Streamline Steps

Parallelize steps, keep must-haves and delete nice-to-haves to reality test

	To Do	Example
1	**Merge** similar steps	Merge: "Compare performance of venture" with "Decide which KPIs should be compared" to create "Define Top 20 KPIs"
2	**Separate** tasks between must-haves and nice-to-haves, **prioritizing** the former	"Develop MVP" (must-have) vs. "Research etymology of company name" (nice-to-have)
3	**Order** tasks chronologically by understanding:	
	a. Sequences – respect natural order of steps	"Institute sales funnel" then "Improve management of sales funnel"
	b. Dependencies – the more dependencies a step has, the earlier the step must be performed	"Incorporate legal entity", "Set up bank account"
	c. Lead times – the longer the lead times, the earlier the step has to be performed	"Set hiring targets"
4	Collect real feedback	"Conduct field work for early feedback", "Assemble Focus Group"
5	Implement feedback	New feedback implemented

Cockpit

SETUP

- Function: Cross-functional
- Start Week: 3
- End Week: 3
- Sub-Stage: Plan Mission

100 TASKS

Value Curve Canvas

Your company – – – –   Competitor 1 ─────   Competitor 1 ─────   Competitor 1 ─────   Competitor 1 ─────

Offering Level

Factor 1   Factor 2   Factor 3   Factor 4   Factor 5   Factor 6   Factor 7   Factor 8   Factor 9   Factor 10   Factor 11
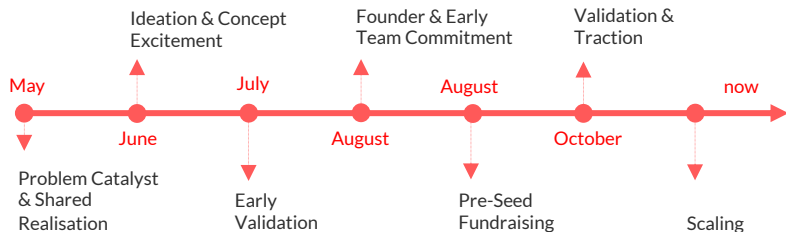
Competing Factors

StartSteps is the first step towards finding a digital skills training program and a new career in tech for those who are unemployed in Germany. It is a one-month program that allows trainees to try a range of digital skills (coding, marketing, design & data) before deciding on further education program.

Co-founders, Mozamel Aman and Paddy Hall, both came to the realisation that there was a need for such a solution on their own first. Mozamel had previously helped found a job platform for refugees and noticed that the majority of successful job placements were to users who had digital skills. From here, he went on to help build a coding school — to help more people learn such skills. However, it turned out coding schools are not for everyone.
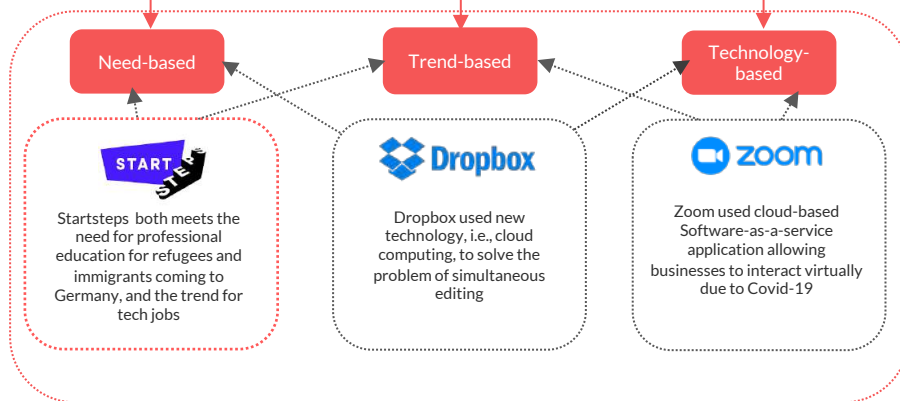
Paddy saw friends, family and previous colleagues show growing interest in learning digital skills at the start of the pandemic. He went looking for an accessible, free and approachable introduction to skills, careers and education options. After a friend spent 8000 euros on a coding bootcamp, and then realised it was not for him — Paddy felt there was a lacking orientation point and a big problem yet unapproached.

The two came together in 2020 to approach the problem that has become so painful.

Types of Business Models

Need-based

Trend-based

Technology-based

Startsteps both meets the need for professional education for refugees and immigrants coming to Germany, and the trend for tech jobs

Dropbox used new technology, i.e., cloud computing, to solve the problem of simultaneous editing

Zoom used cloud-based Software-as-a-service application allowing businesses to interact virtually due to Covid-19

Steps taken in 2020

May

Ideation & Concept Excitement

July

Founder & Early Team Commitment

Validation & Traction

June

August

August

October

now

Problem Catalyst & Shared Realisation

Early Validation

Pre-Seed Fundraising

Scaling

Startsteps today

8 Team members

20 Freelance trainers

35 Partnerships with career bootcamps

180 Graduated Students

Cockpit

S E T U P

- Function: Business
- Start Week: 1
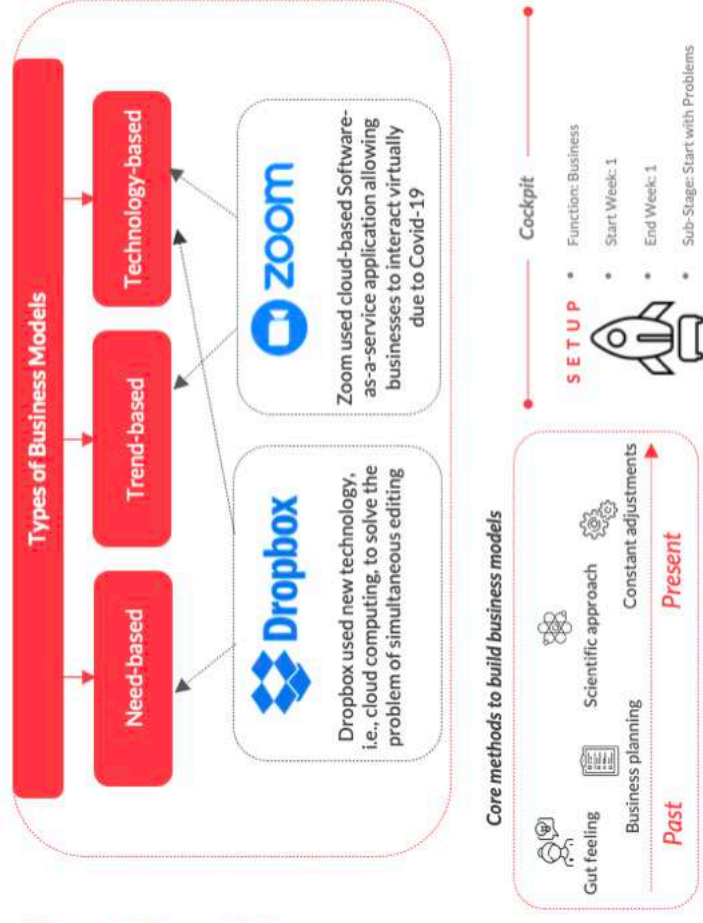- End Week: 1
- Sub-Stage: Start with Problems

Identify Problems and Trends

Start with the problem you want to solve, NOT with the idea!

1

1 Create a long list of problems through brainstorming

Make the most of your private life and work experience

2 Research current trends and tendencies of the market

AI, Fintech, VR, 3D Printing, Cryptocurrency, Speech Recognition

3 Ask yourself the following questions before investing time

What will the customer's life be like once the problem is solved?
Is the customer going to crave a potential solution to the problem?
Why does the problem exist? Is this problem worth solving?

Important!
When brainstorming, try not to think about solutions/ideas, but concentrate on problems first

Stages of building a start-up business model

Identify a problem	Define a solution	Develop a Business Model	Validate Quantitively	Verify Quantitively
Problem interviews	Solution interviews	BM Canvas	Lean Start-up Method	

You are here

Types of Business Models

Need-based	Trend-based	Technology-based

Dropbox
Dropbox used new technology, i.e., cloud computing, to solve the problem of simultaneous editing

zoom
Zoom used cloud-based Software-as-a-service application allowing businesses to interact virtually due to Covid-19

Core methods to build business models

Gut feeling   Business planning   Scientific approach   Constant adjustments

Past → *Present*

Cockpit

SETUP
* Function: Business
* Start Week: 1
* End Week: 1
* Sub-Stage: Start with Problems

Evaluate Problems and Trends

2

Quantitatively evaluate problems/trends based on pre-defined criteria

Consider the following criteria in your assessment:

Is this problem currently insufficiently addressed, i.e., there is no real/no satisfying solution to that problem?
Yes/no

How many people are affected by this problem in your market?
1m+ users

Is there growth potential in the market? Is it possible to measure it?
+15%/year

How painful is the problem? Would people be willing to pay for something that solves this problem? How much?
180$/mth subscription

Would people believe that this founder/founding team are the right people to tackle that problem?
Yes/no

Do you (founding team) feel comfortable addressing this problem / have a lot of experience in the sphere?
7 years of experience

How often does the problem have to be solved?
Daily

Rate and rank your problems identified in Task 1

If you have a list of 10 problems, ask your team members (TM) to allocate 10 points among them. One can allocate 10 points to only one problem or divide their points among the various problems as they see fit. TM* - Team Member

	TM1	TM2	TM3	TM4	TM5
Problem 1	4	5	4	4	5
Problem 1	4	3	4	4	3
Problem 1	1	1	1	1	1
Problem 1	1	1	1	1	1
Problem 1	0	0	0	0	0
Problem 1	0	0	0	0	0
Problem 1	0	0	0	0	0

3 ways to evaluate your legitimacy as a founder:

- *You are an industry expert and know the newest trends*
- *You are an outsider with some touch to the industry you are tackling, but this outside perspective helps you to think "out of the box"*
- *You are addressing the problem you faced yourself*

Example: co MATCH

Two former McKinsey consultants identified the tendency towards independency and founded COMATCH – a curated marketplace for independent consultants and industry experts. Knowing the industry from the inside helped them identify the hottest trend.

Cockpit

SETUP
- Function: Business
- Start Week: 1
- End Week: 1
- Sub-Stage: Start with Problems

Select Problem to Focus on

Case Study: Le Magasin

Le Magasin, founded by Tobias Tanner, is a turnkey solution offering lifestyle & design brands high visibility in prominent retail locations. Their co-retail membership program makes it more affordable for lifestyle brands to test and validate new markets of entry - particularly attractive for Direct-to Consumer brands evolving their strategy to IRL sales.

Market Fit

Tobias is a great example of how one can select a problem to focus on and achieve market fit while utilizing former experience, knowledge, and given resources. "Le Magasin birthed from our creative consultancy serving governmental institutions & brands with market entry strategies".

Business Model: B2B2C

Brands apply for a marketing service membership with benefits at physical retail. Customers book their personal appointments to get to know and experience the brands.

1 Before investing in interior & infrastructure, Tobias identified pain points brands face with pop-up or mono-brand stores

2 He utilized his already existing customer base while reaching out to the brands & corporates through trade shows and social media

3 Validated the problem through pre-selling pilots to small brands, as well as corporates, and raised nearly 200k EUR

@solios.watches

@therippleco

@jeckybeng

@nevergo.alone

Proud to feature:

Tobias Tanner: "Coupled with quick sales & consumer feedback, we offer an alternative to the cost intensive investment brands face".

Cockpit

SETUP

- Function: Business
- Start Week: 1
- End Week: 4
- Sub-Stage: Start with Problems

Le Magasin, founded by Tobias Tanner, is a turnkey solution offering lifestyle & design brands high visibility in prominent retail locations. Their co-retail membership program makes it more affordable for lifestyle brands to test and validate new markets of entry - particularly attractive for Direct-to Consumer brands evolving their strategy to IRL sales.

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Le Magasin

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Cockpit

S E T U P

- Function: Business
- Start Week: 1
- End Week: 4
- Sub-Stage: Start with Problems

Select Problem to Focus on

3

Talk to people affected by the problem to see if you are on the right track

Tools to address stakeholders

Social media:

Search for specific industry social media channels, target your audience in groups, and contact professionals in the sphere of interest

Telegram LinkedIn WhatsApp facebook Instagram

Survey platforms:

CROWD SIGNAL Typeform SurveyMonkey

HubSpot Google Surveys

---

1 Based on your ranking in Task 2, focus on the highest ranked problem / trend

2 Define your consumer archetype (B2C) / buyer persona (B2B)

3 Conduct field work for early feedback and talk to relevant stakeholders

To understand the needs of stakeholders:

B2C-related Talk to potential end consumers that are affected by that problem

B2B-related Talk to experts from the respective industry (if you address a problem in healthcare, you may not only talk to doctors, but also to nurses and patients)

Example:

GORILLAS

Gorillas used a simple WhatsApp group to understand needs of grocery shoppers in urban areas, identified the problem, and then worked on a solution to make grocery delivery faster.

Start broadly with longer qualitative interviews. Then over time fine-grain your questionnaire and gather more quantitative data from a higher amount of people. Always script your interviews and make follow-ups, so that you can later access, analyze, and summarize it.

