Entrepreneurial Opportunity Identification and Exploitation

Session 6

Complementing other business tools

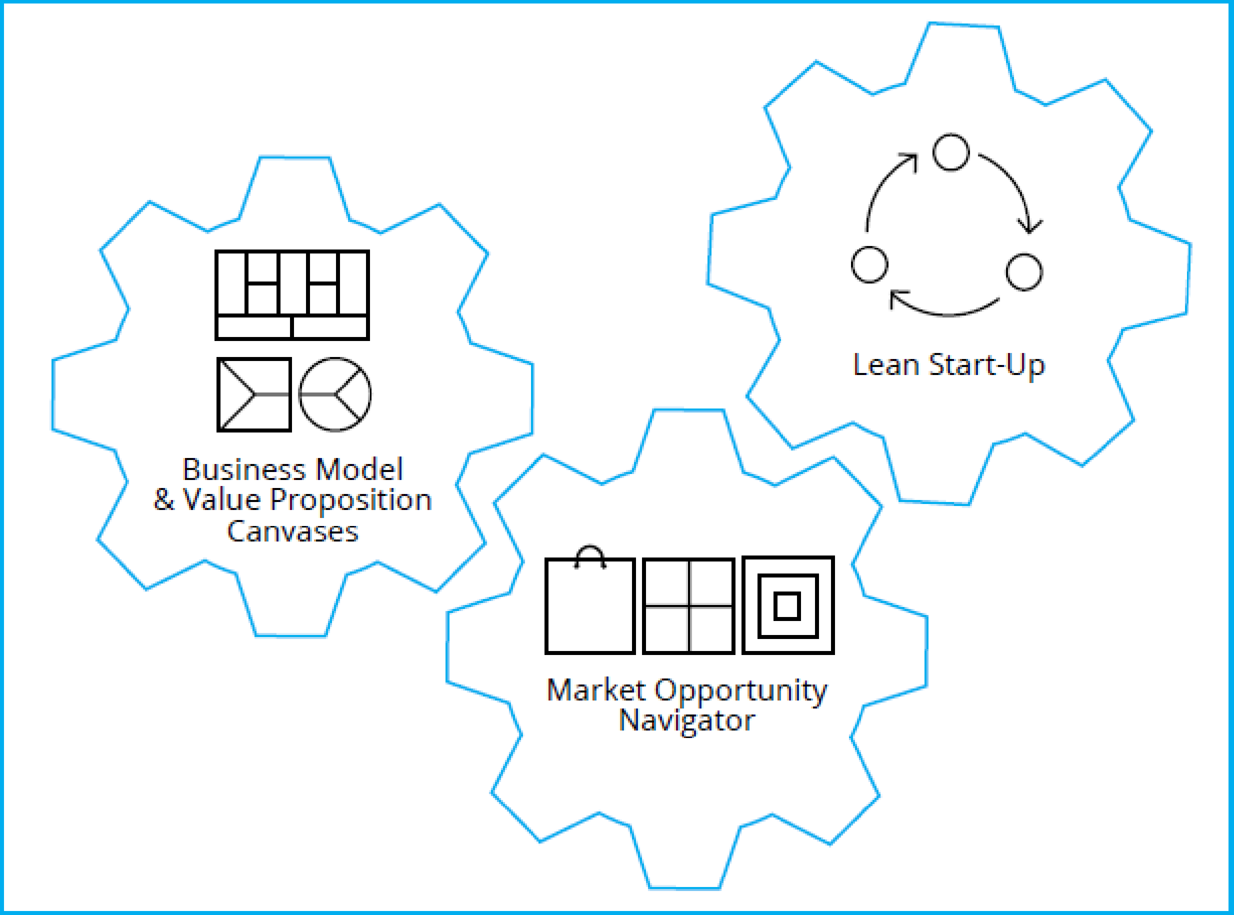
Dr. Sharon Tal

Fall Term 2021

Today's Agenda

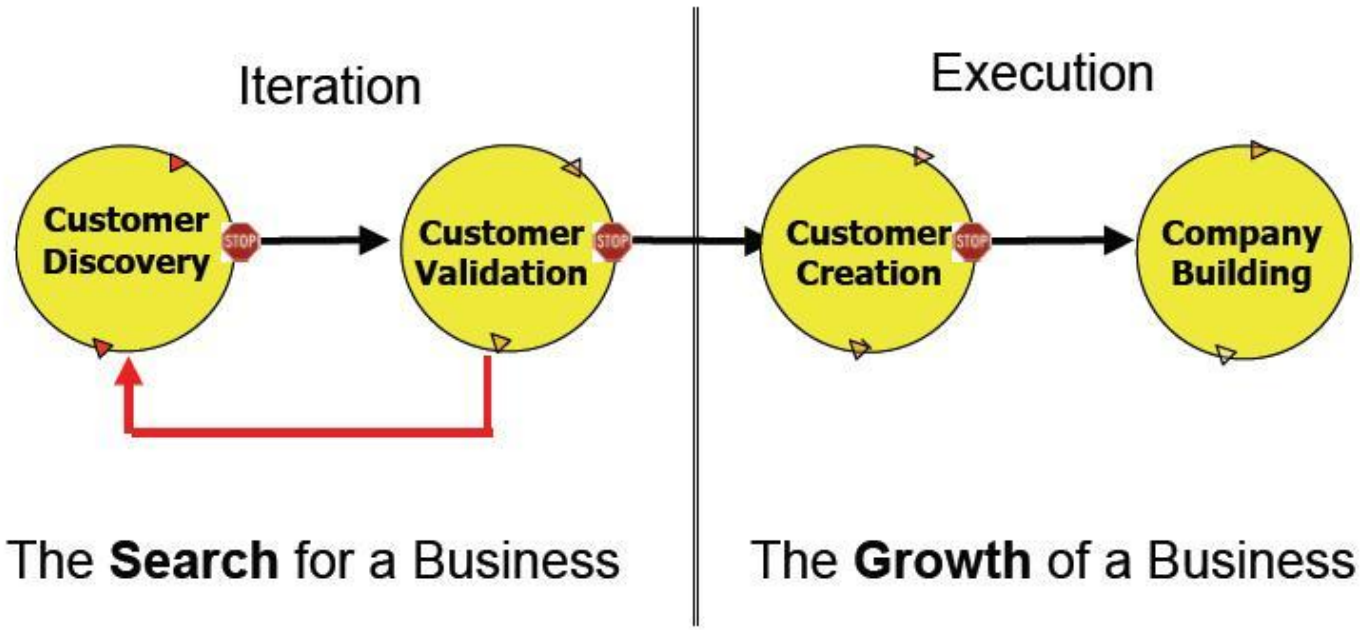
- ✓ How the Market Opportunity Navigator complements and reinforces the Lean Startup toolset
- ✓ Guest lecturer: Luc Conti, Inergio
- ✓ Group work on final presentation

Complementing other business tools



The Lean Start-up Methodology

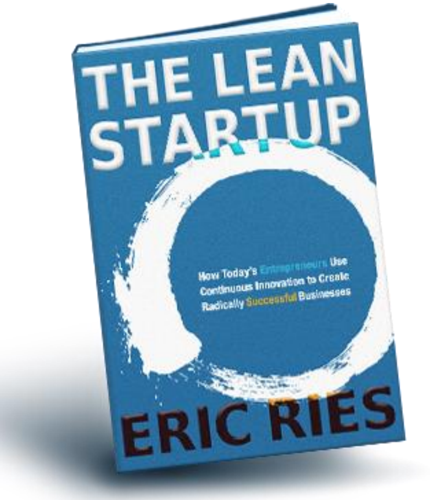
Customers Development- The “Heart” of Lean Start-Up



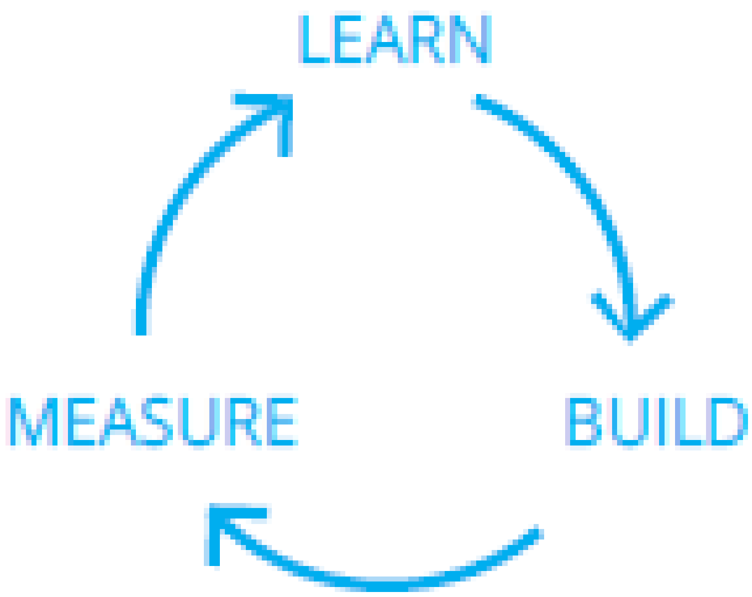
Get Out of The Building!

