BELL VENTURES

Build great companies. Fast.

THE 100 TASK PLAYBOOK
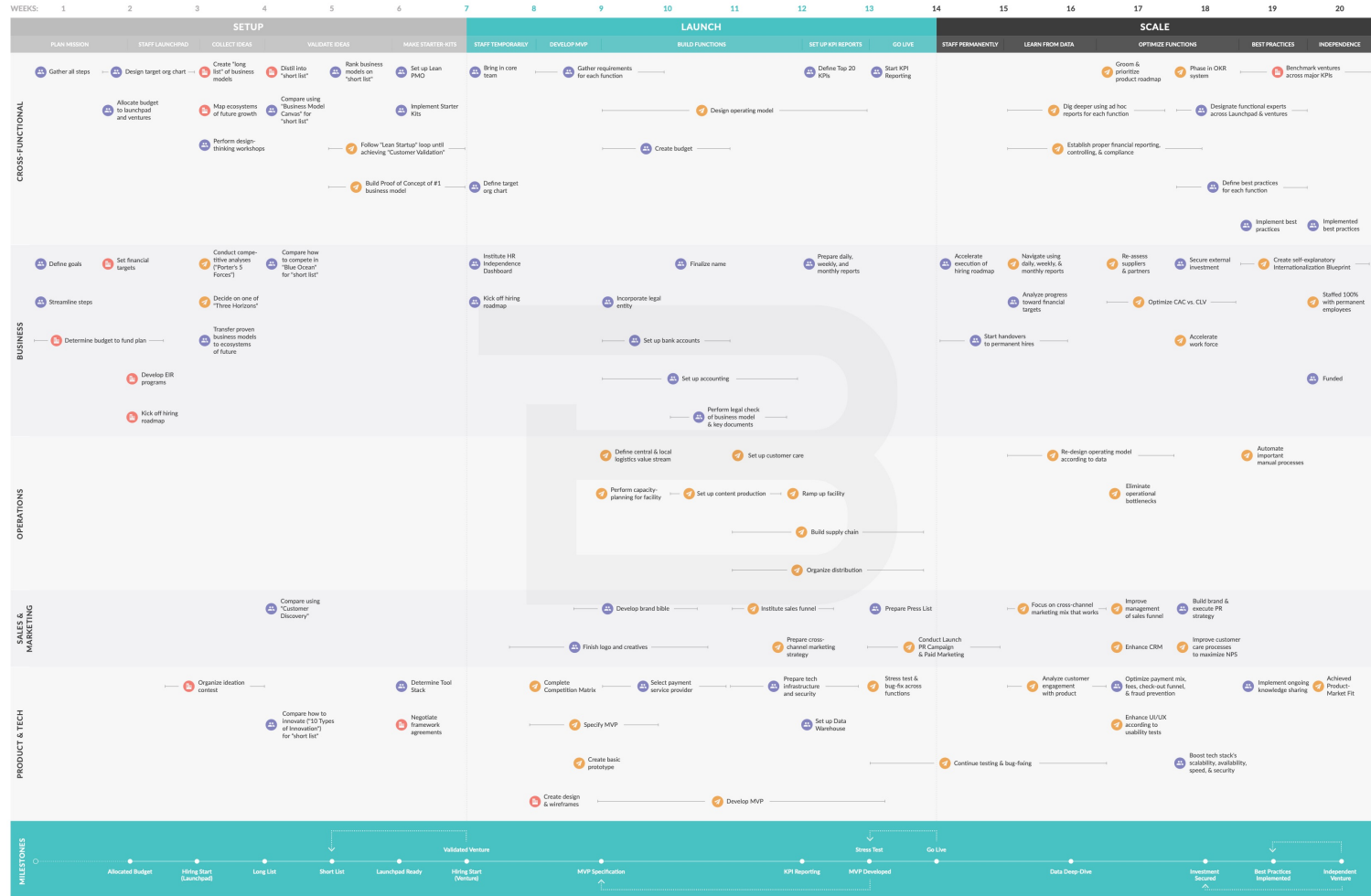
The Proven Step-by-Step Guide for Building Ventures

By Martin Bell

BELL VENTURES
Build great companies. Fast.