Pinpoint Pains & Gains and Determine "Jobs to Be Done"

4

Break down the problem into pains, gains, and jobs to be done to create value for your customer

Gains

The benefits your customer expects, desires, or would be positively surprised by

Break them down into functional, emotional, social, and financial

Rank all possible gains according to the added value

Pain Points

Negative emotions, situations, risks, and undesired costs

Identify how often these pain points occur in your customer's life

Rank each points according to the intensity it represents for your customer

Jobs to be done

Every job consist of several stages. For each of them value can be generated

Cockpit

- *Simplify process of alterations*
- Repetition
- *Reduce need for alterations*
- Make improvements
- *Link monitoring with improved execution*
- Check execution
- *Prevent problems*
- Execute
- Set up the environment
- *Provide the info needed*
- Verify the job is ready to be done
- *Make the setup less difficult*
- Gather items & info
- *Ease the gathering & ensure availability*
- Define goals, plan resources
- *Simplify planning*

SETUP

- Function: Business
- Start Week: 2
- End Week: 2
- Sub-Stage: Start with Problems

Understanding the jobs to be done

A job is what a customer gets done when buying your product, it is the process of experiencing your product.

Types of jobs

What are the functional jobs your customer is craving to get done?

Are there any social benefits you could offer with the help of your product?

Are there ways to cut costs/save time of your customer?

What product/service could make him/her emotionally dependent on?

- Functional utility
- Social status
- Cost/time saving
- Emotional Satisfaction

Uber
Spotify
tinder
quickbooks
LinkedIn
Instagram
ebay
grammarly
Too Good To Go

Note that tasks 1,2,3, & 4 are the steps of an iterative process!

Define Overall Vision, Mission, and Core Values

Emphasise the underlying foundation of your company
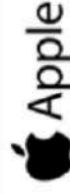
5

Key Principles to Follow

- Keep your Mission, Vision, and Core Values Statements short (1-2 sentences)
- Describe a unique outcome that only you can provide
- Make it sound ambitious enough to be exciting
- But not too ambitious so that it seems unachievable
- Align your vision/mission statements to your company values
- Leave nothing open to interpretation:
  - ✗ "maximize shareholder return in 2022"
  - ✓ "increase shareholder return by xx% in 2022"

Apple *Core Values*

- We build products we believe in
- We are here to make a positive difference in society, *as well as make a profit*
- We want everyone to enjoy the adventure we are on together

Cockpit

SETUP

- Function: Business
- Start Week: 2
- End Week: 2
- Sub-Stage: Plan Mission

Vision Statement

- Outlines what your organization would like to ultimately achieve and gives purpose to the existence of the company

- An ideal that the company would like to achieve in the future

amazon

"To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavours to offer its customers the lowest possible prices"

"Serve consumers through online and physical stores and focus on selection, price, and convenience"

Mission Statement

- A formal summary of what an organization is doing and why an organization was created

- A more concrete way to say what the company does

Both provide clarity with what you are doing and what needs to be done.
Vision and Mission will later be broken down into objectives and key results (see Task 95)

Apple

"We believe that we are on the face of the earth to make great products and that's not changing"

"To bring the best personal computing products and support to students, educators, designers, scientists, engineers, businesspersons and consumers in over 140 countries around the world"

Google

Vision Statement

"Provide an important service to the world-instantly delivering relevant information on virtually any topic"

Mission Statement

"To organize the world's information and make it universally accessible and useful"

Gather All Steps

Define all possible steps to achieve goals

1 Brainstorm

List all steps, specific to your venture that must be completed to achieve goals

7 rules for brainstorming:

1. **Stay focused**
Keep your eye on the 3-year goal

2. **Involve everyone**
Interview all relevant stakeholders

3. **Include obvious steps**
Start with well-understood steps

4. **Suspend judgment**
Make rule not to critique thoughts

5. **Invite wild thinking**
Encourage out-of-the-box thinking

6. **Allow repetitions**
Permit steps that overlap others

7. **Cross-fertilize**
Stimulate open exchange of ideas

2 Complement it with 100 Tasks

Bring in additional steps and practices

100 TASKS FOUNDERS

3 Visualize it by putting all steps along a 3-year timeline

Post-its may be helpful here

Year-1 Year-2 Year-3
Cockpit

S E T U P
- Function: Cross-functional
- Start Week: 3
- End Week: 3
- Sub-Stage: Plan Mission

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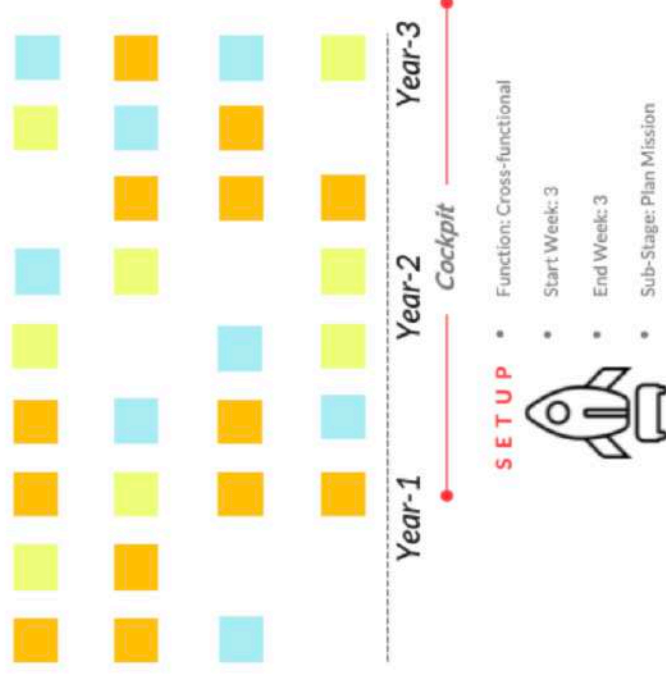
Master Founder Fundamentals

Get yourself ready for high performance and endurance

8
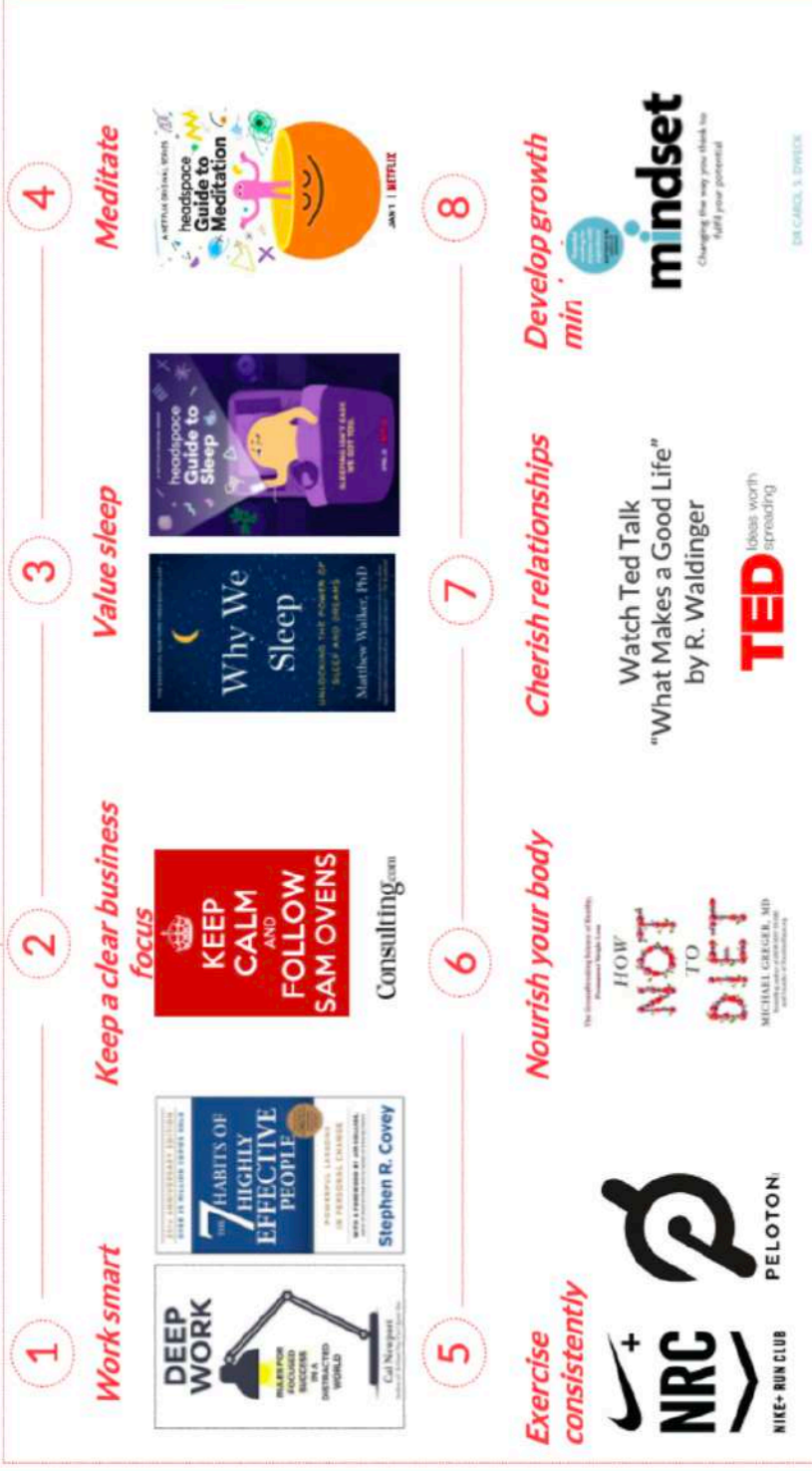
Consulting.com: 5 layers to work on

- Mental awareness — your identity, self image, belief systems, awareness of your own actions, thoughts and behaviors

- Mental cognition — problem solving, critical thinking, planning, scheduling and prioritizing

- Business principles — fundamental beliefs, rules, or values that represent what is desirable and positive for the business and the people within it

- Business disciplines — branches of knowledge relating to such functions as: sales, marketing, product, operations, accounting, legal, support and management

- Business processes — sets of actions or steps taken in order to achieve a particular result

Cockpit

SETUP
- Function: People & Culture
- Start Week: 2
- End Week: 6
- Sub-Stage: Assemble Core Teams

1 Work smart

DEEP WORK — Cal Newport

The 7 HABITS OF HIGHLY EFFECTIVE PEOPLE — Stephen R. Covey

2 Keep a clear business focus

KEEP CALM AND FOLLOW SAM OVENS — Consulting.com

3 Value sleep

Why We Sleep — Matthew Walker, PhD

Headspace Guide to Sleep

4 Meditate

Headspace Guide to Meditation | NETFLIX

5 Exercise consistently

NRC | NIKE+ RUN CLUB

PELOTON

6 Nourish your body

HOW NOT TO DIET — Michael Greger, MD

7 Cherish relationships

Watch Ted Talk "What Makes a Good Life" by R. Waldinger

TED Ideas worth spreading

8 Develop growth min

mindset — Changing the way you think to fulfil your potential — DR CAROL S. DWECK

Round out Founding Team

Ensure you are the right person/team to solve the problem you are addressing

Founding Team Fit

Ideal founding team investors are looking for

- Complementary founding team whose skills are diverse and complement → **Complementary skill set**
- With essential skills to the core of their business and industry in which they are competing
- Horizontally smart, able to get things done, and ultimately getting along (strong cultural fit)
- Usually consisting of 2-4 people
- Whose equities are split evenly

Team level
Different backgrounds, degrees, and personal traits (an analytic introvert and an outgoing salesperson)

Singular employee level
A doctor and a business admin in one

Cockpit

SETUP
- Function: People & Culture
- Start Week: 1
- End Week: 6
- Sub-Stage: Assemble Core Teams

Founder Fit

Are you the right person to address that problem? Do you have...

You do not need to have decades of years in that industry you are tackling. In contrary, often outsiders disrupt.

- Adjacent experience?
- Experience in a certain domain?
- Family ties to a certain domain?
- Experienced the problem yourself (or someone close to you)?

Elon Musk founded Tesla without any experience in automobile industry

TESLA

Co-Founder Fit

- It does not need to be your best friend (for some it may even be problematic to mix friendship and business relationships)
- Take some time to get to know your potential co-founder and to have certain level of trust
- Ideally, you have known each other previously and you have complementary skill sets (CEO + CTO)
- Based on personal chemistry and professional compatibility, you have a shared vision of what you want to build and why

Top Function Heads for your Core Team
- Chief Executive Officer
- Chief Technology Officer
- Chief Product Officer
- Chief Marketing Officer

Secure Mentorship

Bring in a professional with relevant experience to help you develop and launch your business model better and faster

10

Act step by step

1. Do you know such a person?

2. Do you know someone who could know such a person?

3. Reach out within your private/professional network

4. Apply for mentorship (i.e., incubators) & attend start-up events to build network, look up angel.co

5. Find your mentor and make sure he/she is the right one for you

Don't be afraid to share information:

- Your initial business idea is not as unique as you think it is

- People have their own agenda to follow rather than taking over your idea

— Cockpit —

SETUP

- Function: People & Culture
- Start Week: 1
- End Week: 5
- Sub-Stage: Ongoing

How to pick the right mentor for your venture? — Make sure your mentor:

- Provides honest and critical feedback through logical and reasonable argumentation

- Has founding experience and a record of the successful entrepreneurial initiative, has been a part of an extended founding team and learned from failure experiences

- Understands the mechanics of start-up investments, invests himself/herself into start-up companies as a business angel, and could become your first early-stage investor

- Has access to potential investors that fit your business model, to experts for your business model, and industry experts relevant to your domain

- Leaves sufficient control over the venture to the founding team

- Has his/her interests aligned with your interests to avoid future conflicts

- Respects and values you as a person, cares about your individual situation while you appreciate your mentor's company. Would you enjoy having a beer together?

