URL: https://stvp.stanford.edu/clips/running-out-of-iterations

The lean startup operates with a business plan that can reshape until a successful business model develops. By quickly pivoting based on market feedback, a company can extend their runway without additional dilution from raising greater amounts of capital, according to FLOODGATE Fund partner Ann Miura-Ko. She explains entrepreneurs can then make dollars last longer, which allows for an increase in possible product iterations. In today's business climate, Miura-Ko states, an entrepreneur never wants to run our of chances to iterate.

Transcript

The third pillar of the democratization of innovation comes from the fact that we have now a really nice process because of Steve Blank and Eric Reese for lean startups, right? And this process has been talked about quite a lot over the last couple of years but this notion of customer development and agile programming and how you put it together to create really rapid iteration; the reason why that's really important is that it enables you to experiment effectively and very quickly.. And what that meant for the entrepreneur is that if you raised "x" number of dollars that "x" number of dollars goes a little bit further because it's not that you're running out of cash when you're an entrepreneur, you've run out of iterations.. And that's a really important point to recognize.. You run out of iterations, you don't have any hope anymore.. But if you are able to do a few more iterations with the same amount of cash, you've extended your runway without taking additional delusion.. You extended your runway without having to take additional cash...