WHAT WE WILL COVER TODAY

Value Proposition:

Capturing the value you provide

Creating the Right Fit:

Alignment with customers

Test New Markets:

Explore ways to reach new customers

ALIGNMENT

TESTING YOUR IDEA

The Progress Board

Use the progress board to manage and monitor your tests and assess how much progress you are making toward success.

Get Progress Board poster

What did I test already?

Use the Value Proposition and Business Model Canvases to track which elements you have tested, validated, or invalidated.
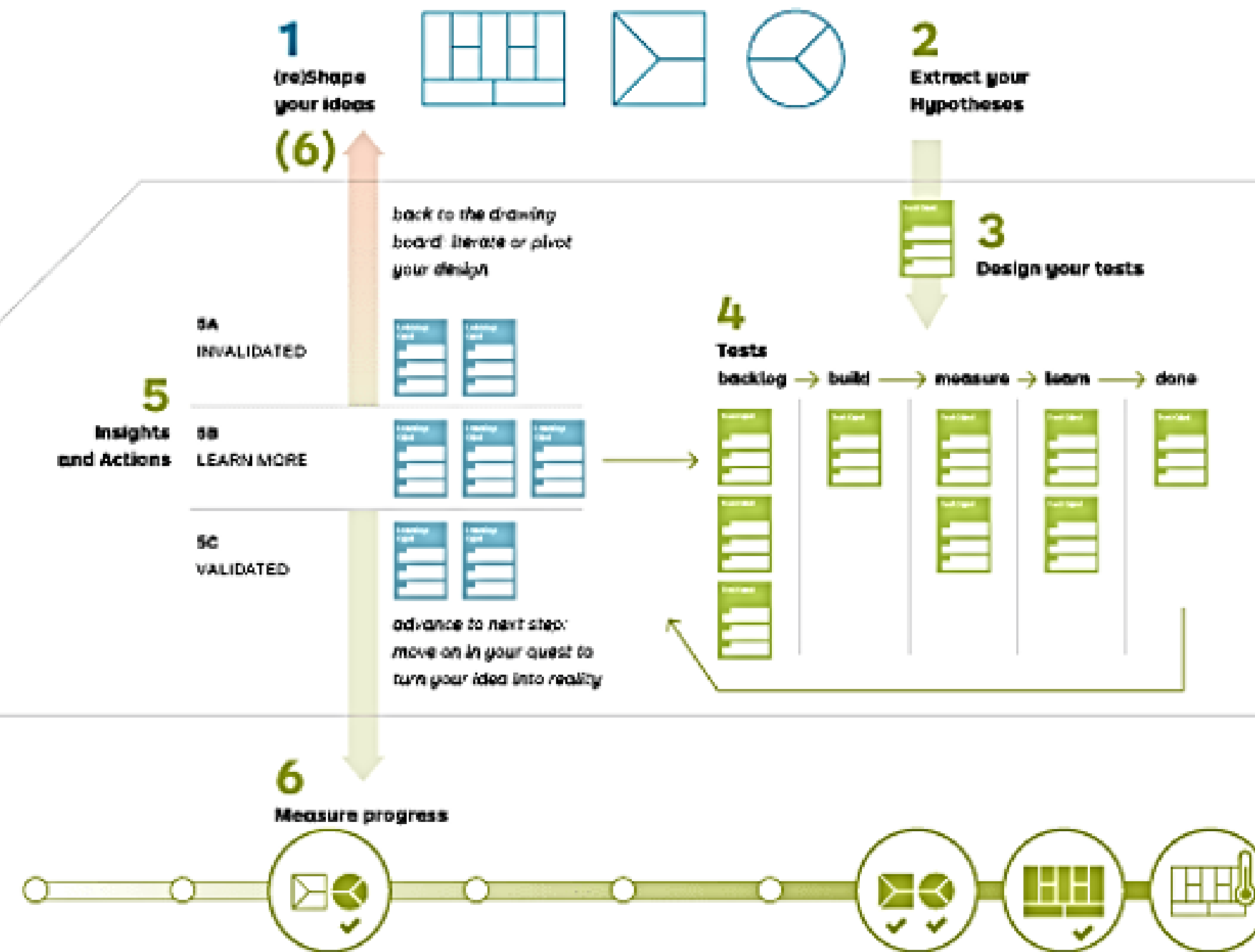
What am I testing, and what did I learn?

Track the tests you are planning, building, measuring, and digesting to learn and make your insights and follow-up actions explicit.

How much progress did I make?

Keep score of how much progress you are making.

