

BUSINESS MODEL & GROWTH HACKING

15 January 2018

Schedule

9:15 - 9:30 Value Proposition Canvas Intro & Objectives

9:30 - 10:15 HANDS ON: VP Canvas

10:15 - 10:40 Growth Hacking and Bullseye Framework

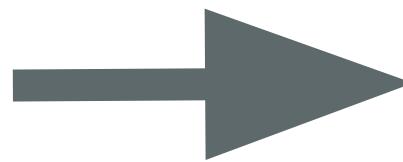
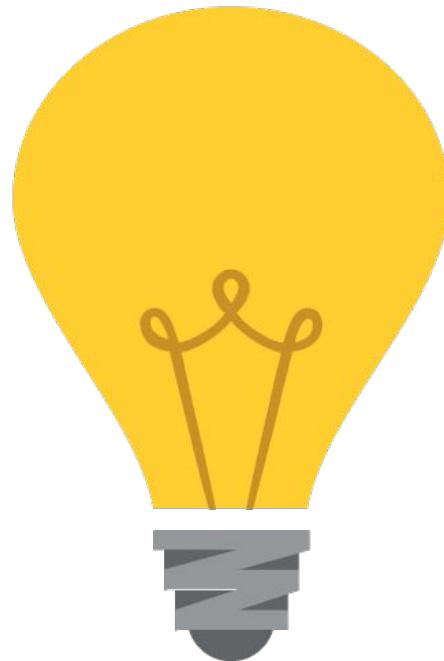
10:40 - 11:10 HANDS ON: Growth Hacking Strategy

11:10 - 11:20 BREAK

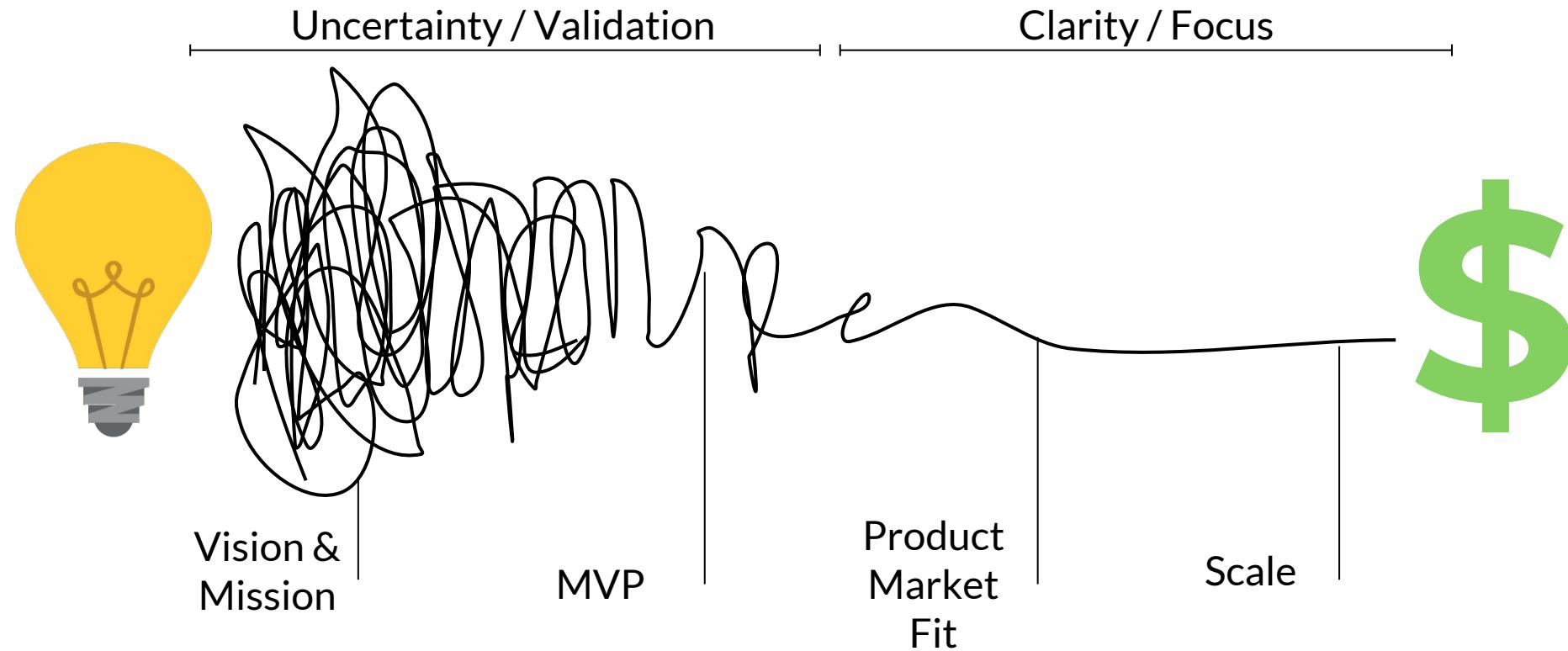
11:20 - 12:00 HANDS ON: Business Model Canvas

12:00 - 12:30 DO Overseas Immersion Trip Briefing

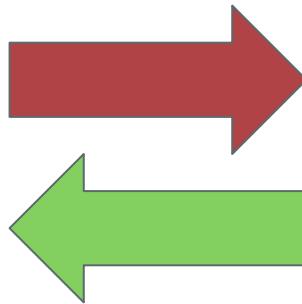
Converting Ideas to Business plans



What it really looks like



Why it is so tough



PROBLEM

SOLUTION

Going from Chaos to Clarity

Start-ups don't begin with a business plan; they begin with the search for a business model. Only after quick rounds of experimentation and feedback reveal a model that works do lean founders focus on execution.

INNOVATION

Desirability

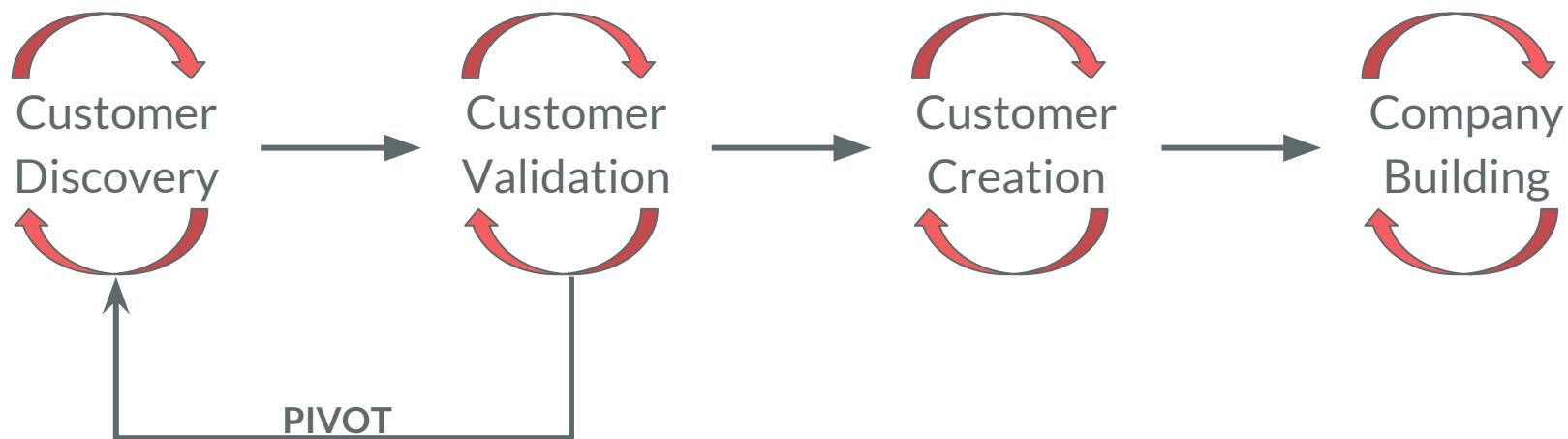
Feasibility

Viability



A Startup Is a Temporary
Organization Designed to
Search for A Repeatable
and Scalable Business
Model

Embrace the process



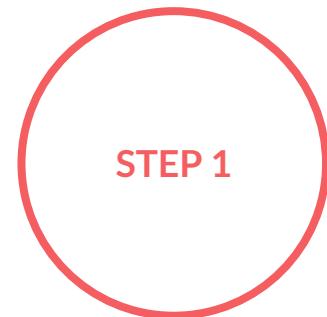
DESIGN | ITERATE/PIVOT | SCALE

The key is continuous customer interaction

Embrace the process



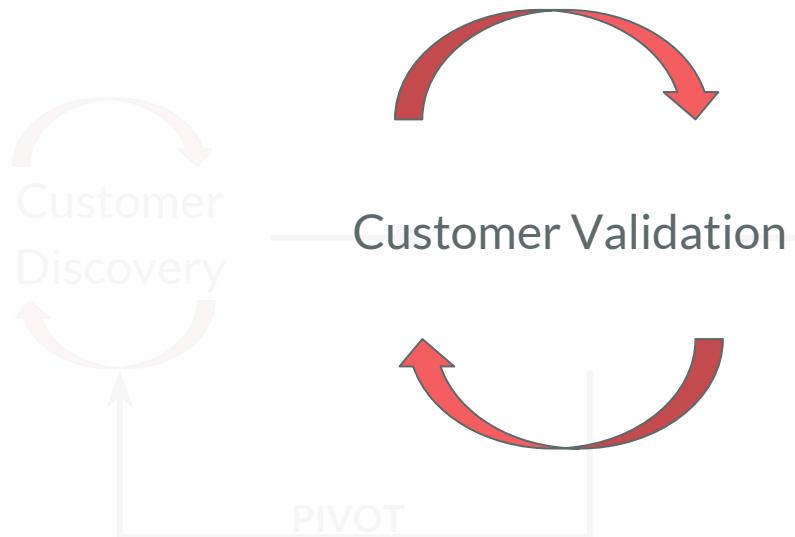
- ❖ Business model hypotheses
- ❖ Test customers' needs
- ❖ Create MVP for testing



DESIGN | ITERATE/PIVOT | SCALE

The key is continuous customer interaction

Embrace the process



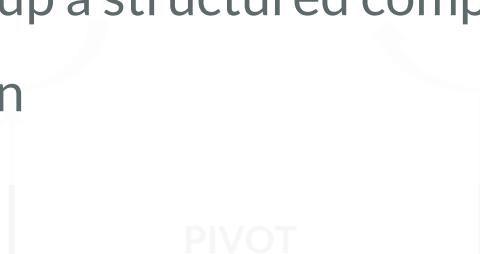
- ❖ Look for early adopters
- ❖ Test and validate
- ❖ Pivot by changing hypotheses
- ❖ Fail multiple times



The key is continuous customer interaction

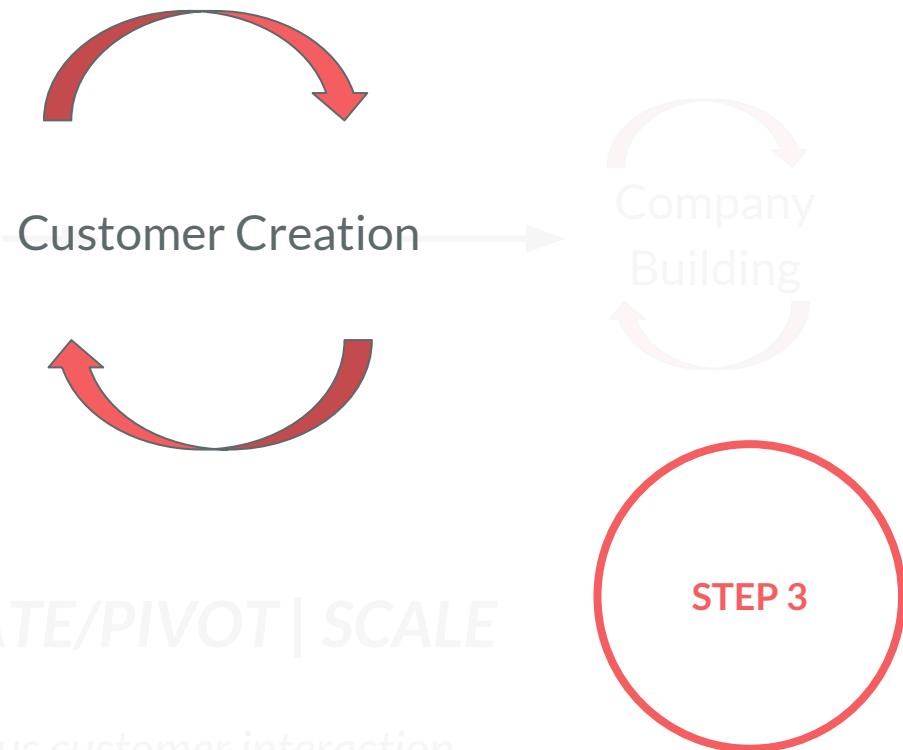
Embrace the process

- ❖ Prove a model for success
- ❖ Boost sales
- ❖ Set up a structured company
- ❖ #win



DESIGN | ITERATE/PIVOT | SCALE

The key is continuous customer interaction



Embrace the process

- ❖ Exit startup mode
- ❖ Focus on growing and retaining customers
- ❖ Develop a strategy and model for various departments to execute



DESIGN | ITERATE/PIVOT | SCALE

The key is continuous customer interaction



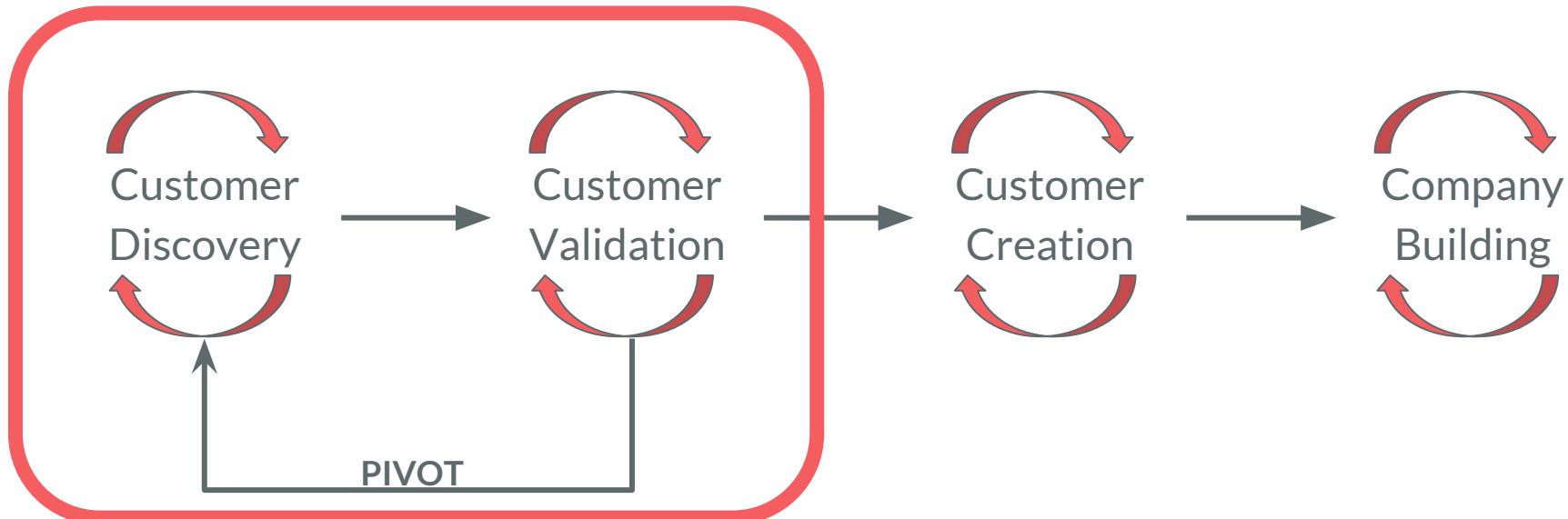
Customer Creation



STEP 4



Embrace the process



The key is continuous customer interaction

Unique Value Proposition Canvas

Value Proposition Canvas



Value Proposition Canvas

WHAT you are building

HOW this creates customer value

WHY you are building it

Why its important

- Build stuff that customers really want.
- Better track and manage the testing, measuring, and learning process before building an MVP
- Helps you distinguish between Product/VP and Customer assumptions
 - Is it a bad MVP or lack of customer interest