100 TASK STARTUP

Legend: Corporate + Startup · Corporate only · Startup only

WEEKS: 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

Phases

SETUP	LAUNCH	SCALE
PLAN MISSION · STAFF LAUNCHPAD · COLLECT IDEAS · VALIDATE IDEAS · MAKE STARTER-KITS	STAFF TEMPORARILY · DEVELOP MVP · BUILD FUNCTIONS · SET UP KPI REPORTS · GO LIVE	STAFF PERMANENTLY · LEARN FROM DATA · OPTIMIZE FUNCTIONS · BEST PRACTICES · INDEPENDENCE

CROSS-FUNCTIONAL
- Gather all steps
- Design target org chart
- Create "long list" of business models
- Distill into "short list"
- Rank business models on "short list"
- Set up Lean PMO
- Allocate budget to launchpad and ventures
- Compare using "Business Model Canvas" for "short list"
- Implement Starter Kits
- Map ecosystems of future growth
- Perform design-thinking workshops
- Follow "Lean Startup" loop until achieving "Customer Validation"
- Build Proof of Concept of #1 business model
- Bring in core team
- Gather requirements for each function
- Define Top 20 KPIs
- Start KPI Reporting
- Design operating model
- Create budget
- Define target org chart
- Groom & prioritize product roadmap
- Phase in OKR system
- Benchmark ventures across major KPIs
- Dig deeper using ad hoc reports for each function
- Designate functional experts across Launchpad & ventures
- Establish proper financial reporting, controlling, & compliance
- Define best practices for each function
- Implement best practices
- Implemented best practices

BUSINESS
- Define goals
- Set financial targets
- Conduct competitive analyses ("Porter's 5 Forces")
- Compare how to compete in "Blue Ocean" for "short list"
- Institute HR Independence Dashboard
- Finalize name
- Prepare daily, weekly, and monthly reports
- Accelerate execution of hiring roadmap
- Navigate using daily, weekly, & monthly reports
- Re-assess suppliers & partners
- Secure external investment
- Create self-explanatory Internationalization Blueprint
- Streamline steps
- Decide on one of "Three Horizons"
- Incorporate legal entity
- Analyze progress toward financial targets
- Optimize CAC vs. CLV
- Staffed 100% with permanent employees
- Determine budget to fund plan
- Transfer proven business models to ecosystems of future
- Set up bank accounts
- Start handovers to permanent hires
- Accelerate work force
- Develop EIR programs
- Set up accounting
- Funded
- Kick off hiring roadmap
- Perform legal check of business model & key documents

OPERATIONS
- Define central & local logistics value stream
- Set up customer care
- Re-design operating model according to data
- Automate important manual processes
- Perform capacity-planning for facility
- Set up content production
- Ramp up facility
- Eliminate operational bottlenecks
- Build supply chain
- Organize distribution

SALES & MARKETING
- Compare using "Customer Discovery"
- Develop brand bible
- Institute sales funnel
- Prepare Press List
- Focus on cross-channel marketing mix that works
- Improve management of sales funnel
- Build brand & execute PR strategy
- Finish logo and creatives
- Prepare cross-channel marketing strategy
- Conduct Launch PR Campaign & Paid Marketing
- Enhance CRM
- Improve customer care processes to maximize NPS

PRODUCT & TECH
- Organize ideation contest
- Determine Tool Stack
- Complete Competition Matrix
- Select payment service provider
- Prepare tech infrastructure and security
- Stress test & bug-fix across functions
- Analyze customer engagement with product
- Optimize payment mix, fees, check-out funnel, & fraud prevention
- Implement ongoing knowledge sharing
- Achieved Product-Market Fit
- Compare how to innovate ("10 Types of Innovation") for "short list"
- Negotiate framework agreements
- Specify MVP
- Set up Data Warehouse
- Enhance UI/UX according to usability tests
- Boost tech stack's scalability, availability, speed, & security
- Create basic prototype
- Continue testing & bug-fixing
- Create design & wireframes
- Develop MVP

MILESTONES
Allocated Budget · Hiring Start (Launchpad) · Long List · Short List · Launchpad Ready · Hiring Start (Venture) · Validated Venture · MVP Specification · KPI Reporting · MVP Developed · Stress Test · Go Live · Data Deep-Dive · Investment Secured · Best Practices Implemented · Independent Venture

