

Creating and capturing value from innovative tech

Ph.D. Class ENG-642

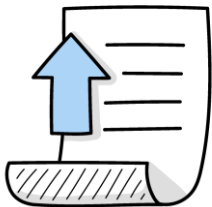
Dr. Sharon Tal

sharon@wheretoplay.co

Session 4
Fall Term 2024

Today's agenda

- Share & learn: 1-2 presentations of Worksheet 2, Q&A 
- How to focus smartly (Worksheet 3 of the Market Opportunity Navigator)
- Mr. Andre Catana- Head of Unit, Venture Builder: how EPFL supports budding entrepreneurs
- Group work on Worksheet 3 and business presentations 



Deliverables: The filled Worksheet 3, the business presentation

Share & learn

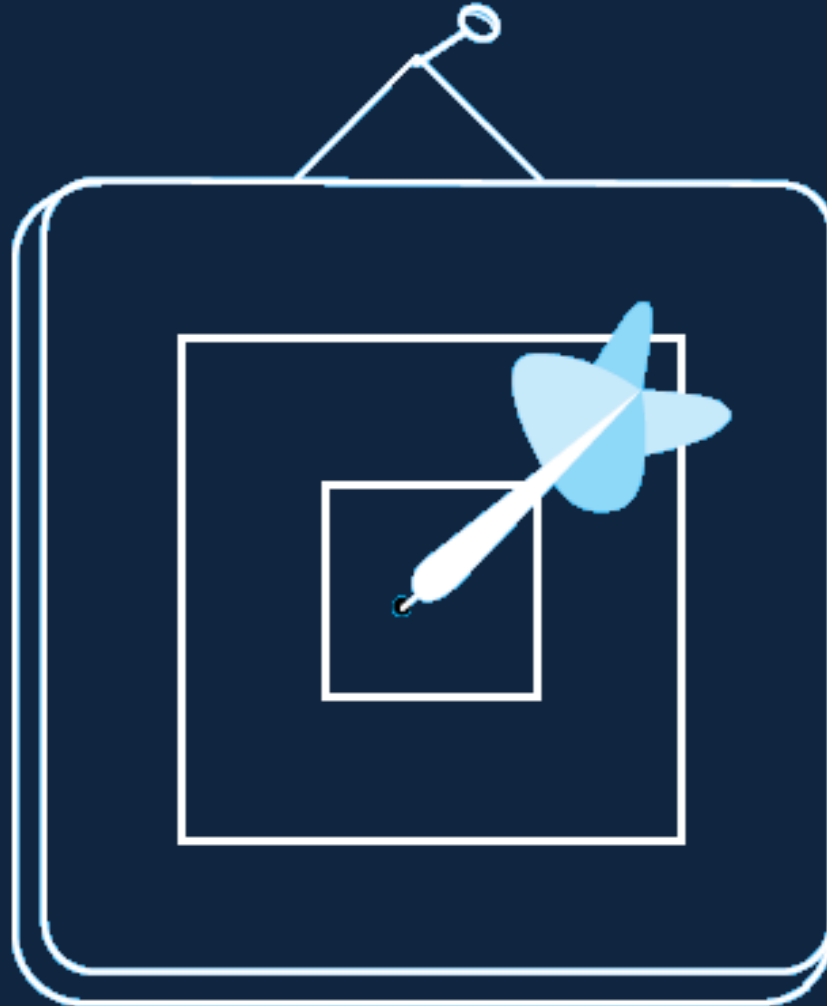
- How did you evaluate the overall potential and challenge of your opportunities?
- Where is it positioned on the Attractiveness Map?
- Did you assess its social/ environmental impact?
- What did you learn from this process?
- If you desire to continue this exploration: What should be your next learning goals?
- Any questions/ challenges?



