

Innovation Process

Market Access

LEARNING OUTCOMES

- Understand on full life cycle use case and high-level product specification.
- Quantify the value proposition.
- Define your core competencies.
- Chart your competitive position.
- Profile target customers using Persona concept.
- Determine the Customer's *Decision-Making Unit* (DMU).
- Map the process to acquire a paying customer.
- Map the sales process to acquire a customer.

What can you do for your customer?

What can you do for your customer?

WHO IS YOUR CUSTOMER?

- 1 Market Segmentation
- 2 Select a Beachhead Market
- 3 Build an End User Profile
- 4 Calculate the TAM Size for the Beachhead Market
- 5 Profile the Persona for the Beachhead Market
- 9 Identify Your Next 10 Customers

WHAT CAN YOU DO FOR YOUR CUSTOMER?

- 6 Full Life Cycle Use Case
- 7 High-Level Product Specification
- 8 Quantify the Value Proposition
- 10 Define Your Core
- 11 Chart Your Competitive Position

HOW DOES YOUR CUSTOMER ACQUIRE YOUR PRODUCT?

- 12 Determine the Customer's Decision-Making Unit (DMU)
- 13 Map The Process to Acquire a Paying Customer
- 18 Map the Sales Process to Acquire a Customer

HOW DO YOU MAKE MONEY OFF YOUR PRODUCT?

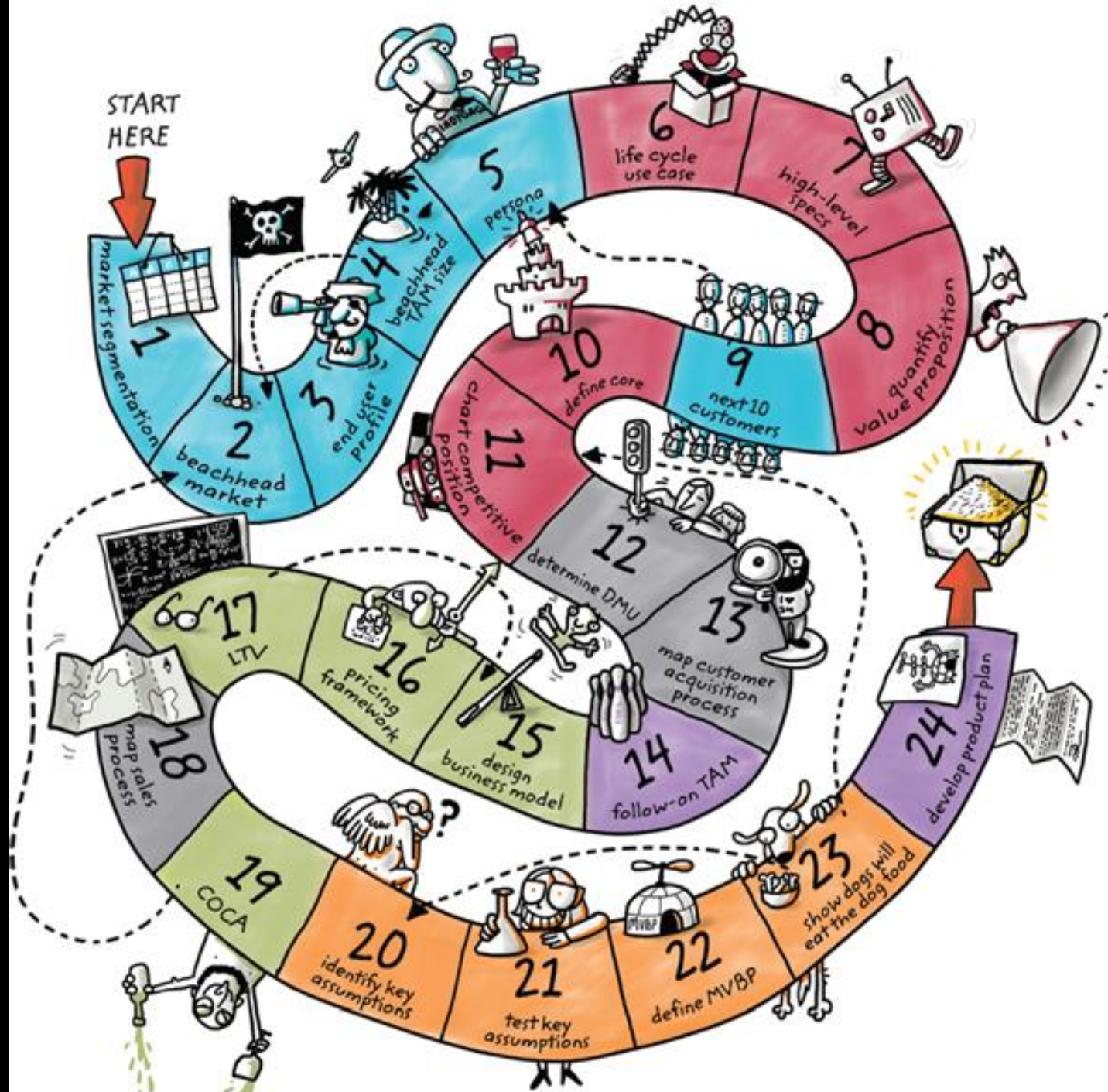
- 15 Design a Business Model
- 16 Set Your Pricing Framework
- 17 Calculate the Lifetime Value (LTV) of an Acquired Customer
- 19 Calculate the Cost of Customer Acquisition (COCA)

HOW DO YOU DESIGN & BUILD YOUR PRODUCT?

- 20 Identify Key Assumptions
- 21 Test Key Assumptions
- 22 Define the Minimum Viable Business Product (MVBp)
- 23 Show That "The Dogs Will Eat the Dog Food"

HOW DO YOU SCALE YOUR BUSINESS?