- Has positive references and provide you with enhanced legitimacy towards third parties

- Instead of offering financial compensation, offer a certain amount of equity

11

Decide on One of "Three Horizons"

Set the tone for just how exactly you intend to enter an industry

Decide on which horizon you'll set sail towards:

	Horizon 1 Improve	Horizon 2 Expand	Horizon 3 Disrupt
Strategy	Maintain & extend core business	Build emerging businesses	Create viable options
Key actions	• Manage for growth and efficiency • Leverage experience to achieve operation excellence	• Make enough money to make venture worthwhile • Find evidence that venture will grow sufficiently large	• Ensure there is a customer pain point • Create a solution that people love
Who	Operators	Business Builders	Visionaries
Window of return	0-2 years	2-5 years	5+ years
% of budget	50-70%	20-40%	5-15%

Example:

H1	ZARA
H2	Wag!
H3	NETFLIX

Cockpit

SETUP

• Function: Business
• Start Week: 3
• End Week: 3
• Sub-Stage: Collect Ideas

Source: The Alchemy of Growth (1999), Stephen Coley et al. More info here.

Transfer Proven Business Models to Ecosystems of Future Growth

12

Identify best practices of proven business models and adapt them to your own

---

1 — Take proven and innovative business models and adapt them to your own

2 — Study the following cases to have a broader overview of your options:

3 famous business model innovations

Rolls Royce generates constant revenue streams by invoicing flying hours and can reduce costs through an efficient service concept. The engine remains the property of Rolls-Royce, which is responsible for the maintenance and repair of the engine

Dow Corning developed a cost-based "no frills" business model parallel to the existing value-based business model. sales and extensive support have been replaced by a strong IT system that enables maximum process automation and cost reduction.

ALD Vacuum Technologies GmbH completely relieves the customer of heat treatment by operating its own systems, so that they do not have to invest in the purchase of their own systems or need to provide qualified personnel

Explore proven business models

- The Middleman Model
- The Marketplace Model
- The Subscription Model
- The Customization Model
- The On-Demand Model
- The Freemium Model
- The Reverse Auction Model
- The Virtual Good Model
- The Direct Sales Model

WARBY PARKER · airbnb · NETFLIX · NIKE · Uber · slack · FedBid · facebook · AVON

3 — Think out of the box

- Be a first-mover and create lock-in early
- Partner with companies that can add value to your offering to create more traction
- Build scale to avoid becoming a commodity
- Create network effects, Invest in increasing the network of users

Future competition no longer occurs between products or processes, but between business models. Using three companies, we show you how business model innovation can be successfully implemented

---

Cockpit

SETUP

- Function: Business
- Start Week: 3
- End Week: 3
- Sub-Stage: Collect Ideas

Generate "Long List" of Ideas

Gather all the ideas into one list to map out all potential venture options

13

Idea Generation Techniques

- Ecosystems of Future Growth
- Porter's 5 Forces
- Three Horizons
- Ideation Contests
- Design-Thinking Workshops

Business Idea Long List

Idea 1

Idea 2

Idea 3

...

Idea 20

The previous steps undertaken in the "Collect Ideas" sub-stage will generate a bank of ideas for possible business models to be pursued. Gather all the ideas into one list to clearly visualize all potential venture options.

Cockpit

S E T U P

- Function: Business
- Start Week: 3
- End Week: 3
- Sub-Stage: Collect Ideas

Distil into "Short List"

Define short list criteria based on competitive advantage in potential markets, value pools, required resources, and time horizon

14

1 *Develop a process and define criteria to evaluate the different business models gathered in the long list. Ideally, you involve diverse people with different skills and capabilities to gather a creative and holistic view. The goal is to reduce the long list into 5 promising options.*

Short List

- Business Model 1
- Business Model 2
- Business Model 3
- Business Model 4
- Business Model 5

Criteria

| Resources Required | Risk | Technical Capabilities | Feasibility |

| Time Horizon | Market Attractiveness | Founder-Market-Fit | Competitive situation |

2 *Use the rate and rank method (Task 2) and evaluate your ideas once again*

	TM1	TM2	TM3	TM4	TM5
Idea 1	4	5	5	4	5
Idea 2	4	3	4	4	3
Idea 3	1	1	1	1	1
Idea 4	1	1	1	1	1
Idea 5	0	0	0	0	0
Idea 6	0	0	0	0	0
Idea 7	0	0	0	0	0

Markets to consider

TAM Total addressable market
to objectively estimate a specific market's potential for growth

SAM Serviceable addressable market
to objectively estimate the portion of the market they can acquire to determine their targets

SOM Serviceable obtainable market
to determine their short-term growth targets

TM* - Team Member

Cockpit

SETUP
- Function: Business
- Start Week: 4
- End Week: 4
- Sub-Stage: Collect Ideas

Compare How to Innovate (10 Types of Innovation") for "Short List"

For short list business models, determine how to innovate

1	2	3	4	5	6	7	8	9	10
Profit Model	Network	Structure	Process	Product Performance	Product System	Service	Channel	Brand	Customer Engagement

CONFIGURATION

Profit Model
Innovative ways to convert a firm's offerings into cash, develop deep understanding of customer

Network
Connections with stakeholders to create value, capitalize on internal strengths and tap into external capabilities

Structure
Organize company assets (hard, human and intangible) in unique ways that create value

Process
Innovate activities and operations, leveraging unique capabilities that give you a competitive advantage

OFFERING

Product Performance
How to distinguish your products in terms of features and functionality

Product System
Accompanying products/services to your core product, that help you create an ecosystem

Service
Support offerings that enhance customer experience, making a product easier to use and enjoy

Channel
Distribution channel through which you deliver your offering to customers, minimize friction and cost, maximize enjoyment

CUSTOMER EXPERIENCE

Brand
Perception of your overall business

Customer Engagement
Customer interactions with your product or business foster

Cockpit

SETUP
- Function: Business
- Start Week: 4
- End Week: 5
- Sub-Stage: Determine Business Model

Source: *Ten Types of Innovation* (1998), Doblin.

Compare How to Innovate (10 Types of Innovation") for "Short List"

For short list business models, determine how to innovate

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OFFERING

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CUSTOMER EXPERIENCE

Brand
Perception of your overall business

Customer Engagement
Customer interactions with your product or business foster

Cockpit

SETUP
* Function: Business
* Start Week: 4
* End Week: 5
* Sub-Stage: Determine Business Model

15

16

Compare How to Compete in "Blue Ocean" for "Short List"

For short list business models, determine how to compete in a "Blue Ocean"

Instead of competing in overcrowded industries, create blue oceans:

Red Oceans

Compete in existing markets	Beat the competition	Target existing demand	Choose between low cost OR differentiation

Blue Oceans

Create uncontested market space	Make the competition irrelevant	Create and capture new demand	Aim for low cost AND differentiation

⟩ The underlying technology usually already exists for blue oceans. The trick is finding innovative ways to link it with what customers value

⟩ Most blue oceans are created from within existing industries. It's not necessary to create entirely new industries

---

Cockpit

SETUP

- Function: Business
- Start Week: 4
- End Week: 5
- Sub-Stage: Determine Business Model

Compare Using "Business Model Canvas" for "Short List"

For short list business models, fill out "Business Model Canvas" and "Value Proposition Canvas"

17

Business Model Canvas

Key Partners	Key suppliers, business alliances, etc.
Key Activities	In delivering value proposition
Key Resources	To create value for customers
Value Proposition	What distinguishes you from compet.
Customer Relationships	Self-service VS Personalized care
Channels	How you deliver the value proposition
Customer Segments	Targeted customer groups
Cost Structure	Breakdown fixed & Variable costs
Revenue Streams	Sales, subscription, advertising, etc.

Value Proposition Canvas

Customer Segment

Gains	What would please customers
Pains	What is troubling customers
Customer Jobs	Job the customer wants done

Value Proposition

Products and Services	Offering to customers
Gain Creators	Advantages to customers
Pain relievers	What problems do you solve

Cockpit

SETUP
- Function: Business
- Start Week: 4
- End Week: 5
- Sub-Stage: Determine Business Model

Compare Using "Customer Discovery"

For short list business models, do "Customer Discovery" (step 1 of "Customer Development")

Customer Discovery aims to identify your first customers

By testing hypotheses on who your customer is, what their needs are and what problems they have, through interviews with potential customers

State hypothesis

Verify

The customer discovery process *requires several iterations*

Test Problem Hypothesis

CUSTOMER DISCOVERY

Test Product Concept

- **Persona:** Who are my customers?
- **Problem:** What matters to them?
- **Value:** Will my proposition be attractive to them?
- **Usability:** Is my interface usable?
- **Growth:** How do I amplify my proposition?

1 **State hypothesis:** set business and customer assumptions you want to test

2 **Test problem hypothesis:** test your hypotheses by asking potential customers from your target segment

3 **Test product concept:** test product idea to verify relevance and attractiveness (product market fit)

4 **Verify:** evaluate feedback received, adjust product, accordingly, iterate steps if necessary to re-evaluate

Cockpit

S E T U P

- Function: Finance & Legal
- Start Week: 8
- End Week: 8
- Sub-Stage: Determine Business Model

Test your Customer Experience

momentive Roidu Quantum Metric Ghost Inspector

18

Rank Business Models on "Short List"

Decide on 1st, 2nd, etc. business model on short list based on previous exercises

19

Final Ranking of Shortlist

- #1 Business Model
- #2 Business Model
- #3 Business Model
- #4 Business Model
- #5 Business Model

Rank Business Models Based on Outcome of Idea Validation

Idea Validation Frameworks

- "10 Types of Innovation"
- "Blue Ocean Strategy"
- "Business Model Canvas"
- "Value Proposition Canvas"
- "Customer Discovery"

First, **gather the outcomes** of the idea validation process for each business model on the shortlist. Then, **rank the business models** according to their strengths and weaknesses. Ultimately, this ranking **will determine the sequence in which you will validate the business models.**

Build and Adapt Proof of Concept of #1 Business Model

20

Build Proof of Concept of #1 Business Model

A proof of concept is a rudimentary demonstration to confirm that certain concepts or processes are feasible for real-world application.

Proof of Concept → **Final Product**
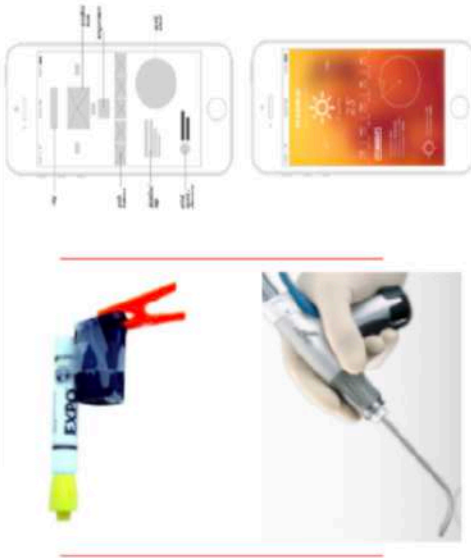
- Validation of **functional assumptions**
- Validation of **technical feasibility**
- Identification of potential **blocking points**
- Collection of **data in real market**
- Understanding of **customer needs**

Fast to Fail — **Fast to Market**

Failure is part of the validation of business models. The sooner you fail, the sooner you can improve your PoC or move on to the next business model.

From PoC to Final Product

Surgical Dissector

Weather App

Cockpit

SETUP
- Function: Business
- Start Week: 5
- End Week: 6
- Sub-Stage: Determine Business Model

Define your USPs

Carefully screen potential competitors, their characteristics, and decide how to offer something that they do not offer

21

What is USP?

Unique Selling Proposition is a feature or characteristic of a product that distinguishes it from others of a similar nature and makes it more appealing

Porter's 5 Forces in the US wine industry

	Budget Wines	Premium Wines
Barriers to entry	Relatively high	Moderate
Substitutes	High	Relatively low
Buyer power	High	High
Supplier power	High	Not relevant
Competitive rivalry	High	High

4 ways to avoid competition

Reduce
Which factors should be reduced well below the industry's standard?

Eliminate
Which actors that the industry takes for granted should be eliminated?

Raise
Which factors should be raised well above the industry's standard?

Create
Which factors should be created that the industry has never offered?