Source: The Four Steps to the Epiphany/ Steve Blank

The Lean Start-up Methodology



Discover and validate your business model through rapid market testing and continuous pivoting:



Develop a minimum viable product (MVP) to begin the process of learning as quickly as possible

Source: The Lean Startup/ Eric Ries

Two frameworks to set your hypothesis

Source: Alex Osterwalder & Yves Pineur

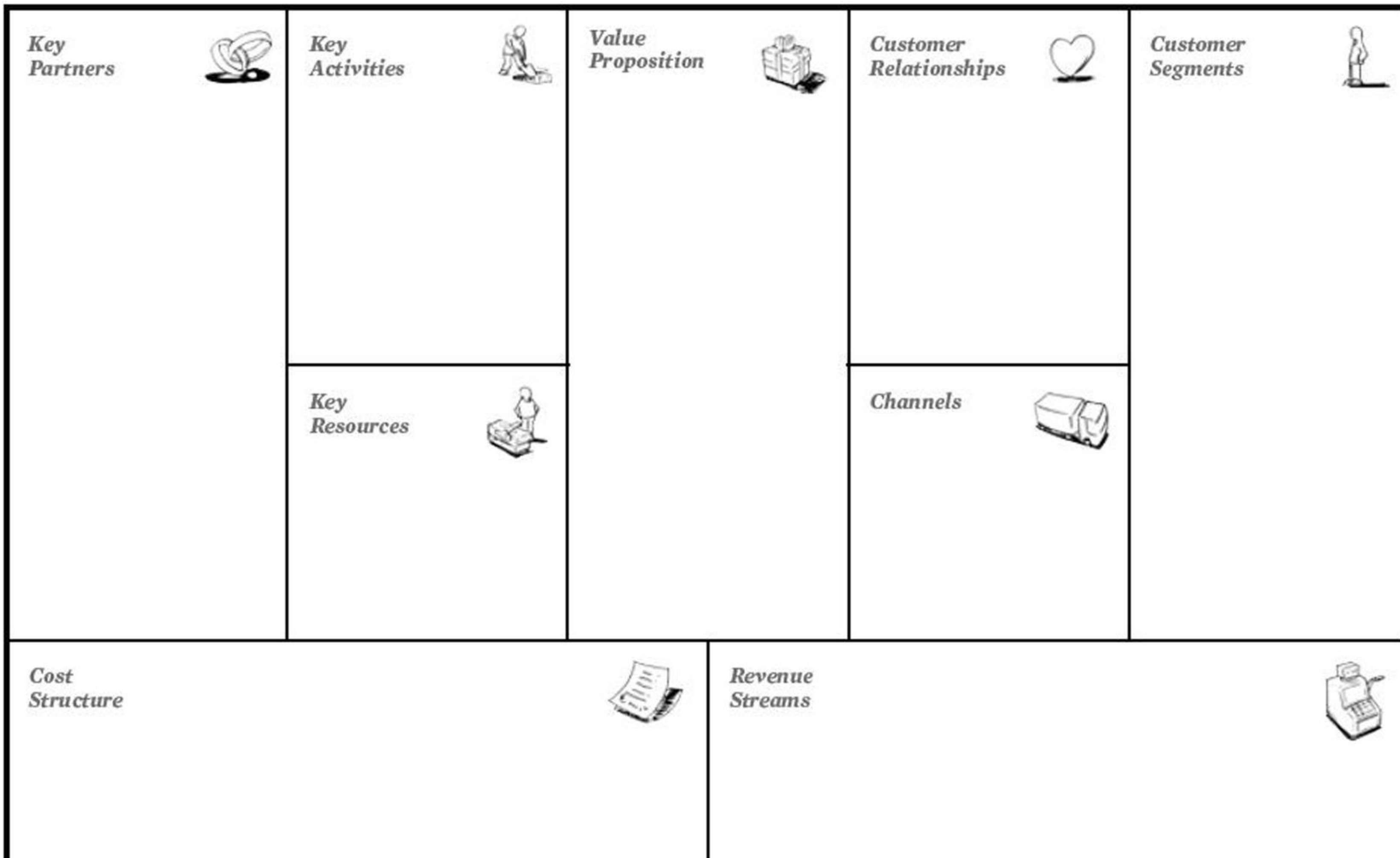
What is a business model

A business model describes the rationale of how an organization **creates, delivers, and captures value**

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The Business Model Canvas

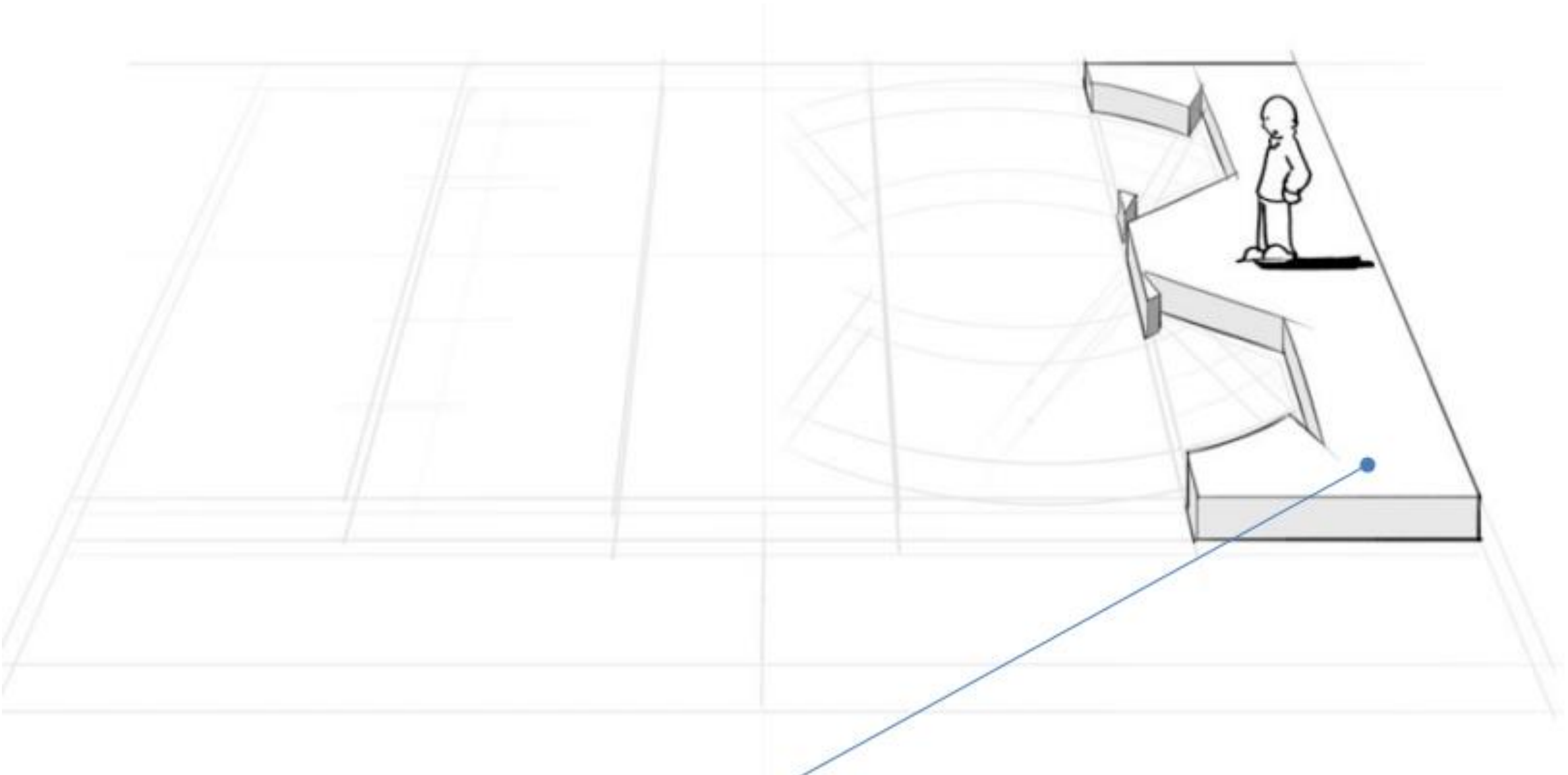
Tool to create and analyze business models:



Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Customer segments

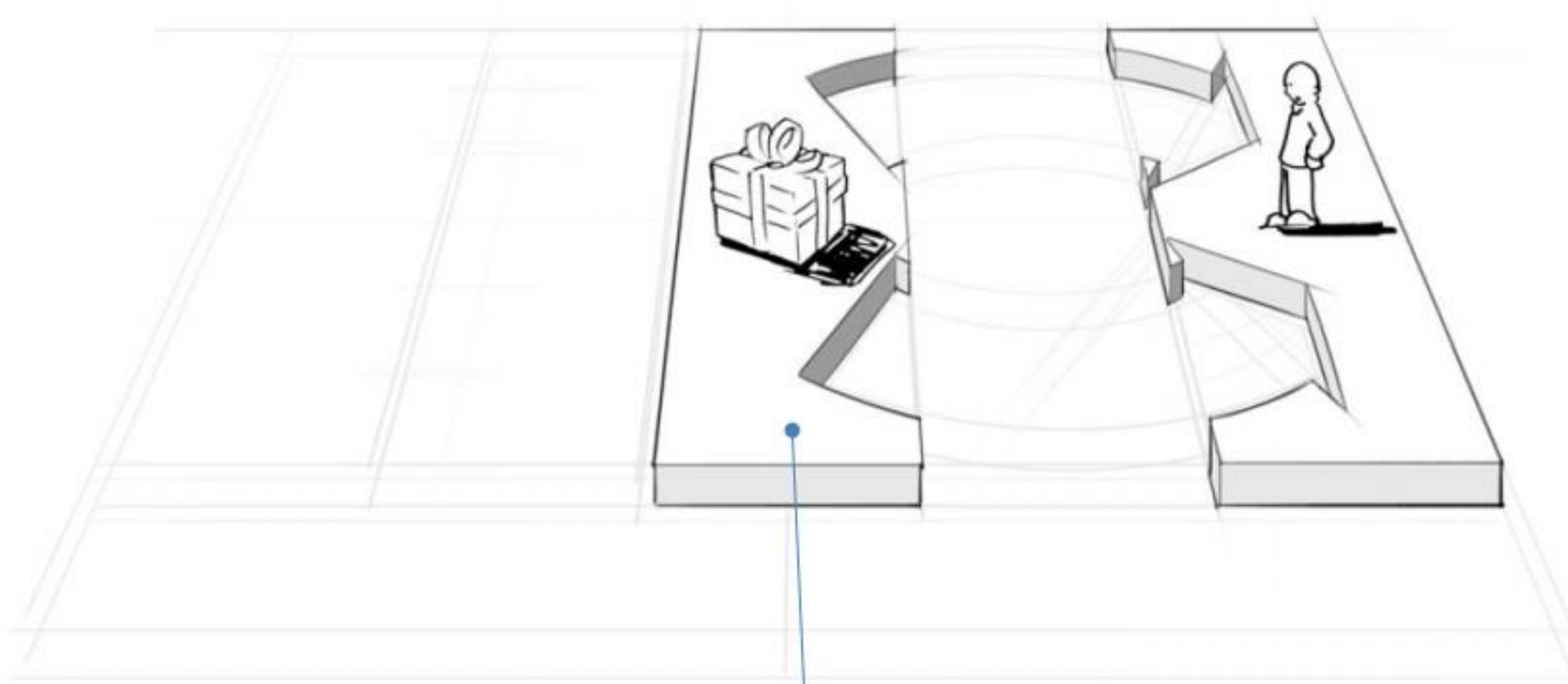


For whom are we creating value?
Who are our most important customers?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Value proposition

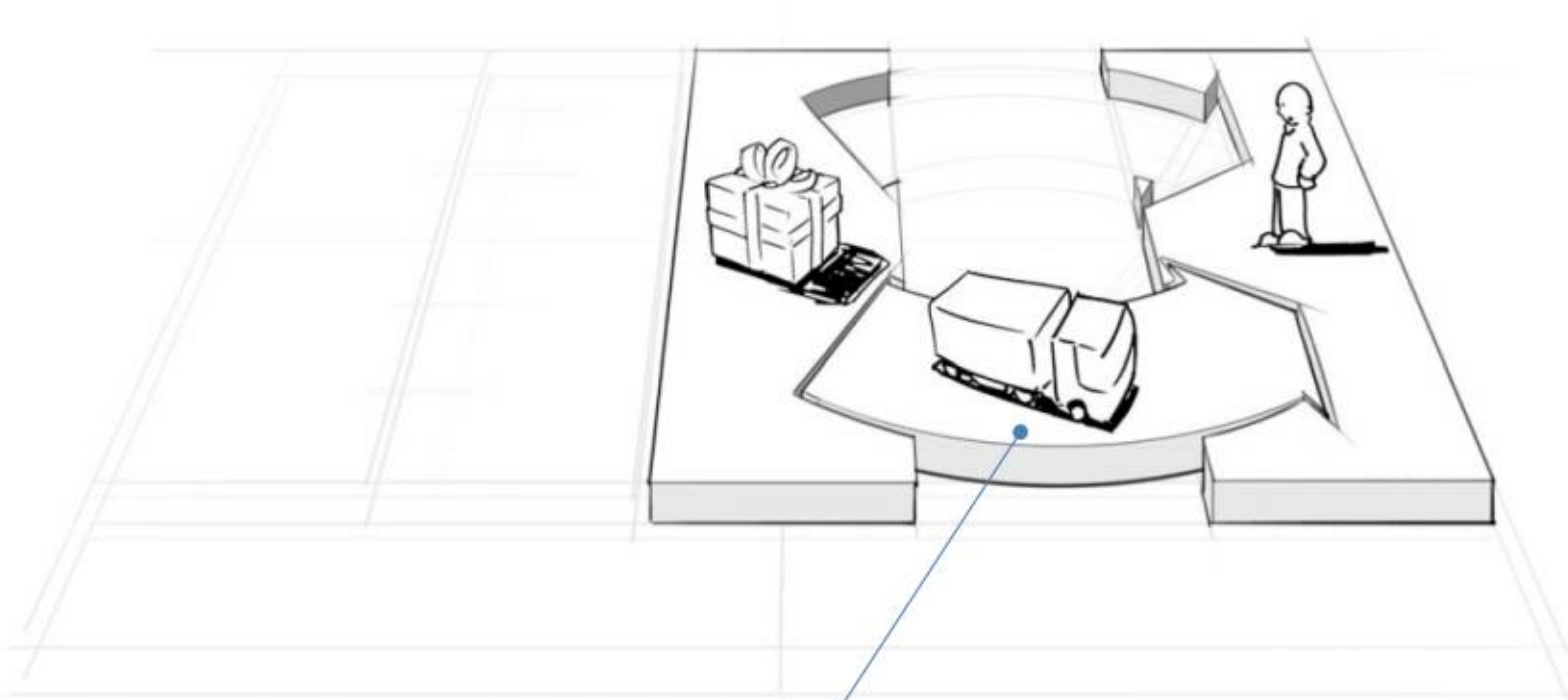


What value do we deliver to the customer?
Which one of our customers' problems are we helping to solve?
Which customers' needs are we satisfying?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Channels

