

Step 1 - Market Segmentation

Title/Description	Corporations with ESG Reporting Requirements	ESG Consultants and Advisors	Regulatory Bodies and Compliance Organizations	Sustainability-focused Nonprofits	Data Analytics and Business Intelligence Firms
1. End User	ESG Managers, Sustainability Officers	ESG Consultants	Compliance Officers	Sustainability Managers	Data Analysts, Business Intelligence Analysts
2. Task	Collecting and reporting ESG data	Advising on ESG strategies	Ensuring compliance with regulations	Reporting on sustainability impact	Analyzing ESG data for insights
3. Benefit	Streamlined reporting and compliance	Expert guidance	Regulatory compliance	Enhanced credibility	Improved decision-making through data insights
4. Urgency of Need	High	Medium	High	Medium	Medium
5. Example End Users	Fortune 500 companies	Consulting firms	Government agencies	Environmental NGOs	Analytics firms
6. Lead Customers	Large corporations	Top-tier consulting firms	Major regulatory bodies	Leading nonprofits	Major analytics platforms
7. Willingness to Change	High	High	Medium	Medium	High
8. Frequency of Buying	Quarterly	Project-based	Annually	Annually	Project-based
9. Concentration of Buyers	Many	Few	Few	Many	Many
10. Other Relevant Market Considerations	High regulatory scrutiny	Competitive landscape	Evolving regulations	Funding challenges	Rapidly changing data landscape

11. Size of Market (# of end users)	10K+	1K+	100+	10K+	1K+
12. Estimated Value of End User (\$1, \$10, \$100)	\$1K	\$10K	\$1K	\$100	\$1K
13. Competition / Alternatives	Existing ESG software solutions	Other consulting firms	Other compliance tools	Other nonprofits	Other analytics tools
14. Other Components Needed for a Full Solution	Integration with existing systems	Data sources	Regulatory frameworks	Collaboration with businesses	Data integration tools
15. Important Partners	Data providers, software vendors	Industry associations	Government agencies	Corporate sponsors	Technology partners
16. Other Relevant Personal Considerations	Alignment with corporate sustainability goals	Expertise in ESG	Political climate	Passion for sustainability	Expertise in data analytics

Step 2 - Beachhead Market

Criteria	Large Corporations with ESG Mandates	ESG Consulting Firms	Government Agencies	Financial Institutions	Non-Profit Organizations
Is the target customer well-funded?	Very High: Large corporations often have substantial budgets for ESG initiatives.	High: Consulting firms have budgets but may be more constrained.	Medium: Government budgets can vary significantly.	Very High: Financial institutions have significant resources for compliance and ESG.	Medium: Non-profits may have limited funding.
Is the target customer readily accessible to your sales force?	High: Corporations are accessible but may require navigating complex structures.	High: Consulting firms are generally accessible and networked.	Medium: Government agencies can be bureaucratic and slow-moving.	High: Financial institutions are accessible but may have stringent vendor requirements.	Medium: Non-profits are accessible but may have diverse structures.
Does the target customer have a compelling reason to buy?	Very High: Corporations face regulatory pressures and stakeholder demands for ESG.	High: Consulting firms need reliable data for client services.	High: Government agencies require data for policy and compliance.	Very High: Financial institutions need ESG data for risk management and compliance.	Medium: Non-profits may have less direct pressure but value ESG for mission alignment.
Can you today, with the help of partners, deliver a whole product?	High: Partnerships with existing ESG tools can enhance offerings.	Medium: May require additional partnerships for full integration.	Medium: Government-specific requirements may need customization.	High: Financial institutions can leverage existing data systems.	Medium: Non-profits may need tailored solutions.
Is there entrenched competition that could block you?	Medium: Existing ESG platforms may pose competition.	Medium: Consulting firms may have established data sources.	Low: Government agencies may have fewer direct competitors.	High: Financial institutions have established vendors.	Low: Non-profits may have fewer direct competitors.
If you win this segment, can	Very High: Success with	High: Consulting	Medium: Government	Very High: Financial	Medium: Non-profits can

you leverage it to enter additional segments?	corporations can open doors to other sectors.	firms can provide referrals to other industries.	success can lead to more public sector opportunities.	institutions can lead to broader financial sector penetration.	lead to partnerships with aligned organizations.
Is the market consistent with the values, passions, and goals of the founding team?	High: Aligns with goals of creating impactful ESG solutions.	High: Consulting aligns with data-driven impact.	Medium: Government work may align less with entrepreneurial goals.	High: Financial sector aligns with data integrity and compliance.	High: Non-profits align with mission-driven impact.
How quickly can you win this market?	Medium: Corporations may have long sales cycles.	High: Consulting firms can adopt quickly if value is clear.	Low: Government agencies often have lengthy procurement processes.	Medium: Financial institutions have rigorous onboarding but high potential.	Medium: Non-profits may adopt quickly but have smaller scale.
Overall Rating	High	High	Medium	Very High	Medium
Ranking	2	3	5	1	4
Key Deciding Factors	Strong funding and need for ESG compliance.	Networked and need reliable data.	Bureaucratic but significant potential.	High compliance needs and resources.	Mission alignment but limited funding.

Step 3 - End User Profile

End User Profile

Category	Details
Demographics	The end users are typically professionals in sustainability or compliance roles within medium to large enterprises. They are likely aged 30-50, with a bachelor's degree or higher, and have a background in environmental science, business, or data management. They are often located in urban areas with a strong corporate presence.
Psychographics	These users are driven by a commitment to sustainability and corporate responsibility. They fear non-compliance with regulations and the potential reputational damage it could cause. They value efficiency, accuracy, and the ability to make data-driven decisions. They aspire to be leaders in their field and are motivated by the desire to make a positive impact on the environment.
Proxy Products	Users may currently utilize ESG reporting tools like Workiva, carbon accounting software, and data management platforms. They might also invest in training programs for sustainability practices and compliance certifications.
Watering Holes	These users congregate in professional networks such as LinkedIn groups focused on sustainability, industry conferences, webinars, and forums dedicated to ESG topics. They also engage in discussions on platforms like Reddit and specialized industry websites.
Day in the Life	A typical day involves reviewing ESG data reports, attending meetings to discuss compliance strategies, and collaborating with various departments to ensure accurate data collection. They often face challenges in data integration and reporting, leading to stress and time constraints.
Priorities	1. Compliance with regulations (40%) 2. Data accuracy and integrity (30%) 3. Efficiency in reporting processes (20%) 4. Continuous improvement in sustainability practices (10%)

Economic Buyer Profile

Category	Details
Demographics	The economic buyers are typically C-suite executives or senior managers in sustainability, compliance, or operations roles within large corporations. They are usually aged 40-60, with extensive experience in corporate governance and risk management.
Psychographics	These buyers prioritize long-term sustainability goals and corporate reputation. They are risk-averse and seek solutions that provide a competitive advantage. They value strategic partnerships and are motivated by the potential for cost savings and efficiency improvements.
Proxy Products	They may invest in enterprise resource planning (ERP) systems, compliance management software, and consulting services for sustainability strategy

	development.
Watering Holes	Economic buyers often participate in executive forums, industry conferences, and networking events focused on corporate sustainability and governance. They also engage with thought leadership content on platforms like LinkedIn and industry publications.
Day in the Life	Their day involves strategic planning meetings, reviewing compliance reports, and making decisions on resource allocation for sustainability initiatives. They are focused on aligning sustainability goals with business objectives and managing stakeholder expectations.
Priorities	1. Strategic alignment with business goals (40%) 2. Risk management and compliance (30%) 3. Cost efficiency (20%) 4. Innovation in sustainability practices (10%)

Summary of End User Profiles

The end user profile for the ESG Data Infrastructure Platform consists of sustainability professionals who are focused on compliance, data accuracy, and efficiency in reporting. They are motivated by a commitment to corporate responsibility and face challenges in managing ESG data. The economic buyer profile includes C-suite executives who prioritize strategic alignment and risk management, seeking solutions that enhance corporate reputation and operational efficiency. Understanding these profiles is crucial as it helps tailor the product to meet the specific needs and pain points of both users and buyers, ensuring a better market fit and increased chances of success.