1 (re)Shape your ideas

(6)

2 Extract your Hypotheses

3 Design your tests

5 Insights and Actions

5A INVALIDATED

5B LEARN MORE

5C VALIDATED

back to the drawing board: iterate or pivot your design

advance to next step: move on in your quest to turn your idea into reality

4 Tests

backlog → build → measure → learn → done

6 Measure progress

STEP 1 - DESIGNING A BUSINESS MODEL
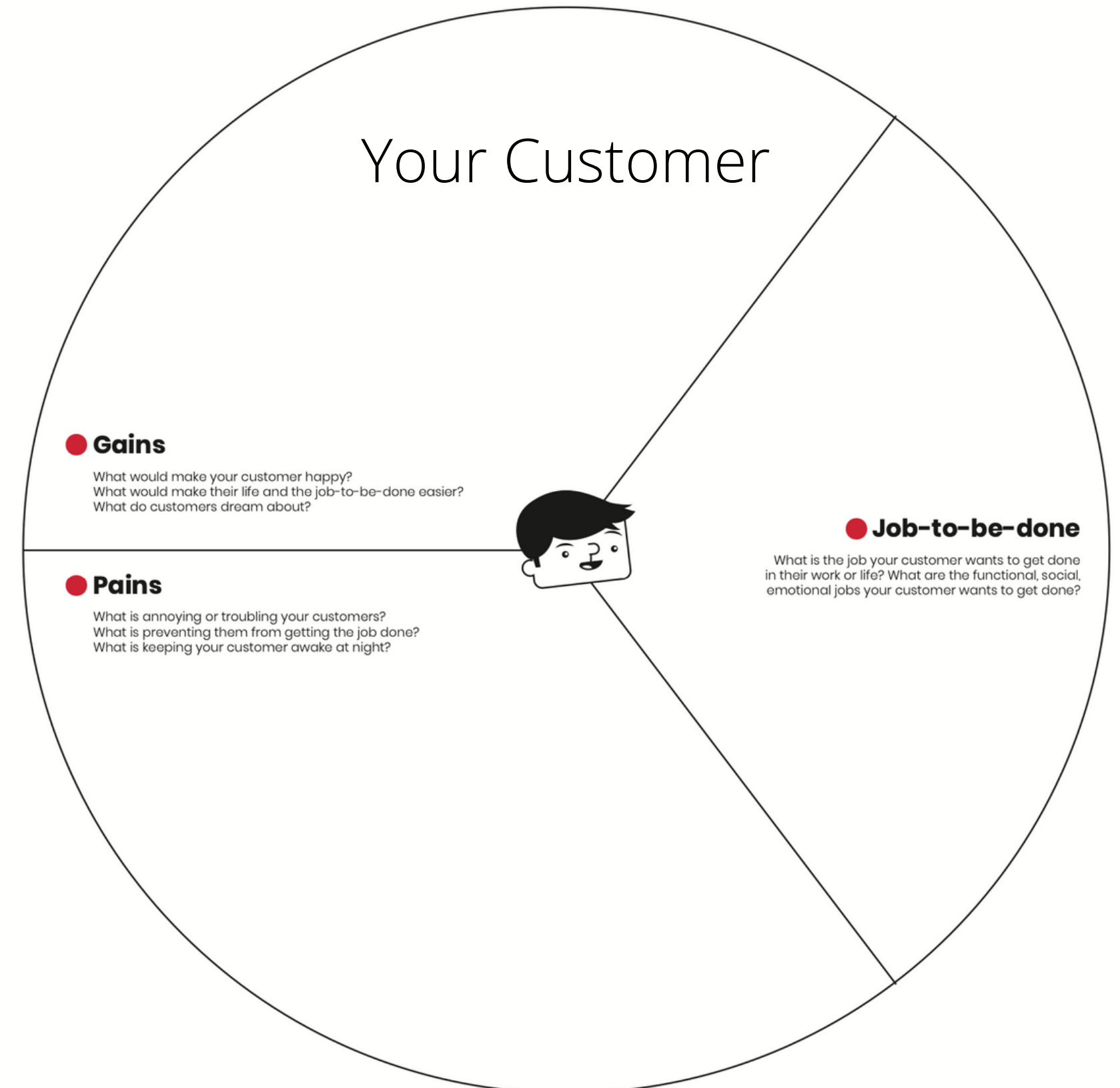
The Business Model Canvas

Designed for: Designed by: Date: Version:

Key Partners 🔗

Who are our key partners, suppliers, and resource providers?

Buyer-supplier, joint ventures, or strategic partnership?

Key Activities ✓

What activities do we deliver? Production, problem solving, platform, or network?