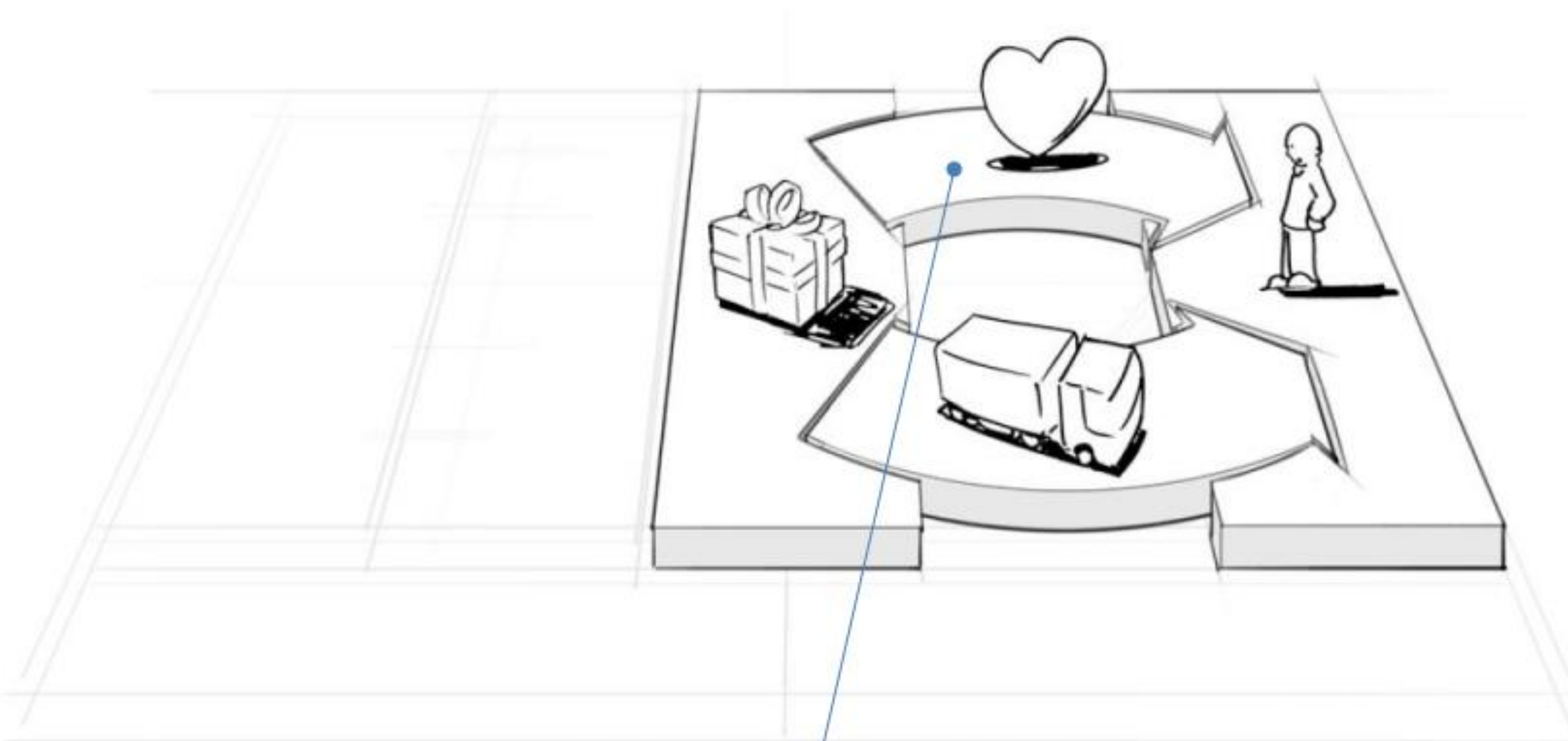


Through which channels do our customers want to be reached?
How will customers buy and receive our offering?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Customer Relationships

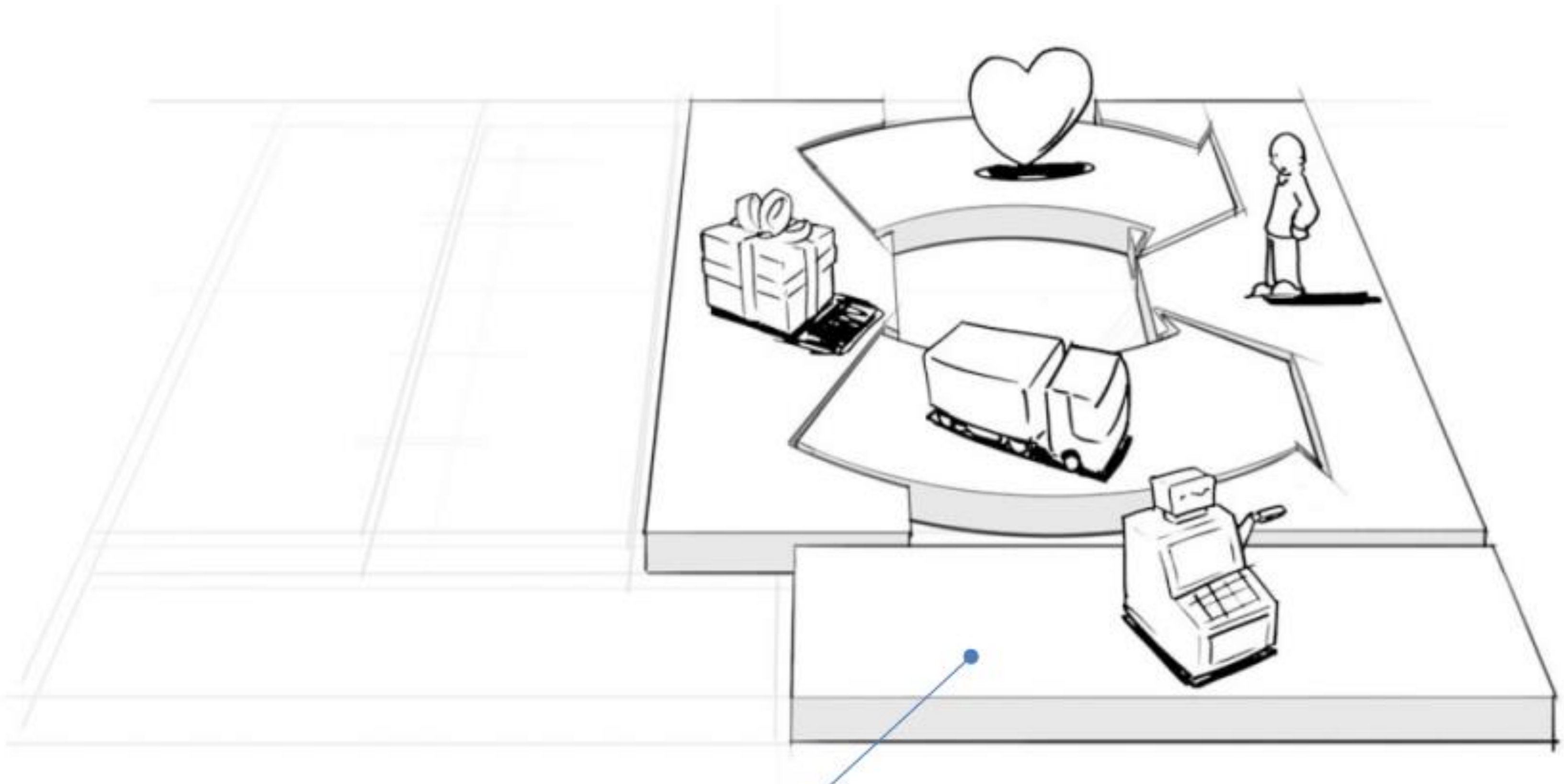


What type of relationships customers expect us to establish with them?
How will we get, keep and grow our customers?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Revenue Streams