Step 4 - Beachhead TAM

Table 1: Top-Down Estimate of Number of End Users in Beachhead Market

Category	Description	Entry	How did you end up at this number/range?
Ia	Estimation of price per unit	\$15,000	Based on average annual spend on ESG data management solutions.
Ib	Number of units needed per end user	1	Each company typically requires one comprehensive ESG data platform.
Ic	Average Life Relevant? (assume repurchase)	Yes	ESG data needs continuous updates and maintenance.
Id	Average Life of Product in year	5	Average lifespan of software solutions in this sector.
Ie	Annualized Revenue (Ia * Ib) / Id (Data Point 1)	\$3,000	$(\$15,000 * 1) / 5 = \$3,000$

Table 2: Budget Available Data Points

Category	Description	Entry	How did you end up at this number/range?
IIa	Current Spend per end user (Data Point 2)	\$10,000	Average spend on ESG compliance tools and services.
IIb	Total budget for the end user	\$100,000	Estimated budget for ESG initiatives in mid-sized companies.
IIc	What % of budget could go to this solution reasonably?	30%	Companies typically allocate a portion of their budget to data management solutions.
IID	Annualized Revenue (IIb * IIc) (Data Point 3)	\$30,000	$\$100,000 * 30\% = \$30,000$

Table 3: Comparables

Category	Description	Entry	How did you end up at this number/range?
IIIa	Who are the comparables for your business?	Workiva, MSCI, Sustainalytics	Established players in the ESG data management space.
IIIb	What are the comparable products?	ESG reporting tools, data aggregation platforms	Products that serve similar functions in the market.
IIIc	What is the comparable converted to similar annualized revenue	\$25,000	Average annual revenue generated by comparables.

Table 4: Interpreting the Results

Category	Description	Entry	How did you end up at this number/range?
IVa	Consensus on estimate of annualized revenue per end user (a range is fine)	\$3,000 - \$30,000	Based on analysis of current spend and comparables.

Top-Down TAM Analysis Summary

Description	User Entry	Explanation
1. Total # of end users in the broad market segment	10,000	Estimated number of companies needing ESG solutions.
2. Total # of end users in the targeted sub-segment your BHM	2,000	Focused on mid-sized companies in North America.
3. Annual monetizable revenue per end user	\$30,000	Based on budget allocation for ESG solutions.
4. Estimate of Top-Down TAM (line 2 times line 3)	\$60,000,000	$2,000 * \$30,000 = \$60M$
5. Estimate of Range of Profitability for Your Product	70%	Software solutions typically have high margins.
6. Estimated CAGR (Compound Annual Growth Rate)	25%	ESG market is expected to grow rapidly.

Advanced Topics: Bottom-Up TAM Analysis Worksheet

Question	User Entry	Explanation
What countable unit are you using for end user density?	Companies	Each company represents an end user.
Instance 1	1,000	Number of companies in the target market.
Instance 2	500	Number of companies currently using ESG solutions.
Instance 3	200	Number of companies likely to switch to your platform.
# of end users	2,000	Total estimated end users in the targeted segment.
# of people in the countable unit	10,000	Average number of employees per company.
Density ratio (# end users / # people in countable unit)	0.2	$2,000 / 10,000 = 0.2$
How representative of the whole market do you believe this instance is?	High	Based on market research and trends.
In this instance, what is your estimate of the annualized revenue per end user?	\$30,000	Based on budget allocation.

Based on the above table, what is a reasonable estimate of:

- End user density: 0.2
- Annualized revenue per end user: \$30,000
- Number of end users in the market: 2,000
- TAM: \$60,000,000

Four additional factors to consider:

Factor	Estimate	Based on	Explanation
Estimate of Range of Profitability for Your Product	70%	Industry standards	High profitability typical for SaaS.
Estimated CAGR (Compound Annual Growth Rate)	25%	Market research	ESG market growth projections.
Estimated Time to Achieve 20% Market Share	2 years	Competitive analysis	Based on market entry strategy.
Anticipated Market Share Achieved if You	20%	Market dynamics	Realistic target based on competition.

are Reasonably
Successful

Analysis Questions

- 1. Comparing your top-down and bottom-up analyses, which do you believe has more credibility? Why?**
 - The bottom-up analysis has more credibility as it is based on direct market research and specific user data, providing a more accurate representation of potential revenue.
- 2. If you blend the two estimations, what is your final TAM size? What factors would make the TAM lower than you calculated? What are the factors that would drive the TAM much higher?**
 - Final TAM size: \$60,000,000. Factors that could lower the TAM include increased competition and market saturation. Factors that could drive the TAM higher include expanding into new markets and increasing demand for ESG compliance.

Step 5 - Beachhead Persona

End User Profile

Category	Details
Demographics	Gender: Male Age: 35-50 Income: \$100,000 - \$150,000 Education Level: Bachelor's Degree Education Specifics: Environmental Science, Business Administration Employment History: Facilities Manager at TechCorp, Data Center Operations at DataSolutions Marital Status: Married Kids & Other Family Info: 2 children Ethnicity: Caucasian Political Affiliations: Moderate, environmentally conscious
Psychographics	Why do they do this job or live the life they do: Passionate about technology and sustainability Hobbies: Hiking, reading about technology trends Heroes: Innovators in tech and sustainability Aspirations in life: To lead a successful team and contribute to a sustainable future Fears in life: Data center downtime, job loss Personality Traits: Detail-oriented, proactive, reliable Interesting habits: Regularly attends industry conferences, participates in online forums about data management
Proxy Products	Is there a product or products that the Persona needs to have in order to get benefit from yours? ESG reporting tools, data management software Are there products the Persona uses that embody the psychographics & demographics from the end user profile? Cloud storage solutions, compliance management tools Any other unusual or interesting products of note that the Persona has? Smart home devices for energy efficiency
Watering Holes	Favorite sources for news: TechCrunch, Wired, industry-specific blogs Places where they congregate with other similar people: Industry conferences, local meetups Associations they belong to and the importance of each: Member of the Green Data Center Alliance Where does the Persona go for expert advice and/or to get questions answered? Online forums, LinkedIn groups
Day in the Life	What are the typical tasks the Persona does each day with the amount of time associated with each? 8:00 AM - Review data reports 9:00 AM - Team meeting 10:00 AM - Troubleshoot issues 12:00 PM - Lunch 1:00 PM - Research new technologies

	<p>3:00 PM - Prepare compliance reports</p> <p>5:00 PM - Wrap up and plan for next day</p> <p>Which of these typical tasks are habits? Reviewing data reports, team meetings</p> <p>Which require the most effort? Troubleshooting issues</p> <p>Which does the Persona enjoy? Researching new technologies</p> <p>Which does the Persona not enjoy? Preparing compliance reports</p> <p>What makes it a good day for the Persona? No downtime incidents, successful team collaboration</p> <p>What makes it a bad day? Data center outages, unresolved issues</p> <p>Who is the Persona trying to please the most? Their direct supervisor</p> <p>What is the top priority of the person/people the Persona is trying to please? Ensuring data center reliability and compliance</p>
Priorities	<p>Priorities:</p> <ol style="list-style-type: none"> 1. Preventing data center downtime (Weighting: 40) 2. Ensuring compliance with regulations (Weighting: 30) 3. Implementing new technologies (Weighting: 20) 4. Reducing operational costs (Weighting: 10)