Navigate Using Daily, Weekly, & Monthly Reports

Navigate venture based on KPI reporting to make timely and informed decisions

Example Daily Report

Top 20 KPIs

#	KPI	Unit	Data Source	Yesterday	Today	1 Week Ago	% Diff vs. Last Week
	Main KPIs						
1	Gross revenue	€	Salesforce	€	€	€	
2	Orders	#	Google Analytics	#	#	#	
3	Average order value	€	Zendesk	€	€	€	
4	Discount rate	%	Data warehouse	%	%	%	
	Sales & Marketing						
5	Average sales cycle	days	Salesforce	Days	Days	Days	
6	LTV:CAC ratio (customer lifetime value / customer acquisition c	€	Data warehouse	#	#	#	
7	Total marketing costs	€	See below	€	€	€	
8	Offline	€	Data warehouse	€	€	€	
9	Online	€	Google Analytics, Facebook	€	€	€	
10	Newsletter open rate	%	Experian	%	%	%	
	Customer care						
11	Net promoter score (NPS)	#	Data warehouse	0-10	0-10	0-10	
12	Share of recurring customers to total	%	Order management system	%	%	%	
13	Complaint rate	%	Zendesk	%	%	%	
14	Average resolution time	hours	Zendesk	min	min	min	
	Operations						
15	Cost per order (CPO)	€	Order management system	€	€	€	
16	Orders per driver per hour	#	Order management system	#	#	#	
17	Capacity utilization	%	Warehouse management system	%	%	%	
	Product & Tech						
18	Conversion rate	%	Google Analytics	%	%	%	
19	App installs	#	New Relic	#	#	#	
20	App crash rate	%	New Relic	%	%	%	

Navigation Process

1. Complete Data Sanity Check

Validate the accuracy and completeness of data

2. Measure Performance

Analyze the data to extract relevant insights you can act upon

3. Create Action List

Use insights to make timely decisions and meet target KPIs

--- *Cockpit* ---

SCALE

- Function: Business
- Responsibility: Startup only
- Start Week: 15
- End Week: 15
- Sub-Stage: Learn from Data

Analyze Customer Engagement with Product

Learn from customer data and pivot (if necessary) to achieve product-market fit

Track Performance Across Channels

AARRR Framework			Product Releases (Conversion %)		
	Description	Metrics (examples)	v1.0	v1.1	v2.0
Acquisition	How do people find you?	Downloads, Website Visits	13%	25%	36%
Activation	Do users engage with the product?	Registrations, Session Length	20%	44%	70%
Revenue	Do users pay for the product?	ARPA, CLV	-	11%	23%
Retention	Do users come back?	MAU, Churn, Cohorts	-	10%	7%
Referral	Do users tell others?	Referrals, Reviews, NPS	-	-	15%

Iteration

Customer Discovery → Customer Validation

Pivot

Execution

Customer Creation → Company Building

Scale organization and operations

Each iteration is a cycle of **setting and validating hypotheses** about the product or business model

Use the data to **measure conversion rates** within AARRR funnel and change the model accordingly

Remember to only **test a single hypothesis** per cycle, as many will hinder specific measurements

How to Pivot?

Use data gathered from **iteration cycles** to **adjust components** of the model (see #1-5 below). Run the cycle again – continue to **improve conversion** in the AARRR funnel stages.

Customer Engagement Data

Product

1. Problem
2. Solution

Business Model

3. Customer
4. Value
5. Distribution
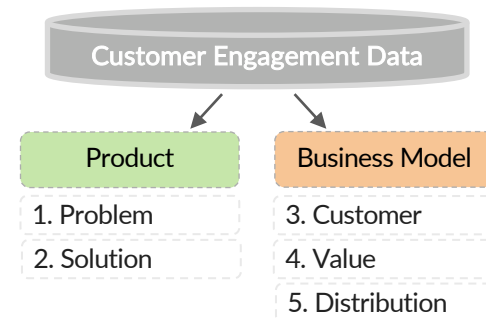
Cockpit

S C A L E

- Function: Product & Tech
- Responsibility: Startup only
- Start Week: 15
- End Week: 16
- Sub-Stage: Learn from Data

Finalize Name

Finalize name after trademark/registration & domain checks

Customer Discovery aims to identify your first customers

1 **Brainstorm Names**: Brainstorm names and come up with your own criteria or guidelines (see best practices on the right for examples)

2 **International Check**: Test the suitable names regionally with native speakers in your target markets to avoid negative connotations

3 **Domain Check**: Test the availability of domains in target markets. Use services like united domains (website) and App Annie (mobile apps)

4 **Trademark Check**: For trademark check, use Google research and keyword research by your SEO team using tools like Markify and TMView