Key Resources 🏭

What do we need to make this happen? Physical, intellectual, human, or financial capital?

Value Propositions 🎁

How are you creating value?

-Newness
-Performance
-Customization
-Price
-Risk or cost reduction
-Accessibility
-Convenience

Customer Relationships ❤

What type of relationship does each customer segment expect? Personal assist/ self service/ automated/ co-create?

Channels 🚚

How do your customers want to be reached? Stores/ online/ wholesale?

Customer Segments 👁

For whom are you creating value?

-Mass market
-Niche market
-Segmented
-Diversified
-Multi-sided platform

Cost Structure 🏷

What are our costs and how are they structured?

Cost-driven, value-driven, fixed or variable costs?

Economies of scale or scope?

Revenue Streams 💰

What are customers willing to pay for?

Product or service sale, usage fee, subscription fee?

Renting, leasing, licensing?

Strategyzer
strategyzer.com

STEP 2:
DETERMINING THE RIGHT FIT

Your Product or Service

● Gain creators

What can you offer your customer to help them achieve their gains? How do you outperform the current solution? How will adoption by your customer be easier?

● Products & services

What are the products and services you can offer your customer so they can get their job done?

● Pain relievers

How can you help your customer to relieve their pains? What problems can you eradicate? How do you fix current underperforming solutions? How do you eliminate risks your customers fear? How do you get rid of current barriers?

Your Customer

● Gains

What would make your customer happy? What would make their life and the job-to-be-done easier? What do customers dream about?

● Pains

What is annoying or troubling your customers? What is preventing them from getting the job done? What is keeping your customer awake at night?

● Job-to-be-done

What is the job your customer wants to get done in their work or life? What are the functional, social, emotional jobs your customer wants to get done?

BEGIN WITH A HYPOTHESIS

- Experimentation in Lean Startup is not a "Just do it and see what happens" approach
- Guided by the organizations' vision, it begins with a clear hypothesis
- The premise is to determine what the assumptions are and then test those assumptions up front.

WAYS TO TEST YOUR IDEA

We will focus on this today!

The Value Hypothesis

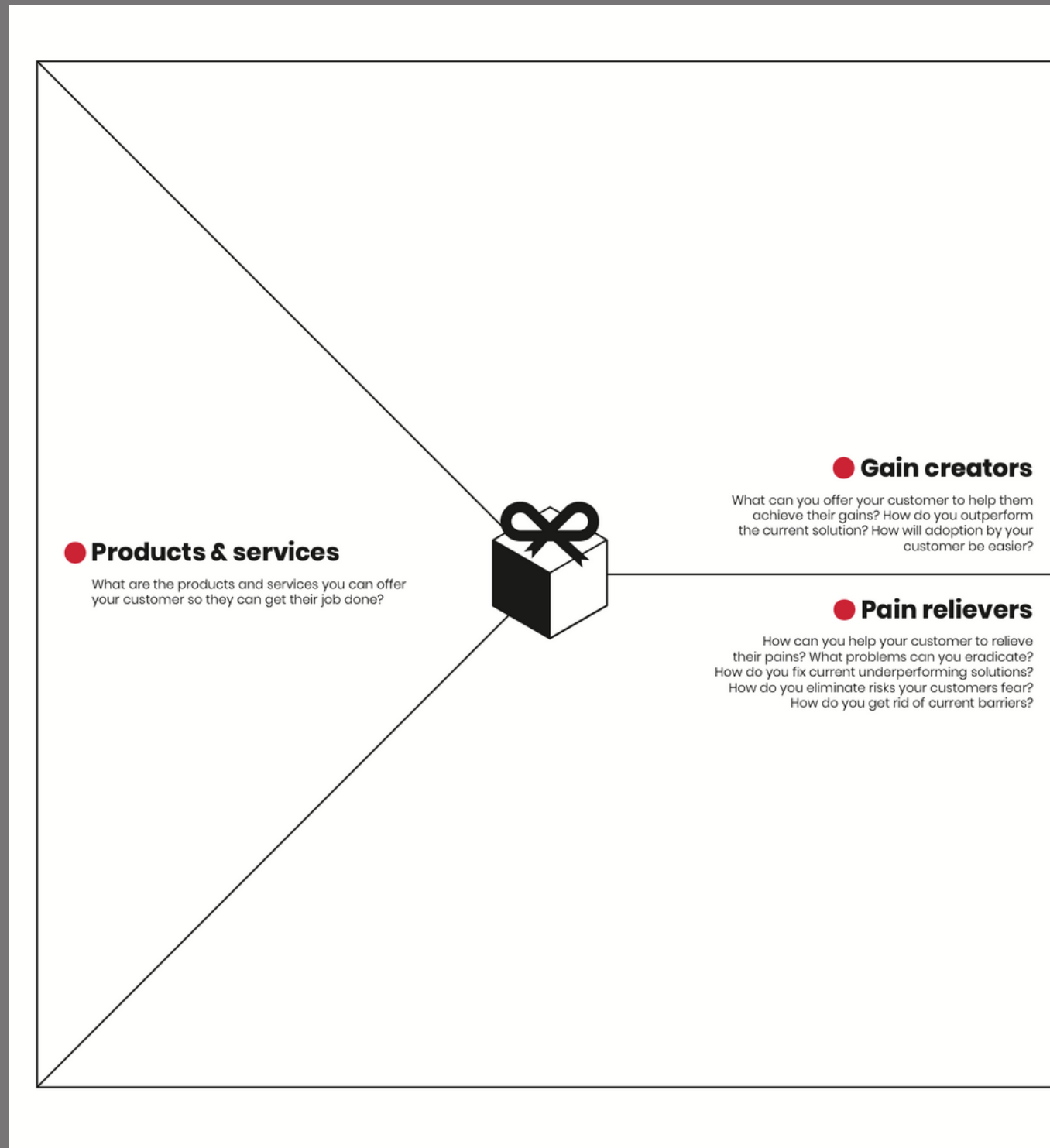– tests whether a product or service really delivers value to customers once they are using it