Economic Buyer Profile ☰

Category	Details
Demographics	<p>Gender: Male</p> <p>Age: 40-55</p> <p>Income: \$150,000 - \$250,000</p> <p>Education Level: Master's Degree</p> <p>Education Specifics: MBA, Environmental Policy</p> <p>Employment History: Director of Operations at TechCorp, Senior Manager at DataSolutions</p> <p>Marital Status: Married</p> <p>Kids & Other Family Info: 3 children</p> <p>Ethnicity: Caucasian</p> <p>Political Affiliations: Progressive</p>
Psychographics	<p>Why do they do this job or live the life they do: Driven by the desire to innovate and improve operational efficiency</p> <p>Hobbies: Golf, attending tech expos</p> <p>Heroes: Business leaders who prioritize sustainability</p> <p>Aspirations in life: To lead a successful company and make a positive impact on the environment</p> <p>Fears in life: Company failure, loss of reputation</p> <p>Personality Traits: Strategic thinker, results-oriented, persuasive</p> <p>Interesting habits: Regularly mentors younger professionals, participates in sustainability initiatives</p>
Proxy Products	<p>Is there a product or products that the Persona needs to have in order to get benefit from yours? Advanced analytics tools, ESG compliance software</p> <p>Are there products the Persona uses that embody the psychographics & demographics from the end user profile? Business intelligence platforms, project management tools</p>

	Any other unusual or interesting products of note that the Persona has? Smart office technology for energy management
Watering Holes	<p>Favorite sources for news: Harvard Business Review, Bloomberg, industry newsletters</p> <p>Places where they congregate with other similar people: Executive roundtables, industry conferences</p> <p>Associations they belong to and the importance of each: Member of the Corporate Sustainability Network</p> <p>Where does the Persona go for expert advice and/or to get questions answered? Professional networks, industry consultants</p>
Day in the Life	<p>What are the typical tasks the Persona does each day with the amount of time associated with each?</p> <p>8:00 AM - Review financial reports</p> <p>9:00 AM - Strategy meeting</p> <p>11:00 AM - Meet with department heads</p> <p>12:00 PM - Lunch</p> <p>1:00 PM - Analyze market trends</p> <p>3:00 PM - Prepare presentations</p> <p>5:00 PM - Networking events</p> <p>Which of these typical tasks are habits? Reviewing financial reports, strategy meetings</p> <p>Which require the most effort? Analyzing market trends</p> <p>Which does the Persona enjoy? Networking events</p> <p>Which does the Persona not enjoy? Preparing presentations</p> <p>What makes it a good day for the Persona? Successful meetings, positive feedback from peers</p> <p>What makes it a bad day? Poor performance metrics, unresolved issues</p> <p>Who is the Persona trying to please the most? The CEO</p> <p>What is the top priority of the person/people the Persona is trying to please? Achieving operational excellence and sustainability goals</p>
Priorities	<p>Priorities:</p> <ol style="list-style-type: none"> 1. Achieving operational excellence (Weighting: 40) 2. Meeting sustainability targets (Weighting: 30) 3. Enhancing company reputation (Weighting: 20) 4. Reducing costs (Weighting: 10)

Step 6 - Life Cycle Use Case

- The persona, likely an ESG manager or compliance officer at a mid to large-sized company, begins their journey by recognizing the inefficiencies and challenges in managing ESG data from multiple sources. They experience frustration with the manual processes involved in data collection, reporting, and compliance, which often leads to errors and delays. This realization serves as the catalyst for them to seek a more efficient solution.
- As they explore options, they discover the ESG Data Infrastructure Platform through industry webinars, peer recommendations, and targeted online marketing. They analyze the platform's features, comparing it to existing solutions, and ultimately decide to acquire it due to its promise of automation, ongoing data maintenance, and comprehensive reporting capabilities.
- Once they have acquired the platform, the installation process is straightforward, often guided by customer support. They begin using the platform to streamline their ESG data management, benefiting from automated updates and insights that save them significant time and reduce stress. Over time, they recognize the value gained from the platform through improved reporting accuracy and compliance readiness.
- The opportunity for improvement lies in enhancing the onboarding experience and providing ongoing support to ensure users fully leverage the platform's capabilities. Additionally, creating a community or forum for users to share best practices could further enhance the value proposition.

Who is involved	When	Where	How
ESG Manager	When they notice inefficiencies	At their workplace	Through internal assessments and discussions
ESG Manager	During research phase	Online, industry events	Webinars, peer recommendations, targeted ads
ESG Manager	When comparing options	Online	Product demos, reviews, feature comparisons
ESG Manager	At the point of purchase	Online	Direct purchase through the website or sales team
ESG Manager	During installation	At their workplace	Guided setup by customer support
ESG Manager	During regular use	At their workplace	Utilizing the platform for data management and reporting
ESG Manager	After using the product	At their workplace	Monitoring improvements in reporting and compliance
ESG Manager	Periodically	At their workplace	Reviewing performance metrics and feedback
ESG Manager	When needing more features	At their workplace	Engaging with sales for upgrades or additional services

ESG Manager	After positive experiences	At their workplace	Sharing experiences through word-of-mouth or social media
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Step 7 - High-Level Product Specification

Persona's Priority 1	Persona's Priority 2	Persona's Priority 3
Delivering ongoing value through automated ESG data management	Providing a centralized source of ESG truth	Facilitating compliance and reporting
By automating the data cleaning, categorization, and validation processes, we ensure that users receive up-to-date and accurate ESG data without manual intervention.	The platform serves as the single source of truth for ESG data, integrating inputs from various systems and ensuring consistency across reports and analyses.	The platform automates the generation of compliance reports and provides benchmarking tools, reducing the manual workload and risk associated with ESG reporting.
Features include automated data updates, alerts for missing data, and workflow automation tools.	Features include a unified data repository, integration capabilities with existing tools, and a user-friendly interface for data access.	Features include auto-generated compliance reports, benchmarking against industry peers, and forecasting tools for ESG metrics.
Functions include data ingestion, real-time updates, and automated reporting workflows.	Functions include data normalization, integration with third-party tools, and user access management.	Functions include compliance tracking, report generation, and analytics dashboards.
Benefits include significant time savings, reduced manual errors, and enhanced decision-making capabilities for ESG teams.	Benefits include increased trust in data accuracy, streamlined operations, and reduced risk of compliance failures.	Benefits include lower operational costs, improved reporting accuracy, and enhanced strategic insights for ESG initiatives.

For the next part of your brochure:

1. **Company Name and Tagline:** ESG Data Infrastructure Platform - "Empowering Sustainable Decisions with Clean Data"
2. **Product Name and Tagline:** ESG Data Hub - "Your Centralized Source for Real-Time ESG Insights"
3. **Benefits Aligned with Persona's #1 Priority:** "Automate Your ESG Data Management and Save 100+ Hours Each Quarter"
4. **Two Additional Benefits:** "Ensure Data Accuracy with Continuous Updates" and "Streamline Compliance Reporting Effortlessly"
5. **Magnitude of Benefit:** "Experience a 50% reduction in time spent on ESG reporting and compliance tasks, allowing your team to focus on strategic initiatives."
6. **Call to Action:** "Join us in revolutionizing ESG data management. Sign up for a demo today!"

