

2016 NSF SBIR/STTR Phase I Grantee Fall Workshop

HYATT REGENCY CRYSTAL CITY
September 19 - 21, 2016



Beat-the-Odds Boot Camp Introductory Webinar

July 19, 2016

[Join the audio](#)

Toll Free: 1-888-464-1607

Attendee access code: 3849383

Hosted by:

Ruth Shuman, SBIR/STTR Program Director
Edmund Pendleton and Mike Abbott, NSF I-Corps



I WANT YOU

FOR  **CORPS**
NSF Innovation Corps

NEAREST RECRUITING STATION

I-Corps *Story*

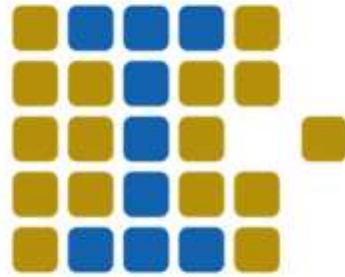


\$7 *Billion*

***“How can we increase the
economic impact of the research
dollars invested every year?”***







CORPS
NSF Innovation Corps

Lean LaunchPad Course

Developed by
entrepreneurs

Taught by
entrepreneurs

Stanford University and a lecturer and National Science Foundation principal investigator at the University of California at Berkeley and Columbia University. He has participated in eight high-tech start-ups as either a cofounder or an early employee.

Why the Lean Start-Up Changes Everything

by Steve Blank

Harvard Business Review

TURN A GREAT IDEA INTO A GREAT BUSINESS

"Lean" is changing everything you know about starting a new venture [PAGE 63](#)

HER.ORG MAY 2012
53 New Month
The Limits of Social Influence
Steven Durl
68 Spotlight
In Search of the Next Big Thing
An Interview with Mary Anderson
140 Case Study
The Unmanageable Star Performer
Abhishek Govil



has emerged, one that can make the process of starting a company less risky. It's a methodology called the "lean start-up," and it favors experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional "big design up front" development. Although the meth-

"minimum viable product" and "pivoting"—have quickly taken root in the start-up world, and business schools have already begun adapting their curricula to teach them.

The lean start-up movement hasn't gone totally mainstream, however, and we have yet to feel its full impact. In many ways it is roughly where the big data movement was five years ago—consisting mainly of buzzword that's not yet widely understood, whose applications companies are just beginning to grasp. As its practices spread, they're turning the conventional wisdom about entrepreneurship on its head. New ventures of all kinds are attempting to improve their chances of success by following its principles of failing fast and continually learning. And despite the methodology's name, in the long term some of its biggest payoffs may be gained by the large companies that embrace it.

In this article I'll offer a brief overview of lean start-up techniques and how they've evolved. Most important, I'll explain how, in combination with other business trends, they could ignite a new entre-

The
Economist

SPECIAL REPORT
TECH STARTUPS

January 18th 2014



A Cambrian moment

MIT Technology Review

VOL. 115 NO. 6 | \$5.99 US

HAS QUANTUM
COMPUTING
FINALLY
ARRIVED?

Upfront p24

HOW
TOMORROW'S
STARTUPS WILL
BE FUNDED

Business Report p75

TECH
TRANSFORMS
MUSIC, ART,
AND PROSE

Reviews p87



Buzz Aldrin,
Apollo 11
moonwalker,
would like a
word with you.

**You Promised Me Mars Colonies.
Instead, I Got Facebook.**

We've stopped solving big problems.
Meet the technologists who refuse to give up. p26

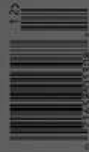
MIT Technology Review

VOL. 10 NO. 6 | FALL 2008

HAS QUANTUM
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TOMORROW'S
STARTUPS WILL
BE FUNDED
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TECH
TRANSFORMS
MUSIC, ART,
AND PROSE
Reviews p87



Buzz Aldrin.
Apollo 11
moonwalker;
would like a
word with you.

**You Promised Me Mars Colonies.
Instead, I Got Facebook.**

**I-Corps first program to apply
lean startup principles**

***to complex engineering,
technology, and science based
startups***

I-Corps *Results*

700+ ***Teams****

350+ ***Companies***

\$50M+ *Raised*



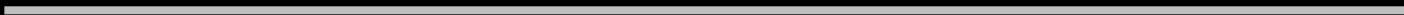
6 New *Agencies*

SBIR *Programs*

**I-Corps the premiere
federally funded innovation
and commercialization
program in the US**

Beat-the-Odds Bootcamp
derived from same concept

...evidence based
entrepreneurship.



Why are *we here?*

Our *Goal*

Improve *Odds*

Pick *Winners*

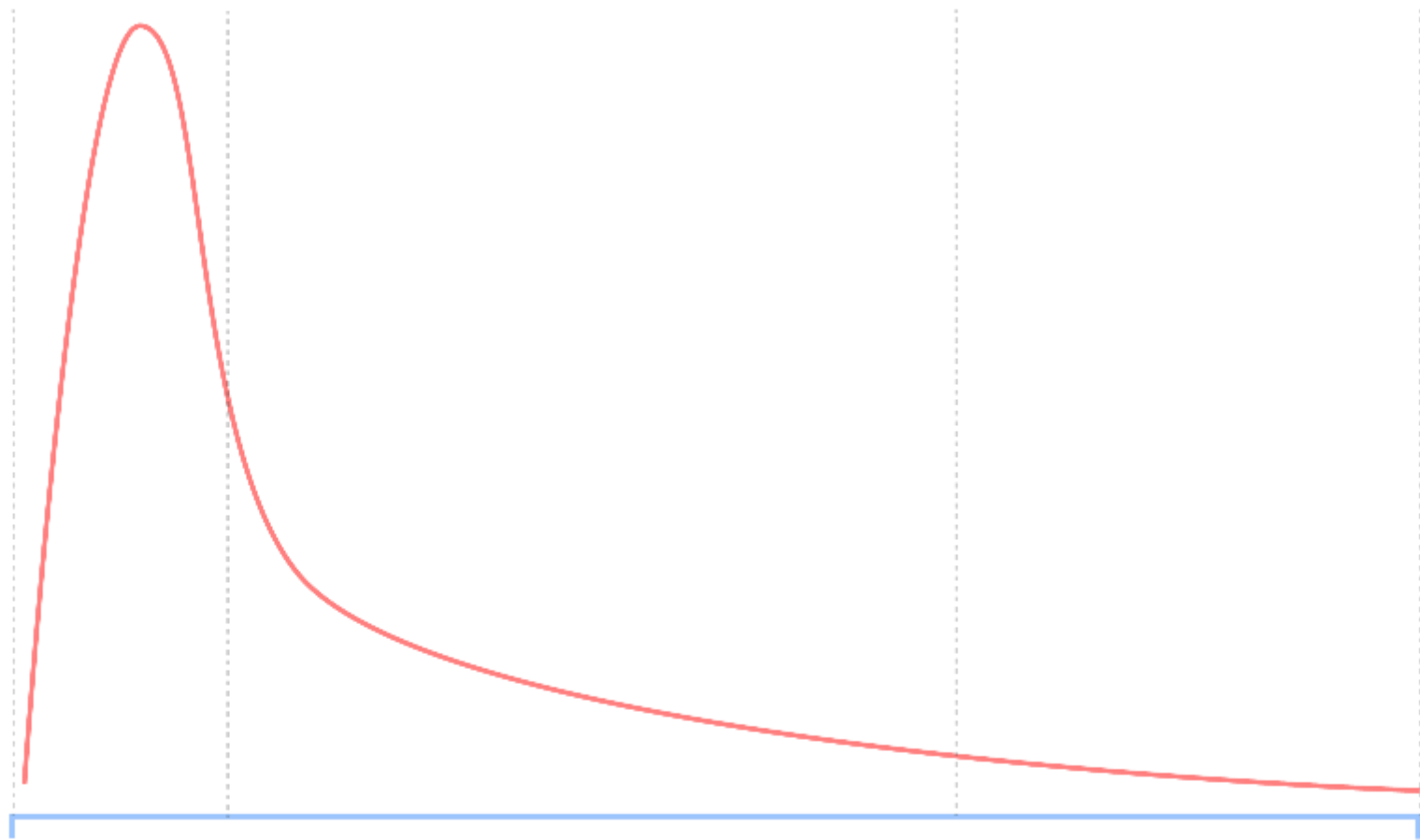
Pick *Winners*

Strikeouts

Base Hits

Home Runs

Frequency



Create *More Winners*

Strikeouts

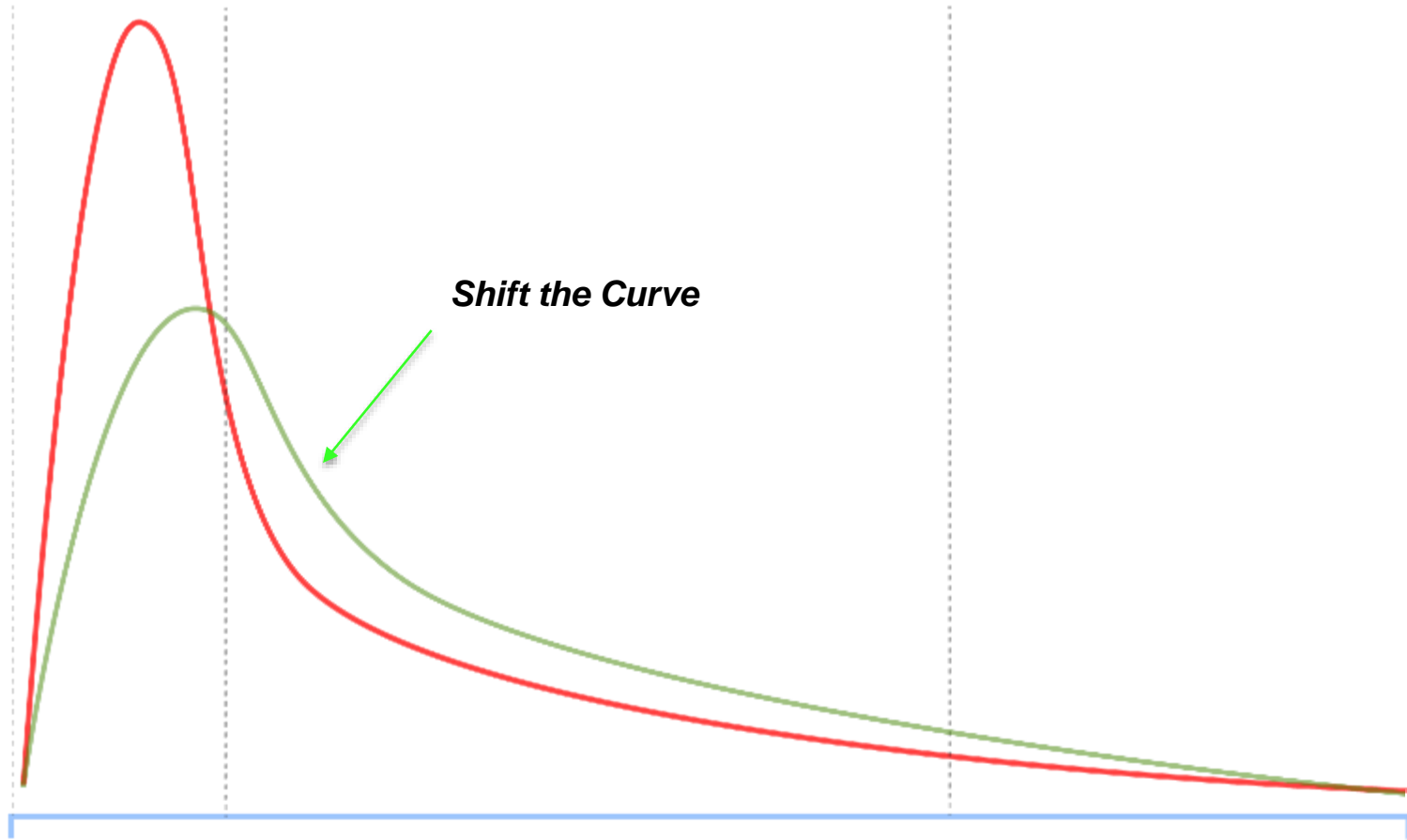
Base Hits

Home Runs

Frequency

Shift the Curve

Outcome (ROI)



What will *you do?*

Jump *In*

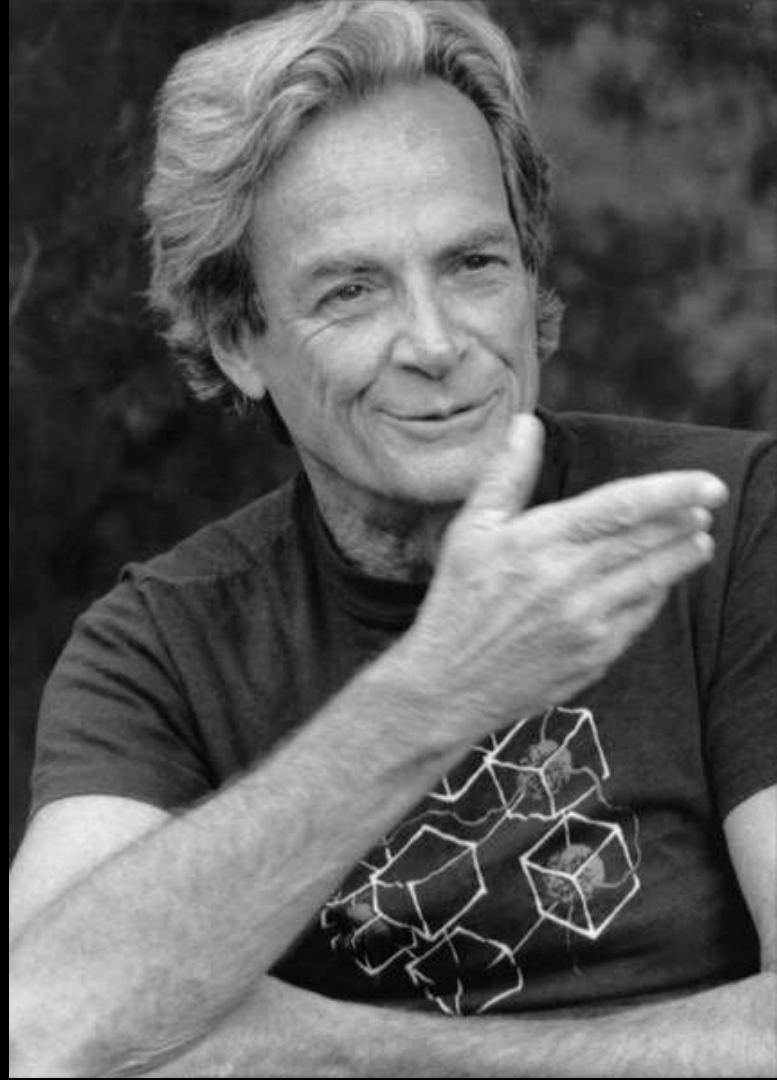


30+ *Interviews*

But *why?*

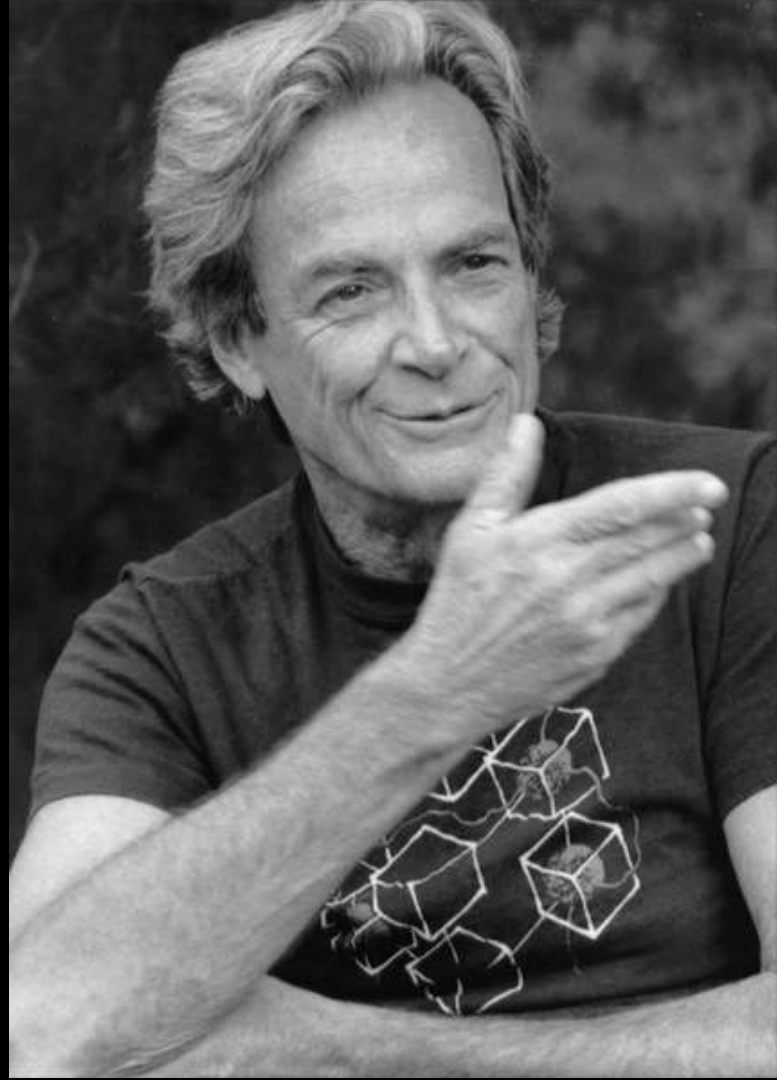
***“The first principle
is that **you must not
fool yourself**”***

– Richard Feynman



*“The first principle
is that you must not
fool yourself,
and you are the
easiest person to
fool.”*

– Richard Feynman





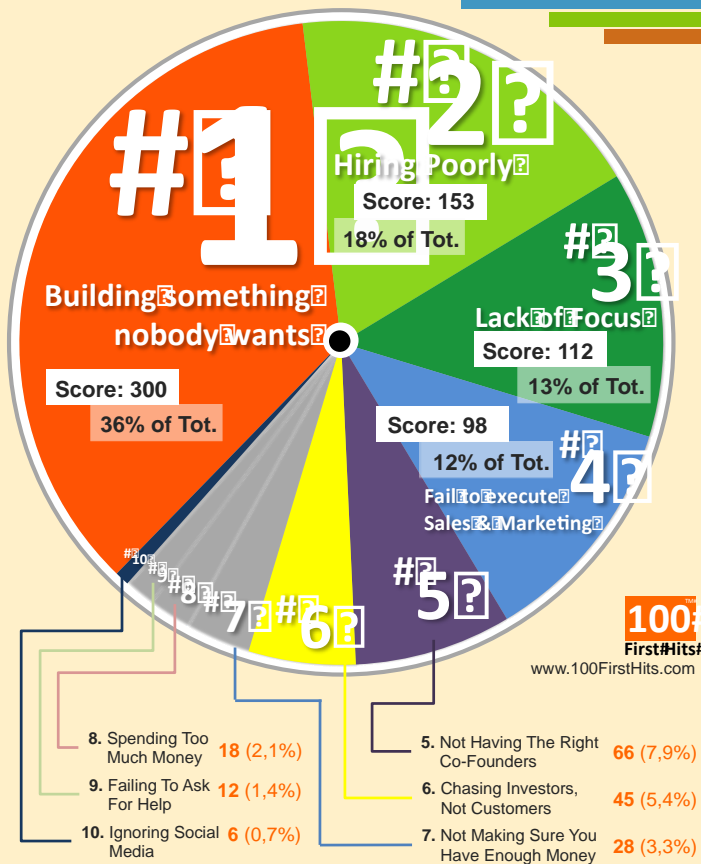
Everyone has *a plan...*

...until he gets *punched in the face.*”



TOP 10 ?