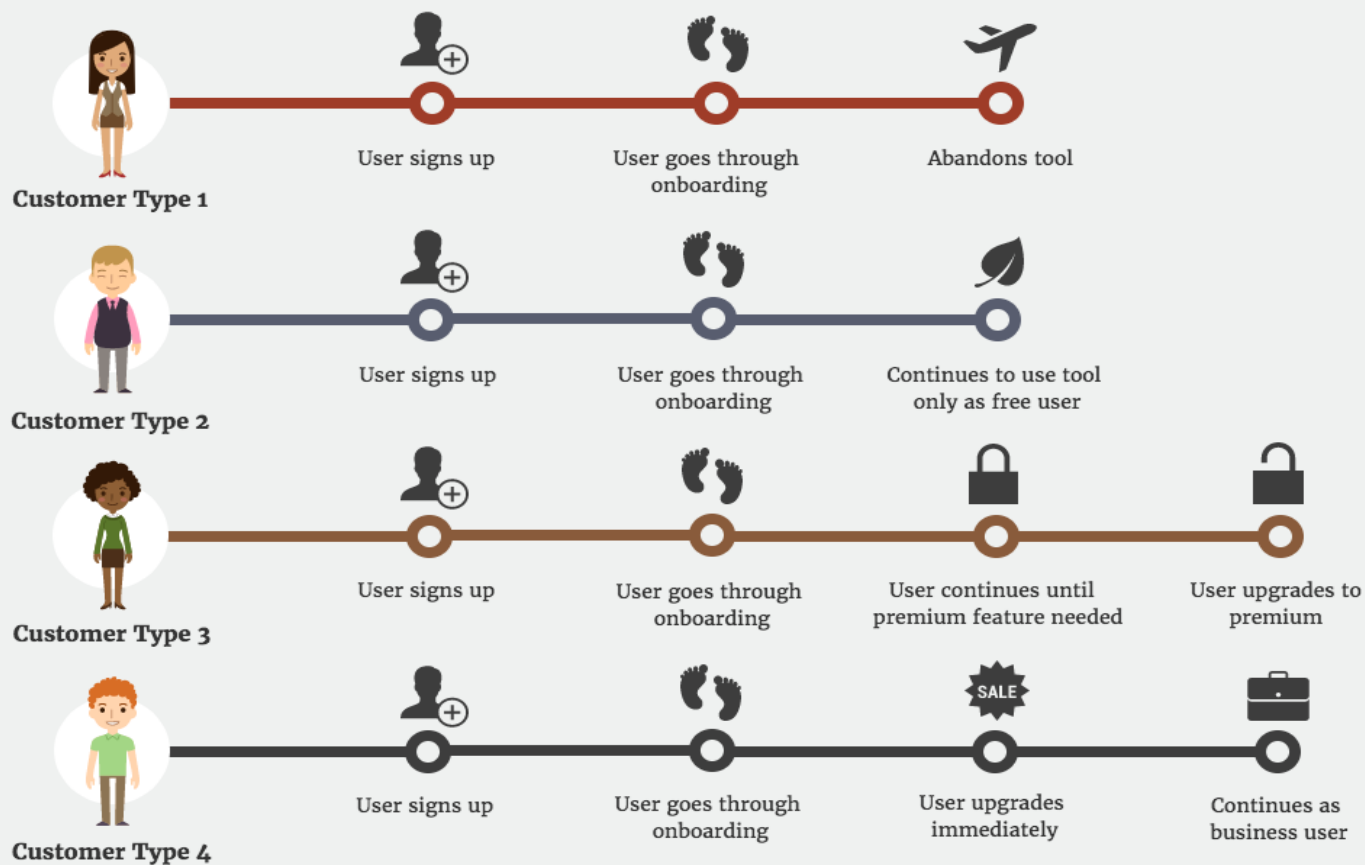
- 14 Calculate the TAM Size for Follow-on Markets
- 24 Develop a Product Plan



What can you do for your customer?

- Build a **full life cycle use case** for the customer by describing how the product fits into customer's life. Important questions to be answered when building a full life cycle use case are:
 - How will the customer determine the need for your product?
 - How will the customer find out about your product?
 - How will he acquire your product?
 - How will he use the product, perceive value and receive support?
 - How will he pay for the product?
 - How will he spread awareness about the product?
 - What are the barriers for adoption?

Our Customers / Journey Map




Use a customer journey map template to help create each persona


EXAMPLE

Highlight the differences between your personas

Hidden ways in which

YOUR DONORS ARE ENTIRELY DIFFERENT






MORE COMMITTED DONORS

9% decrease in retention


"I already love you. Why are you selling me?"



LESS COMMITTED DONORS

12% increase in retention


"I think you do good work, but remind me what you do again?"



DIRECT SERVICE DONORS

60% of giving was to support direct services

Lifetime value of **\$500**



NON-DIRECT-SERVICE DONORS

40% didn't care about direct services at all

\$250 of lifetime value

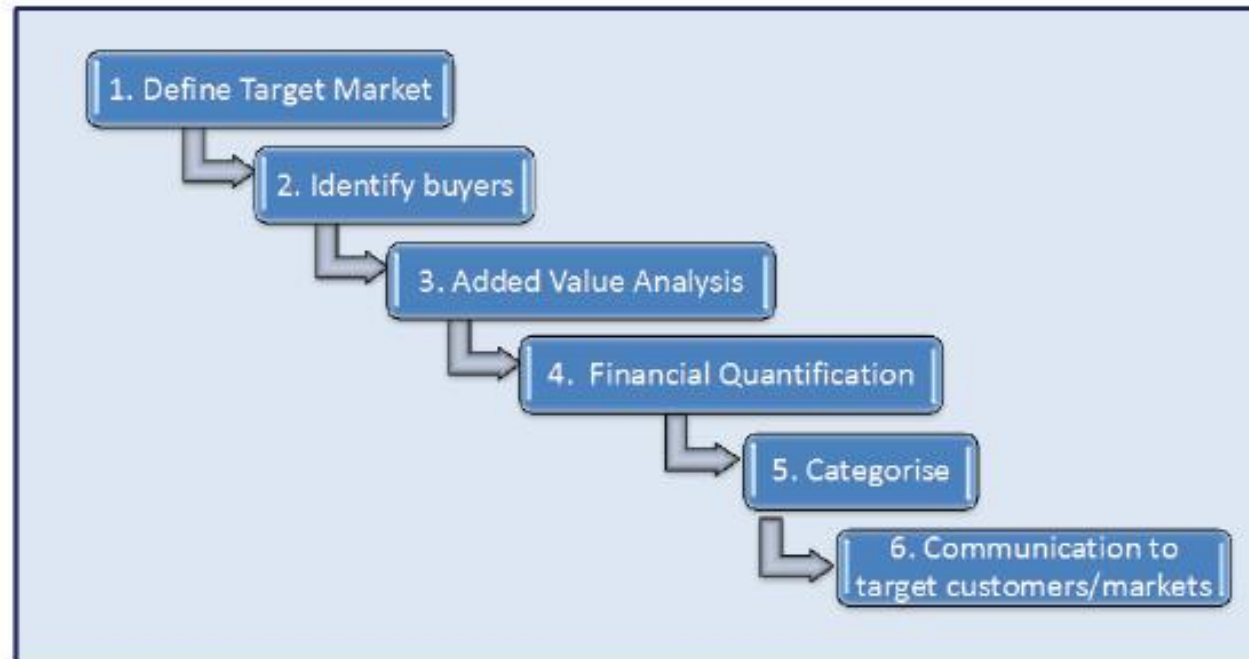
High-level visual specification

- Next, create a **high-level visual specification** for your product.
- This helps gain consensus about the product and remove any misunderstandings.
- It is by no means final; it acts as a baseline on which the team can iterate and refine.
- Create a summary/brochure by listing out features of the product and their benefits.

Quantify the value

- The customers get from your product.
- Value generally falls into **better, cheaper, faster** categories.
- It can be quantified by comparing the as-is and to-be states.