The Growth Hypothesis

– tests how people will find discover a product or service
– how do you move from early adopters to mass adoption?

Requires measuring behavior

– start with early adopters and deliver an MVP to try

WHAT THEY NEED

The process

Source: Strategizer

Step into Your Customers' Shoes

OBJECTIVE
Visualize what matters to your customers in a sharable format

OUTCOME
1 page actionable customer profile

How good is your understanding of your customers' jobs, pains, and gains? Map out a customer profile.

Instructions

Map the profile of one of your currently existing customer segments to practice using the customer profile. If you are working on a new idea, sketch out the customer segment you intend to create value for.

1. Download the Customer Profile canvas.
2. Grab a set of small sticky notes.
3. Map out your customer profile.

1

Select customer segment

Select a customer segment that you want to profile.

2

Identify customer jobs

Ask what tasks your customers are trying to complete. Map out all of their jobs by writing each one on an individual sticky note.

3

Identify customer pains

What pains do your customers have? Write down as many as you can come up with, including obstacles and risks.

4

Identify customer gains

What outcomes and benefits do your customers want to achieve? Write down as many gains as you can come up with.

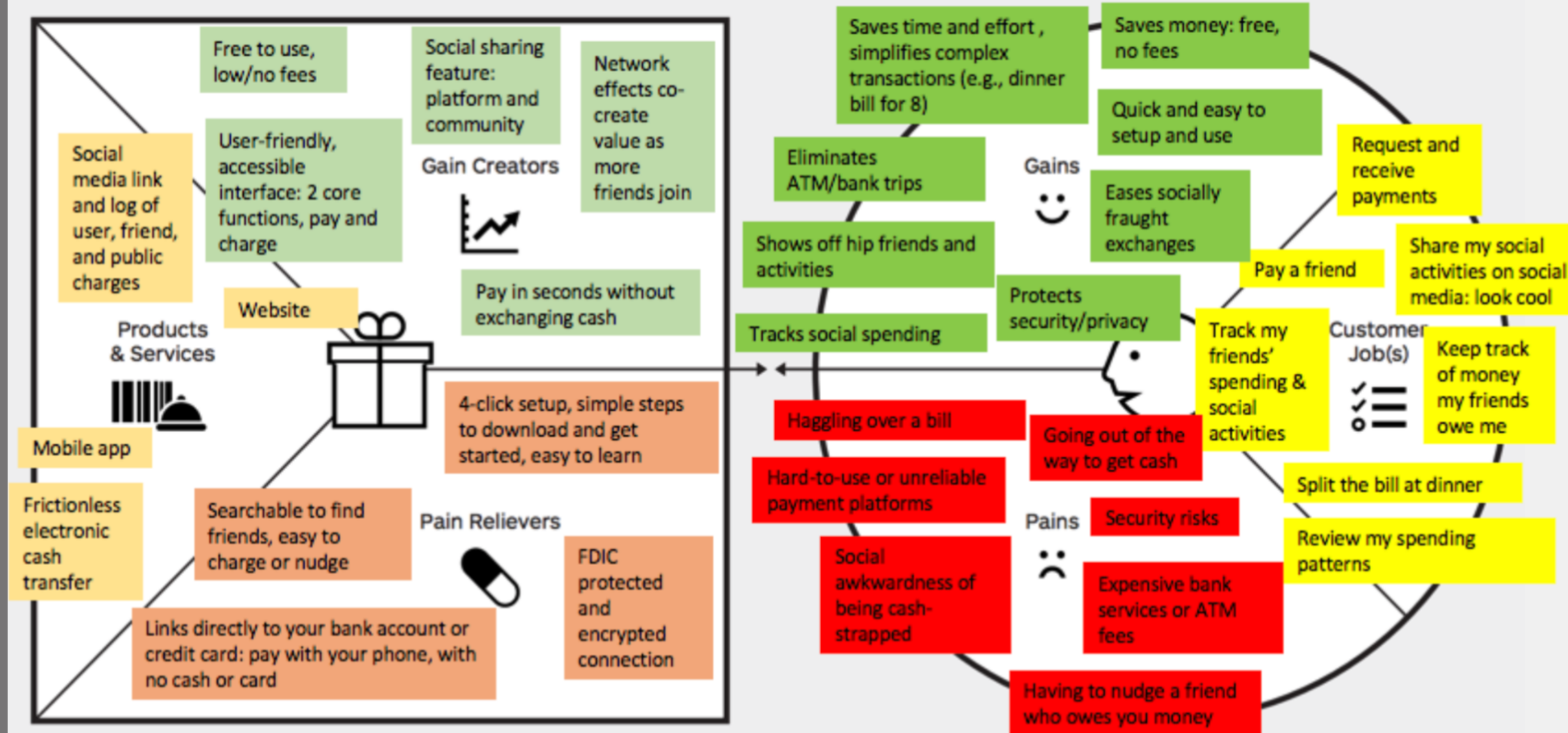**5**

Prioritize jobs, pains and gains

Order jobs, pains and gains in a column each with the most important jobs, most extreme pains and essential gains on top and the moderate pains and nice to have gains at the bottom.

EXAMPLE: VENMO

The Value Proposition Canvas

Value Proposition — A fast, easy way and social way to transfer funds to friends.

Customer Segment — Young urban professional millennials with limited disposable income.

Gain Creators
- Free to use, low/no fees
- Social sharing feature: platform and community
- Network effects co-create value as more friends join
- User-friendly, accessible interface: 2 core functions, pay and charge