The main takeaways from this exercise

- Its a learning process: ask yourself the most important questions before making a critical decision
- Quick and dirty evaluation can help you figure out the main assumptions that still need to be validated
- A 'perfect' opportunity hardly exists
- The systematic approach is extremely valuable when you need to compare and prioritize different opportunities

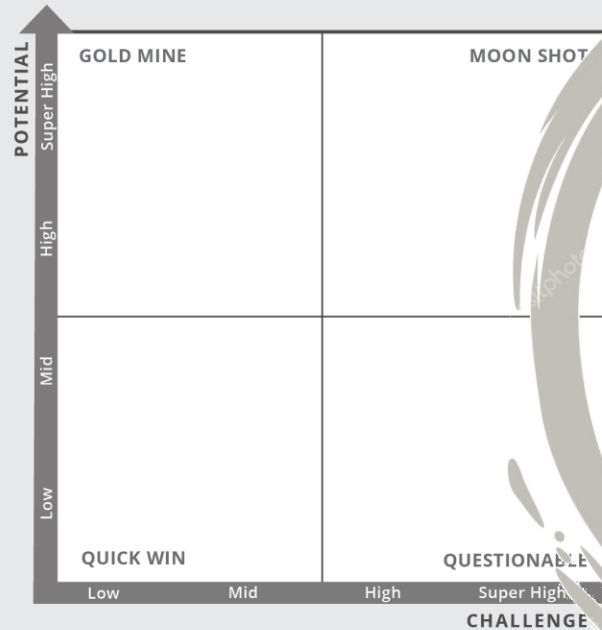
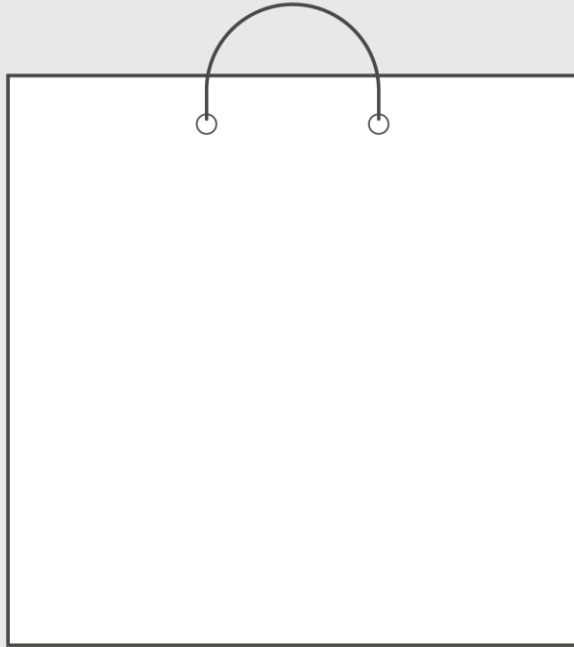
Step 3: prioritizing multiple opportunities



THE MARKET OPPORTUNITY NAVIGATOR

NAME

DATE



MARKET OPPORTUNITY SET

- 1 Use Worksheet 1 to identify potential market opportunities, and place them in the set

ATTRACTIVENESS MAP

- 2 Use Worksheet 2 to evaluate the attractiveness of each market opportunity, and place each one on the map

- 3 Use Worksheet 3 to evaluate the focus strategy, and mark it on the dartboard



market opportunity = any combination of application + customer
Use sticky-notes™ to represent each market opportunity

Market Pivots in Start-ups



The business world is unpredictable



Conditions of uncertainty require a different strategic approach

In established firms

Robust Adaptive Strategies/ Eric Beinhocker:

Betting on multiple horses

“Companies should be cultivating a portfolio of strategies that contains near-term strategies, the seeds for future growth businesses, and hedges against key uncertainties, rather than pursuing singularly focused strategies that presume predictability”

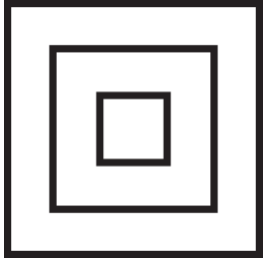
Sacrifice focus for the sake of flexibility!

But what about start-ups?

