



**Trinity College Dublin**  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

# CS7CS6: Part 2: Business Model Canvas Blocks

**Dave Lewis**  
Associate Prof  
[Dave.lewis@scss.tcd.ie](mailto:Dave.lewis@scss.tcd.ie)  
ORI G.38

**With thanks to:**  
Steve Blank, Jon Feiber, Jon Burke, Liam Cronin  
Based on <http://i245.stanford.edu/>  
And icorps : [https://www.nsf.gov/news/special\\_reports/i-corps/](https://www.nsf.gov/news/special_reports/i-corps/)

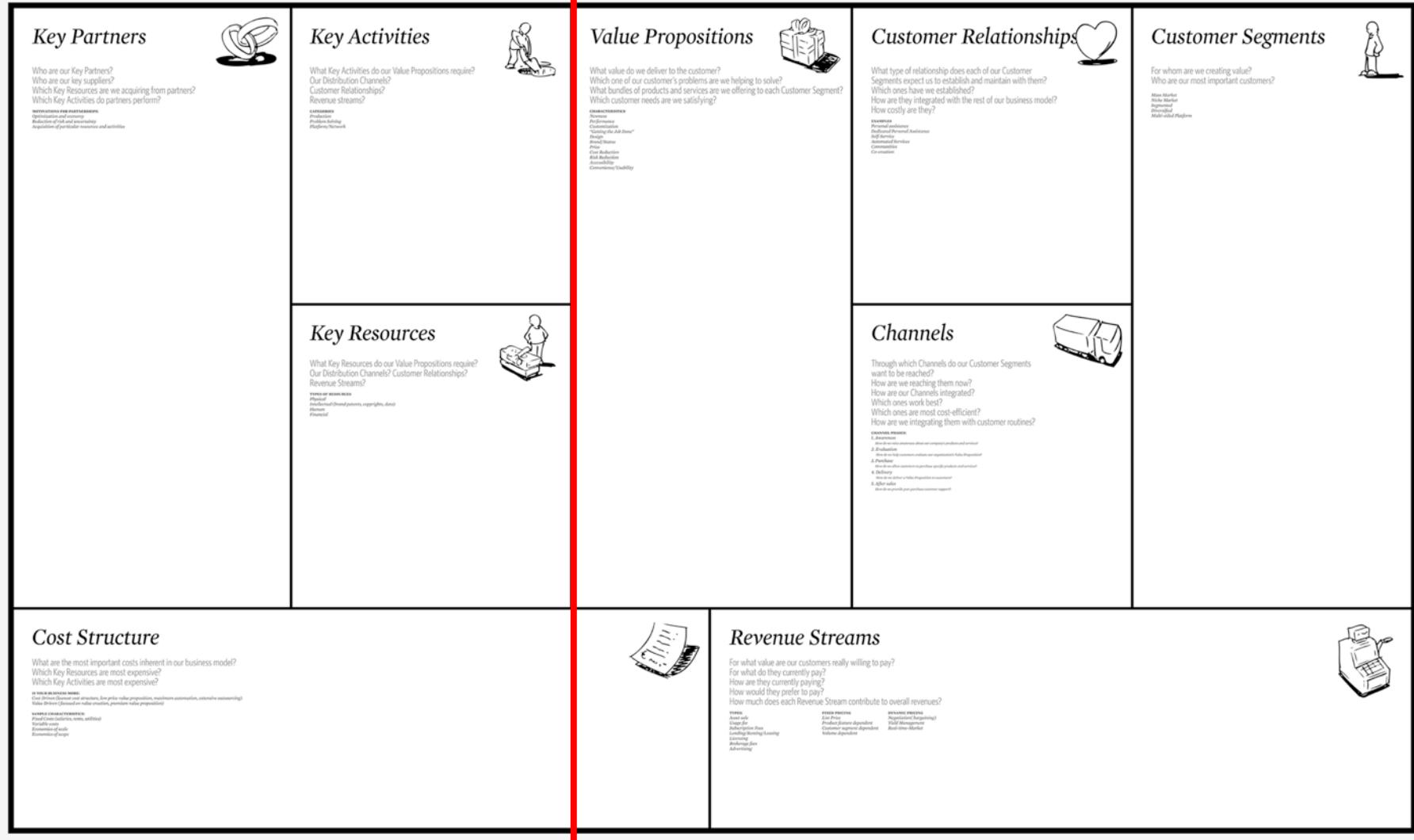
# The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

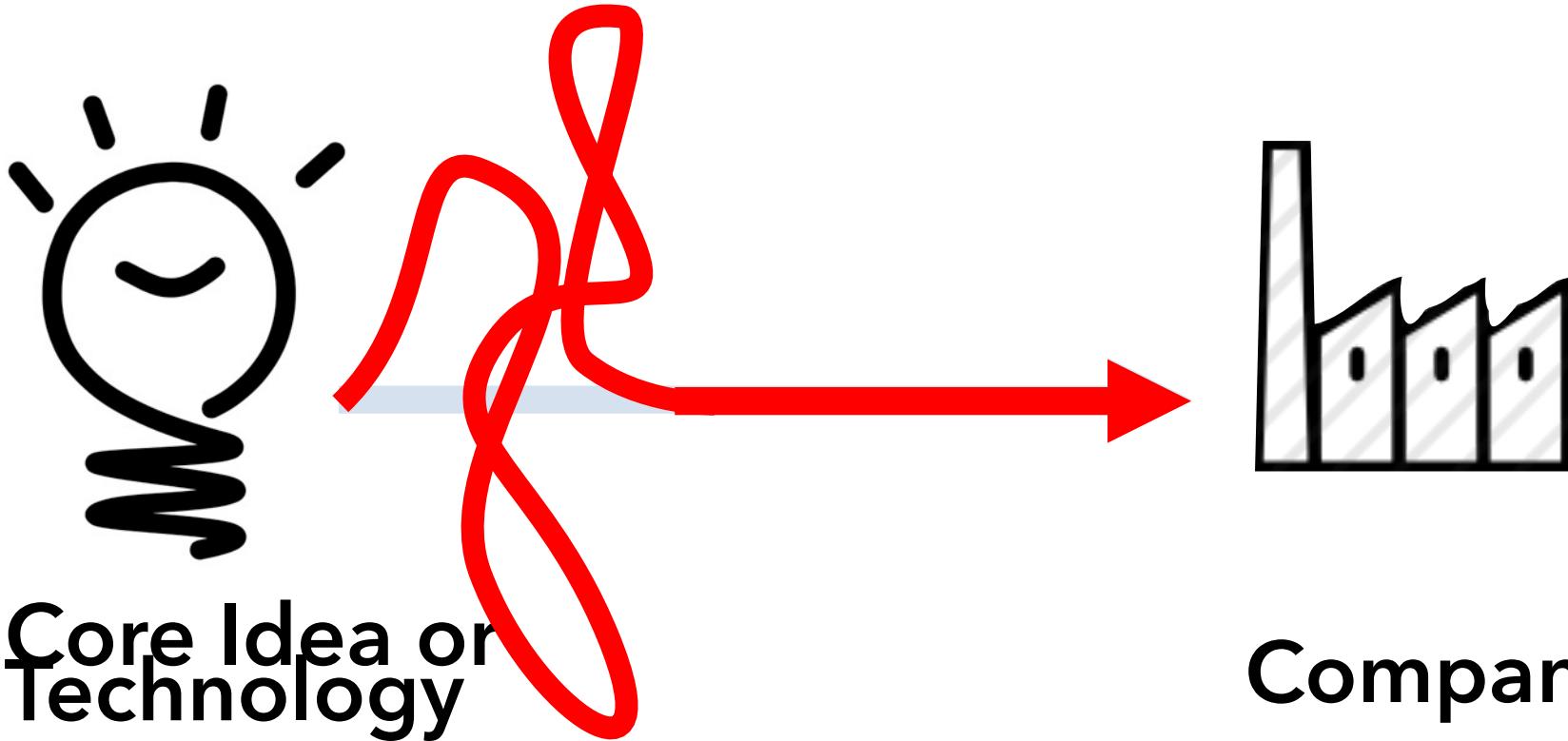
Iteration:



[www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)

This work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License.  
To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/3.0/>  
or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California 94107, USA.





