

THIS WEEK YOU WILL...

- Synthesise your findings from the validation process.
- Choose one business idea to go forward.
- Use your validation findings to finetune your idea (or change it altogether!).

INTRODUCTION

It's Week 4, and our final week working on the entrepreneurial side of the toolbox.

I'd like to start the week off sharing a story I heard from UQ's entrepreneurship professor Cameron Turner. It's about baby food, pain and spoons. Here goes:

This is what baby food used to look like.

It was popular, as it added a lot of value to its users (parents): it saved food preparation time, the ingredients and texture were appropriate for babies, it was safe to eat, lasted in the pantry, and was already served in reasonably-sized portions. Brands like Heinz and Gerber dominated this market for decades.

A few years back, Raferty's Garden, an Australian firm, thought about getting in the highly competitive baby food market. They had some innovations in mind, like organic ingredients and new recipes, but these hadn't been enough for other newcomers in the past. If they wanted to make a dent in the market, they would have to shake it harder than that. So... they went back to basics and did some customer validation.

They talked to parents and watched families with young babies as they went along their daily routines. What are feeding times like? What's not working for them? Eating times were messy and chaotic for all families: food was spilled, clothes had to be changed, and there was always need for an adult to handle the jar or cup and patiently spoon-feed the child. Organic ingredients and new recipes sounded ok, but parents weren't really struggling with the contents of the food, they were struggling with the feeding routine. Could Raferty's Garden find a way to help customers with *that* pain?



They came up with the food pouch.

Pouches have all the features of traditional products, but on top of that, they don't break into dangerous shards, there's no longer need for a spoon, babies can suck the contents at their own pace, and parents get their two hands back to run along other chores (including eating their own breakfast!). Same content + innovative package = lots of added value.

Raferty's Garden took notice of their customers' biggest pain and found a way to relieve it. The outcome? Pouches now dominate the baby food aisles in Australian supermarkets. And Raferty's Garden baby food stands right there amongst the traditional brands.





What will you do with the findings from your validation interviews?



ACTIVITY 1 - CREATING VALUE

As entrepreneurs, we create 'value' when we identify jobs or tasks that are very important for our customers, help them eliminate pains associated with those tasks, and create gains (positive outcomes) they weren't receiving (or even expected to receive) in relation to those tasks.

Let's have a look at the jobs, pains and gains in the baby food example:

Jobs (customers have to do...)		Pains (... in order to avoid...)	Gains (... and hoping to get...)
Feed the baby nutritious food 		A sick or malnourished baby	Healthy baby
Keep clean the house, the baby, themselves 		Additional cleaning chores, being late for work, a filthy home environment	A calm family meal with little or no spills/accidents, some spare time
Finishing breakfast and heading to work on time 		Stress during breakfast every day, being fired from work!	Stress-free mornings, more enjoyment of family, a feeling of normalcy
Becoming better adults and parents (e.g. less and less mishaps every day) 		Stress, feelings of failure (personal, as a parent, as a couple, etc.), pessimism	Feelings of competency, personal triumph, optimism, impetus to achieve more

Now, take a second look at the jobs (left column). Traditional baby food brands were helping parents fulfill the first of those four jobs. Yet, Raferty's Garden food pouch was so brilliant because it identified at least another three jobs **directly associated with baby meal times**, which were **unsatisfied by current products**. Feeding babies healthy foods is a very important thing, but keeping your job, enjoying family meals and feeling competent as a parent are worth paying for too!

To get you thinking about jobs, pains, gains in relation to your own business ideas, we will apply a method called 'The Value Proposition Canvas'. This method was developed by Strategyzer (a firm providing training in entrepreneurship) and is a popular method with start-up incubators worldwide. Head to [Week 4 - Additional Resources](#), where you'll find a video explaining how to use the value proposition canvas, as well as the actual canvas itself (a template in PDF format).

PREPARE

- Print the PDF file (you'll need at least one for each of business ideas).
- Then watch the video to see how it works (come back to this video if you get stuck at any point while filling in your canvas).