The entrepreneurs'
challenge:
focus and stay agile



The Agile Focus Strategy



The **Agile Focus Strategy** defines the market opportunities that you will pursue now, and the opportunities that you will keep open as Backup or Growth Options

Keeping an option open means that you currently invest very little resources and attention in it, just to make sure not to lock yourself out of it

This will help you to maintain your flexibility while staying focused



Maneuverability matters

Reid Hoffman

(Co-Founder and Executive Chairman of LinkedIn and a partner at Greylock Venture Capital):



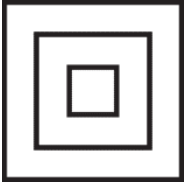
...you want to show focus in your decks by emphasizing what you're really betting on. However, **show some maneuverability**.

Don't just say that you have five different options. Instead, say that you're doing one, but you also have some fall-back or maneuvering options.

...

“Invest in A, but here's B to show that we could contain that risk.” Investors would appreciate this because you're identifying a reasonable risk and demonstrating that you have actually thought about what you would do if the primary plan doesn't play out as you expect. “

The power of foresight



Having foresight on where you could grow next has significant implications on how you build and design your business. It influences the way you:

- Develop your technology
- File your patents
- Recruit your employees
- Choose your stakeholders
- Build your company culture
- Pick your brand name
- Design your marketing materials



Don't get trapped



How to Design your Agile Focus Strategy

- 1) Choose your **Primary Market Opportunity**- the one that you will pursue with full force, investing most of your resources and capabilities in conquering it.
- 2) Build a **smart portfolio** around it, that includes at least one Backup Option and one Growth Option.





DESIGN YOUR AGILE FOCUS STRATEGY

NAME

DATE

Build a smart portfolio around your Primary Market Opportunity to mitigate your risk and increase your value.

- I. Choose a Primary Market Opportunity to focus on (based on the Attractiveness Map).



- II. Pick other attractive market opportunities from your set to examine possible Backup and Growth Options.



Relatedness to your Primary Market Opportunity:

PRODUCT RELATEDNESS

To what extent do the products share: technological competences, required resources, necessary networks



MARKET RELATEDNESS

To what extent do the customers share: values and benefits, sales channels, word-of-mouth



Suitable as:

BACKUP OPTION

Attractive market opportunities that do not share major risks with your Primary Market Opportunity to allow for a change in direction



Backup



Backup



Backup

GROWTH OPTION

Attractive market opportunities that allow your business to create additional value



Growth



Growth



Growth

- III. Design your Agile Focus Strategy:

- Keep at least one Backup and one Growth Option open
- Decide if any option is worth pursuing now
- Place the rest in storage

Pursue
now

Keep
open

Place in
storage

Pursue
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Mark your strategy on the Agile Focus Dartboard.



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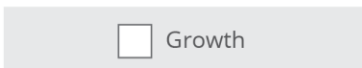
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	☐ Backup	☐ Backup	☐ Backup
	☐ Growth	☐ Growth	☐ Growth

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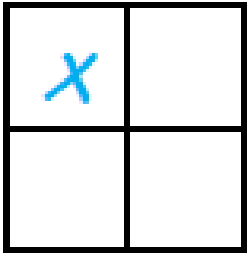
Sometimes it feels like visiting a candy store...



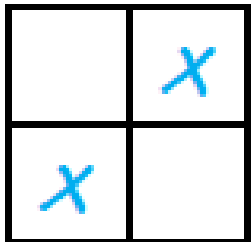
You cannot pursue too many opportunities in parallel, or you may end up really sick...

Choosing your primary Market Opportunity

Common patterns of the Attractiveness Map:



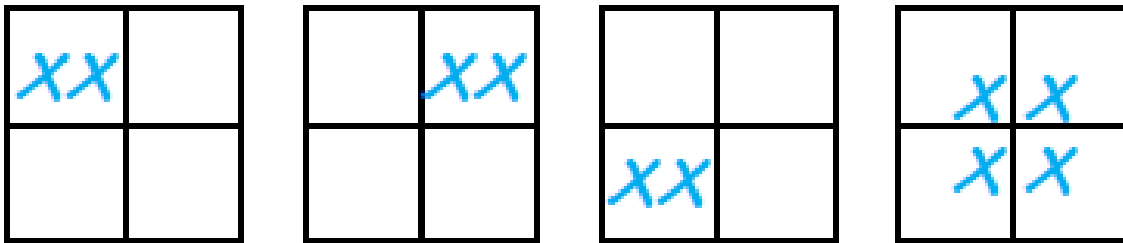
One Clearly Superior Opportunity



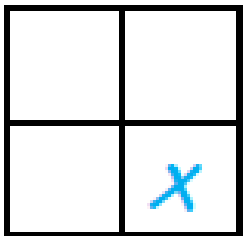
Diagonal Trade-off

Choosing your primary Market Opportunity

Common patterns of the Attractiveness Map:



Options are all Closely Located



No Attractive Options

Other considerations for choosing your Primary Market Opportunity

Personal fit with the opportunity

Fit with stakeholders' interest

Resource constraints

Back to Flyability



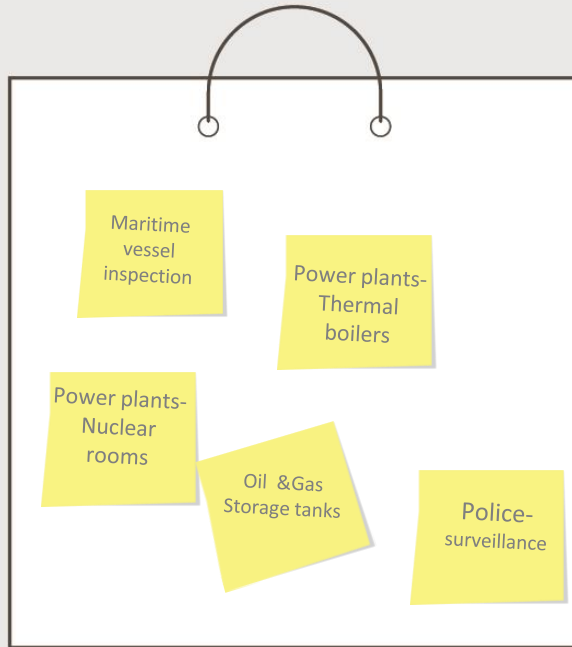
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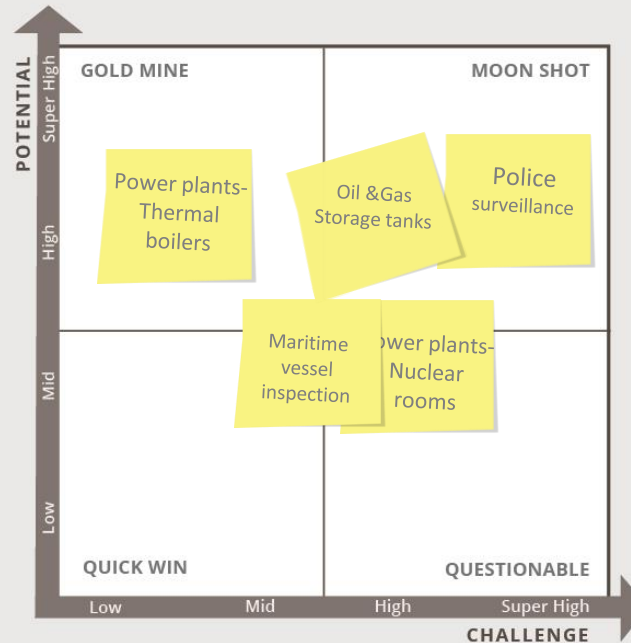
Flyability