STARTUP MISTAKES



#1

Building something
nobody wants

Score: 300

#2

Hiring Poorly

Score: 153

18% of Tot.

#3

Lack of Focus

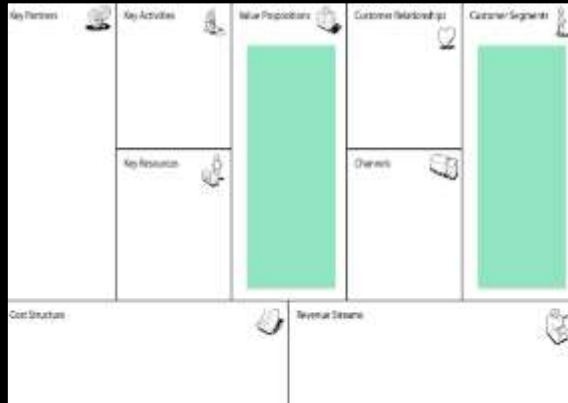
Score: 112

13% of Tot.

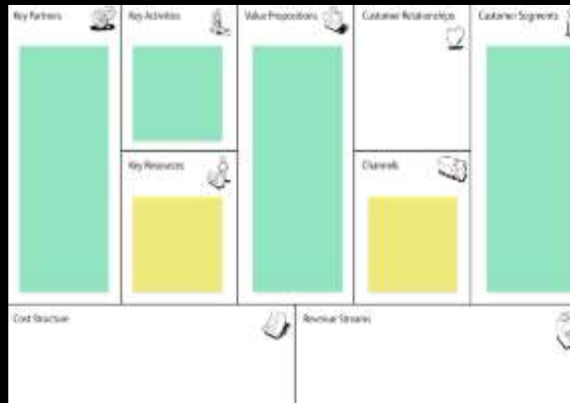


Search for...

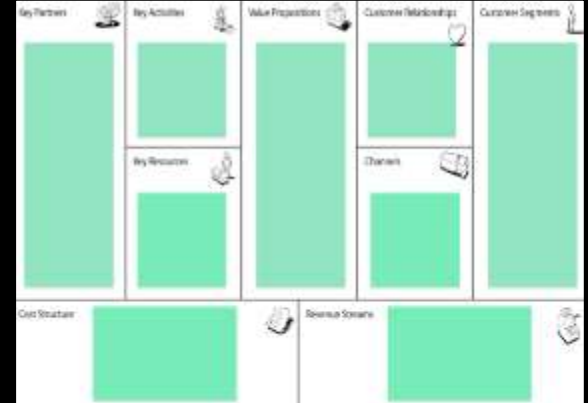
Problem-Solution Fit



Problem-Solution Fit



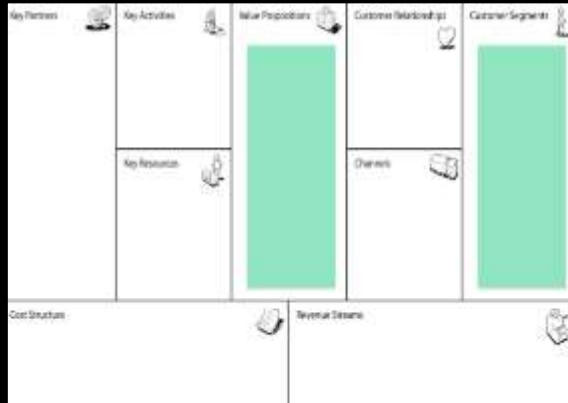
Product-Market Fit



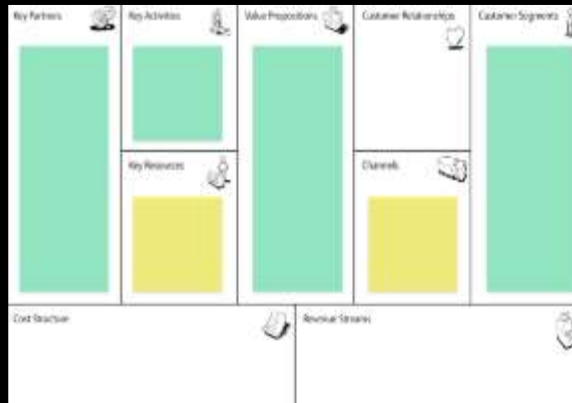
Business-Model Fit

Search for...

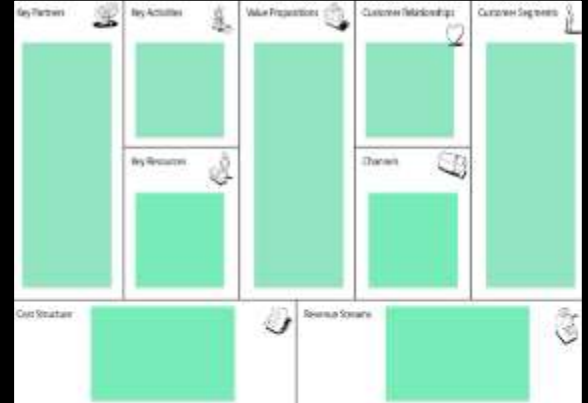
Product-Market Fit



Problem-Solution Fit

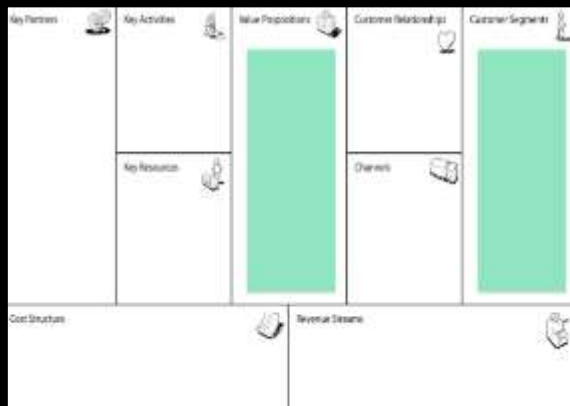


Product-Market Fit

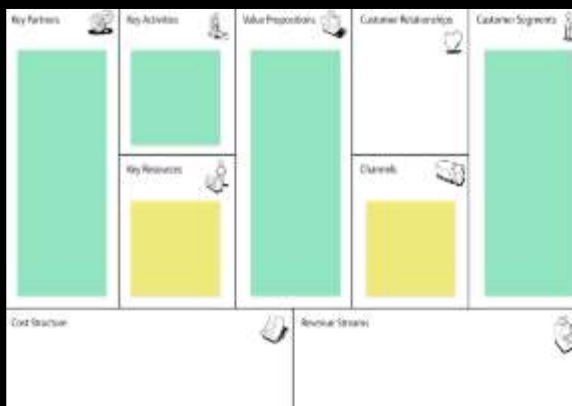


Business-Model Fit

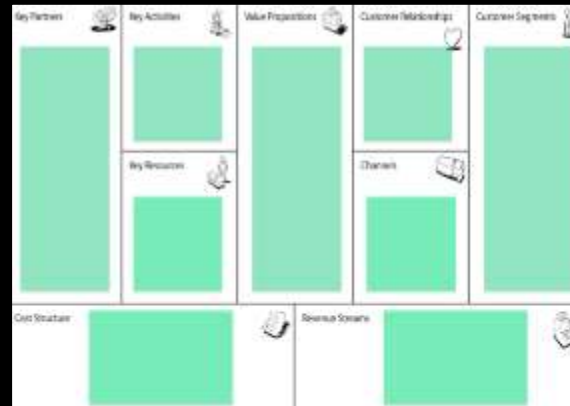
Search for...
Business Model Fit



Problem-Solution Fit



Product-Market Fit



Business-Model Fit



Teaching *Team*

Coaches...

not Consultants

Flipped *Classroom*



How to Build a Startup (EP245)

The Lean LaunchPad

[Enroll](#)[Preview the Class](#)

Like

4k



Tweet

2,424



+1

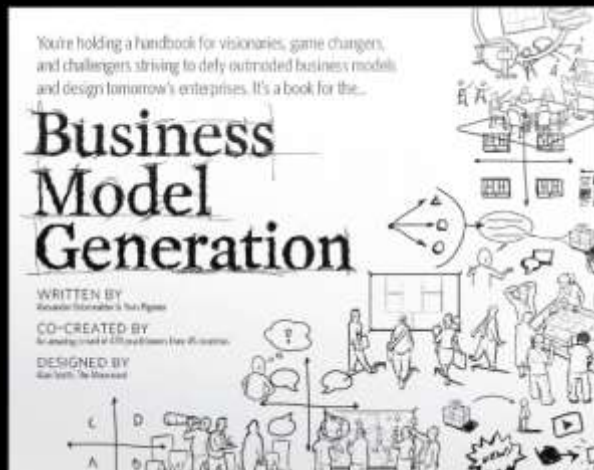
740



CUSTOMER DISCOVERY



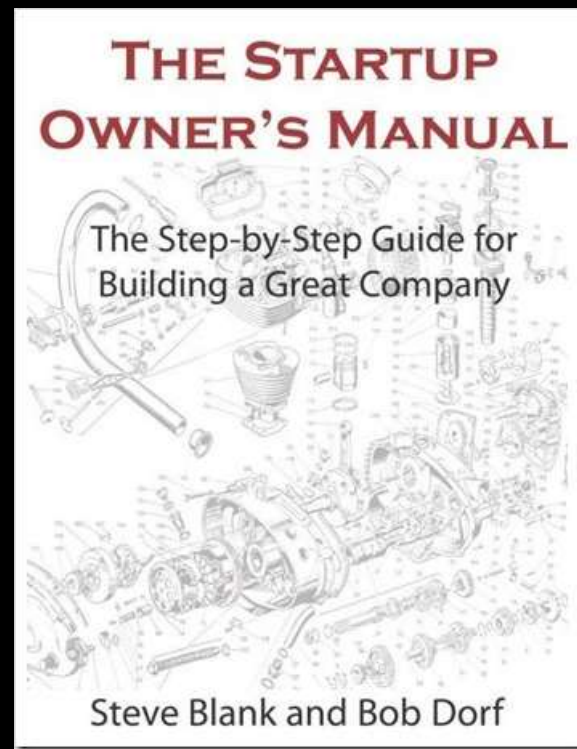
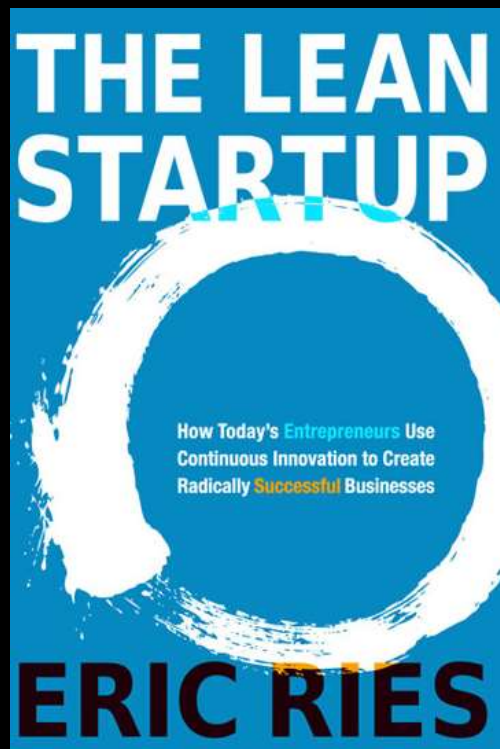
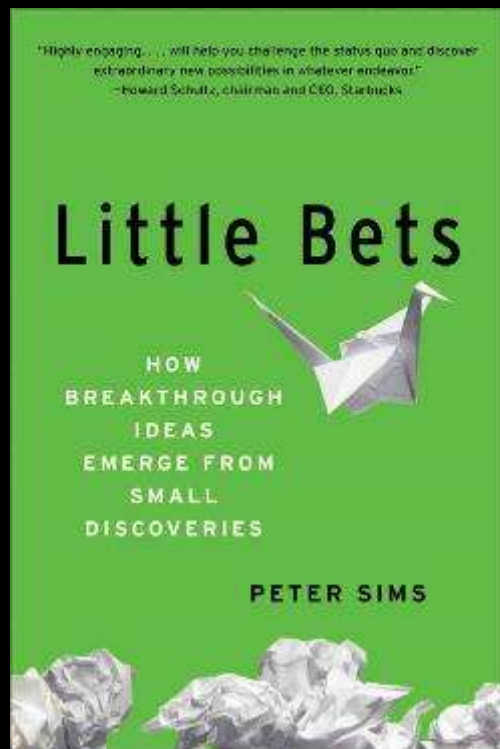
Steve Blank
Stanford / UC Berkeley



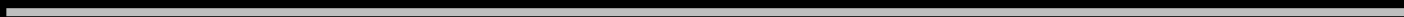
TALKING TO HUMANS

Success starts with understanding your customers

GIFF CONSTABLE
with Frank Bradburn
Illustrations by Tom Fiddume
and foreword by Steve Blank



Our *Expectations*



How do we
build a startup?

What we *Used to Believe*

What we *Now Know*

What we *used to believe*

Startups are
smaller versions
of large companies

What we *now know*

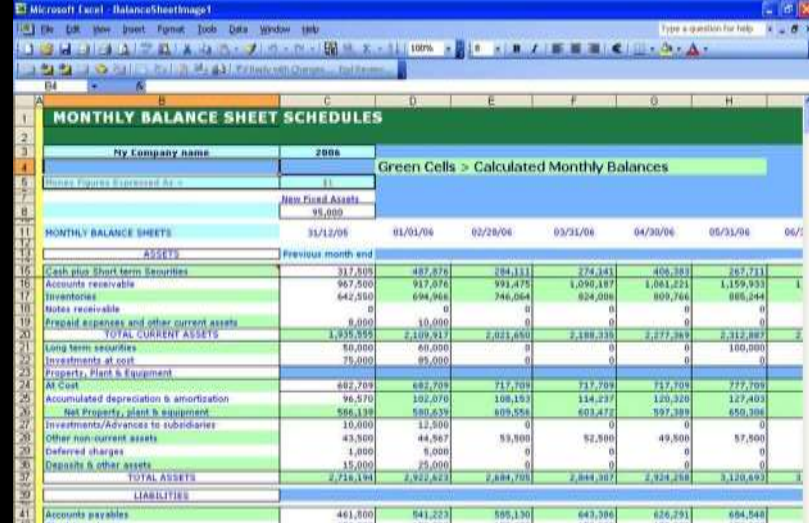
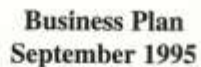
Startups are **NOT**
smaller versions
of large companies

Startups *search*

Companies *execute*

What we *used to believe*

Start with *Business Plan*

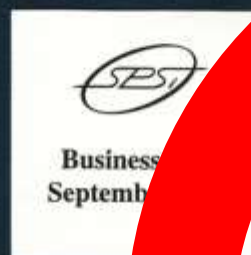


**No business plan
survives...**

***first contact with
customers***

Tyson's *Law*





Microsoft Excel - BalanceSheetImages1

File Edit View Insert Format Tools Data Window Help

100%

Balance Sheet Schedules

Green Cells > Calculated Monthly Balances

MONTHLY BALANCE	01/01/04	02/28/04	03/31/04	04/30/04	05/31/04	06/30/04
ASSETS						
Cash and Short-term Securities	487,876	104,111	274,141	406,381	265,711	
Accounts receivable	917,076	991,475	1,090,187	1,041,221	1,159,933	
Inventories	694,968	746,064	824,008	809,764	886,244	
Notes receivable	0	0	0	0	0	
Prepaid expenses and other current assets	10,000	0	0	0	0	
TOTAL CURRENT ASSETS	2,109,917	2,021,650	2,188,336	2,257,366	2,312,887	
Long-term securities	80,000	0	0	0	100,000	
Investments at cost	85,000	0	0	0	0	
Property, Plant & Equipment						
At Cost	882,709	717,709	717,709	717,709	777,709	
Accumulated depreciation & amortization	(92,070)	(108,193)	(114,237)	(120,320)	(127,403)	
Net Property, plant & equipment	790,639	609,516	603,472	597,389	650,306	
Investments/Advances to subsidiaries	1,500	0	0	0	0	
Other non-current assets	4,967	53,900	52,900	49,900	57,900	
Deferred charges	0	0	0	0	0	
Deposits & other assets	0	0	0	0	0	
TOTAL ASSETS	3,023,623	2,894,765	2,844,807	2,924,255	3,120,692	
LIABILITIES						
Accounts payables	225	595,130	643,396	626,291	604,548	



...for startups

Planning comes










before the plan

The Business Model is the
Foundation of your plan...

So we *start there.*



**Business Plan
September 1995**

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		

What's a *company*?

What's a *company*?

A business organization that *sells a product or service in exchange for revenue and profit.*

What's a *startup*?

A *temporary* organization

A temporary organization
designed to *search*

A temporary organization

designed to search

for a *repeatable and scalable*

business model

A *temporary* organization
designed to *search*
for a *repeatable and scalable*
business model

Startup aims to
become a company

How are companies
organized?

How are companies
organized?

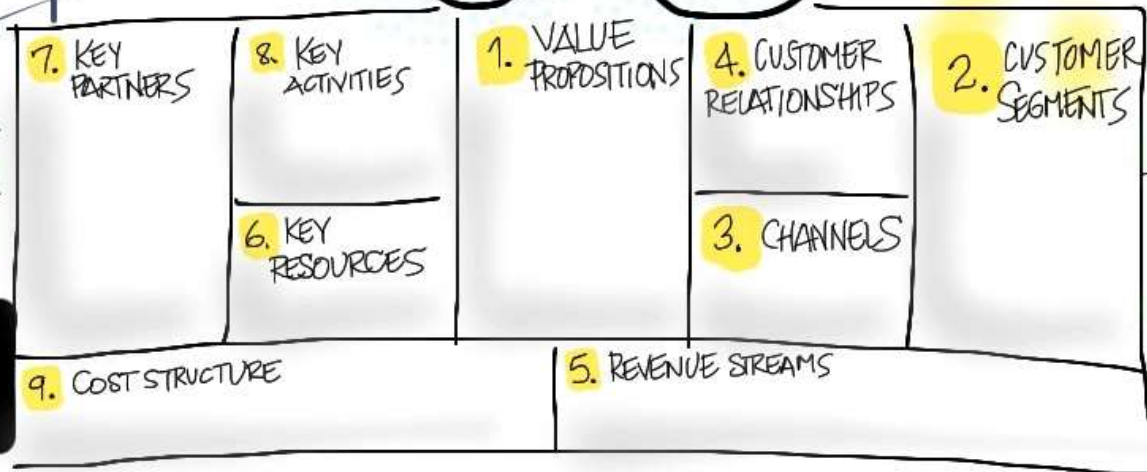
Companies are organized
around *Business Models*

What's a *Business Model*?

WHAT is a BUSINESS MODEL?

9 Components...

How a company
CREATES
VALUE for
ITSELF while
delivering products
or services for
customers.



**... how a company *creates,*
*delivers, and captures value.***

...or how a company *makes*
money!