CREATE A VALUE PROPOSITION CANVAS FOR YOUR BUSINESS IDEA

- Using your notes from the validation interviews, as well as your memories from those conversations, fill in the spaces in the template as shown in the video. Do your best to stick to a few keywords or bullet points per section.
- If you're working with more than one idea, repeat the exercise for idea # 2.

TEAM DISCUSSION

- As a team, look critically at your canvas and ask yourselves:

Jobs

- Which jobs is your product helping with? Are they important jobs?
- Are there other unsatisfied jobs your customer is more pressed to solve?
- Can you think of variations to your product features to help with these jobs?

Pains

- Which of your customer's pains are not being relieved by existing products?
- Does your current idea relieve some of these strong unresolved pains?
- Can you think of variations to your product that would help relieve these pains?

Gains

- Which gains or positive outcomes are yet to be realised by existing products?
- Can you imagine an even better outcome that would amaze your customer?
- Can you think of variations to your product that would amaze your customer?

IMPROVE OR REDEFINE YOUR IDEA

Have you come up with exciting ideas to improve your value proposition? Take some time to redefine your business idea(s) in writing:

Our [name of product] helps customers with [key job].

We eliminate [unresolved pain] by [matching product feature].

We help them achieve [unrealised gain] by [matching product feature].

ACTIVITY 2 - OUR BEST IDEA YET

NARROW IT DOWN TO ONE

If you have been working on a single business idea, skip this step (continue from 'Update your slides' below).

If you have been working on more than one business idea, it's time to choose one. Consider all your work from Weeks 3 and 4, including:

- **Your validation interviews**
How much support was garnered for each idea during the validation interviews (e.g. are customers likely to pay to solve that problem?)
- **Your research on market size and competitors**
Which idea has the biggest market? Which market is expected to grow more?
Which idea appears more innovative (e.g. differs from existing products)?
- **Your value proposition canvas**
Which idea addresses more emotional jobs? Keep in mind that, while most products are good at solving functional problems (e.g. nutritious baby food), great products stand out by their ability to also solve emotional jobs for them (e.g. feeling like a competent parent and adult).

Our best idea yet is:

Congratulations on choosing a fabulous business idea, and all your hard work so far!

UPDATE YOUR SLIDES

Step 1. Create a new slide in your presentation, right after your first business idea.

Step 2. Click on Layout and choose 'Two Content'.

Step 3. Title this new slide "Our improved business idea" or something similar.

Step 4. On the left-hand container, type in your redefined business idea (as you described it in page 4).

Step 5. Now click on the grey section near the bottom where it says “Click to add notes”. We will now draft some words to say during our final presentation about the validation process. Type in the following:

- One short paragraph explaining how many interviews were completed for your validation process, and who you talked to (e.g. not names, but broader features such as their gender, age groups and occupations).
- One or two key findings from your validation process. For example:
 - A product feature that was abandoned (e.g. the customer wasn’t interested)
 - A product feature that was introduced to add value for your customers.

Step 6. Save your changes. Now... guess what you’re adding on the right-hand side? Yep, Head to www.canva.com and log in. We’ll need an updated image for your best idea yet! By the way, did you know www.canva.com is an Australian business? Very cool, right?

Step 7. As you did in Week 2, select the template ‘Instagram post’ or ‘Logo’. Have a go at creating a striking visual prop for your new/improved business idea. It’s always a good idea to include both the name of the product and a short slogan (e.g. “we sell _____ to _____”).

Step 8. When your design is ready, click on ‘Download’ to save it to your computer.

Step 9. Back to your PowerPoint presentation, click on the image icon on the right-hand container to add an image. Search for the image you just created on www.canva.com and insert it. Save your changes.

ADD A SLIDE ABOUT THE MARKET FOR YOUR IDEA

Step 1. Add a new slide. Click on ‘Layout’ and select ‘Title and Content’.

Step 2. Title this new slide “Our Market” or similar.

Step 3. Using short sentences (a bulleted list works great), describe your key findings about market size and growth (from Week 3). Also, write one or two sentences with the most salient findings about your competitors (also from Week 3).

Step 4. Save and close.

ADD AN ENTRY TO YOUR JOURNAL

Step 1. As a team, add a new short paragraph to your reflective journal describing two or three things you learned during this session, or from the entire validation exercise. Save and close.

Until next week!