

THIS WEEK YOU WILL...

- Synthesise your findings from the validation process.
- Choose one business idea to go forward and improve it according to your findings.
- Share your validation story.

INTRODUCTION

It's Week 4, and our second 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 that hadn't been enough for other newcomers in the past. If they intended to last, they needed to shake the market a bit 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 altogether. Could Raferty's Garden find a way to help customers with *that* pain?



They came up with the food pouch.

Pouches don't break into dangerous shards, there's no longer need for a spoon, baby's 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 strived to relieve it. The outcome? Over half of baby food shelves in Australian supermarkets are now filled with pouches. And Raferty's Garden is right there amongst those 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 didn't get (or expected to get) in relation to those tasks.

Let's have a look at jobs, pains and gains from 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 popular with start-up incubators worldwide. Head to the ATSIAP Challenge website (Week 4), where you'll find a video explaining how to use the canvas, as well as the actual canvas itself (a template in PDF format).

Print the PDF file (you'll use at least one for each of business ideas).

Then watch the video to see how it works.

Use your notes from the validation interviews, as well as your memories from those conversations, to fill in the spaces in the template.

You might have to watch the video a few times as you fill in the canvas.

By the end of this exercise, you'll have:

- discovered whether your current business ideas are a good fit for your customers' jobs, pains and gains
- come up with variations to your product that achieve even more gains for your customers or even thought of new business ideas altogether!

ACTIVITY 2 - OUR IMPROVED (OR NEW?) BUSINESS IDEA

If you have been working on more than one business idea (including any new ideas that have sprung as you go along), it's time to narrow it down to 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? Differs from existing products/competitors?
- **Your value proposition canvases.** Which idea addresses more emotional jobs? Keep in mind that, while most products are good at solving functional problems (e.g. nutritious food), great products stand out by their ability to also solve emotional jobs for them (e.g. feeling like a competent parent and adult).

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

Let's recap:

Our new/modified business idea is to sell _____

Our customers will be mostly _____

Our product/service helps them fulfill these important jobs (functional, social, emotional):

- _____
- _____
- _____

We believe they are likely to pay for our product, because:

- _____
- _____

The market for this product/service is (size) _____

This market is growing, because:

- _____
- _____.

ACTIVITY 3 - SHARE YOUR STORY

It's story time, the entrepreneur's way.

Tell the story of your product in less than 1 page, using simple language and short paragraphs (2 to 4 sentences). Make sure you tell:

- The nature-based business category you originally chose.
- What your original business idea was.
- How many customers you talked to during the validation process.
- Which assumptions you confirmed and discarded during the validation process. How the validation process changed your thinking about your original idea (surprises, revelations).
- Unsatisfied jobs you identified during validation and how they were important for your customers.
- Variations you introduced to your original idea (or new ideas altogether) in response to your findings.
- One or two suggestions you'd give to Aboriginal and Torres Strait Islander entrepreneurs designing new products/services in this category/for this market. What gaps or opportunities to focus on.

Now head back to Google Sites, create a new section, and publish your story.

Your new/improved product will need a new image too!

- Head back to www.canva.com
- Create a new/updated ad for your business idea.
- Include your business idea name, and a short sentence (slogan, brand tagline) stating what you do for your customers (e.g. "family meals are a breeze with baby food pouches").
- Publish your new ad in the website! (Keep the old ones, though, budding entrepreneurs will want to learn your whole story).