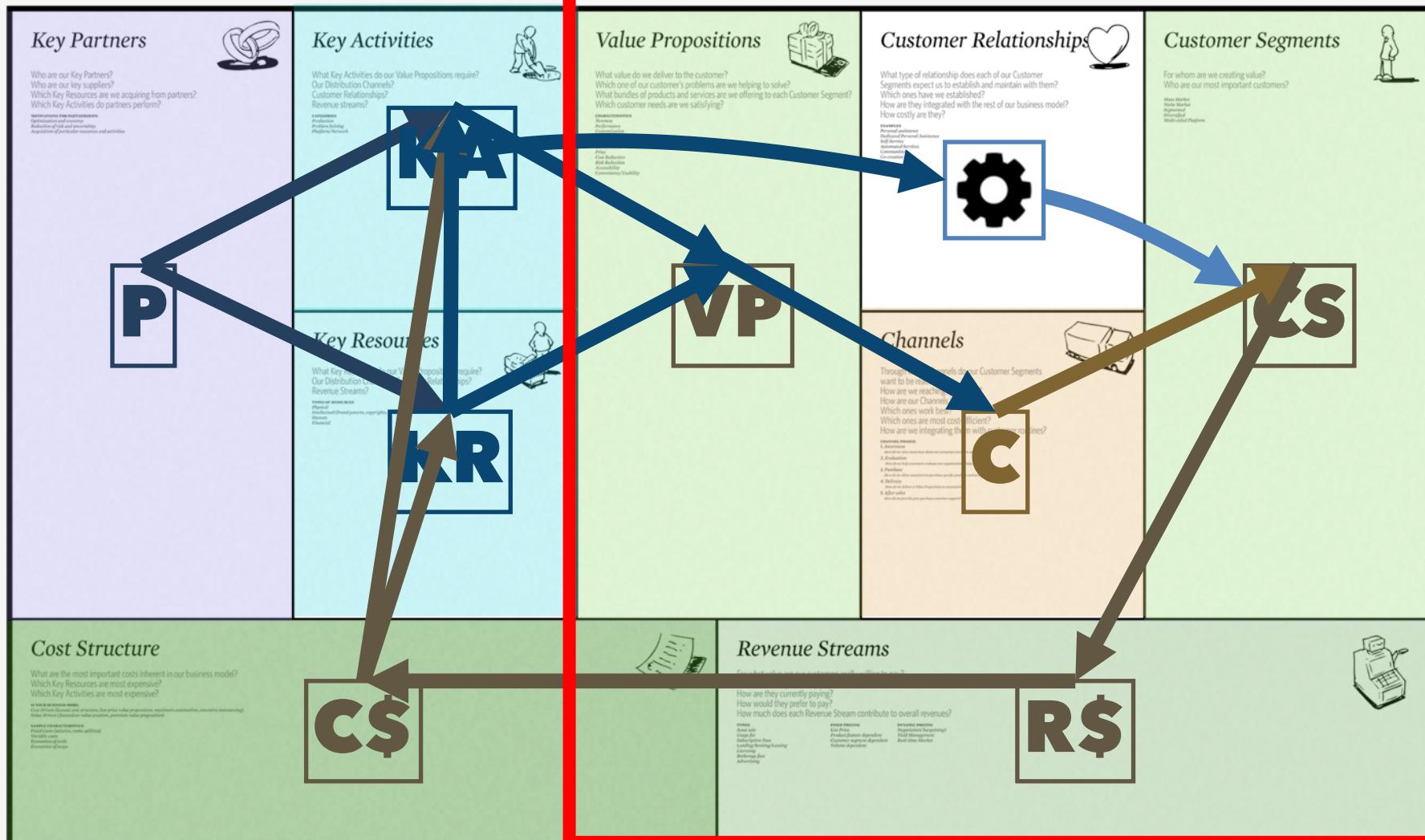
# **The Business Model Canvas**

Designed for

Designed by:

*On:*

### *Iteration:*



[www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)

This work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License.  
To view a copy of this license, visit <http://creativecommons.org/licenses/by-sa/3.0/>  
or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94107, USA.



# CS7CS6: 100% Continuous Assessment

Allocate to Groups & Assign Seed Project

**Build businesss model and hypotheses tests with possible customers – Blog1**

Report and get Feedback – Repeat –  
Blog 2 (includes innovation ethics)

Present Lessons Learned and Go/No Go

# Continuous Assessment Submission

Coursework material for assessment should be via the **group blog** and a snapshot of your **business model canvas** on Powerpoint

To submit the coursework for assessment provide the following evidence of progress:

- The link to your Business Model Canvas (BMC) using powerpoint template. Title the model ending in “(Phase1)”
- The link of a post on your group blog that summarises the progress to the submission date. This and the blog posts prior to this post will be used together with the BMC snapshot to provide an initial grade for the phase. This will be revised based on the presentation of the phase.

# 1<sup>st</sup> Round Details: Business Model Canvas

A business model canvas with **at least**:

- **Value Propositions**, including:
  - product/service features,
  - the Pains they address and
  - the Gain they create;
- **Customer Segments** (with multiple segments, and other corresponding element differentiated by colour coding), including:
  - the jobs to be done and the associated problems or needs of the customer segment,
  - the pains the need to be overcome and
  - the gains the customer would expect.

# Blog 1 is first iteration

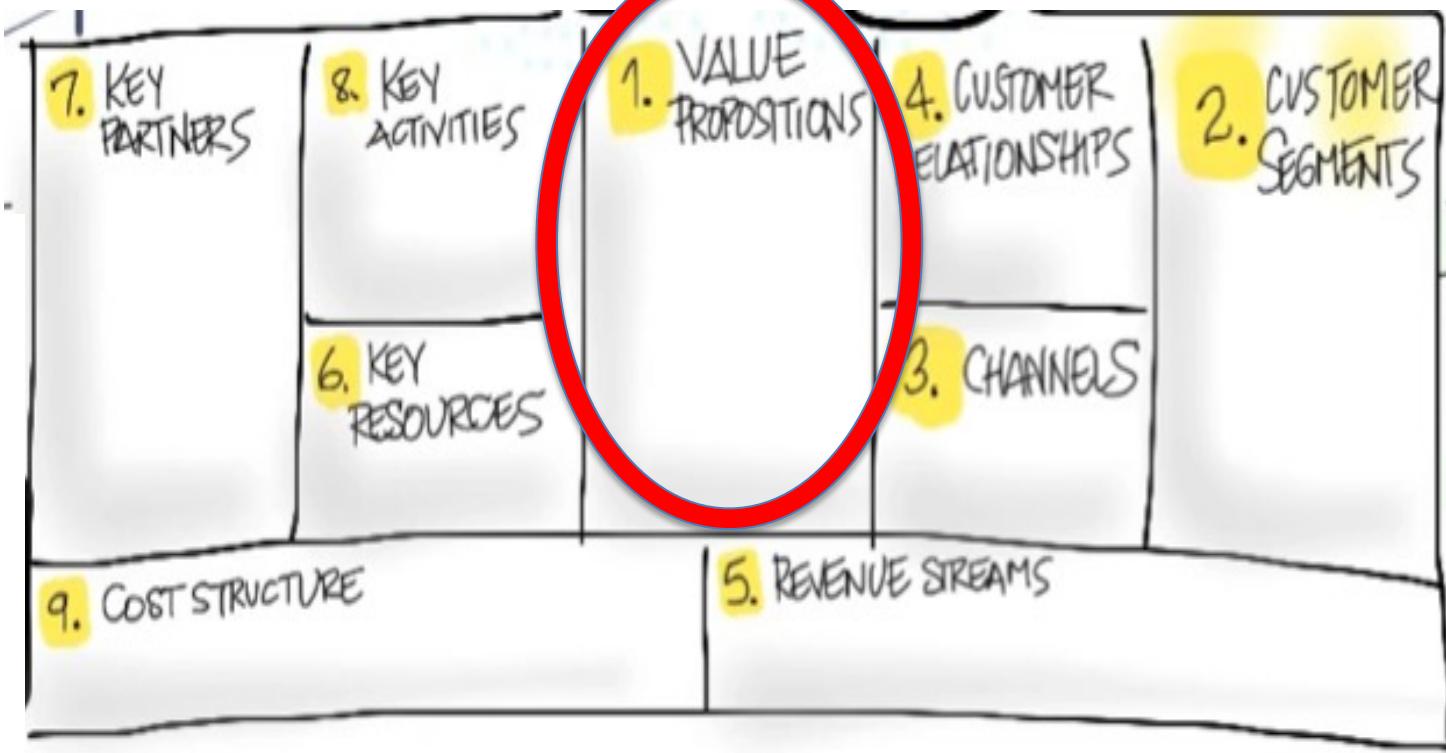
## Looking for:

- **Your initial ideas on value proposition and customer segments – don't set in stone, you'll need to perform evidence-based pivots as you go**
  - Could include: market size and type, competition, relationships between segments, what an MVP might look like
- **Some indication of how you capture your ideas as hypotheses and how you will test these**
  - Interviews are the best medium to test hypotheses
  - May complement with surveys, online channel tests etc



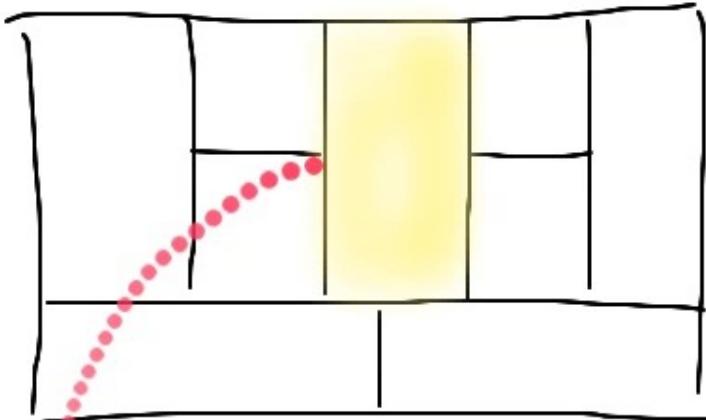
**Trinity College Dublin**  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

# Value Proposition



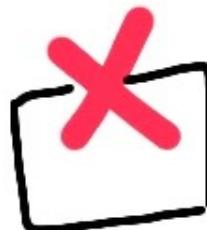
# Value Proposition

What Are You Building and For Who?