Business Model *Canvas*

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



Key Resources



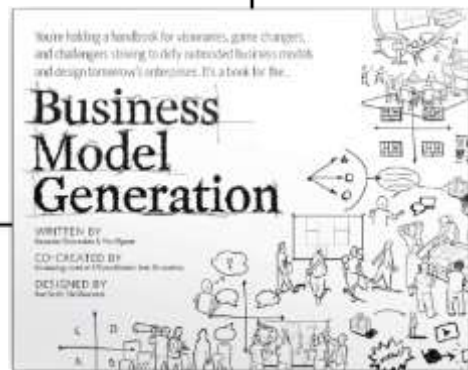
Channels











Cost Structure



Revenue Streams



Customer *Segments*

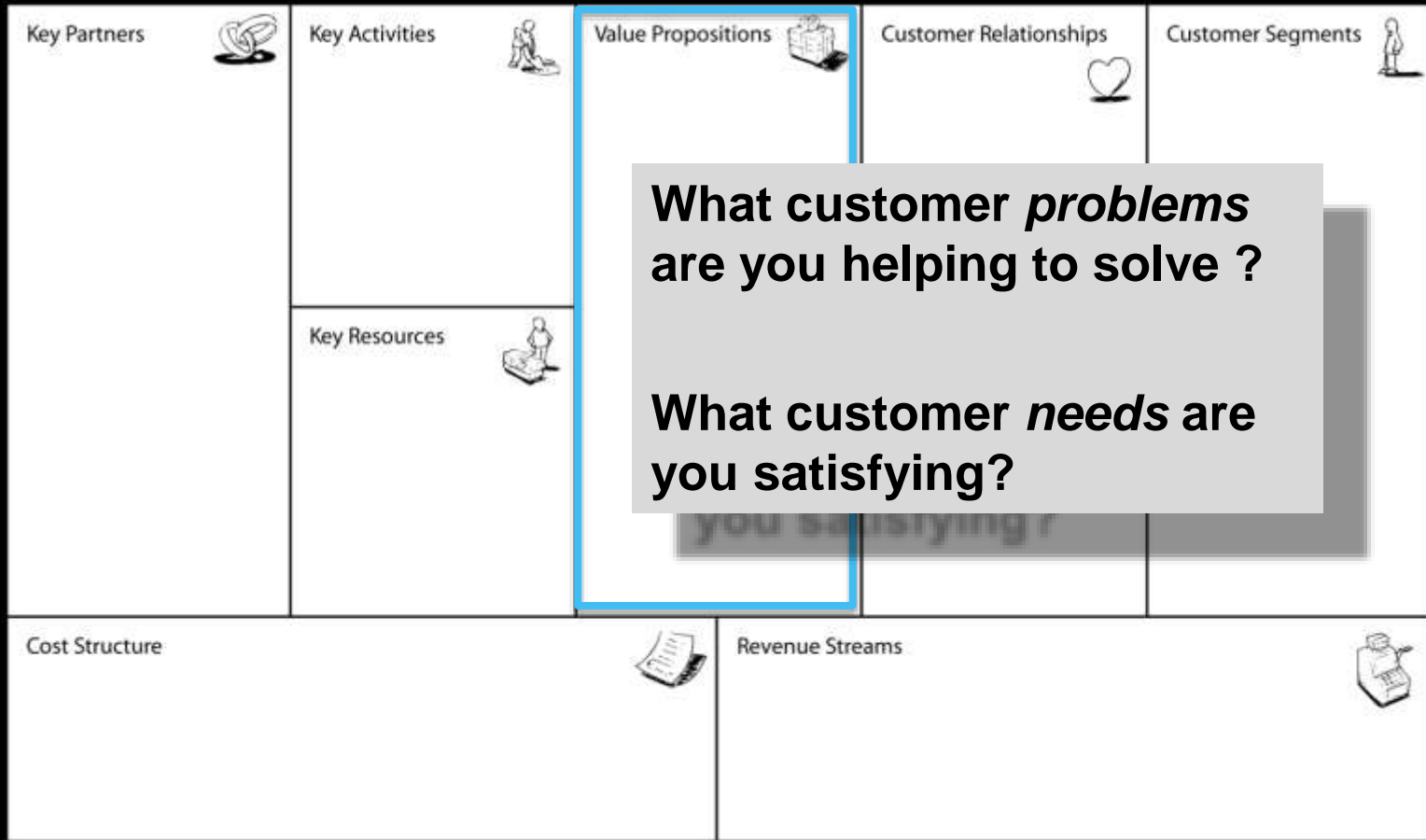
Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
Cost Structure 	Key Resources 			

Who are your most important customers?

What are their *archetypes*?

What job do they want you to get done for them?

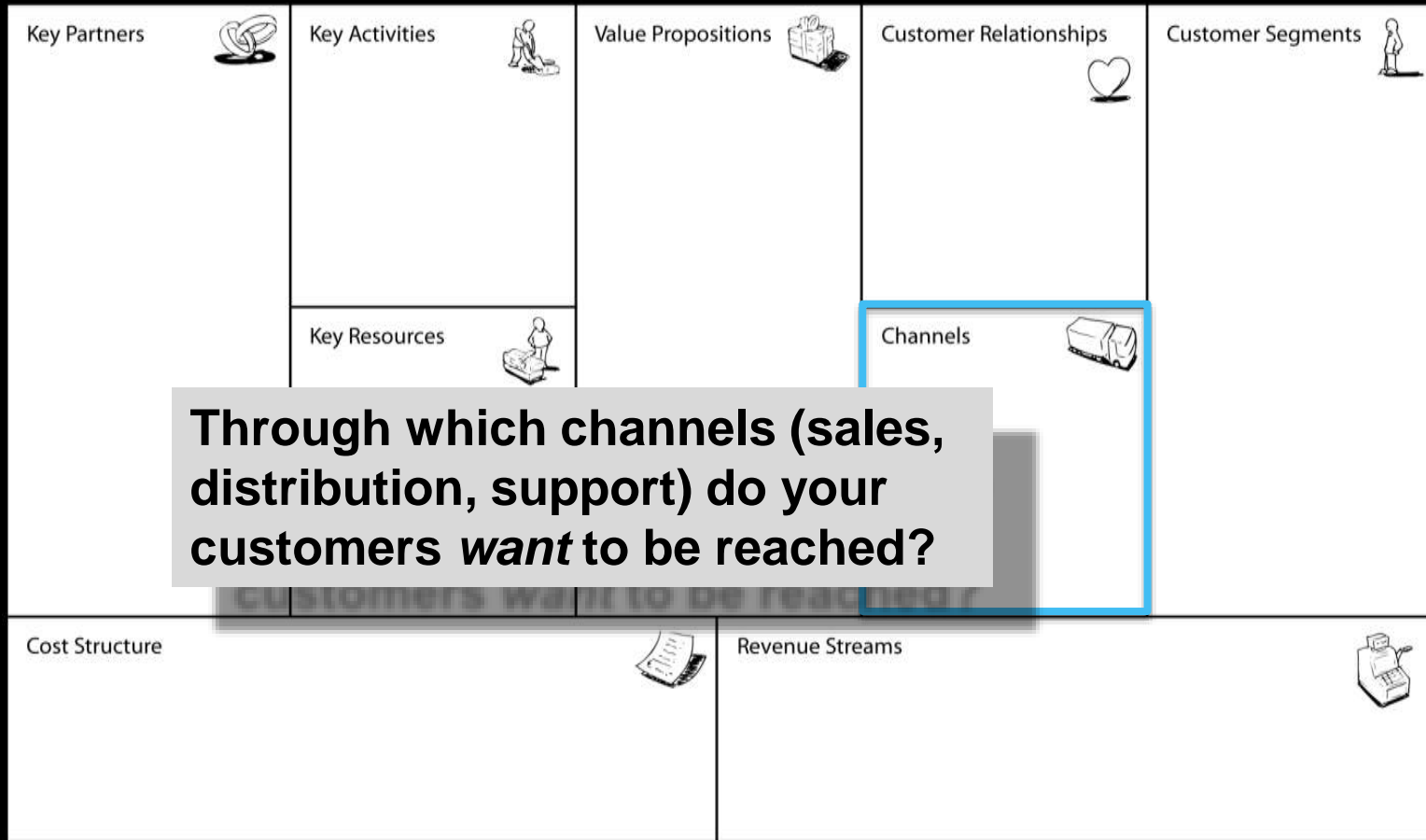
Value *Propositions*



What customer *problems* are you helping to solve ?

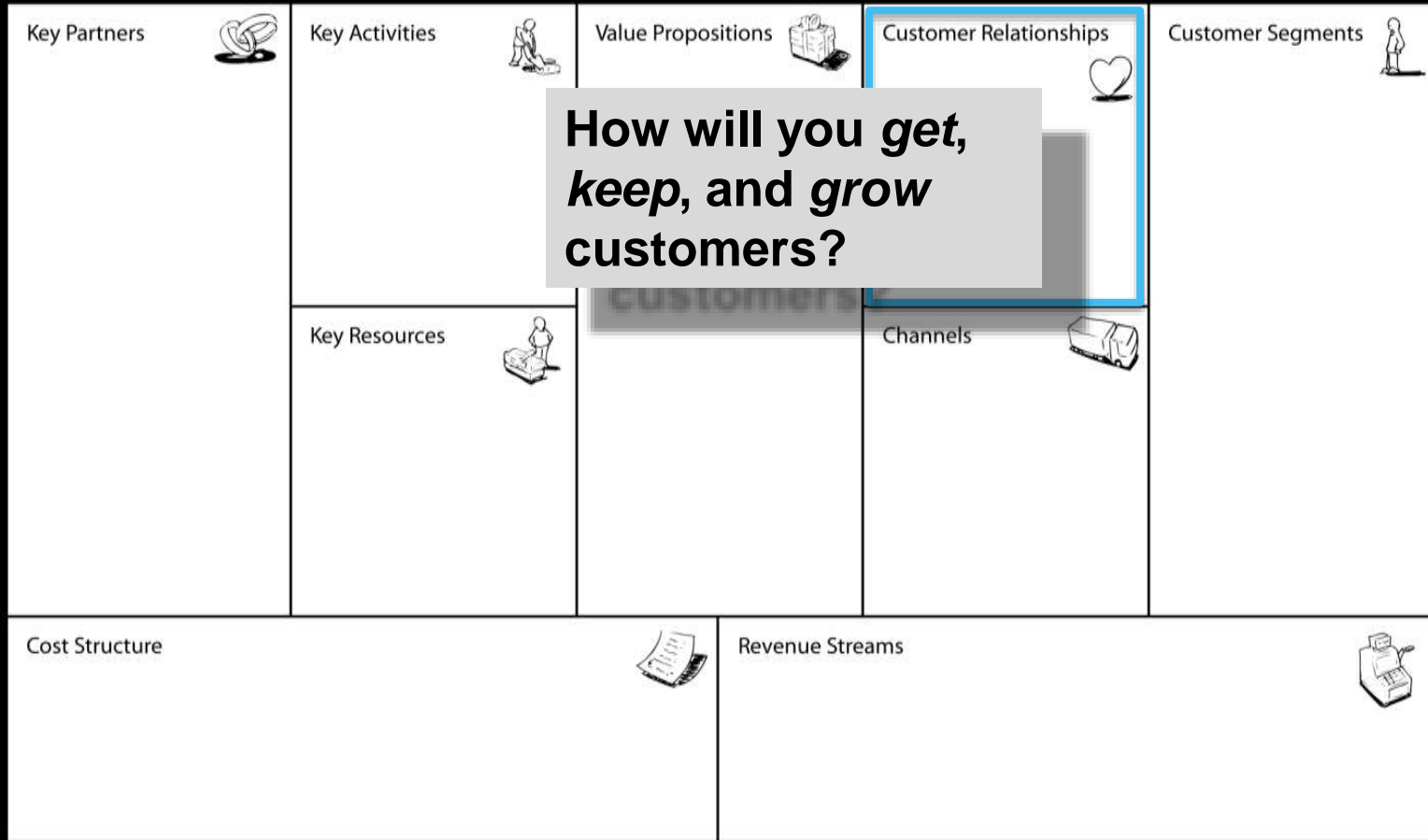
What customer *needs* are you satisfying?

Channels

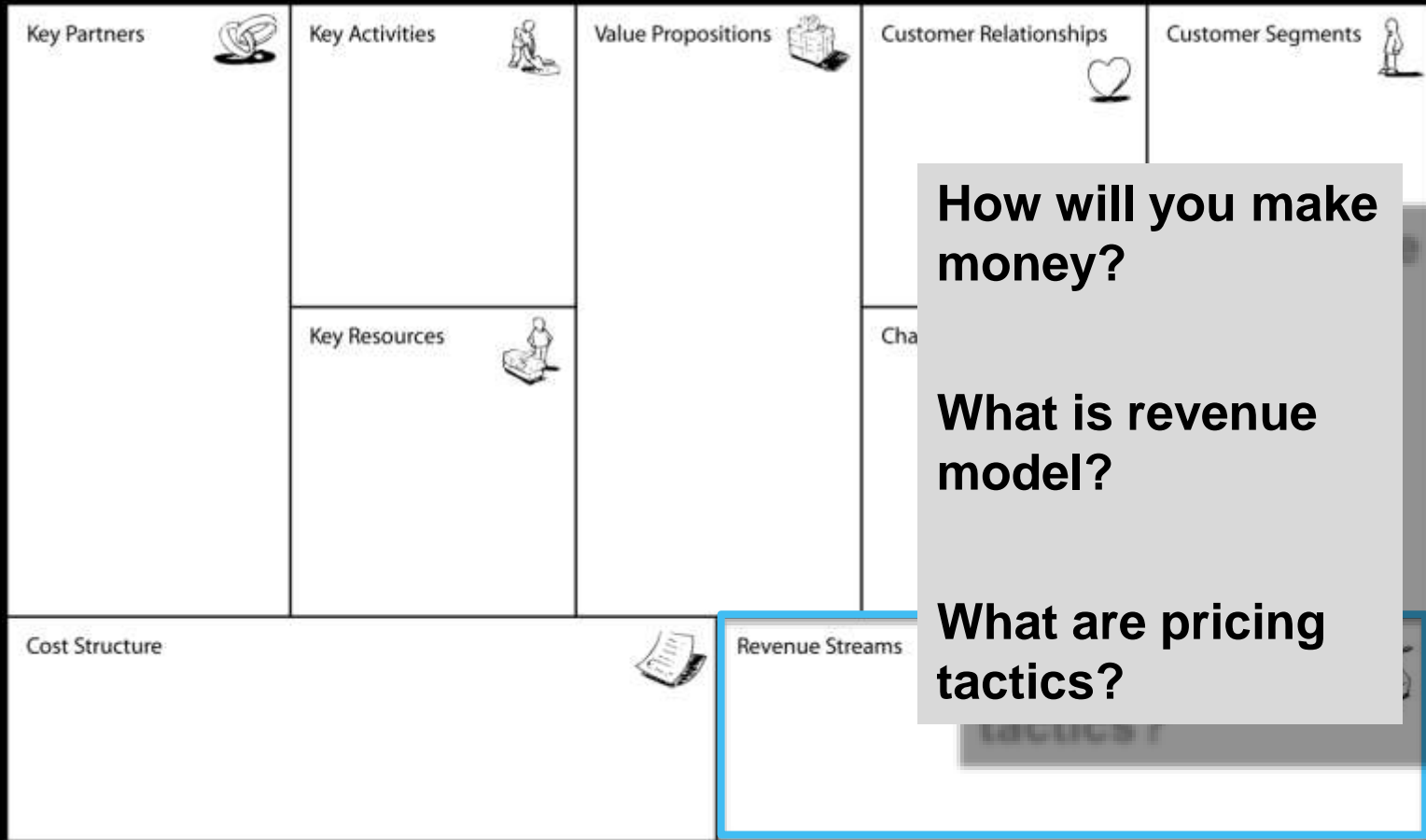


Through which channels (sales, distribution, support) do your customers *want* to be reached?

Customer *Relationships*



Revenue *Streams*

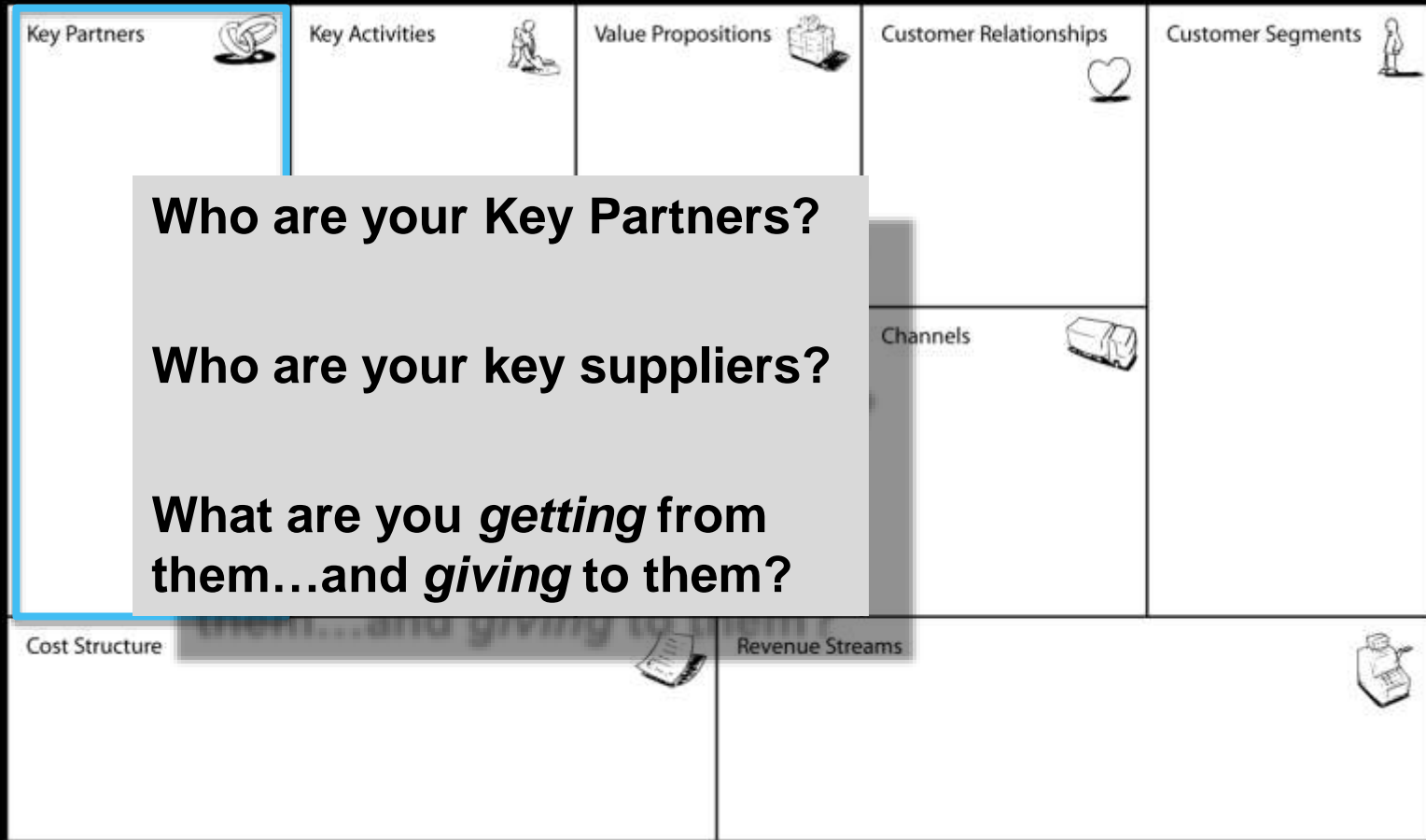


How will you make money?

What is revenue model?

What are pricing tactics?

