



Stanford eCorner

The New Business Model

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The business model today is very different than it was before and during the boom, says Kawasaki. In order to write the best business plan possible, follow Kawasaki's steps: specificity, simplicity, and ask women. He believes that women don't possess the killer gene that is inherent in men, and will be able to give better advice about a business model.



Transcript

Step 4 is to define a business model. This is a step we skipped from 1998 to 2001. A business model is very different today. These are the qualities of a business model. First of all, it is specific. It is a specific person buying your product or service. It's not anymore about hand-waving, about saying, "Well, we'll capture millions of eyeballs, and somehow we'll figure out how to monetize those eyeballs, but right now we're just concerned with capturing millions of eyeballs." It's who is buying the product. Specifically who. Not enterprise software, but what size enterprise, what vertical market is that enterprise in, who in that enterprise is actually doing the purchasing. It's very specific today.

Second point of a business model is you need to keep it very simple. As a venture capitalist, when we have people come in and say, "We have a unique business model," 'unique' is a bad word. When we have a unique business model that no one has done before, in fact, our business model is so unique we are filing a patent on the business model, that is an absolutely frightening thing to hear. You know, we want innovative technology, we want innovative services, we want innovative products. We do not want innovative business models. Fundamentally, you make something, you sell it, you collect the money. That's the kind of business model a VC can handle. OK? The third point is to ask women. This is a trickier recommendation. I believe, though I have no biochemical basis to make this assertion, that women are genetically superior to men in many ways, but in particular when it comes to business models, because men have a genetic defect.

They have a genetic defect called the 'killer gene'. This killer gene makes men want to kill plants, kill animals, kill people. And to a large degree the gene has been suppressed by society. However, one place where this killer gene continues to express itself is the desire to create a company to kill another company. So people want to start a company to kill Microsoft, to kill Oracle or kill PeopleSoft. And so what happens is, when you ask a man, "Do you think it's a good idea for me to drop out of the Comp Sci degree program at Stanford? I'm going to create this new piece of enterprise software. I'm going to kill Microsoft," most men will say, "Yes," because men are predisposed to wanting to kill things. Women, by contrast, don't have this genetic flaw. So this recommendation is when you come up with a new idea, when you come up with an idea for a company, ask women about the product, the service, the business model. Don't waste your time asking men.