5 **Final Vote**: Decide on one of the eligible names

6 **Register Patent & Buy Domain**: For the final name, register all domains worldwide (~130) and assign a patent lawyer to patent the name
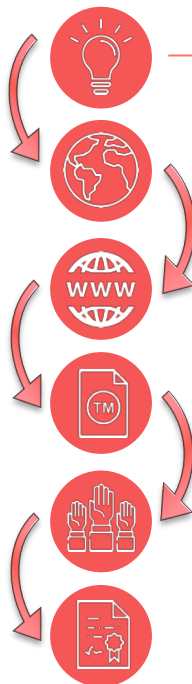
Best practices

Names should

- ✓ Be sophisticated, edgy, original
- ✓ Not follow current trends (e.g. "-ify", "-24")
- ✓ Be phonetic
- ✓ Have 3 syllables max.
- ✓ Not be similar to competitors

Cockpit

L A U N C H
- Function: Business
- Responsibility: Corporate + Startup
- Start Week: 10
- End Week: 10
- Sub-Stage: Build Functions

Improve Management of Sales Funnel

Re-design sales funnel gates and actions on each phase based on conversion performance at each gate

Sales Funnel Analysis

1. Potential Leads — **900**
   ⌄ 46%
2. Marketing Leads — **420**
   ⌄ 19%
3. Sales Leads — **175**
   ⌄ 4%
4. Sales Process — **40**
   ⌄ 1%
5. Deals — **12**
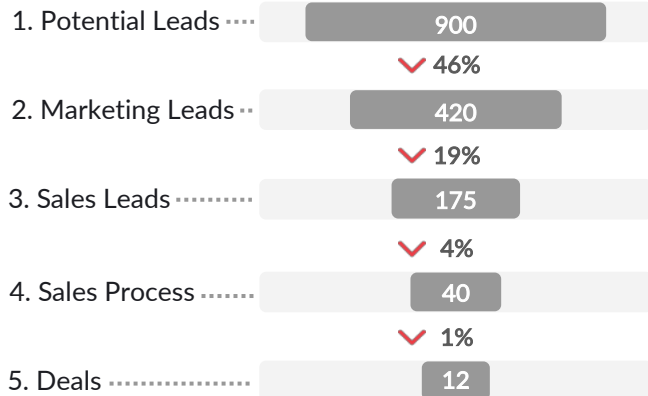
Bottleneck Check: Look for areas with the most amount of drops

Time Delay Check: Find funnel steps with the biggest delay to the next step

User Segmentation: Segment leads to reveal which group converts the best

Sales Velocity

Sales Velocity measures how fast you are generating revenue. It captures the important funnel metrics to assess sales performance.

[Potential Leads x Average Deal Value x Conversion] / Sales Cycle = **Velocity**

Sales Funnel Optimization

1. **Map customer journey:** understand user actions at each stage of the funnel

2. **Set up funnel goals:** define the goals of your funnel to determine benchmarks

3. **Set-up funnel analytics:** quantify user behavior to measure conversion rates

4. **Run split tests:** conduct various tests and measure the impact on conversions

Implement Lead Scoring

Segment users to understand who are the **high-intent buyers** and **allocate** your sales **resources** there.

B2B Sales Example

A deals	B deals	C deals
Expected to close in:		
3 months	3-12 months	12+ months
Allocation of resources:		
75%	25%	0%

Nurture with marketing activities

Cockpit

S C A L E

- Function: Sales & Marketing
- Responsibility: Startup only
- Start Week: 17
- End Week: 17
- Sub-Stage: Optimize Functions

Secure External Investment

Bring in investment professionals from corporate to ready venture for external funding, prepare sales pitch and identify the right co-investors

Types of Early Stage Funding

	Business Angel	Accelerator	Venture Capital	Grants & Subsidies	Crowdfunding
Suitable for	Scalable companies in growing markets	Technology companies	Technology companies with scalable business models	Research heavy projects with scientific background	Consumer oriented products and services
Investment Size	<100.000	<50.000	< 1.000.000	< 100.000	< 500.000
Dilution	Medium / High	None / Low	High	None / Low	None
Strategic Support	Medium	High	High	Low	Low
Speed to Funding	1 – 3 months	1 – 3 months	3 – 6 months	6 – 9 months	3 – 6 months
Go for if you need	Cash & Support	Support	Cash & Support	Cash	Cash