2015



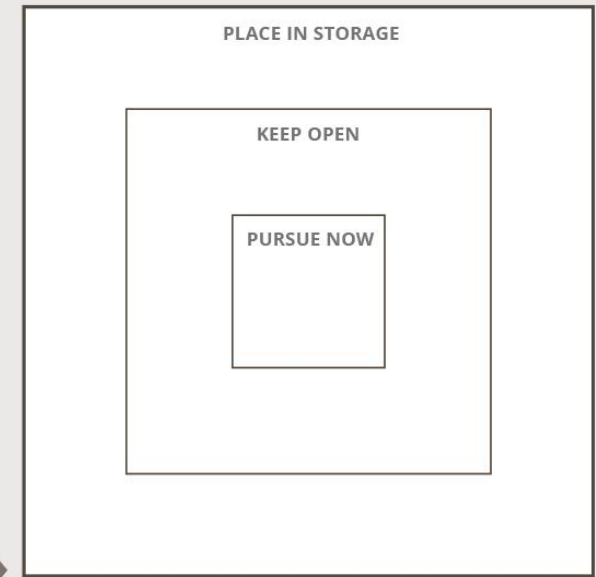
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AGILE FOCUS DARTBOARD

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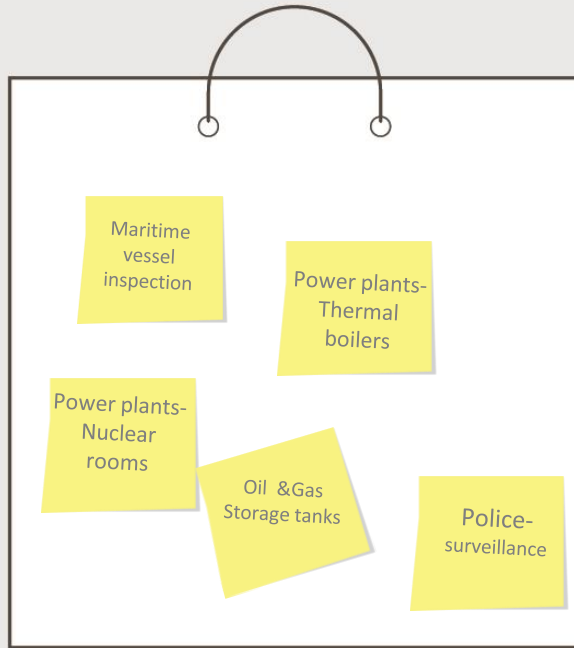
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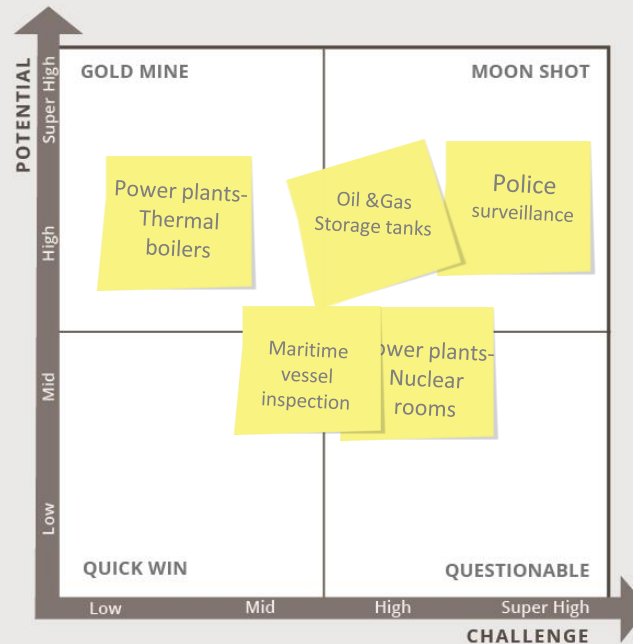
FlyAbility

2015



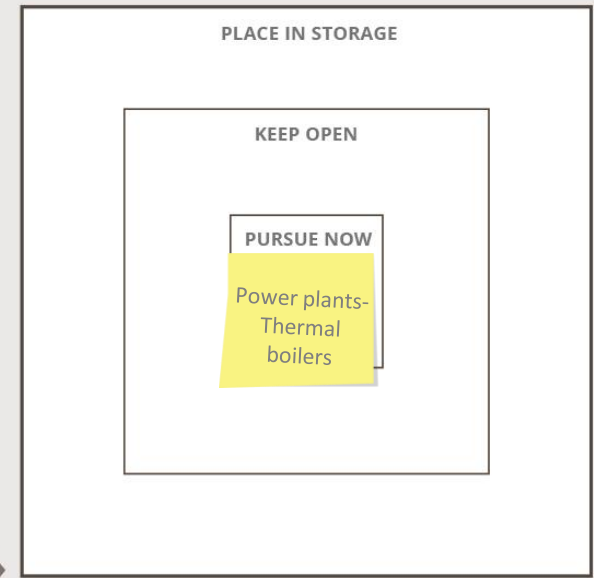
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DESIGN YOUR AGILE FOCUS STRATEGY

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Flyability

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Power plants – thermal boilers

- II. Pick other attractive market opportunities from your set to examine possible Backup and Growth Options.