Key *Partners*

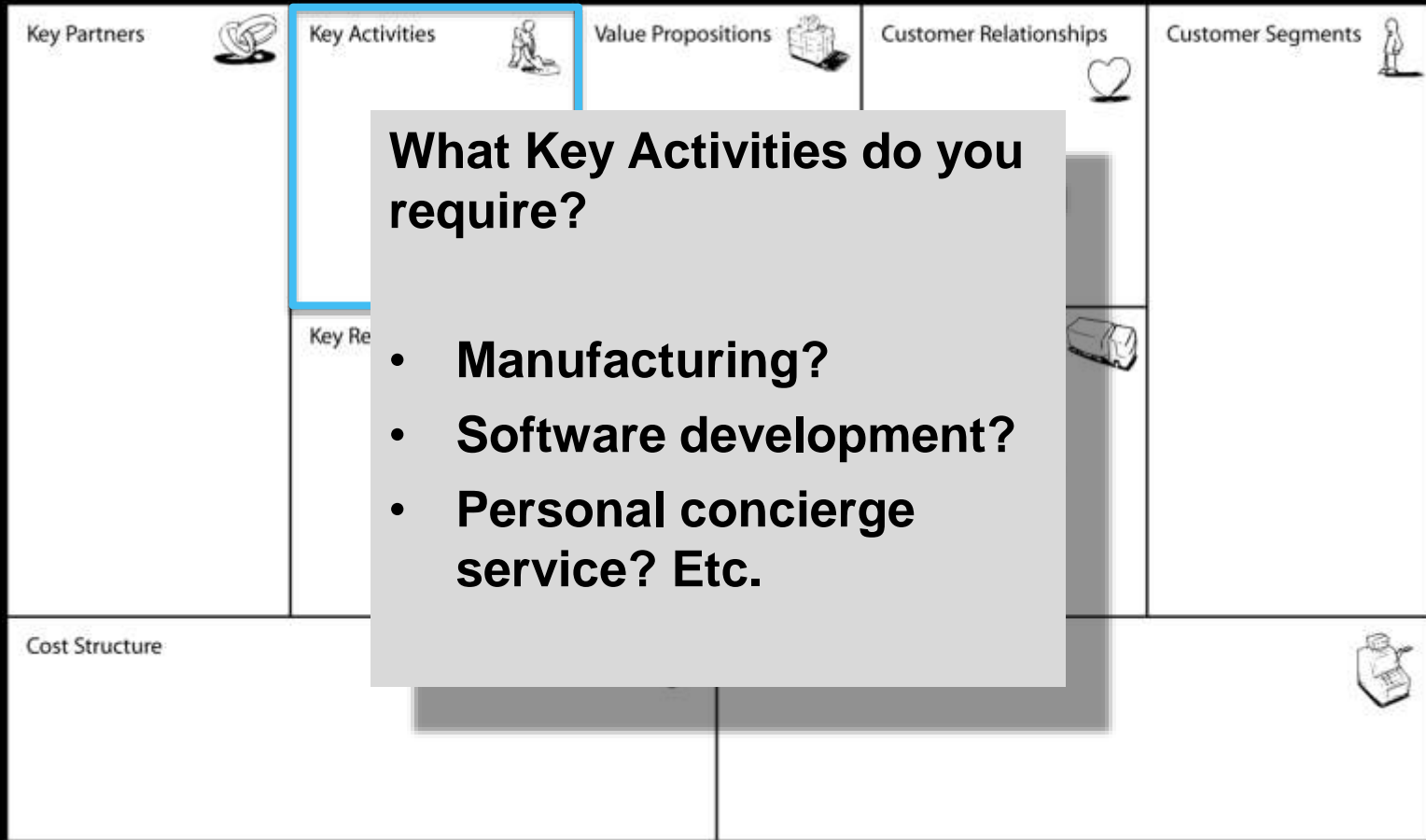


Who are your Key Partners?

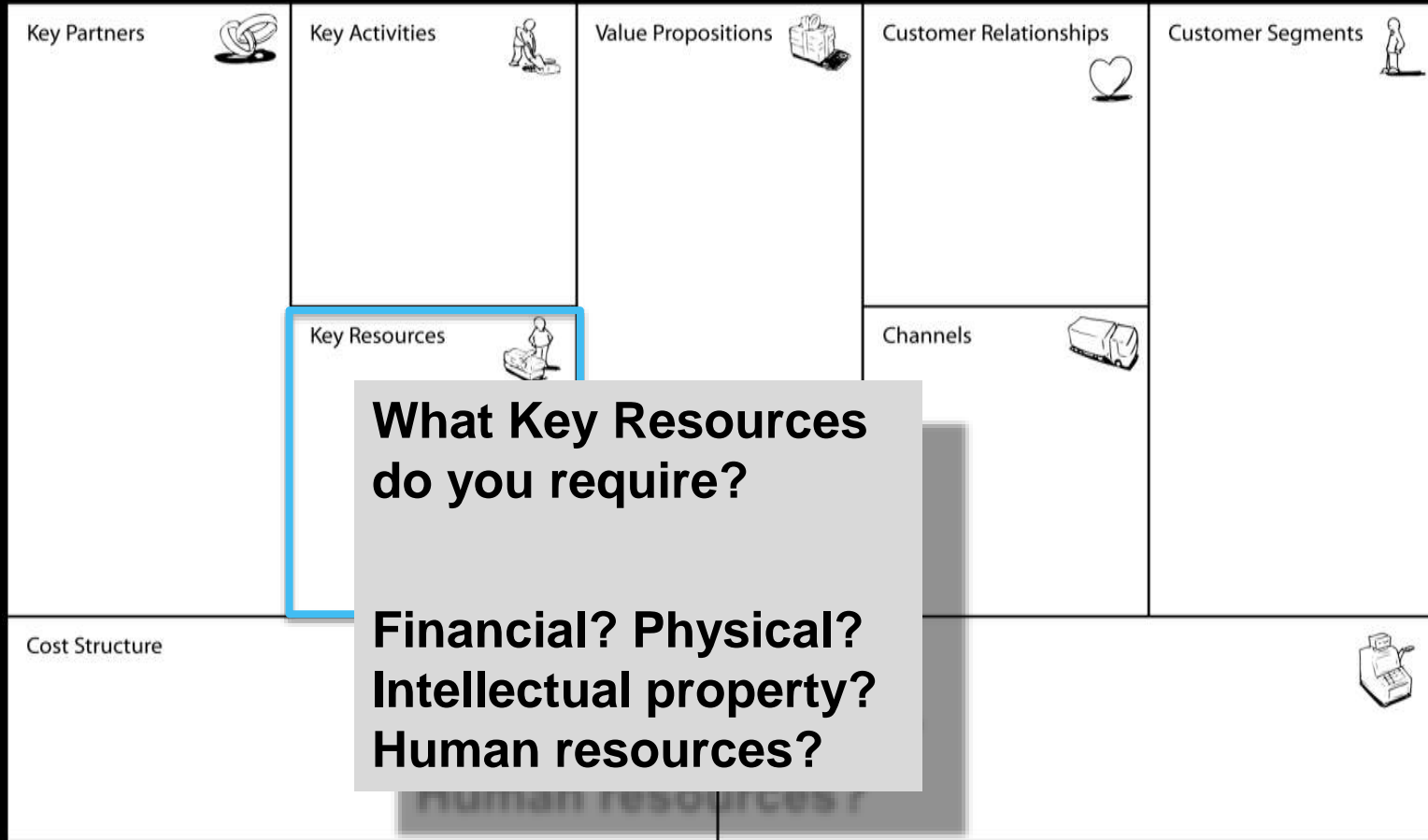
Who are your key suppliers?

What are you *getting* from them...and *giving* to them?

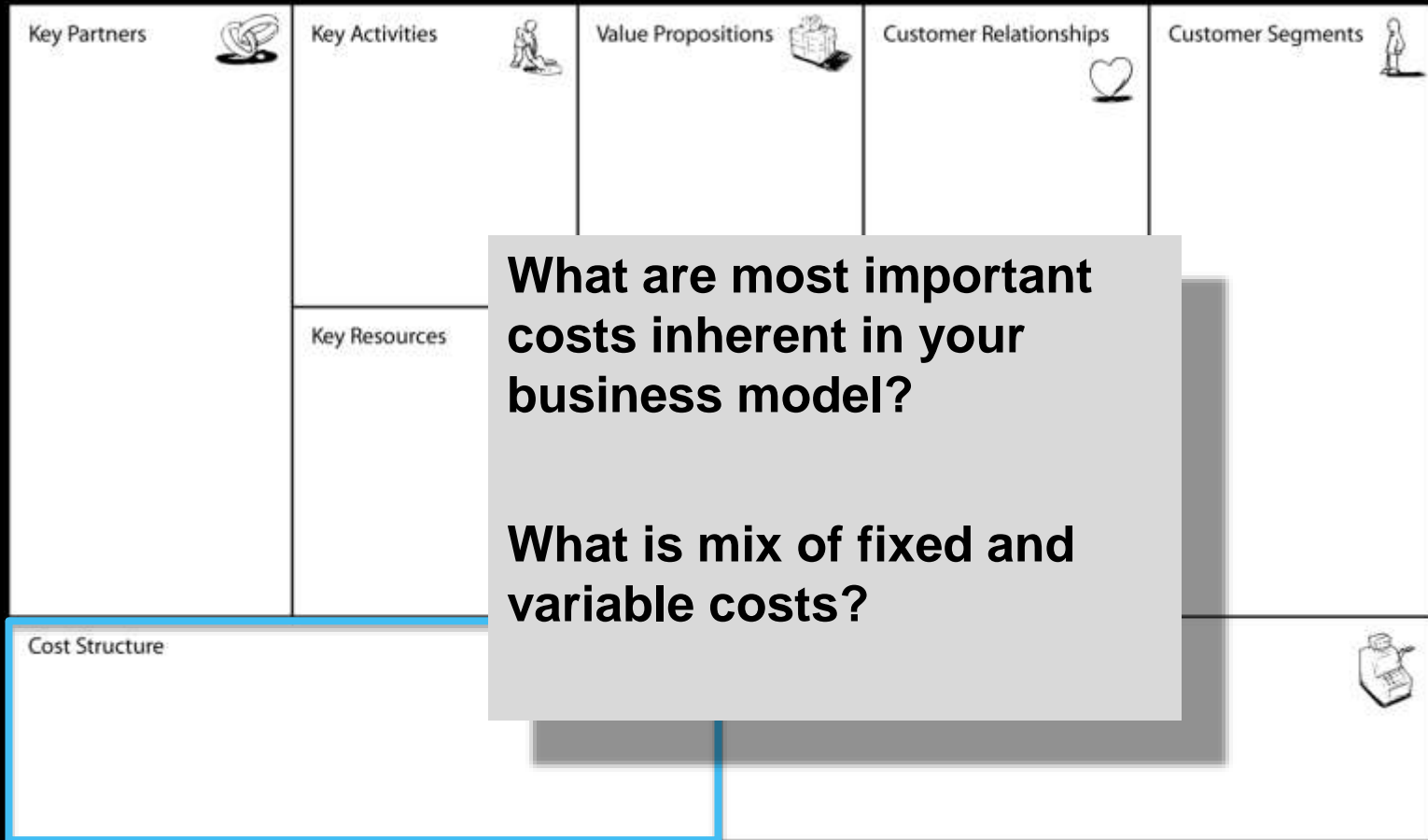
Key *Activities*



Key *Resources*



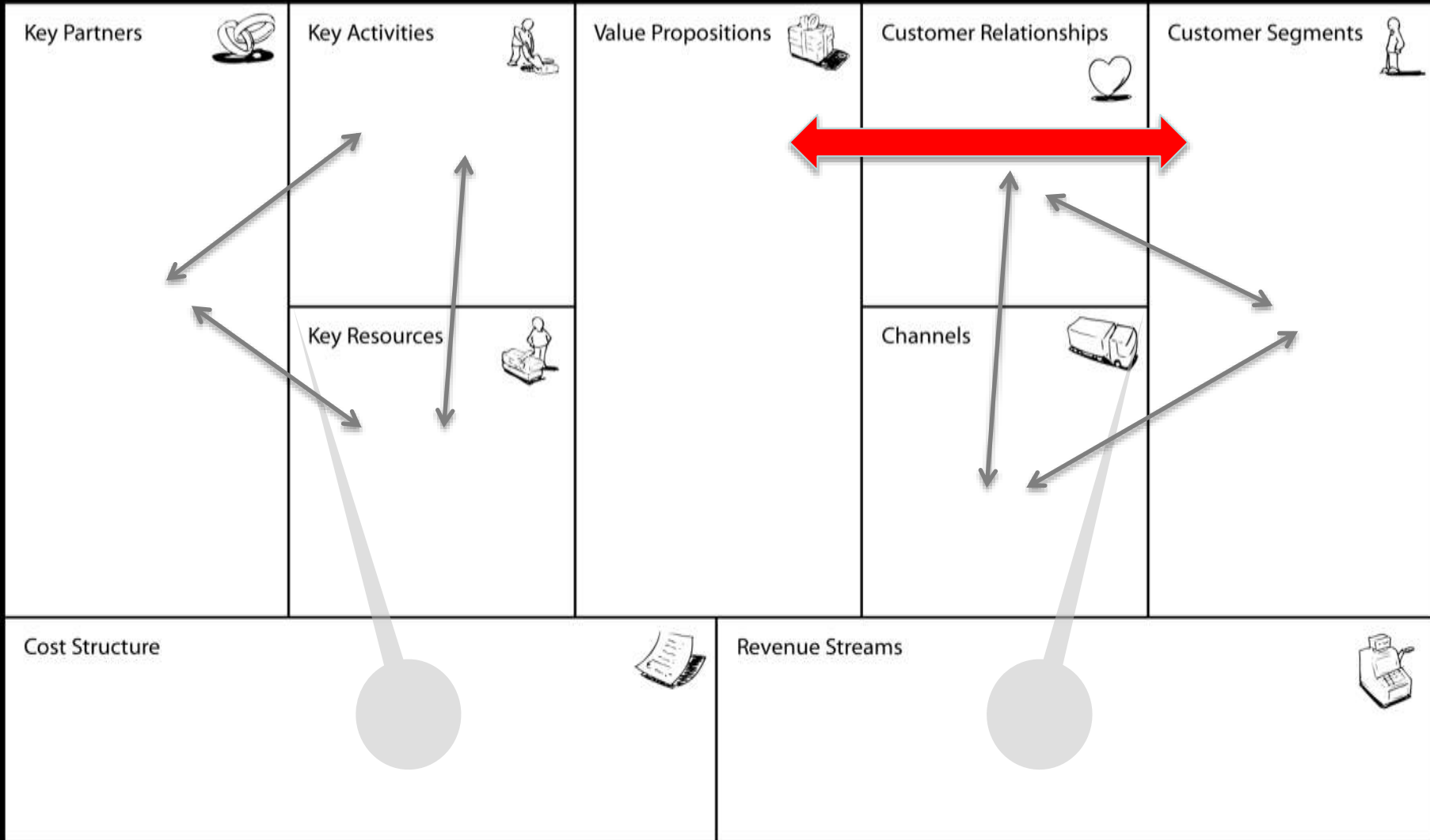
Cost *Structure*



What are most important costs inherent in your business model?

What is mix of fixed and variable costs?

Elements *Linked*



Iterate *Pivot*

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



Key Resources



Channels



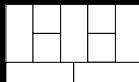
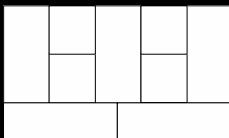
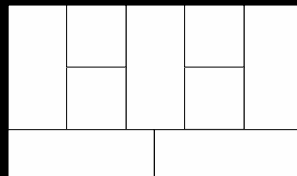
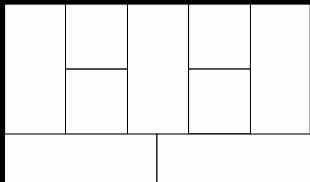
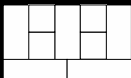
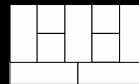
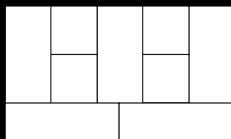
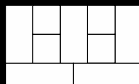
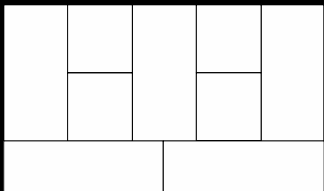
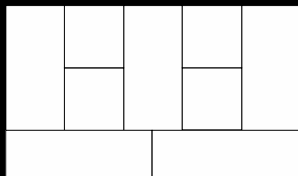
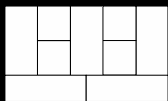
Cost Structure

Revenue Streams

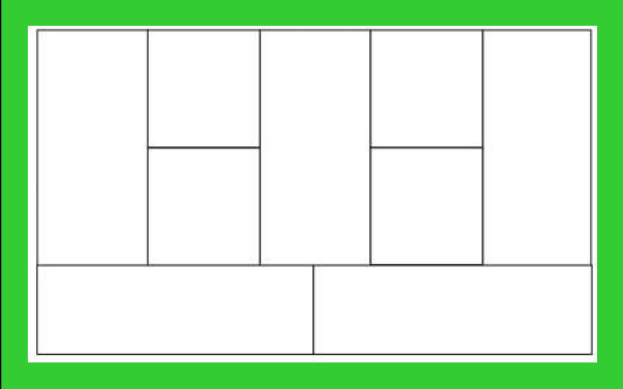


Business Model ***Multiverse***

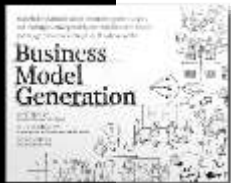
There are MANY *potential*
Business Models...