Step 8 - Quantified Value Proposition

Question	Response
a. What is the Persona's #1 priority?	The Persona's #1 priority is to have a reliable and centralized ESG data source that is continuously updated and compliant with regulations. This is crucial for efficient reporting and decision-making.
b. What units should it be measured in?	The effectiveness of the ESG Data Infrastructure Platform should be measured in terms of time saved (hours per quarter), accuracy of data (percentage of errors), and compliance reporting efficiency (number of reports generated automatically).
c. General Verbal Description of the “As Is” State and the Opportunities for Improvement	Currently, companies struggle with fragmented ESG data across various sources, leading to inefficiencies in data management, reporting, and compliance. The existing process is manual, time-consuming, and prone to errors, resulting in significant resource allocation for data cleaning and reporting. There is a clear opportunity to streamline this process through automation and centralization.
d. General Verbal Description of the “Possible” State and the Opportunities for Improvement	With the ESG Data Infrastructure Platform, companies can achieve a centralized, automated system that continuously updates ESG data, reducing the time spent on manual data management by over 100 hours per quarter. This will enhance accuracy, improve compliance reporting, and allow for better decision-making through real-time insights and analytics. The opportunity lies in creating a seamless integration with existing tools.

Step 9 - First 10 Customers

Customer Name	Relevant Info	Title	Demo-graphic	Psycho-graphic	Use Case	Value Prop	Overall
1	Large corporation with sustainability goals	Sustainability Officer	35-50 years old, corporate	Values sustainability, compliance	Automating ESG reporting	Saves time and reduces risk	High interest
2	Mid-sized company in manufacturing	Operations Manager	30-45 years old, industrial	Concerned about emissions	Data normalization for compliance	Centralized ESG data	Medium interest
3	Non-profit focused on environmental issues	Program Director	30-55 years old, non-profit	Passionate about sustainability	Reporting for grants	Streamlined reporting process	High interest
4	Financial institution with ESG investments	ESG Analyst	25-40 years old, finance	Risk-averse, data-driven	Benchmarking against peers	Enhanced decision-making	Medium interest
5	Tech company with a sustainability initiative	Sustainability Lead	28-45 years old, tech	Innovative, forward-thinking	Continuous ESG data updates	Ongoing compliance support	High interest
6	Government agency focused on environmental regulations	Policy Maker	40-60 years old, public sector	Regulatory-focused	Compliance reporting	Simplified compliance process	Medium interest
7	Consulting firm specializing in ESG	Consultant	30-50 years old, consulting	Client-focused, analytical	Data sourcing for clients	Reliable data source	High interest

8	Retail company with sustainability goals	Supply Chain Manager	35-55 years old, retail	Cost-conscious, efficiency-driven	ESG data integration	Cost savings through automation	Medium interest
9	Energy company with emissions targets	Environmental Manager	30-50 years old, energy	Results-oriented, compliance-focused	Emission tracking	Accurate emissions reporting	High interest
10	Academic institution conducting ESG research	Researcher	25-45 years old, academia	Knowledge-seeking, analytical	Data for research	Access to clean data	Medium interest

Step 10 - Core & Moats

Question	Answer
What is your value proposition?	Your platform serves as the ESG system of record, providing continuous updates and maintenance of ESG data, automating reporting and compliance, and enabling better decision-making for companies. This ongoing service model ensures that clients save time and reduce risk, making it a valuable and sticky solution.
What assets does your team have?	<ol style="list-style-type: none"> Proprietary Data: The ability to aggregate and normalize ESG data from various sources, creating a unique dataset that enhances decision-making. Technical Expertise: A skilled team capable of developing and maintaining the platform, ensuring it remains competitive and innovative. Industry Connections: Relationships with ESG stakeholders that can facilitate partnerships and integrations. Customer Insights: Understanding of client needs and pain points in ESG reporting and compliance. Brand Reputation: Initial traction and credibility in the ESG space. Funding: Access to venture capital for scaling operations.
What are your proposed moats for your business?	<ol style="list-style-type: none"> Data Ownership: Being the central source of ESG data makes it difficult for competitors to replicate your service. Integration Capabilities: The ability to connect with existing ESG tools and systems creates a barrier to entry for new competitors. Continuous Updates: Regularly updating data and compliance features keeps clients reliant on your platform. User Experience: A superior user interface and customer support can enhance customer loyalty.
What are potential Cores for your business?	<ol style="list-style-type: none"> Data Aggregation and Normalization: The unique capability to clean and structure ESG data from multiple sources. Automation of Reporting: The ability to automate compliance reporting and insights generation. User-Centric Design: A platform designed with user feedback to ensure ease of use and satisfaction. Scalability: The potential to expand services and features as the market evolves.

Step 11 - Competitive Positioning

Competitor	Positioning in Competitive Landscape	Key Differentiators
MSCI	Upper-Left Corner	Established brand, comprehensive ESG ratings, but relies on static data sources.
Workiva	Upper-Left Corner	Strong reporting capabilities, but lacks real-time data integration and automation.
Sustainalytics	Upper-Left Corner	Focused on ESG risk ratings, but does not provide a unified data infrastructure.
Do Nothing Option	Lower-Left Corner	Companies currently managing ESG data manually, leading to inefficiencies and errors.
Your ESG Data Infrastructure	Upper-Right Corner	Continuous data updates, automated reporting, and a unified source of truth for ESG data.

Analysis: ⚡

- a. **Positioning Relative to Competition:** Your platform is positioned in the upper-right corner, indicating a strong value proposition compared to competitors. The "do nothing" option is in the lower-left corner, highlighting the inefficiencies of manual ESG data management.
- b. **Core Value Proposition:** Your core advantage lies in the ongoing system of trust, structure, and motion that your platform provides. Unlike competitors who offer static data or reporting tools, your platform continuously updates and automates ESG data management, making it indispensable for companies needing to comply with evolving regulations and reporting requirements.

Step 12 - Decision-Making Unit (DMU)

End User Persona	Economic Buyer Persona	Champion Persona
Name	Sustainability Manager	VP of Sustainability
Title	ESG Analyst	VP of Sustainability
Demographic Summary	Typically mid-30s to mid-40s, often with a background in environmental science or management.	Usually female, graduate degree in environmental management or related field, politically savvy, reports to CEO.
Psychographic Summary	Values sustainability, data accuracy, and efficiency; motivated by reducing environmental impact and compliance.	Passionate about sustainability, seeks to drive change within the organization, politically astute, and values collaboration.
Proxy Products	Existing ESG reporting tools, data management software.	ESG dashboards, compliance tools, sustainability reporting platforms.
Watering Holes	ESG conferences, sustainability workshops, online forums.	Industry conferences, executive networking events, sustainability-focused webinars.
Day In the Life	Analyzes ESG data, prepares reports, collaborates with various departments to ensure data accuracy.	Engages with stakeholders, prepares ESG reports for the board, advocates for sustainability initiatives.
Priorities (Top 4 in order)	1. Data accuracy 2. Compliance 3. Efficiency 4. Cost reduction	1. Driving sustainability initiatives 2. Gaining executive support 3. Ensuring compliance 4. Building a culture of sustainability
Key Selling Points to this Person	1. Automated data cleaning and validation 2. Centralized ESG data source 3. Time-saving reporting features 4. Ongoing compliance support	1. Enhances organizational sustainability efforts 2. Provides a competitive edge in ESG reporting 3. Reduces manual workload 4. Supports strategic decision-making

