

CODER XOR ENTREPRENEUR?

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SPOILER ALERT.

It was once expensive to bring products to a wide audience.

But now, it is cheap to make and distribute products.

The only capital you need is a developer's brain.

Even better: coders already use startup best practices!

Therefore, coders should start businesses

Two examples, but first a story.

FIRST, A STORY

There was once a mill worker. Her name was Eliana. She maintained the looms at a big clothing factory.

But then something changed about the way looms were built. Suddenly, it was much cheaper to build looms. These new looms were much easier to maintain.

Eliana suggested they make new looms in the factory. But everyone told Eliana that looms had been that way for years. And women couldn't build looms. And you should just go back to being a cog in the machine.

But Eliana decided, 'Screw it!', I'm going to build a loom, and buy some thread, and make bolts of cloth to sell to the factory cheaper than they can make it themselves.

The loom manager was threatened! He called Eliana's fabric inferior. Then he complained about her not knowing her place.

Eliana was pissed! She found out where the owner lived and talked to him. The owner was intrigued, but busy getting ready for the big trouser show in Paris. So he said, 'let's talk later.' But Eliana told him she had already made some drapes for him and to check them out. And so the manager was fired, and Eliana built a whole business creating cloth bolts for factories.

Until, one day, one of her employees figured out a cheaper way to dye bolts of cloth....

NOW, A DYSTOPIAN STORY

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But Eliana decided, 'Screw it!', I'm going to build a loom, and buy some thread, and make bolts of cloth to sell to the factory cheaper than they can make it themselves.

And the crafty loom manager was intrigued, and he told Eliana they could make her idea a whole new business! He asked her to be his technical co-founder. And she was nervous about creating her own business, so she agreed.

And the manager made a business plan, and talked to the owner. The owner was intrigued, but busy getting ready for the big trouser show in Paris. So he said, 'let's talk later.'

The end.

IT WAS ONCE EXPENSIVE TO BRING PRODUCTS TO A WIDE AUDIENCE.

The Model A – Artisan Produced

Initial Investment = \$725,000 in 2017 dollars



The Model T– Mass Produced

Initial Investment = \$36,000,000 in 2017 dollars.

BUT NOW, IT IS CHEAP TO MAKE AND DISTRIBUTE PRODUCTS.

Hosting is cheap.

- AWS
- Managed hosting
- Colocation

APIs are everywhere.

- Twilio
- Google Maps
- Dropbox

There's a service for everything.

- Gusto
- Github
- Legalzoom
- Zendesk

Distribution is free or commissioned.

- Apple and Google Stores
- Steam
- Web*

* for now

THE ONLY CAPITAL NEEDED IS A DEVELOPER'S BRAIN.*

**Preferably, with a functional interface*

Yeah, but how do I sign up a customer?

Yeah, but what about marketing?

Yeah, but what about accounting?

Yeah, but what getting investment?

vs

How do I hire a technical co-founder?

LET'S LOOK BACK AT THE AUTO INDUSTRY FOR A SECOND

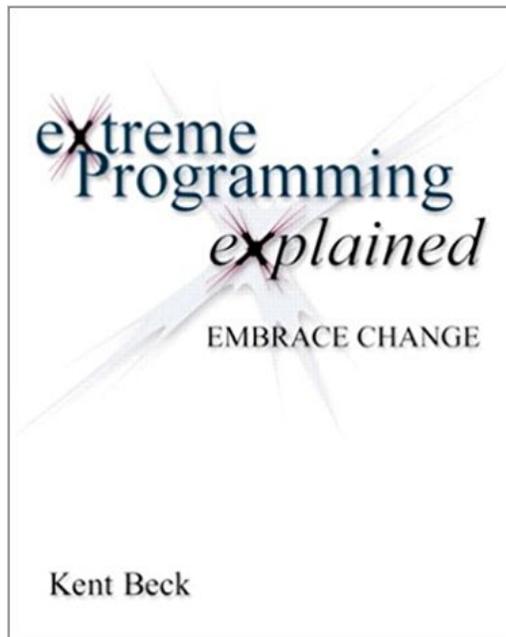
The Toyota Production System innovated the assembly line

- Linking machine size and required volume.
- Introducing self-monitoring machines.
- Lining up machines in process sequence.
- Quick setups to make small volume runs.
- Each step notifies the previous step of its current needs.