A

## 1. VALUE PROPOSITIONS

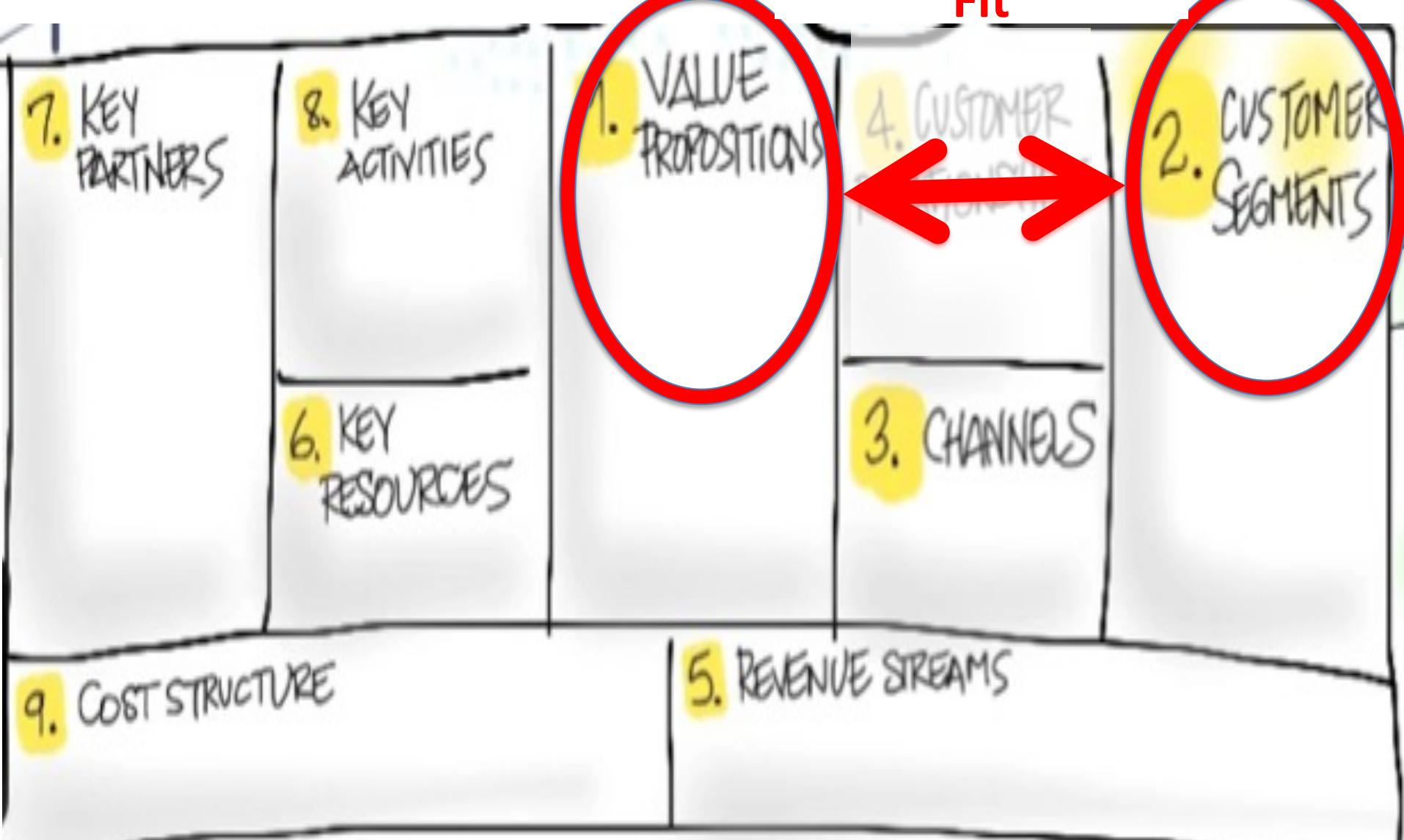


"It's not about your IDEA or PRODUCT!"