Relatedness to your Primary Market Opportunity:

PRODUCT RELATEDNESS

To what extent do the products share: technological competences, required resources, necessary networks



MARKET RELATEDNESS

To what extent do the customers share: values and benefits, sales channels, word-of-mouth



Suitable as:

BACKUP OPTION

Attractive market opportunities that do not share major risks with your Primary Market Opportunity to allow for a change in direction



Backup



Backup



Backup

GROWTH OPTION

Attractive market opportunities that allow your business to create additional value



Growth



Growth



Growth

- III. Design your Agile Focus Strategy:

- Keep at least one backup and one growth option open
- Decide which options (if any) to pursue now
- Place the rest in storage

Pursue
nowKeep
openPlace in
storagePursue
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Mark your strategy on the Agile Focus Dartboard.

Few tips for making this profound decision



There is no 'perfect' option



Make it a team decision



Take your time

Designing a smart portfolio

Keep open at least one Backup Option and one Growth Option

A Backup Option

allows you to change direction over time, if necessary.



It answers the question:

If we are not successful - what shall we do next?

A Growth Option

allows you to create additional value over time.



It answers the question:

If we are successful - what shall we do next?

What makes a good backup option?

A Backup Option

allows you to change direction over time, if necessary.



It answers the question:

If we are not successful - what shall we do next?



A related opportunity that does not share major risks with the primary market

What makes a good growth option?

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allows you to change direction over time, if necessary.



It answers the question:

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A related opportunity that does not share major risks with the primary market

A Growth Option

allows you to create additional value over time.



It answers the question:

If we are successful - what shall we do next?



An attractive opportunity that is tightly related to your primary market

What makes a good backup / growth option?

1) Assessing relatedness to your Primary Opportunity

The more related your options are to your Primary Market Opportunity, the less effort will be required to keep them open

Product Relatedness

the extent to which the *development* of the two products requires similar resources and capabilities.



Market Relatedness

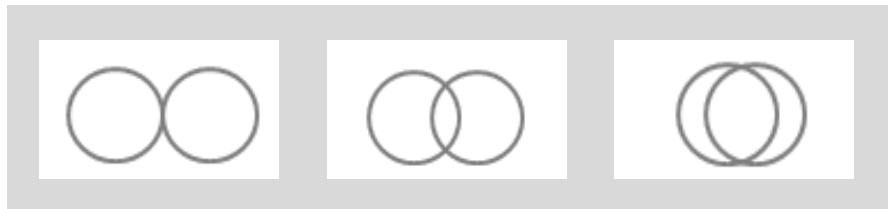
the extent to which the *marketing and distribution* of the two products require similar resources and capabilities.



Assessing Product Relatedness

To what extent do the products share...

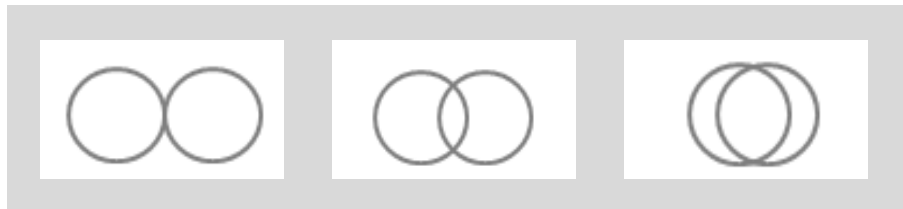
- ✓ Technological competences? (i.e., the functions and features of the products rely on similar technological developments)
- ✓ Required resources? (i.e., employees, manufacturing equipment, intellectual property etc.)
- ✓ Necessary networks? (i.e., suppliers, partners, or other members of the value chain)



Assessing Market Relatedness

To what extent do the customers share...

