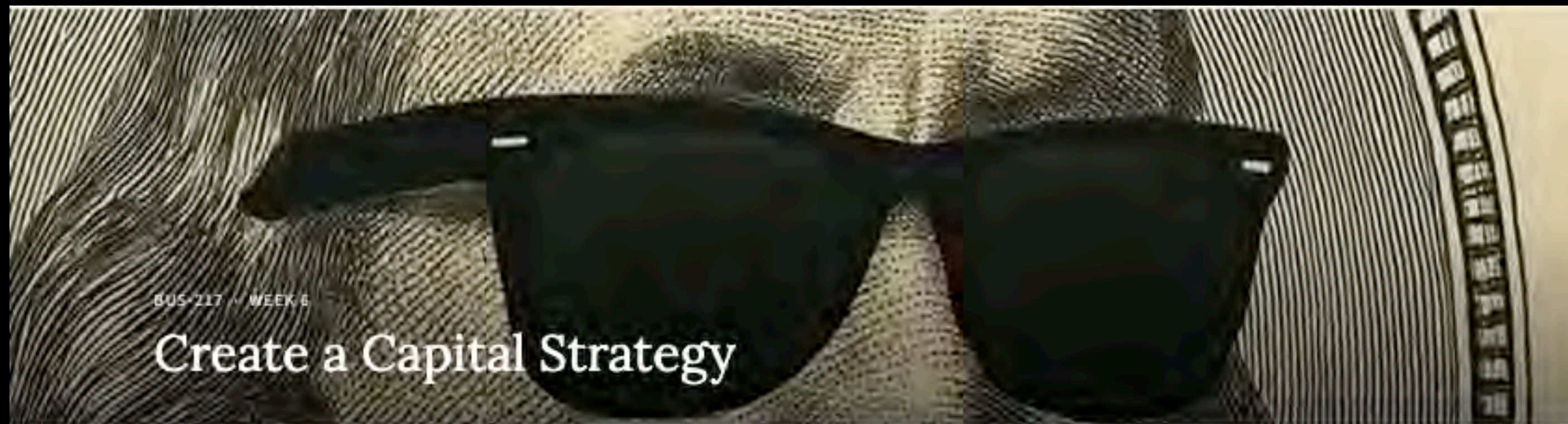
In the #social channel, give us a book recommendation. It could be related to startups, or not.

OPTIONAL CALLS

SATURDAY, MAY 21 9AM

Optional call about fundraising for your startup.

[Calendar invite & Zoom link](#)



BUS-217 · WEEK 6

Create a Capital Strategy

BUS-217 · Syllabus · Week 6

THIS WEEK'S READING

I once pitched a venture capitalist a new startup, and the meeting went very well. The next day, I got an email from him saying that his VC firm was definitely interested but that, just as a formality, he'd like me to meet with one of the firm's other partners.

I walked into the second meeting fully expecting it to go as well as the first, but this partner hated everything in my presentation. He was skeptical of every slide, questioned my business model, and poked holes in my economic model. I was crestfallen but did my best to answer his questions and defend my thinking.

At the end of the meeting, he stood up, shook my hand, and said, "Great! We're looking forward to investing." It was the basic "good cop/bad cop" routine, and apparently, I'd passed the test. A term sheet was issued, and I was the proud founder of a venture-funded startup.

While I was very excited that day, venture capital may not have been the best way to finance that particular startup. We raised more than we really needed, spent all of it, and two years later, we needed to raise more money in a challenging environment, on very difficult terms. When we finally sold the company, after all the liquidation preferences and dilution from the two rounds of venture capital, my final distribution check after five years of hard work was \$84.75. That's right—eighty-four dollars and seventy-five cents.

But there are many ways to finance a startup.

