



Darren, Sanjana, Yi, Emily

Interviews this week: 2

Total interviews: 63

# VIDEO



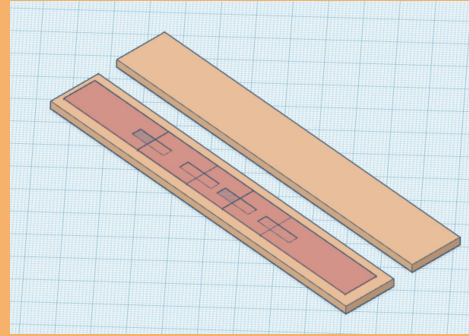
# Business Model Canvas

<b>KEY PARTNERS</b> <ul style="list-style-type: none"><li>Mepitac (company that makes silicone medical grade adhesive)</li><li>Suppliers of either wood, cork, plastic</li></ul>	<b>Key Activities</b> <ul style="list-style-type: none"><li>Working through online selling platforms such as Amazon or <b>personal website</b> to deliver straight to our customers</li><li><b>Partner with retail stores (possibly sporting goods or department stores?)</b></li></ul> <b>Key Resources</b> <p>Physical material</p> <ul style="list-style-type: none"><li>Wood/cork/plastic</li><li>Adhesives</li></ul> <p>Intellectual Property</p> <ul style="list-style-type: none"><li>Patents</li></ul>	<b>Value Proposition</b> <p>Back Band-Aid is a stiff adhesive that provides an easy, comfortable, and affordable solution to bad posture for 20-30 year old office workers.</p>	<b>Customer Relationships</b> <ul style="list-style-type: none"><li>Customer support number</li><li>Cost for setting up website/entering retail spaces, sporting departments?</li></ul> <b>Channels</b> <ul style="list-style-type: none"><li>Advertise on social media</li><li>Through chiropractor/physical therapy/doctoral practices</li><li>Partnerships with small-medium sized office, tech companies</li></ul>	<b>Customer Segments</b> <p>20-30 year olds white collar workers in the Bay Area.</p> <ul style="list-style-type: none"><li>San Francisco's Professional and Business Services sector highest population (approx 500,000 workers)</li><li>Young generation more health conscious</li></ul>
<b>Cost Structure</b> <ul style="list-style-type: none"><li>Cost of Silicone adhesive strips</li><li>Material for support piece</li></ul>		<b>Revenue Streams</b> <ul style="list-style-type: none"><li>Customer lifetime value is : \$720</li><li>\$10 to purchase 4 pack</li><li>Buy about every 2 weeks for 3 years</li></ul>		

# Hypothesis

---

Our customers will be willing to buy our product (\$10 + Adhesives for \$3-\$4 (4 pieces)) at the given price range.



# Experiments

---

- Talking to our prospective buyers
- Comparison based on competitors:
  - UPRIGHT GO (\$79.95):  
>200,000 users
  - LUMOLIFT (\$214.97)



# Diagram of Payment Flows



# Business Model Metrics

---

## 1. Sales Growth

- a. Exponential growth (hopefully)

## 2. Marginal Profit

- a. Scaling our business

## 3. Burn rate

- a. Life expectancy of our company

## 4. Customer Loyalty

- a. Our product requires customer loyalty (~3 years).



# Three Year Income Statement

---

**Top Line Revenue:** (Price of Back Band-Aid (x2) + Price of adhesives (x12)) x Initial number of customers (1000) = \$17,400

$((10 \times 2) + (4 \times 12))(1000) = \$17,400 \times 3 = \$68,000$  three years (underestimate)

**Gross Margins:** (Price of Back Band Aid - Cost of Back Band Aid)(x2) + (Price of adhesives - Cost of adhesives)(x12) x Initial number of customers (300) = \$14,400

$((10 - 4)(2) + (4 - 1)(12))(1000) = \$14,400 \times 3 = \$48,000$  three years (underestimate)

**Significant Costs:** Cost of marketing, production costs, product and material development (approx. \$10,000)

**Hypothetical Bottom Line Potential:** \$38,000



# What we Learned

---

**Hypothesis:** Our customers will be willing to buy our product (\$10 + Adhesives for \$3-\$4 (4 pieces)) at the given price range.

**Experiment:** Talking to our prospective buyers.

**Results:** Most interviewees agreed that \$10 and the fees for renewing adhesives is reasonable for the product and, if the Back Band-Aid will successfully correct their bad posture.