- Focus on factors that add costs but little or no value to non-customers
- Uncover new sources of value and create a new demand source

Competitive Factors

- **Price**
  Direct relationship between price and quality
- **Enological terminology**
  Labels use esoteric enological terminology to stress the art and science of winemaking
- **Above the line marketing**
  $135 million spent (twice as much as Heineken)
- **Aging quality of the wine**
- **Vineyard prestige and legacy**
  Focus on communicating information about the terroir, appellation
- **Wine complexity**
  Tannins and oak
- **Wine range**
  US wineries typically have a range of 4-10 different wines based on variations in grapes

Example

Yellow Tail Entering the US Wine Industry with product simplicity and enhancement to capture "non-customers"

[yellow tail]

Yellow Tail's Strategy:

- 2 types initially (Chardonnay and Shiraz)
- Fruity, soft on palette, sweetish (great for those who had not drunk wine before)
- Same bottle for red and white (low logistics cost)
- Simple vibrant packaging, un-intimidating (lower case letters/Kangaroo picture)

Yellow Tail Value Curve

Reduce	Eliminate	Raise	Create

Very high
Normal
Very low

1st-tier: occasional drinkers
2nd-tier: beer, cocktails, spirit drinkers
3rd-tier: non-drinking (yet)
Existing market

SETUP

Cockpit

- Function: Business
- Start Week: 5
- End Week: 6
- Sub-Stage: Determine Business Model

22

Assemble Focus Group and Follow „Lean Start-up" Loop Until Achieving "Customer Validation"

Get on the right track by generating constant feedback from customers while building your product or service

What is a Focus Group?

A group of (ideally 8-10) people (often first or potential customers) assembled to participate in a discussion about a product before it is launched

What to ask?

Try to figure out everything you can optimize and change about your product to anticipate your customer´s need

Please express your critics and ideas: Which feature is the most useful? Which feature is not necessary? Which feature is missing? What should be improved or revised?

How much would you pay to solve this problem?

How often do/would you buy this product?

What alternatives have you used before?

Example

The 100 Tasks System

100 Tasks System has a Focus Group too. Their opinions and suggestions were taken into account while creating these slides

Cockpit

- Function: Business
- Start Week: 3
- End Week: 20
- Sub-Stage: Determine Business Model

SETUP

How to interact with your Focus group?

Video conferences, group meetings in person, channels

slack zoom Typeform Telegram

Design

Measure — Heap mixpanel kissmetrics smartlook pendo Amplitude

Prototyping — Figma inVision Marvel Sketch overflow

Figma Sketch Framer Ps Xd

User Research — maze UserLeap Dovetail artifact UserTesting Userfeed Feedback Loop EnjoyHQ

Ideation — Figma miro MURAL Milanote Lucidchart Whimsical

Keep in mind

Clearly collect, structure, and store your Focus Group members' comments (interview scripts, Google Sheet tables, Slack or WhatsApp)

Communicate on a constant basis (e.g., bi-weekly) how you implemented your Focus Group's suggestions

In case you don't implement their feedback, explain your reasons

Always give your Focus Group clear guidance on what to do and until when to do it

Align with Task 2 "Evaluate Problems and Trends"

For more information on this see "Additional Material"

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Cockpit

S E T U P

- Function: Business
- Start Week: 3
- End Week: 20
- Sub-Stage: Determine Business Model

How to interact with your Focus group?

Video conferences, group meetings in person, channels

slack   ZOOM   Typeform   Telegram

Measure: Heap, mixpanel, kissmetrics, pendo, smartlook, Amplitude

User Research: maze, UserLeap, artiEct, User Testing, Dovetail, Userfeed, Feedback Loop, EnjoyHQ

Design: Figma, Sketch, Framer, Ps, Xd

Prototyping: Figma, inVision, Marvel, Sketch, Overflow

Ideation: Figma, miro, MURAL, Milanote, Lucidchart, Whimsical
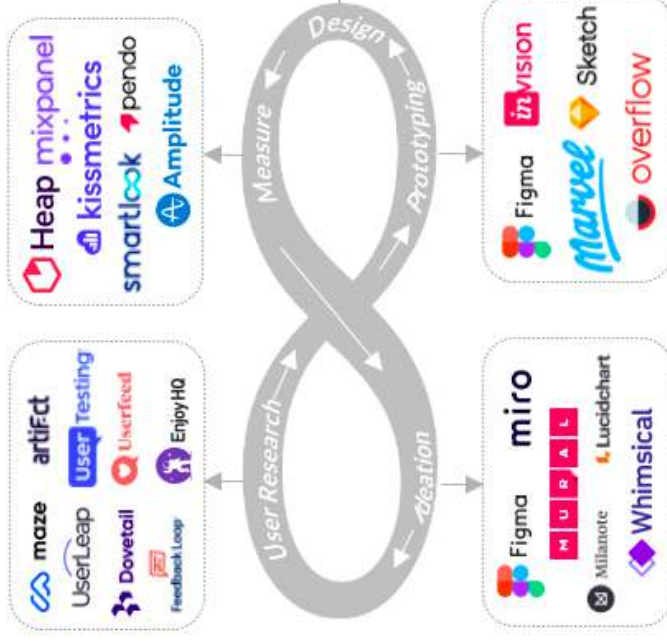
Ensure ESG Compliance

Benefit from an ESG focus for three reasons: a higher chance of investment, attracting better talent, and risk mitigation

23

What are ESG Criteria?

Environmental, social, and governance (ESG) criteria a set of standards for a company's operations that socially conscious investors use to screen potential investments

Create value with ESG Criteria

A ESG proposition links to value creation in 5 ways

Top-line growth	Attract B2B&B&C customers with more sustainable products. Achieve better access to resources through stronger community and government, relations
Cost reductions	Lower energy consumption and reduce water intake
Regulatory & legal interventions	Achieve greater strategic freedom through deregulation. Earn subsidies and government support
Productivity uplift	Boost employee motivation. Attract talent through greater social credibility
Investment & asset optimization	Enhance investment returns by better allocating capital for the long term. Avoid investments that may not pay off because of longer-term environmental issues

Key Takeaways

Customers

- Customers become more and more interested in a company's ESG standards, independent of whether the company is a start-up or a large corporation
- A transparent focus on ESG measures can convince customers of the firm's product or service and will create trust
- Create long-term company value

Employees

- Employees become more and more interested in a company's ESG standards
- Transparency in ESG standards can support talent acquisition

Investors

- ESG criteria are a popular way for investors to evaluate companies
- Help investors avoid companies that might pose a greater financial risk due to their environmental or other practices
- ESG reporting standards are on the rise

Example **500** startups

"We believe that it's far easier and more effective to integrate ESG from the beginning, making the next generation of unicorns or Fortune 500 companies more diverse and inclusive, more conscious of their employees' health and safety, and better serve their communities and the environment"

Consider these ESG criteria

Environmental

- Energy use, waste, pollution, natural resource conservation, and treatment of animals

Social

- Does it work with suppliers that hold the same values as it claims to hold?
- Do the company's working conditions show high regard for its employees' health and safety? Are other stakeholders' interests taken into account?
- Does the company not discriminate based on gender, race, sexual orientation?
- Does the company invest a percentage of its profits to the local community or related initiatives?

Governance

- Company's leadership, executive pay, audits, internal controls, shareholder rights, accounting methods
- Are stockholders given an opportunity to vote on important issues?
- Does the company use political contributions to obtain unduly favorable treatment and engage in illegal practices?

--- *Cockpit*

SETUP

- Function: Cross-Functional
- Start Week: 6
- End Week: 7
- Sub-Stage: Determine Business Model

Build Financial Model

Know your numbers — be aware of how your venture will make money and where it will create costs

Key Data

Burn rate
the rate at which a company is losing money (in excess of revenue)

Runway
how long you can operate before running out of money

Pricing
how much you will charge for your product/service

Monthly Profit/Loss
the difference between expenditures and revenues on a monthly basis

Cash Flow Break Even Point
the month you estimate your business to generate enough revenue to cover all operating expenditures

Customer Acquisition Cost
total marketing expenses divided by number of paying customers acquired

Cockpit

SETUP
- Function: Finance & Legal
- Start Week: 4
- End Week: 6
- Sub-Stage: Determine Business Model

2 Financial Models

Classical FM

- How will you make money?
- How much does your product/service cost?
- How much does it cost to acquire customers?
- When will you become cash flow positive?

What to articulate

Create 2-3 year "guesstimate" of costs/revenues

Estimate key buckets of costs (labor, material inputs, facilities, marketing acquisition, transaction)

Determine projected revenues and make sure it coincides with adequate labor, marketing spend, etc.

Justify your point of cash flow (month or quarter)

Estimate customer acquisition cost to identify opportunities to increase growth rates with additional capital

Investment "Ask"

- How much money do you need?
- How will you spend the money?

What to articulate

Determine capitalization need

Define expenditures (for length of time investment capital will last)

Project out investment over time, define runway and highlight when additional capitalization may be required

Start your income statement with your initial capital contribution + your investment ask

Ensure that you can answer "why" to any question regarding your estimates and assumptions

Make sure your Initial Cash Balance includes founder's initial capital contributions

Add investment "ask" value when you estimate closing your funding round capital contributions

What does your FM include?

Reasonable assumptions of all your:
- Revenues
- Costs (fixed + variable)

FM Objectives

- ☐ To articulate how your business will make money
- ☐ To define current and future expenditures/operating costs (facilities, financial services, labor, marketing, etc.)
- ☐ To estimate (defensible) future revenue - tied to expenditures
- ☐ To describe how the requested investment will be spent (if raising capital)
- ☐ To define burn rate and runway
- ☐ To estimate cash flow positive point (with clarity of assumptions)

Tips

- Don't project further than 3 years. It's simply not defensible
- Be conservative: estimate high on costs and low on revenues
- Think hard about the best times to scale
- Don't put an excel model in your pitch deck. Pull out key points and summarize — investors will ask for a detailed model, if interested

Tools

Excel · Toptal · Ledgy · Upwork · Casetak · freelancer · fiverr.

If you are not a numbers' person, get professional help

24

Create Pitch Deck

Tell a coherent story to convince potential investors and other relevant stakeholder of your business model

Standardized '10 Slide' Pitch Deck

Each slide should have one sentence as heading, which summarizes the whole slide. All slide headings together form the story line of your pitch deck.

1 Title Slide
- Present your company's name, logo, and one-liner describing what your company does

2 Problem / Opportunity
- Indicate the problem your business idea solves
- Remember: the solution arises from the problem, not vice versa

3 Solution / Value Proposition
- Explain how your business solves this problem
- Make it clear how the value is delivered and experienced

4 Traction / Business Model
- Spell out your business model
- Represent a unit economics that is associated with product units
- Show the numbers (turnover, growth, etc.)

5 Customer / Market
- Illustrate a sufficiently large market out there
- Suggest how the market will develop in the future
- Specify who your customer is

6 Marketing Plan / Go-To-Market
- Outline how you reach out to your customer
- Define your Marketing/Sales campaign

7 Competition
- Touch on your competitors
- Differentiate your business idea from others'

8 Financial Projections
- Take a 'Look into a crystal ball' with the help of the financial model
- Prove the possibility for exponential growth

9 Use of Funds
- Describe your status quo
- Share your plan on financial resources for the next 3-4 years

10 Team
- Convince them you are the right person/team for the business model and domain
- Stress on the Founder-Market-Fit

11 Closing / Call-to-action
- Short call-to-action depending on the addressee of the pitch (e.g. for planned equity financing x € for y %)

Factors

- Who is the person you're pitching to? Is the investor an expert or a layman?
- What are the purposes of the pitch? On-stage performance? Documentation?
- What are the crucial details?

Actions

- Keep it as simple as possible, so that the least informed person in the room understands your message
- Determine the scope from 'Pictures Only' to 'Consultant Slides'
- Follow the rule 'less is more' and make sure additional details are used as notes and backup

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Cockpit

SETUP
- Function: Fundraising
- Start Week: 5
- End Week: 6
- Sub-Stage: Determine Business Model

25

Transfer Proven Business Models to Ecosystems of Future Growth

Case Study: Beazy
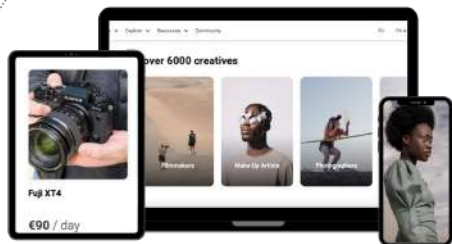
Founded by a photographer, Jonas, and a neuroscientist, Julia, Beazy makes it easier to create content. Both for businesses and professionals.

Jonas and Julia is a great example of how one can comprise several prior existing business models (marketplace, job platform, SaaS for project management, etc.) and transfer them to an ecosystem.

Adding on proven business models and creating an eco-system for content management

"When getting into photography we realized how expensive the equipment was. We couldn't afford to spend €1000+ on a lens we might use twice. We decided to monetize the equipment we had already purchased by renting it out and quickly noticed that the same dynamics applied to photo studios and locations. We added those to the marketplace as well. We focused on being a "creative's best friend" and got approached by companies like Zalando, Pinterest and SAP, so we then added the option for companies to hire creatives."