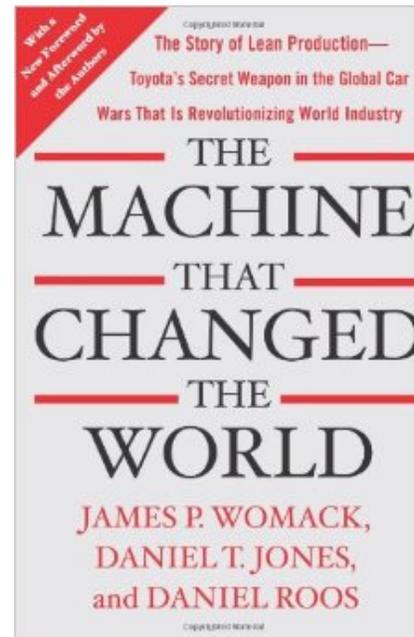
TPS* IS THE PREDECESSOR TO A BUNCH OF GREAT STUFF

**Except for Peter's TPS reports*

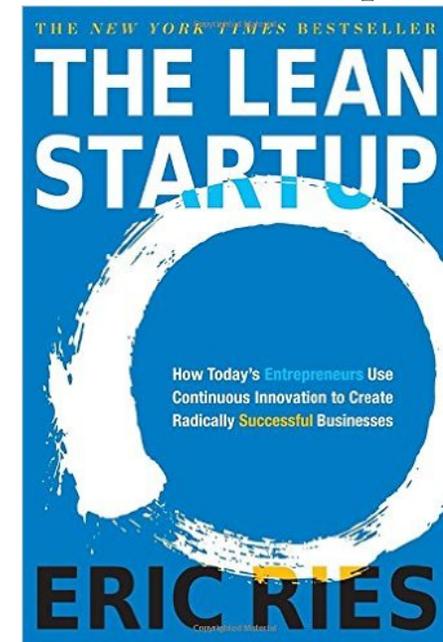
Agile Programming



Lean Manufacturing



Lean Startups



ALL OF THESE REQUIRE SHORT FEEDBACK LOOPS

Agile Programming

- Design
- **Code!**
- Test
- Release

Repeat!

Lean Manufacturing

- Plan
- **Do!**
- Check
- Adjust

Repeat!