**...your job is to find the
optimal one given *Customer
Needs and Environment***



**Business Models are
subject to *external forces***



— COMPETITIVE ANALYSIS —

SUPPLIERS AND OTHER VALUE
CHAIN ACTORS

STAKEHOLDERS

COMPETITORS
(INCUMBENTS)

NEW ENTRANTS
(INSURGENTS)

SUBSTITUTE PRODUCTS
AND SERVICES

**INDUSTRY
FORCES**

GLOBAL MARKET CONDITIONS

CAPITAL MARKETS

— MACROECONOMICS —

— FORESIGHT —

REGULATORY TRENDS

TECHNOLOGY TRENDS

**KEY
TRENDS**

SOCIETAL AND CULTURAL TRENDS

SOCIOECONOMIC TRENDS

IP	KA	VP	CR	CS
	KR		CH	
CS			ES	

**MACRO-
ECONOMIC
FORCES**

ECONOMIC INFRASTRUCTURE

COMMODITIES AND OTHER RESOURCES

— MARKET ANALYSIS —

MARKET SEGMENTS

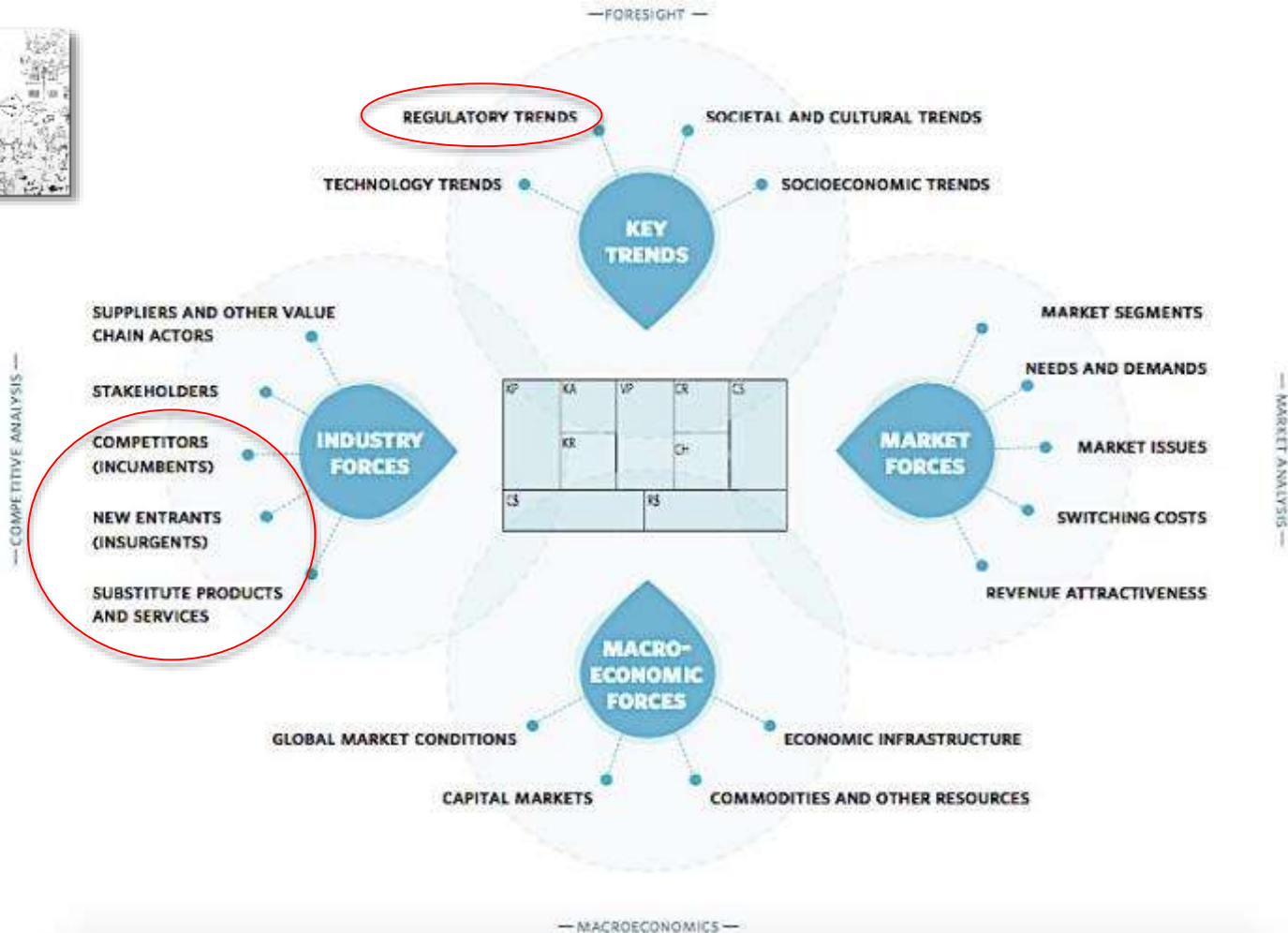
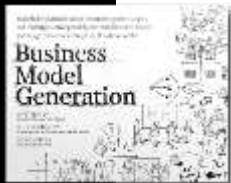
NEEDS AND DEMANDS

MARKET ISSUES

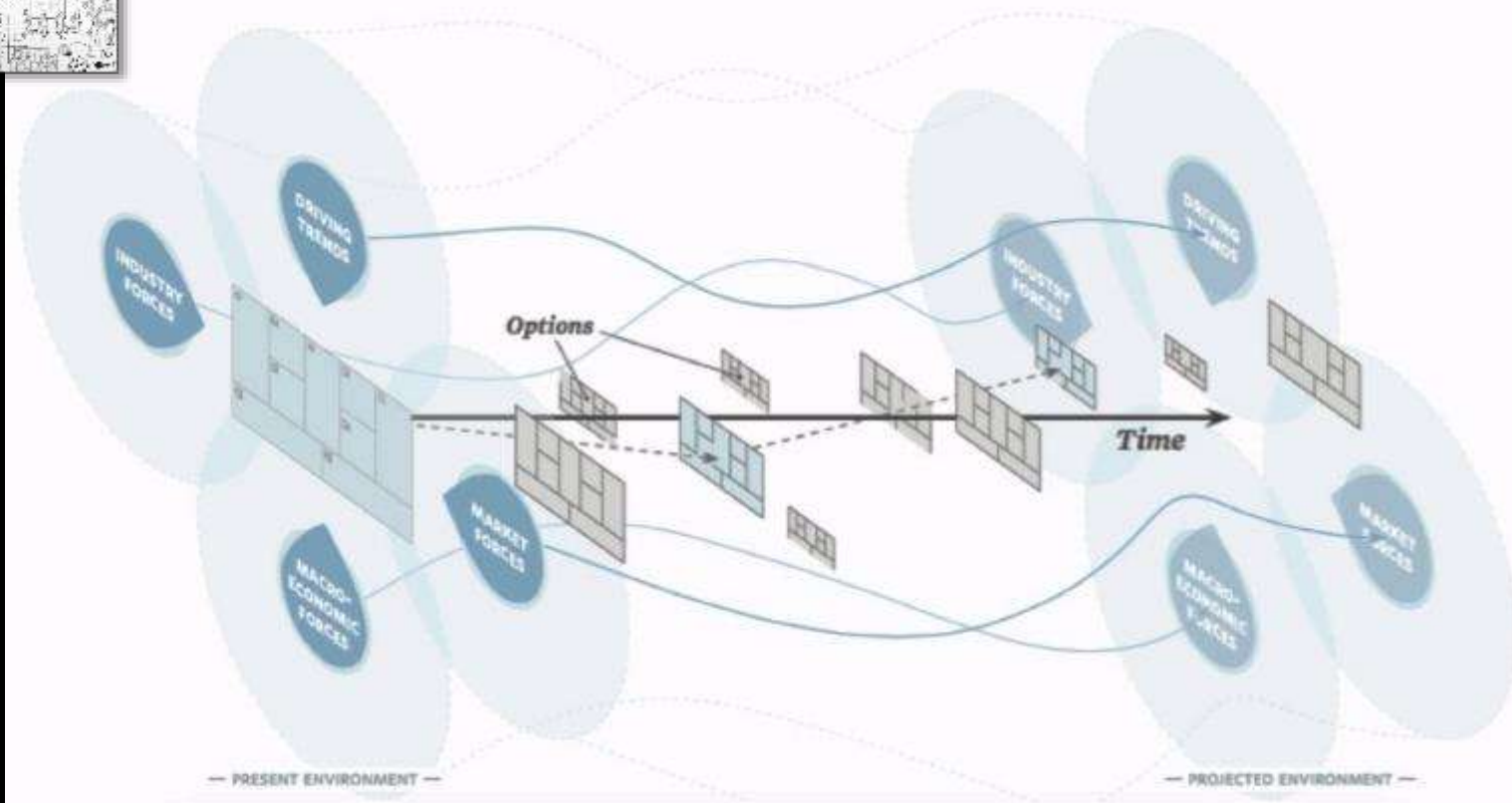
SWITCHING COSTS

REVENUE ATTRACTIVENESS

**MARKET
FORCES**

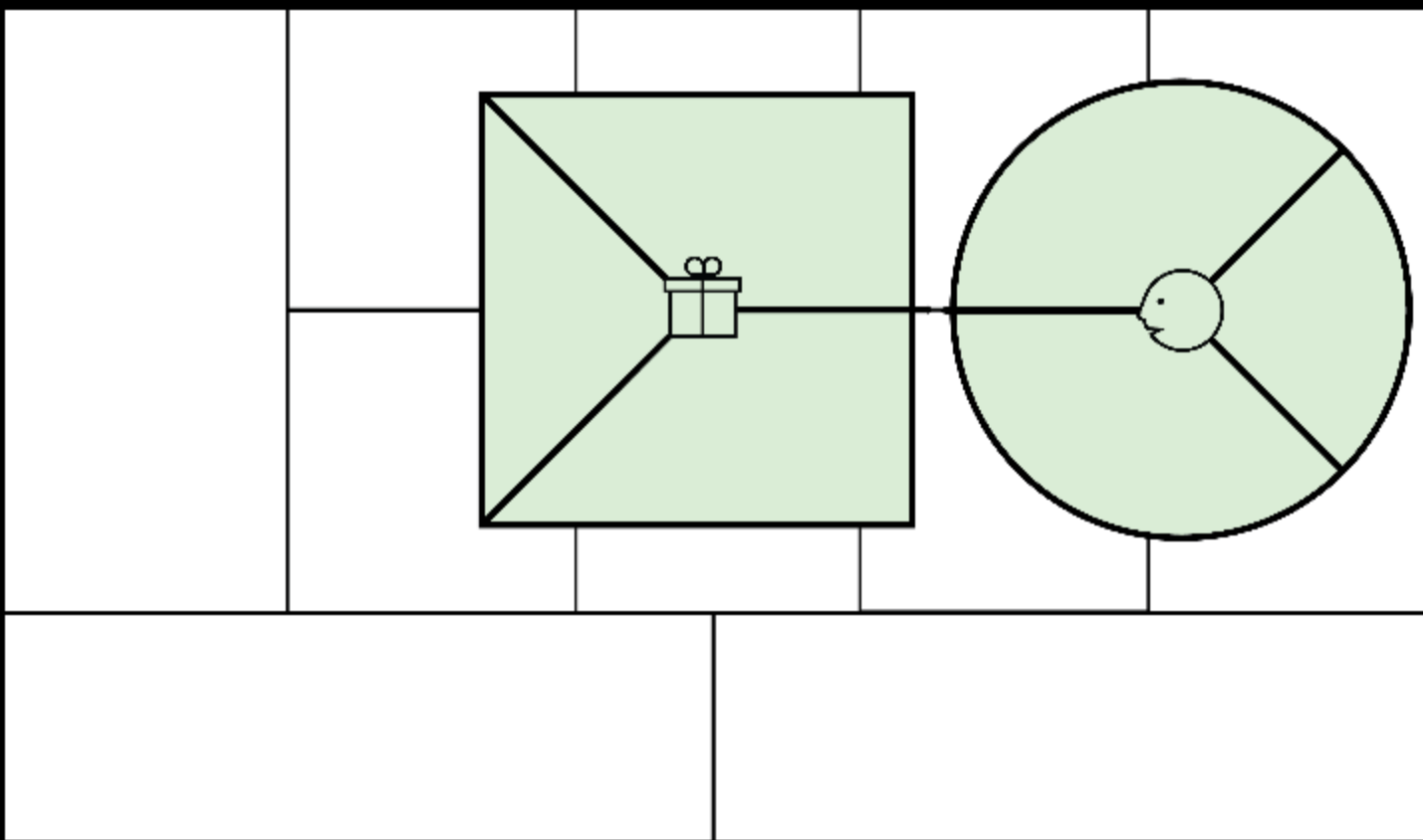


Business Models evolve,
they are not static



**Business Model
generation is a
*never-ending
processes...***

**...but for Bootcamp,
*focus on the customer!***



More startups fail from a

lack of customers

than from product / tech failure

More startups fail from a

lack of customers

than from product / tech failure

Remember the top
startup mistake...

#1

Building something
nobody wants

Score: 300

#2

Hiring Poorly

Score: 153

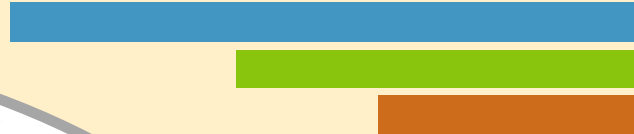
18% of Tot.

#3

Lack of Focus

Score: 112

13% of Tot.



Building something
nobody wants!

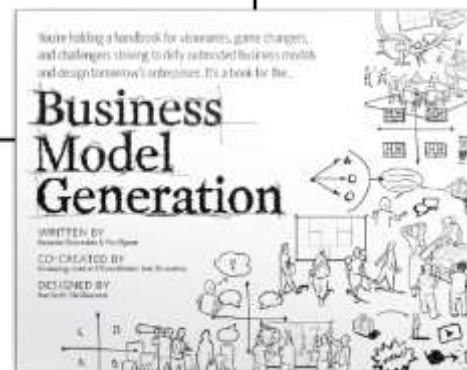
How can you minimize
this risk?

Get *out* of
the building!

Test the *Problem First*

Can you identify and
validate a *problem or need*
that enough people care
about?

...what we call finding a
Problem-Solution Fit



Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



Key Resources



Channels



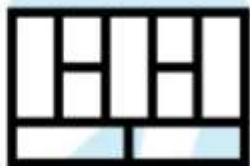
Cost Structure



Revenue Streams



zoom out



zoom in

The
External Environment
describes the space
where you create

The
Business Model Canvas
helps you
create value for your business

The
Value Proposition Canvas
helps you
create value for your customer

Value Proposition

Canvas

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



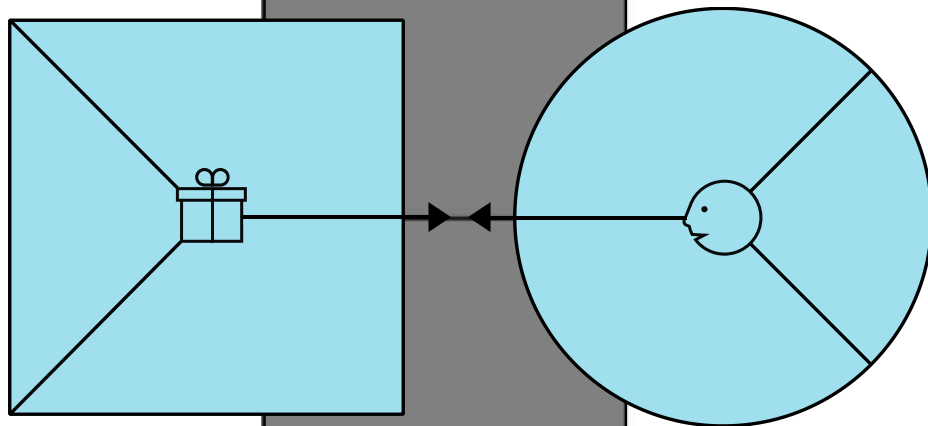
Key Resources



Cost Structure



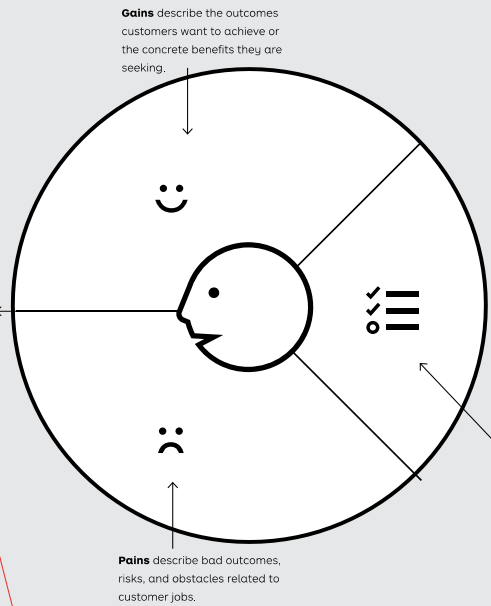
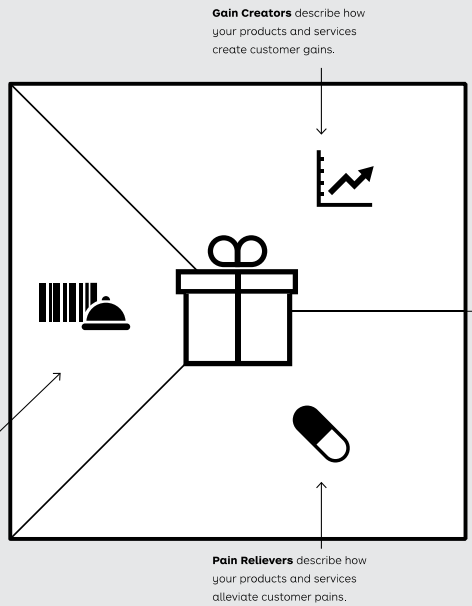
Revenue Streams



Value Map

The Value (Proposition) Map describes the features of a specific value proposition in your business model in a more structured and detailed way. It breaks your value proposition down into products and services, pain relievers, and gain creators.

This is a list of all the **Products and Services** a value proposition is built around.

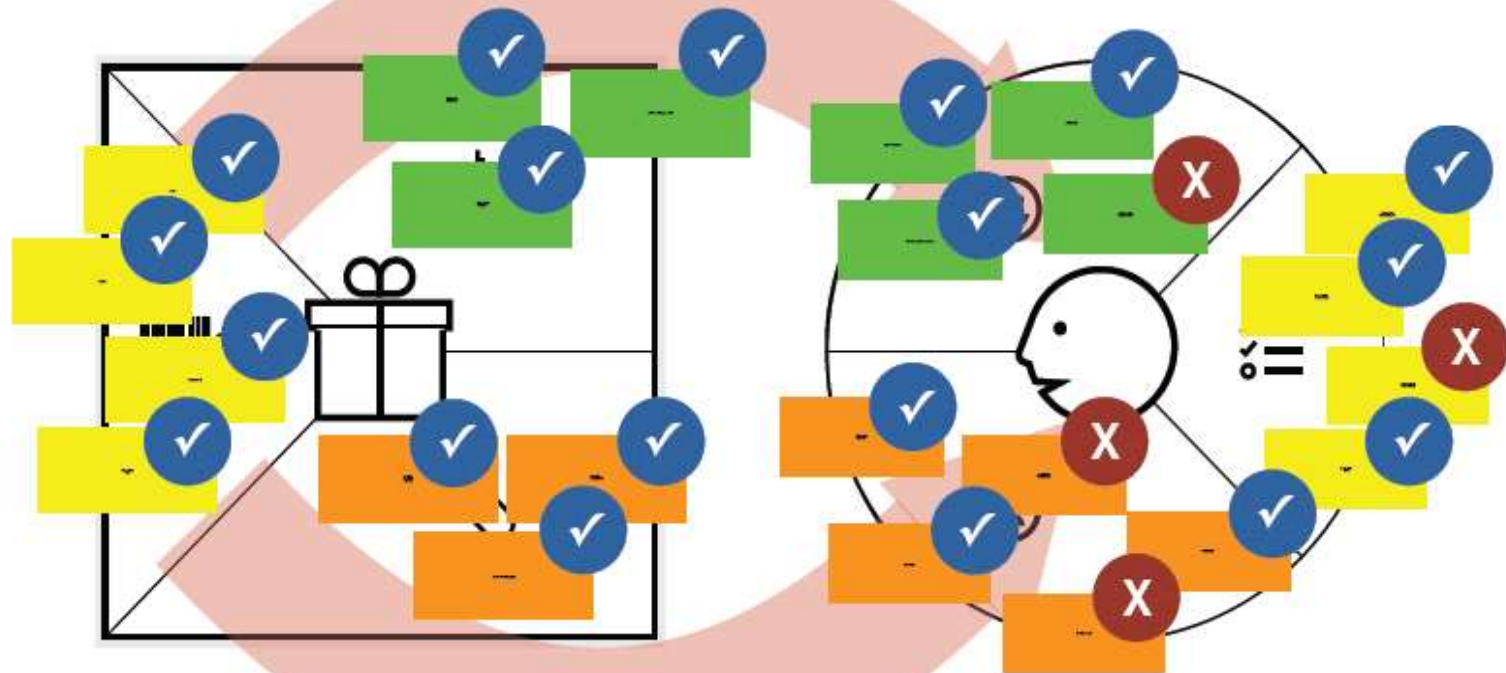


Customer Profile

The Customer (Segment) Profile describes a specific customer segment in your business model in a more structured and detailed way. It breaks the customer down into its jobs, pains, and gains.

