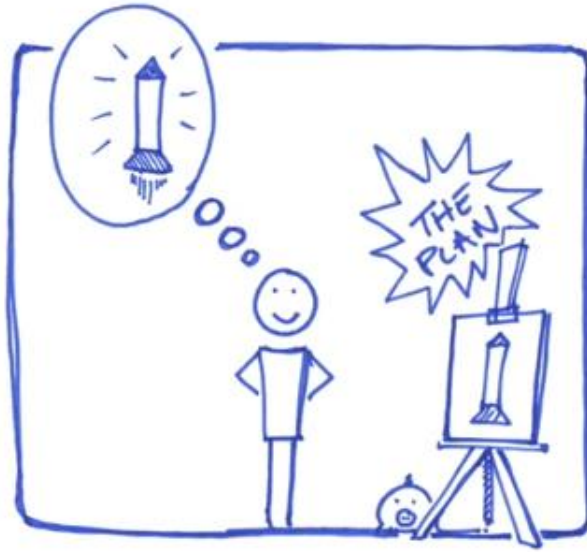


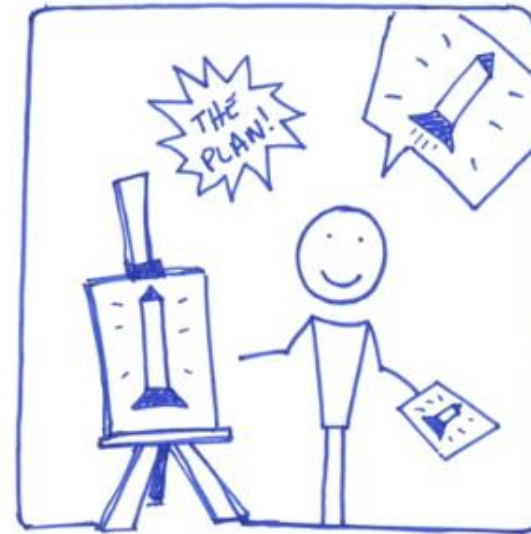
# Sketching a Solution Using Lean Canvas