Typical Investment Process

1st Meeting	2nd Meeting	Business DD*	Term Sheet	Tax, Legal, Tech DD*	Signing

Likelihood of investment >80%

*DD = Due Diligence

Define Investment Size

Make sure to raise **enough funding** that will allow you to **achieve crucial milestones** in your roadmap

Time Till Milestone	X	Monthly Burn (in €)

=	Investment Size

Key Milestones	Date	From Now
1. Product release	Nov-18	4 months
2. Launch in France	Feb-19	7 months
3. Acquire 10k users	May-19	10 months
Investment Size*		**€ 250.000**

*assuming a company is burning €25.000 monthly

Cockpit

S C A L E

- Function: Business
- Responsibility: Corporate + Startup
- Start Week: 18
- End Week: 18
- Sub-Stage: Optimize Functions

Optimize CAC vs. CLV

Create bottom-line focused culture and make decisions based on CAC vs CLV data from Sales & Marketing and Operations

Important Metrics

Customer Acquisition Cost (CAC) – how much does it cost to acquire a customer?

Total acquisition costs*	/
# of customers acquired	= CAC

Including salaries for sales & marketing employees

Customer Lifetime Value (CLV) – how much money does a customer bring over the lifetime?

Monthly revenue	x	Gross profit (%)	x
# of lifetime months*	=	CLV	

 # months lifetime = 1 / (avg. (%) monthly churn rate)

CLV:CAC Ratio – what is the relative value of a customer?

CLV	/	CLV	=	CLV:CAC Ratio

Optimize CLV:CAC Ratio

Reduce CAC
- Marketing automation
- Customer referrals
- Content curation
- Inbound marketing
- Strategic partnerships

Increase CLV
- Recurring revenue
- Scalable pricing
- Cross Sell/Upsell
- Loyalty programs
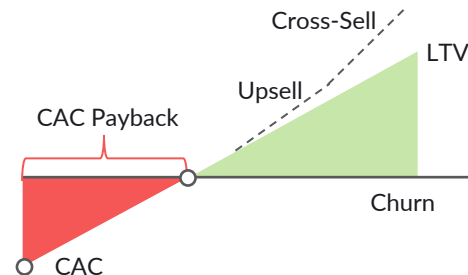- Customer relationship management

Churn Rate & Cohort Analysis

Churn Rate measures how many customers you are losing over a certain period of time (cohorts)

Start Month	New Customers	% of customers retained in month			
		1	2	3	4
Jan 19	90	2%	10%	17%	35%
Feb 19	120	5%	19%	27%	
Mar 19	86	1%	8%		
Apr 19	97	1%			

Mar 19 Cohort

CAC, CLV & Payback

Cross-Sell
LTV
CAC Payback
Upsell
Churn
CAC

Benchmarks
- CLV:CAC Ratio **3:1**
- Churn Rate **<3% monthly**
- CAC Payback **<12 months**

Cockpit

SCALE
- Function: Business
- Responsibility: Startup only
- Start Week: 17
- End Week: 18
- Sub-Stage: Optimize Functions

Uncover the Secrets of Company-Building

by Discovering Popular Tasks such as:

Transfer Proven Business Models to Ecosystems of the Future

Design Operating Model

Implement Starter Kits

Kick Off Hiring Roadmap

Focus on Cross-Channel Marketing Mix that Works

Enhance UI/UX According to Usability Tests

Dig Deeper Using Ad-Hoc Reports for Each Function

Groom & Prioritize Product Roadmap

Create Self-Explanatory Internationalization Blueprint

Boost Tech Stack's Scalability, Availability, Speed & Security

And many more...

About the Author

Martin Bell is a thought leader and keynote speaker on the topic of company building and the founder & CEO of Bell Ventures.

▪ Through Bell Ventures, Martin has advised over 50 private and public sector entities – corporations, startups, governments, and investors – on building successful startups

▪ Before founding Bell Ventures, he helped build 50+ companies, incl. Zalando, Foodora, Delivery Hero, and several others, at Rocket Internet and worked in various functions in startups from day 1 to IPO

> He was the chief architect of Rocket Internet's famous 100 day launch process, through which he led 20+ companies

> He pushed Rocket's best practices for marketing, CRM, business intelligence, tech, payment, and mobile into its 25 largest companies

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▪ Martin is a Wharton MBA / Harvard MPA

▪ Martin lives with his wife and two kids in Berlin

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