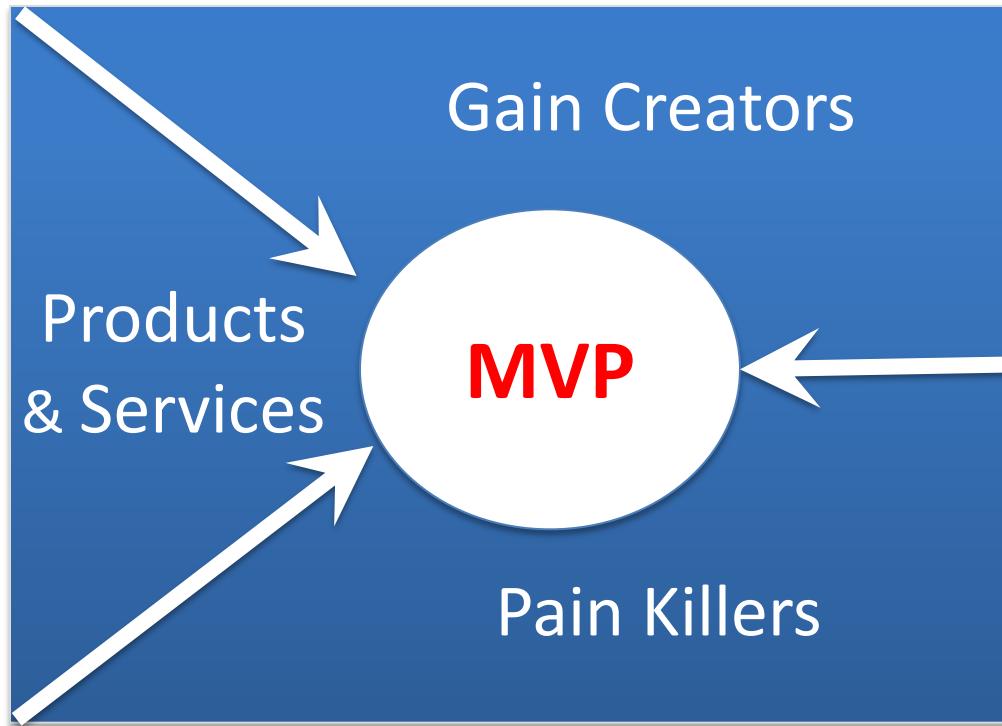


## Product/Market

Fit

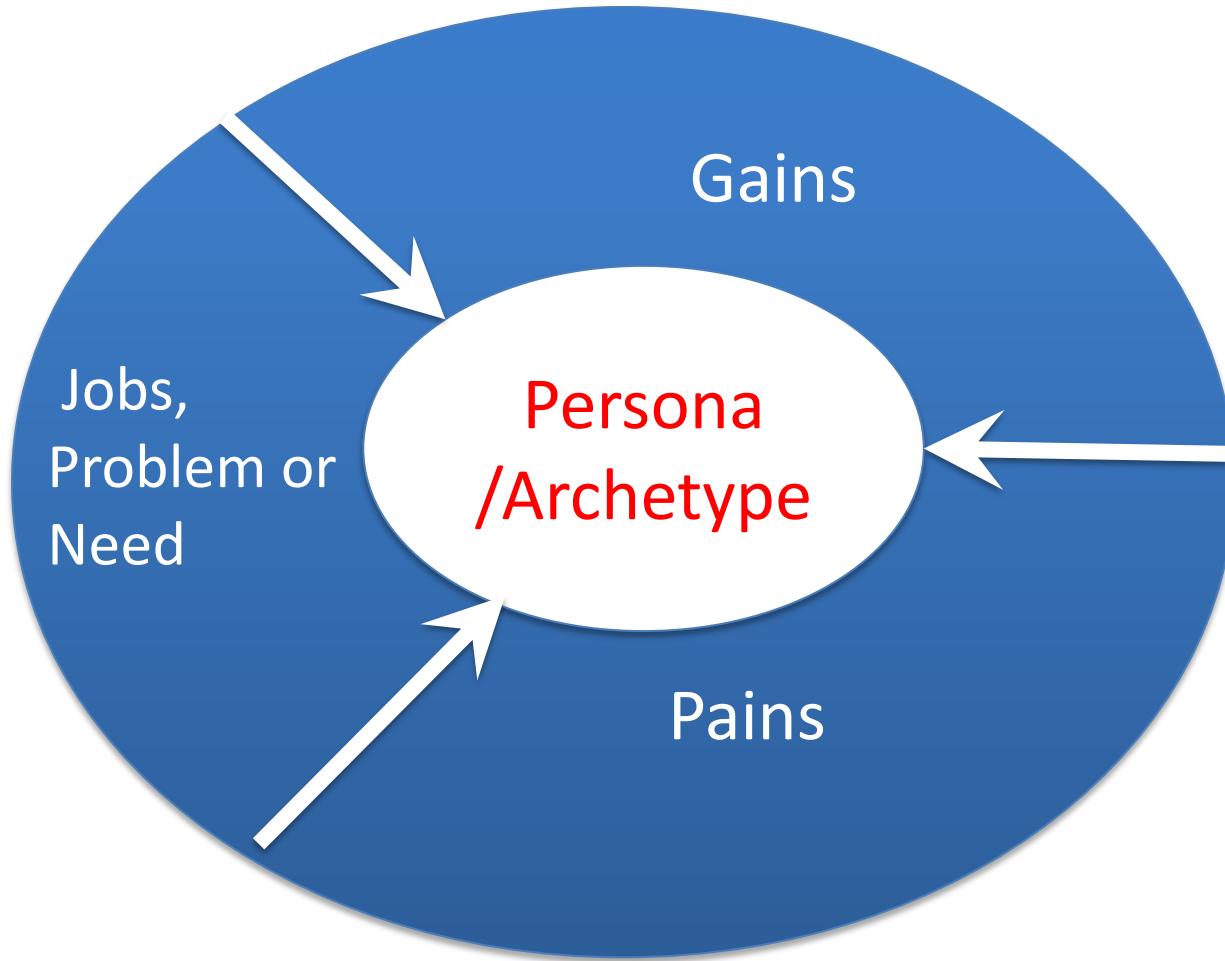


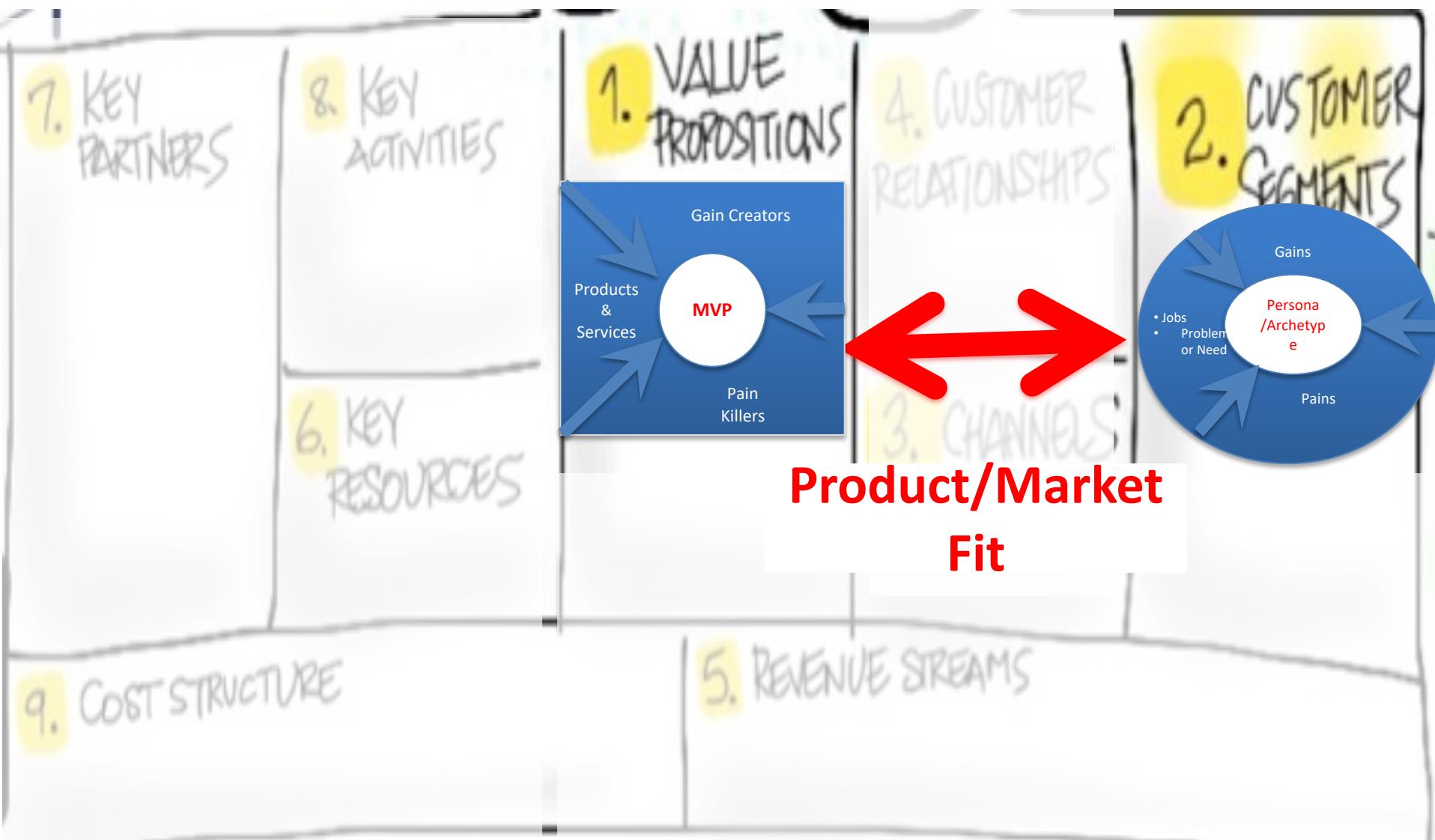
# The Value Proposition



**MVP=Minimum Viable Product**

# The Customer Segment





# Value Proposition

A Value Proposition is a statement that explains how some bundle of your products and services addresses the **important jobs**, alleviates the **extreme pains**, and creates the **essential gains** that a customer **cares about**.

# Value Proposition - Products

**Which are part of your value proposition?**

- (e.g. manufactured goods, commodities, produce, ...)

**Which intangible products are part of your VP?**

- (e.g. copyrights, licenses, ...)

**Which financial products?**

- (e.g. financial guarantees, insurance policies, ...)

**Which digital products?**

- (e.g. mp3 files, e-books, ...)

# Value Proposition - Services

**Which core services are part of your value proposition?**

- (e.g. consulting, a haircut, investment advice, ...)

**Which pre-sales or sales services?**

- (e.g. help finding the right solution, financing, free delivery service, ...)

**Which after-sales services?**

- (e.g. free maintenance, disposal, ...)

# Pain Killers - Hypotheses

## Produce savings?

- (e.g. time, money, or efforts, ...)

## Make your customers feel better?

- (e.g. kills frustrations, annoyances, things that give them a headache, ...)

## Fix underperforming solutions?

- (e.g. new features, better performance, better quality, ...)

## Ends difficulties and challenges customers encounter?

- (e.g. make things easier, helping them get done, eliminate resistance, ...)

## Wipe out negative social consequences?

- (e.g. loss of face, power, trust, or status, ...)...

## Eliminate risks

- (e.g. financial, social, technical risks, or what could go awfully wrong, ...)

# Pain Killer – Is it a Problem or a Need?

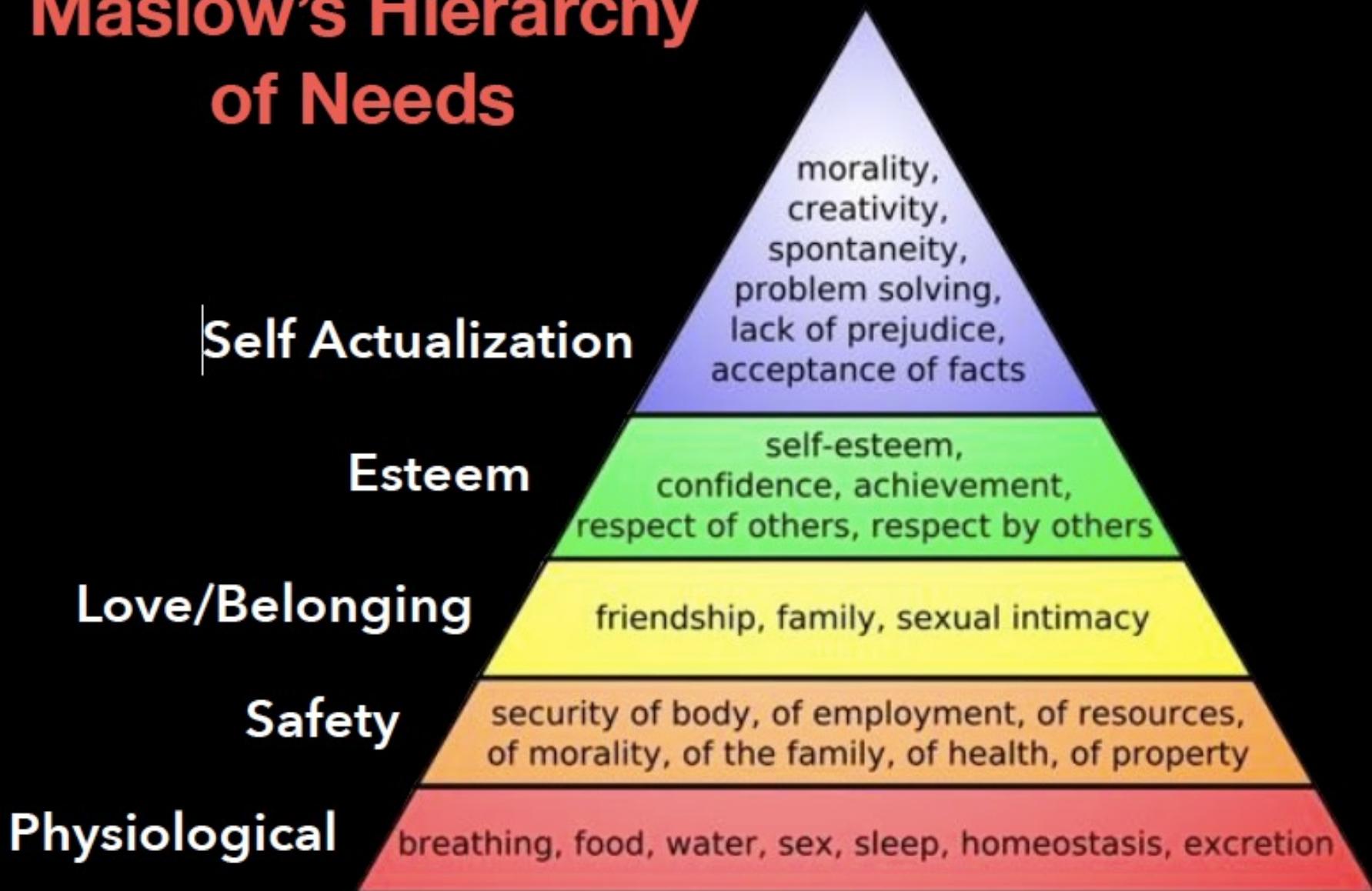
**Are you solving a Problem?**

**Are you fulfilling a Need?**

**For who?**

**How do you know?**

# Maslow's Hierarchy of Needs



# Pain Killer - Ranking

- Rank each pain your products and services kill according to their intensity for the customer.
- Is it very intense or very light?
- For each pain indicate the frequency at which it occurs

# Gain Creators- Hypotheses

**Create savings that make your customer happy?**

- (e.g. in terms of time, money and effort, ...)

**Produce expected or better than expected outcomes?**

- (e.g. better quality level, more of something, less of something, ...)

**Copy or outperform current solutions that delight customer?**

- (e.g. regarding specific features, performance, quality, ...)

**Make your customer's job or life easier?**

- (flatter learning curve, usability, accessibility, more services, lower cost of ownership, ...)

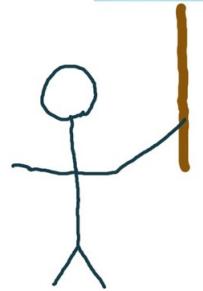
**Create positive consequences that customer desires?**

- (makes them look good, produces an increase in power, status, ....).

# Gain Creator- Ranking

- Rank each gain your products and services create according to its relevance to the customer.
- Is it substantial or insignificant?
- For each gain indicate the frequency at which it occurs.