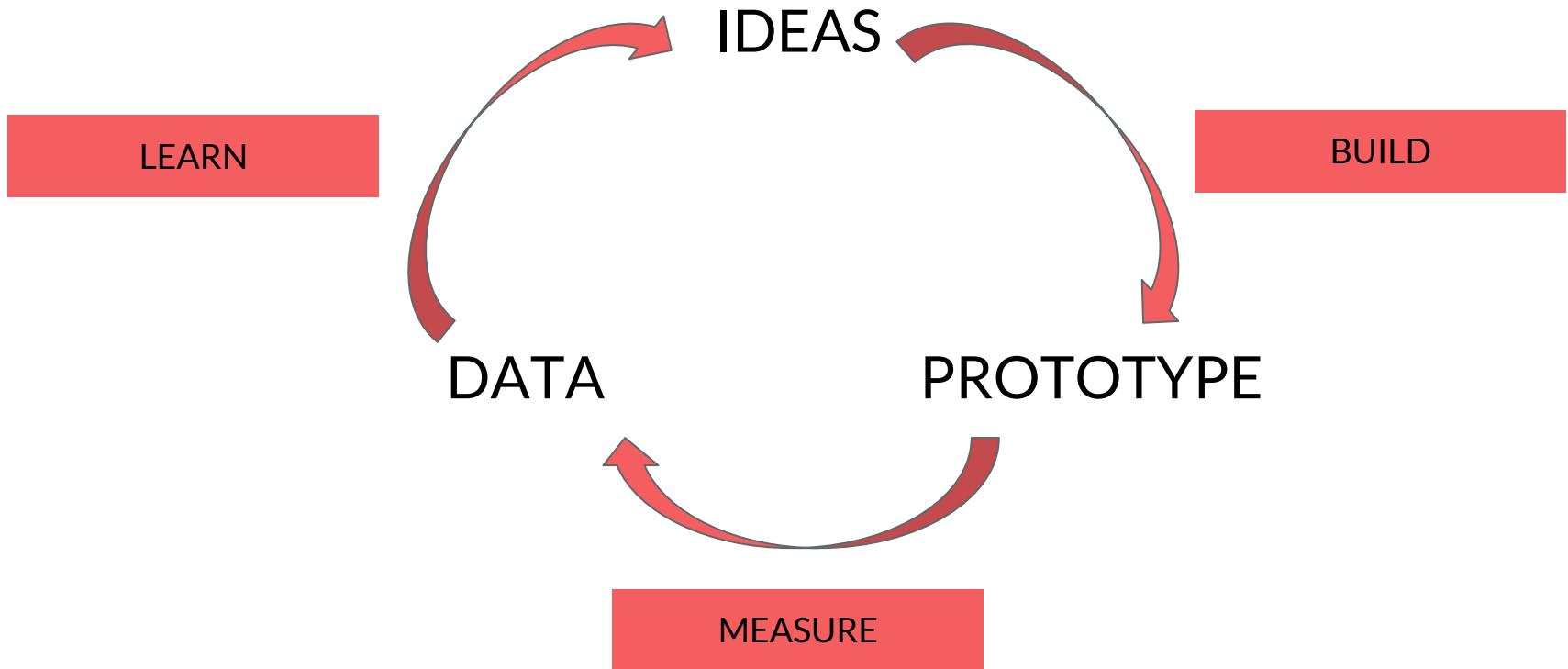
Value Proposition Canvas



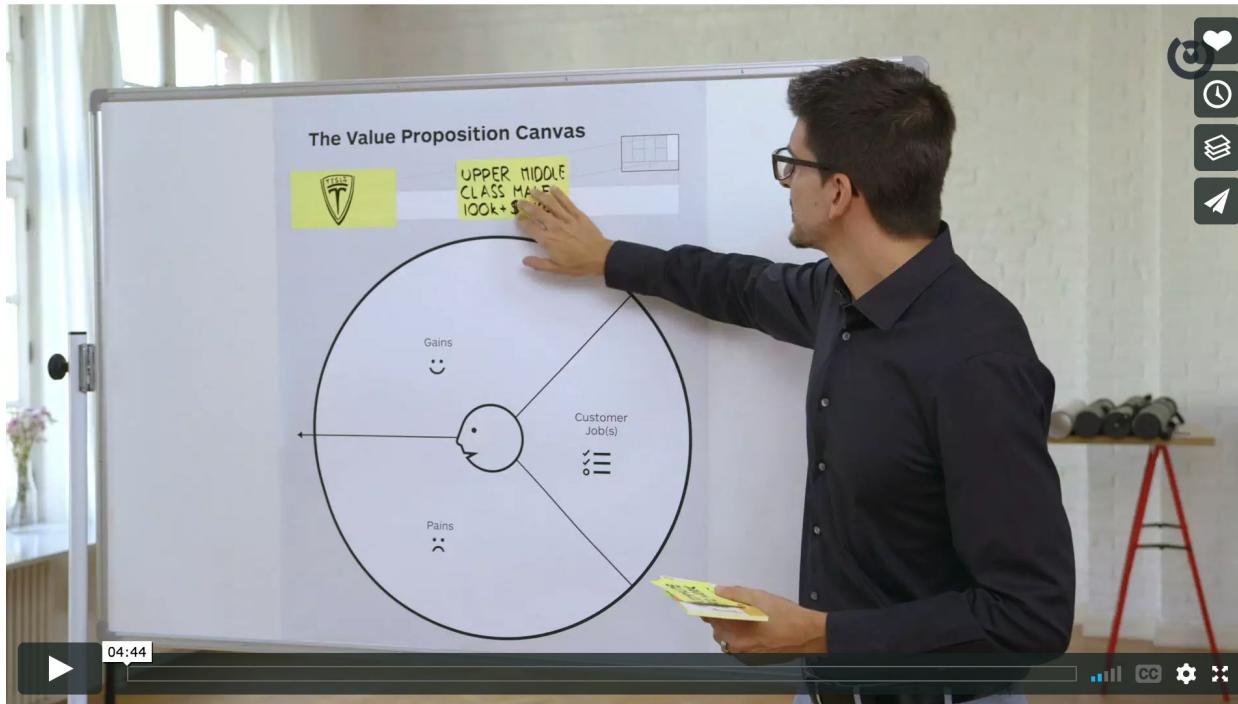
VS



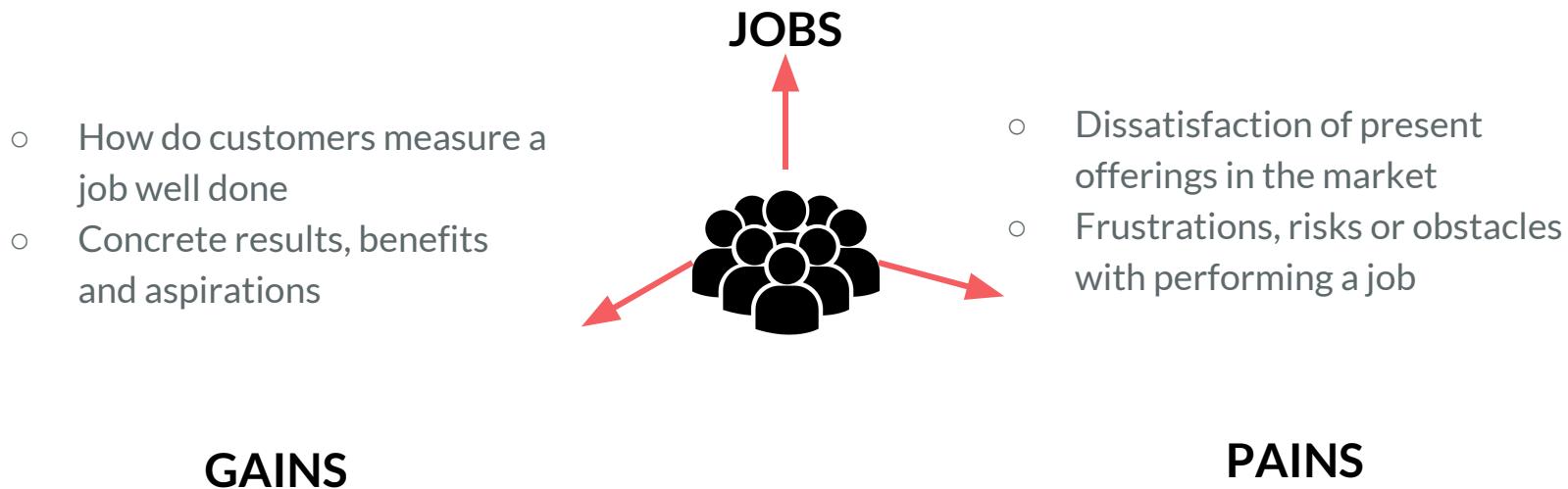
Value Proposition Canvas



VP Canvas - Pains and Gains



- Functional
 - Getting from A to B
- Social
 - Impressing colleagues
- Emotional
 - Gaining peace of mind



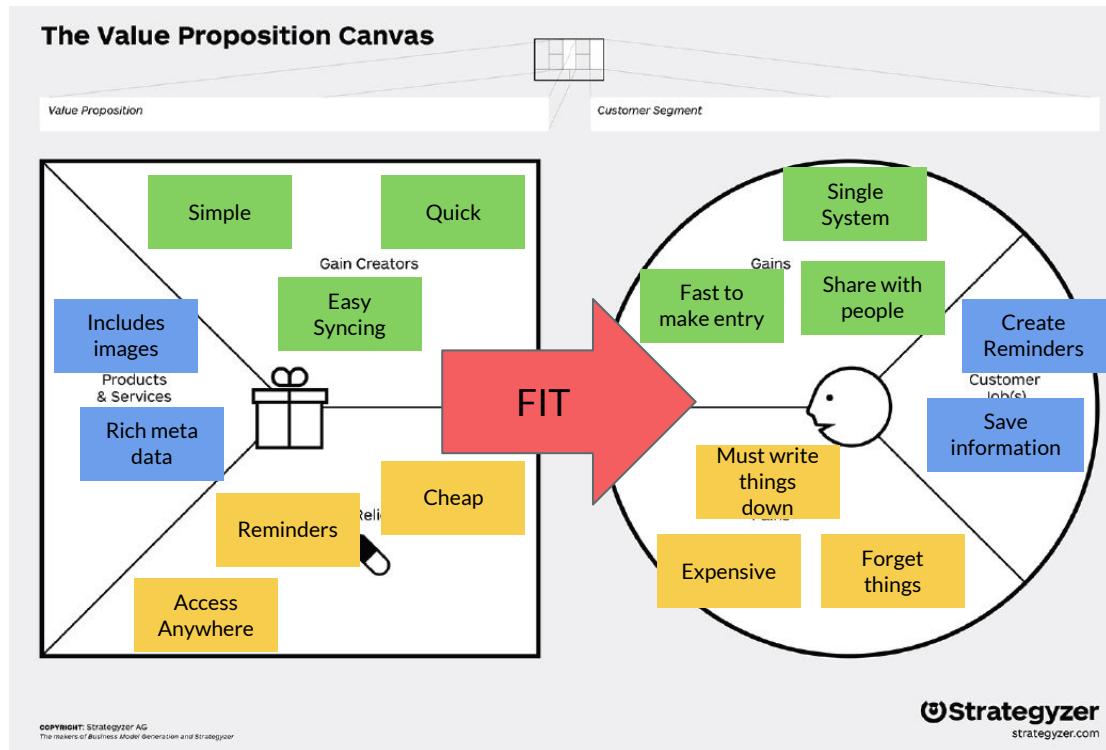
VP Canvas - Solutions



VP Canvas - Solution

- Products and Services
 - List products and services your value proposition builds
- Pain Relievers
 - How do these products relieve pains
- Gain Creators
 - How they produce, increase and maximise the outcomes the benefits your customers expect desire or would be delighted by

VP Canvas Objective



PART 1: VP CANVAS CUSTOMER ASSUMPTIONS

UV Canvas - Customer Assumptions

Personas are archetypes of users, customers or prospects whose beliefs and behavior patterns are catalogued, summarized and shared across an organization

Mental model based on traits, preferences and behaviour patterns

Creating relatable profiles to predict whether solutions meet the target user's needs

Meet Debra



PROFILE

Age & Marital Status: 26, Single

Location: SUTD, Singapore

Profession: PhD Candidate, 2nd Year,
Operational Analysis and Optimisation

Education: 2nd Year of PhD Candidature

BEHAVIOURS

Routine: Works at her desk almost all day, does not move around much.
Has occasional trouble finding where other researchers sit

Attitude & Beliefs: Appreciates the innovative culture in SUTD but is a little put off by lengthy administrative processes which slow down the progress of her research

Lifestyle: Extroverted, socially active, watches Netflix every night, cycles to work everyday

Interests & Hobbies: Cycling, working out at the gym, singing karaoke with friends

Goals: Wants to be tenured within 2 years of completing her PhD

Emotional Goals/Quote: "I don't obsess about my finances but I want freedom to work independently on innovative projects"

Motivations & Triggers: She believes in having a social benefit to her work. She wishes to give back to society

Challenges: Lack of support infrastructure and funding to conduct effective research. Feels like it takes too long to seek approval for certain processes to be executed

NEEDS

Meet Debra



Detailed descriptions of customer traits, including hard and soft customer data

PROFILE

Age & Marital Status: 26, Single

Location: SUTD, Singapore

Profession: PhD Candidate, 2nd Year,
Operational Analysis and Optimisation

Education: 2nd Year of PhD Candidature

BEHAVIOURS

Routine: Works at her desk almost all day, does not move around much.
Has occasional trouble finding where other researchers sit

Attitude & Beliefs: Appreciates the innovative culture in SUTD but is a little put off by lengthy administrative processes which slow down the progress of her research

Lifestyle: Extroverted, socially active, watches Netflix every night, cycles to work everyday

Interest & Hobbies: Climbing, working out at the gym, singing karaoke with friends

VALUES

Better target products or services through the value proposition

Goals: Wants to be tenured within 2 years of completing her PhD

Emotional Goals/Quote: "I don't obsess about my finances but I want freedom to work independently on innovative projects"

Motivations & Triggers: She believes in having a social benefit to her work. She wishes to give back to society

Challenges: Lack of support infrastructure and funding to conduct effective research. Feels like it takes too long to seek approval for certain processes to be executed

Customer Archetype Examples

“We believe that most of our customers are age 35 to 45, and are tech-savvy young urban professionals who use Macs and spend two hours a day on Facebook.”

“Twenty-five percent of our customers read The Globe and Mail. This will impact how we target them through marketing.”

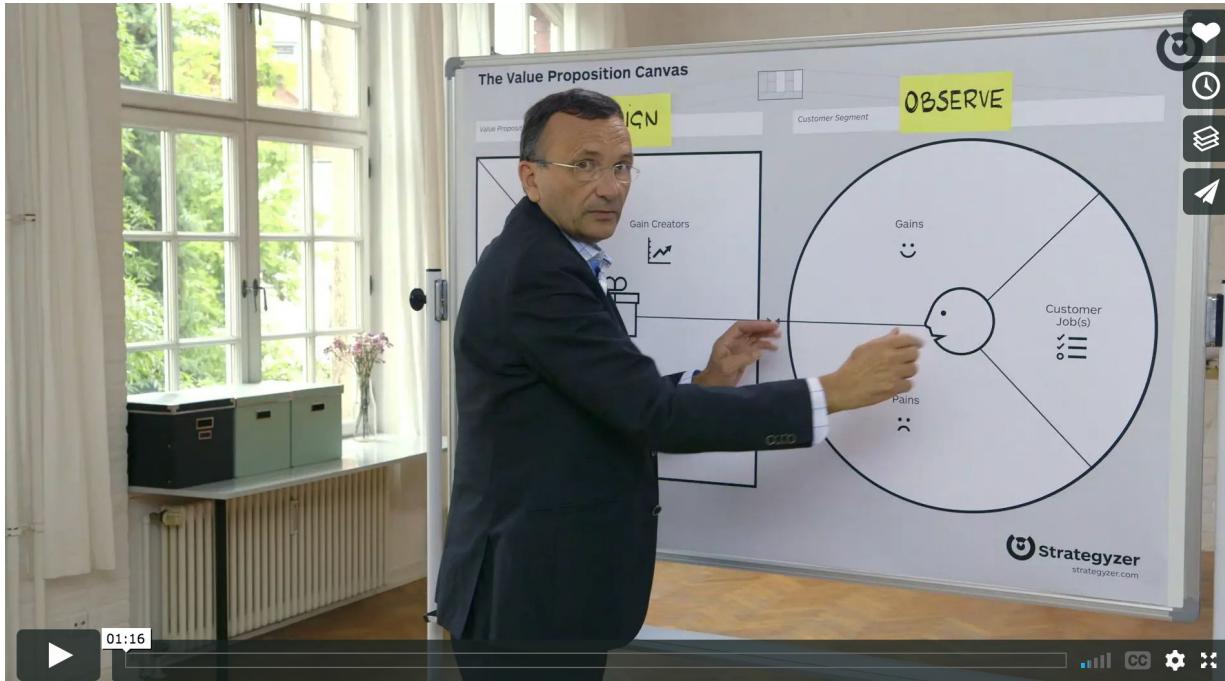
PART 2: VP CANVAS SOLUTION ASSUMPTIONS

Customer Archetype UVP

Once you know who your customer is, develop a clear and compelling message that tells customers why your product or service is different and worth buying.

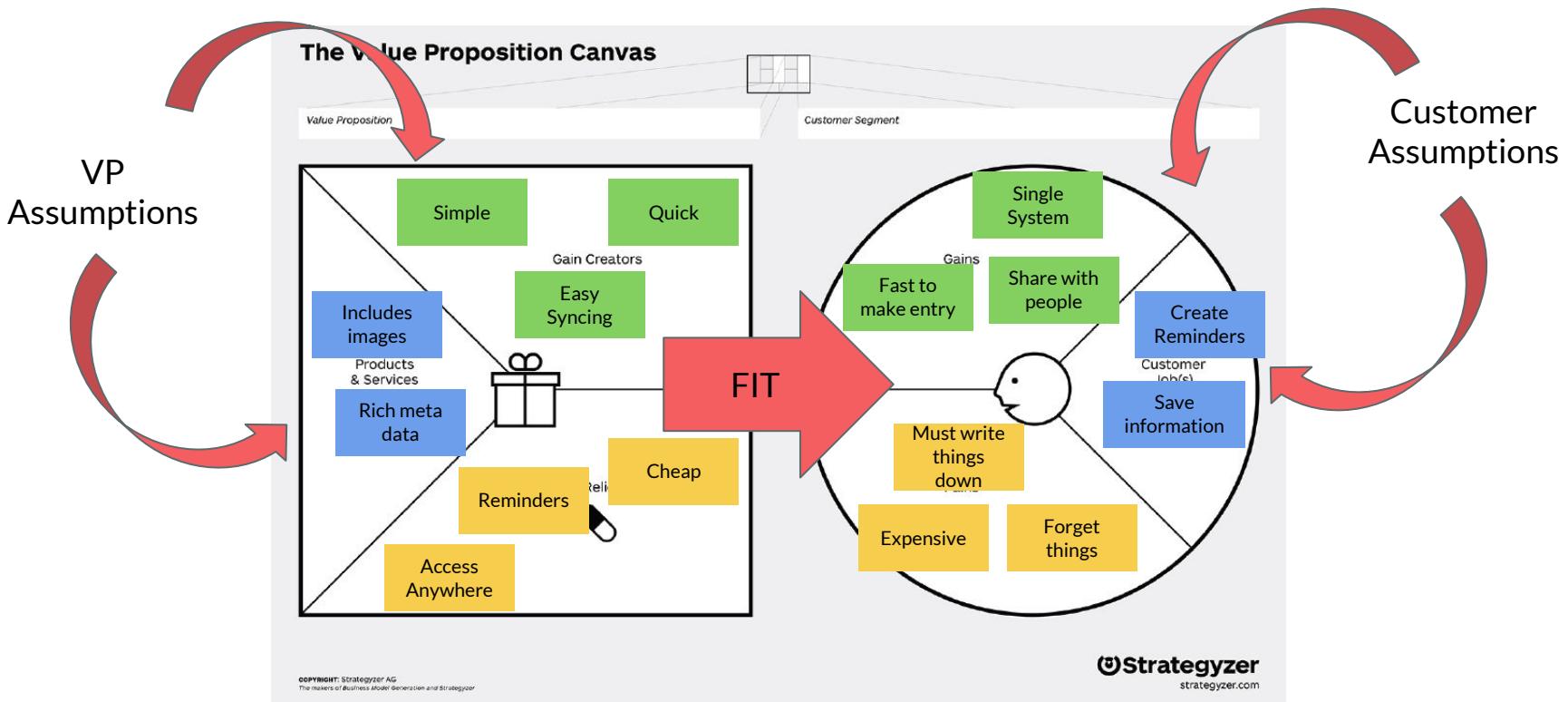
For [target end user]
Who wants/needs [compelling reason to buy]
The [product name] is a [product category]
That provides [key benefit]
Unlike [main competitor]
The [product name] [key differentiation]

VP Canvas

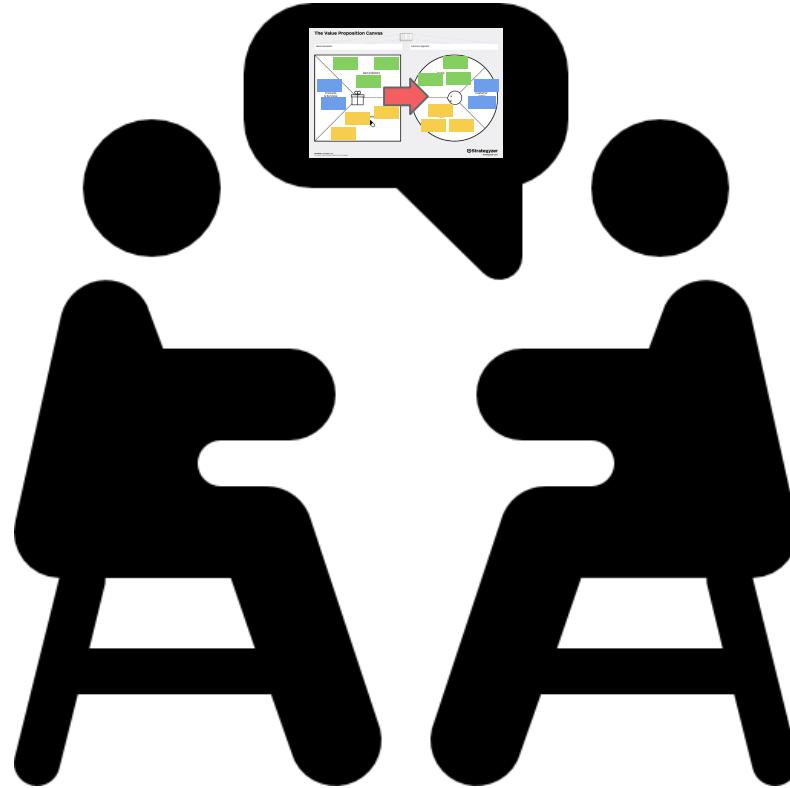


BUILD YOUR:
CUSTOMER ARCHETYPE
UVP PITCH
VP CANVAS
30 MINUTES

VP Canvas STEP 1



VP Canvas STEP 2



VP Canvas STEP 2

BUT I CAN'T FIND ANY CUSTOMERS!