Creative services

Location booking

Project Management

Equipment rental

beazy

Community & Education
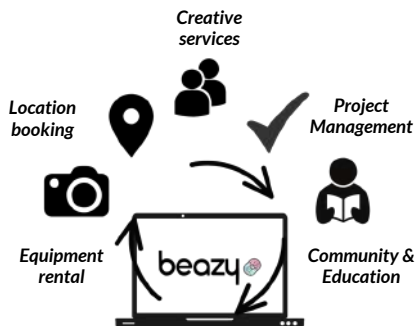
Thinking out of the box

As soon as Jonas and Julia realized there's a pinpoint unaddressed, they created a marketplace for creatives

Partnered up with 6000+ professionals and acquired another startup to complete their SaaS offering

Raised multiple rounds of funding and have paying customers across Europe

Created a thriving community of artists sharing their work, expertise, and experiences online

2 Revenue Streams

Transaction fee on rentals and bookings

Membership fee for professionals and businesses

Cockpit

SETUP

- Function: Business
- Start Week: 3
- End Week: 3
- Sub-Stage: Collect Ideas

Transfer Proven Business Models to Ecosystems of Future Growth

Case Study: Spinbrush

A low-cost battery-powered toothbrush from Spinburh entered the market in 1999 when it was dominated by giants such as Colgate, Oral-B, Reach, and Crest. The business model was mature and proven, and initially there seemed to be nothing more to add. However, the father of Dr. John's Product, John Osher, discovered a gap the big companies missed - there were no affordable electric toothbrushes under $50, and that gap turned out to be the size of the Grand Canyon..

Market shares of toothbrush competitors (1999) and Dr. John's market share (2000)

Company	Dental brand	Market Share (Manual)	Market Share (Electric)	Company Market Value
Colgate	*Colgate*	20.1%	-	$36,604 m
Gillette	**Oral-B**	28.5%	38.4%	$43,867m
J&J	Reach	14.3%	-	$133,848m
Proctor & Gamble	*Crest*	8.4%	-	$128,434m
Dr. John's	spinbrush	-	0.2%	$177,570m

1950   1955   1977   1984   1999

Gillette Oral-B   **P&G Crest**   Johnson&Johnson **REACH**   **COLGATE-PALMOLIVE Colgate**   spinbrush

Spinbrush Strategy

- Took the proven model of a toothbrush manufacturer and adapted it to their own
- Offered an electric toothbrush for less than $6, which was almost 10x cheaper than what was available on the market
- Licensed Crest's brand to avoid stealing big brand's market share
- Designed packaging that allowed customers to test the toothbrush before even buying
- Used their former relationship with large retailers like Albertson, Meijer's, and Wal-Mart to directly distribute the product

Cockpit

SETUP

- Function: Business
- Start Week: 3
- End Week: 3
- Sub-Stage: Collect Ideas

TASK 10 – MAP ECOSYSTEM OF FUTURE GROWTH

ECOSYSTEM JOURNEY CANVAS

CORE ACTIVITIES

COMPLEMENTARY

Customer Segment

NEEDS

ORCHESTRATORS

PRODUCERS

ENABLERS

BELL VENTURES

Build great companies. Fast.

After identifying different problems, the task then becomes to assess the problems on various criteria.

The goal here is to determine which problem can produce the most fruitful value proposition.

Let's have a look at the criteria on the left

Answer these questions in the context of your identified problems.

By doing this, you'll be laying a critical prerequisite to the next step where we'll quantify the potential of each problem.

Take the founding story behind COMATCH for example.

It's a genuine story of how two Mckinsey Consultants identified a problem in the consulting sphere (in this case, a tendency towards independence) and used this problem as the center of gravity in building their business model.

In assessing the problem, one critical aspect to address is whether you are the right person to solve this problem.

Here are three self-reflective questions to be asked.

The answers produced will allow you to make the tough decision on whether or not this particular burden is yours to bear.

Finally, we find ourselves at the Matrix we've been working towards: A simple, but effective method to quantify the potential of each problem.

Place the problems on the vertical axis and the participants on the horizontal.

Each member has 10 points to distribute among the problems.

Their choices should be based on how painful they believe that problem is.

Remember that these 10 points could be given to one idea at wholesale or be equally distributed throughout.

By identifying which problems are the most painful, you'll have a better idea of which will eventually generate the most demand once a solution is found.

The end result is a tangible threshold to evaluate the relevance of your identified problems. This will be the basis for executing on the next task.

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Task 3 is our final step in carving out a problem worth solving!

The process of validating your chosen problems can be done in a three-part act.

Start by taking your highest ranked problem from the previous task and proceed by defining the consumer archetype affected by this issue.

Envision this character out in the real world - Who is this person and how exactly is he affected?

Once the archetype is defined, the question then becomes how best to extract feedback from this particular persona. This is a process with many parts to it, but one that starts with the question of How?

The figure on the right provides some insight into the broader methods that can be used to reach your targeted stakeholders.

Think about if you'll use a survey. Or perhaps you'll utilize interviews? It is critical here to weigh out the effectiveness between the two:

Surveys are fast and provide consistency, but won't let you dig deeper into the problem of your consumer.

Interviews are more personal and provide space to deep-dive, but will limit your scope due to time intensiveness.

Determine the trade-off.

Gorillas became the fastest startup to reach unicorn status in Europe and their success can be traced back to the very early stages where we find ourselves now.

They curated a feedback loop that was driven by the needs of a carefully defined archetype.

They gathered this feedback with a tool that was perfectly suited to their chosen persona.

In doing so, they validated the problem they were set out to solve from the very get-go.

Everything they built afterwards therefore remained in line with solving this issue.

Think back to your early days in the classroom when learning how to write a great essay.

A fundamental rule of thumb is that each of your paragraphs must eventually tie back to your original thesis.

In the case of a successful startup, everything - the business model, vision, operations, roadmap must also tie back to your original thesis: aka The Problem!

Task 4 is about finding solutions to the problems that were identified in the previous three tasks.

The approach we'll take begins by dissecting the problem into three parts: Pain Points, Gains, and Jobs to be Done.

This is a fundamental prerequisite to the eventual value proposition you'll construct. In other words, you're rounding out your understanding of your customer with the end goal of understanding how you can best create value for them.

Let's dive into the Pain Points - Essentially these are the tiny obstacles comprising your greater problem. They are what your solution will tackle head-on.

Start by identifying how often these different Pain Points occur in your customer's life and use this as the basis to rank them in order of intensity.
After identifying the Pain Points you can ask yourself what would happen if these Pain Points were to go away. What would be the result?

Gains are what your consumer will achieve through your solution.

Once again, rank the various identified gains and once done, proceed to break them down further into functional, emotional, social, and cost or time savers.

Be thorough in your identification and classification - It should be a rigorous process that will uncover potential sweet spots that you can dive into later on. In other words, it will carve out a path to your eventual value prop, and perhaps even your USP.

Jobs- to- be- done are the processes of relieving pains.

It's your product in action and the road that eventually leads to gains.

So, now that you've pinpointed your destination, the gains.

And now that you've also understood the obstacles that stand in the way of your consumer and the gains, the pain points.

It then becomes a matter of what's to be done to release the pains, and consequently, achieve the gains.

On the left you'll find some examples of questions asked (and also skillfully answered!) by a variety of successful companies that fall into our different categorical breakdowns of gains.

Too Good to Go is a fantastic example of a company performing a cost-saving job by allowing the company to effectively reduce waste.

Once the Core Functional Job is clearly defined - You can use the framework on the right to transform the fundamentals of jobs-to-be-done into an innovative practice.

It will enable you to deconstruct the numerous obstacles that your customer faces down into fundamental steps.

In essence, it will allow you to methodically capture the customer's needs and in turn, to outline clear avenues of growth.

Think about how you can help a customer at each of the 8 steps to complete their job.

Each step offers you a possibility in how you can make a job easier for the customer.

The idea is that the more jobs your solution can help complete, the more problems you're solving, and hence the more valuable your solution.

We've provided a variety of examples but let's look at Amazon and how they've crafted a solution that addresses multiple jobs.

Amazon's business model allows users to gather items at the convenience of their home and in one simple go. The customer does not have to bounce around from store to store or even travel at all.

As a byproduct of this they use the first purchase to ease the repetition of all future purchases. Payment, address, and everything needed for a quick second purchase.

You can run your various problems through these 8 steps to understand just where in the process you can provide value to your consumer.

This is an iterative process that should be done for each of your identified problems.

The end result should be the beginnings of understanding just which problem will lead to a comprehensive value proposition.
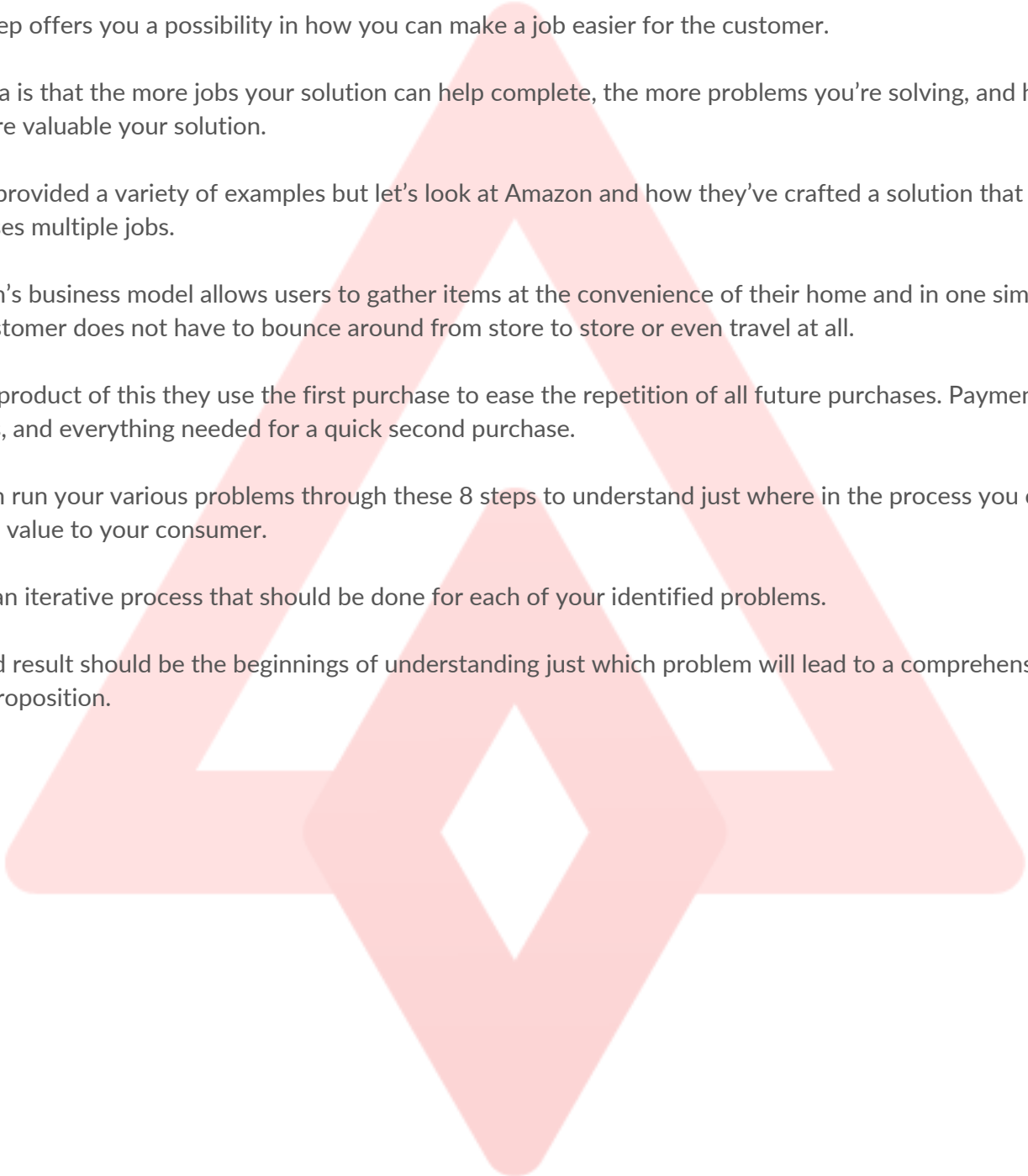
Task 5 is a crucial task as it sets the underlying drum beat for all of the tasks that follow.

Without a mission, there are no guidelines to your decision-making.

Without a vision, there is no direction for the company to head towards.

Without core values, there is no soul behind the operations of the business.

The main difference between a mission and a vision statement is that the former is more grounded in reality.

Your vision statement is the future ideal that you're hitching your wagon to, while your mission statement is the road you're taking to successfully arrive at that ideal. Have a look at some examples from big names to help you further distinguish between the two.

Now that you've understood the distinction, it's time to set out in crafting your own vision and mission statement.

The key principles on the right will outline a few pivotal rules of thumb to follow in doing so. But most importantly, remember, the statements generated should be derived and in line with the core values of the company.

The tricky thing about this task is that it seems self-explanatory in theory, but in practice is actually not-so-simple to execute. It takes genuine intrinsic drive to innovate and care about your customer.