Lean Startups

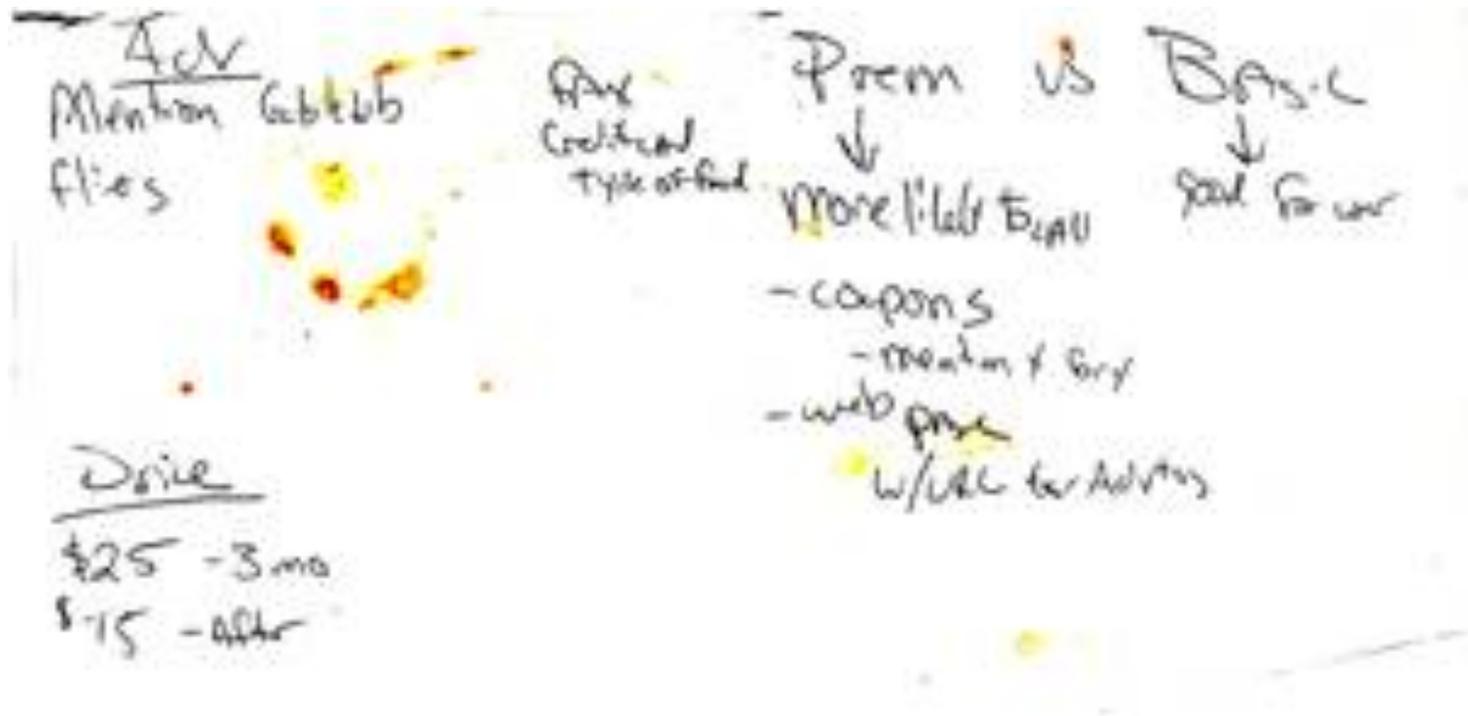
- **Build!**
- Measure
- Learn

Repeat!

THEREFORE, CODERS SHOULD FOUND STARTUPS

Especially coders who play Civilization on the hardest level.
(no, the space ones don't count.)

EXAMPLE 1: AGILE METHODS ARE LESS EXPENSIVE TO START!



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GrubHub.com
WHO DELIVERS!

Lunch Delivery Service
Order food for meetings and get frequent flyer miles for each order

Gourmet Food Delivery
Gourmet Meals Delivered to Your Front Door. Place Your Order Here!

Ads by Goooooogle

Chicago Neighborhood Delivery

North Side
Evanston

Albany Park
Edgewater
Irving Park
Irving Park East
Lakeview
Lincoln Square
Mayfair
N Ravenswood
North Center
Pulaski Park
Ravenswood
Rogers Park
Sauganash
Sheridan Park
Uptown
Wrigleyville

Central

Avondale
Bucktown
Depaul
Garfield Park
Gold Coast
Hermosa
Humboldt Park
Killbome Park
Lincoln Park
Logan Square
Loop
OldTown
River North
Roscoe Village
Streeterville

Delivery

Catering

Breakfast

Late Night

Tools

 **Delivery**
Food delivered to your location

 **Catering**
Food catering to your location

 **Sign In**
Sign in to write reviews

 **Free Lunch**
Sign up to get coupons emailed to you and for a chance to win a free lunch

 **Advertise**
Testimonials from restaurant owners

 **Contact Us**
Kudos and Gripes

Click on your location to get restaurants that deliver to you!



Click on your location!

Order Online

 **B.B's Bagels in West Rogers Park**

 **Deluxe Diner in Rogers Park**

 **Haifa Cafe in the Loop**

 **Windy City Wraps in River North**

Recently Added

 **Cafe Furaibo West Lakeview**

 **Costello Sandwich &**

A REAL TIME EXAMPLE

So 3 Developers walk into a bar...

(Specifically, Hopleaf)

... And spend a lot of time talking about entropy.

FIXER

A “right now” handyman app.

THE IDEA

Problem:

Getting small things fixed around my house, right now, is not possible.

Solution:

A right now handyman app.

We'll show up to any address in Lakeview, in under an hour, to fix, paint, or assemble anything.

WHAT WE DID

Week 1:

- Fix something!
- Get squarespace site up
- Make a brand! Get the website!
- Order business cards from moo.com
- Signup for a bunch of SAAS services.

Week 2:

- Fix more stuff!
- Hire 3 fixers. Fire fixer who lied on their application
- Get customers from competitor websites

Week 3:

- Hire our 4th fixer
- Iterate the brand
- Talk to someone about marketing
- Experiment with API based CRM for dispatch

Week 4:

- Build private beta website to control demand
- Iterate materials and tools process
- Start asking customers for referrals and reviews
- Hire 5th fixer

FIXER

WHAT WE LEARNED

Week 1:

- Customers have lots of stuff to fix.
- Handyman labor is highly skilled, and requires training and retention.
- EMPLOYEES!

Week 2:

- Customers don't have a list. They have one thing that matters more than the rest.
- Customers are surprised when we show up.
- Customers are surprised when we do a quality job.

Week 3:

- Fixers are really skilled. Like, really, really skilled.
- Customers are surprised when the fixer is a woman.
- Customers have an expectation of us showing up with the right tools and materials... we're going to need a crystal ball.

Week 4:

- We're on to something. Referrals passed 40% of jobs as of day 18.

IN SUMMARY

It was once expensive to bring products to a wide audience.
But now, it is cheap to make products widely available.
The only capital you need is a developer's brain.
Even better: coders already use startup best practices!
Therefore, all businesses should be started by coders.
Two examples.

FEEDBACK LOOP

Questions?