Value Proposition Process

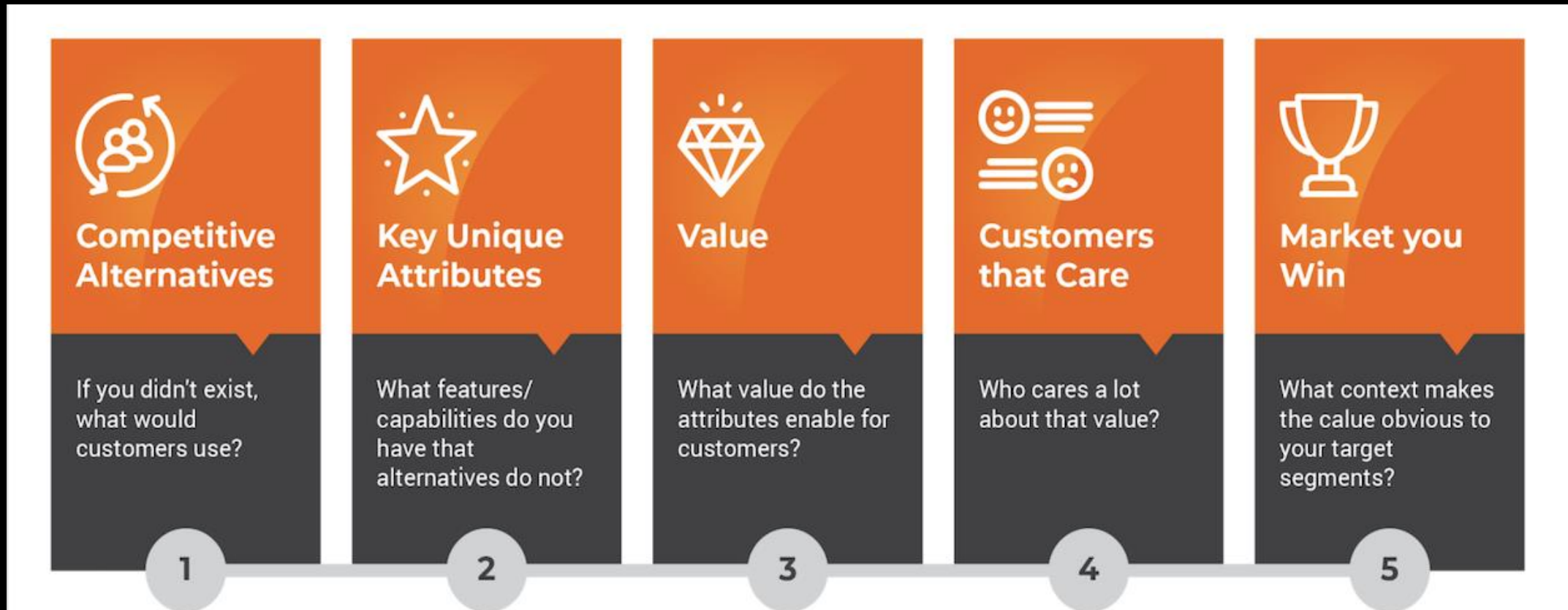


Validate the assumptions

- At this point of time, you have to connect with top 10 customers in your beachhead market and **validate the assumptions** you have made, be it with respect to purchasing priorities, needs, value propositions etc.
- Analyse and **figure out how you would be able to deliver the product/solution compared to that of anyone else.**
- This could be cost, customer service, engineering, user experience, sales strategy etc.,
- This is something you have capability for/can invest in to differentiate from competitors.
- This is your moat, your core and cannot be replicated easily.
- This is your best bet against competition.
- However, this is not the reason your customers buy from you, it only helps you build a better competitive position.

Competitive positioning

- How customers perceive your product in their minds with reference to the existing ones in the market.
- In a positioning chart, you will show how well you fulfill customers top purchasing priorities versus your competitor.

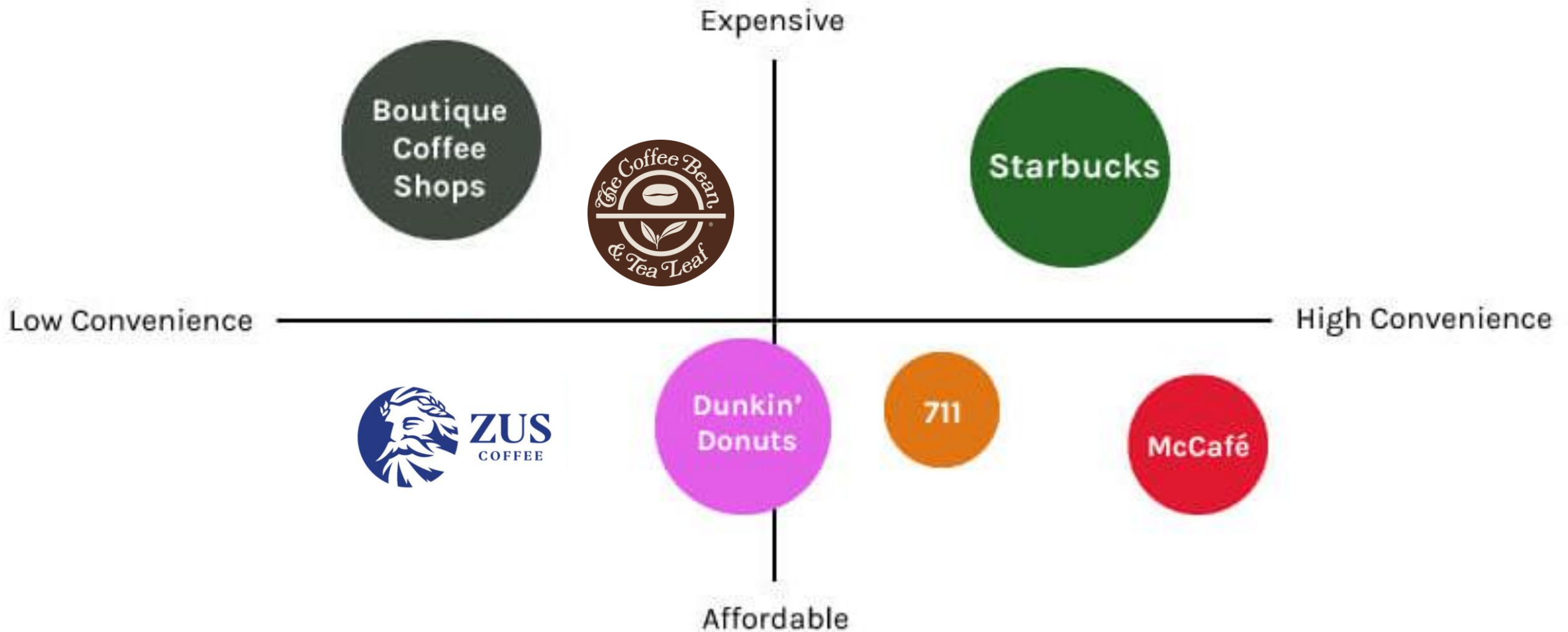


Steps to Chart Competitive Positioning

- Step 1: Know Your Customer
- Step 2: Select Chart Axes
- Step 3: Product/Service Competitor
- Step 4: Market Competitor
- Step 5: Positioning

EXAMPLE

Coffee Companies



#gamelover
#socialanimal
#adrenalinerush

USER PERSONA

John Doe

ABOUT

John is a professional gamer who is passionate about winning in some big competitions that are hosted by big E-sports brands. He has over 10 years of experience of playing games competitively and won almost 20 huge titles. He has a natural talent for desktop game specifically.