AWESOME RESOURCES!

Home About Me Awesome Books Lean Startups



August
2013 11

18 COMMENTS

95 Ways to find your first customers for customer development or your first sale

You can have the best idea in the world, but until you find someone besides yourself that wants it, it's not really a business. To find those people, as Paul Graham wrote in a recent essay, you have to "[Do Things That Don't Scale](#)." The problem is, it is often unclear what those "Things" are.

Fortunately, the internet is full of help. In particular, I was inspired by recent posts on someone going from [zero to revenue in 5 weeks using customer development and validation by Melissa Tsang](#) for her new startup [Cusoy](#). I've also found the advice for [Joel of Buffer about his start](#) and the advice from this post by [Jason Cohen of ASmartBear blog](#) to be spot on. With all that advice though I still hadn't seen anyone tell you *where to look*.

How to use this post:

Before we get into the massive list of tactics below, I want to be clear on what to do with this list and what to expect when you find a few tactics you want to follow:

1. Your initial goal should be *learning*.

In the immortal words of Lean Godfather, Steve Blank, "[No Plan Survives First Contact With Customers](#)." With that in mind, the last thing you want to do is be hard selling your idea to them. Instead, you want to *interview* your customers to understand their problems. You can [learn how to do customer development interviews here](#).

2. Understand you're going to have a low success rate.

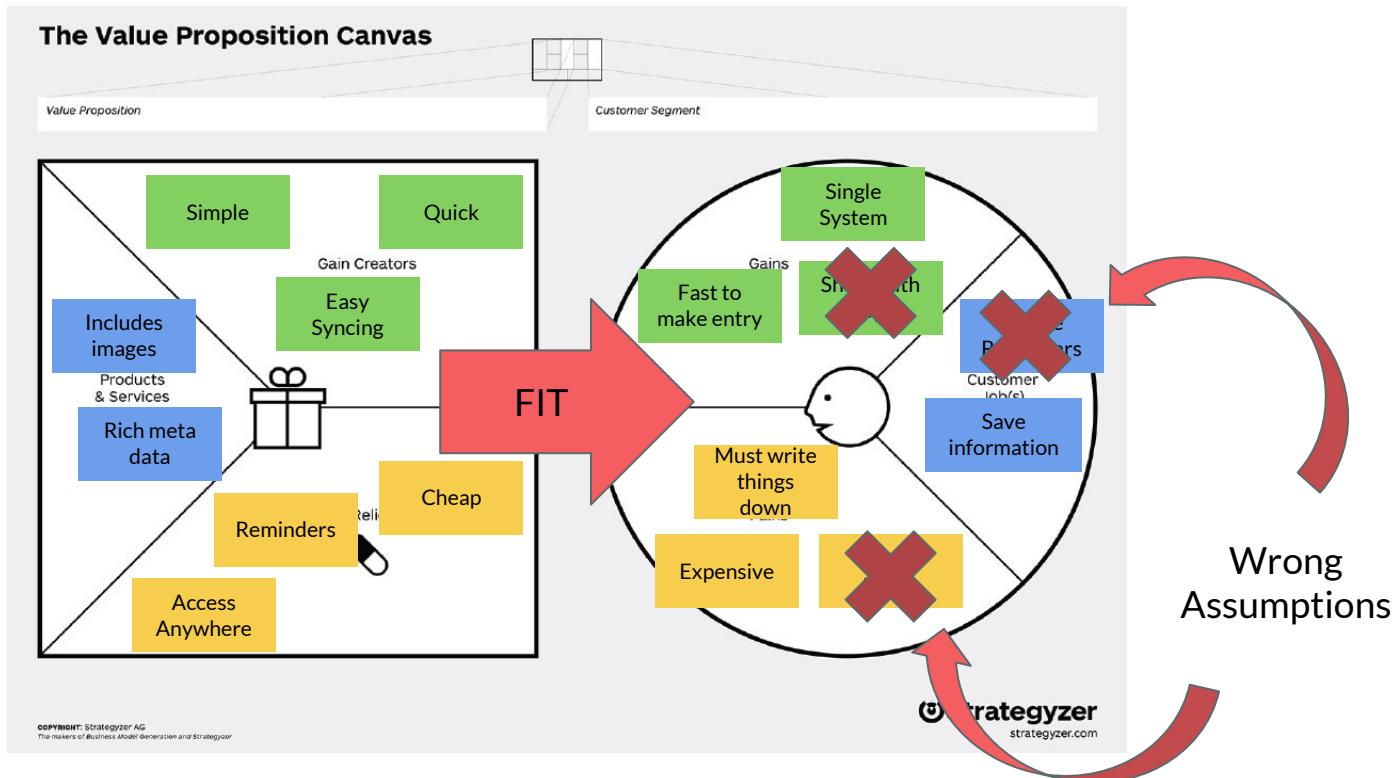


Hi, I'm Jason Evanish

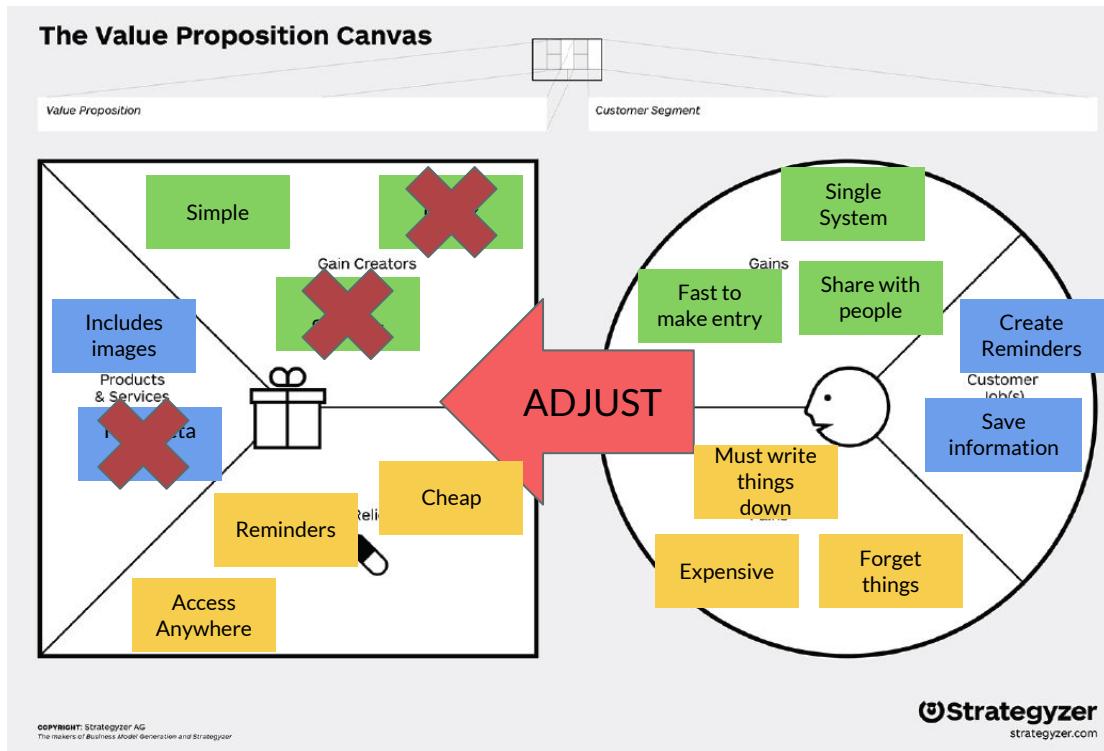
I'm a life-long learner & student of leadership who's focused on the challenge to build and scale great businesses. I love comparing notes, trading [book recommendations](#) and connecting with other entrepreneurs.

Currently, I'm building an app to help you be a better manager. It's a part of the world's work day that has not been given the software it deserves. If you want to have a super motivated team

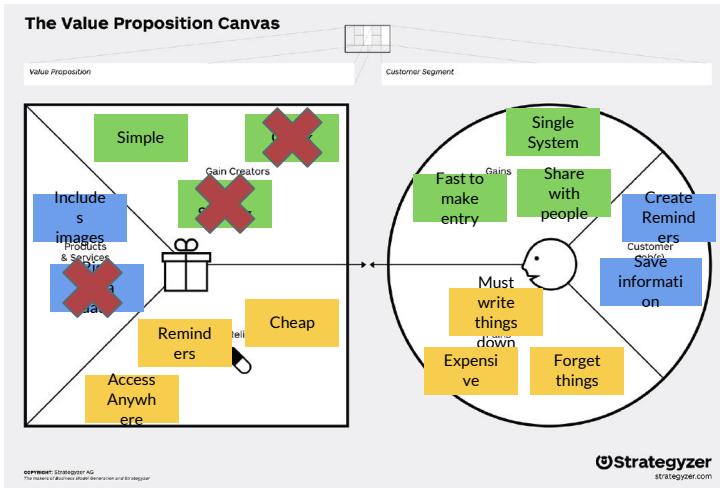
VP Canvas STEP 3



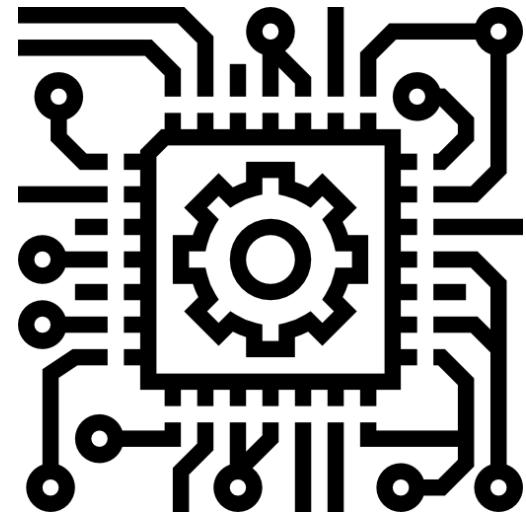
VP Canvas STEP 4



VP Canvas STEP 5



TEST WITH MVP



MVP Testing Metrics

- What to think about
 - What do I want to learn?
 - What's the simplest pass/fail test I can run to learn?
 - How do I design a pass/fail experiment to run this simple test?
- What to look for
 - Too bad you don't sell x, because we could use a ton of those
 - This is great I can't wait to tell me friends about it!

MVP Cheat Codes

- Describe the problem in words or pictures
 - Does your office look like this?
- Show screen shots of the potential solution
 - Pay your bills this way
- Encourages users to "sign up to learn more"
- Be idealistic or utopic
 - If you could wave a magic wand and change anything about what you do, what would it be?
- Incentivise forwarding or sharing the MVP because the best success metrics are:
 - The percentage of invitees who registered to learn more
 - The percentage of invitees who forwarded it to friends

BUILD YOUR:

MVP TEST METRICS
MVP SUCCESS METRICS

10 MINUTES

MVP Success Metrics

- **ALWAYS** focus on the conversion rates
- What percentage of people in each test:
 - Showed up
 - Provided their email address
 - **Referred or forwarded the MVP to friends**
 - Engaged further in a survey, blog, or other feedback activity
 - Declared the problem *very important* as opposed to *somewhat important*
- Measure how many people care about the problem or need
 - How deeply they care
 - Must-solve or nice-to-solve

Importance of Customer Discovery



Customer Development Manifesto

1. There Are No Facts Inside Your Building, So Get Outside
2. Pair Customer Development with Agile Development
3. Failure is an Integral Part of the Search for the Business Model
4. If You're Afraid to Fail You're Destined to Do So
5. Iterations and Pivots are Driven by Insight
6. Validate Your Hypotheses with Experiments
7. Success Begins with Buy-In from Investors and Co-Founders
8. No Business Plan Survives First Contact with Customers
9. Not All Startups Are Alike
10. Startup Metrics are Different from Existing Companies
11. Agree on Market Type – It Changes Everything
12. Fast, Fearless Decision-Making, Cycle Time, Speed and Tempo
13. If it's not About Passion, You're Dead the Day You Opened your Doors
14. Startup Titles and Functions Are Very Different from a Company's
15. Preserve Cash While Searching. After It's Found, Spend
16. Communicate and Share Learning
17. Startups Demand Comfort with Chaos and Uncertainty

Stop guessing and get “outside the building” to learn what the high-value customer problems are, what it is about your product that solves these problems, and who specifically are your customer and user.

END OF PART 1

GROWTH HACKING

Growth hacking is a process of rapid experimentation across marketing channels to identify the most efficient ways to grow a business.

Why, who and what?



Startups don't have access to capital or resources



Marketers, engineers and product managers



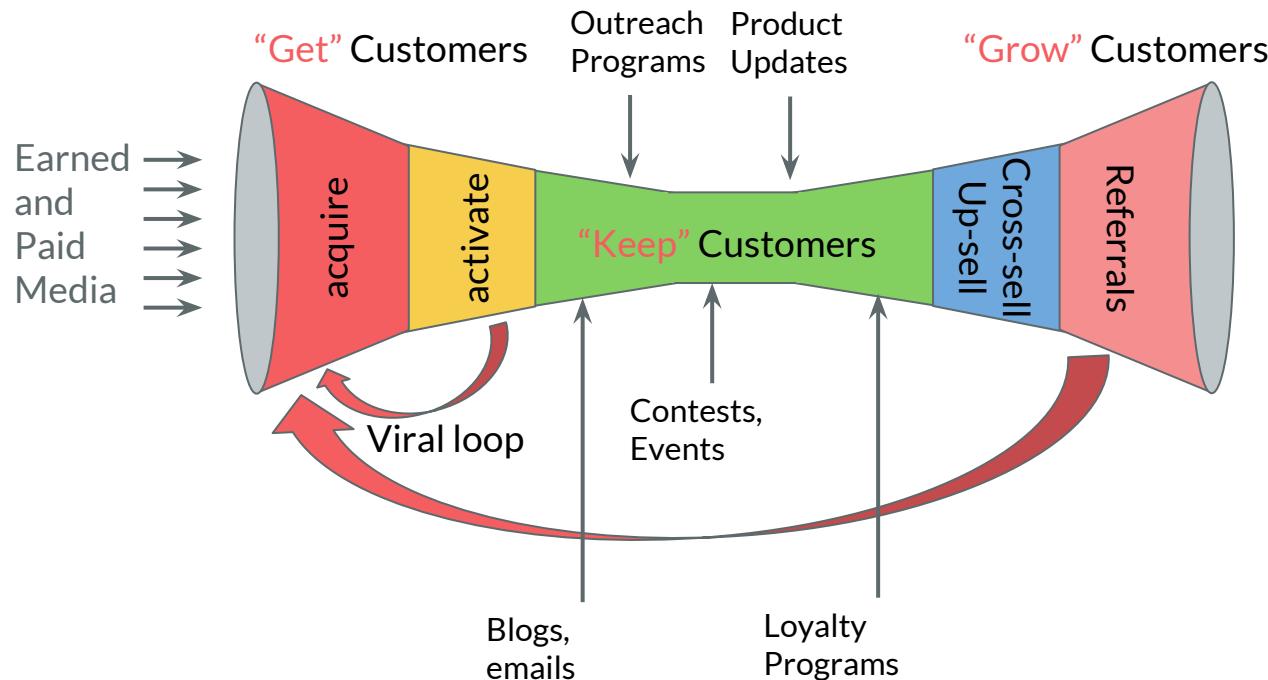
Low-cost, high-growth alternatives to traditional channels

“Poor distribution—not product—is the number one cause of failure”

Peter Thiel

Growth Hacking Lifecycle

How does your company GET, KEEP and GROW customers?



AARRR! Growth Hacking Strategy

1. Acquisition: Users come to the site from varies channels
2. Activation: Users enjoy 1st visit: “happy” user experience
3. Retention: Users come back, visit site multiple times
4. Referral: Users like product enough to refer otheres
5. Revenue: Users conduct some monetization behaviour

AARRR!

1. Acquisition



2. Activation

Homepage
Landing page
Product Features



Email & Alerts
Blogs
Time-based features
Gamification

4. Referral

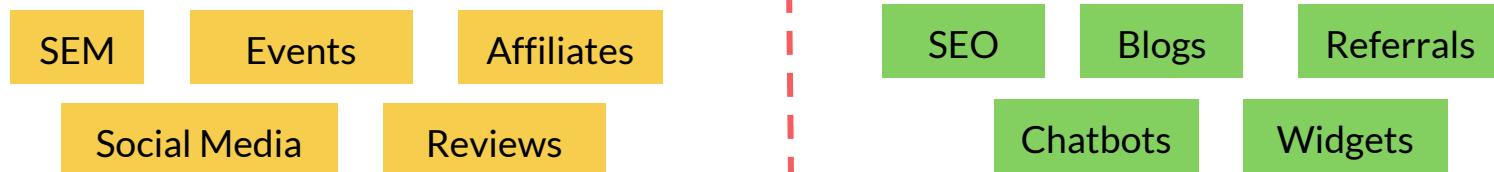
Campaigns
Contests
Emails
Social Media



5. Revenue

AARRR!

1. Acquisition



- Experiment with various **marketing channels**
- Measure performance based on:
 - Largest Volume (#)
 - Lowest Cost (\$)
 - Best Conversions (%)



5. Revenue

Marketing Channels

1. Viral Marketing
2. Public Relations
3. Unconventional PR
4. Search Engine Marketing (SEM)
5. Social & Display Ads
6. Offline
7. Search Engine Optimisation (SEO) Trends
8. Content Marketing
9. Email Marketing

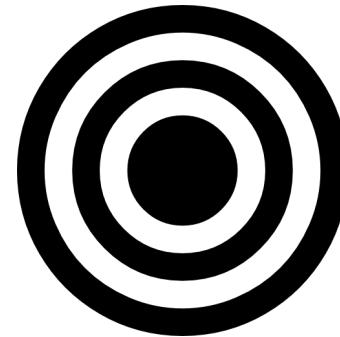
11. Widgets
12. Engineering as marketing
13. Business Development
14. Existing Platforms
15. Affiliate Programmes
16. Giveaways
17. Tradeshows
18. Offline Events
19. Community Building

Identify Acquisition Channels

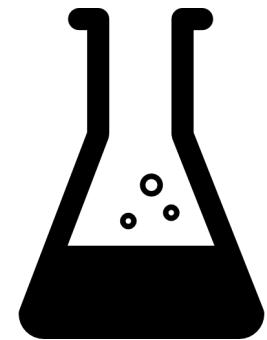
The Bullseye Framework



Brainstrom



Rank



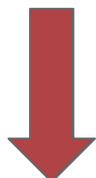
Test

STEP 1: Brainstorm



How probable does it seem that this idea could work (Scale of 1–5)?