Dr Jess Co  
Department of Management  
Monash Business School

# A tale of two start-ups

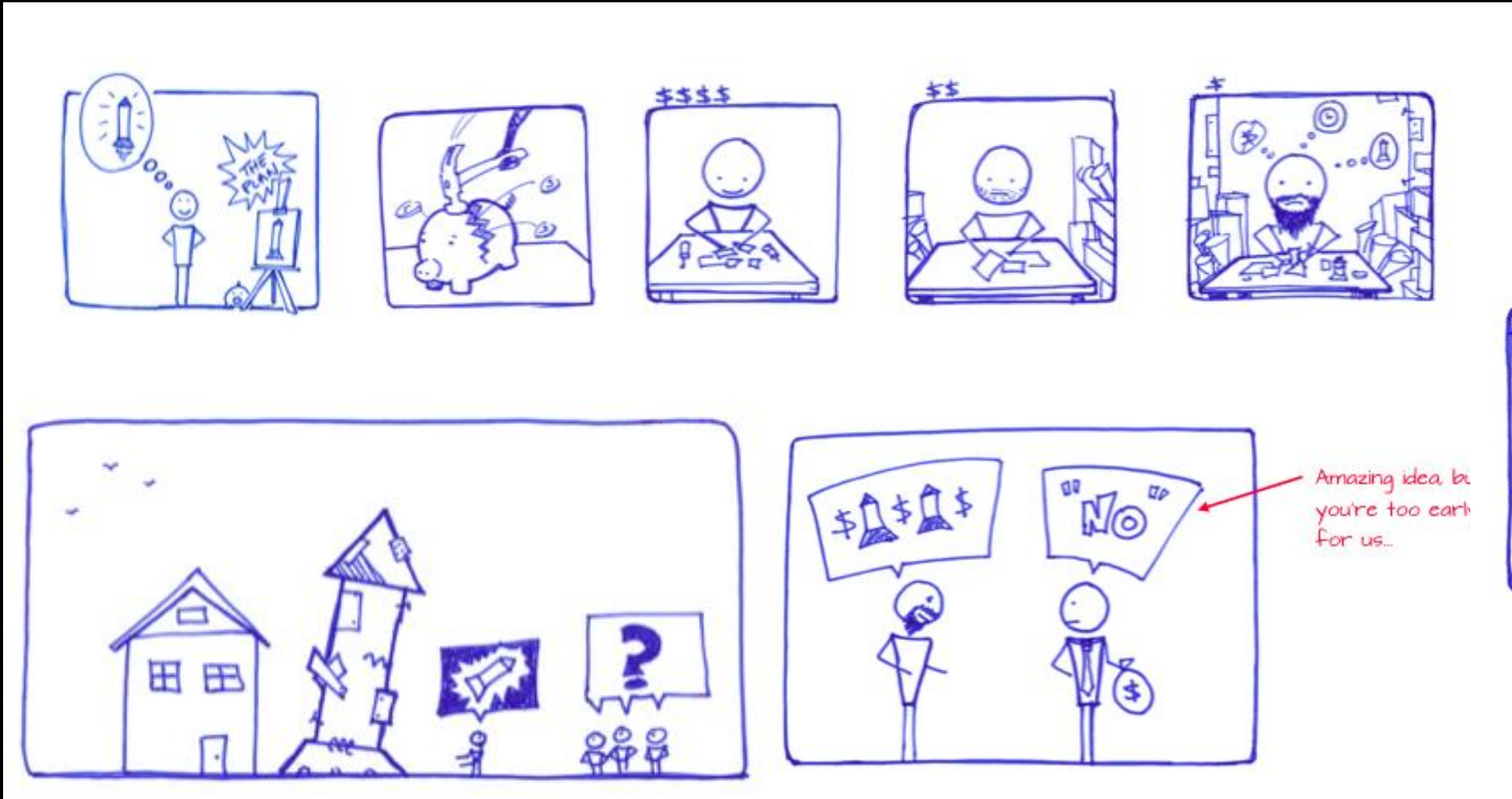


**STEVE**



**LARRY**

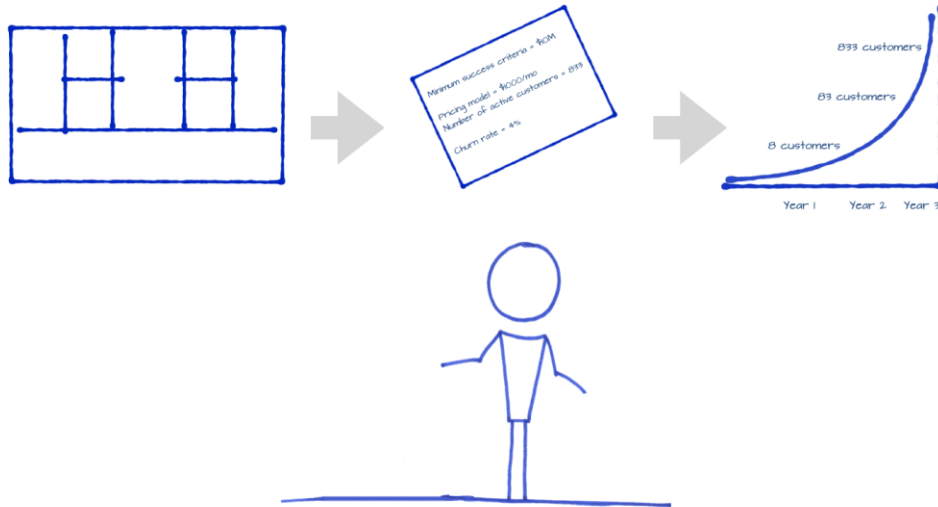
# Steve's Story



Amazing idea, but  
you're too early  
for us...