GOALS

- Get notified of the local/global competitions for his favorite games
- Find local/online friends who plays the same game so that he could play with them whenever they are free

KNOWN HABITS

- Always look for friends who are online before starting any game
- Usually participate in at least 5 online/offline competitions each month
- Very sensitive to time waste because he doesn't want anyone to beat his current score

PREFERENCES

Online Games
Console Games
Augmented Reality Games
Virtual Reality Games
Board Games



PAIN POINTS

- Competitions are all over the place and there isn't a website that has all the info
- There are multiple ways to call/message game friends and it's hard to keep track of who's on which channel

FAVORITE BRANDS



"I love to compete with others and when I do, I always try my best to win"

AGE 35
JOB TITLE Pro Gamer
STATUS Married
LOCATION Seattle, WA

Rachel

Small Business Owner



- Social Media Marketing
- Key decision-maker

Demographics

- Age 32-39
- Skews female
- \$90,000/yr
- Urban location
- Master's degree
- Married, no kids

Goals and Challenges

- Save time online
- Find interesting content to share
- Maximize social media resources

How we can help

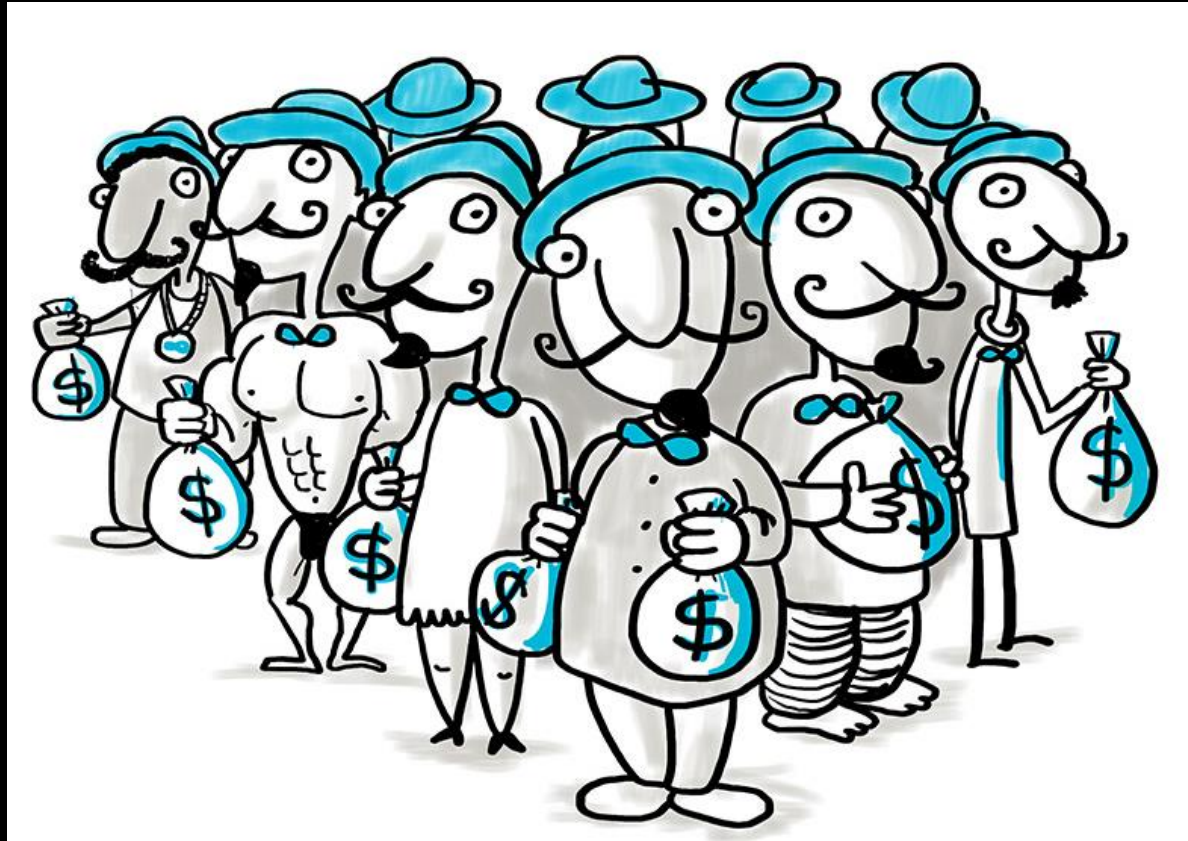
- Schedule posts to a queue
- Content suggestions

Persona

example

Identify the Next 10 Customers

- Explicitly identifying the next 10 customers after the **Persona** increases your level of confidence that you are on the right path and may also help you refine earlier steps.
- Disciplined Entrepreneurship is a systematic and rigorous 24 step to build new innovation-based ventures. Source to be referred; <https://www.d-eship.com/en/framework/>



Identify & Validate

- Identify at least 10 potential customers, besides your **Persona**, who fit the **End User Profile**.
- Contact them to validate their similarity to your Persona, and their willingness to buy your product.