**KEEP IT  
SIMPLE  
STUPID.**



# Minimum Viable Product

# Define the Minimum Viable Product – *Web/Mobile*

**NOW build a “low fidelity” app for customer feedback**

- tests your understanding of the problem

**LATER build a “high fidelity” app tests your understanding  
of the solution**

- Proves that it solves *a core problem* for customers
- The minimum set of features needed to learn from early evangelists
- **Avoid building products nobody wants**
- **Maximize the learning per time spent**

# Key Questions for Value Proposition

**Problem Statement:** *What is the problem?*

**Ecosystem:** *For whom is this relevant?*

**Competition:** *What do customers do today?*

**Technology / Market Insight:** *Why is the problem so hard to solve?*

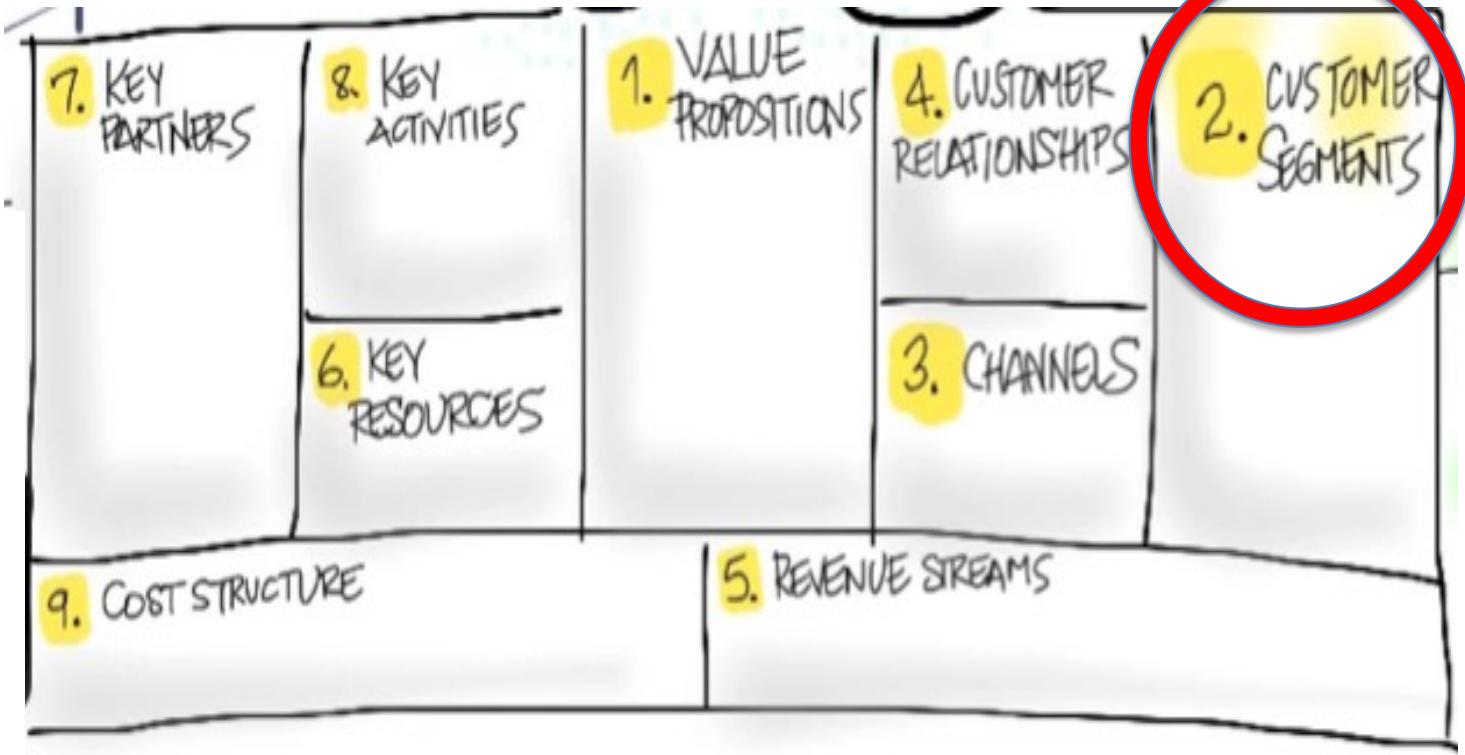
**Market Size:** *How big is this problem?*

**Product:** *How do you do it?*



**Trinity College Dublin**  
Coláiste na Tríonóide, Baile Átha Cliath  
The University of Dublin

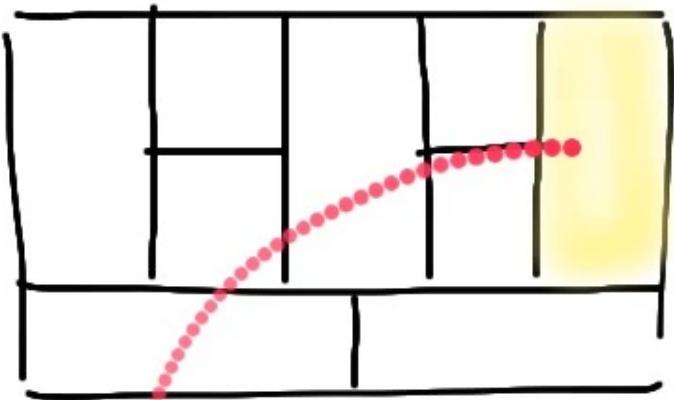
# Customer Segments



# Customer Segments

Who Are They?

Why Would They Buy?



Customer  
ARCHETYPE..

WHO are  
they?  
WHY would  
they buy?

## 2. CUSTOMER SEGMENTS



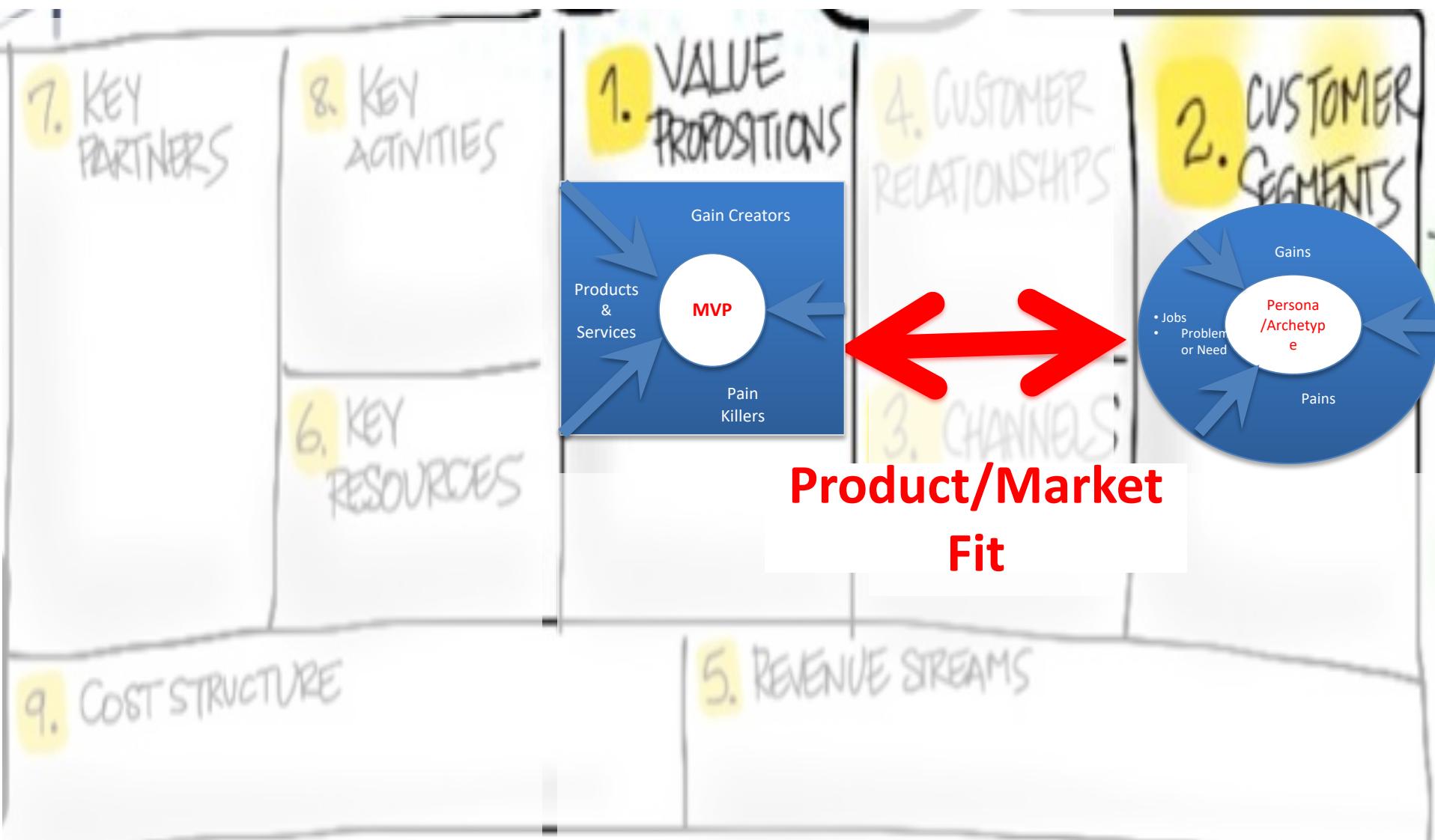
Your customers  
do not exist to BUY.  
You exist for them.

OH?