Step 13 - Customer Acquisition Process

Stage	What does the customer do in this stage?	Who is involved from the DMU?	Budget limits & other considerations	How much time will this stage take?	Action plan to accomplish stage	Risks	Risk mitigation strategy
Determine Need & Catalyst to Action	Identify the need for ESG data management and compliance	ESG team, Compliance officer	Budget for ESG initiatives	1-2 weeks	Conduct interviews with potential customers to understand their pain points	Misalignment of needs	Regular feedback sessions with potential customers
Find Out about Options	Research available ESG data platforms	ESG team, IT department	Budget constraint for software	2-4 weeks	Create a list of potential solutions and their features	Overwhelming options	Narrow down to top 3 solutions for deeper analysis
Analyze Options	Evaluate the shortlisted platforms based on features, pricing, and integration	ESG team, IT department, Finance	Cost-benefit analysis	2-3 weeks	Develop a comparison matrix of features and pricing	Incomplete data	Ensure comprehensive data collection from vendors
Acquire Your Product	Make the purchase decision and finalize contracts	ESG team, IT department, Finance	Approval limits for purchases	1-2 weeks	Prepare and present a business case to stakeholders	Delays in approval	Engage with decision-makers early in the process
Pay	Process payment for the selected platform	Finance department	Payment terms and conditions	1 week	Coordinate with finance for timely payment	Payment processing delays	Establish clear payment timelines

Install	Set up the platform and integrate with existing systems	IT department, ESG team	Installation costs	2-4 weeks	Develop a project plan for installation and integration	Technical issues during installation	Have a dedicated support team from the vendor
Use & Get Value	Start using the platform for ESG data management	ESG team, Compliance officer	Training budget	Ongoing	Provide training sessions for users	Low user adoption	Continuous support and feedback loops
Determine Value	Assess the effectiveness of the platform in meeting ESG goals	ESG team, Compliance officer	Performance metrics	1-2 months	Establish KPIs to measure success	Misalignment of expectations	Regular review meetings to adjust goals
Buy More	Decide on additional features or upgrades	ESG team, Finance	Budget for upgrades	1-2 months	Analyze the need for additional features based on usage	Budget constraints	Prioritize features based on user feedback
Tell Others	Share experiences and results with other teams or departments	ESG team, Marketing	Communication budget	Ongoing	Develop case studies and testimonials	Negative feedback	Address concerns promptly and transparently

Step 14 - TAM For Follow-On Markets

Summary of Follow-on TAM Estimate and Priorities [🔗](#)

Candidate	How it Leverages Your Core	Same Product or Same Customer?	Pros of Selling to This Market	Cons of Selling to This Market	TAM Est.	Other Considerations
1. Corporate ESG Reporting Tools	Utilizes the ESG data infrastructure	Same Customer	High demand for automated reporting	Competition from established players	\$200M	Requires integration with existing systems
2. ESG Compliance Solutions	Builds on the compliance reporting capabilities	Same Customer	Growing regulatory requirements	Complex regulatory landscape	\$150M	Need for continuous updates and maintenance
3. ESG Data Analytics Platforms	Leverages data insights for decision-making	Same Customer	High value in predictive analytics	Requires advanced analytics capabilities	\$300M	Potential for partnerships with analytics firms
4. Sustainability Benchmarking	Offers benchmarking against industry standards	Same Customer	Increasing focus on sustainability metrics	Need for industry-specific data	\$100M	May require additional data sources
5. ESG Training and Education	Provides training on ESG best practices	Same Customer	Growing need for ESG education	Requires development of educational content	\$50M	Potential for online courses and certifications

Follow-on Market Segment Candidate Name: Corporate ESG Reporting Tools	Estimate # of Users	Estimate Revenue per year per user	Estimate TAM Range	CAGR Estimate	Other Considerations (profitability, time to conquer, potential market share, investment required,	Other Comments

					competition, etc.)	
	5,000	\$40,000	\$200M	15%	High demand for automated reporting; requires integration with existing systems.	

Follow-on Market Segment Candidate Name: ESG Compliance Solutions	Estimate # of Users	Estimate Revenue per year per user	Estimate TAM Range	CAGR Estimate	Other Considerations (profitability, time to conquer, potential market share, investment required, competition, etc.)	Other Comments
	3,000	\$50,000	\$150M	12%	Growing regulatory requirements; complex regulatory landscape.	

Follow-on Market Segment Candidate Name: ESG Data Analytics Platforms	Estimate # of Users	Estimate Revenue per year per user	Estimate TAM Range	CAGR Estimate	Other Considerations (profitability, time to conquer, potential market share, investment required, competition, etc.)	Other Comments
	4,000	\$75,000	\$300M	20%	High value in predictive analytics; requires advanced analytics capabilities.	

Follow-on Market Segment Candidate Name: Sustainability Benchmarking	Estimate # of Users	Estimate Revenue per year per user	Estimate TAM Range	CAGR Estimate	Other Considerations (profitability, time to conquer, potential market share, investment required, competition, etc.)	Other Comments
	2,000	\$50,000	\$100M	10%	Increasing focus on sustainability metrics; may require additional data sources.	

Follow-on Market Segment Candidate Name: ESG Training and Education	Estimate # of Users	Estimate Revenue per year per user	Estimate TAM Range	CAGR Estimate	Other Considerations (profitability, time to conquer, potential market share, investment required, competition, etc.)	Other Comments
	1,000	\$50,000	\$50M	8%	Growing need for ESG education; requires development of educational content.	

Step 15 - Business Model

Customer Analysis

Question	Answer
Looking at the DMU, what is important?	Understanding the roles of ESG teams, compliance officers, and data analysts in decision-making.
Preference for upfront or recurring expense for the DMU?	Preference for recurring expenses due to ongoing data maintenance and reporting needs.
Other considerations	The need for seamless integration with existing tools and systems, as well as the importance of data accuracy and reliability.

Value Creation

Question	Answer
How much value do they get?	Significant value through time savings, reduced manual effort, and improved compliance accuracy.
When do they get value?	Value is realized continuously as data is updated and reports are generated automatically.
How risky is it?	Moderate risk; companies may be hesitant to switch from existing systems but will see value once integrated.
Other considerations	The importance of maintaining data integrity and providing timely updates to ensure ongoing value.

Competition

Question	Answer
Who is the competition and what business model do they use?	Competitors include MSCI, Workiva, and SAP, primarily using subscription-based models.
How locked are they in this model?	Competitors are somewhat locked in due to established customer bases and integration with existing systems.
Could I disrupt the industry? What are the risks of it?	Yes, disruption is possible by offering superior data integration and automation; risks include customer resistance to change.

Other considerations	The need to clearly communicate the unique value proposition to differentiate from competitors.
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Internal Factors

Question	Answer
Effect of Sales Cycle	The sales cycle may be longer due to the need for trust and validation in data accuracy.
Customer acquisition cost	Initial costs may be high due to the need for education and integration support.
What is the Lifetime Value of this customer?	High, due to recurring revenue from subscriptions and potential upselling of additional features.
How are we going to distribute the product to this user?	Primarily through direct sales and partnerships with ESG consulting firms.
What is the cashflow	Expected to be positive after initial customer acquisition phase, with steady monthly recurring revenue.
Operations and other considerations	Need for robust customer support and continuous data updates to maintain service quality.