The Power of Idea Validation: Ensuring Your Startup's Long-Term Success



A Software
Development Idea



Search For a Team and Initiate
The Development Process



A Software
Development Idea



Idea Validation

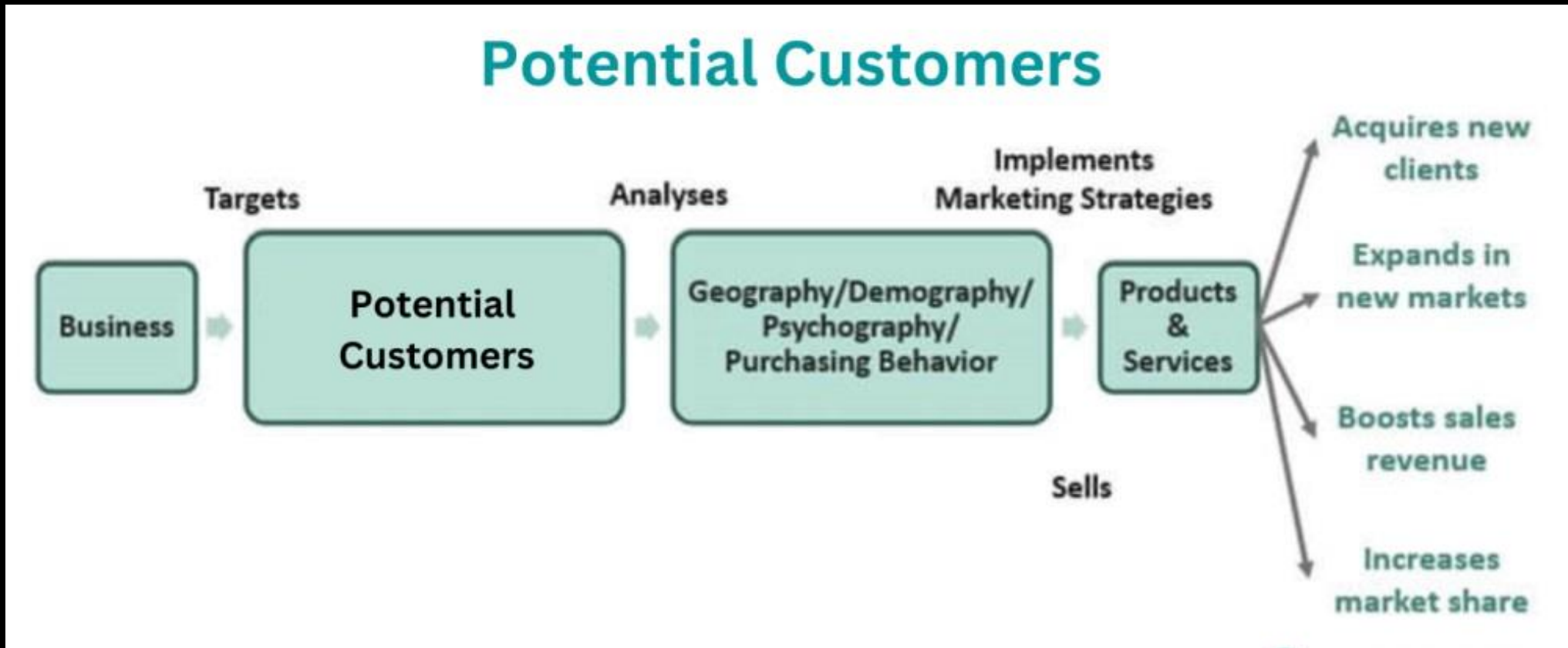


Search For a Team and Initiate
The Development Process



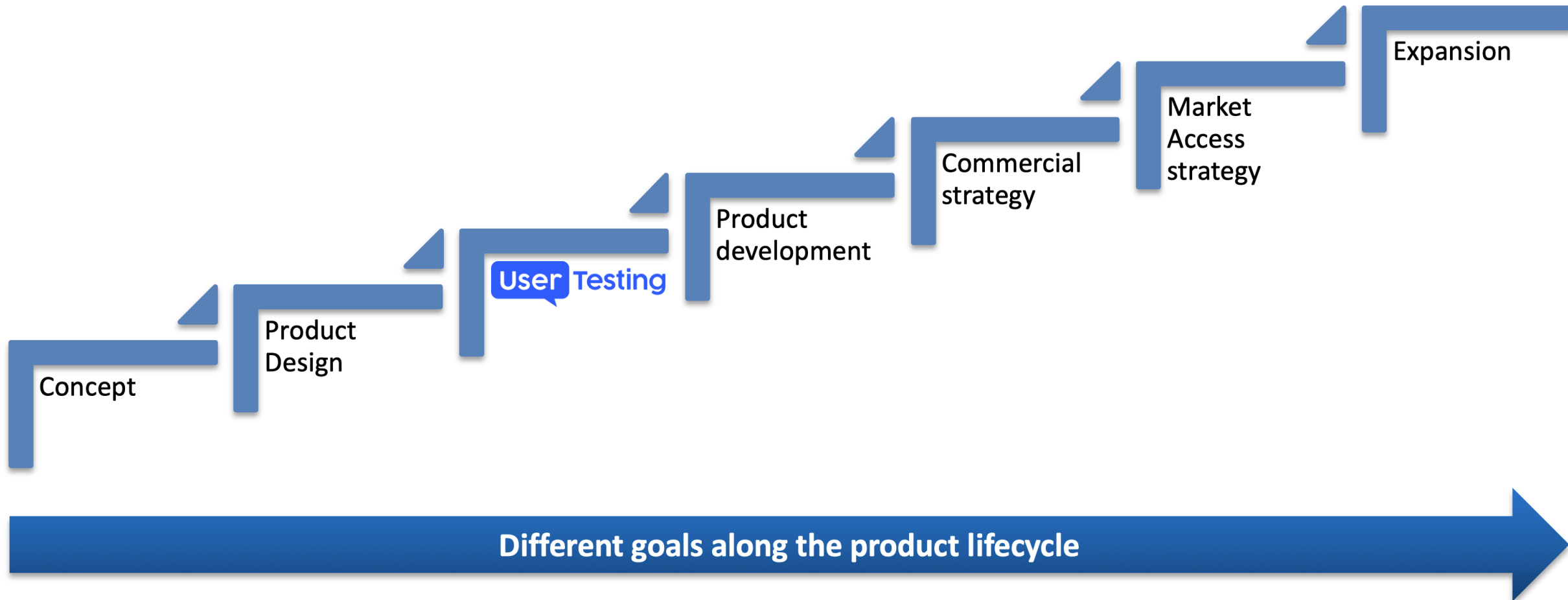
Identify Potential Customers

- While it is important to identify and develop a **Persona** to represent your end users, you must also be sure to identify other potential customers to ensure your product's success.
- This will dramatically increase your confidence that you have identified a scalable opportunity, not just a one-customer solution, as well as your credibility.



company's ability

Start Market Access early



How does your customer acquire your product?

How does your customer acquire your product?

Disciplined Entrepreneurship: 24 Steps to a Successful Startup

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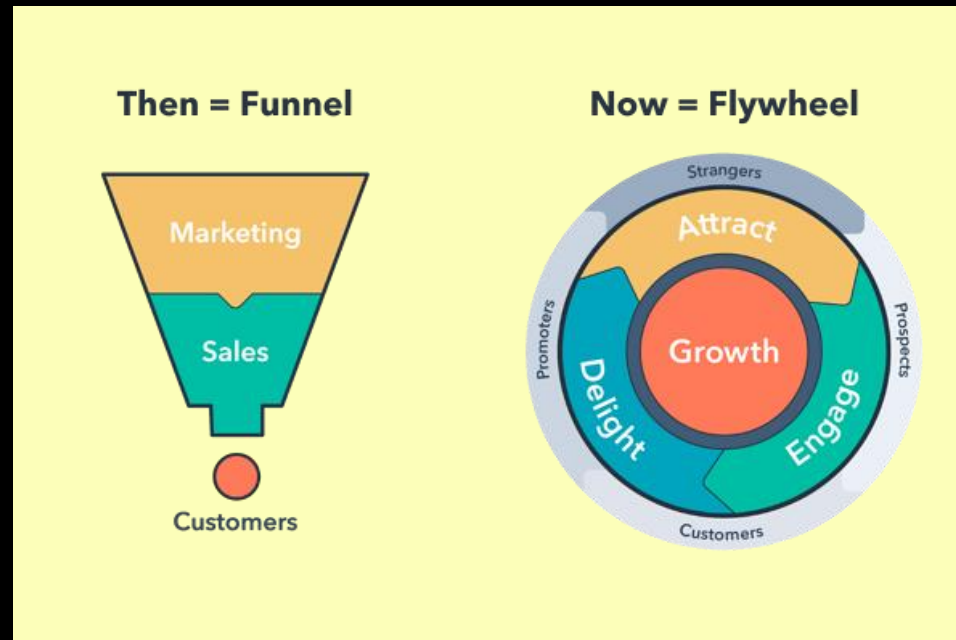
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- To successfully sell a product to a customer, you need to understand who makes the purchase decision and who influences the decision.
- Key questions to be answered are:
 - *What are the different stages customer go through before he/she decides to purchase your product? Example – Awareness, Interest, Desire and Action.*
 - *Who are the key players involved in each phase?*
 - *How can they be reached out to and influenced?*
 - *How long does the customer take to go through each phase?*
 - *What does it cost to acquire the customer?*
 - *What are the hidden barriers that limit your ability to sell the product and get paid?*



- Pharma giant, **Merck**'s most important customers are not the patients who use its drugs or the physicians who prescribe them.
- Instead, Merck has chosen research scientists in labs and universities around the world as its primary customer.
- Accordingly, its business model relies on encouraging its own world-class researchers to act like university scientists by conducting basic research, publishing papers, and presenting results at conferences, all with the intent of discovering ground-breaking compounds that can then be commercialised by Merck's marketing and sales group.
- *Choosing the Right Customer.* Source to be referred; <https://hbr.org/2014/03/choosing-the-right-customer>

- Google focused on users who appreciated technology and its ability to unlock new opportunities and applications.
- Like Merck, Google allocated the lion's share of its resources (and prestige) to its technologists and engineers, who were given freedom to innovate.
- The aim throughout the business was to build the best technology in the world—whether in search, Android, or maps.
- *Choosing the Right Customer.* Source to be referred; <https://hbr.org/2014/03/choosing-the-right-customer>

GO-TO-MARKET



- This phase includes all the activities you undertake to **Go-to-market (GTM)**.
- To improve the effectiveness of this phase, stay focused on the beachhead market and don't get distracted by prospects outside the target market. This will improve quality of leads and conversion rates through word-of-mouth.
- A **GTM** strategy is the way in which a company brings a product to market. It's a handy roadmap that measures the viability of a solution's success and predicts its performance based on market researches, prior examples, and competitive data.