When people think of startup financing, they immediately think of venture capital, but in fact, there are many great ways to finance your new startup. My goal with this chapter is to open up the solution

LECTURE SLIDES



Week 6 Slides

PDF · Download



GOING DEEPER



AI for Week 6

Building your capital strategy

VIDEO

Watch this week's lecture ↴

ADDITIONAL READING

Case Study: Zapier

Bret Waters · BUS-217

Flavors of Capital

Bret Waters · BUS-217

Running a Fundraising Effort

Bret Waters · BUS-217

Venture Capital: A Deeper Dive

Bret Waters · BUS-217

Running a Fundraising Effort

BUS-217 Week 6 Running a Fundraising Effort

[Download the lecture slides](#) → [Zoom recording of our Saturday Side Session](#)

Running a fundraising process
Bret Waters

So the most important thing to communicate in a pitch is why you are the exactly right founder for this startup.

What is it about your life **experience** – and accomplishments – that makes you exactly the right person to turn this idea into a win?

Passion + Skills + Experience = Success.

Watch on YouTube

So you've decided you want to go find some equity investors for your startup? Excellent! Be aware that it will take you longer than you think, and it will be hard on your ego because you will experience a lot of rejection, so it's important to use a structured process and approach it with intention. Here are ten tips for hitting the equity fundraising trail:

- 01 It's a numbers game.
I recently had a call with a founder who told me he'd just closed a nice round of capital. Over the past year, he had more than one hundred investor conversations. Of those, forty-two requested more information, twenty-three requested a third meeting, eleven submitted the deal to the partnership for an investment decision, four issued term sheets, and two invested. These numbers are actually pretty decent.

BUS-217 WEEK 6

CONCEPT

Running a Fundraising Effort

BUS-217 Week 6 Running a Fundraising Effort

[Download the lecture slides](#) → [Zoom recording of our Saturday Side Session](#)



Running a fundraising process

Bret Waters

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Watch on YouTube

Our final session is next week.

- **The class website and Slack workspace will stay up for 2-weeks after our last class session, and then will be taken down (no exceptions).**
- **The private LinkedIn group will stay up forever (or until the end of the internet).**

If you are taking the course for a grade:

- **If you are taking the class for a grade, you'll need to turn in a 3-minute pitch deck before our final class session.**
- **Even if you're not taking the class for a grade, you will find it to be a useful exercise and I'll be happy to give you feedback.**
- **The top five vote-getters tonight will present their 3-minute pitch on our final night together.**