How many customers can you expect to acquire at that cost?



What is the expected cost to acquire a customer through this idea?

What is the timeframe needed to run tests?



Terminology

Cost-per-click (CPC) - Amount it costs to buy a click on an advertisement

Click-through-rate (CTR) - Percentage of clicks / Impressions

Call-to-action (CTA) - What you want the audience to do once they've seen your ad

Cost-per-acquisition (CPA) - How much it costs to acquire a customer, not just a click

Conversion rate - % of people who perform the CTA

CPA = CPC/Conversion rate OR No. of Customers/Ad Spend

STEP 2: Rank

Inner Circle: Top 3 channels seem most promising right now

Potential: 6 channels seem like they could possibly work

Long-shot: which traction channels seem like long-shots?



STEP 3: Test

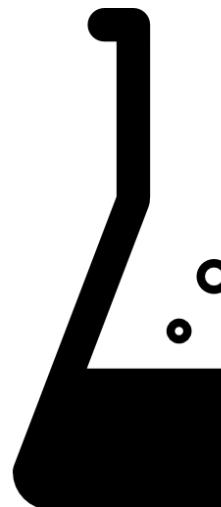
Replace your estimates with real data

What is the cost of customer acquisition through this channel?

What is the lifetime value of customers?

How many customers do you think are available through this channel?

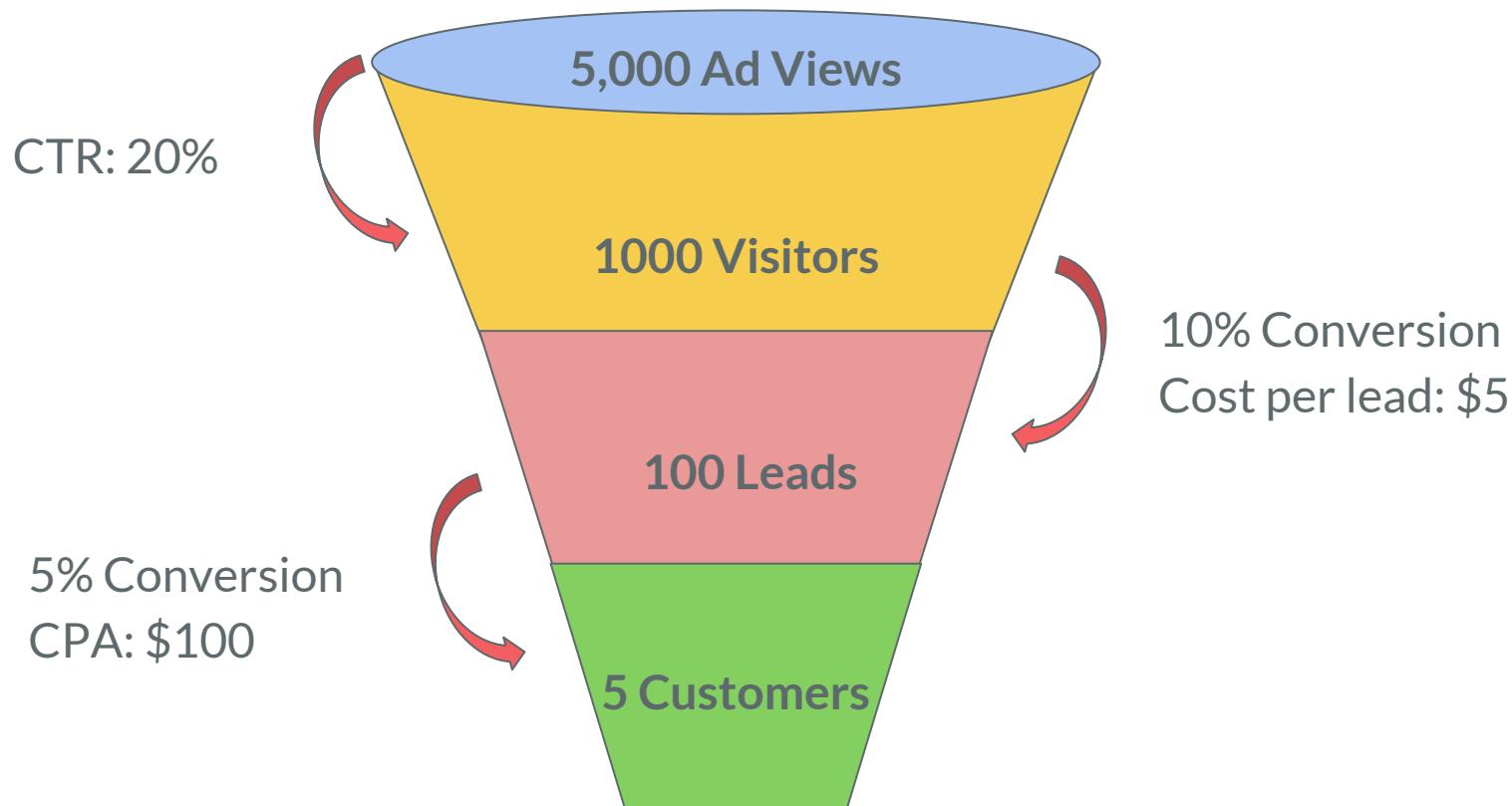
Are these the right customers?



Types of Metrics & Measurement

- Qualitative: Usability Testing / Session Monitoring
 - Watch what users do, figure out problems & solutions from small number of users
- Quantitative: Traffic Analysis / User Engagement
 - Report what users do, track usage & conversion % for all or empirical sample of users
- Comparative: A/B, Multivariate Testing
 - Compare what users do in one scenario vs another, see which copy/graphics/UI are most effective
- Competitive: Monitoring & Tracking Competitors
 - Track competitors activity & compare against yours; if possible compare channels, keyword traffic, demographic targeting, user satisfaction, etc.

Conversion Metrics for \$500 Ad Spend



Types of Metrics & Measurement

- Qualitative: Usability Testing / Session Monitoring
 - Watch what users do, figure out problems & solutions from small number of users
- Quantitative: Traffic Analysis / User Engagement
 - Report what users do, track usage & conversion % for all or empirical sample of users
- Comparative: A/B, Multivariate Testing
 - Compare what users do in one scenario vs another, see which copy/graphics/UI are most effective
- Competitive: Monitoring & Tracking Competitors
 - Track competitors activity & compare against yours; if possible compare channels, keyword traffic, demographic targeting, user satisfaction, etc.

Conversion Metrics for \$500 Ad Spend

CTR: 20%

5,000 Ad Views

5% Conversion
CPA: \$100

100 Leads

10% Conversion
Cost per lead: \$5

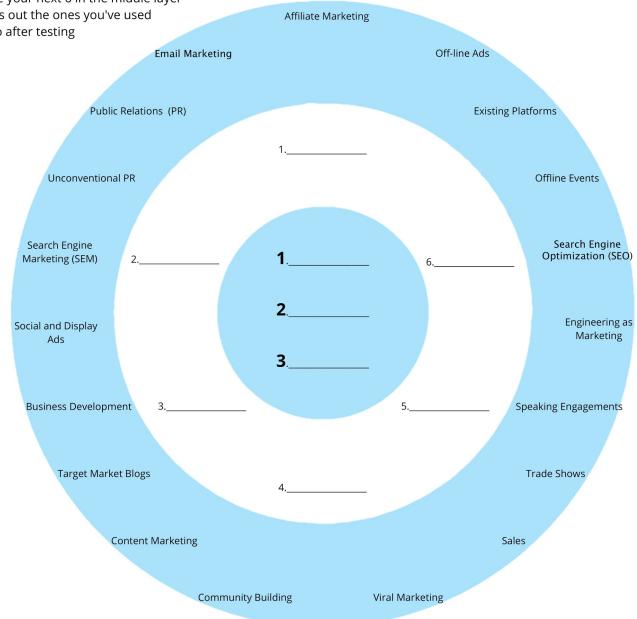
5 Customers

Unless the average price a customer is paying is above \$100, you are making a loss!

The Bullseye Framework

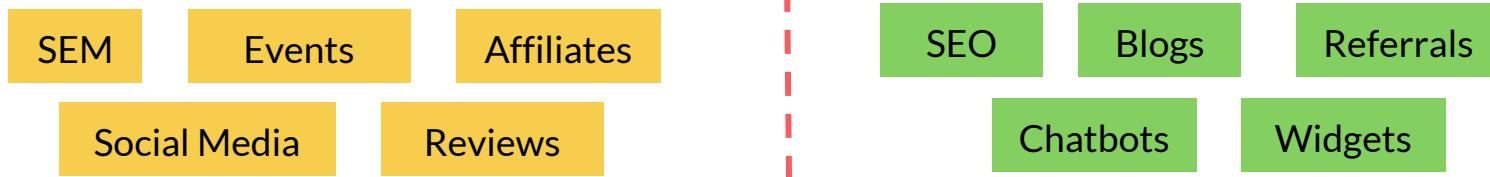
The Bullseye Framework For finding the best traction channels

- 1) Read Traction by Gabriel Weinberg & Justin Mares
- 2) Select your top 3 & write them in the center
- 3) Write your next 6 in the middle layer
- 4) Cross out the ones you've used
- 5) Redo after testing



Back to AARRR!

1. Acquisition



2. Activation

Homepage
Landing page
Product Features

3. Retention

-
- Email & Alerts
Blogs
Time-based features
Gamification

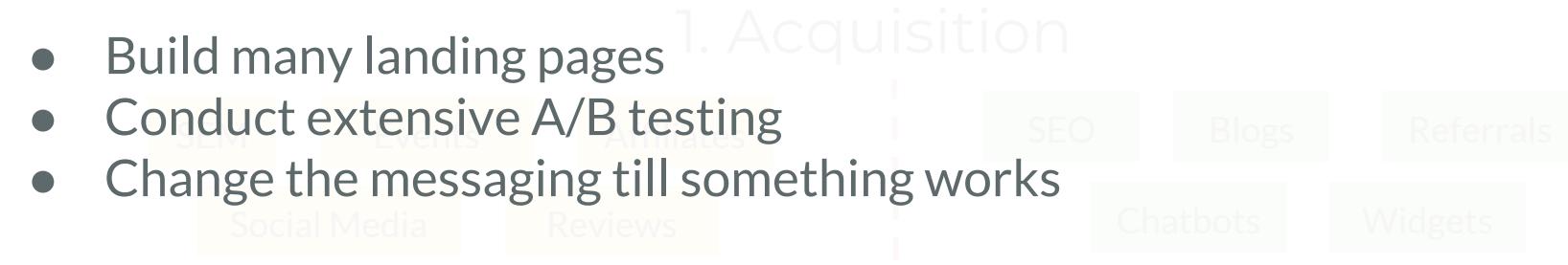
4. Referral

-
- Campaigns
Contests
Emails
Social Media

5. Revenue

AARRR!

- Build many landing pages
- Conduct extensive A/B testing
- Change the messaging till something works



2. Activation

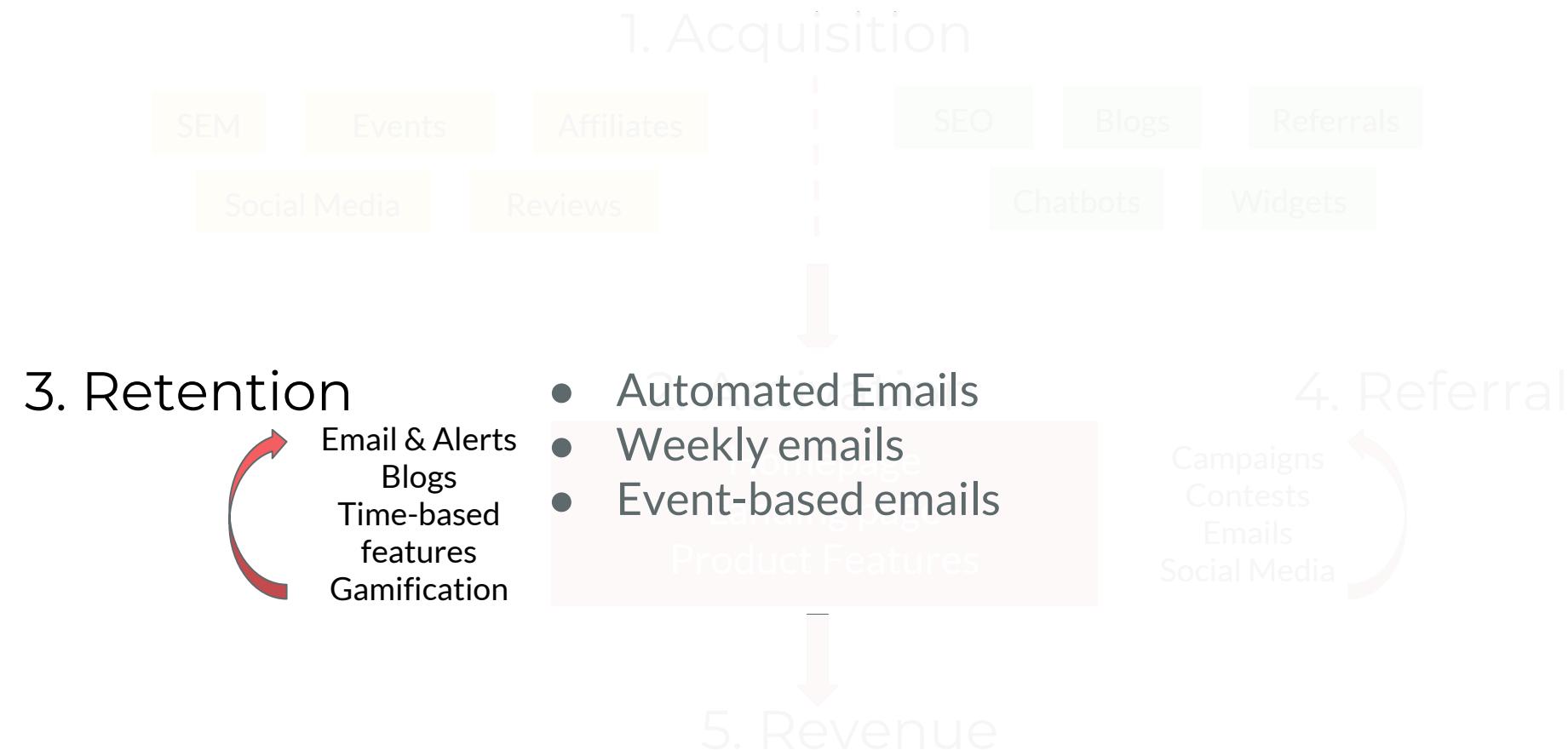
Homepage
Landing page
Product Features

4. Referral

Campaigns
Contests
Emails
Social Media

5. Revenue

AARRR!

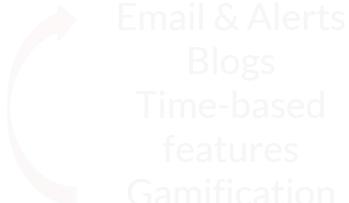


AARRR!

1. Acquisition



3. Retention



- Referral code
- Affiliate marketing

Landing page
Product Features

4. Referral



5. Revenue

Marketing Parameters

- **Who:** Audience Segment
 - Young women, elderly singles
- **What:** Campaign
 - Brand Promise eg find a job or find true love
- **When:** Landing Page & CTA
 - Find love immediately, Become a pro in 10 days
- **Where:** Channels
 - Social Network, SEM, Organic, PR
- **How:** Copy, Graphics & Media
 - How it all happens?