The 4 Components of a GTM Strategy

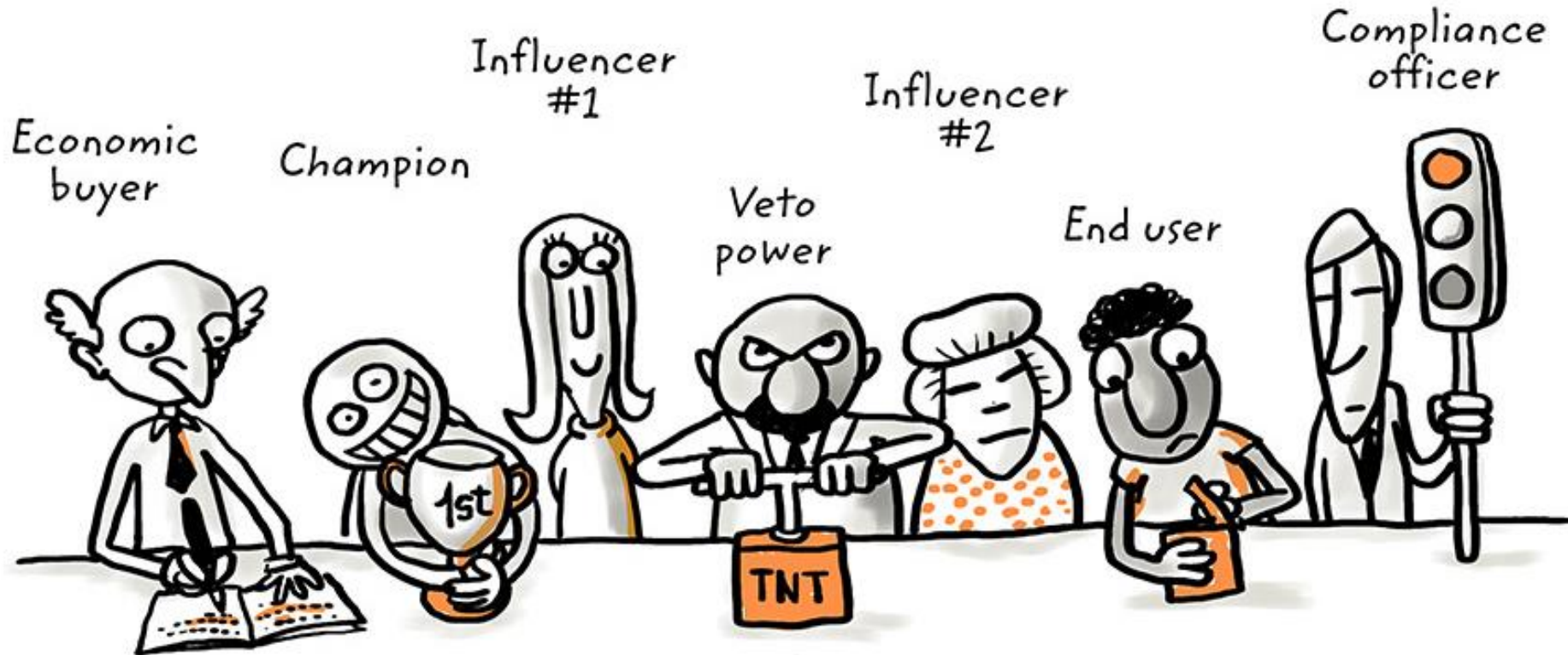
- **Product-market fit:** What problem(s) does your product solve?
- **Target audience:** Who is experiencing the problem that your product solves? How much are they willing to pay for a solution? What are the pain points and frustrations that you can alleviate?
- **Competition and demand:** Who already offers what you're launching? Is there demand for the product, or is the market oversaturated?
- **Distribution:** Through what mediums will you sell the product or service? A website, an app, or a third-party distributor?
- *The Proven Process for Developing a Go-to-Market Strategy [+Templates].* Source to be referred; <https://blog.hubspot.com/sales/gtm-strategy>

Determine The Customer's *Decision-Making Unit* (DMU)

- In order to understand the customer acquisition process, first you need to clearly identify the key people who are involved in making the decision to purchase your product and sources of information involved.
- Once you understand who is involved in **Decision-Making Unit** (DMU), then you can look at how to acquire a paying customer.
- The 3 main roles in the DMU are:
 - End User
 - Primary Economic Buyer
 - Champion: *The person who gets the process going and keeps it going until it is concluded.*
- The influencers can be sources of information such as **Consumer Reports**, etc.

- Your target customer almost surely has a decision-making group of more than one person.
- Understanding this group and explicitly mapping out each person's role and interest is of critical importance not just for the sale, but also much earlier in the process when you are developing the product and all its attributes.
- Learn who makes the ultimate decision to purchase your product, and who will be advocating for purchasing it.
- Meet the influencers who have the sway over the purchasing decision.
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- Meet the influencers who have the sway over the purchasing decision.
- The **DMU** for each customer should be similar.
- If its not : *Your customer do not match the Persona or You have not segmented your market enough*