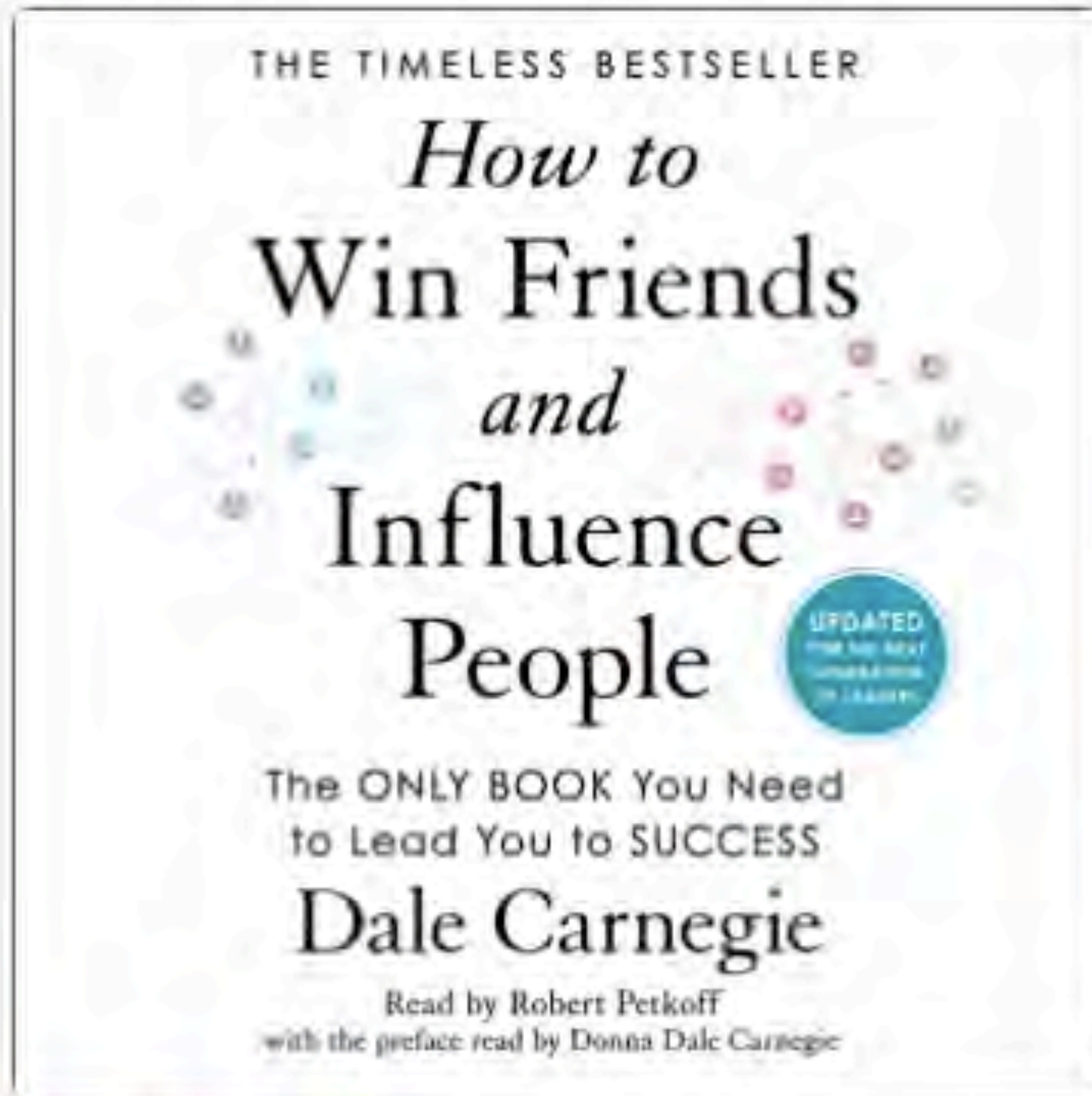
Last updated less than a minute ago... [Load new messages](#)



Yuri 3:41 PM

There is one book that I read several times and I still love, and I am very grateful for how it changed my life. The book is "How to Win Friends and Influence People" from Dale Carnegie. Old book but every time I read it I learn something new.

image.png ▾



👍 2 ❤️ 4 🌟 2 😊

Influence People

UPDATED
THE NEW 63RD
EDITION
IN 2018

The ONLY BOOK You Need
to Lead You to SUCCESS

Dale Carnegie

Read by Robert Petkoff
with the preface read by Donna Dale Carnegie

NEW

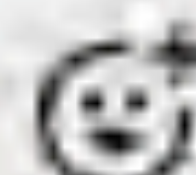
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Warren Buffett





Warren Buffett





Warren Buffett



“Learning effective public speaking skills changed my life”.

Final assignments:

In the **#one-course-takeaway** channel:

Share one key thing that you will take away from this course.

In the **#social** channel:

Share a personal productivity tip that works well for you.

Next week is our final class session.

It will be the best night of the entire course.

Feel free to bring a spouse/friend/kid.

Pitch Decks

Things that might go into a 3-minute pitch deck:

- Why are you exactly the right entrepreneur for this venture?
- What problem are you solving?
- Why does it matter?
- What's your "secret sauce"?
- What does the current competitive landscape look like?
- How big is the opportunity?
- How will you efficiently acquire customers?
- What is your capital strategy?

This is not a definitive list - every venture is different, every founder is different.

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This is not a definitive list - every venture is different, every founder is different.

**“An idea is only an idea
until your personal network
makes it real”.**

-Sham Dholakia
BUS-217, Spring 2026

</7>