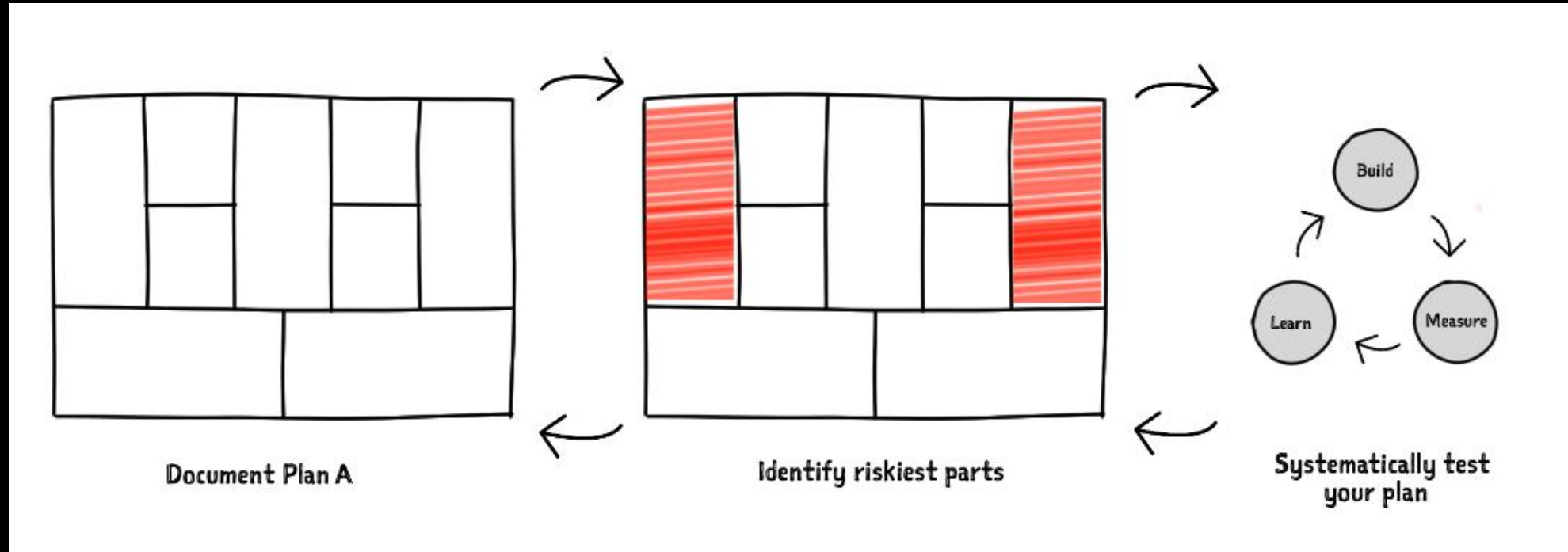
# Larry's Story



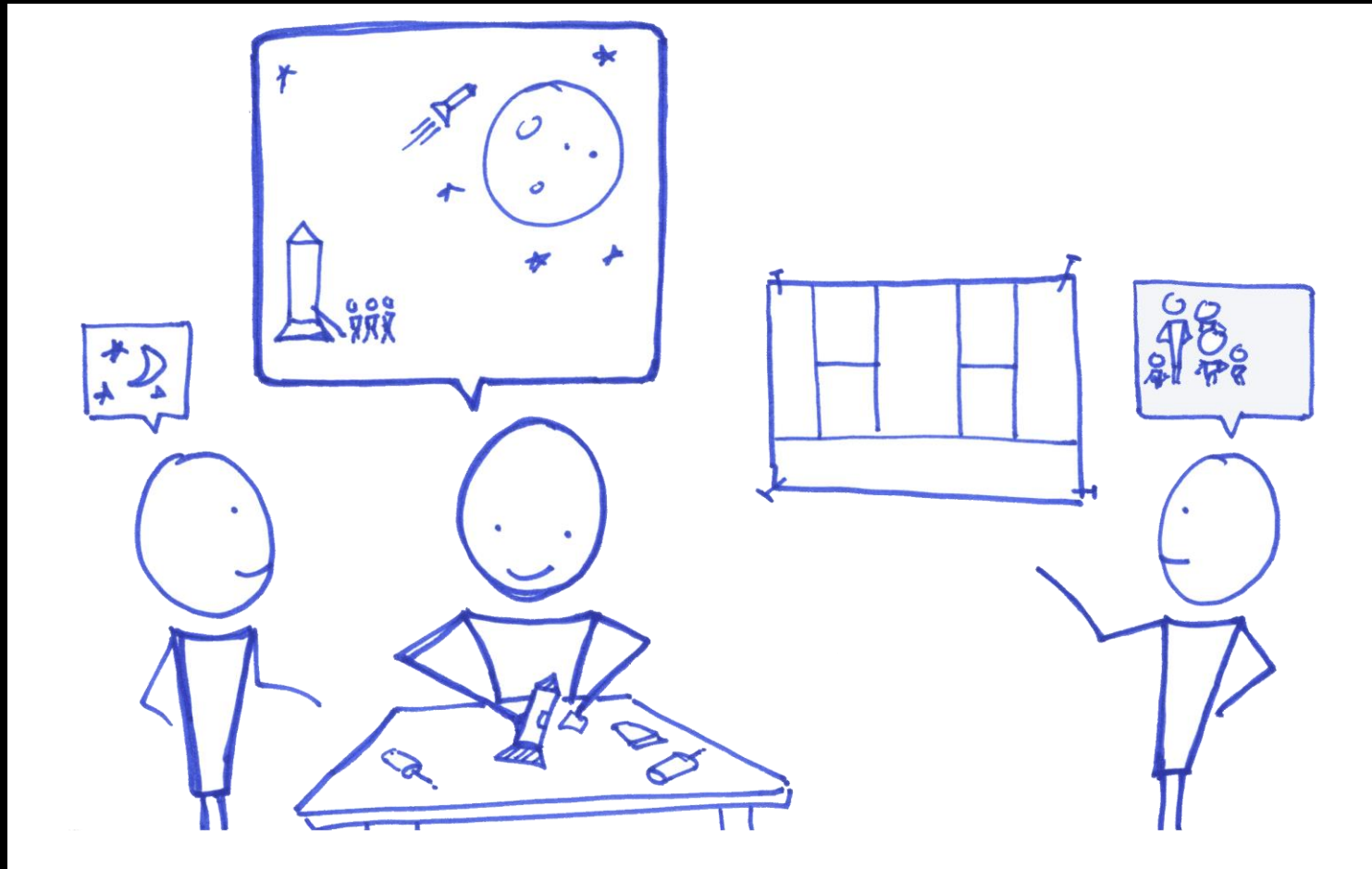
<b>PROBLEM</b>  List your customers top 3 problems	<b>SOLUTION</b>  Outline possible solution for each problem	<b>UNIQUE VALUE PROPOSITION</b>  Single, clear, compelling that turns an unaware visitor into an interested prospect	<b>UNFAIR ADVANTAGE</b>  Something that can't be easily copied or bought	<b>CUSTOMER SEGMENTS</b>  List your target customers and users
<b>EXISTING ALTERNATIVES</b>  List how these problems are solved today	<b>KEY METRICS</b>  List key numbers telling how your business is doing today	<b>HIGH LEVEL CONCEPT</b>  List your X for Y analogy (e.g. YouTube = Flickr for videos)	<b>CHANNELS</b>  List your path to customers	<b>EARLY ADOPTERS</b>  List characteristics of your ideal customer
<b>COST STRUCTURE</b>  List your fixed and variable costs			<b>REVENUE STREAMS</b>  List your sources of revenue	



# Larry's Story






# Larry's Story



Minimum Viable Product (MVP) - the smallest solution that creates, delivers and captures customer value.

# Example: Logseqmastery.com

Date of increase:	Current	16th May	1st June	Early July (TBC)	October (TBC)
<b>Logseq Mastery</b>  Tutorials	\$49	\$59	\$79	\$79	\$89
<b>Logseq Mastery</b>  Workflows & Systems	\$39	\$49	\$59	\$79	\$89
<b>Logseq Mastery</b>  Full course bundle	\$75	\$89	\$109	\$129	\$149
Colour scheme: <div> <div>Launch price</div> <div>Early beta</div> <div>Late beta</div> <div>Q3 price</div> <div>Q4 price</div> </div>					