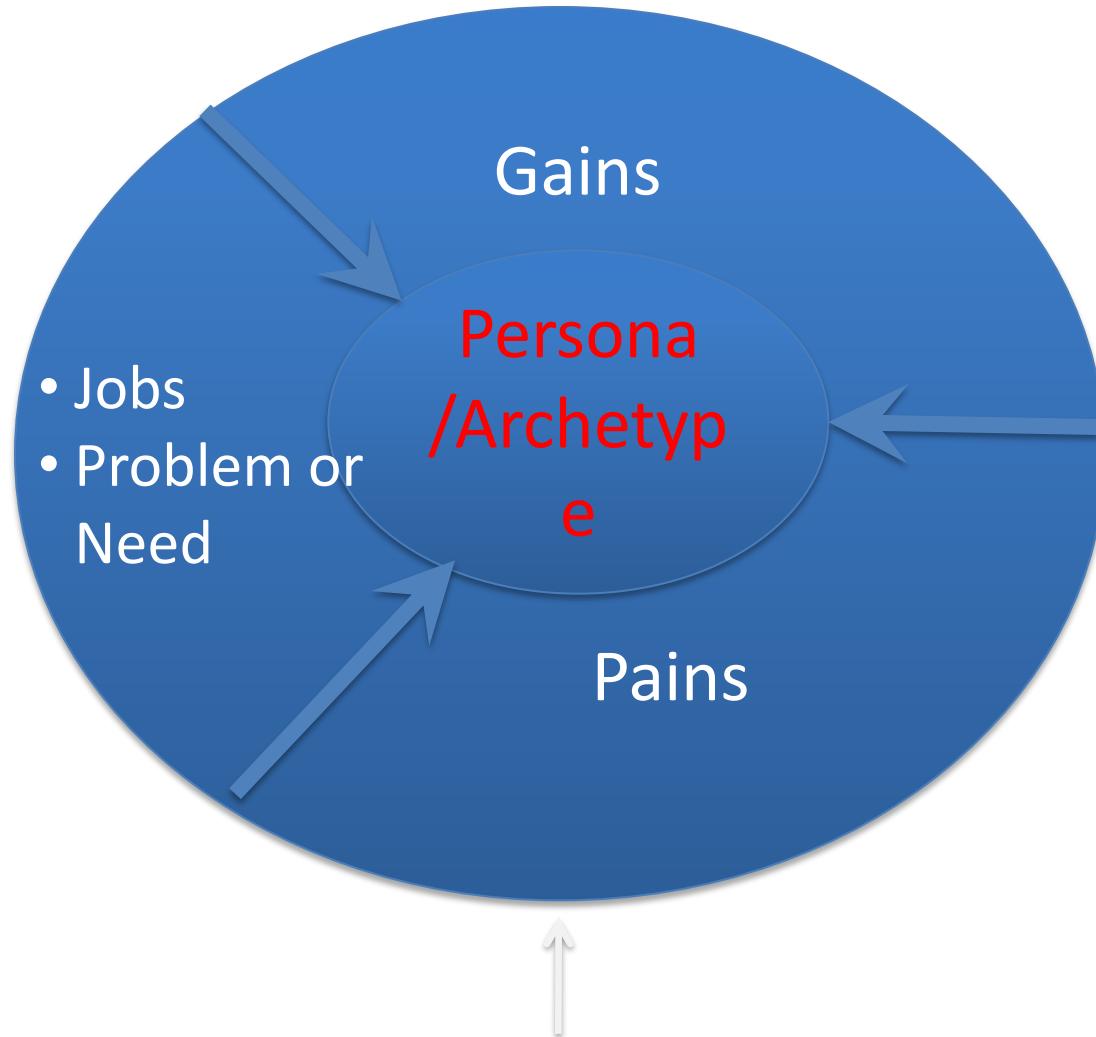
-GEOGRAPHIC  
-SOCIAL  
-DEMOGRAPHIC

24 years old  
Male  
City dweller  
Avid Social media user  
Single inc



**Pain = Customer Problem**  
**Gain = Customer Solution**

# The Customer Segment



# **Jobs to Be Done Problems/Needs**

**What is the customer segment trying to get done?**

**Is it a problem or a need?**

# Customer Segments – Jobs/Needs

**What functional or social jobs are getting done?**

- (e.g. perform or complete a specific task, solve a specific problem or trying to look good, gain power or status, ...)

**What emotional jobs?**

- (e.g. aesthetics, feel good, security, ...)

**What basic needs are you helping your customer satisfy?**

- (e.g. entertainment, communication, dating, ...)

# Customer Segment Jobs - Rank

**Rank each job according to its significance to the customer.**

**Is it crucial or is it trivial?**

**For each job indicate the frequency at which it occurs.**

**Outline in which specific context a job is done, because that may impose constraints or limitations**

- (e.g. while driving, outside, ...)

# **Customer Pains**

**undesired costs and situations, risks,  
negative emotions**

# Customer Segments – Pains

**What do your customers find too costly?**

- (e.g. takes a lot of time, costs too much, requires substantial efforts, ...)

**How are current solutions underperforming?**

- (e.g. lack of features, performance, malfunctioning, ...)

**What are the customers main difficulties and challenges?**

- (difficulties getting things done, resistance, ...)

**What's keeping your customer awake at night?**

- (e.g. big issues, concerns, worries, ...)

# Customer Segments – Pains

**What barriers are keeping customers from adopting?**

- (e.g. upfront investment costs, learning curve, resistance to change, ...)

**What makes your customers feel bad?**

- (e.g. frustrations, annoyances, things that give them a headache, ...)

**What risks do customers fear?**

- (e.g. financial, social, technical risks, or what could go awfully wrong, ...)

# **Customer Gains**

**benefits the customer expects, desires or is surprised by.**

**includes functional utility, social gains, positive emotions,  
and cost savings**

# Customer Segments – Gains

**Which savings would make your customer happy?**

- (e.g. in terms of time, money and effort, ...)

**What outcomes do they expect and what would go beyond their expectations?**

- (e.g. quality level, more of something, less of something, ...)

**How do current solutions delight your customer?**

- (e.g. specific features, performance, quality, ...)

**What would make your customer's job or life easier?**

- (e.g. flatter learning curve, more services, lower cost of ownership, ...)

# Customer Segments – Gains

**What positive social consequences do they desire?**

- (e.g. makes them look good, increase in power, status, ...)

**What are customers looking for?**

- (e.g. good design, guarantees, specific or more features, ...)

**What do customers dream about?**

- (e.g. big achievements, big reliefs, ...)

**How does your customer measure success and failure?**

- (e.g. performance, cost, ...)

**What would increase the likelihood of adopting a solution?**

- (e.g. lower cost, less investments, lower risk, better quality, performance, design, ...)

# Customer Persona/Archetype

# Define Customer Archetype/Persona

## Who are they?

- Position / title / age / sex / role

## How do they buy?

- Discretionary budget (name of budget and amount)

## What matters to them?

- What motivates them?

## Who influences them?

- What do they read/who do they listen to?

## Draw a **Day in the Life** of the customer

# Pass/Fail Signals and Experiments

**How do you test hypotheses about customer segment?**

**Where do you test then?**

**What Kinds of Experiment (face-to-face, online)?**

**How Many: It depends – B2B, B2C**

# Market Type

# Definitions: Four Types of Markets



## Existing Market

- Faster/Better = High end

## Resegmented Market

- Niche = marketing/branding driven
- Cheaper = low end

## New Market

- Cheaper/good enough can create a new class of product/customer
- Innovative/never existed before

## Clone Market

- Local adaptation

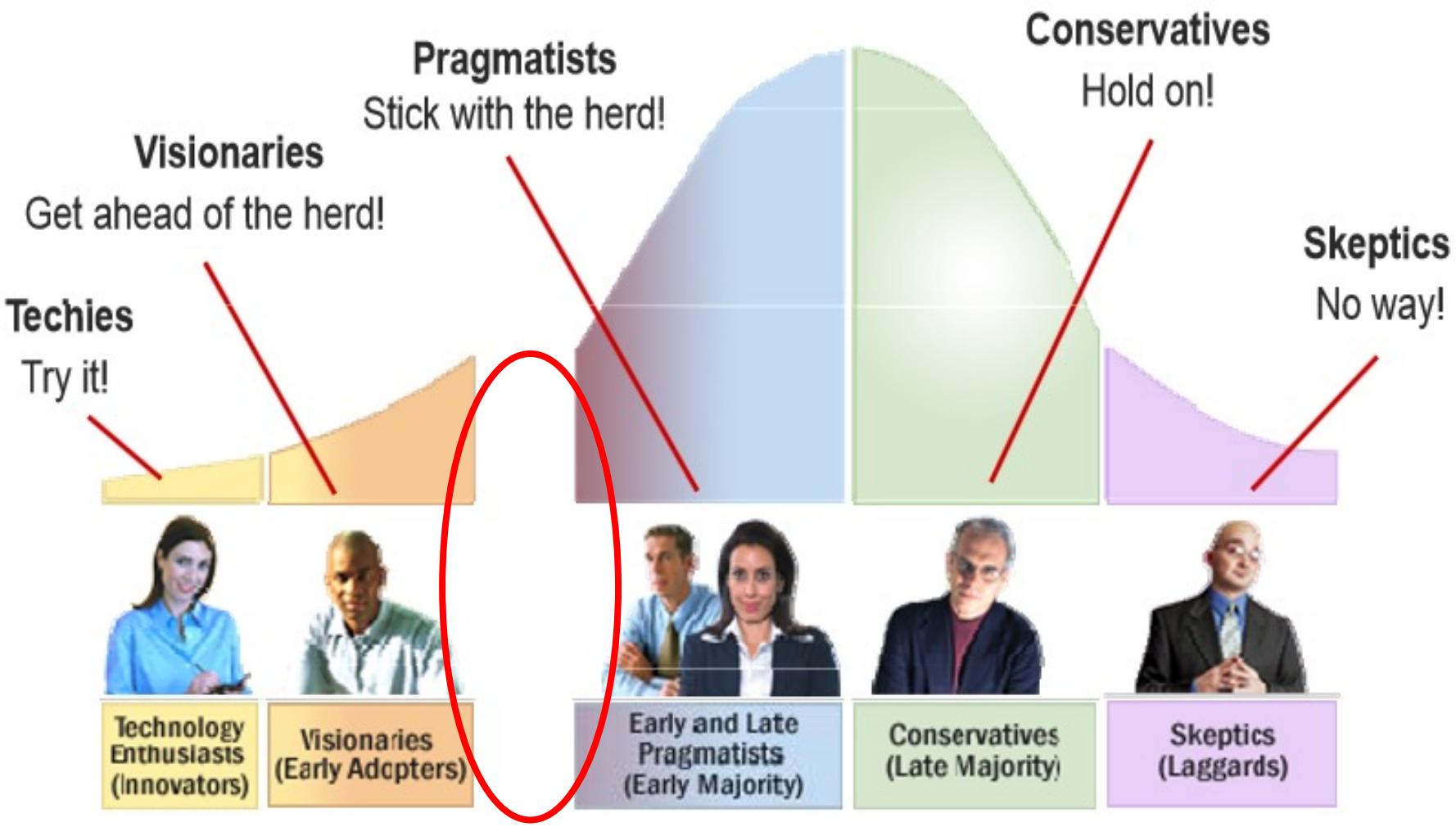
# Market Type

	Existing	Resegmented	New	Clone
Customers	Known	Possibly Known	Unknown	Possibly Known
Customer Needs	Performance	Better fit	Transformational improvement	Local version
Competitors	Many	Many if wrong, few if right	None	None
Risk	Lack of branding, sales and distribution ecosystem	Market and product re-definition	Evangelism and education cycle	Misjudge local needs
Examples	Google	Southwest	Groupon	Baidu