Your vision and mission statements lay the foundation to doing so.
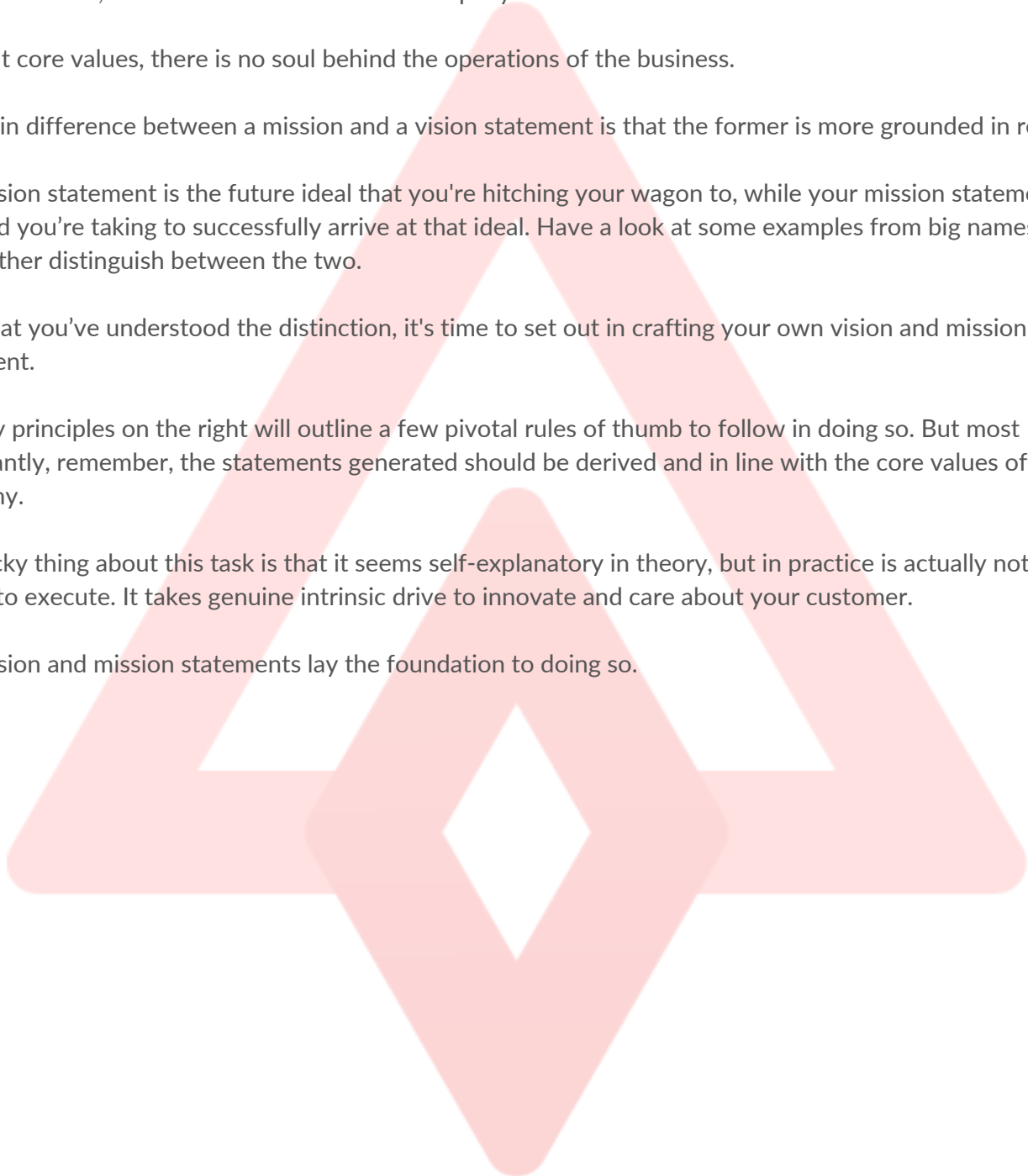
To have a clear vision of where you're going, it's critical to gather all of the steps that will need to be taken to arrive at your destination.

Utilize the 7 guidelines on the left here to begin defining your milestones.

Think tangibly about where you'd like your venture to be at different points and times. It becomes a matter of setting clear milestones to reach, and breaking down the means of reaching that milestone.

Use the 100 Tasks as the foundation to your roadmap. In the early stages, our framework is fairly comprehensive in what it covers. However, there may be tweaks here and there that are specific to your industry, so try to think deeper within these gaps.

When outlining your steps that go past the timeline of the 100 Tasks, utilize the structures of our framework to build your action plan going forward. One example is cherry picking from our scale stage, as a lot of what we've designed in Scale are iterative and optimal processes.

This means that they can be easily replicated when benchmarked on reasonable timelines later down the line. With all of this in mind, jump into the process of creating your three year timeline.

Take up measures that will allow you to concretely visualize this process, so that while putting one foot in front of the other, you'll always be able to zoom out and see the bigger picture.

After gathering your steps, the task then becomes to streamline them in the most effective way possible. The goal here is to optimize in a fashion that gets you quicker to the milestones you set.

These guidelines to the left will give you an idea of the best way to approach this. Start by fishing out the duplicates: Are any of these tasks two parts to the same puzzle? Can we group them as one?

For instance, the act of analyzing your venture's performance will have to be done by tangible KPIs in the first place.

Therefore, deciding on which KPIs on top of this would be redundant. Streamline the two by creating a step that is simply to define your top 20 KPIs.

One of the core principles I developed in my venture building experience is to categorize my tasks as either must-haves, or nice-to-haves.
You must have a well-functioning payment platform by launch, it would be nice if this platform offered multiple currencies, multiple collection methods, and so on.

Prioritize the must-haves above all. Moreover, there should be a natural rhythm and order to your process. Order the steps using the three determining pillars listed in step 3.

Allow the tasks to fall in line with their natural order - For example, processes cannot be optimized until they're first built.

If there are multiple dependencies surrounding a step, or if the step has a long lead time, then the step logically should be performed as early as possible to accommodate for this.

Finally, collect feedback as early as possible, because the success of your whole project depends on it.
Set up reliable feedback loops that will prove as ongoing information flow throughout the project. A great example of this is Focus Groups, but we'll touch on that later in task 22..
In streamlining your steps you'll lay the groundwork of a lean, fast, and well-functioning venture.

The venture building process is a long and enduring road.

To be able to sustain your personal wellbeing throughout, alongside the wellbeing of your venture, it is imperative to foster the right mindset going into the journey.

Here is an 8 part checklist to get you ready for the road.

Tap into the collective knowledge out there in order to build a comprehensive and multi-faceted mindset.

It starts and ends in the office when it comes to your venture - This should be an ongoing process throughout your journey as it will be YOU captaining the ship.

The same applies to your business approach: be open to professional advice and innovation, get access to up-to-date resources, build your networks and exchange knowledge with other builders and experts.

Oftentimes founders get so caught up in aspect 1 and 2 they forget about the basics - like sleep!

I for one am familiar with the feeling that there are not enough hours in the day.

Take the time to care of your basic need - Sleep.

Starting each and every day with Meditation has been such a key factor in allowing me to maintain a healthy workflow.

For those struggling to get into the habit, Headspace really does live up to its reputation of being a great way to get your foot in the door.

Our physical wellbeing is sometimes hard enough to care for even when we're not building a venture from scratch.

But it's even more important when we are.

Waldington's Ted talk is a great reminder that you should not forget about the most important thing in life — the relationships with your loved ones.

Finally, it is quintessential to define an upward curve in all that you do and all that you strive towards. Growth is fostered, not found.

Remember that the process of building a successful venture lays its borders well outside the sphere of the office space.

It is a process that permeates your life, whether you like it or not. The key is to breed an undertone of positive and well-meaning energy when it does.

Task 9 is a defining one and it is the first task centering on what is one of the most important aspects of building a great venture: The People.

Product Market fit is so often talked about as a hot topic, but on Task 9 we'll shift the focus to Founder Fit - An equally vital factor. Back in Task 2 we asked you to assess your Founder Legitimacy. Let's briefly circle back to that on the left here.

Reflect back on the criteria you assessed yourself with, as this will carry over as you build your founding team. Equally important: Highlight your strengths further so that you consequently highlight your weaknesses as well.

These weaknesses should be an indispensable gap that your co-founders will strive to fill. There is an old joke circling in the startup community that compares finding a co-founder much to finding a romantic partner. And it's true!

It can be a long process and the starting point is not a clear one. Start at home by looking into your networks - Linkedin, Coworking Spaces, Local Startup hubs.

Keep in mind that there are a plethora of platforms trying to address this exact problem - CoFoundersLab for one can be a useful starting point. Each founding team will look slightly different - as it should!

The important thing is that the landscape is well-rounded, as your founding team is a critical component that investors will take into consideration.

Even more than that, they'll be your partners-in-crime in building a great venture. After all, at the end of the day, venture building is a team sport, not an individual one.

Task 10 centers around the importance of finding a mentor. The right mentor can and will provide you with access to his network, resources, and a wealth of knowledge.

By securing great mentorship you'll be able to develop a better business model and launch it faster.

Have a look at the criteria we laid out here on the left.

In your hunt for the perfect mentor, these 8 factors should be paramount as you make your choice. It is not likely that you'll find a mentor that meets all eight, but he or she should get as close as possible.

Some aspects are more obvious and their importance is explicit — such as experience, network, etc.

However, I urge you not to downplay the significance of the nuances as well: factors such as cultural fit or the mentor's genuine interest in your well being.

A great mentor has to meet both: the obvious and the less-than obvious criteria. With this in mind, you can use this simple, but effective step-by-step as you begin your search. Work through this guideline systematically and be sure to be exhaustive every step of the way.

One of the most common things I find as a venture advisor is a founder who guards their secret as if it were a locked box. But let me tell you this:

Your idea is not as unique as you think it is.. In fact, I would advise you to speak about it as much as you can! Talk to your loved ones, your peers, those with stakes in the problem.

These informal feedback loops from the very early stages could be vital building blocks as you begin to move forward. Mentorship does not always come from a single source.

Sometimes it comes from unexpected places. The key is recognizing it when it does and incorporating the learnings into a better business model.

In this sub-stage, you will begin with the all-important ideation process —
essentially, brainstorming business ideas in a very broad, yet structured way. You will learn that there is indeed a "method to the madness" — A process for maximum creativity.

We'll start with McKinsey's famous three horizon framework. It is an excellent tool to set the tone for transformation. You'll be able to assess just how ambitious you intend to be as you begin to transform your identified problems into solidified business models.

In the context of transforming an industry, there are always three horizons at play. The first horizon is concerned with increasing margins and improving already-established processes.

It's about taking a look at an industry and their standards in perhaps customer acquisition costs, and saying "I can do that slightly better".

Think about Zara and how they reduced the standard retail timeline of a 6 month release down to a 3 week release. They did this by innovating within their operating model and keeping production in-house.

Horizon 2 deals with the diversification of current business models or expanding the scope of already existing products. Have you ever heard a founder try to describe what their startup does and they'll say something along the lines of "It's like Uber for X"? Well that's where we are in Horizon two.

Taking an already existing infrastructure and bringing it into unchartered territory.

The dog-walking app Wag is a great example of being Uber for dog-walkers. They adapted Uber's entire business model and used it to solve a whole new problem.

Disruption is innovation with its foot on the gas pedal.

It's about taking an existing market, flipping it on its head, and making the competition obsolete.

Netflix is infamous for sacrificing their own business model in order to achieve true disruption.

They changed the rules within the DVD rental space, creating a whole new market for streaming content instead. Such a move consequently displaced big names like Blockbuster, Redbox, and even the DVD itself.

This task should allow you to start broadly in understanding the different industries your problems will enter. Moreover, it will allow you to start to envision just how they might fit into the bigger scheme of it all.

Task 12 is all about initially identifying relevant, proven business models, deconstructing within these models, and mixing-and-matching the discovered best practices into a brand new business model: Yours.

There are a myriad of proven business models out there. But the key is to use a top down approach in identifying those that will be most relevant to you.

However, in undergoing this process, you have to go beyond the superficial and undertake a broader perspective in sketching how your business model will influence the ecosystem surrounding it. In other words, what is the domino effect of your product? Which other unlikely stakeholders will be affected thanks to your business model?

Some of the Platform Models you see on the right are beautiful examples of success stories in taking the broad perspective. If you yourself were to go along the route of a Platform Model, the key learning would be the fruitful and rare ecosystem surrounding these models.

Take Expedia for instance and how they defined their ecosystem as one with an influence in the Hotel industry, and found a way to monetize this influence on top of their base offering. How will your own ecosystem be influenced and how will you take advantage of that? In venturing towards a truly innovative business model, these are some key principles to keep you on track.

One express route to capturing a market is to be a first mover. But what are the implications in doing so? Market entry will usually be more difficult, and certainly slower. This invokes higher risks and higher costs. Can you afford these two often-crippling prospects? Do you have a strategy that accounts for this?

There is power in collectivity and you should be ambitious in scouting out companies that can fill any value gaps present within your model. This is an easy and organic way to boost your value prop, while subsequently creating more traction. The bottom line in avoiding the gradual fall towards becoming a commodity is to implore friction the other way: Towards Scale.

An innovative model differentiates and therefore naturally generates scale due to this differentiation. The question then becomes how to foster this differentiation by all means possible.

Once again returning to the basis of thinking about the entire ecosystem, a great business model makes the most of their network and uses it as a spark to kick off the network effects.

Remember - There is no need to reinvent the wheel! Innovation is not always revolutionary.

Task 13 is the first step as we begin to solidify your efforts in ideating during the previous tasks.

The goal here is to consolidate the ideas you generated into one place so you can methodically begin to quantify the potential within each idea.

I recommend a list that caps around the range of 20 different business models. This is such a vital step as it will allow you to prevent stumbling from one pivot to the next later down the line.

Scour through the results of the previous tasks in order to identify models that hold even remote promise.