COMPLETE THE BULLSEYE
AND BUILD AN AARRR!
STRATEGY FOR YOUR
TOP 3 CHANNELS

30 MINUTES

CASE STUDY: POTATO PIRATES

GROWTH HACKING

BuySellAds



ManyChat



ATTRACT

CONVERT

CLOSE

DELIGHT

Strangers

Visitors

Leads

Customers

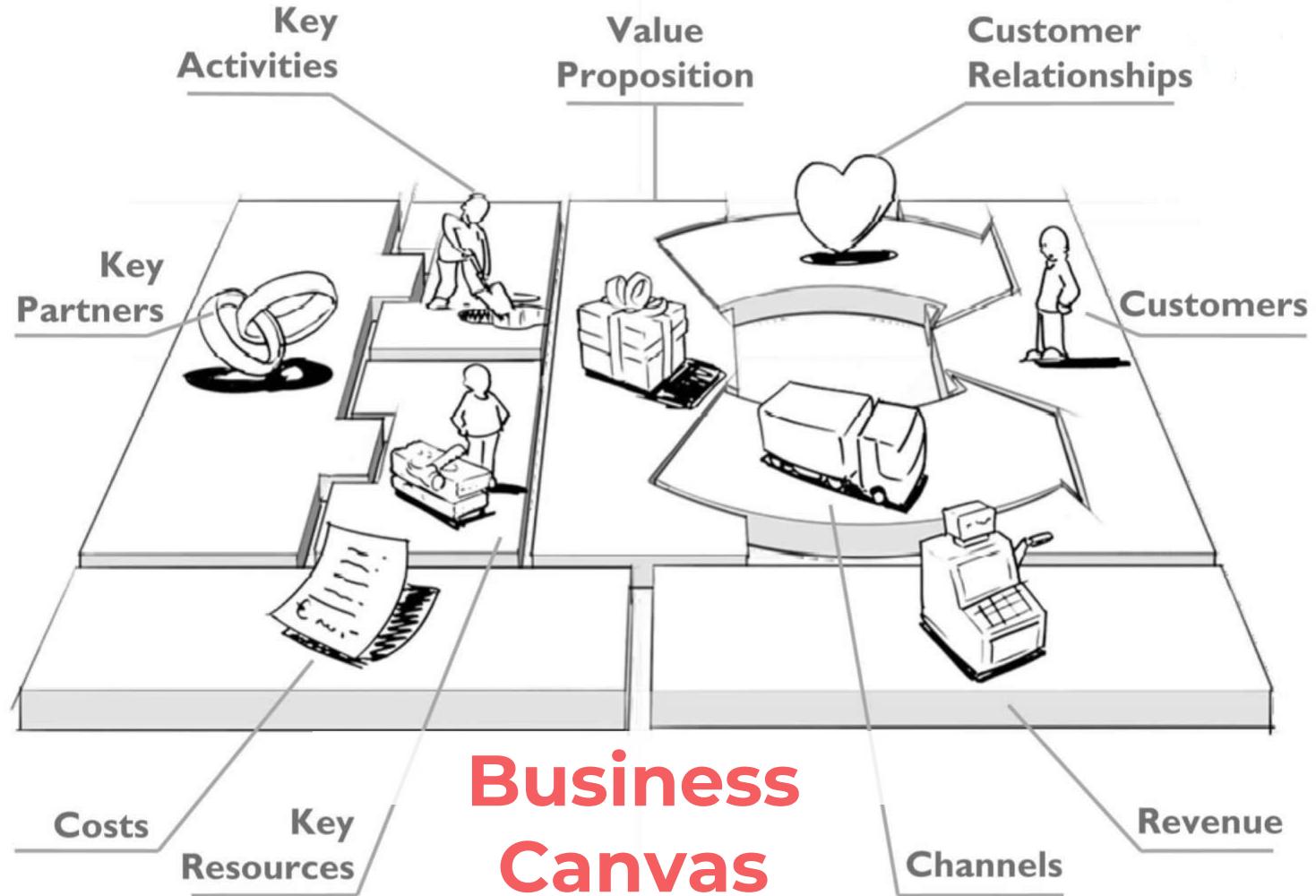
Promoters



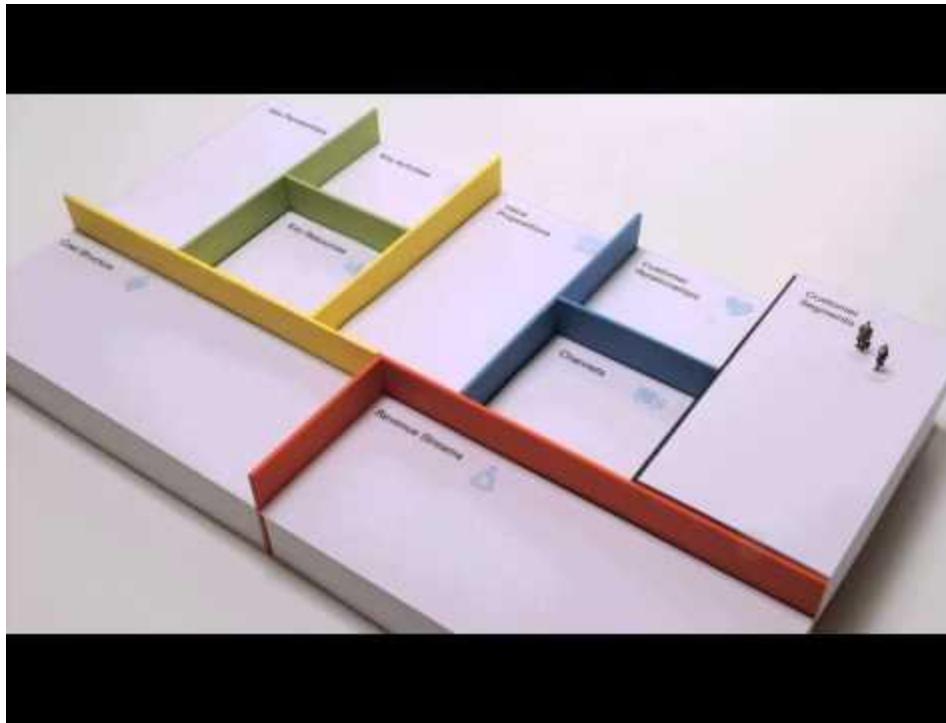
MOZ



END OF PART 2



What is a business model canvas?



What makes businesses successful?

Is it your Technology?

Is it your idea?

Is it your product?

What makes businesses successful?

Is it your Technology?

What matters most are the problem or need that you are addressing AND whom you're solving it for

Is it your idea?

Problem

Accounting

Graphic Design

Word Processing

Scheduling Posts

Websites

Need

Entertainment

Communication

Food

Lodging

Transportation

Business Model Canvas

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

1. Customer Segment

- Who will pay you money for this? Who will care?
- Who are they and why would they buy from you?
- What's their major problem?
- What job are they trying to accomplish?
- Develop a persona
 - Geographical location
 - Social Statistics
 - Demographic
 - Goals
 - Needs



24 year old
Male
City dweller
Avid social media user
Single income
Cycles to work
Always finding easier
and cheaper travelling
options

Meet Debra



PROFILE

Age & Marital Status: 26, Single

Location: SUTD, Singapore

Profession: PhD Candidate, 2nd Year,
Operational Analysis and Optimisation

Education: 2nd Year of PhD Candidature

BEHAVIOURS

Routine: Works at her desk almost all day, does not move around much.
Has occasional trouble finding where other researchers sit

Attitude & Beliefs: Appreciates the innovative culture in SUTD but is a little put off by lengthy administrative processes which slow down the progress of her research

Lifestyle: Extroverted, socially active, watches Netflix every night, cycles to work everyday

Interests & Hobbies: Cycling, working out at the gym, singing karaoke with friends

Goals: Wants to be tenured within 2 years of completing her PhD

Emotional Goals/Quote: "I don't obsess about my finances but I want freedom to work independently on innovative projects"

Motivations & Triggers: She believes in having a social benefit to her work. She wishes to give back to society

Challenges: Lack of support infrastructure and funding to conduct effective research. Feels like it takes too long to seek approval for certain processes to be executed

NEEDS

Meet Debra



Detailed descriptions of customer traits, including hard and soft customer data

PROFILE

Age & Marital Status: 26, Single

Location: SUTD, Singapore

Profession: PhD Candidate, 2nd Year,
Operational Analysis and Optimisation

Education: 2nd Year of PhD Candidature

BEHAVIOURS

Routine: Works at her desk almost all day, does not move around much.
Has occasional trouble finding where other researchers sit

Attitude & Beliefs: Appreciates the innovative culture in SUTD but is a little put off by lengthy administrative processes which slow down the progress of her research

Lifestyle: Extroverted, socially active, watches Netflix every night, cycles to work everyday

Interest & Hobbies: Climbing, working out at the gym, singing karaoke with friends

VALUES

BETTER TARGET PRODUCTS OR SERVICES THROUGH THE VALUE PROPOSITION

Goals: Wants to be tenured within 2 years of completing her PhD

Emotional Goals/Quote: "I don't obsess about my finances but I want freedom to work independently on innovative projects"

Motivations & Triggers: She believes in having a social benefit to her work. She wishes to give back to society

Challenges: Lack of support infrastructure and funding to conduct effective research. Feels like it takes too long to seek approval for certain processes to be executed

Customer Archetype Examples

“We believe that most of our customers are age 35 to 45, and are tech-savvy young urban professionals who use Macs and spend two hours a day on Facebook.”

“Twenty-five percent of our customers read The Globe and Mail. This will impact how we target them through marketing.”

Customer Archetype UVP

Once you know who your customer is, develop a clear and compelling message that tells customers why your product or service is different and worth buying.

For [target end user]
Who wants/needs [compelling reason to buy]
The [product name] is a [product category]
That provides [key benefit]
Unlike [main competitor]
The [product name] [key differentiation]

Business Model Canvas

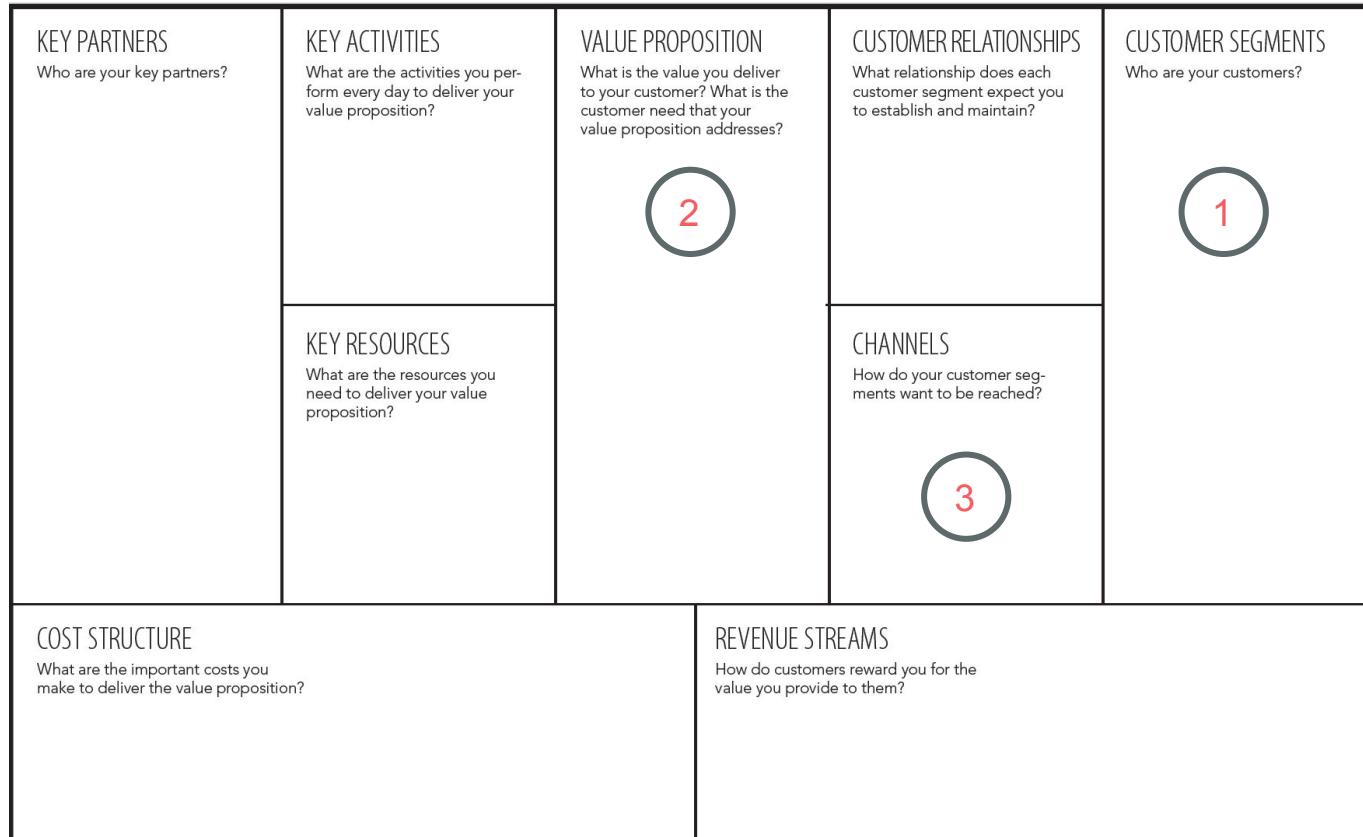


2. Unique Value Proposition

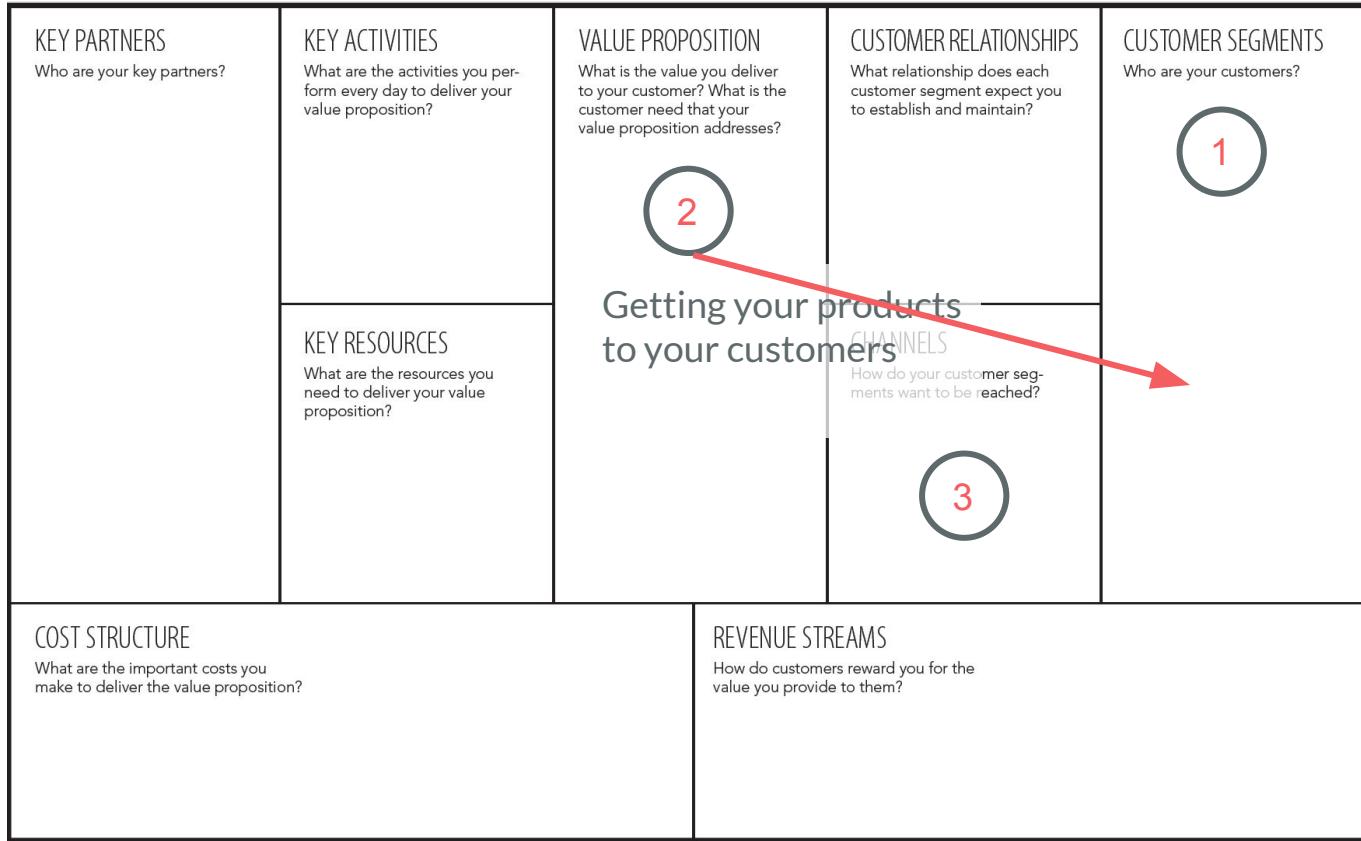
- What pain are you solving and what gain are you creating?
- Customers don't care about your technology or super cool product features
- Customers care about benefits
- How do you make the status quo 5 times better?
- How do you help customer accomplish the job?

TALK BENEFITS,
NOT FEATURES

Business Model Canvas



Business Model Canvas



3. Channels

- Getting your products to your customers
 - How do you deliver and promote the value?



PHYSICAL

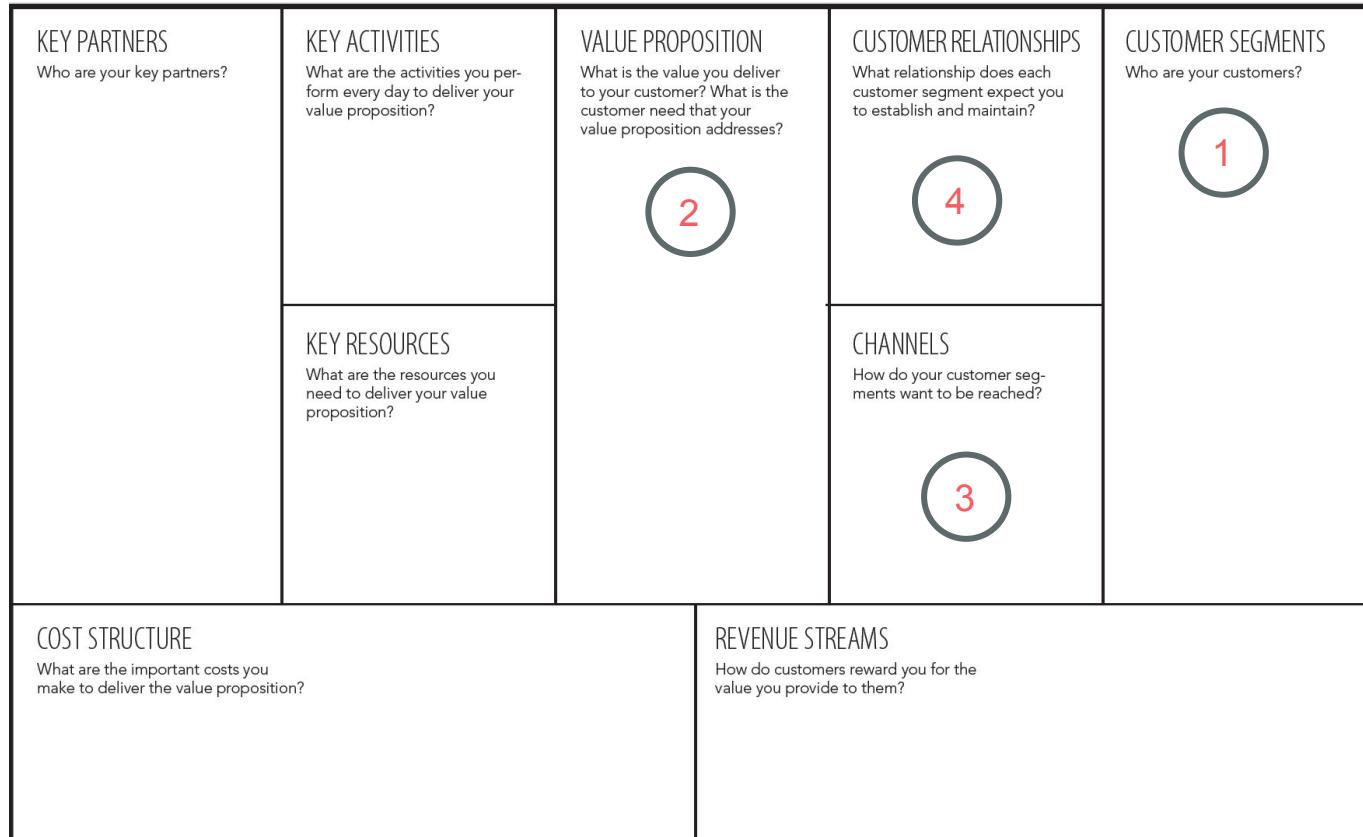
Store
Door-to-door
Pop-up



VIRTUAL

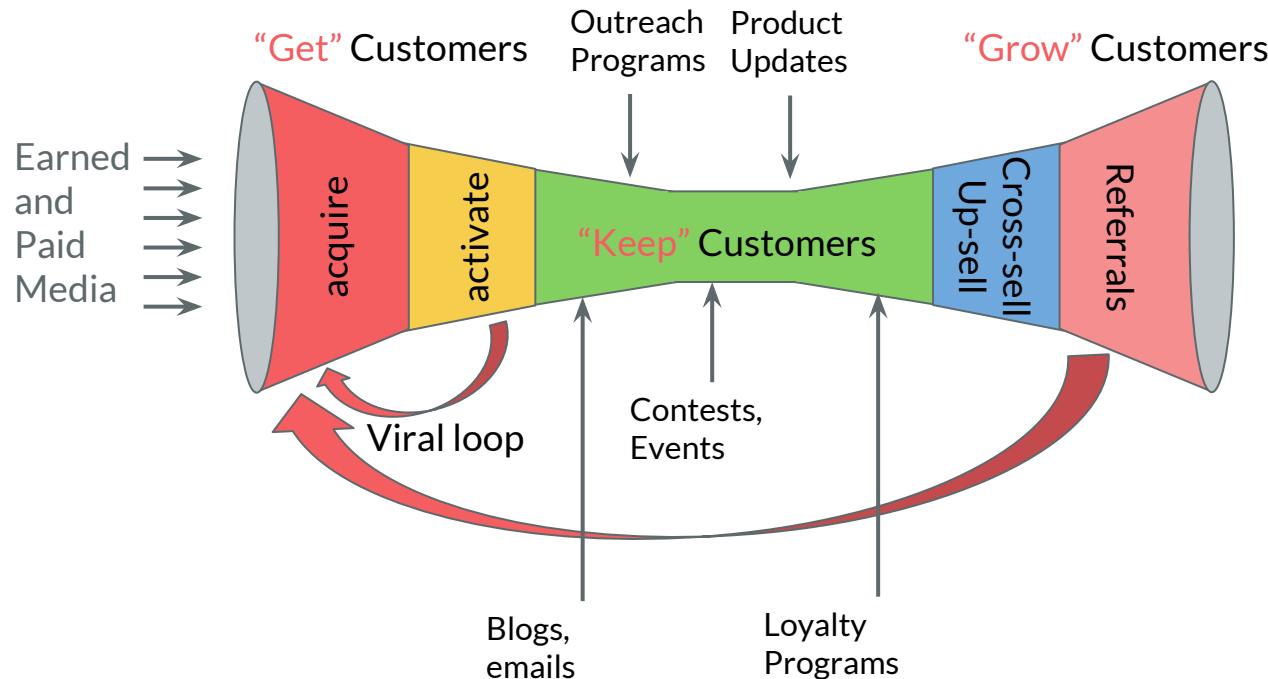
Web
Mobile
Tablet

Business Model Canvas



4. Customer Relationships

How does your company GET, KEEP and GROW customers?