- Social media link and log of user, friend, and public charges
- Website
- Pay in seconds without exchanging cash

Products & Services
- Mobile app
- Frictionless electronic cash transfer

Pain Relievers
- 4-click setup, simple steps to download and get started, easy to learn
- Searchable to find friends, easy to charge or nudge
- FDIC protected and encrypted connection
- Links directly to your bank account or credit card: pay with your phone, with no cash or card

Gains
- Saves time and effort, simplifies complex transactions (e.g., dinner bill for 8)
- Saves money: free, no fees
- Quick and easy to setup and use
- Eliminates ATM/bank trips
- Eases socially fraught exchanges
- Shows off hip friends and activities
- Protects security/privacy
- Tracks social spending

Customer Job(s)
- Request and receive payments
- Share my social activities on social media: look cool
- Pay a friend
- Track my friends' spending & social activities
- Keep track of money my friends owe me
- Split the bill at dinner
- Review my spending patterns

Pains
- Haggling over a bill
- Going out of the way to get cash
- Hard-to-use or unreliable payment platforms
- Security risks
- Social awkwardness of being cash-strapped
- Expensive bank services or ATM fees
- Having to nudge a friend who owes you money

EXAMPLE: TOYOTA ELECTRIC CARS

Finding the right fit

- Did you find a fit?
- Check your fit
- Do you have the same customer / different context?
Does that call for different solutions?

- Three kinds of fit:
- On paper /In the market /In the bank
**Create separate maps for different customer segments

THE GROWTH HYPOTHESIS
– TESTS HOW PEOPLE WILL FIND DISCOVER A PRODUCT OR SERVICE
– HOW DO YOU MOVE FROM EARLY ADOPTERS TO MASS ADOPTION?

grow

- Create new growth by identifying new customer groups
- Design solutions for new customer groups using the value map to create fit to their needs
- This creates an opportunity to explore new markets as you are ready for growth

THANKS TO EVERYONE WHO MAKES THE WE FORUM HAPPEN!

Mark your Calendar for this upcoming event:

E1 Expo and WE Forum combined

Thank you!