Disciplined Entrepreneurship: 24 Steps to a Successful Startup

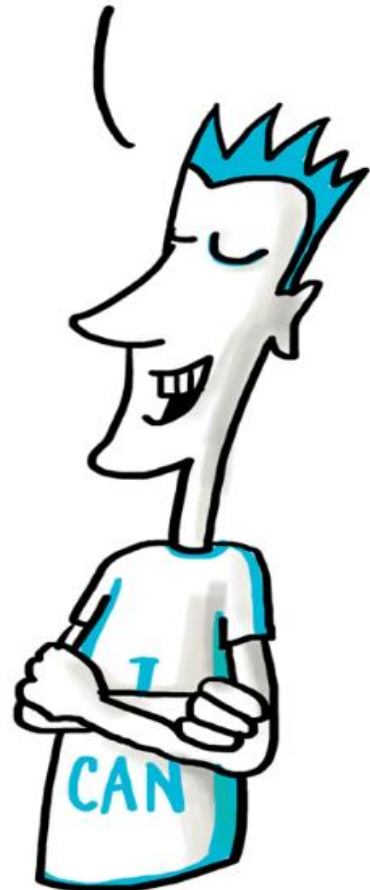


The Decision Making Unit

Map The Customer Acquisition Process

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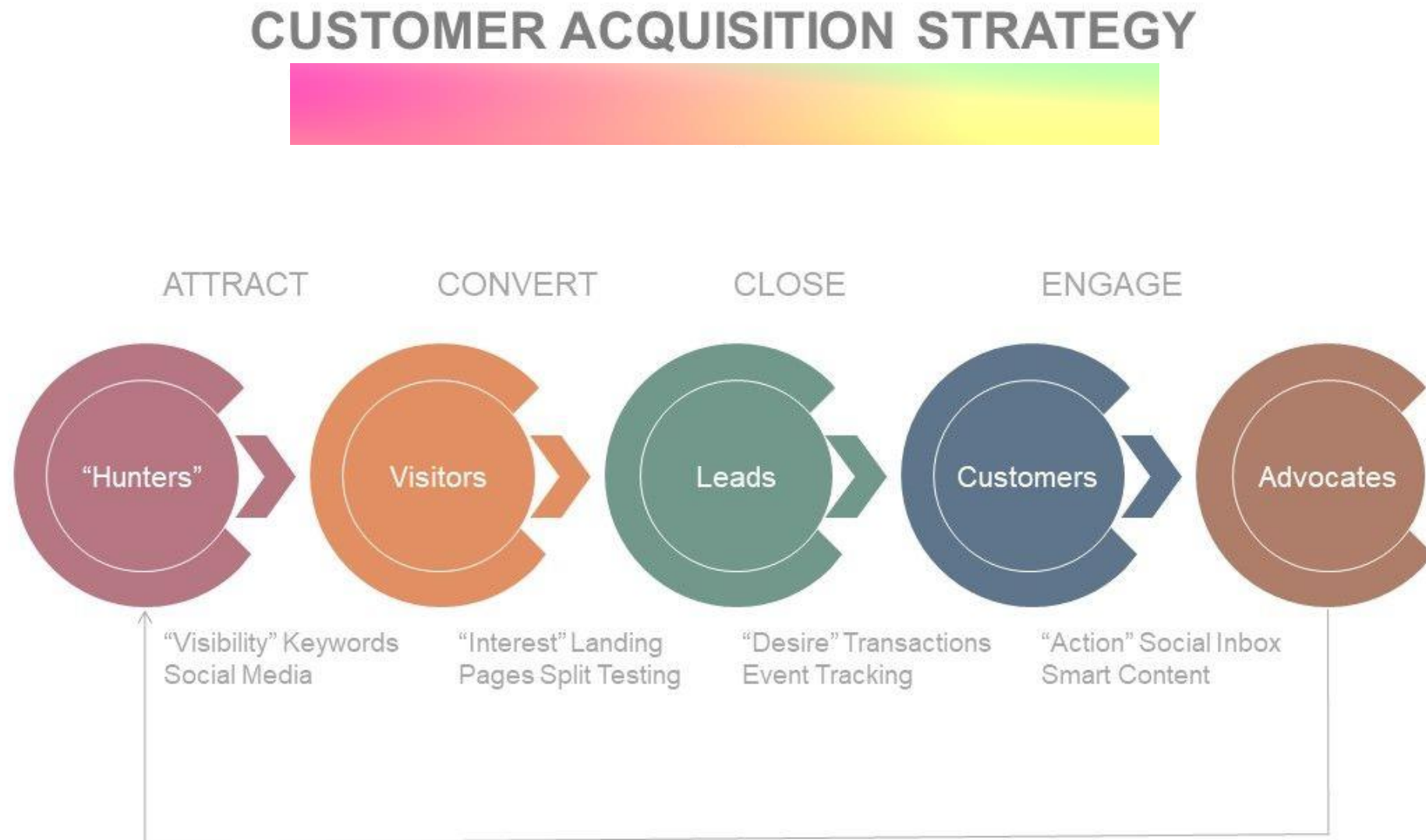
Once they see my product,
they are going to have to have it
and sales will immediately
go to the moon!



Actually it doesn't work
that way... companies have
a process to buy things
and it takes a while.
I suggest you learn it
and more realistically
manage expectations



- Map the process by which a customer decides to purchase your product.
- Estimate the sales cycle of your product.
- Identify any hurdles - budgets , compliance etc. that would slow down your ability to sell your product.