Customer Jobs describe what customers are trying to get done in their work and in their lives, as expressed in their own words.

You achieve **Fit** when your value map meets your customer profile—when your products and services produce pain relievers and gain creators that match one or more of the jobs, pains, and gains that are important to your customer.



Once *Again*

***"Can you identify and validate
a **problem or need** in the
market that enough people
care about?"***









**Many startups do not
adequately test the problem or
need from *key customer
stakeholder perspectives.***



Customer Segmentation

Value Propositions

Customer *Segments*

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
Cost Structure 	Key Resources 			

Who are your most important customers?

What are their *archetypes*?

What job do they want you to get done for them?

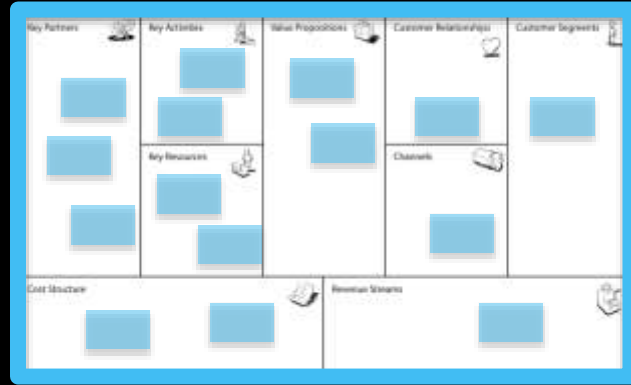
Why do we group into
Customer Segments?

**Different Customer
Segments often have...**

**Different Customer
Segments often have...**

***Different Business
Models***

Customer Segment #1



Customer Segment #2



Customer Segment #3



**Customer Segments
often have**

Sub-Segments

Customer *Segment*

Customer Segments



Hospitals

Group
University Teaching
Hospitals

Definition

Those large hospitals with over 400 licensed beds, a scope of service index over 100, heavy teaching emphasis (over 700 intern hours per bed) and either are the primary-training site for a university which has a school of medicine or has over 1,000 intern hours per bed.

Major (Non-University)
Teaching Hospitals

Those hospitals with over 500 intern hours per bed that do not qualify as a university teaching hospital.

Large Teaching Emphasis
Hospitals

Those hospitals over 300 licensed beds and between 200 and 550 intern hours per bed.

Medium/Small
Teaching Emphasis Hospitals

Those hospitals under 300 beds with between 200 and 550 intern hours per bed.

Extremely Large Sized Hospitals

Those urban hospitals with 500 or more licensed beds that do not qualify for any other group.

Large Sized Hospitals

Those urban hospitals with at least 380 but under 500 licensed beds that do not qualify for any other



~~Hospitals~~

Customer *Sub-Segments*

University Teaching
Hospitals

Major (Non-University)
Teaching Hospitals



Primary Customer Segment

**Customer
Sub-Segment**

Will you “re-segment” the market to find sub-segments of an initial Customer Segment...

...perhaps a niche that you can enter and own?

***Initial
Target***

Not *Done*

**Customer Segments *also*
have**

Customer Types

Customer *Types*

Customer *Roles*
~~Types~~

Defining *Customers**

The definition of “customer”
is often quite complex...

Who is the “customer”
for a new drug?

The person *taking or receiving* the drug?

The person *administering*
the drug?

The person or group
prescribing or
recommending the drug?

**What about regulators and
*reimbursement / payers?***

**A strategic partner or
acquirer of your company?**
...not yet!

**Most of you have *complex
customer and stakeholder
ecosystems.***

Where do *you start?*

Find the people!

Customer Segments



**University Teaching
Hospitals**

- ***Beneficiary (Patient)***

Find the people!

Customer Segments



**University Teaching
Hospitals**

- *Beneficiary (Patient)*
- *End User*

Find the people!

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*

Find the people!

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*
- *Payer*

Find the people!

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*
- *Payer*
- *Influencer*

Find the people!

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*
- *Payer*
- *Influencer*
- *Recommender*

Find the people!

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*
- *Payer*
- *Influencer*
- *Recommender*
- *Saboteur*

Customer *Types*

Customer Segments



University Teaching Hospitals

- *Beneficiary (Patient)*
- *End User*
- *Decision Maker*
- *Payer*
- *Influencer*
- *Recommender*
- *Saboteur*

Identify Key Roles ***in Purchase Decision***

And *Finally*

**Describe the Archetype
(prototypical example)**

***for the End User, Decision
Maker, and Payer.***

Depending on the Customer Segment, these roles may be filled by...

the same person, different individuals, or even a group of people (committee, board, etc.)

Example Archetype – End User

Customer Segment: Professional-class consumers shopping frequently online



Pat the Professional

Upwardly mobile professional (some Grad Students)
 Salary: \$40,000 – 150,000/year
 Finance, Consulting, PR, Marketing
 Follows fashion/technology trends
 Spends \$1-15K on discretionary items online
 Purchased online in last 30 days

Demographics

- Male/female, aged 18-35
- Minimum bachelors from expensive school

Traits:

- Ideas from blogs & shopping websites
- Values celebrity trends & friends' opinions
- Wants high ticket items at lowest price
- Event-driven shopper—new release or sale

Motivation

- Craves new products
- Hates tedious work
- Identifies as influencer among friends
- Fears being cheated online

Behavior

- Spends 5 hour+ monthly hearing about products
- Shares online and in person about products he loves

Budget

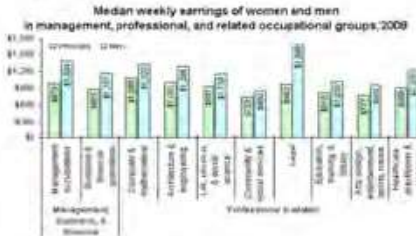
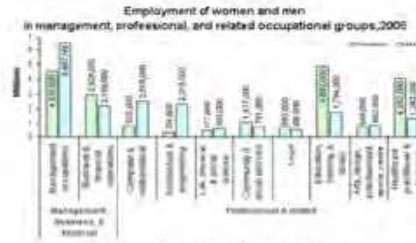
- \$2-10K+/year in discretionary online purchases

"The XXX is awesome, I really want one. I know I just bought the YYY, but it's probably time to upgrade."

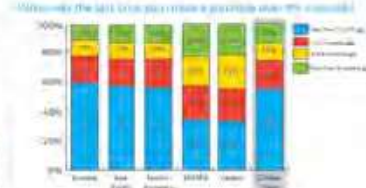
~5.9M "Pat the Professionals" in US

Drawn from top 1/3 of 17.8M frequent online shoppers

17.8M based on 40.2M Professionals (2008 Census) * 0.762 US Internet Penetration (Nielsen 2010Q1) * 0.58 consumers shopping online in last month (Nielsen 2010Q1)



Source: US Bureau of Labor Statistics



Online Recommendation Market Opportunity (conservative strawman #s)

Assuming 10% share, 5% affiliate fees

Top Shoppers

(~\$7B/year spend): ~\$35M/year

Professional-class frequent shoppers
 (~\$1.8B/year): ~\$9M/year

Other Professional-class shoppers
 (\$0.7B/year): ~3.5M/year

Example Archetype – *End User*



Reads



Attends

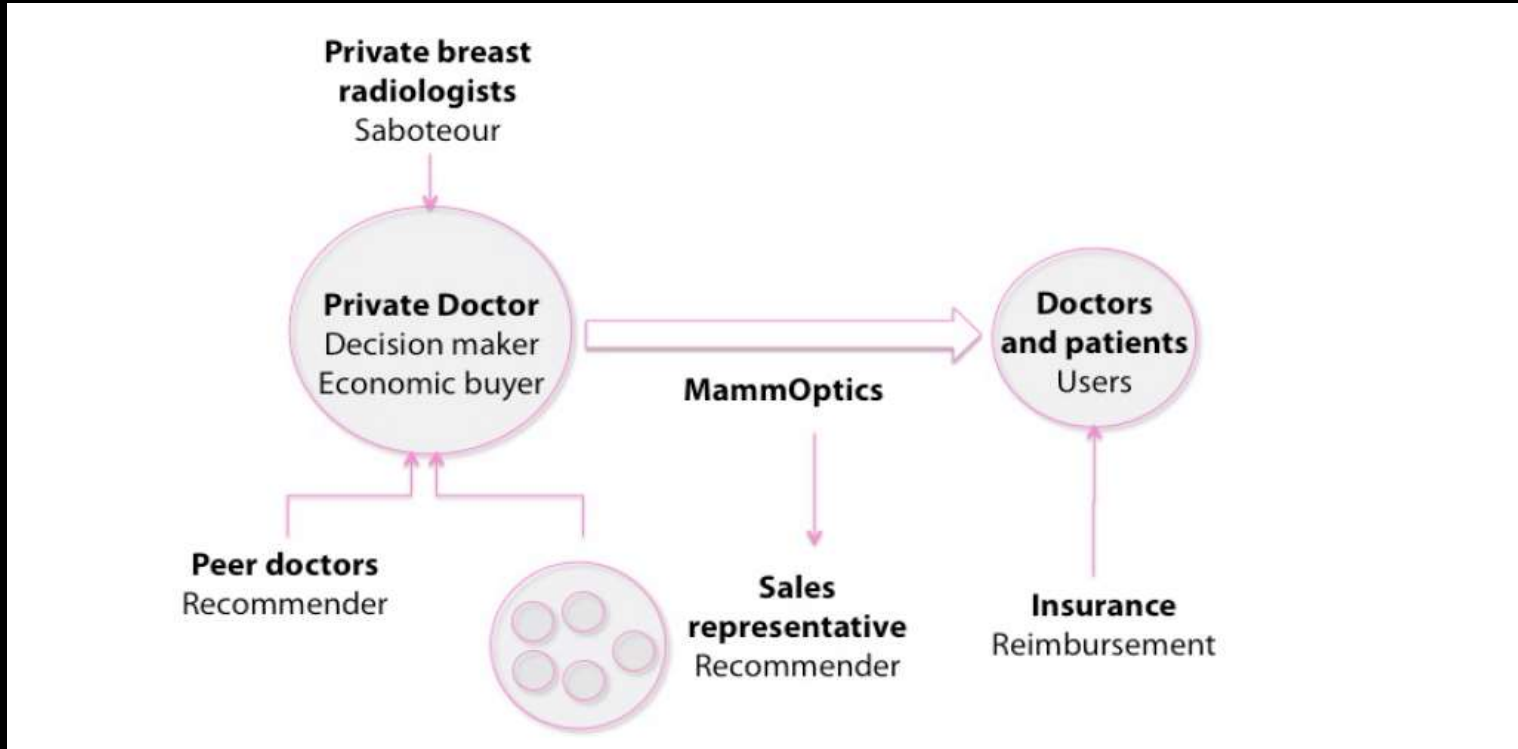


Watches

Describe or show a

***typical purchase
decision***

Example *Purchase Decision*







End User = *Steel Laborer*



Decision Maker = *Project Manager*



Payer = *Purchasing Director*



Saboteur = *Construction Surveyor*

Business *to Business*



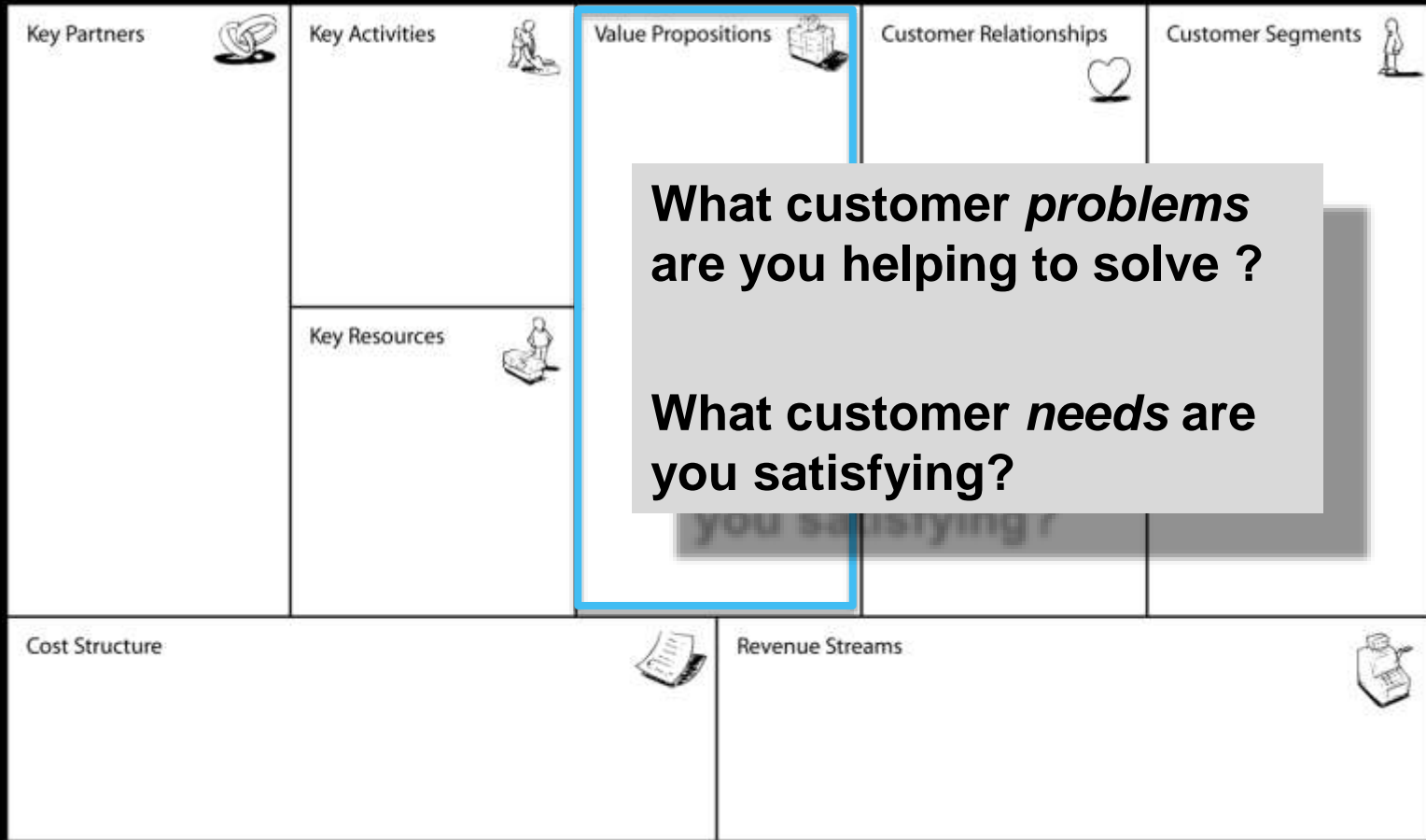
...typically have distinct *End Users, Decision Makers, Payers, and others.*

Value *Propositions*

*...describe the **benefits** your
customers derive from your
products or services.*

*...describe the **benefits** your
customers derive from your
products or services.*

Value *Propositions*



What about my
idea / technology / product?

Customers don't care about
*your idea, technology, or
product...*

Customers don't care about
*your idea, technology, or
product...*

they are trying to solve a
problem or satisfy a need.

What, How, Why?

Product, Features, Value

What?

What?

Product

How?

How?

Features

Why?

Why?

Value

Product Features

~~=~~

Value Propositions

Product Features

≠

Value Propositions

...but they do *deliver value.*

Product Benefits

=

Value Propositions

Easy to use

Easy to use

Feature or VP?

Faster

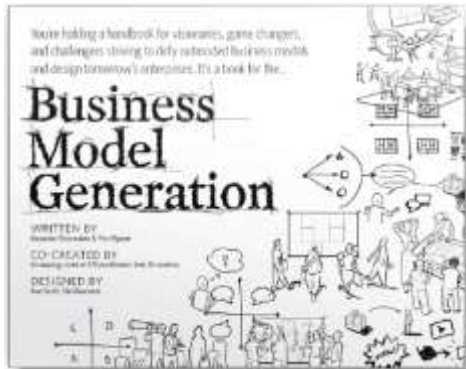
Faster

Feature or VP?

Cheaper

Cheaper

Feature or VP?



What are some *categories of Value Propositions...*



Newness



Newness

Performance



Newness

Performance

Customization

Value Propositions



Newness

Customization

Performance

Design

Value Propositions



Newness

Customization

Performance

Design

Get Job Done

Value Propositions



Newness

Customization

Performance

Design

Brand/Status

Get Job Done



Price



Price

Cost Reduction



Price

Cost Reduction

Risk Reduction

Value Propositions



Price

Risk Reduction

Cost Reduction

Accessibility

Value Propositions



Price

Risk Reduction

Cost Reduction

Accessibility

Convenience/Usability

General *Guidelines*

Specifics *Matter*

Quantify *Benefit*

Rank *Order*



Ad-Lib Value Proposition Template

Ad-libs are a great way to quickly shape alternative directions for your value proposition. They force you to pinpoint how exactly you are going to creating value. Prototype three to five different directions by filling out the blanks in the ad-lib below.

OBJECTIVE

Quickly shape potential value proposition directions

OUTCOME

Alternative prototypes in the form of "pitchable" sentences

Our _____

Products and Services _____

help(s) _____

Customer Segment _____

who want to _____

Jobs to be done _____

by _____

verb (e.g., reducing, avoiding) _____

and a customer pain _____

and _____.

verb (e.g., increasing, enabling) _____

and a customer gain _____

(unlike _____)

competing value proposition _____

Value Proposition *Exercise*

Customer Segment: specific people – start with End Users

need a way to _____

Jobs to be done

in a way that

Verb (reduces, avoids, etc.)

a Customer Pain

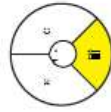
and/or _____.

Verb (increases, enables, etc.)

a Customer Gain

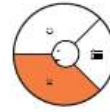
(unlike _____)

competition, substitutes, alternatives, doing nothing, etc.



Job importance

Rank jobs according to their importance to customers.



Pain severity

Rank pains according to how extreme they are in the customers' eyes.



Gain relevance

Rank gains according to how essential they are in the customers' eyes.