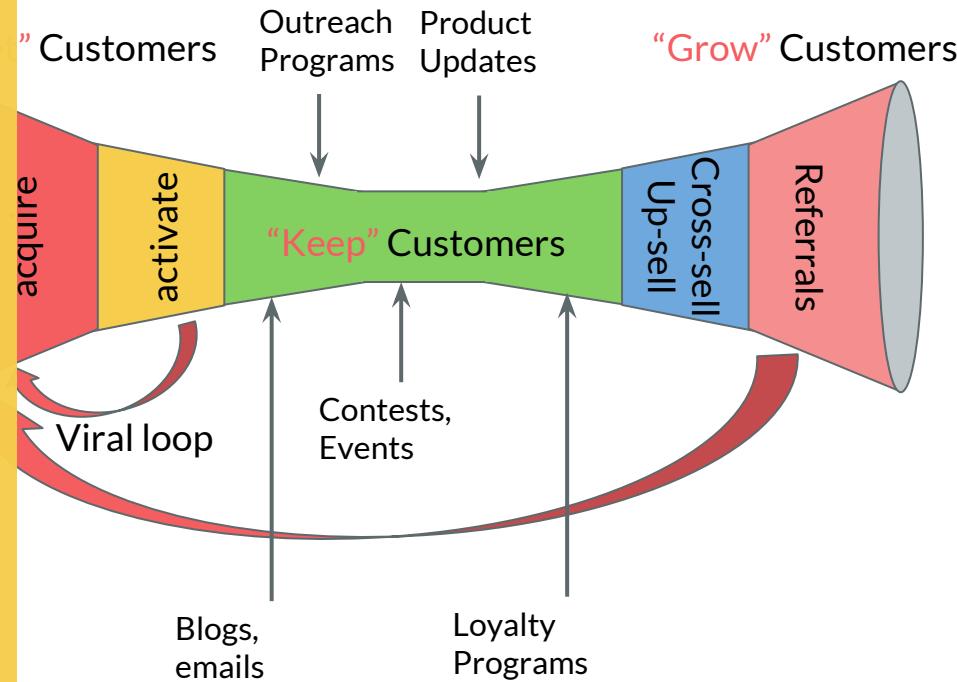


4. Customer Relationships

How does your company GET, KEEP and GROW customers?

GET:

Employ awareness and acquisition tactics while reducing customer acquisition costs



4. Customer Relationships

How does your company GET, KEEP and GROW customers?

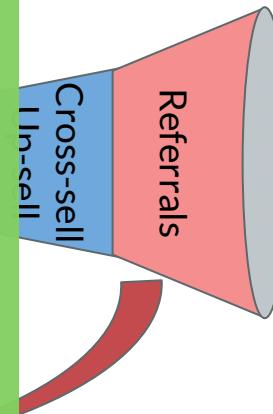
GET:

Employ awareness and acquisition tactics while reducing customer acquisition costs

KEEP:

Reduce attrition and retain customers via loyalty programs, product updates and quality service

“Grow” Customers



“Get” Customers
Programs
Updates

Viral loop

Contests,
Events

Blogs,
emails

Loyalty
Programs

4. Customer Relationships

How does your company GET, KEEP and GROW its customers?

GET:

Employ awareness and acquisition tactics while reducing customer acquisition costs

KEEP:

Reduce attrition and retain customers via loyalty programs, product updates and quality service

GROW:

Increase customer lifetime value by upselling, next-selling and cross-selling

GET:

Employ awareness and acquisition tactics while reducing customer acquisition costs

Customer Acquisition costs?

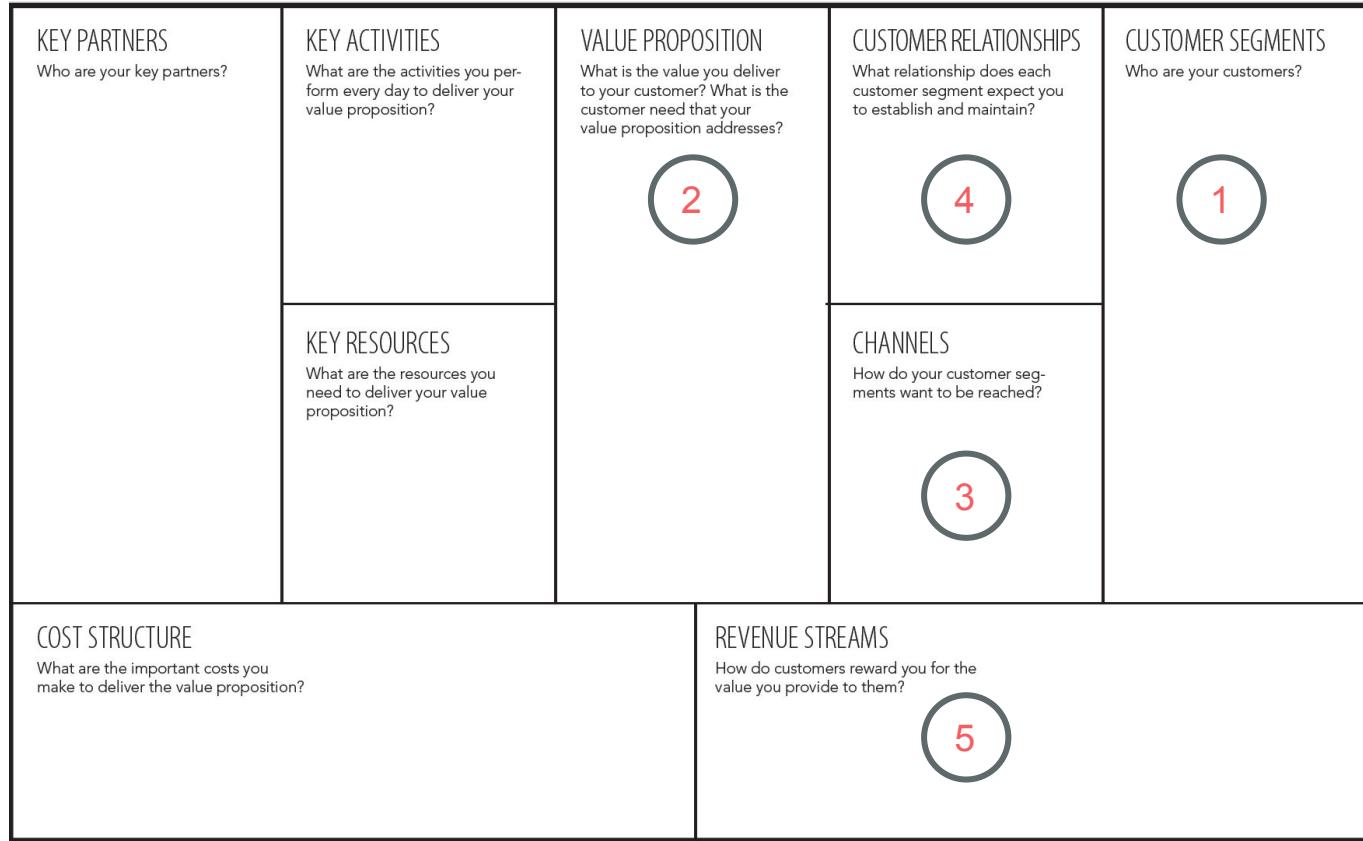
Retaining costs?
Reducing costs by retaining customers via loyalty programs and discounts.

Lifetime Value?
Increasing lifetime value through cross-selling, upselling, and product diversification.

GROW:

Increase customer lifetime value by upselling, next-selling and cross-selling

Business Model Canvas



5. Revenue Streams

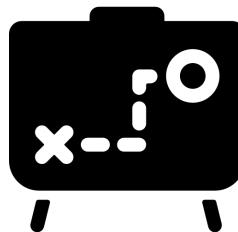
- How does the company make money from each customer segment?
 - What value is the customer paying for?



MARKET SIZE

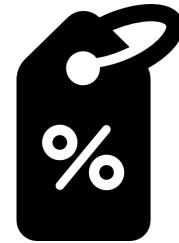
Total number of paying
customers

Total addressable market



STRATEGY

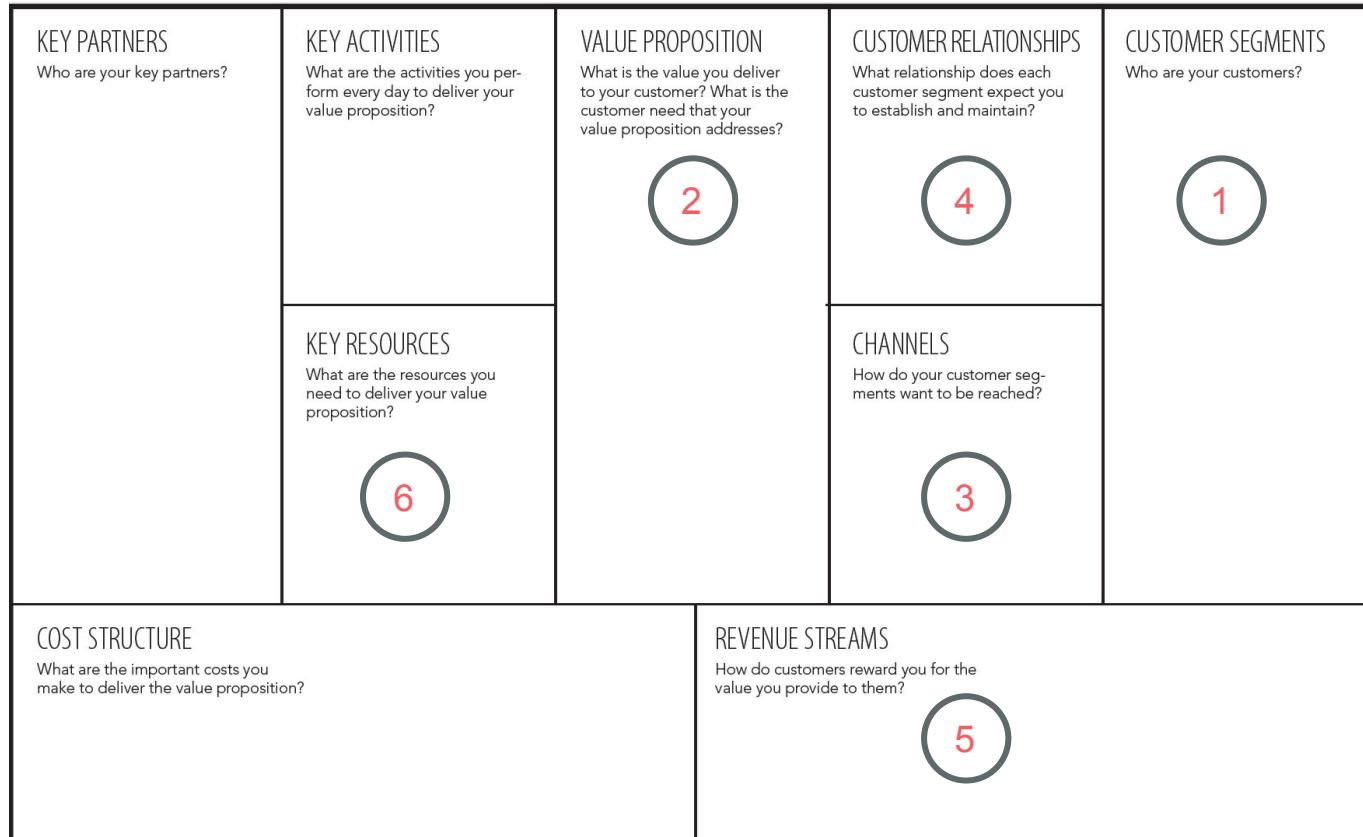
Direct Sale
Freemium
License
Subscription



TACTIC

Pricing
Mode of transaction

Business Model Canvas



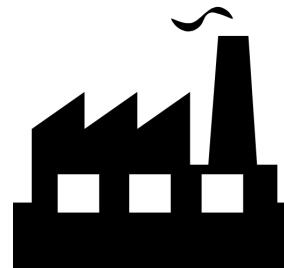
6. Key Resources

What assets or resources do you need to make the businesss model work



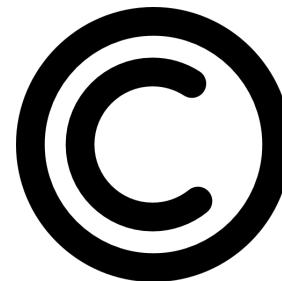
FINANCIAL

Capital
Credit



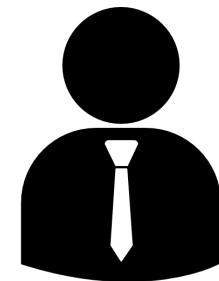
PHYSICAL

Manufacturing
Machines
Vechicles



INTELLECTUAL

Patents
Customer Lists



HUMAN

Engineers
Specialists

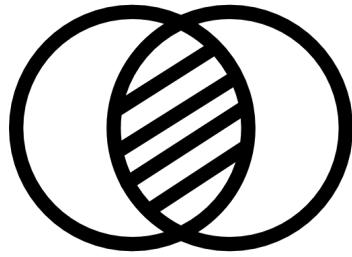
Business Model Canvas



7. Key Partnerships

Who are the key partners and suppliers needed to make the business model work?

What are we acquiring from partnerships?



Strategic Alliances

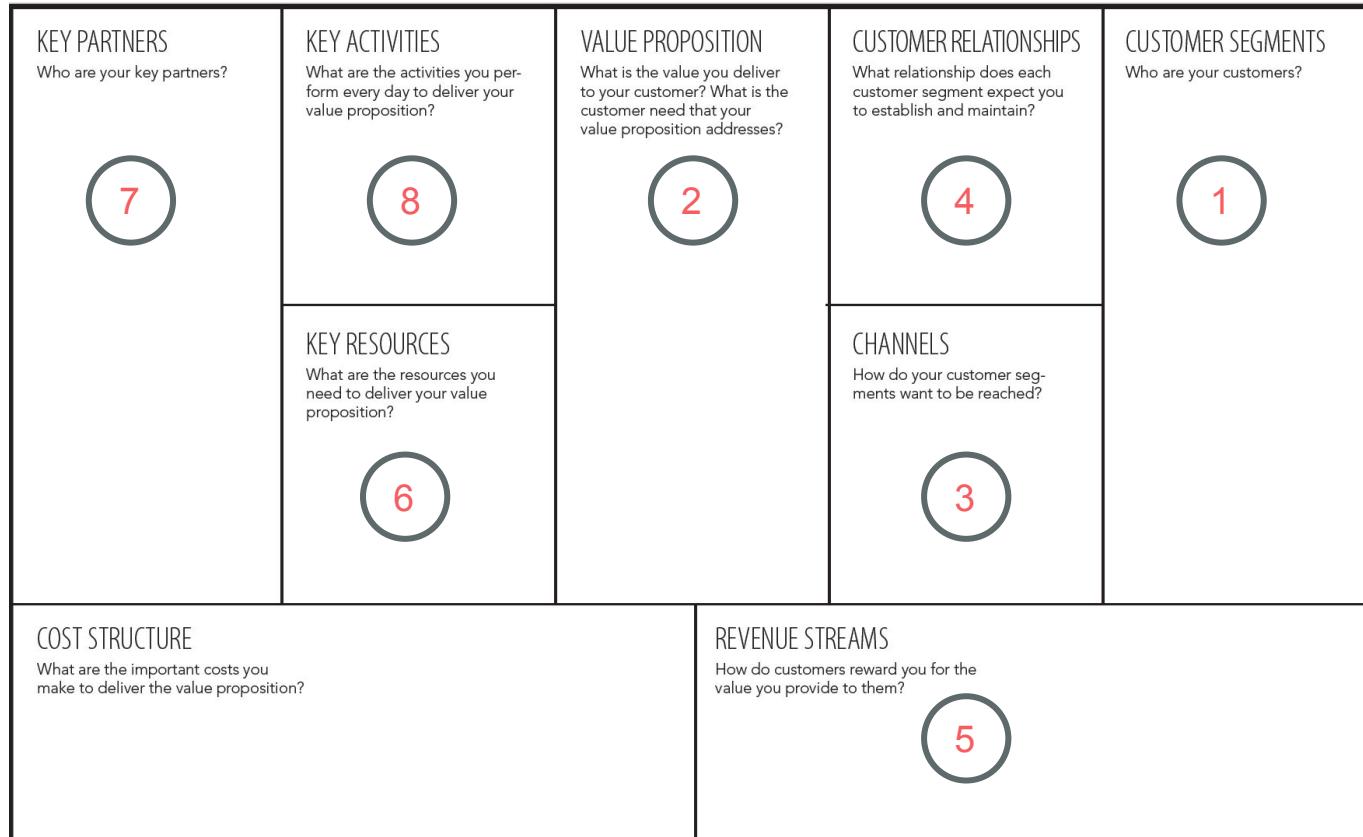


Joint Ventures



Buyer or Supplier

Business Model Canvas



8. Key Activities

What are the most important things the company must do to make the business model work?