## Market Type determines:

- Rate of customer adoption
- Sales and Marketing strategies
- Cash requirements

# Technology Adoption Life Cycle



Adoption Chasm: Narrower in Existing Markets

# Multisided Markets - Who's The Customer?

**Consumer End Users, Corporate Customers Pay**

**Multiple Consumers, e.g. Google Search**

**Each has its own Value Proposition**

**Each has its own Revenue Stream**

**One segment cannot exist without the other**

**Which one do you start with?**

# **Who's the Customer?**

**User?**

**Influencer?**

**Recommender?**

**Decision Maker?**

**Economic Buyer?**

**Saboteur?**

**Archetypes for each?**

# Market analysis: Sources of Competitive information

**Yellow pages**

**Competitor websites**

**www.Export.gov**

**ISI Emerging markets Database**

**Hoovers Industry profiles**

**Standard and Poor's Industry survey's**

**www.Globaledge.com**

**Credit rating reports**

**Company registration office website**

**Chambers of Commerce**

**Published Industry reports e.g  
Datamonitor, Euromonitor**

**Market research consultancies**

**Business Journalists**

**Enterprise Ireland local office**

**Irish Embassies**

**Irish people working in the market  
you are researching**

**Trade associations**

**Trade magazines**

# Pass/Fail Signals & Experiments

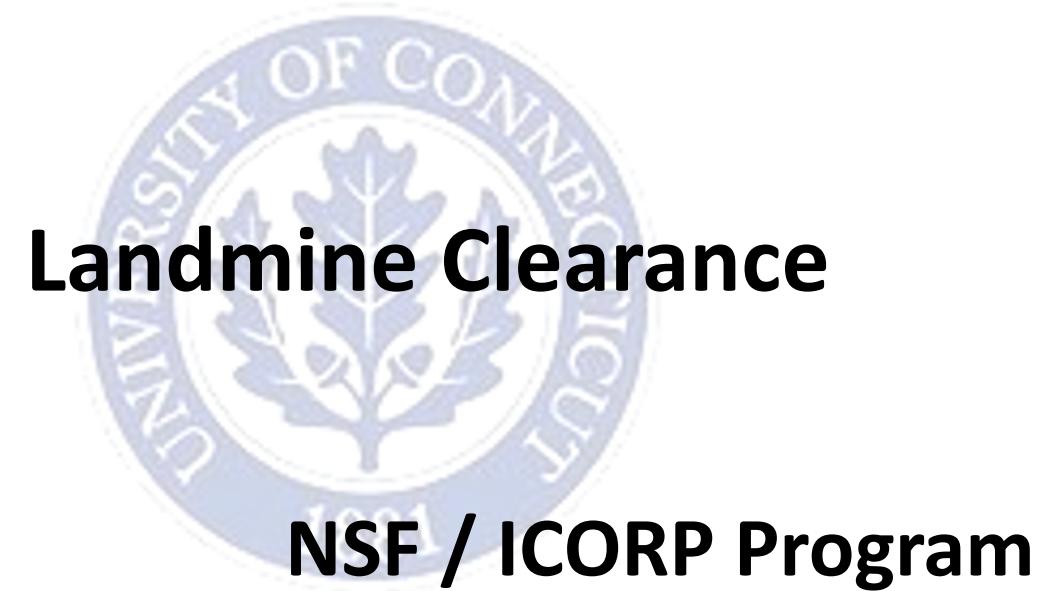
**How do you test interest?**

**Where do you test interest?**

**What kind of experiments can you run?**

**How many do you test?**

# Customer Segment Examples

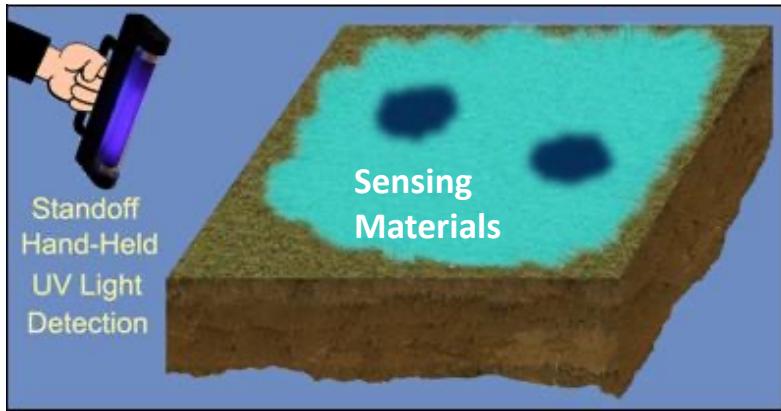


**Ying Wang (Lead)**

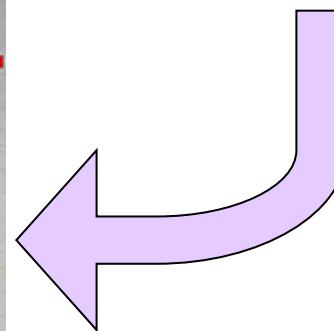
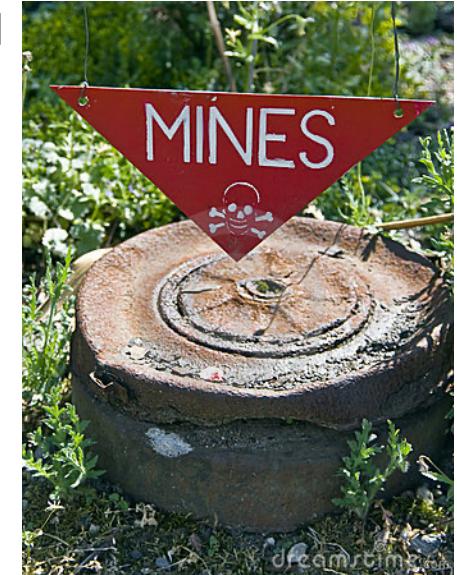
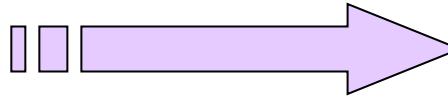
**Yu Lei (PI)**

**Mike Wisniewski (Mentor)**

# Technology Application



Surveying, mapping and marking of hazardous areas



Removal of landmines and Unexploded Ordnance (UXO)

# Contacting...

## **Flir (Fido).**

- Action: Sent email and made calls (703-678-2118).
- Feedback: No answer on the phone. Waiting for email reply.

## **CEIA (metal detector company in Italy).**

- Action: Sent email.
- Feedback: Waiting for email reply.

## **United Nations (UN).**

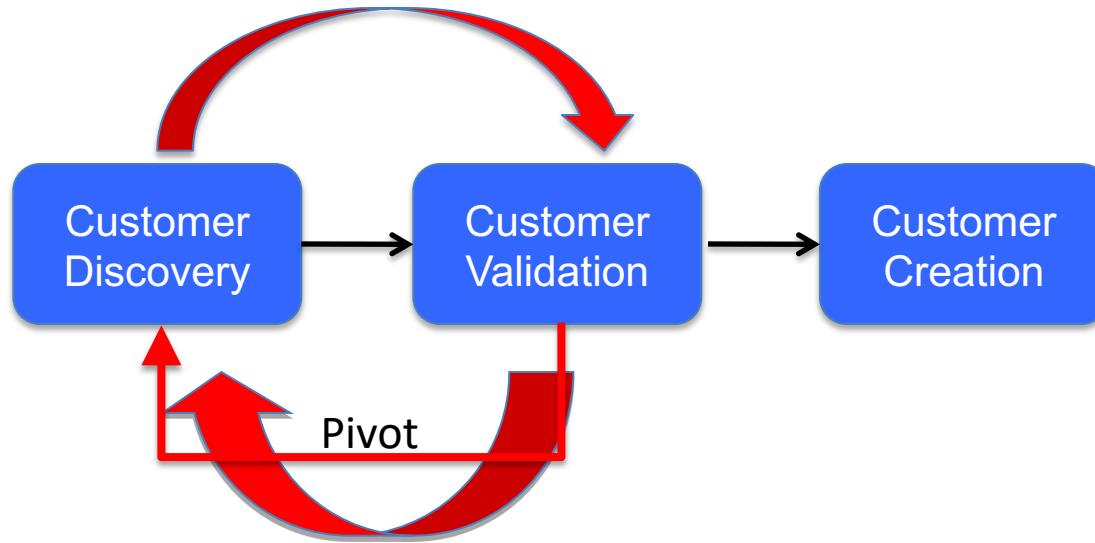
- Action: Sent email ([bradyj@un.org](mailto:bradyj@un.org)) and called (212-963-3344) to Mr. Justin Brady, Acting Director, United Nations Mine Action Service (UNMAS).
- Feedback: Waiting for reply.

## **Smith Detections.**

- Action: Sent email and called (973 496 9280) to Reno DeBono, Director of Chemistry and Applications.
- Feedback: Waiting for reply.