+
Important

improve skill set + advance career	look good with colleagues, boss, clients
run "day job" well	make decisions with confidence
improve or build a business	communicate + sell ideas
assess and reduce risk	make things people want
collaborate with others or help them	convince others about preferred methods
find, learn, + apply methods	stay up to date

-
Insignificant

+
Extreme

getting stuck in career or jeopardizing it	being associated with a big failure
going down wrong path	lack of sufficient budget
management "not getting it"	making things nobody wants
dealing with risk + uncertainty	lack of time
wasting time with ideas that don't work	no clear path to applying method
"translating" methods to own context	boring content that's hard to work through
too much theory	

-
Moderate

+
Essential

helps with promotion or pay raise	home run value propositions
buy-in from leadership + team	leads to results (ideally quick wins)
get recognized by team	helps me communicate my ideas clearly
help when stuck	clear indicators to measure progress
applicable ideas	connect with like-minded people
can apply with confidence	leads to better collaboration
easy to understand	concrete tips (e.g., to reduce risk)

-
Nice to have

Simple *Example*



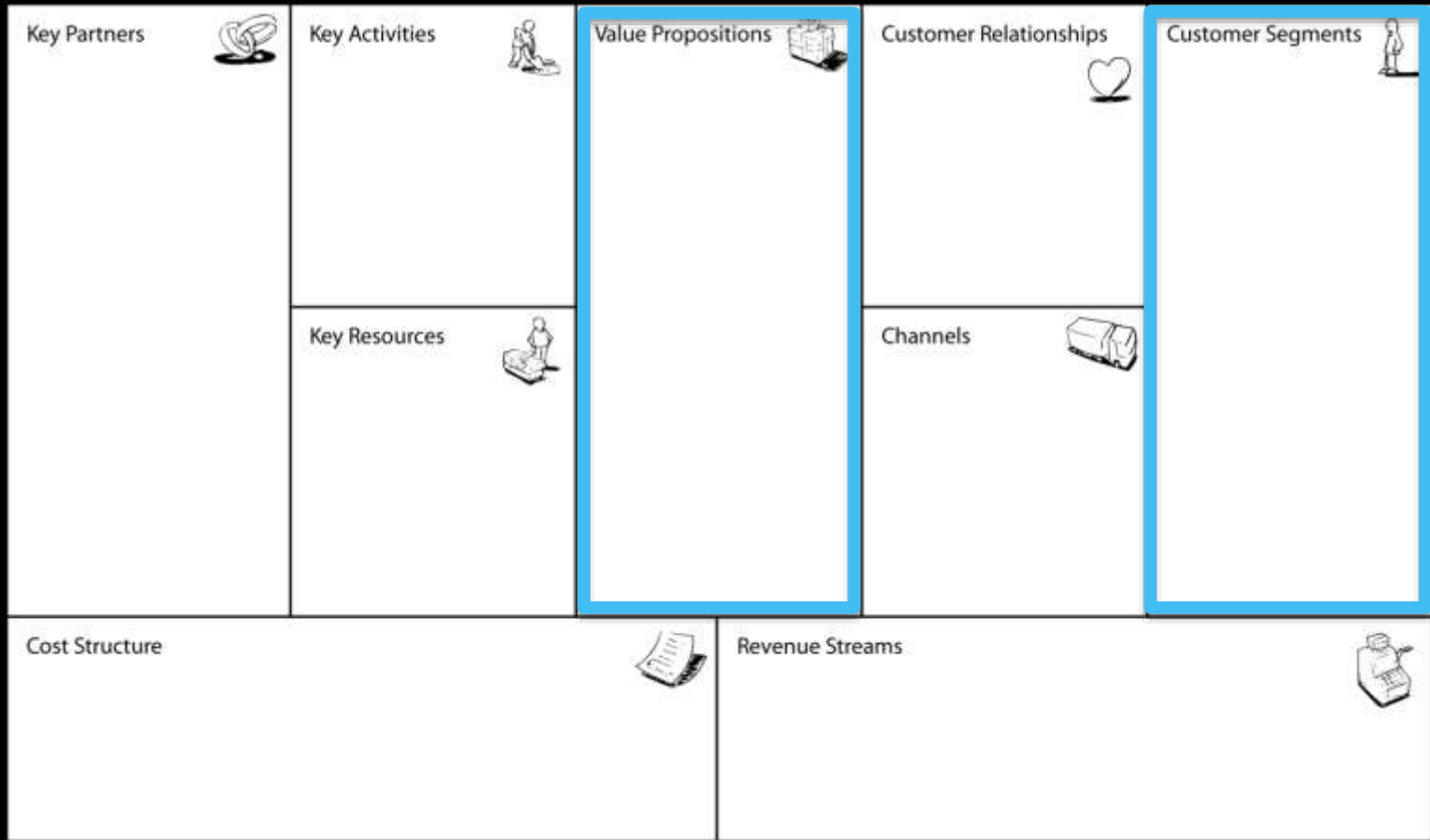
Feature = *Bright Colors*
















Value = *User Feels Cool!*

Customer *Discovery*

Start *Here*



State Your *Guesses*

<p>Key Partners</p> 	<p>Key Activities</p> 	<p>Value Propositions</p>    	<p>Customer Relationships</p> 	<p>Customer Segments</p>  
<p>Cost Structure</p> 	<p>Key Resources</p> 		<p>Channels</p> 	
	<p>Revenue Streams</p> 			

Key Partners



Key Activities



Value Propositions



Customer Relationships



Customer Segments



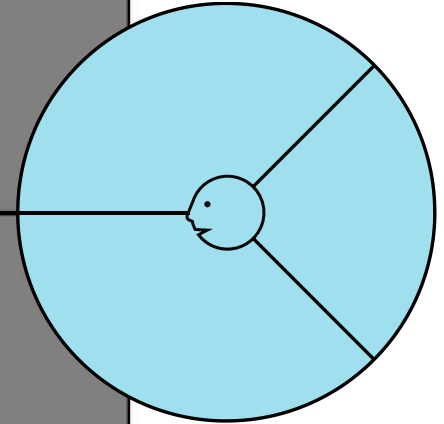
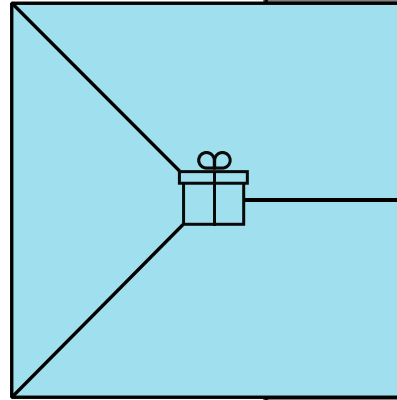
Key Resources



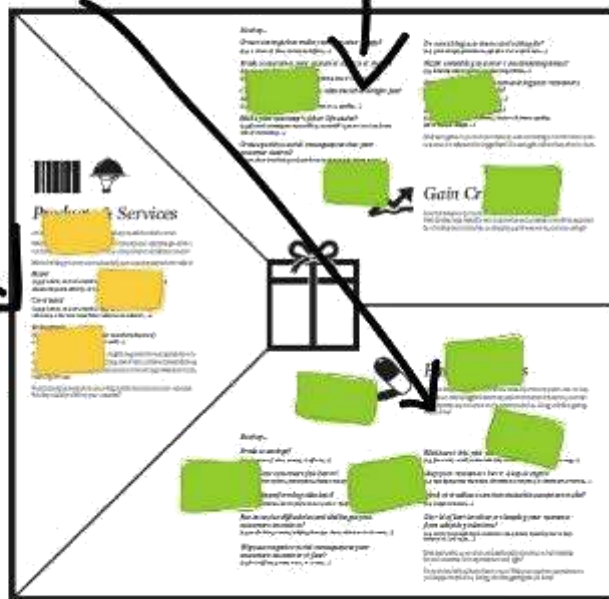
Cost Structure



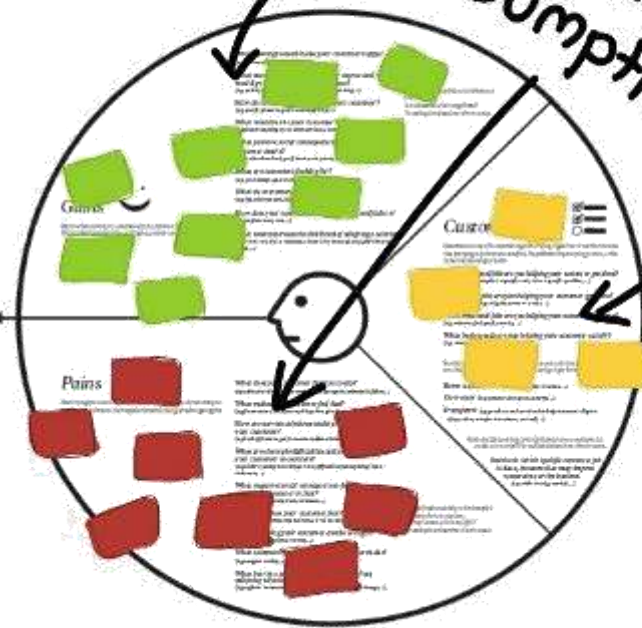
Revenue Streams



value prop
assumptions



customer
assumptions



Get *out* of
the building!

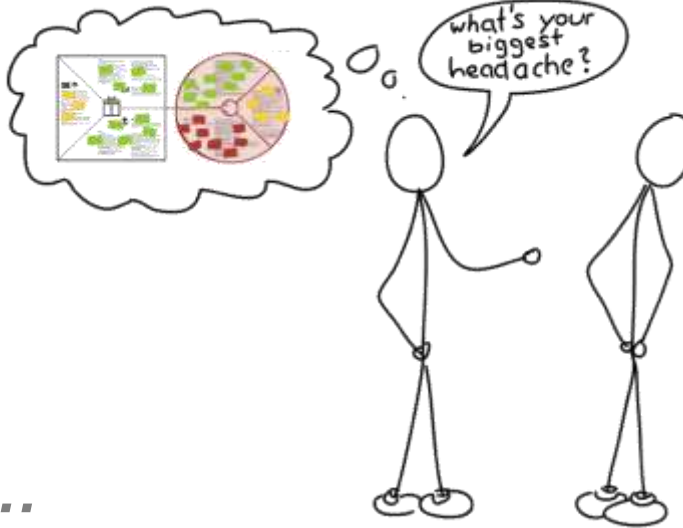
Test the *Problem*

Test the *Problem*

Value Propositions



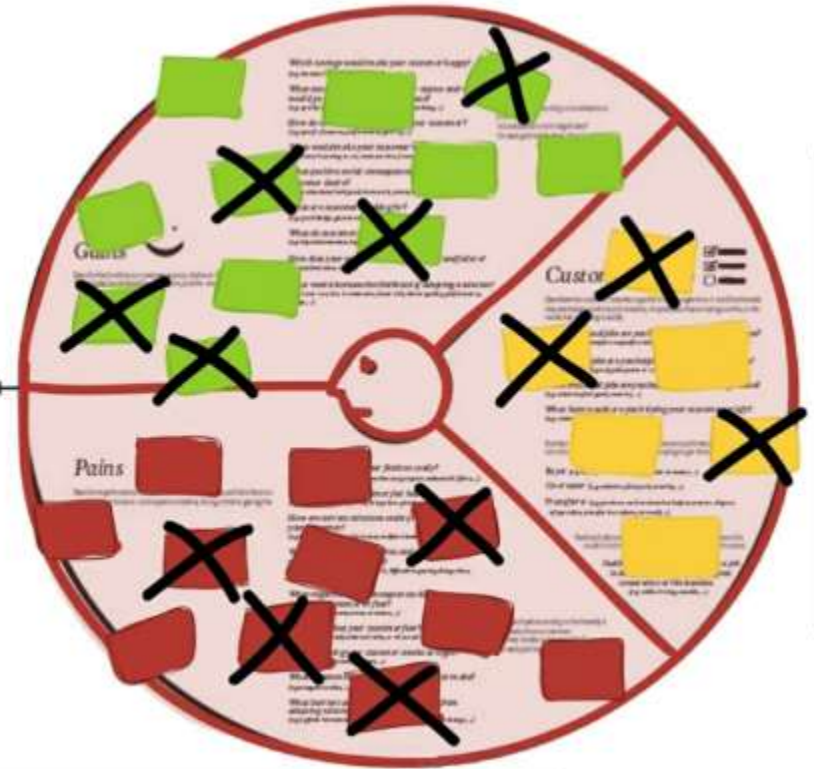
Customer Segments



Identify customer
problems and needs...

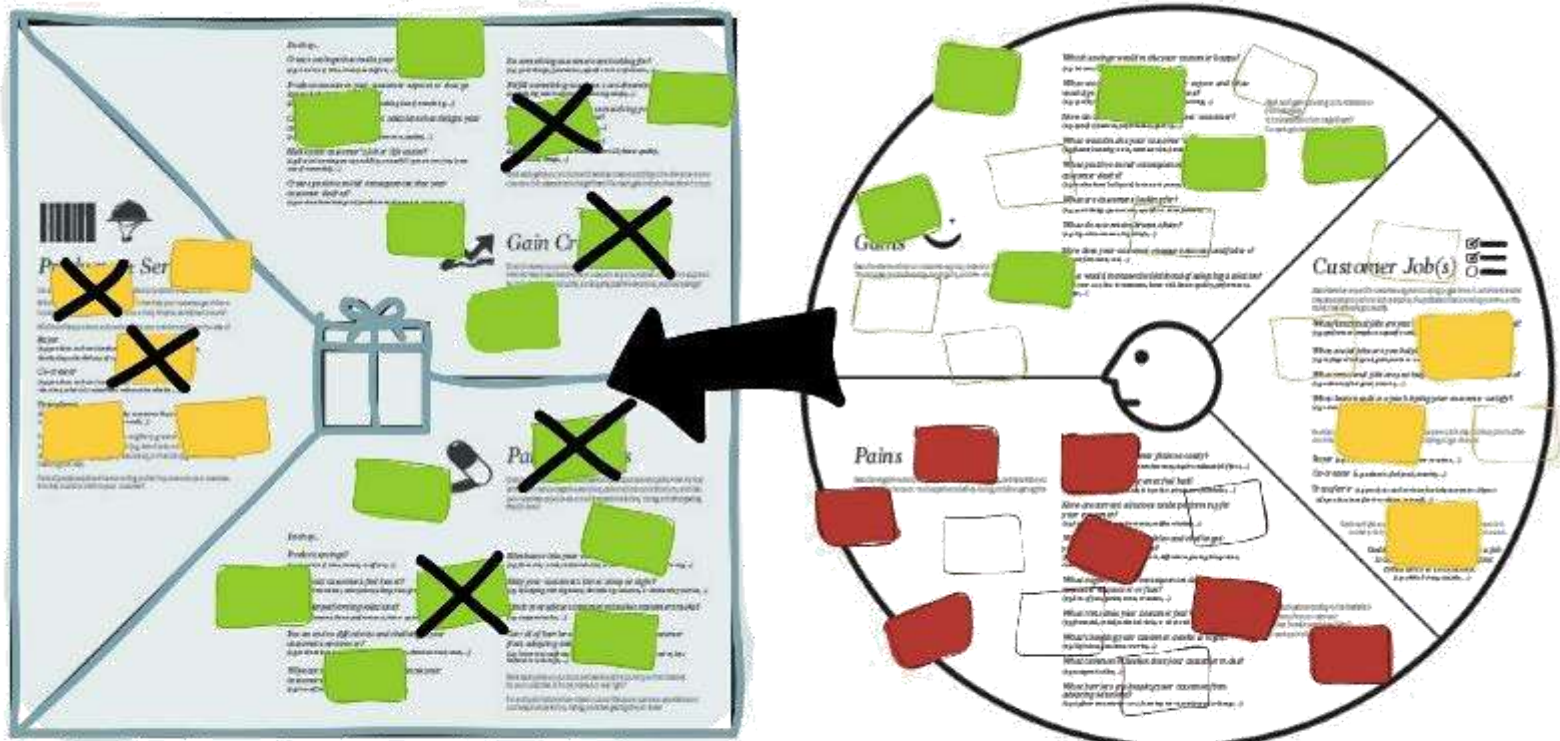
focus on customer pains, desired gains, and jobs.