Remember the first law of creativity - that in ideation, quantity produces quality. In other words, the greater the quantity of ideas in the early stages, the higher the quality of the final result.

It was American Author William Faulkner who coined the term "Kill your Darlings" in his description of the writing process. For him, writing was this iterative process where you're constantly cutting down and consolidating.
.
It's now your turn to Kill your Darlings. To be exact, it's time to kill 15 of them..

My clients in the past found this extremely difficult as they often felt as if they had invested a lot of thought and passion into their ideas. And while this may be true, it has to be done! And it has to be done using precise criteria that will allow you to focus on refining the business models with the highest promise.

Here are 8 categories that will be your tools in fleshing out your long list in a data-driven way. Think carefully of the different criteria listed and the factors involved.

That a business model requires a lot of resources is not a problem, if those resources are particularly accessible to you from an economic and feasible standpoint. A high amount of risk is not an issue if the ROI is higher as well.

The decisive factor here is understanding the different moving parts to each idea, and deciding which of those moving parts you're willing to take head-on.

There will always be a trade off but the key is objectively evaluating that trade off. In order to do this, run your long list through the same "rate-and-rank matrix" that we used in task two.

In doing so, you'll be able to quantify the potential in each idea- Ultimately allowing you to assess value in a tangible and concrete fashion.

The end result is a confident and well-tuned short list to bring with you into the next substage!

Now that you have your short list of ideas, we'll take those ideas and determine the business models that will surround each short list candidate..

Throughout the next few tasks in this substage, you'll be given carefully crafted pipelines that you will drop each raw idea into, and out of the other end will come the formings of a business model for each one. And the first pipeline starts with just about every Startup's favorite buzz word: Innovation. We'll look at the ten types of innovation respective to each of your short list ideas.
We've divided the 10 types into 3 categories, with the first referring to the core of your business. The basic questions to answer in regards to the profit model are the obvious: How will this idea generate revenue? And how much is this idea worth?

The more complex questions arise when you ask how to differentiate in this context. Will you offer a premium service way below the benchmark to differentiate? If so, how will you cut costs to allow for this? How will your marketing look to maintain value perception?

The entire bedrock of networking lies in connections. In other words, how can others help you?

Can an internal stakeholder somehow add value to the product? Do you know somebody in the industry that can offer a perk in production costs?

The organizational structure of your company - Whether it be org chart, assets, knowledge management, etc. These are promising opportunities to find ways to cut costs, add value, or speed up logistics.

A mantra I've followed in my venture building career is to not reinvent the wheel. Automate anything that can be automated — and do it religiously.

This is the number one way to speed up manual processes so that you can ultimately speed up value production. Perhaps this ends up being how you cut labor costs to be able to offer a price advantage, or how you significantly cut delivery time to differentiate in customer experience.

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Innovation Types 5 & 6 have to do with your offering and where you can innovate within it.

There are a multitude of ways to make your product better. Look internally, with your product performance, or externally with product systems.

We started with innovation from the back end and now finally we've arrived at the front end: Customer Experience.

Essentially, it's what happens after or while the value reaches your customer. Take service for an example, which might take you back to task 12 where we mentioned supplementing your offering with bonuses — things like 24/7 support or lifetime insurance.

Which of your business models can accommodate such a feat?

The main takeaway from this task is that you'll begin to envision which ideas will lay the foundation for a promising venture, and which will be frail in offering and value.

The tasks that follow will allow you to solidify the impressions that have begun to take shape.

When we talk about a blue ocean market, it sometimes feels like we are talking about a fairy tale. At first glance, markets often seem few and in between, as well as saturated.

But it's not always as revolutionary as it's made out to be. Sometimes it's as simple as understanding the current reality and seeing where your solution fits into the bigger scheme of it all.
Through a blue ocean strategy you'll benefit from having little to no competitors — meaning a significant market share is up for grabs.

A common misconception is that in a blue ocean strategy, it is impossible to achieve a balance between higher value through differentiation and lower costs. But in fact, this is exactly what you're trying to achieve and the benefit you should look to reap in a blue ocean.

The underlying technology usually already exists for blue oceans, so it's not always about ground breaking new inventions.

But the trick is being creative in finding ways to link infrastructures that already exist with value gaps. Once again, most blue oceans are created from within existing industries — it's not necessary to create entirely new ones.
Think about how Netflix did exactly this in their second act and transformed the entire movie-rental` industry.
Our goal is to achieve something quite similar to what Netflix did, but to do so in our first act, not our second!

Task 17 is a crucial preparation step as we continue the process of solidifying your business model.

You'll be describing, visualizing, assessing and comparing your short list ideas through the frameworks of a Business Model Canvas and Value Proposition Canvas.

And once again, do so with the first law of creativity pushing you to produce a comprehensive canvas!

Systematically run your five ideas through the components of the Business Model Canvas to be able to highlight where some ideas will excel, and where others might fall short.

Where the business model canvas was more focused on how you might shape your offering, and the logistics involved in doing so, the value proposition canvas focuses on, of course: Value!

It centers around the value you'll create for the customer - How can it help them in their day-to-day? How does it satisfy their needs?

With a clear understanding of how the business model would be realized and the value that each idea will generate, you'll be able to better understand the implications surrounding each of your short list candidates.

In the previous tasks, there was a lot of emphasis on defining your potential customer and building a value proposition that catered to this customer.

We've been tireless in building a customer-based solution and this is the point where we begin the process of validating our assumptions.

It is imperative to start the process of customer validation far-before the MVP is developed. This will answer the fundamental question of whether an MVP is even worth creating, and if so, what to do to get it right the first time around! 2 out of every 5 failed startups fail due to lack of need in the market their product was intended for.

Customer Discovery is about laying the infrastructure to prevent that scenario from ever happening, and it starts as early as your short list.

So what does the process of Customer Discovery look like? It's nothing more than creating a hypothesis, testing it, validating it, and if not valid, iterating back to step 1. This is where all of your efforts from the previous tasks bear their fruits.

So, how to build a hypothesis. Build it through your clearly defined archetype from tasks 1-4. Use their pain points, their needs, and you'll be able to formulate a well-thought-out hypothesis that will aim to validate these assumptions of yours.

Once formulated, it's time to test the waters. Gather your target segment defined in earlier tasks and utilize your chosen method from Task 3 to validate the identified pain points.

After validating the pain points, propose your solution in order to gage whether it truly answers the problem.

Finally, use your newly found insight to curate and refine your previous concept, leading to a concept that is even more fleshed-out. Continue to run this loop in a cyclical nature for each of your shortlisted ideas.

It is through a rigorous and preemptive customer discovery that you'll be able to further round out your understanding of which is the most valid, and in turn, the most profitable, business model.

You might start recognizing the dissective pattern to ideation.

Much like we did with the long list, we're going to be definitive in prioritizing which short list candidate we'll dedicate our time towards.

The process of whittling down our short list is a culmination of our previous four tasks. By now you should have at least an inkling of which model is best to pursue. However, be explicit in highlighting the patterns that have arisen in the previous tasks.

Connect the dots between the different frameworks and bold & underline any recurring themes.

There should be a story developing about which is the strongest business model and why that happens to be so. Solidify your findings via a simple ranking so you have a clear visualization of the outcomes.

The famous saying "If you're not first, you're last" is one we'll take to heart in dealing with our short list.

Crown your champion and take him with you to the next task.
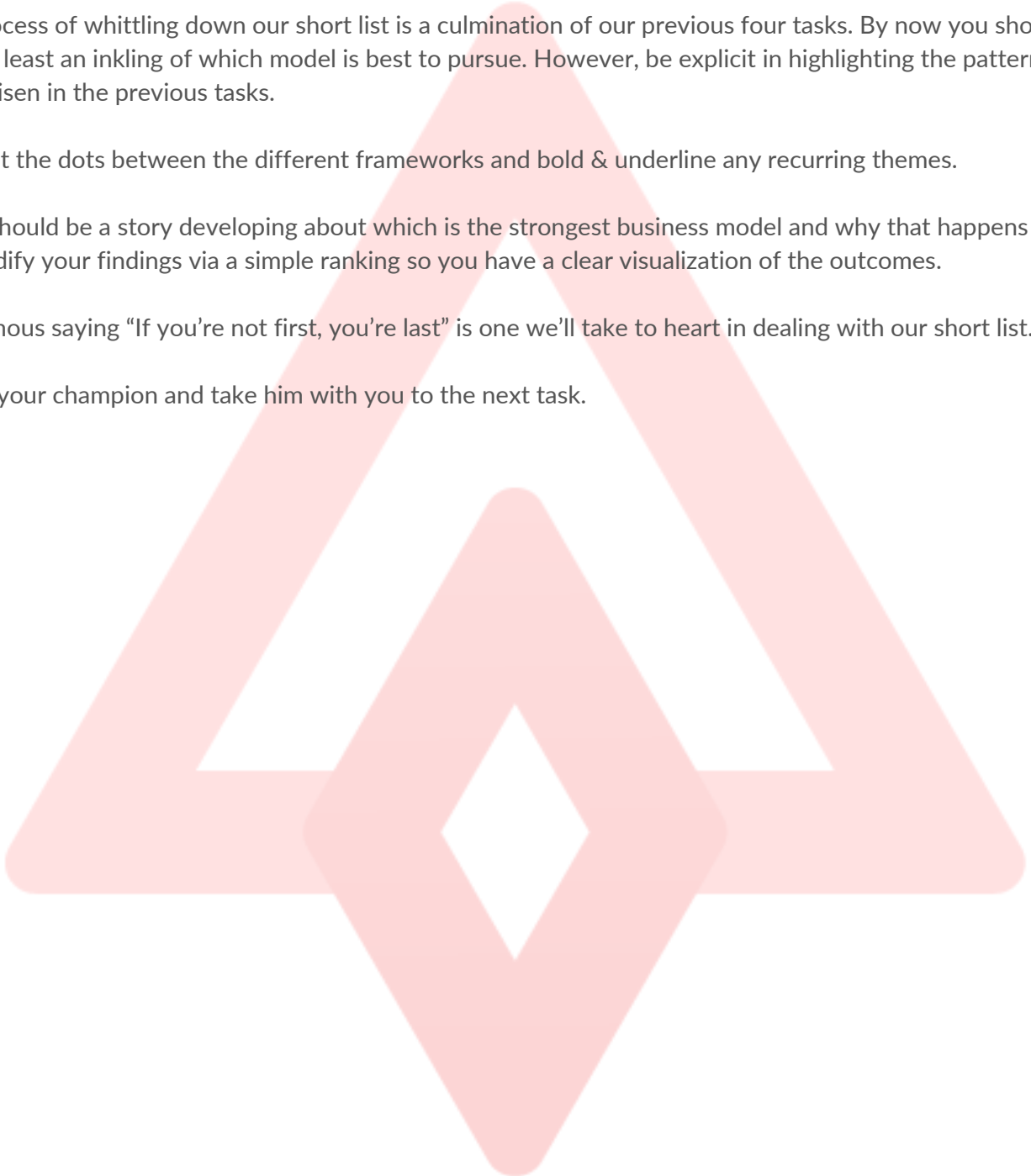
Now that you've identified your champion, it's time to start the process of shifting from ideation to realization. We've validated the value behind the concept, next up is the feasibility.

Remember that we are still operating in a theoretical context here - Your goal should not be to actually construct this concept, but to confirm that you could if you wanted to.

This process will look very different depending on whether your ambitions are to build a digital or tangible solution. Regardless, the objective remains the same: Feasibility.

Proving a concept can be broken down into 5 core elements.

The first is to validate the functionality of the concept. In other words, will it actually solve the problem it was intended to solve? If it fails to do so, then you've failed to meet your promise of value, and the concept cannot move forward.

After confirming that the objective can be met, it's a matter of ensuring that the method behind that objective is also valid — basically, ensuring that the How will work. Unless you personally have a technical background, I highly suggest reaching out to your network first for any experts in the relevant field.

So, it can and does create the value you've envisioned, but does it create the value your customer envisioned? There's a need to take a minor step back here into the world of customer discovery again. Distill their expectations into a clear benchmark to meet.

Afterwards, I suggest returning to the same batch of customers to ask simply - Does this meet your expectations? It almost certainly never will meet the exact expectations, but it's a simple matter of bridging the gaps to the best of your ability.

Finally, the last step asks you to think beyond the sphere of the actual concept and once again into the ecosystem this product will enter. It is not only about identifying potential obstacles, but about having a concept that is resilient in nature. It's the foundation behind a concept that can thrive in spite of its obstacles.

Once again, your proof of concept is merely that, a concept. The trick here is to walk carefully on the fine line between validating your concept and investing an unnecessary amount of time and effort into over-validating. It does not need to be pretty. It just needs to work.
Failure has somewhat become a cliche when talking about success in hindsight. But it's a true cliche!

Think about it this way: the faster you can identify the failure, the less time you'll invest in a lost cause.

Move quickly through this 5 -step framework - Hitting that perfect balance of validation and time spent. When done right, this will be a crucial factor in getting you to market ASAP.

Developing a solid proof of concept can help a founder identify potential technical and logistical issues that might interfere with success.

The key is pinpointing and knocking out any inconsistencies as early in the process as possible, when the logistics of doing so are still simple.

This is the foundation for going live as fast as possible. And also, ensuring that when you do, your first time to the market is your last time to the market.