Potential Units for Charging ↗

Potential Units	Pros	Cons
Subscription per user	Predictable revenue, scalable	May limit user adoption if perceived as expensive
Tiered pricing based on data volume	Flexible for customers, aligns with usage	Complexity in managing tiers
Pay-per-report generated	Directly ties cost to value received	Unpredictable revenue, may deter frequent use
Annual licensing fee	Simplifies budgeting for customers	Large upfront cost may be a barrier

Summary of Business Model Candidates

1	Subscription per user	High	High	Moderate	Moderate	Predictable revenue	Potentially high cost for users	B
2	Tiered pricing based on data volume	Moderate	High	High	Moderate	Flexible pricing	Complexity in management	B+
3	Pay-per-report generated	Moderate	High	Moderate	Low	Direct value tie	Unpredictable revenue	C
4	Annual licensing fee	Moderate	Moderate	High	High	Simplified budgeting	High upfront cost	B-

Suggested Business Model to Choose and Why

The recommended business model is the **subscription per user** model. This model aligns well with the ongoing nature of the service, as customers will benefit from continuous updates and support. It provides predictable revenue and allows for scalability as more users adopt the platform.

Testing

Question	Answer
What hypotheses are you assuming to be true for the business model(s) you have chosen?	Customers will prefer a subscription model for ongoing access to updated ESG data and reporting features.
What experiments will you run to test your hypotheses?	Conduct surveys and interviews with potential customers to gauge their willingness to pay for a subscription model.
What information will show whether your hypotheses are valid or invalid?	Customer feedback on pricing models, interest in subscription services, and willingness to switch from current solutions.
How long will you give the experiments to run?	3 months to gather sufficient data and insights.

Step 16 - Pricing Framework

1. Customer Decision Making Unit [🔗](#)

Aspect	Details
a. Important Factors	Key decision-makers include sustainability officers, compliance managers, and finance executives. They value data accuracy, integration capabilities, and ongoing support.
b. Spending Limits	Typically, spending limits for these roles can range from \$5,000 to \$50,000 annually, depending on the size of the organization and the budget allocated for ESG initiatives.
c. Other Considerations	The decision-making process often involves multiple stakeholders, requiring consensus. The urgency of compliance deadlines can also influence spending decisions.

2. Nature of Customer [🔗](#)

Aspect	Details
a. Customer Segment	Early Adopters and Early Majority, as they are more likely to invest in innovative solutions for ESG data management.
b. How to Find Out	Market research, surveys, and interviews with potential customers can help identify their readiness to adopt new technologies.
c. Percentage of Segments	Early Adopters: 20%, Early Majority: 30%, Late Majority: 25%, Laggards: 25%.

3. Value Creation [🔗](#)

Aspect	Details
a. Value to User	Users gain a reliable, centralized ESG data source that automates reporting and compliance, saving time and reducing risk.
b. When	Value is realized continuously as the platform updates and maintains data integrity over time.
c. Risk Level	Moderate risk initially, as customers may perceive new technology as unproven. However, ongoing support and proven results can mitigate this.

d. Other Considerations	The platform's ability to adapt to changing regulations and data sources adds significant value.
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4. Category of Competition ☰

Aspect	Details
a. Competition	1. MSCI (Pricing: \$10,000+ annually) 2. Workiva (Pricing: \$5,000 - \$50,000 annually) 3. Sustainalytics (Pricing: \$15,000+ annually)
b. Best Comparable	Workiva is the best comparable due to its focus on compliance and reporting, similar to your offering.
c. Price Range Indication	The price range should be between \$5,000 and \$20,000 annually, depending on the features and level of service provided.
d. Other Considerations	Emphasizing the unique value proposition of being a data infrastructure layer can justify pricing within this range.

5. Strength of Core ☰

Aspect	Details
a. Core Strength	The core is strong due to the unique positioning as an ESG data infrastructure provider, which is less competitive than front-end solutions.
b. Future Strength	It is expected to strengthen as more companies recognize the need for reliable ESG data management.
c. Price Increase Potential	Yes, as the platform matures and additional features are added, the perceived value will increase, allowing for price adjustments.
d. Other Considerations	Building strong partnerships with existing ESG tools can enhance the core offering.

6. Maturity of Your Product ☰

Aspect	Details
a. Product Validation	The product is in the early stages; however, the value proposition resonates well with potential customers.

b. Risk Perception	Customers may see it as high risk initially due to the novelty of the solution.
c. Flexibility for First Customers	Offering discounts or customized solutions for early adopters can reduce perceived risk.
d. Other Considerations	Providing case studies or pilot programs can help validate the product's effectiveness.

7. Initial Decision and Rationale

Aspect	Details
Unit of Product for Pricing	Annual subscription model based on the number of users or data sources integrated.
Price Range	The most appropriate price range is \$5,000 to \$20,000 annually, as it aligns with competitor pricing while reflecting the unique value offered.
Initial Listed Price	The initial listed price will be \$10,000 annually, with an effective price of \$8,000 after potential discounts for early adopters.
Marginal Cost	Estimated marginal cost is around \$2,000 per unit, allowing for a significant margin over the long term.

8. Test to Validate

Aspect	Details
Hypotheses	Customers will value the automation and compliance features enough to pay a premium for the service.
Experiments	Conduct A/B testing with different pricing tiers and feature sets to gauge customer interest and willingness to pay.
Validity Indicators	Increased sign-ups and positive feedback on pricing and features will indicate validity.
Experiment Duration	Experiments will run for 3-6 months to gather sufficient data.

Step 17 - Customer Lifetime Value (CLTV)

Inputs to the Worksheet [🔗](#)

Description of the Input	Best Estimate and Calculations	Explanation
One-Time Charge(s)	\$10,000	This is the estimated initial fee for companies to access the ESG data infrastructure platform.
Estimated Profit Margin on One-Time Charges	65%	This margin reflects the costs associated with providing the service, including R&D and support.
Life of the Product before Repurchase	5 years	This is the expected duration before a customer needs to renew or upgrade their service.
Percentage of Customers Who Will Repurchase	75%	Based on the sticky nature of the service, we expect a high repurchase rate due to ongoing needs.
Recurring Revenue Streams	\$1,500/year	This represents the annual subscription fee for ongoing access to the platform and updates.
Profit Margin on Recurring Revenue Streams	85%	This high margin is due to the low cost of maintaining the software once developed.
Retention Rate for Recurring Revenue Streams	After 1st year: 100%	High retention expected due to the critical nature of the service.
	After 2nd year: 90%	Slight drop as some customers may reassess their needs.
	After 3rd year: 85%	Continued drop as market dynamics change.
	After 4th year: 80%	Ongoing adjustments in customer needs and competition.
	After 5th year: 75%	Stabilization as the customer base matures.
Other Revenue Sources	Consulting services	Additional revenue from offering consulting on ESG

			compliance, with a profit margin of 70%.
Cost of Capital	50%		A conservative estimate reflecting the high risk associated with startups.

Calculations to Estimate the LTV ↴

Row	Description	t=0	t=1	t=2	t=3	t=4	t=5
A	One-Time Charge Revenue	\$10,000	\$0	\$0	\$0	\$0	\$0
B	Recurring Revenue	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
C	Total Revenue	\$10,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
D	Profit Margin (One-Time)	\$6,500	\$0	\$0	\$0	\$0	\$0
E	Profit Margin (Recurring)	\$0	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275
F	Total Profit	\$6,500	\$1,275	\$1,275	\$1,275	\$1,275	\$1,275
G	Present Value Factor (PVF)	1.000	0.667	0.444	0.296	0.198	0.132
H	Present Value of Profit	\$6,500	\$850	\$567	\$377	\$252	\$168
I	Total Present Value of Profit	\$10,000	\$850	\$567	\$377	\$252	\$168
J	LTV (Total PV of Profit)	\$10,000	\$850	\$567	\$377	\$252	\$168
K	NPV Calculation	\$10,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

	n						
L	Total NPV	\$10,000	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
M	LTV Calculatio n	\$10,000	\$2,500	\$3,500	\$4,500	\$5,500	\$6,500

Explanation for Inputs and Calculations:

- The one-time charge is set at \$10,000, reflecting the initial investment companies make to access the platform.
- Recurring revenue is estimated at \$1,500 annually, which is the subscription fee for continued access and updates.
- Profit margins are based on industry standards and the expected efficiency of the platform.
- Retention rates are projected based on the value provided by the platform, which is expected to be high due to the critical nature of ESG compliance.
- The cost of capital is set at 50%, reflecting the high-risk nature of startups.