- ✓ Values and benefits? (i.e., you can leverage your brand and reputation from one market to the other)
- ✓ Sales channels? (i.e., you can utilize the same distribution channels for both markets)
- ✓ Word of mouth? (i.e., satisfied customers in one market can promote your product in the other)





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**Power plants – thermal boilers**

II. Pick other attractive market opportunities from your set to examine possible Backup and Growth Options.

**Oil & Gas Storage tanks****Maritime vessel inspection****Police surveillance**

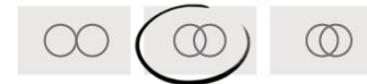
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☐ Backup☐ Backup☐ Backup**GROWTH OPTION**

Attractive market opportunities that allow your business to create additional value

☐ Growth☐ Growth☐ Growth

III. Design your Agile Focus Strategy:

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Pursue now**Keep open****Place in storage****Pursue now****Keep open****Place in storage****Pursue now****Keep open****Place in storage**

Mark your strategy on the Agile Focus Dartboard.

What makes a good backup / growth option?

2) Assessing major risks and show stoppers



Backup options constitute your Plan B, so they should not share the same major risks with your Primary Market Opportunity, or rely on the same major assumptions.

Some opportunities can serve as your Backup Option *and* as your Growth Option



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Mark your strategy on the Agile Focus Dartboard.

Investing in your Backup and Growth Options

The default:

Keep open at least one Backup Option and one Growth Option

Allocate little resources and attention to keep this opportunity 'breathing', and not to lock yourself out of it:

- ✓ Stay informed
- ✓ Build flexible resources and capabilities
- ✓ Develop an appropriate identity

These relatively low investments will make the firm more robust to change, without compromising the pursuit of the Primary Market Opportunity.

Investing in your Backup and Growth Options

Pursue options now, in parallel

Allocate your resources and attention to pursue both markets simultaneously and to develop the required skills and expertise for succeeding in both.

Suitability for startups depends on:

- ✓ How critical is this option to your venture's performance?
- ✓ How related is this option to your Primary Market Opportunity?

What about all the other market opportunities?

Placing options in storage

Do nothing about them, for now, only keep them in the back of your mind:

- ✓ These options can become relevant someday, either for you to pursue, or for licensing to others
- ✓ Luckily, you do not need to pay storage rent, so market opportunities can be stored as long as you wish