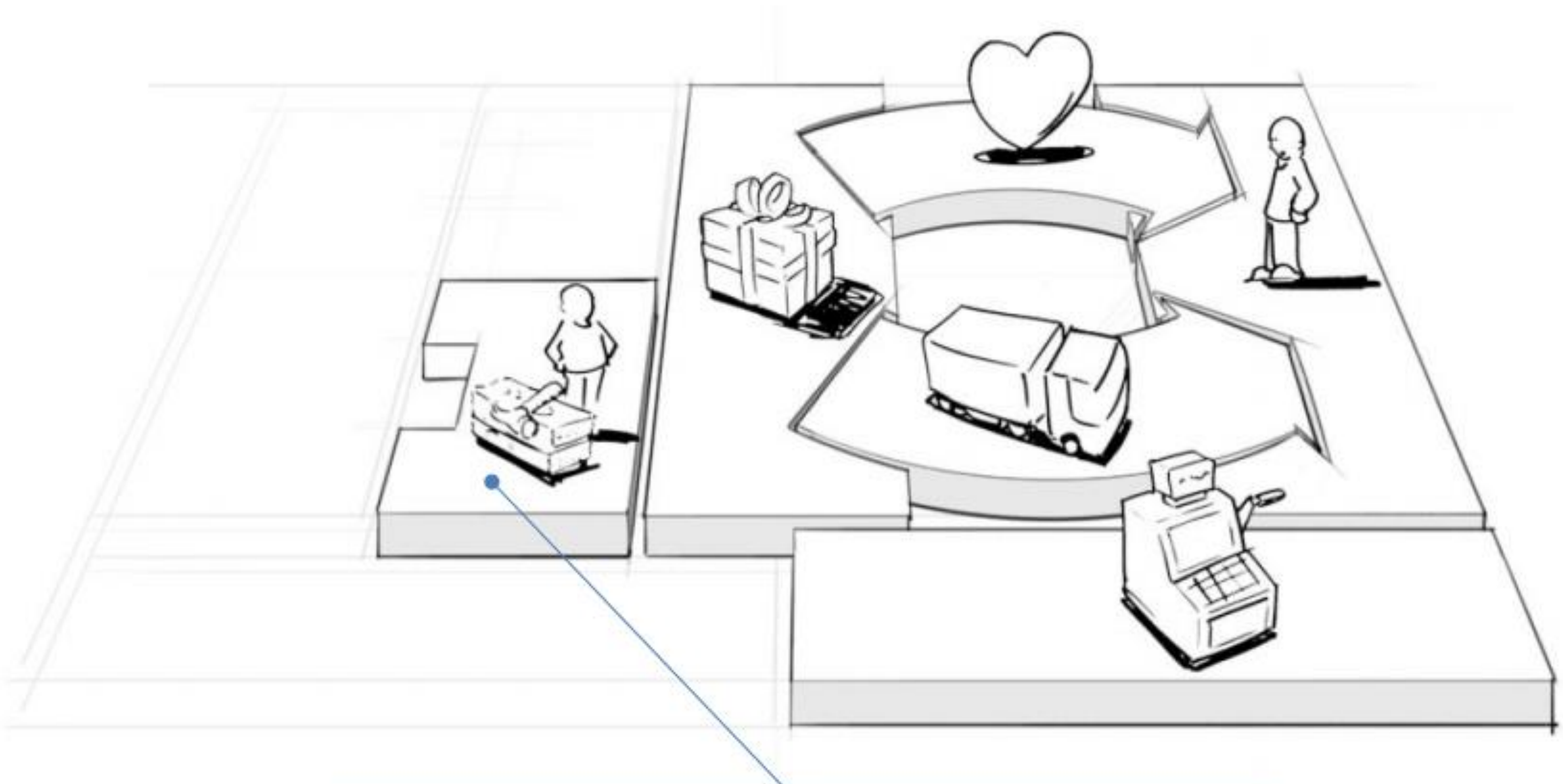


For what value are our customers willing to pay?
How much would they pay? How do they prefer to pay?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Key Resources

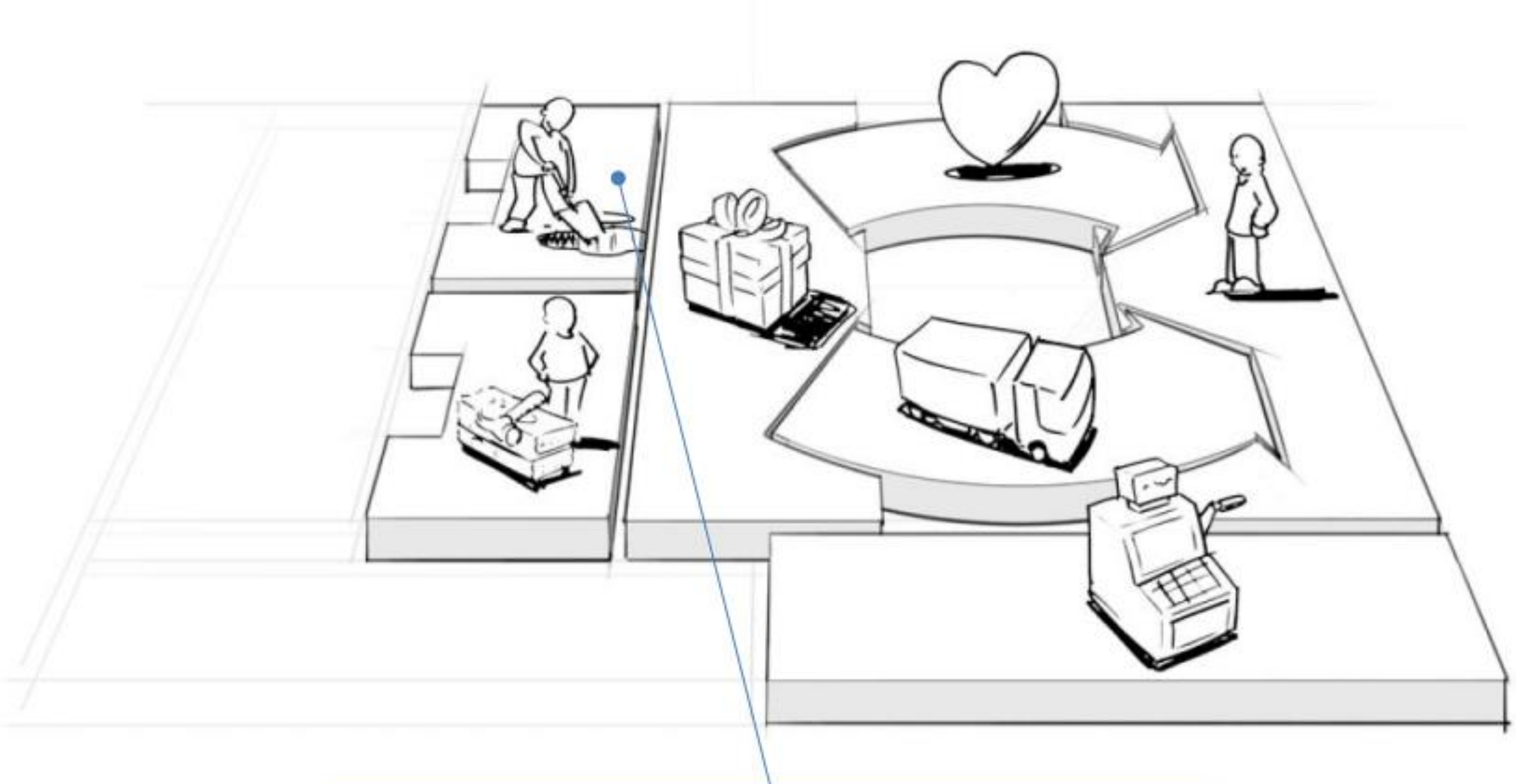


What key resources or assets do we have to have to deliver our value proposition and establish our customer relationships?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Key Activities

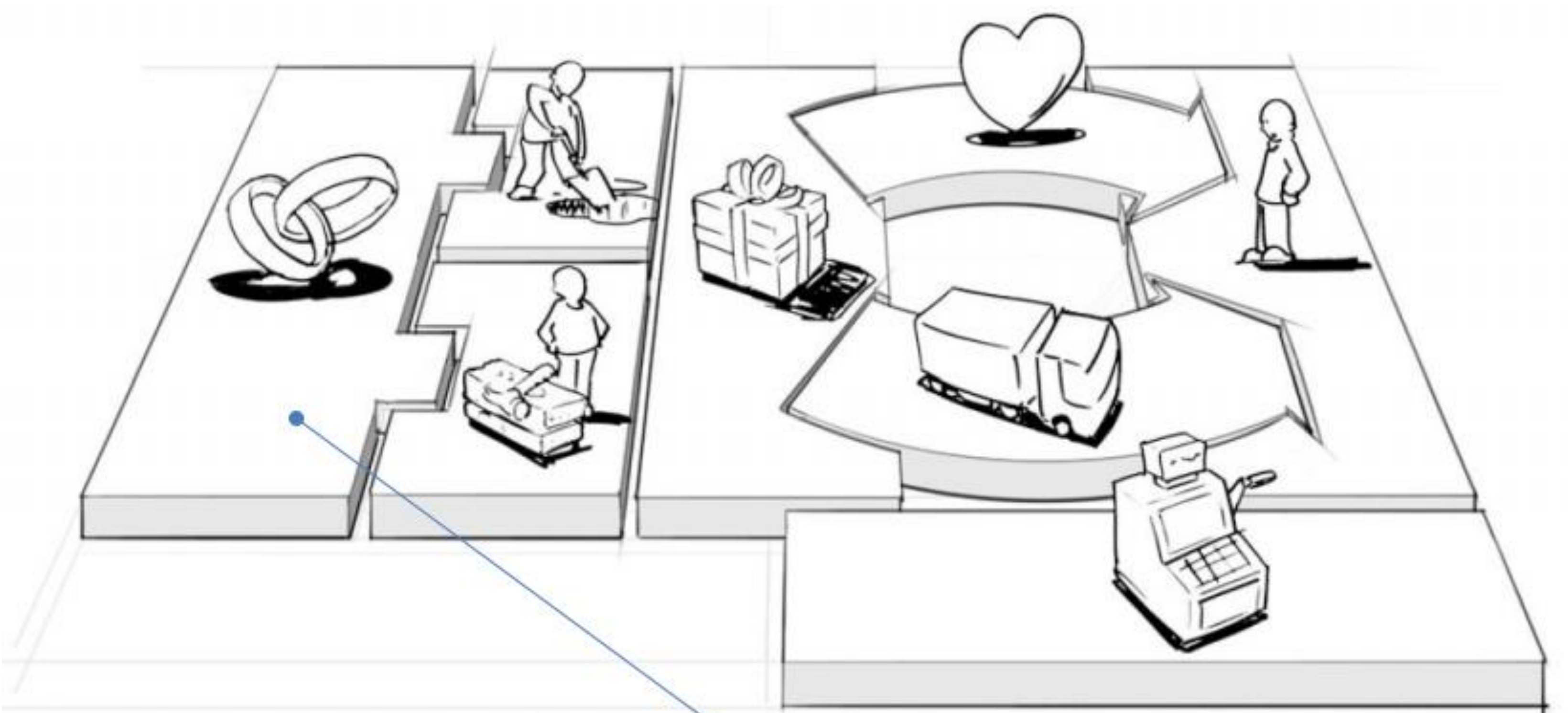


Which activities do we need to perform well to deliver our value proposition and establish our customer relationships?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Key Partners