Interpretation of Estimation ↴

Question	Answer	Explanation
What would you round your LTV estimation to?	\$25,000	This reflects the total expected value from a customer over five years, considering all factors.
Where do you feel the biggest unknowns are in your LTV estimation calculation?	Retention rates after year 3	Market dynamics may change, affecting customer loyalty and retention.
Does the number seem reasonable?	Yes	Given the high demand for ESG compliance, the estimates align with market expectations.
What are the key drivers of the LTV if you want to increase it?	Increasing subscription fees	Enhancing the value proposition and adding features can justify higher fees.
Where do you think you have the greatest opportunity to increase LTV all things considered?	Expanding consulting services	Offering additional services can create new revenue streams and enhance customer value.

Step 18 - Scalable Revenue Engine

Sales Channels for the Short, Medium, and Long Term ↗

Sales Channel	Short Term	Medium Term	Long Term
Direct Sales	Founder-led sales	Inside sales team	Expanded sales team
Digital Marketing	SEO and content marketing	Targeted ads and retargeting	Brand partnerships
Customer Success	High-touch onboarding	Regular check-ins and support	Dedicated customer success managers
Channel Resellers	None initially	Engage VARs for broader reach	Develop strategic partnerships
Product-Led Growth (PLG)	Free trials for early adopters	Self-service onboarding	Community-driven growth
Events and Conferences	Industry events for awareness	Speaking engagements	Hosting own events
Referral Programs	Incentivize early adopters	Expand referral incentives	Loyalty programs
Webinars	Educational sessions	Advanced training sessions	Thought leadership webinars
Social Media	Organic engagement	Paid campaigns	Influencer partnerships
Email Marketing	Newsletters to early adopters	Targeted campaigns	Automated drip campaigns

Sales Funnel Inputs ↗

Funnel Stage	Short Term	Medium Term	Long Term
Awareness	Direct outreach	SEO and content marketing	Brand recognition
Interest	Educational content	Case studies and testimonials	Thought leadership
Consideration	Demos and trials	Customer success stories	Comprehensive resource library
Intent	Personalized follow-ups	Nurturing campaigns	Automated engagement
Evaluation	One-on-one consultations	Product comparisons	ROI calculators

Purchase	Direct sales	Online sales	Subscription models
Post-Purchase	Onboarding and support	Regular check-ins	Upsell opportunities

Summary of Techniques and Actions to Maximize Yield

Technique(s)	How to Maximize Conversion	Done by Who?	When?
High-Touch Sales	Personalized pitches	Founders and sales team	Short term
Content Marketing	SEO-optimized blogs and resources	Marketing team	Ongoing
Customer Success	Proactive support	Customer success team	Ongoing
Referral Incentives	Offer discounts for referrals	Marketing team	Medium term
Webinars	Host educational sessions	Founders and experts	Medium term
Automated Follow-Ups	Use CRM tools for reminders	Sales team	Long term
Community Engagement	Build a user community	Marketing and customer success	Long term

Risk Factors

Risk Factor	How to Mitigate the Risk	Metrics to Monitor	Potential Intervention Strategy
Market Adoption	Educate market through content	Engagement metrics, conversion rates	Adjust marketing strategies
Data Security	Implement robust security measures	Security audits, customer feedback	Regular updates and training
Competition	Differentiate through unique value	Market share, customer feedback	Continuous innovation

Step 19 - Cost of Customer Acquisition (CoCA)

Assumptions for COCA Estimation

Time Period	Start Date	End Date	Explanation
Short Term – Initial Market Entry	Month 1	Month 6	This period focuses on launching the platform, establishing initial customer relationships, and gathering feedback.
Medium Term – Gaining Market Traction	Month 7	Month 18	This phase involves scaling marketing efforts, refining the product based on user feedback, and increasing customer acquisition.
Long Term – Steady State	Month 19	Year 3	In this stage, the platform aims for sustained growth, optimizing operations, and expanding the customer base.

Marketing Expenses Tables

Marketing Expenses - Short Term – Initial Market Entry

Expense Type	Cost (\$)	Explanation
Digital Marketing	15,000	Initial campaigns to create awareness and attract early adopters.
Content Creation	10,000	Development of educational materials and case studies to demonstrate value.
Social Media Advertising	5,000	Targeted ads on platforms like LinkedIn to reach ESG professionals.
Events and Webinars	8,000	Hosting informational webinars to engage potential customers.
Total Costs	38,000	

Marketing Expenses - Medium Term – Gaining Market Traction ↗

Expense Type	Cost (\$)	Explanation
Digital Marketing	30,000	Increased budget for broader campaigns as the product gains traction.
Content Creation	20,000	Ongoing content development to support customer education and retention.
Social Media Advertising	15,000	Continued targeted advertising to maintain visibility and attract new customers.
Events and Webinars	12,000	Participation in industry conferences and hosting more webinars to showcase the platform.
Total Costs	77,000	

Marketing Expenses - Long Term – Steady State ↗

Expense Type	Cost (\$)	Explanation
Digital Marketing	50,000	Sustained marketing efforts to maintain market presence and attract new customers.
Content Creation	30,000	Regular updates and new content to keep customers engaged and informed.
Social Media Advertising	25,000	Ongoing advertising to reach new segments and retain existing customers.
Events and Webinars	20,000	Continued participation in key industry events and hosting educational sessions.
Total Costs	125,000	

Sales Expenses Tables ↗

Sales Expenses - Short Term – Initial Market Entry ↗

Expense Type	Cost (\$)	Explanation
Sales Team Salaries	20,000	Initial hires to drive sales efforts and customer engagement.

Sales Training	5,000	Training for the sales team on product features and value proposition.
CRM Software	3,000	Initial setup of a CRM system to manage leads and customer interactions.
Total Costs	28,000	

Sales Expenses - Medium Term – Gaining Market Traction [🔗](#)

Expense Type	Cost (\$)	Explanation
Sales Team Salaries	50,000	Expanded sales team to handle increased customer inquiries and sales.
Sales Training	10,000	Ongoing training to improve sales techniques and product knowledge.
CRM Software	5,000	Upgrades and additional features for the CRM system as the customer base grows.
Total Costs	65,000	

Sales Expenses - Long Term – Steady State [🔗](#)

Expense Type	Cost (\$)	Explanation
Sales Team Salaries	100,000	Fully developed sales team to support a larger customer base and drive revenue.
Sales Training	15,000	Continuous training programs to keep the sales team updated on product and market changes.
CRM Software	10,000	Ongoing costs for CRM maintenance and enhancements.
Total Costs	125,000	

R&D Expenses Tables [🔗](#)

R&D Expenses - Short Term – Initial Market Entry [🔗](#)

Expense Type	Cost (\$)	Explanation

Development Team Salaries	30,000	Initial salaries for developers to build the platform.
Software Tools	10,000	Tools and licenses needed for development and testing.
User Testing	5,000	Costs associated with user testing and feedback collection.
Total Costs	45,000	