# Question: Who was more successful?

**1 YEAR LATER...**



**STEVE**

Still building his product  
No product revenue  
Works alone

**Build-Demo-Sell**

**VS**



**LARRY**

Growing customer base  
Growing revenue  
Growing team

**Demo-Sell-Build**





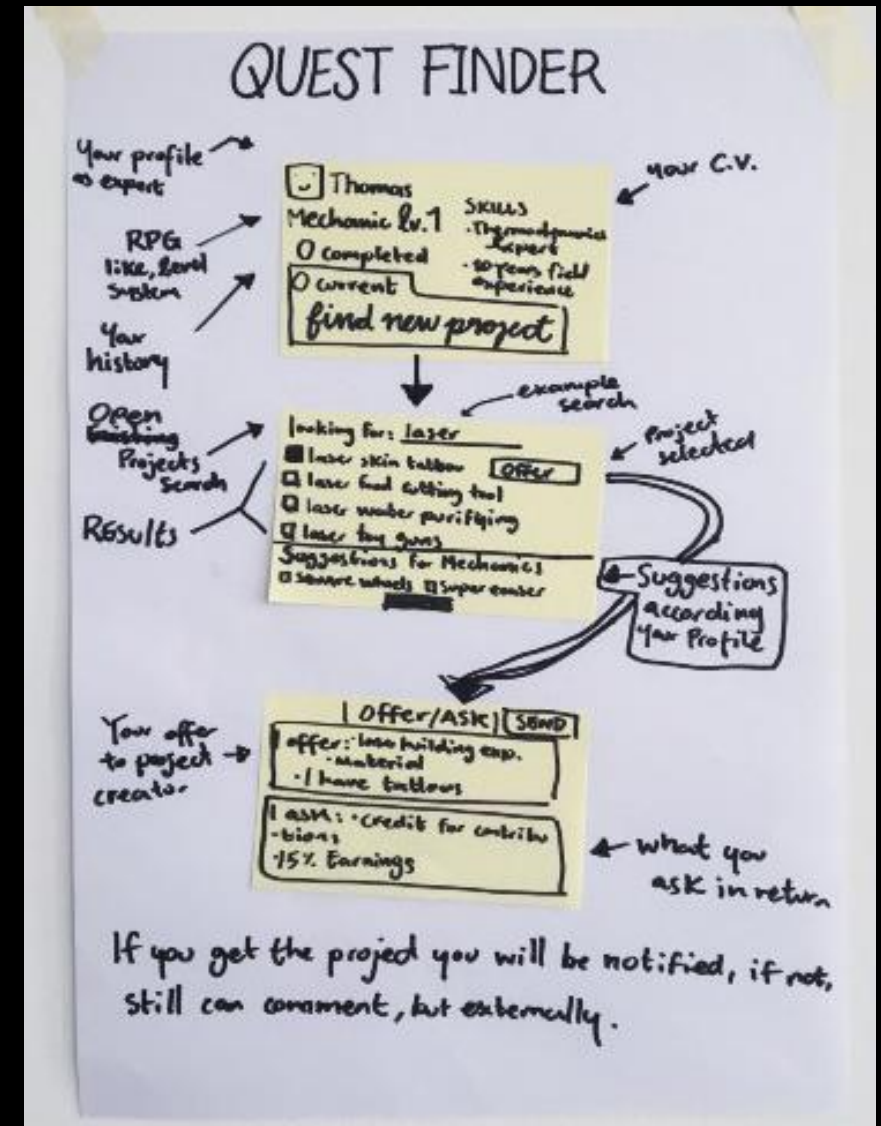
# Solution Sketch

- A method used to expand upon one solution idea.
- Each team member spends more time articulating one idea they are most interested in.
- Goal = create one fully fleshed out idea for the solution that is the best.
- You can use a visual storyboard showing what your customers see as they interact with your solution – 3 post-its.
- All team members then view and judge the ideas.



# Solution Sketch - Guidelines

- Make it self-explanatory
- Keep it anonymous
- Ugly is ok
- Words matter
- Give it a catchy title
- Once you have sketched your solution you can flesh it out more using a Lean Canvas.



# What is a Lean Canvas?

- Designed by Ash Maurya to help start-ups develop an actionable business plan that is customer-centric.
- An extension of Alex Osterwalder's Business Model Canvas
- The Business Model Canvas (BMC) visualizes the building blocks of the business – can be used for both existing and new businesses
- A business model describes how an organization makes money.
- The Lean Canvas differs from the BMC in that it focuses on a problem-solution approach which focuses on the customer.