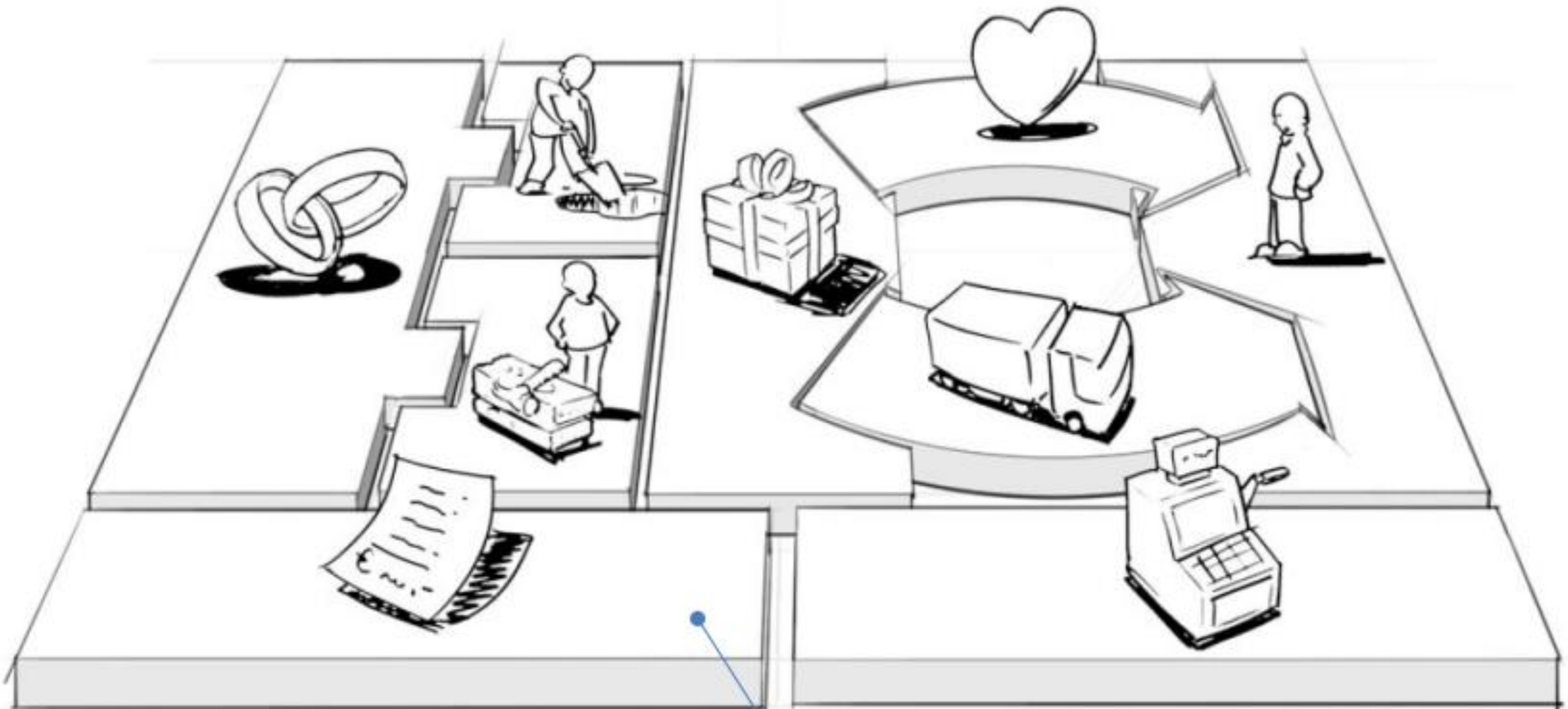


Which partners and suppliers are important for your business model?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

The 9 building blocks of the Business Model Canvas

Cost Structure



What are the most important costs inherent in our business model?

Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

Example

Google’s Business Model Sketched Out

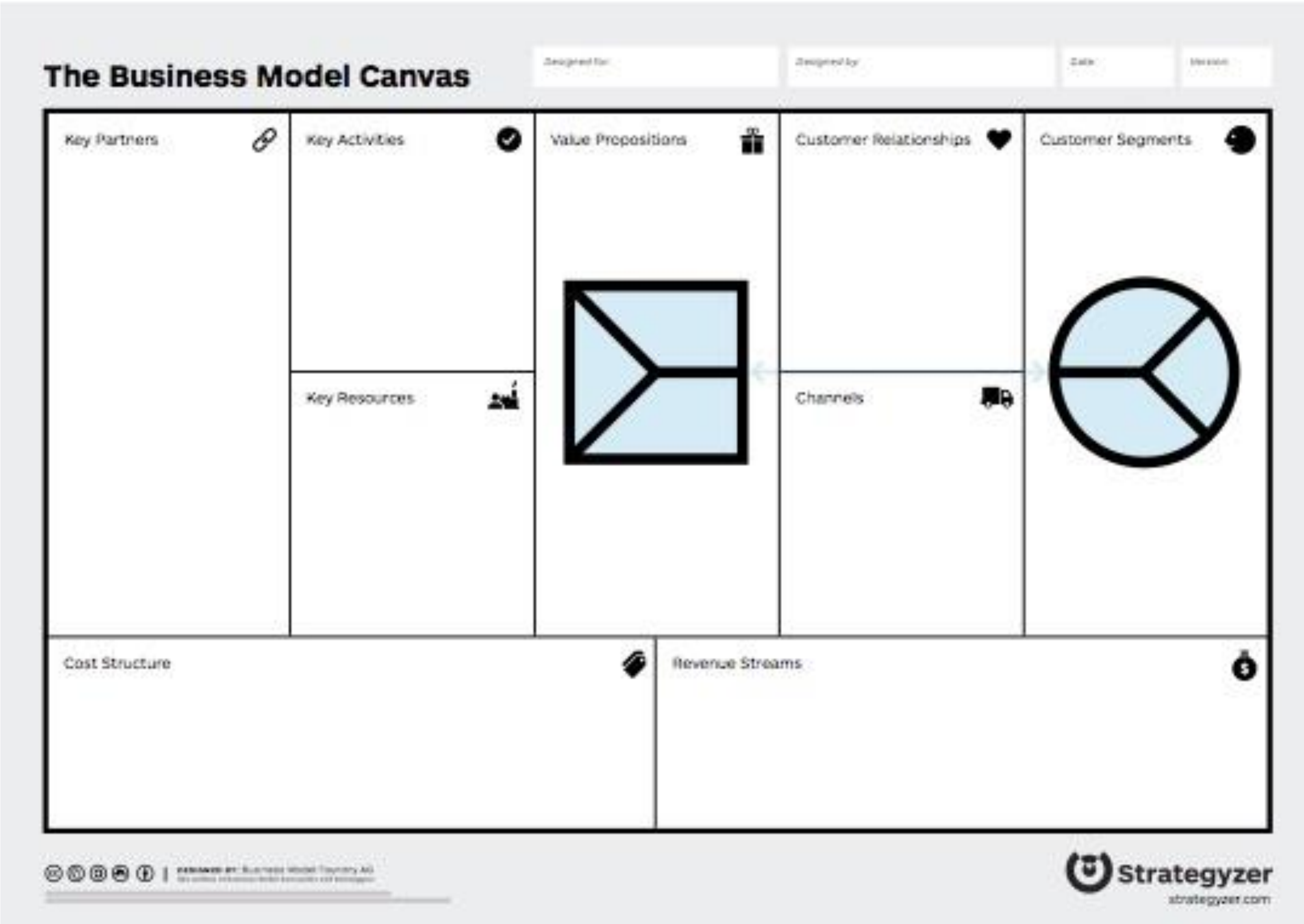
Source: strategyzer.com

Best practices

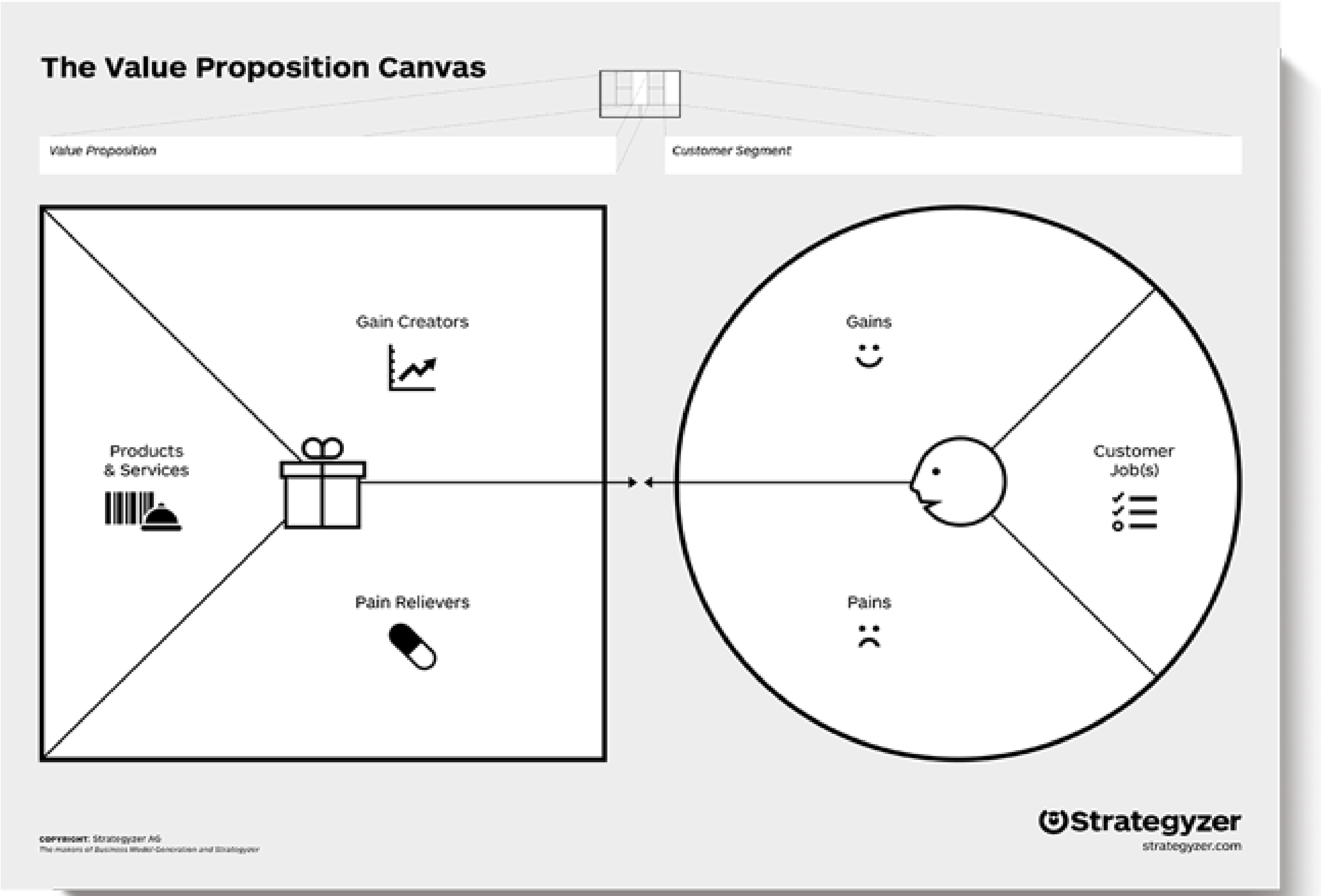
- ✓ The Canvas can be used in teams as a shared language to have better strategic conversations or individually as a tool to structure your thinking
- ✓ Make sure you don’t create “orphan” elements in your business model. For example, for each customer segment you should have a corresponding value proposition. Or for each value proposition you should list the key resources and activities that are required to create it
- ✓ When finished sketching out your business model try telling the story of your model

Source: strategyzer.com

The Value proposition Canvas

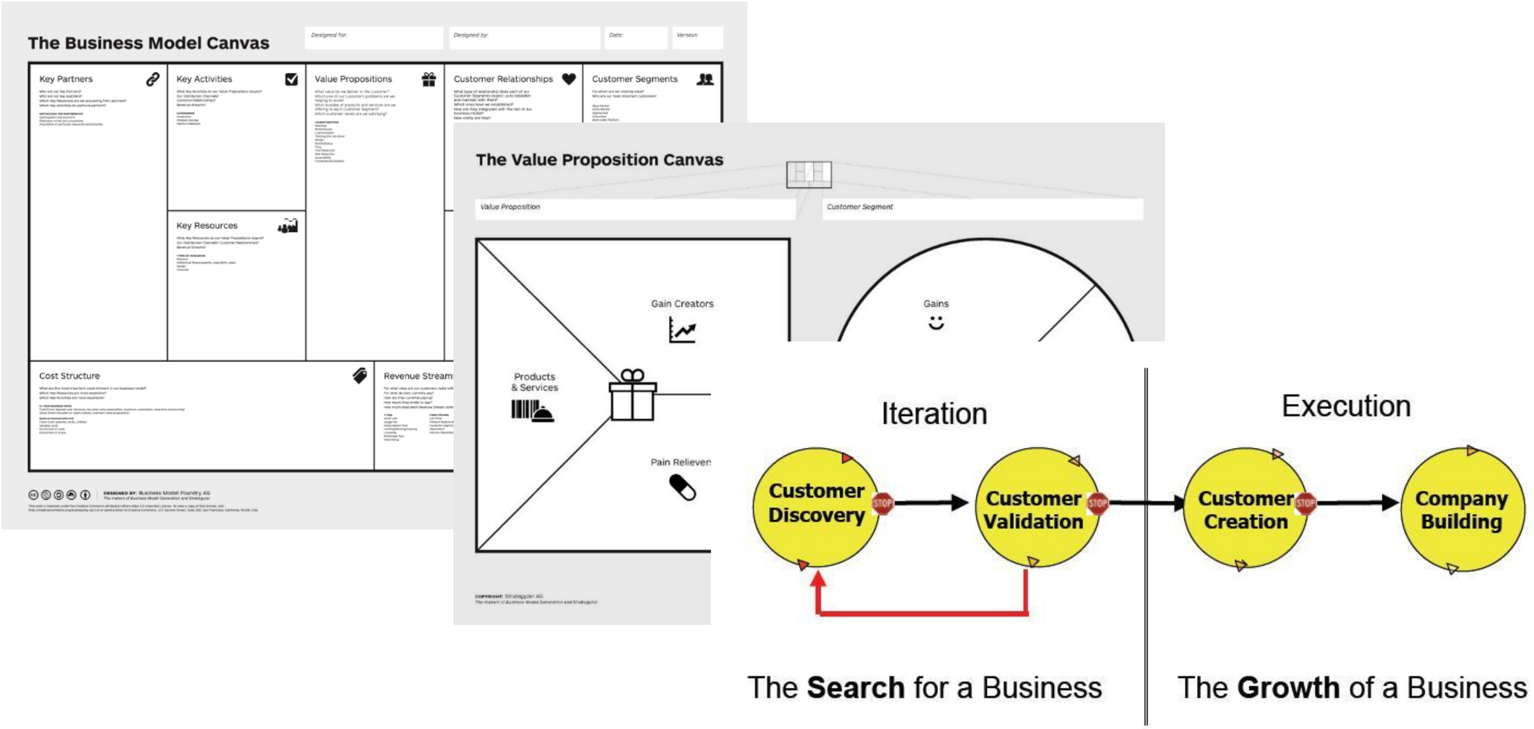


The Value proposition Canvas



Source: Value Proposition Design/ Alex Osterwalder & Yves Pineur

What is missing?



✔ *How* to rapidly find product/market fit inside a market

✘ ***Where to start the search*** for your new business

“Stop playing target market roulette”

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Entrepreneurship is a Calling

How to Stop Playing “Target Market Roulette”: A new addition to the Lean toolset

Posted on May 7, 2019 by steveblank

Modern entrepreneurship began at the turn of this century with the observation that startups aren’t smaller versions of large companies – large companies at their core execute known business models, while startups search for scalable business models. Lean Methodology consists of three tools designed for entrepreneurs building new ventures:

- The Business Model Canvas – to write down all the hypotheses about a new business;
- Customer Development – a process for testing those hypotheses outside the building;
- Agile Engineering – to rapidly build minimal viable products to test product/market fit.