MANAGING ASSETS

Co-ordination

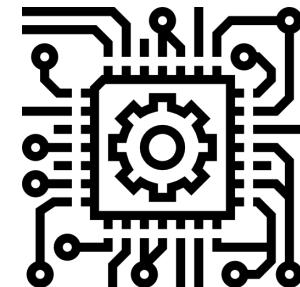
Supply Chains



PROBLEM SOLVING

Consulting

Engineering

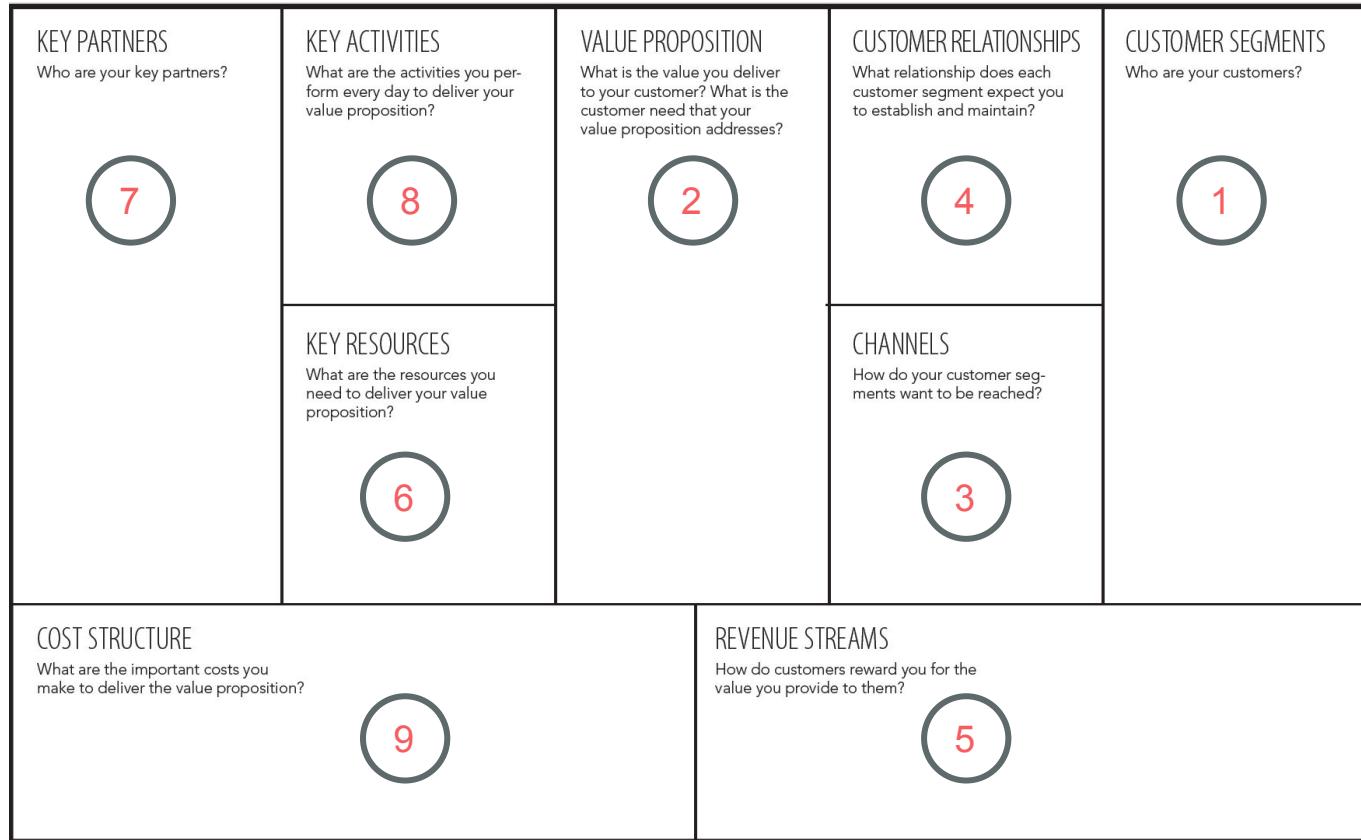


PRODUCTION

Building/Designing

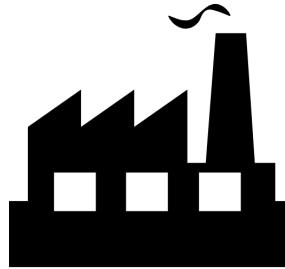
Manufacturing

Business Model Canvas



9. Cost Structure

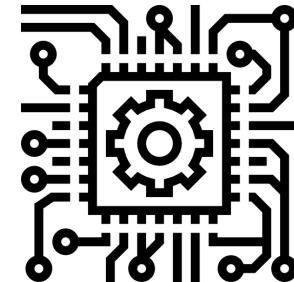
- What are the most expensive resources?
- What key activities are the most expensive and most important?
- Are there economies of scale?



Overheads
Fixed Costs



HR costs
Variable costs



Engineering costs
Manufacturing costs

CASE STUDY: PEEPOO

Case Study: PeePoo



Case Study: PeePoo

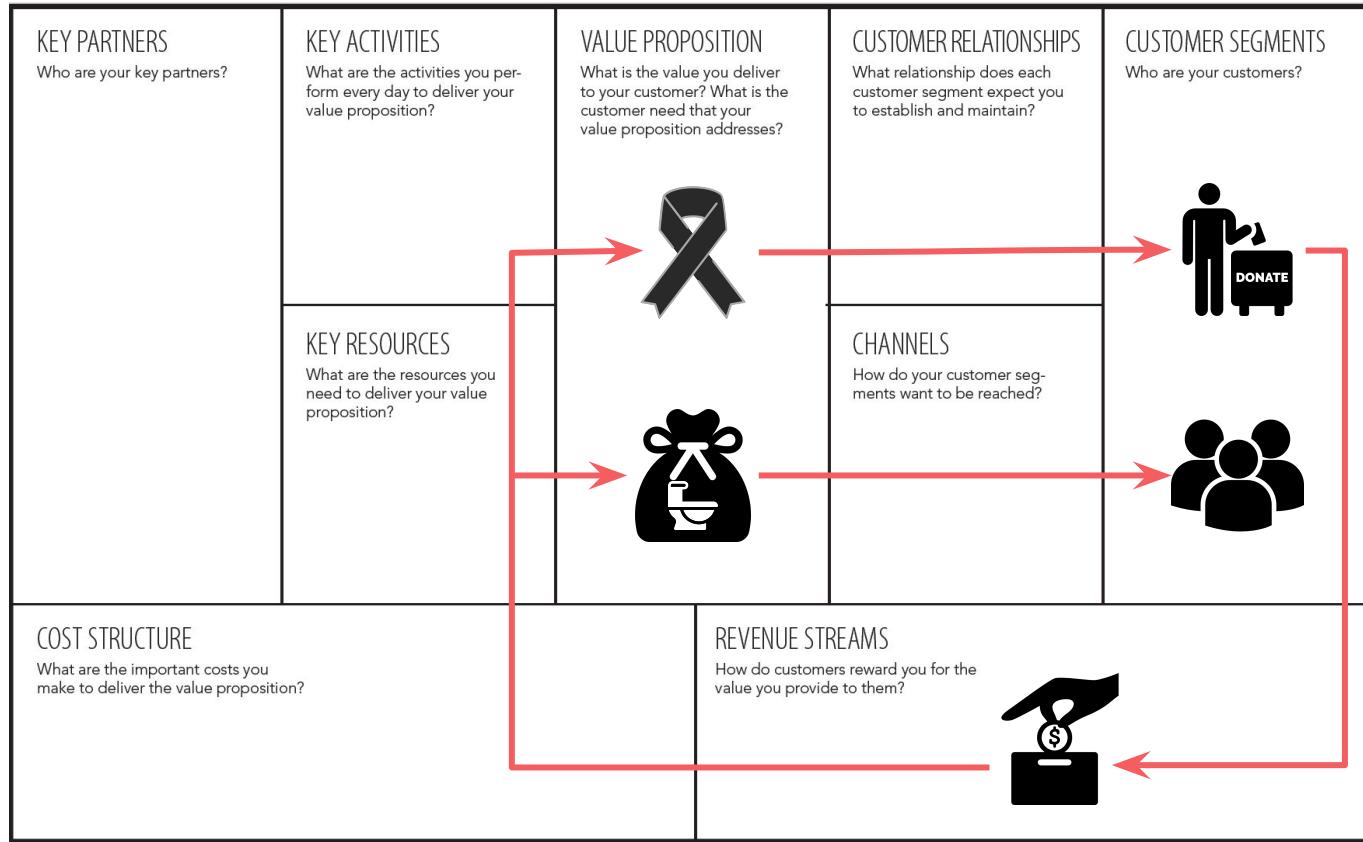
- A single use toilet bag, designed to be conveniently used and it prevents odors;
- Self sanitizing; it inactivates organisms that produce diseases and are found in faeces;
- Biodegradable: it is made of a high performance degradable bioplastic
- Turns into fertilizer: the treated faeces constitute a high value fertilizer with a considerable market value
- Low production cost (numbers confidential);
- Aimed at substantially reducing the sanitation problem in the world;
- In many developing markets people already pay for (limited) access to sanitation (e.g. public latrines in slums)

Peepoople has a proven product/technology that works but this is only a starting point. They still have to develop a **sustainable** and **impactful** business model