# BUSINESS MODEL CANVAS



<b>KEY PARTNERS</b> Who are your key partners?	<b>KEY ACTIVITIES</b> What are the activities you perform every day to deliver your value proposition?	<b>VALUE PROPOSITION</b> What is the value you deliver to your customer? What is the customer need that your value proposition addresses?	<b>CUSTOMER RELATIONSHIPS</b> What relationship does each customer segment expect you to establish and maintain?	<b>CUSTOMER SEGMENTS</b> Who are your customers?
	<b>KEY RESOURCES</b> What are the resources you need to deliver your value proposition?		<b>CHANNELS</b> How do your customer segments want to be reached?	
<b>COST STRUCTURE</b> What are the important costs you make to deliver the value proposition?			<b>REVENUE STREAMS</b> How do customers reward you for the value you provide to them?	



# LEAN CANVAS

Title: \_\_\_\_\_

Created By: \_\_\_\_\_

Date: \_\_\_\_\_



MONASH  
University

## PROBLEM

List your top 1-3 problems.



BMC –  
Key Partners

## EXISTING ALTERNATIVES

List how these problems are solved today



BMC – N/A

## SOLUTION

Outline a possible solution for each problem.



BMC –  
Key Activities

## KEY METRICS

List the key numbers that tell you how your business is doing



BMC –  
Key Resources

## UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.



SAME AS BMC

## HIGH LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)



BMC – N/A

## UNFAIR ADVANTAGE

Something that cannot easily be bought or copied



BMC –  
Customer  
Relationships

## CHANNELS

List your path to customer (inbound or outbound)



## CUSTOMER SEGMENTS

List your target and users.



SAME AS BMC

## EARLY ADOPTERS

List the characteristics of your ideal customers



BMC – N/A

## COST STRUCTURE

List your fixed and variable costs



SAME AS BMC

## REVENUE STREAMS

List your sources of revenue



SAME AS BMC

# LEAN CANVAS

Title: \_\_\_\_\_

Created By: \_\_\_\_\_

Date: \_\_\_\_\_



MONASH  
University

## PROBLEM

List your top 1-3 problems.



2

## EXISTING ALTERNATIVES

List how these problems are solved today



## SOLUTION

Outline a possible solution for each problem.



4

## KEY METRICS

List the key numbers that tell you how your business is doing



8

## UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.



3

## HIGH LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)



## UNFAIR ADVANTAGE

Something that cannot easily be bought or copied



9

## CHANNELS

List your path to customer (inbound or outbound)



5

## CUSTOMER SEGMENTS

List your target and users.



1

## EARLY ADOPTERS

List the characteristics of your ideal customers



## COST STRUCTURE

List your fixed and variable costs



7

## REVENUE STREAMS

List your sources of revenue



6

# LEAN CANVAS

Title:



Created By:

Chesky & Gebbia

Date:

2008

## PROBLEM

List your top 1-3 problems.

- Guests want to cut travel expenses; want unique insider experience
- Hosts want to earn money by renting out their space; provide unique experience

## EXISTING ALTERNATIVES

List how these problems are solved today

Hotels.com  
Booking.com

## SOLUTION

Outline a possible solution for each problem.

An online service where travelers can rent affordable local accommodation & property owners can earn income from renting out vacant rooms

## KEY METRICS

List the key numbers that tell you how your business is doing

- Number of views to bookings per host
- Number of hosts applied
- DAU/MAU
- Net promoter score

## UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

- Guests get affordable & authentic local experience
- Hosts make profit

## HIGH LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

- Belong anywhere



## UNFAIR ADVANTAGE

Something that cannot easily be bought or copied

- Choice and variety
- Trust-building through bi-directional rating system
- Insurance by default for hosts

## CHANNELS

List your path to customer (inbound or outbound)

- Referrals
- Recommendations
- Advertising (online & offline)

## CUSTOMER SEGMENTS

List your target and users.

- Guests
- Hosts

## EARLY ADOPTERS

List the characteristics of your ideal customers

People ready to share their spaces and earn money as hosts

## COST STRUCTURE

List your fixed and variable costs

- Website development and maintenance
- Website hosting
- Marketing
- Payroll
- Insurance
- Photography

## REVENUE STREAMS

List your sources of revenue

- Fees from travelers (to book)
- Fees from hosts (to add their property to the website)

Thanks for listening? Any questions?