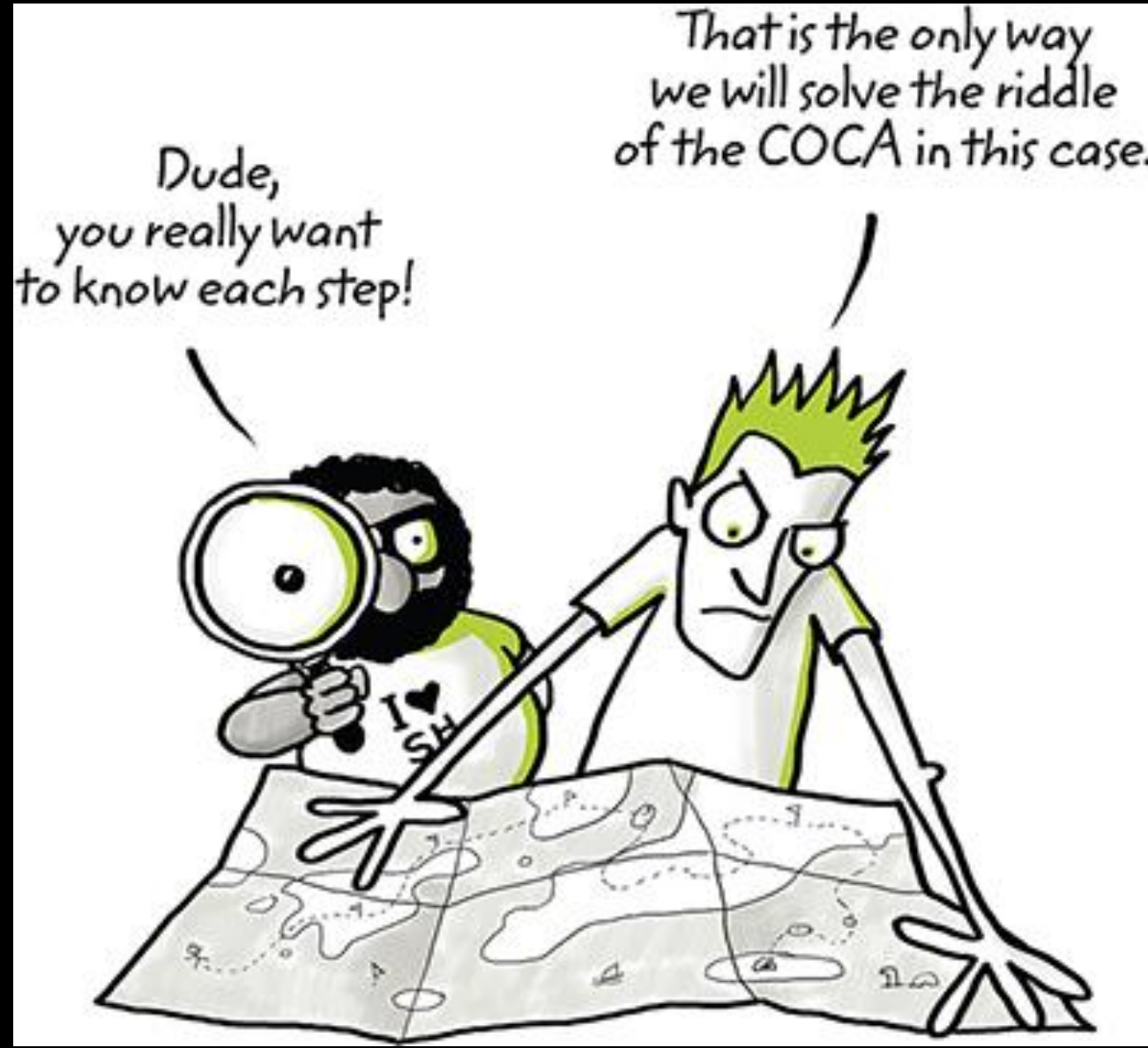


Use the Full Life Cycle Use Case as a basis

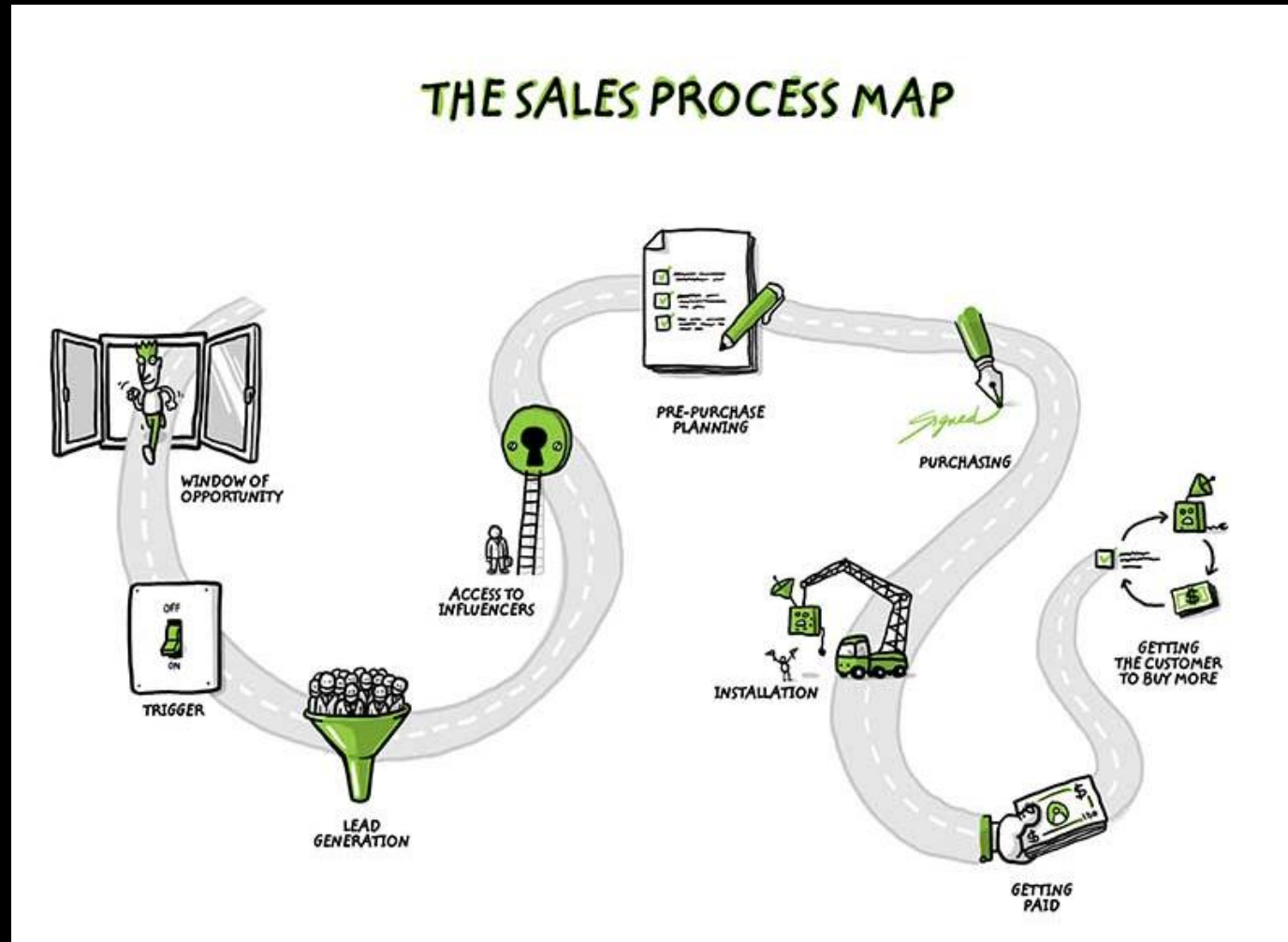
- How customers will determine they have a need and/or opportunity to move away from their status quo & how to activate customers to feel they have to do something different;
 - *How they will find out about your product*
 - *How they will analyse your product*
 - *How they will acquire their product*
 - *How customers will install your product*
 - *How customers will pay for your product*
 - *Time is of essence - to ensure you put a timeline into all this*
 - *Also limits on your buyers - limits of purchase value - how far it needs to go up*

Map The Sales Process to Acquire A Customer

Disciplined Entrepreneurship: 24 Steps to a Successful Startup



- In this step you must develop short-term, medium-term and long-term sales strategies for your product.
- Mapping the sales process is a thoughtful first pass at how you will enter the market, refine your sales strategy over time, and establish long term strategy for customer acquisition.
- The sales process include includes creating awareness, educating the customer and handling and processing the sale.



Fundamental & Important Concept

Windows of Opportunity (WoO)

- A time when your target end user, economic buyer, champion, or influencer will be particularly open to considering your offering;

Triggers

- Within the **WoO**, a specific action you take to create an urgency/strong incentive for the target customer to act;

You need a well-designed trigger

HOW TO CREATE A TRIGGER



EXPIRING
DISCOUNT



TIME-LIMITED
OFFER



SCARCITY



FREE
STUFF



SALES REP
INTERACTION

- Know your **Windows of Opportunity** and take advantage of them with well-designed Triggers, **timing is crucial!**



Acquire a Paying Customer

- The Process to **Acquire a Paying Customer** is the foundation of your sales process, but you must understand that your customers are not equally predisposed to buying your product regardless of when you start the sales process.
- Knowing when your customer is most open to the elements of the acquisition process is an important consideration in effectively and efficiently executing your sales funnel to a successful conclusion.



Customer Acquisition Cost

The Cost to Acquire a Paying Customer



Cost per Acquisition

The Cost to Influence Your Target Audience to Perform a Specific Action

A Window of Opportunity (WoO)

- Time period in which your target end user, your economic buyer, and/or your champion will be particularly open to considering purchasing your product. Examples of common **WoO** include:
 - Seasonality (*selling lemonade in summer and Christmas wreaths in winter*)
 - Crisis (*e.g., blackout, security breach*) or impending potential crisis (*e.g., forecast for a storm, the potential Y2K computer bug*)
 - End of fiscal year (*extremely relevant for business, but also for some consumers due to taxes*)
 - Budget planning cycle
 - Life transitions (*e.g., graduation, first job, first home, pregnancy*)
 - Change in leadership (*e.g., company hires a new chief information officer*)
 - Change in regulation (*e.g., enactment of the Affordable Care Act*)
 - Searching the Internet and finding your product

Case Study for Online Forum 3

- Build a full life cycle use case based on a product:
 - How will the customer determine the need for your product?
 - How will the customer find out about your product?
 - How will he acquire your product?
 - How will he use the product, perceive value and receive support?
 - How will he pay for the product?
 - How will he spread awareness about the product?
 - What are the barriers for adoption?
- Identify who are your Decision-Making Unit (DMU).
- Explain how you will acquire your first paying customer.