Business Model 1: Donation

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

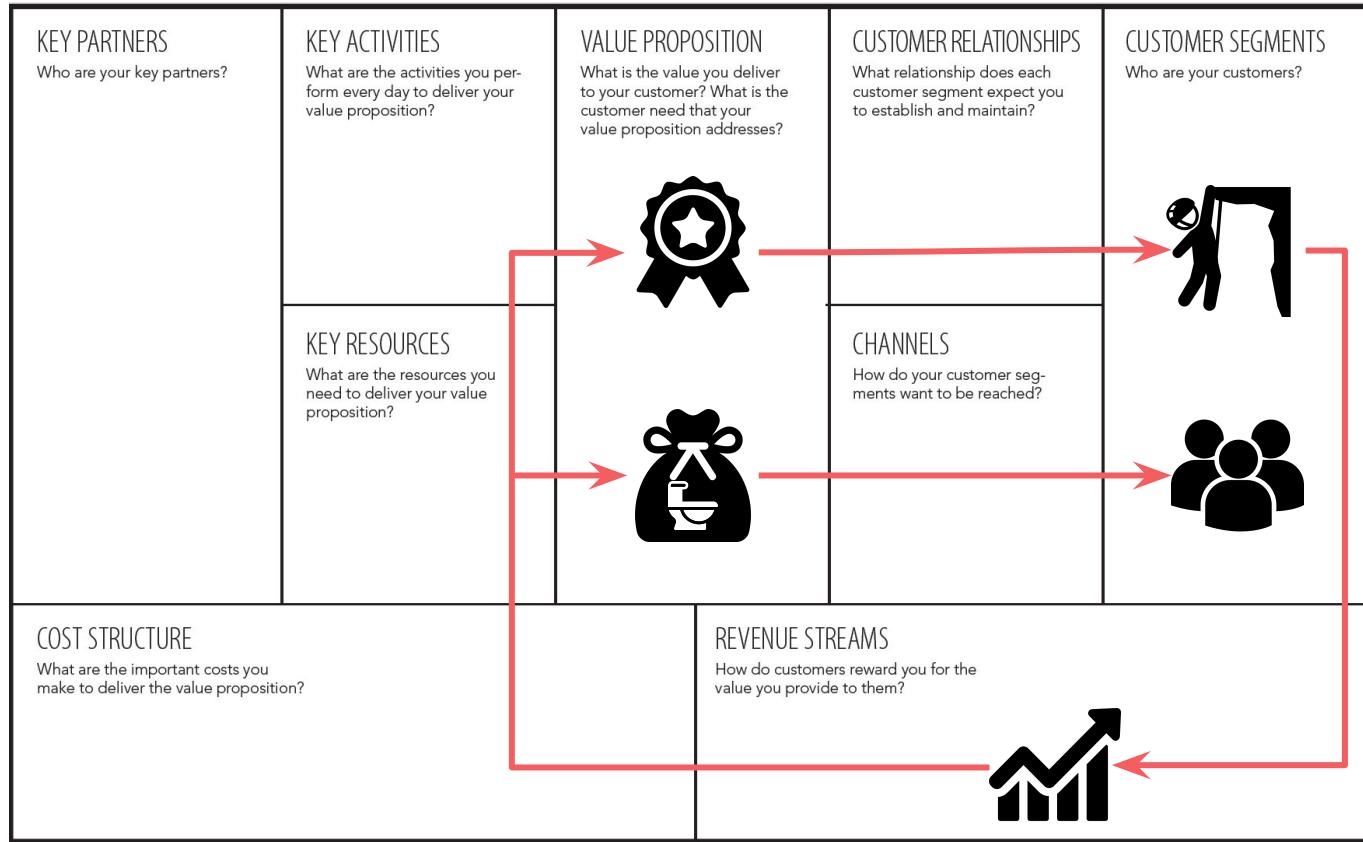
Business Model 1: Donation



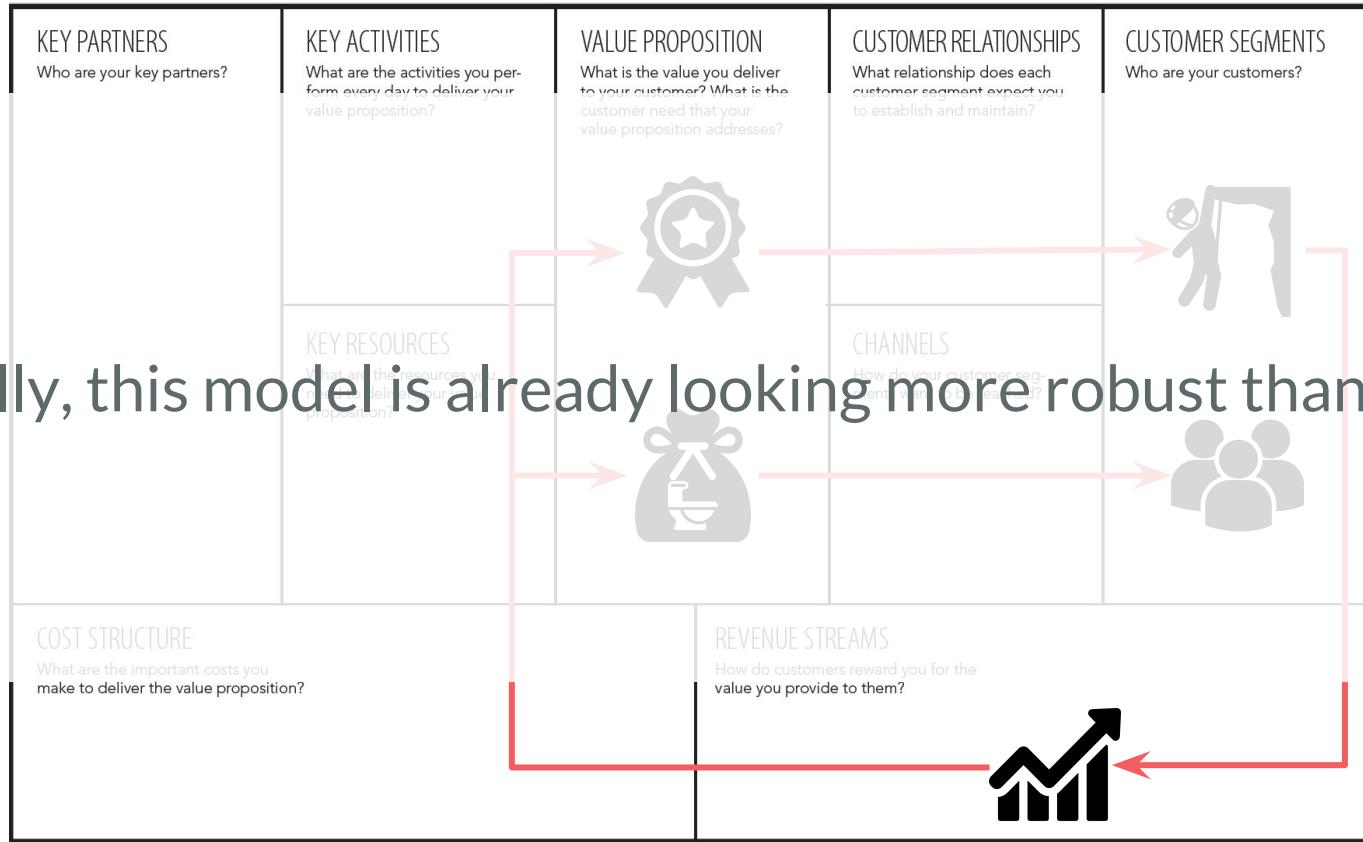
Business Model 2: Cross-Subsidy

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

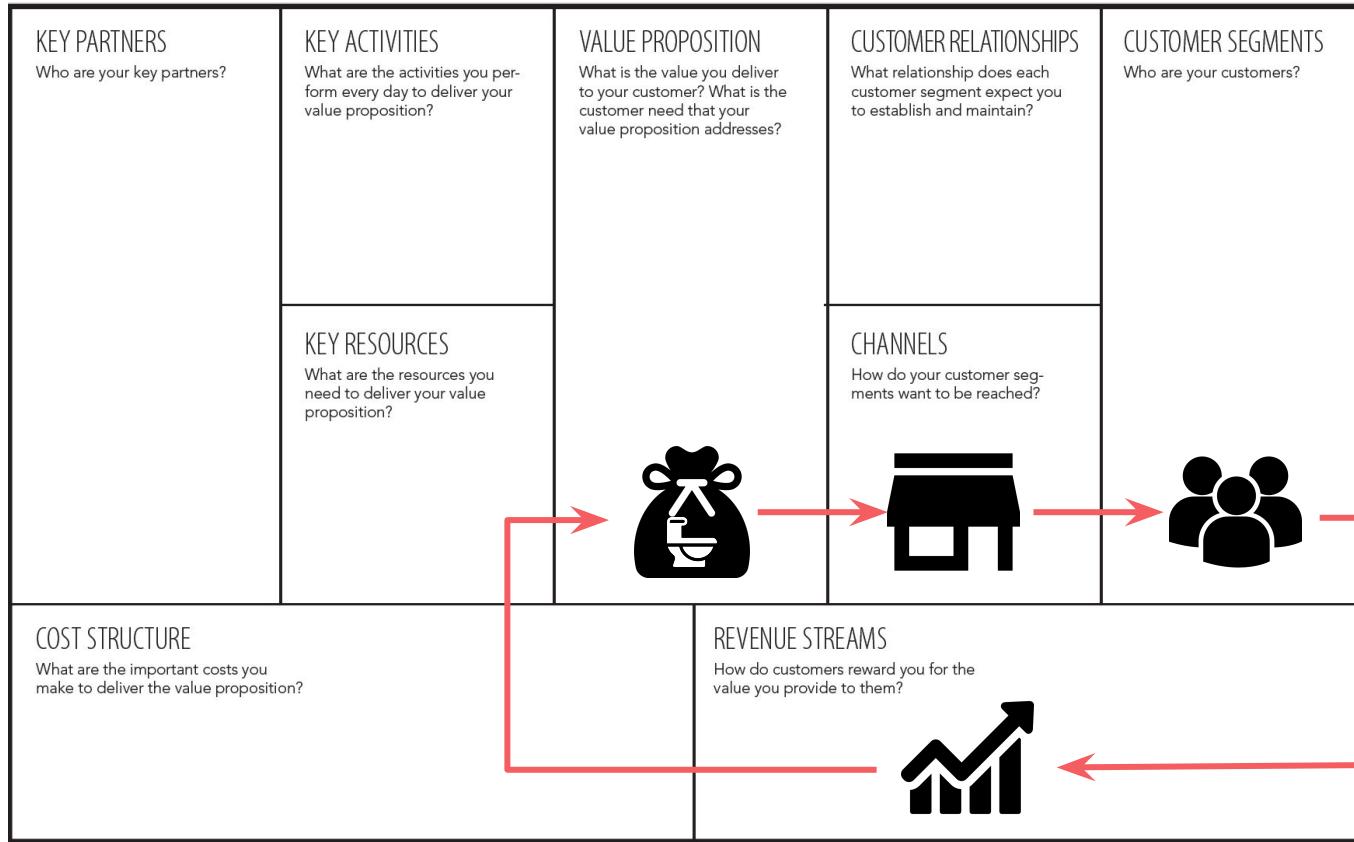
Business Model 2: Cross-Subsidy



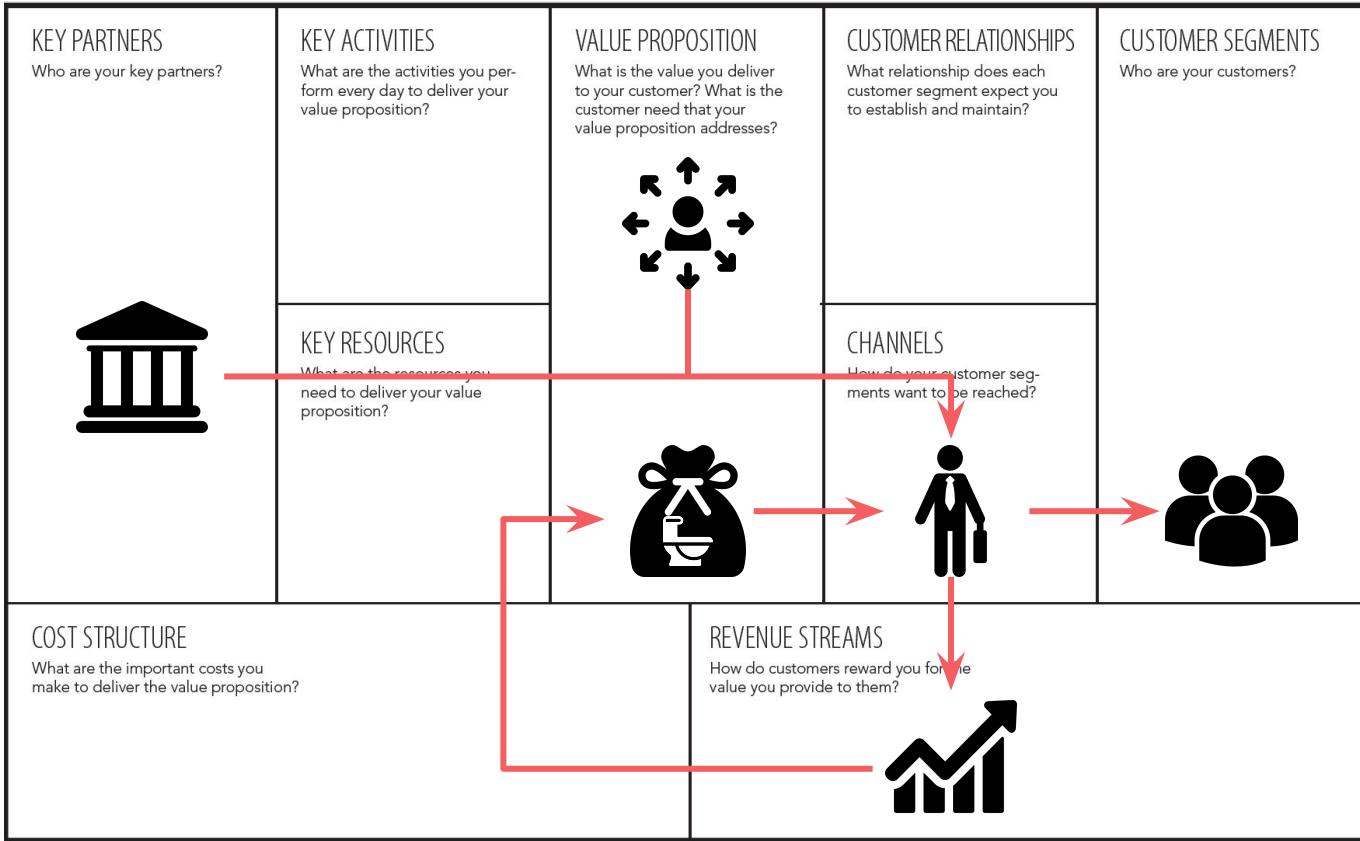
Business Model 2: Cross-Subsidy



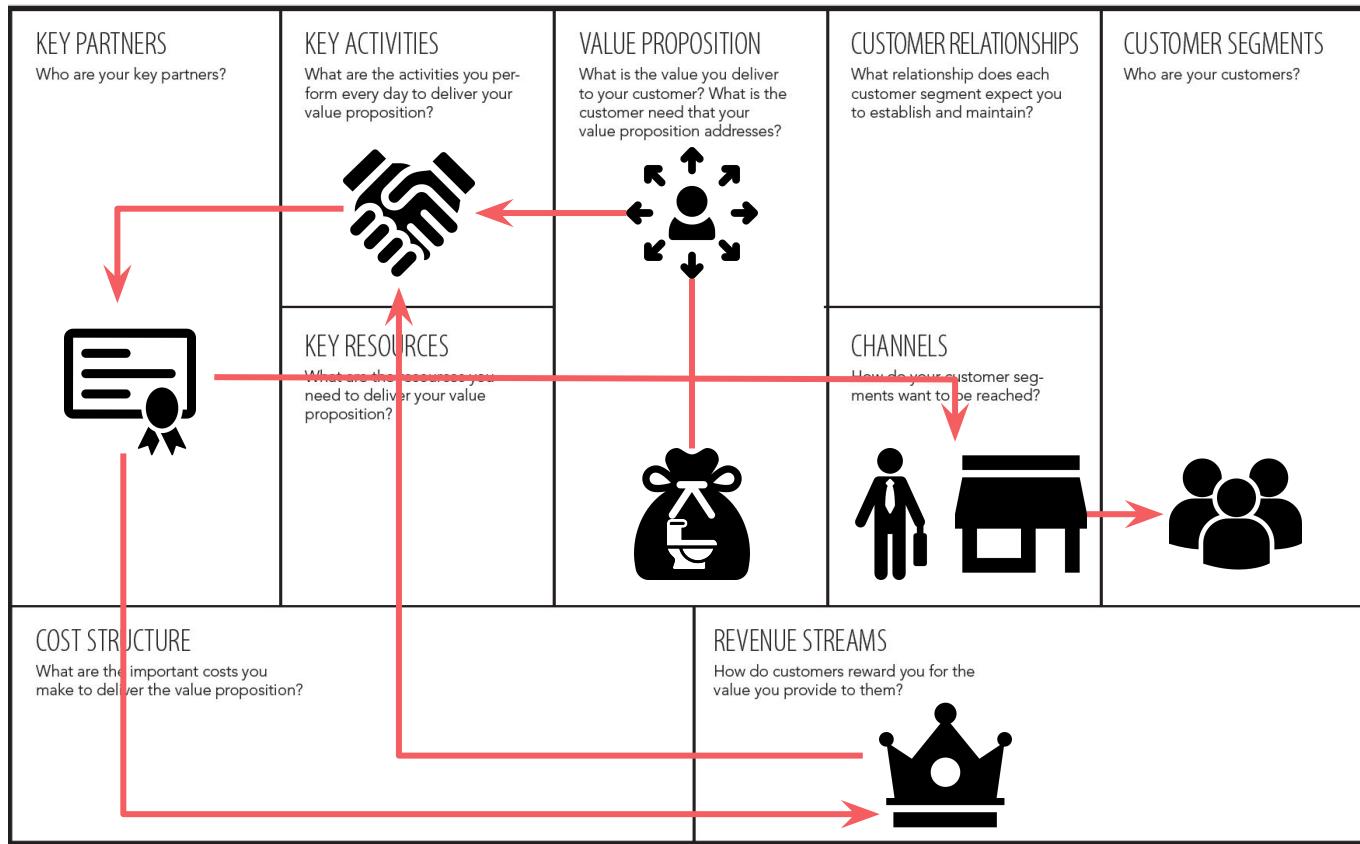
Business Model 3: BoP Traditional Sales



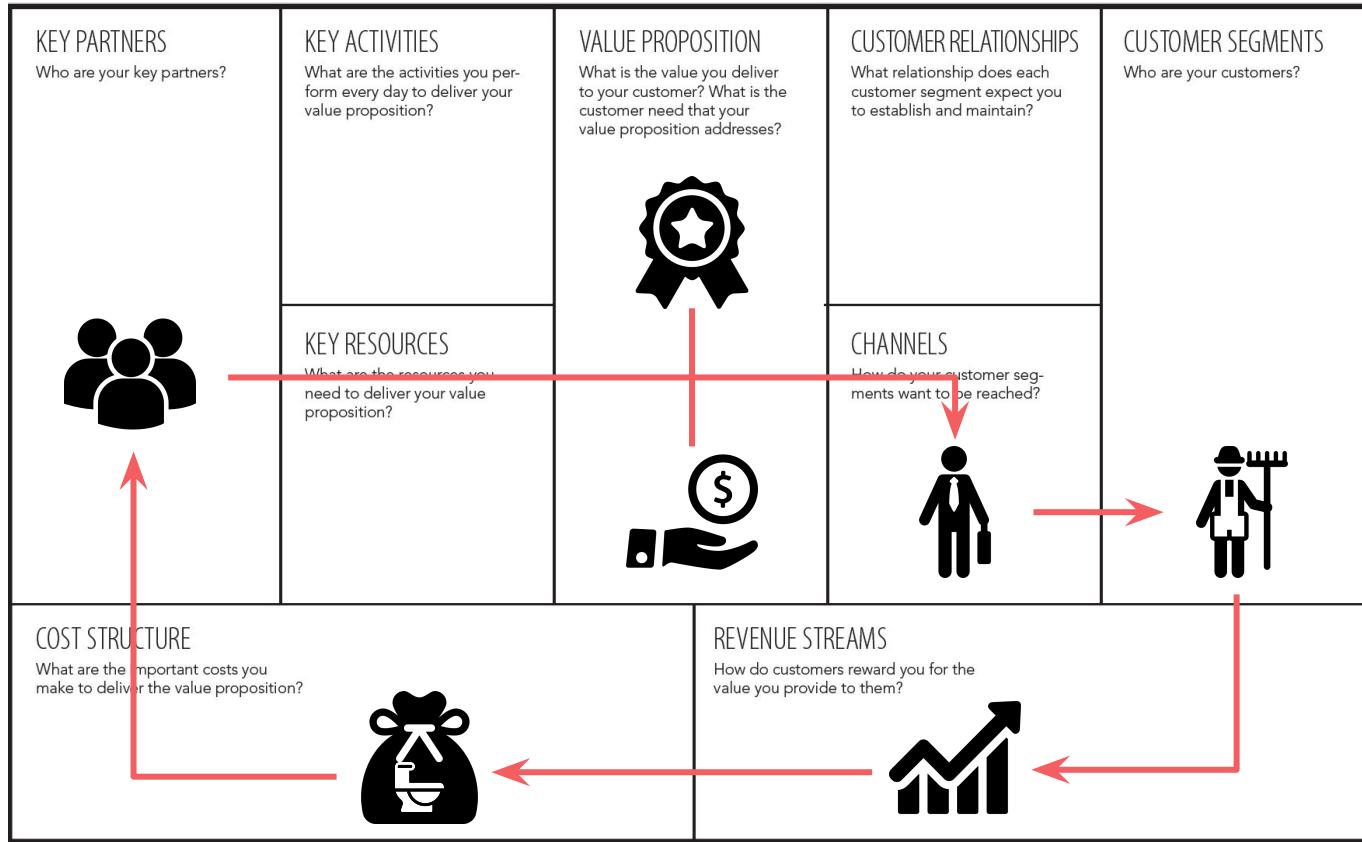
Business Model 4: Micro-financing



Business Model 5: Licensing/Franchising



Business Model 6: Resource Model



Other Business Models

- White Labelling the technology
 - *White label refers to a product or service that is purchased by a reseller who rebrands the product or service to give the impression that the new owner created it.*
- Building brand alliances
 - Distribute for free with prepaid SIM cards
- Advertising on bags
 - Earning from ad-revenue
- Get creative! Map out alternative business models and test!
- Define criteria to select **THE ONE:**
 - Growth and scalability potential
 - Risk
 - Impact
 - Capital

BUILD YOUR BUSINESS MODEL CANVAS

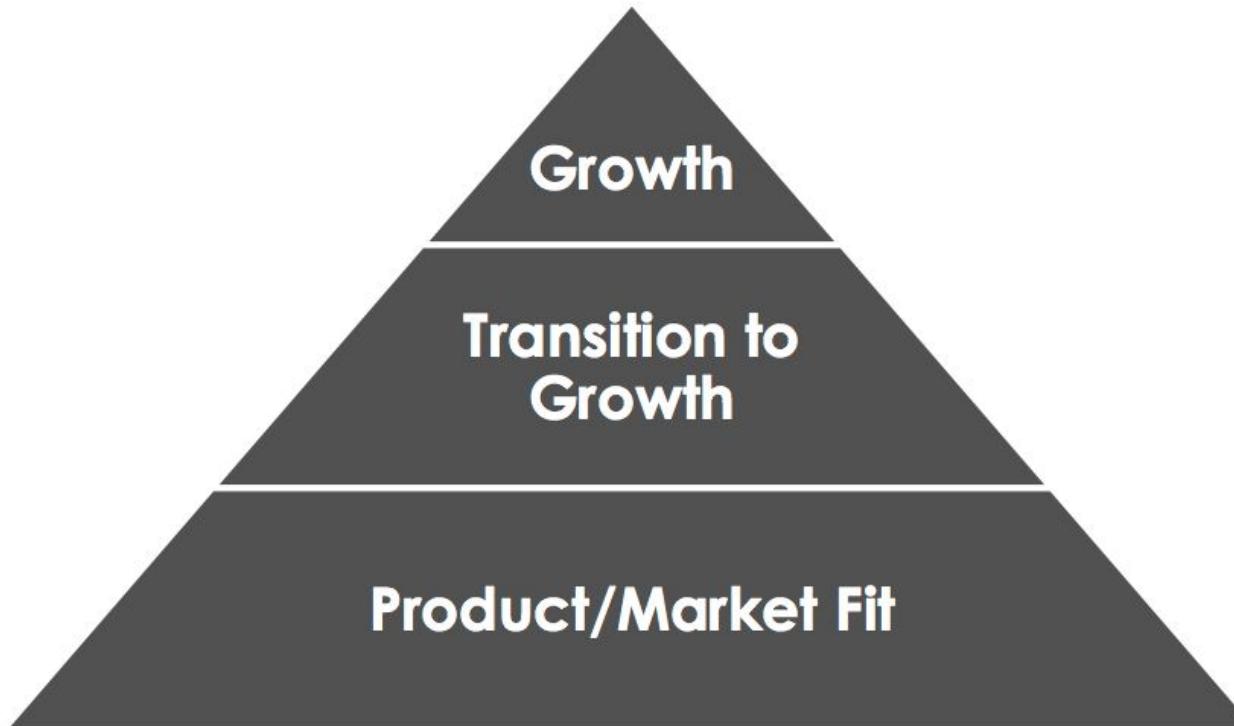
30 MINUTES

PLAN
TEST
PIVOT
SCALE
#WIN

Business Model Canvas



Product-Market Fit



Product-Market Fit

A large number of easy to acquire potential users offering

a high growth

Growth
Inclination to
Growth

Product/Market Fit

Product-Market Fit

WHAT YOU WILL NEED:

Growth

An innovative product

Transition to

A market that wants it

Which is NOT small, cheap, or shrinking

Product-Market Fit

Product-Market Fit

How would you feel if you could no longer use [product]?

- Very disappointed
- Somewhat disappointed
- Not disappointed (it isn't really that useful)
- N/A – I no longer use [product]

To gain strong traction you need to exceed 40% “very disappointed” responses

You've achieved
Product-Market fit
when your
customers start
selling for you

Recap

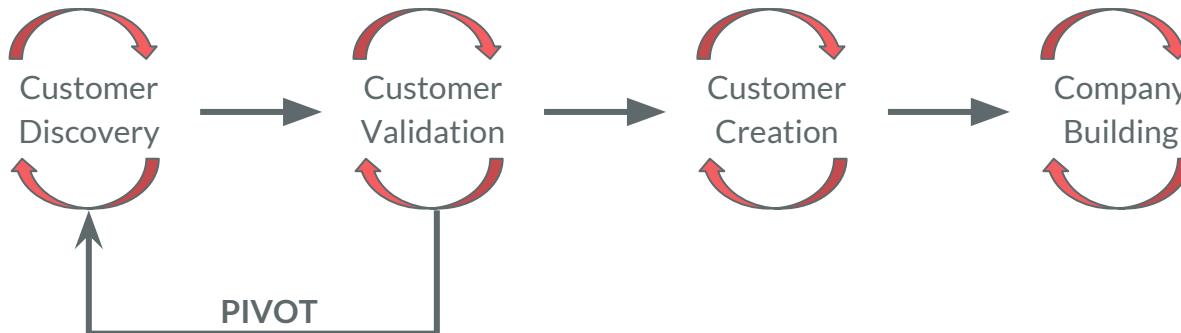
Talk benefits, not features

50% Product, 50% Audience

Constant Customer Engagement

Find Value Proposition, Drive Growth

AARRR!

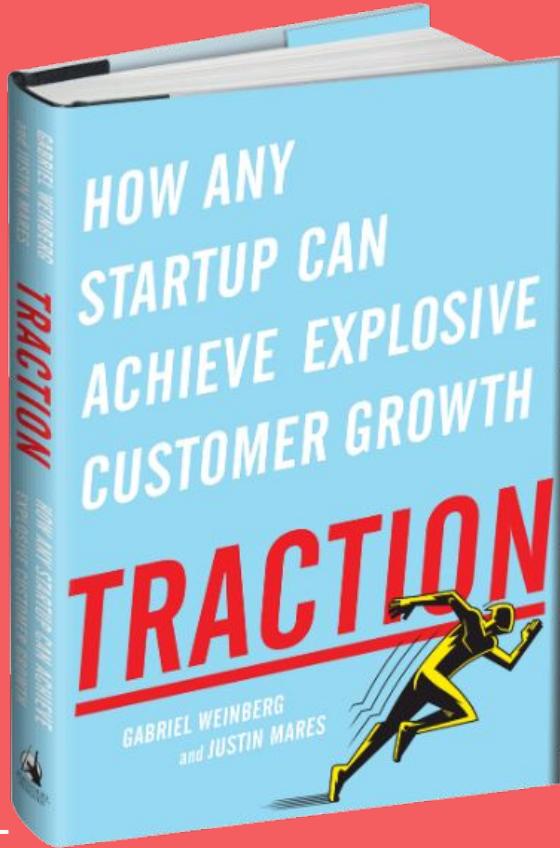


DESIGN | ITERATE/PIVOT | SCALE

Human-centric design is the act of providing a solution, based on observation, for a need; through aesthetic, function and form

Traction

Gabriel Weinberg
And
Justin Mares



END

Feedback:
insert URL here