These tools tell you *how* to rapidly find product/market fit inside a market, and how to pivot when your hypotheses are incorrect. However, they don’t help you figure out

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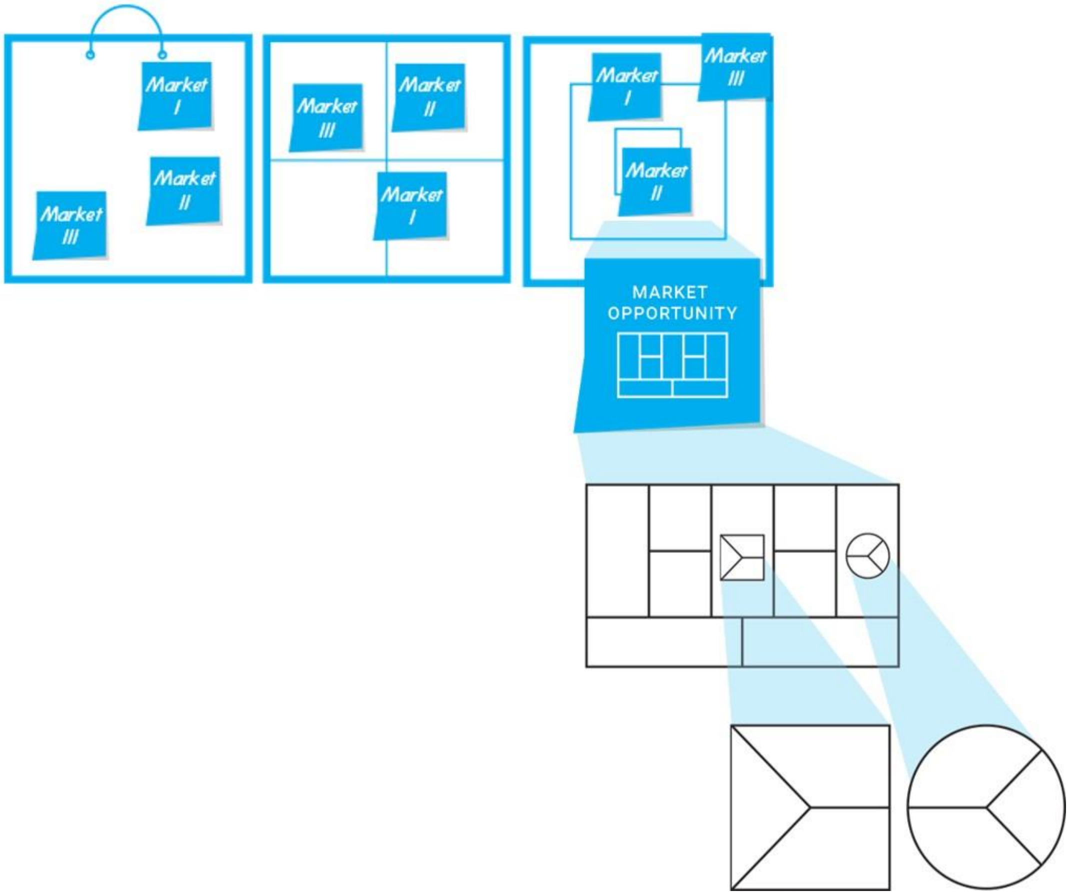
‘Where to Play’ before ‘How to Play’



The front end of Customer Discovery

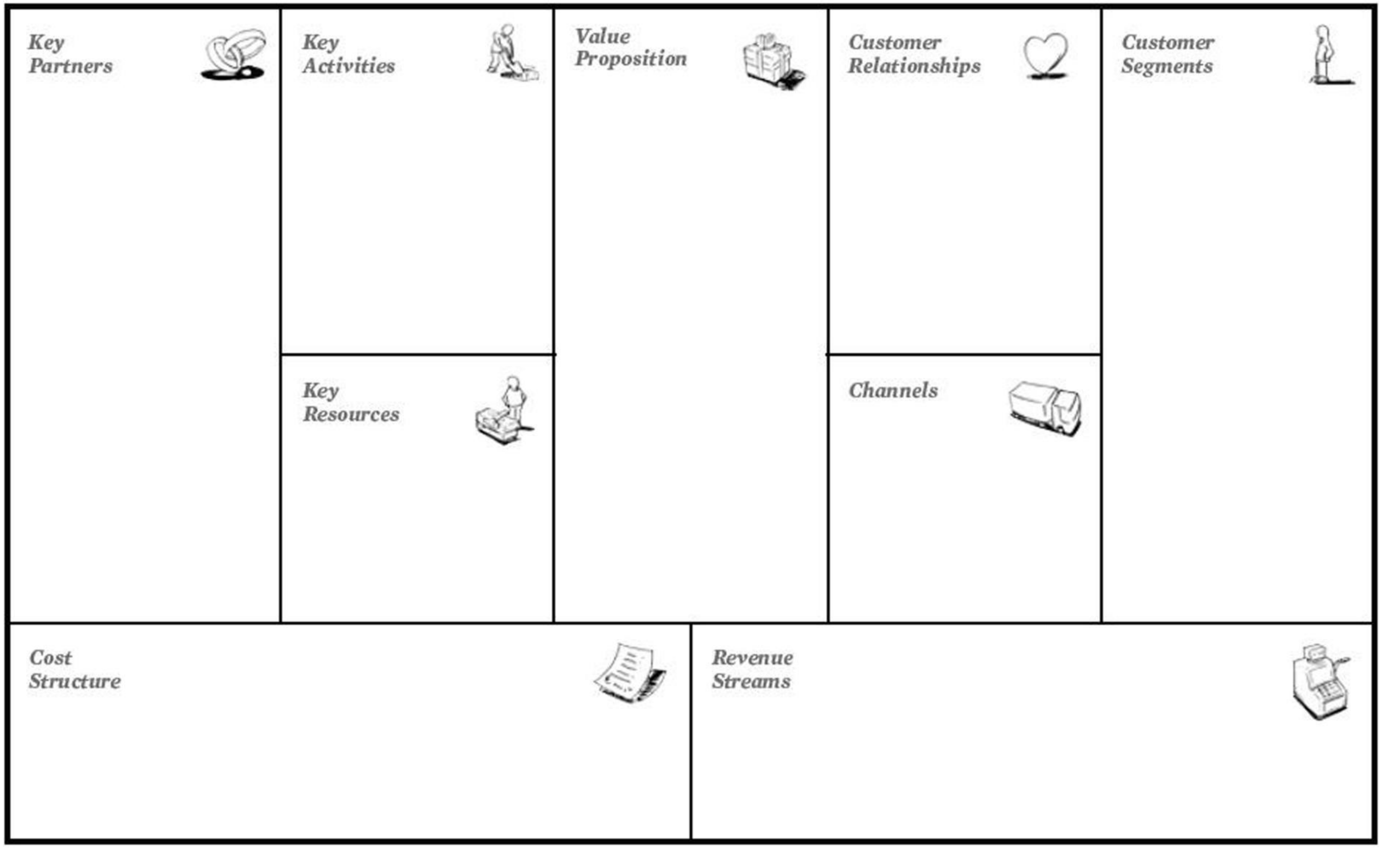
Based on your Agile Focus Strategy:

Design your business model to address an attractive market opportunity

Design your Business Model to be flexible

Lets try this out

https://www.tuzzit.com/en/canvas/business_model_canvas



Source: Business Model Generation/ Alex Osterwalder & Yves Pineur

Questions

Guidelines for final presentation

Your final presentation should include the following information:

- A brief overview of the **Attractiveness Map** to base your choice of Primary Market Opportunity
- What is your **Agile Focus Strategy**? Show your filled Worksheet 3 and explain which options should be kept open for Backup or Growth and why
- Depict your strategy on the **Agile Focus Dartboard**
- Describe your **Primary Market Opportunity** in details:

  - What is your value proposition?
  - What is the estimated size of the market? How did you evaluate it?
  - Who are your main competitors? What is your advantage over them?
  - What are the major challenges/ risks in pursuing this market?

Guidelines for final presentation

- The presentations will be held on Tuesday, Nov 30.
- Each group will have 15 minutes to present + 10 minutes for discussion/ Q&As.
- Please send your presentations before 14:00 on Nov 30 to: iesharon@technion.ac.il.
- I am here to help you, feel free to ask us anything!