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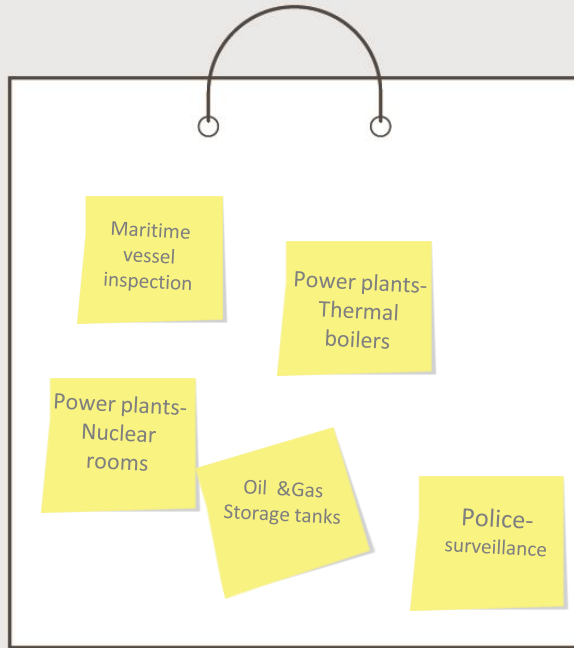
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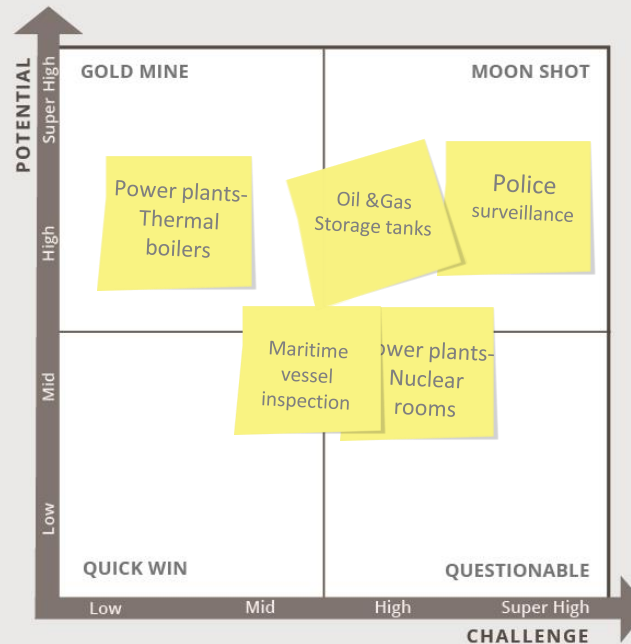
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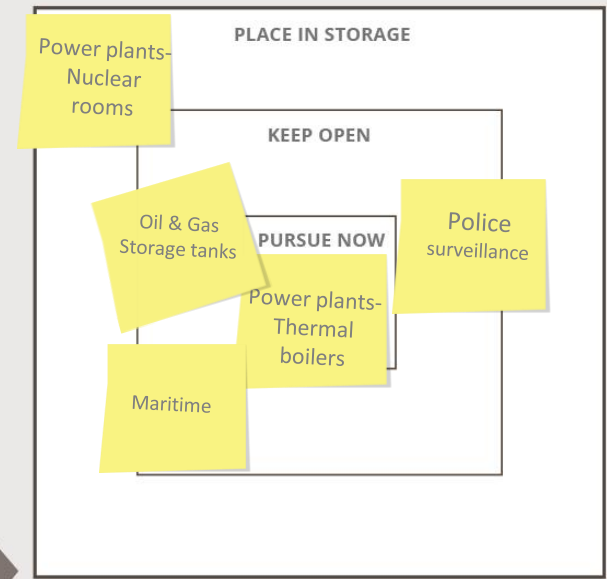
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Remember:



The Market Opportunity Navigator is
designed to be **a dynamic tool.**

Therefore, you can add or dismiss options
as you move forward with your learning
and build your understanding.

Questions?



Now its your turn

- ✓ Apply Worksheet 3 to set your commercialization foresight
 - ✓ What do you think should be your primary market? why?
 - ✓ Do you have candidates for backup or future growth?
 - ✓ Mark your strategic foresight on the dartboard
- ✓ Prepare your wrap up presentation according to the following guidelines



Deliverables:

- ✓ A 15 mins presentation summarizing your learning process from this week

Guidelines for your business presentation



Overview

- The final presentation should summarize the learning process that you have gone through during this seminar
- You can follow the template provided on Moodle (under session 4)
- Try to back your analysis with data and mention your sources. If you cant find supporting data- explain your assumptions and why you made them
- Each team will have 15 mins to present + Q&A

The presentation should include the following sections:

■ **Step 1- your Market Opportunity Set:**

Describe shortly the key components of your technology, the applications and customers that you discovered and how you chose your Market Opportunity Set

■ **Step 2- your Attractiveness Map:**

Present the evaluation of one market opportunity: Describe shortly who are your customers and what is your value proposition, who did you interview, how did you evaluate the Potential and the Challenge of this opportunity, and where is it located on the Attractiveness Map. If you tried to assess additional market opportunities – show where they are located on the map

■ **Step 3- your Agile Focus Strategy:**

Describe shortly what is your Primary Market Opportunity, which opportunities do you plan to keep open as Backup or Growth options, and why

■ **Your takeaways (business and transversal)**

What are your takeaways from this process?

If you wish to further explore this innovation: what should be your next steps?

Do you feel any improvement on the transversal skills we highlighted or on other soft skills? Explain why