Task 21 is where we'll dig deep into your Unique Selling Proposition, or better known as a USP.

In Task 12 we touched on the themes of innovation, distinction, and simply being creative in setting yourself apart from the pack.

Your USP will be your center of gravity in achieving that. If done right, a USP should be the first thought that pops into a customer's mind when they think of your brand.

Crafting a compelling USP starts externally by understanding your industry, and transitions internally into understanding how you fit into the landscape that your competitors have drawn.

Porter's 5 forces is a great way to start by turning the lens outwards. Here's an example of Porter's 5 Forces applied to the US wine industry. The 5 forces allow you to deconstruct an industry by its most critical aspects.

Start with Barriers to Entry - How easy is it to get a foothold in this industry or market? How much would it cost, and how tightly is your sector regulated?

Substitutes. What is the likelihood that your customer would forego your solution for another alternative? Why would they do so - Is it because of cost, or quality, or something else?

Look at Buyer Power and how easy it is for buyers to drive the prices down. What does the market look like and how is the scale tilted?

Supplier power. This is determined by how easy it is for your suppliers to increase their prices. How many potential suppliers do you have?

Finally, Competitive Rivalry will allow you to assess how saturated the market is and begin your first steps in understanding the competitive landscape.
Ideally, through the 5 forces you'll have a better understanding of the gaps in the industry. It is here where your focus should shift as it is precisely these gaps that your USP can hope to fill.
Reduce, eliminate, raise, and create is a simple matrix-tool that drives companies to focus simultaneously on four pillars of differentiation.

It destroys the trade-off between differentiation and low-cost in creating a new value curve.
Ultimately you'll be able to determine if there is indeed a path to a blue ocean market, and if not, be able to distill your learnings into what will distinguish you in a red ocean.

Yellowtail is a great example of a company breaking into a red ocean market, but distinguishing themselves with a USP that filled the gaps of the industry.
Run your idea through the matrix and distill the results into actionable improvements, rooted in competitive factors.

The result is a USP that draws a bold line between you, and your competitors.

I know what you're thinking - Customers again? Yes, customers again.

The key to building a product that meets the needs of the customer is going back to the customer every step of the way. Now this task looks a bit like task 18, but here's how it's different:

We're taking the broad customer landscape from before, and cutting it down to hone in on a Focus Group. A Focus Group usually borders around the 8-10 mark and is composed of your potential customers in the early stages. Through them, you'll never miss a beat in creating the value your customers are hungry for.

With what's there, they'll tell you what's working and what's not. More importantly, they'll tell you what's not there and what to prioritize. Handcrafting an effective Focus Group is a matter of crafting diversity. These should not be the biggest fans of your concept and product.

Often, it is your biggest critics that will provide you with your biggest growth avenues. A Focus Group should be a healthy mix of those that innately love your product, those that are innately skeptical, and everywhere in-between.

This theme of range should extend beyond their relationship with your product, but extend into their demographic as well. Some should in fact be the consumer archetype you defined back in Task 4 -, aligning in age, occupation and so on.

But they should also be surrounded by members that look and think very differently from them.

This is no easy feat to assemble, but a promising starting point is the pool of feedback you received back in Task 18.

Sift through the feedback to find the most insightful and wide-ranging pieces, and then actively pursue those responsible for the feedback through a highly personal outreach. Even call them up if you can.

As a bargaining tool, be creative in the perk you'll offer in exchange. Often it is free access to the product or the first to receive updated versions.

Once you've assembled your group, it is critical to decide on an effective medium of communication. Remember that your focus group live lives of their own and are the ones doing YOU a favor, not the other way around.

Your job is to make their role as non-committal, hassle-free, and convenient as possible. This should be done under the ultimate goal of manifesting a workflow that meets both requirements: Speed and Detail.

Your medium of communication, while convenient, should facilitate quick responses and give enough space that each member can offer in-depth feedback.

I recommend using a healthy mix of the tools we have listed here. Ideally, you should employ a quick messaging platform like Slack as a central hub for communication. Depending on the different scenarios that arise, often a quick message in a dedicated Focus Group Channel will get the job done.

For feedback that is more close-ended but longer in quantity (e.g. a list of yes-or-no questions) simply send a quick typeform. If some written responses are particularly insightful or could be on to something, I would then suggest jumping on 1on1 calls via Zoom.

A focus group is a valuable tool in crafting a winning value prop. Be diligent in asking the right questions so you can extract the right responses.

Your questions should be clear and targeted with a purposeful objective in mind. I recommend a structured feature approach - Break down the different aspects composing your product. Single handedly validate each feature to validate value, and rid yourself of those which do not add value.

As a whole, your focus group should facilitate the prestigious "lean startup loop" and allow you to manifest a process of constant optimization.

We've compiled a recommended tool stack for each step of the process that should help automate the stages to the maximum extent possible.

Curating such an effective loop at the very early stages is a decisive characteristic of a business model that is in tune with its environment — a business model that can and will change with the times.

Sustainability has evolved in the startup sphere from a nice-to-have, into a must-have. This task deals with the environmental, social, and governance factors revolving around a business model.

You should view ESG factors as a wide open opportunity to differentiate your business model from your competitors'. The days of cutting corners in order to lower costs are simply heading out the door. Consumers know this, and so do investors.

There are three levels of stakeholders that are interested in your company's ESG compliance: customers, employees, and investors.

As the founder, it is you who is tasked in crafting a strategy that meets the needs of all three stakeholder groups. Lucky for you, the benefits you'll reap when this is accomplished will lead to higher revenue, better talent acquisition, and higher investments.

ESG factors really can permeate each level of the business, which is why so much emphasis has to be put into them.

Meeting basic ESG requirements so that your business can first exist is a matter of doing your due diligence in the respective spheres.

Utilize any connections you might have in the various areas of expertise. Dedicate time to this as it could very well be a matter of life-and-death for your company. With the standard boxes ticked, and your venture complying with ESG criteria, you can start to think of ESG as an opportunity to foster value.

There are 5 ways to create value with ESG compliance:

1. Attract more customers while gaining access to resources through stronger community and government relations

2. Reduce any usage of valuable natural resources and reduce costs as a byproduct.

3. De-regulate as much as possible in order to speed up internal processes and also earn subsidies while you're at it!

4. Add a layer to the motivation of your employees, allowing them to understand they're working for something worthwhile. This will also boost employee retention as a consequence.

5. Finally, take advantage of the investment implications of a longer lifeline.

Rather than viewing ESGs as another checkmark on the long list of technicalities, I would suggest you flip the framing and seize it as yet another avenue for differentiation.

As a result, you'll have a profitable and sustainable venture, with a place in the modern era startup landscape.

In determining any given Business Model, numbers will eventually become a part of the conversation. That's what Task 24 is all about - the numbers. More specifically, clearly mapping out how much you expect to earn (your revenues) and how much you expect to spend (your costs).

In doing so, you'll be able to calculate a clear survival benchmark that needs to be met, as well as the potential ceiling you'll be working towards. Do this well, as it will be the foundation in assessing how much money you need to raise later on.

More explicitly, you'll be able to: have a definitive method behind monetizing your value proposition, as well as the implications that this will involve. So you'll have a clear breakdown of your various revenue streams and how much those streams will be. Moreover, the costs behind your venture will be highlighted.

With these two factors apparent, you'll be able to weigh how much capital you'll need to raise in order to bridge your modelled costs with your current available funds.

And lastly, you'll have a better idea of where and when you can expect your revenue to surpass your costs.

We've broken down two methods for financial modelling by purpose. The first is the classic financial model.

This is not a Balance Sheet, P&L, or the common associations with finances, as those will come later along with a fully-functioning company.

This is about prospecting, or better said, assumptions based on numbers. Through forecasting tools, you'll outline your road to profitability.

This road will be made known across the entirety of your venture and answer the vital question on whether or not you'll need funding. As for what should be forecasted exactly:

I would advise a 2-3 year scope that outlines in detail costs and revenue projections. You should work through costs and revenues separately, and by function, in order to be as comprehensive as possible.

The classic model will allow you to answer the question of whether you need funding or not. In other words, you'll be able to see projected costs and assess whether you have the means to meet those costs.

If the answer to that is no, and you do in fact need funding, then the "investment-ask model" will allow you to answer the next logical question: How much funding will you actually need?

In other words, while the Classic Model will be your internal roadmap, the investment ask will be what you take to the investors. It will be an "Ask", or request, rooted in numbers and reason.

Ultimately, it will let your investors know how much funding you need, where that funding will be allocated, and when they can start seeing returns on that data. It will be a make-or-break component of your eventual Pitch Deck.

As you venture into modelling your finances, have a look at the right for key data to include. This should function as a checklist as these are the basic prerequisites that need to be involved.

More than just limiting yourself to a 2-3 year timeline, I would also advise this:

Overshoot slightly on costs and undershoot on revenue. The tendency is for founders to do the opposite, but doing this instead will allow you to essentially ask for more funding than necessary. This ensures a more secure future and will be more advantageous in the long run than limiting your resource pool.

When considering when to scale your operations, these considerations should be based on logic — for example after becoming cash flow positive, not before.

Finally, in regards to the financial model within your pitch deck - Keep it short & sweet. Investors are not ready for the story yet, they just want the brief run-down.

In the lifeline of a startup, it's the numbers that often tell the story.

Starting early in prospecting out what that story will look like will be a vital resource to craft that narrative as you go along.

It will allow you to see where you're falling behind in expectations and demand urgency in the moment, rather than in hindsight — which will always be much too late.

Task one is all about identifying both problems, and trends. It's about finding the confluence of pain points and upward trends of the market.

Let's have a closer look at this checklist here.

Start by concentrating on problems while using your personal experience as the basis - The goal here is to create a long list of relatable problems.

In doing so you'll be bypassing one of the most common, and deadly, mistakes in entrepreneurship: Prescribing a solution to a problem that doesn't exist.

Step 2 is the Market: Identify current trends to spot possible upward swings that you could take advantage of. Some starting points could be Google Trends or in particular, Linkedin.

The companies hiring the most are in essence, the ones trending.

This is a great starting point to spot the industry or the market patterns and to use it as a basis going forward.

A major prerequisite to deciding on whether or not to invest time and resources into a problem, is to reflect on some fundamental questions outlined here.

Dig deep and try to brainstorm a minimum of 5 answers per question. This is not an exercise to be done in under 5 minutes, but rather one that should push you towards the not-so-obvious.

If the answer to any of these basic questions are anything less than promising, then you're likely to have a problem that is also less than promising. In other words: It's back to step 1.

In today's landscape there are three types of business models finding success: Need Based, Trend Based, and Technology based. The foundations of these business models are successful because they are fundamentally problem-based.

Your soon to be solution can cover just 1, 2, or ideally all of these models.

Take Zoom for example: they took advantage of the need for long-distance, yet personal, communication - This is need based.
They scaled on the trend of remote working due to the pandemic - Trend Based.

And they are built off of the technology of a well-executed SaaS platform - Technology based.

With all of this in mind, we can zoom out for a second to have a holistic view of the stages of building a great business model. Appreciate where you are in the process, and have the subsequent stages in the back of your mind as you put one foot in front of the other.

In general, business models have changed a lot due to data-driven trends and rapid technological developments - By fostering a model grounded in solving a problem, you develop a solution that is easily adaptable to a changing environment.

The infamous pitch deck - It's your 5 minutes on the mic to spill your guts about what very well might be your life's work.

Founders often struggle with a pitch deck that is compelling on both practical and impassioned standards. One that tells a story with cold hard facts backing that story every step of the way.

A powerful pitch deck is your one-way ticket to securing funding. And we've laid out a 10-part infrastructure that will do your venture justice.

Dive into each step and allow it to become the foundation you use to build up your pitch deck. I'll highlight some key points to consider along the way.

The first seconds of your presentation are crucial, make sure to use them to the fullest: explain as concisely as possible what your company does - This is your elevator pitch if you only had one sentence.
Go back to tasks 1-4 to remind yourself about the problem behind it all. At step three return to your Value Proposition Canvas and the results of the previous tasks in this substage.

Be number-driven in your business model run-down, and tend to stay away from anything not grounded in data.

Be careful with your Market-Size slide since it is often exaggerated. Try not to rely on third-party data, but do your own research. Be prepared to show and explain the inputs and calculations.

Your whole Pitch Deck is a marketing exercise, however you have to be able to explain what your online and offline acquisition strategies are.

Tasks 12, 21, and 23 will be your driving forces in painting the gap between you and your competitors. Point 8 takes us back to the numbers. Luckily for us, we have an extensive financial model to cover us from Task 24.

This is an important step as investors want to know why you need their resources and how you will use them once provided.

Point 10 is the "mini job interview" within the pitch - Tasks 9 and 10 should give you the criteria to build your discourse on.

Finally, a short, personalized touch depending on the addressee. Perhaps this is a verbal add-on if you are presenting, or if it's an email, then it can come in the body.

As you go through the tedious process of building the deck, use the "Factor to Action complex" below to have a strong underlying foundation to the deck.

Your pitch deck should be objective in nature, but still have your voice behind it the whole way.

Remember, the entire goal is that you're trying to convince someone to simply help you. If your idea is a good one that merits that help, the pitch deck becomes just a simple matter of putting pen to paper.