# Landmine Clearance

## Explosive Detection for Transportation Hubs



**Speed:** Government entities too slow for this process/program

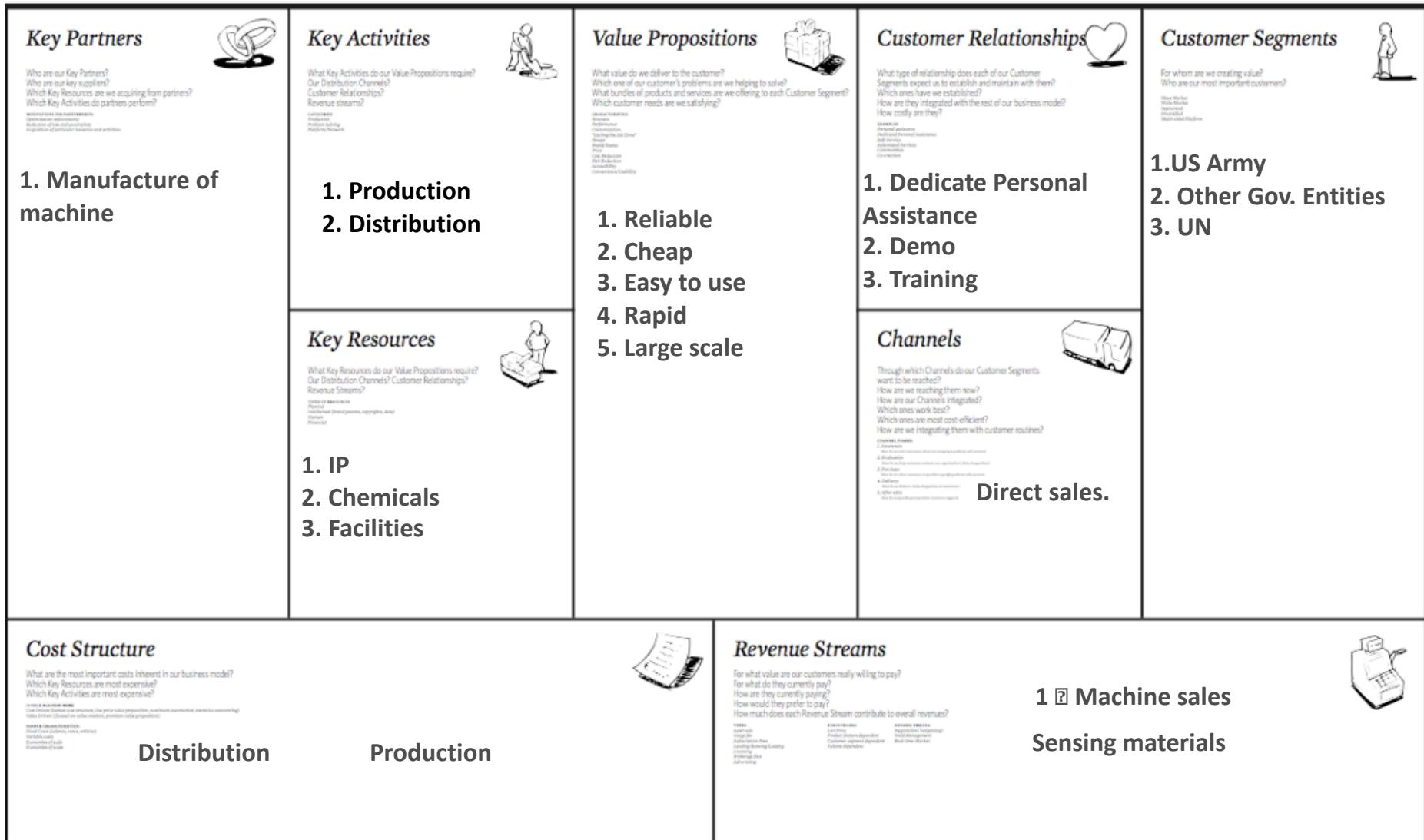
**Minimum feature set:** Included too many variables (environmental, deployment)

### Pivot

**Obtain** Near instantaneous customer feedback

**Be:** Fast, agile and opportunistic and formulated a dramatically new model

# The Business Model Canvas 1



# From Canvas version 1 to version 2

**What we thought:** Government entities get to need landmine clearance techniques.

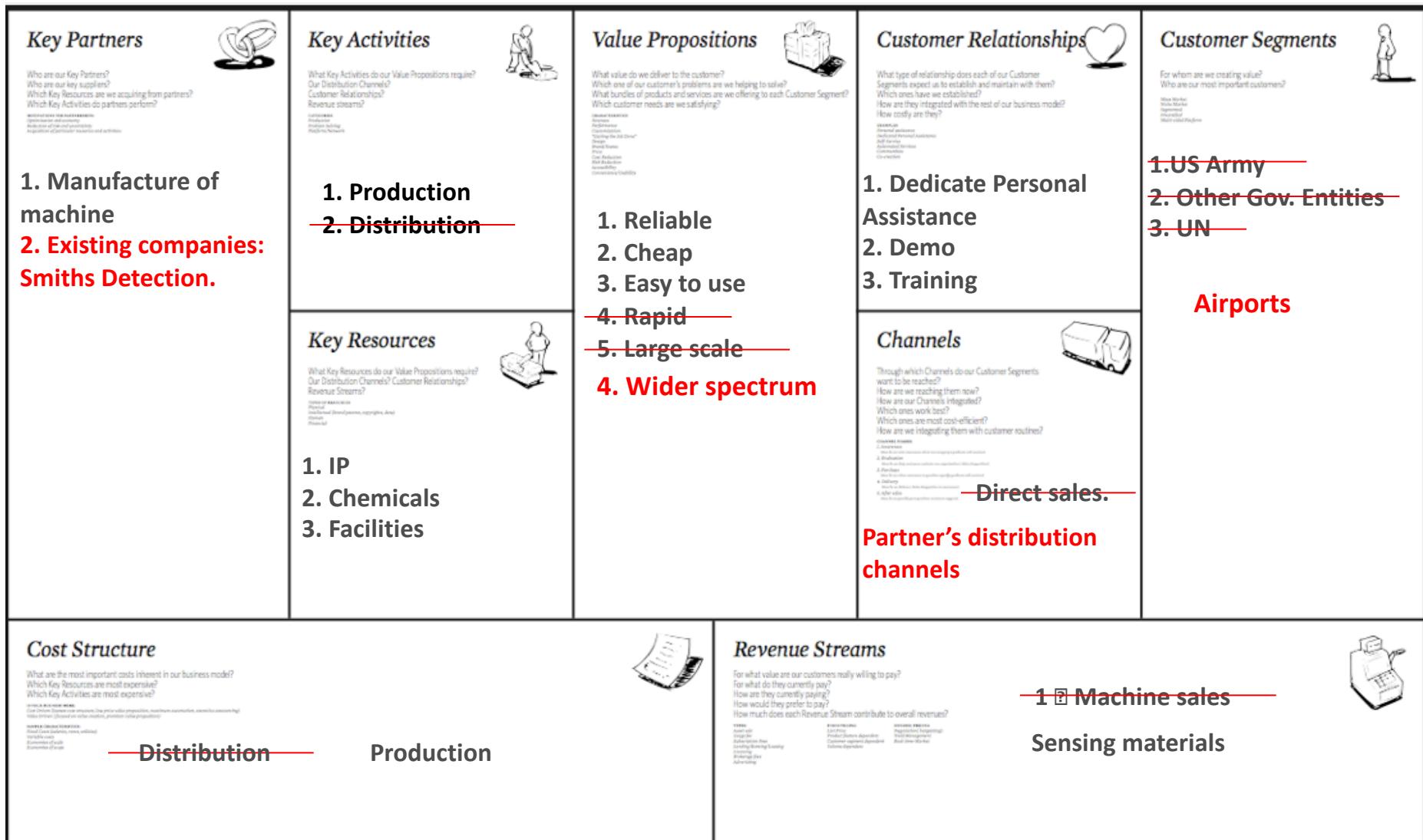
**What we did:** contacted with the major demining organizations and the UN.

**What we found:** Government entities too slow for landmine clearance program.

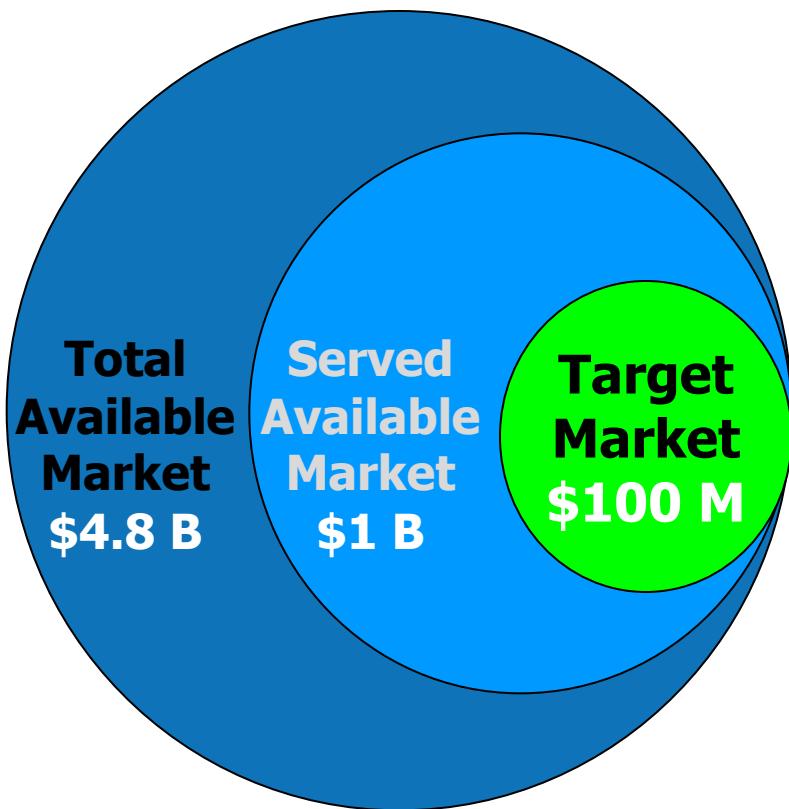
**What we have done:** modified our business model.

**Here's what are going to do:** Contact with airports and Smith Detection.

# The Business Model Canvas 2



# Target Market



- Who am I going to sell to?
  - Airports
- How large is the market be (in \$'s)?
  - \$100 M
- How many units would that be?
  - 200 M units