Iterate and *Pivot*



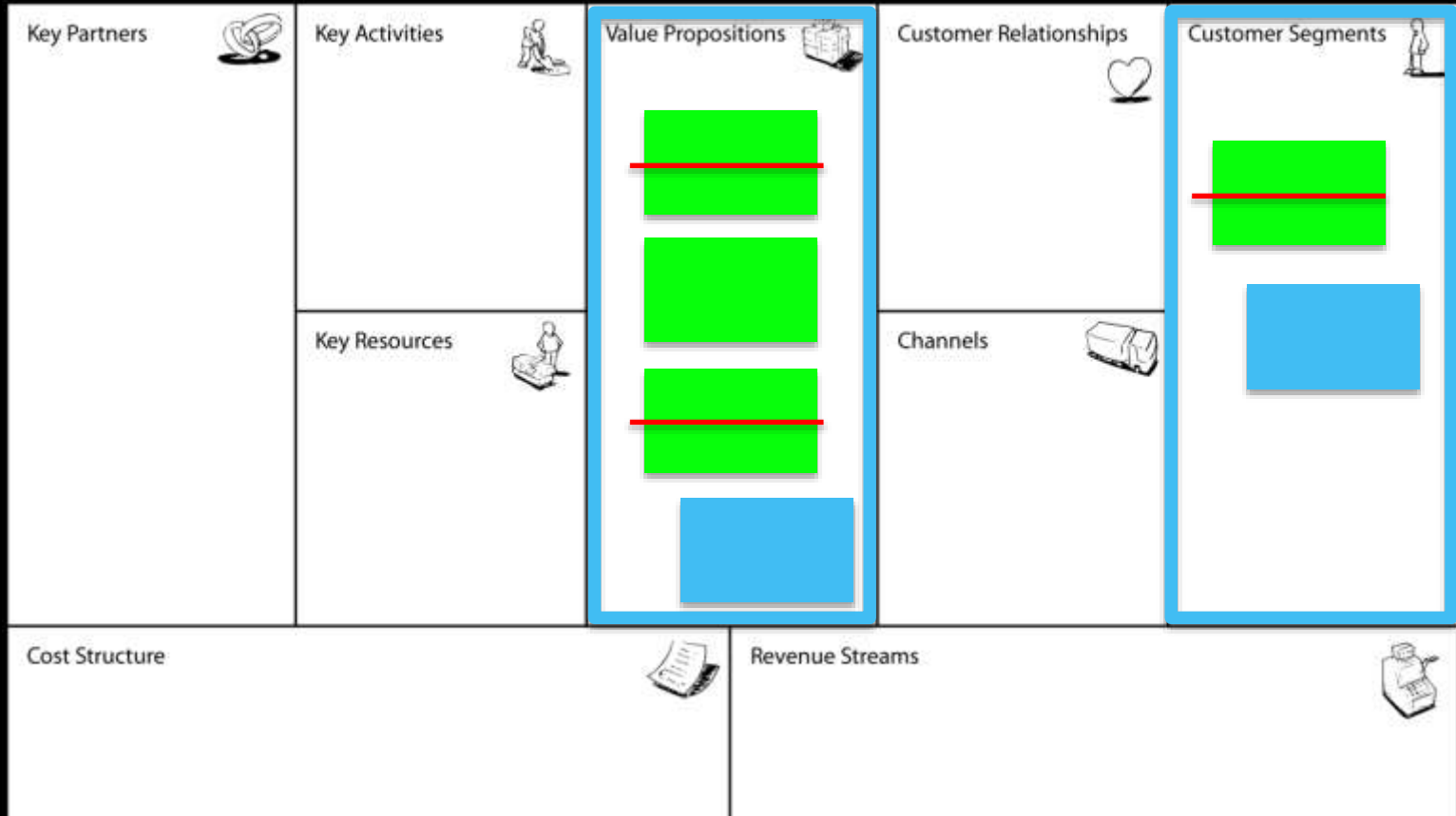
Wrong *Customer* Assumptions

Iterate and *Pivot*

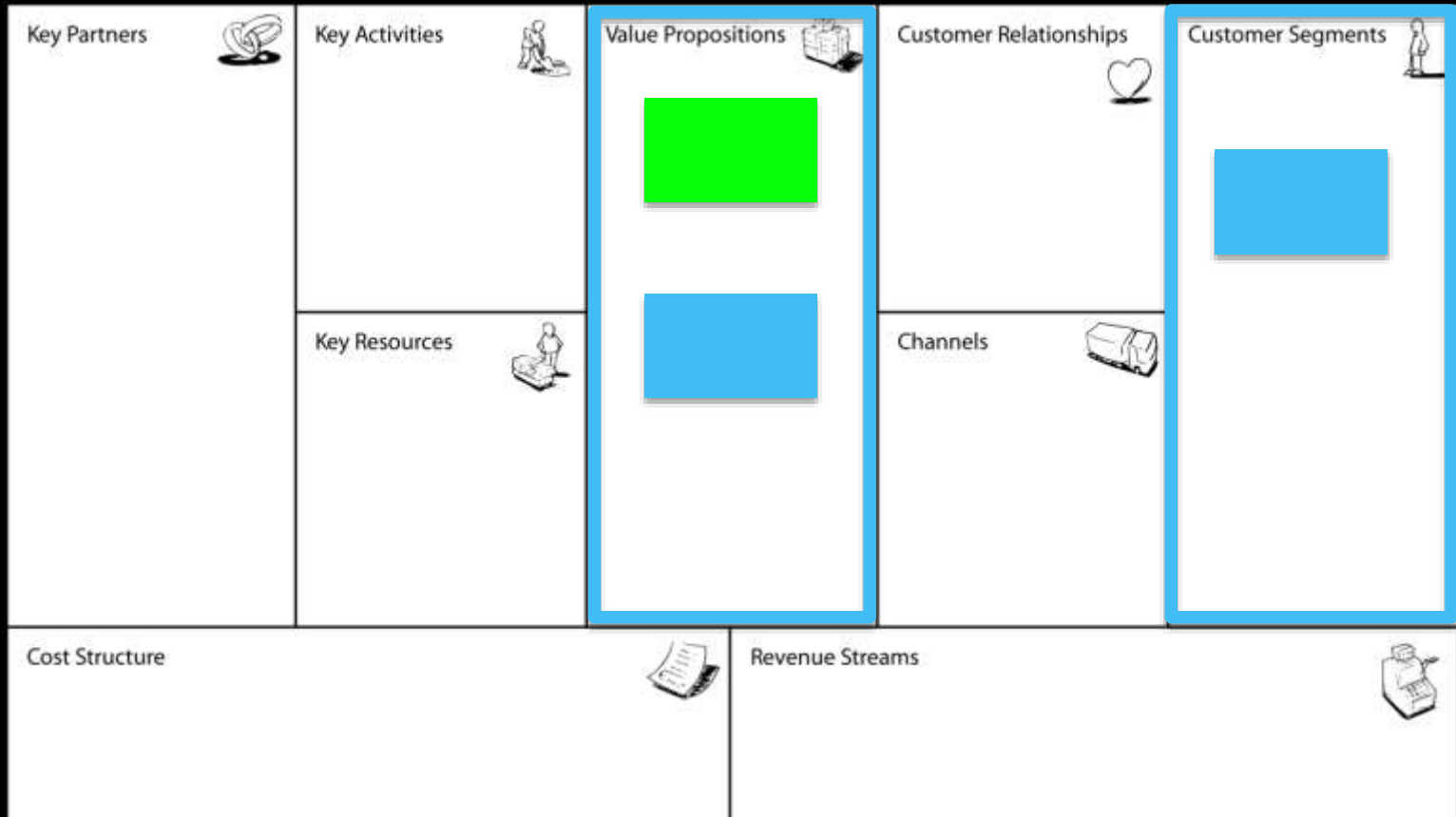


Wrong Value Proposition Assumptions

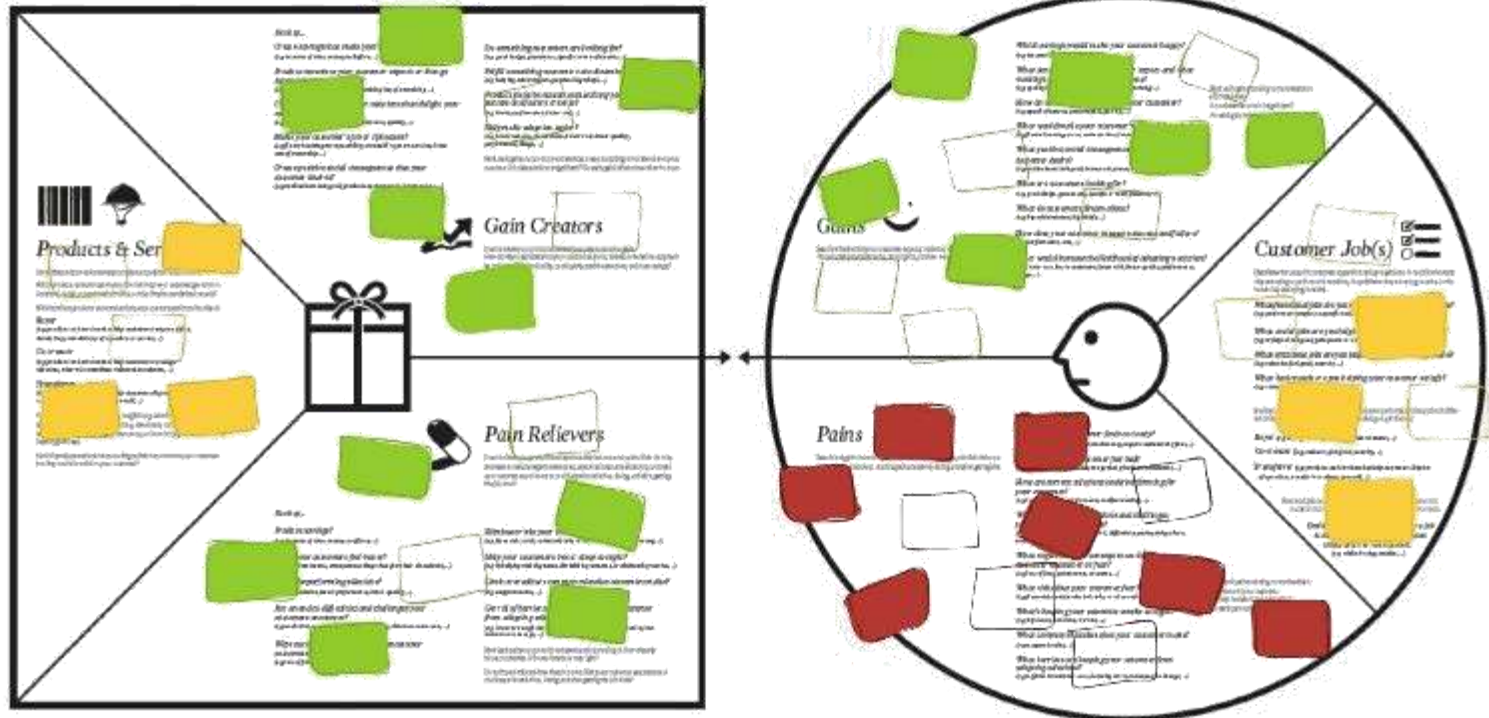
Iterate and *Pivot*



Restate Your *Guesses*



Restate Your *Guesses*



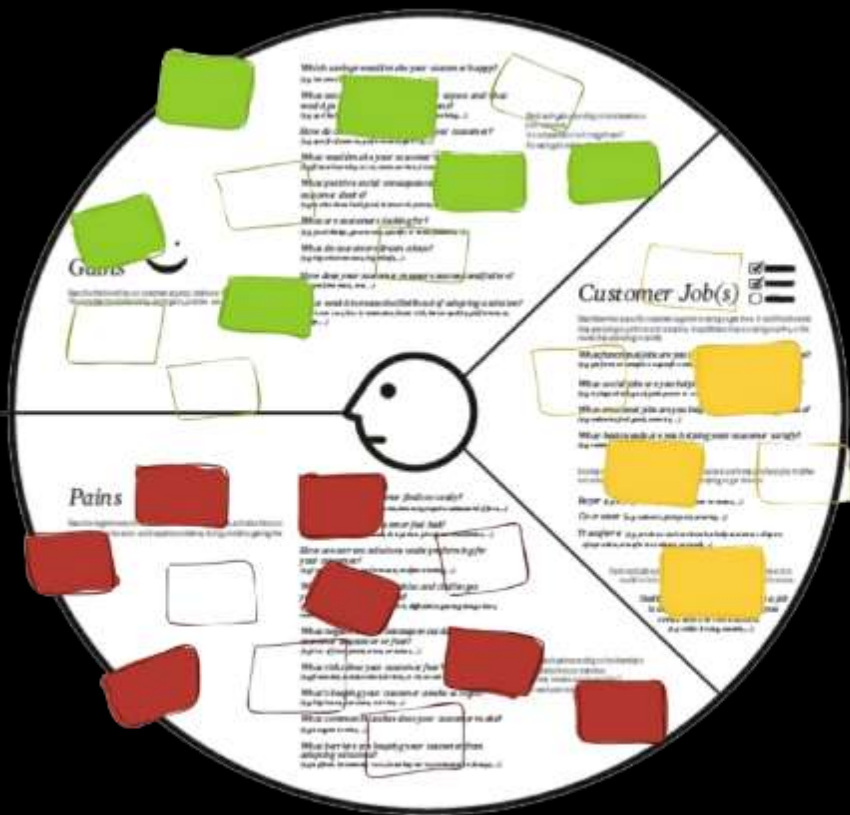
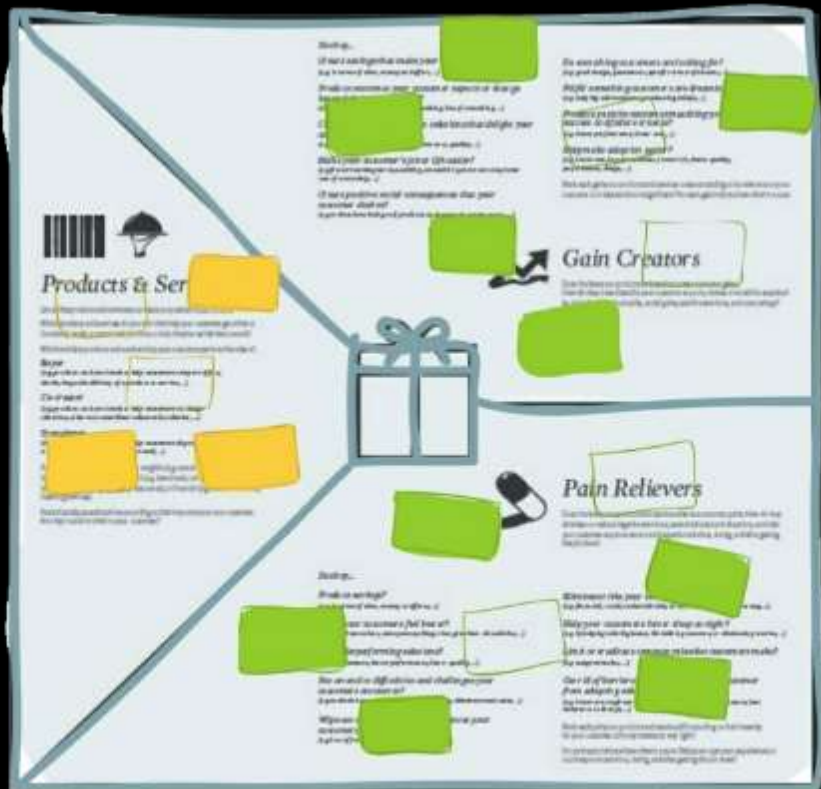
Restate CS & VP Guesses

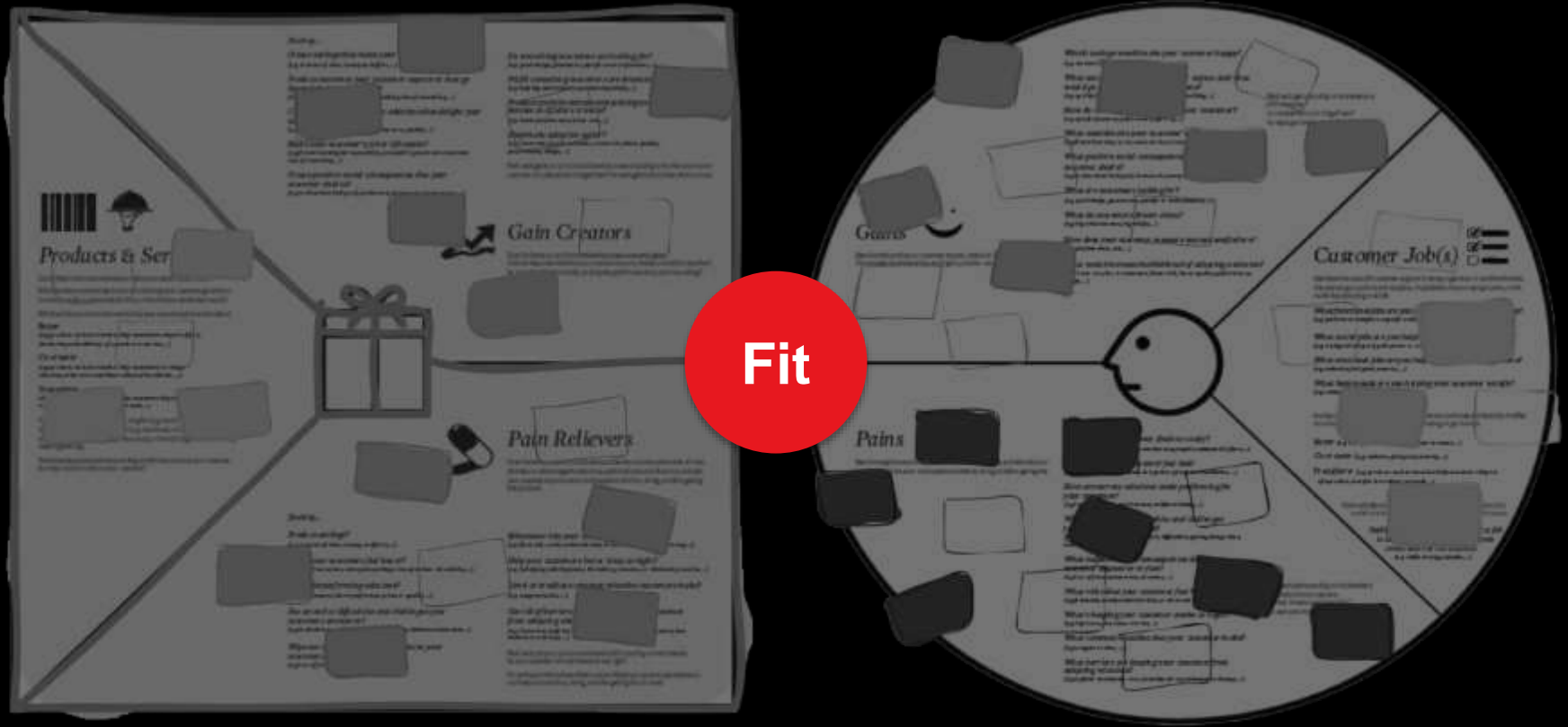
Repeat

as needed

UNTIL you validate a

Problem-Solution Fit





Fit "validated" by *Customer Discovery* evidence

But *Remember*

**Customer Discovery is *not*
*an exact science...***

**Customer Discovery is *not*
*an exact science...***

**look for patterns and apply
judgment *when validating /
invalidating hypotheses***

Making these decisions is
your #1 job as an
entrepreneur

More interpretative *than*
prescriptive.

Why is this process
so challenging?

The definition of “customer”
is often quite complex...

**Who *really* is a
customer?**

Whom do I *talk to*?

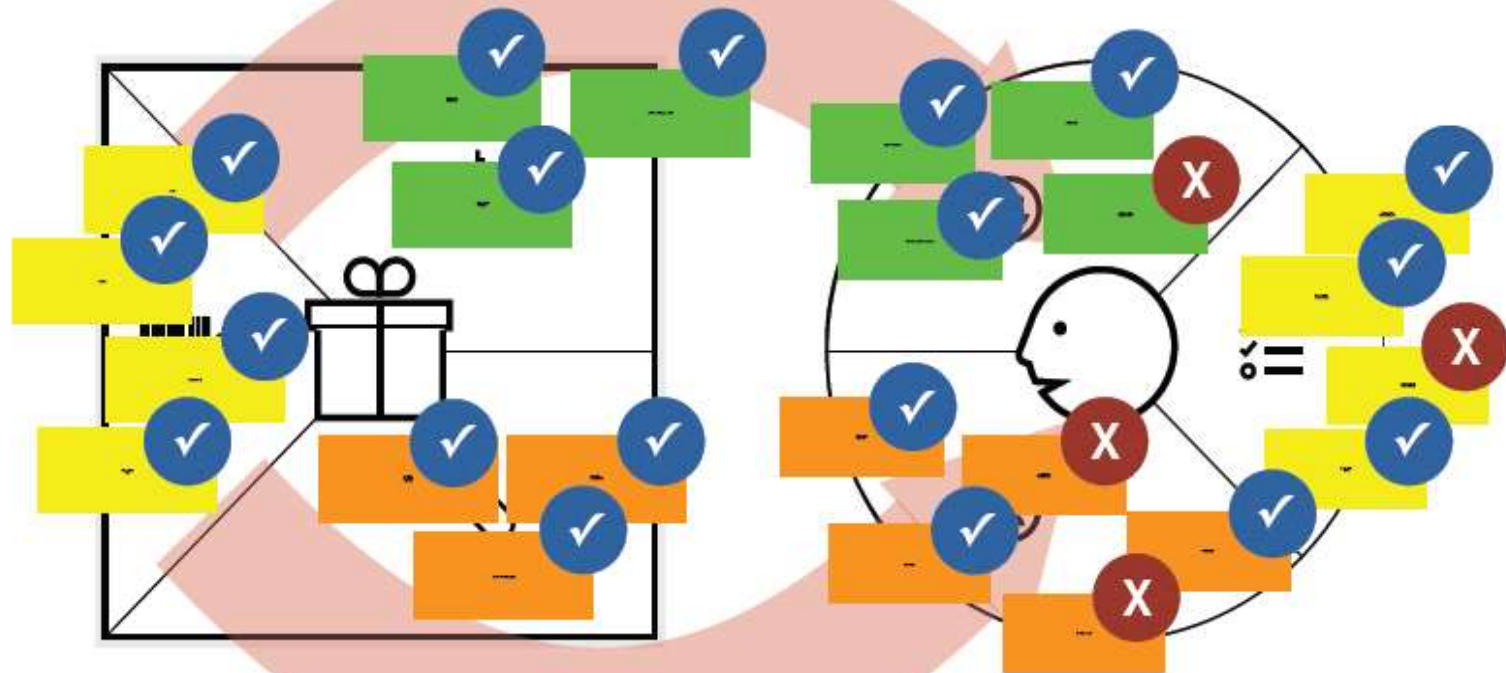
After validating a
Problem-Solution Fit....

**You will start *testing a*
*the product****

Product-*Market Fit*

***"Can you build and deliver a
product/service that **satisfies**
the customer problem or
need?"***

***"Do the product / service
features **deliver value**
(alleviate pain, create gain) to
the customer?"***





Initial *Guidelines*

Identify Primary
Customer Segment (s)

Identify Key Roles in ***Purchase Decision***

Stakeholders within ***Customer Segment***



Customers are people.

***Identify and
understand the
stakeholders in an
purchase decision.***

**Primary Customer
Segment / Sub-Segment**

- *End User*
- *Decision Maker*
- *Payer*
- *Influencer*
- *Recommender*
- *Saboteur*

**Different Customer
Segments will have...**

different Stakeholders!

**Different Customer
Segments will have...**

***different
Purchase/Implementation
Decisions***

Value *Propositions*

*...describe the **benefits** your
customers derive from your
products or services.*

**Different Customer
Segments will have...**

***different Value
Propositions***

Different *Stakeholders*
will also often have...

different Value
Propositions

**And you must
understand**

all of them!

Best Practices for ***Customer Discovery***

Next Week

September 26th

2pm EDT

Question ***Answer***