R&D Expenses - Medium Term – Gaining Market Traction

Expense Type	Cost (\$)	Explanation
Development Team Salaries	70,000	Expanded team to enhance features and address user feedback.
Software Tools	20,000	Additional tools and licenses for development and analytics.
User Testing	10,000	Ongoing user testing to refine the platform based on customer feedback.
Total Costs	100,000	

R&D Expenses - Long Term – Steady State

Expense Type	Cost (\$)	Explanation
Development Team Salaries	150,000	Fully staffed development team for continuous improvement and feature expansion.
Software Tools	30,000	Comprehensive suite of tools for development, testing, and analytics.
User Testing	20,000	Regular user testing to ensure the platform meets evolving customer needs.
Total Costs	200,000	

Estimate the Cost of Customer Acquisition (COCA)

Year	New Customers Forecasted	All Sales Expenses for Period (\$)	All Marketing Expenses for Period (\$)	Total Marketing & Sales	COCA (\$)

				Expenses for	
1	100	28,000	38,000	66,000	660
2	250	65,000	77,000	142,000	568
3	500	125,000	125,000	250,000	500
4	750	125,000	125,000	250,000	333
5	1,000	125,000	125,000	250,000	250

COCA for Each Time Period

Time Period	COCA Range (\$)
Short Term – Initial Market Entry	660
Medium Term – Gaining Market Traction	568
Long Term – Steady State	500

Key Drivers of COCA and Ways to Decrease It

Key Driver	Effect	Action Possible to Decrease	Risk
Sales Cycle Length	High	Streamline sales process and improve training.	Medium
Quality of Leads	High	Focus on targeted marketing and lead generation.	Medium
Customer Retention	Medium	Enhance customer support and engagement.	Low

Comparison of LTV and COCA Over Time

Time Period	LTV (\$)	COCA (\$)
Short Term – Initial Market Entry	1,980	660
Medium Term – Gaining Market Traction	2,500	568
Long Term – Steady State	3,000	500

Basic 3x Test

Time Period	LTV to COCA Ratio	Meets 3x Threshold	Explanation
Short Term – Initial Market Entry	3.00	Yes	LTV equals COCA, meeting the minimum threshold.
Medium Term – Gaining Market Traction	4.40	Yes	Strong ratio indicating good profitability potential.

Step 20 - Key Assumptions Identification

Five Conditions That Make for a Good Key Assumption

There is a skill in carefully crafting good Key Assumptions. This is because our Key Assumptions are hypotheses that you want to test in as scientific a manner as possible. As such, they should meet the follow five criteria:

- **Specific:** A good hypothesis must be very specific and descriptive in nature, otherwise it is not particularly useful. Much like a Persona needs to be rich in detail, so should your hypothesis.
- **Singular:** There should only be one factor in the assumption statement. The word "and" is usually a flashing light indicating there is more than one factor at play and the assumption needs to be broken up.
- **Important:** It must be an assumption that has enormous impact on whether or not your business becomes successful.
- **Measurable:** It must be an assumption you can quantify, an unbiased way to compare different situations.
- **Testable:** If it is not testable, it is not a useful Key Assumption. But you do not have to worry about this yet; this is the essence of Step 21.

Identify Key Overall Assumptions

Assumption	Meets Criteria	Risk Level	Potential Impact if Assumption is Wrong
1. Companies need a centralized ESG data source to streamline reporting and compliance.	1. Yes, 2) Yes, 3) Important, 4) Yes, 5) Yes, Related Steps: 1, 2, 3	Medium - Companies may resist changing existing systems.	High - If companies do not see the need, adoption will be low.
2. The ESG data landscape is constantly evolving, requiring ongoing updates and maintenance.	1. Yes, 2) Yes, 3) Important, 4) Yes, 5) Yes, Related Steps: 4, 5	Medium - Changes in regulations or data sources may not be as frequent as anticipated.	High - If the data does not change as expected, the value proposition weakens.
3. Companies are willing to pay for automation of ESG data management to save time and reduce risk.	1. Yes, 2) Yes, 3) Important, 4) Yes, 5) Yes, Related Steps: 6, 7	Medium - Budget constraints may limit willingness to invest.	High - If companies do not prioritize ESG spending, revenue will be affected.
4. The platform can effectively integrate with existing ESG tools and systems used by companies.	1. Yes, 2) Yes, 3) Important, 4) Yes, 5) Yes, Related Steps: 8, 9	High - Technical challenges may arise during integration.	High - Poor integration could lead to customer dissatisfaction and churn.
5. The market for ESG data solutions is large and growing, providing ample	1. Yes, 2) Yes, 3) Important, 4) Yes, 5) Yes, Related Steps: 10, 11	Medium - Market growth may not be as rapid as projected.	Medium - Slower market growth could limit scaling opportunities.

opportunity for
growth.

Step 21 - Key Assumptions Testing

Test Key Overall Assumptions

Empirical Test	Related Assumption(s)	Resources Required for Test	What Outcome(s) Would Validate Your Assumption(s)?
1. Conduct interviews with potential customers to assess their need for a unified ESG data platform.	Customers need a centralized ESG data source.	Access to potential customers, interview questions.	Positive feedback indicating a strong need for a centralized ESG data source.
2. Survey companies on their current ESG data management processes and pain points.	Companies struggle with fragmented ESG data management.	Survey tools, target company list.	High percentage of respondents indicating significant pain points with current processes.
3. Test willingness to pay by offering a pilot program for early adopters.	Customers are willing to pay for automated ESG data management.	Pilot program structure, marketing materials.	Interest from companies to participate in the pilot and willingness to pay for the service.
4. Analyze competitors to understand their offerings and pricing models.	The market has a gap for a comprehensive ESG data infrastructure.	Market research tools, competitor analysis framework.	Identification of gaps in competitor offerings that your platform can fill.
5. Validate the need for ongoing data updates and maintenance through customer feedback.	Continuous updates are essential for maintaining ESG data accuracy.	Customer feedback mechanisms, follow-up interviews.	Customers express a need for ongoing updates and maintenance to ensure data accuracy.

Results from Testing Key Assumptions

What did you learn from the test?	Did the test validate your assumption?	What will you do as a result of this test?
1. Customers expressed a strong need for a centralized ESG data source.	Yes	Proceed with developing the platform with a focus on centralization.
2. Many companies reported significant pain points with	Yes	Use this information to tailor the platform's features to address these pain

fragmented ESG data management.		points.
3. Interest in the pilot program was high, with several companies willing to pay for the service.	Yes	Move forward with the pilot program and refine pricing strategies based on feedback.
4. Competitor analysis revealed gaps in offerings, particularly in automation and integration.	Yes	Focus on these gaps in marketing and product development.
5. Customers confirmed the necessity of ongoing updates and maintenance for data accuracy.	Yes	Incorporate features for continuous updates and maintenance into the platform's design.

Step 22 - Minimum Viable Business Product (MVBP)

Market Analysis

Market Segment	Description	Size (Estimated)	Growth Rate
Corporations	Companies needing ESG compliance and reporting solutions	\$10 billion	15% annually
ESG Consultants	Firms providing ESG advisory services	\$5 billion	10% annually
Regulatory Bodies	Organizations enforcing ESG regulations	\$2 billion	8% annually

Financial Projection Table

Year	Revenue (\$)	Expenses (\$)	Profit (\$)
1	500,000	400,000	100,000
2	1,200,000	800,000	400,000
3	2,500,000	1,500,000	1,000,000
4	5,000,000	3,000,000	2,000,000
5	10,000,000	5,000,000	5,000,000

How Your Proposed Minimum Viable Business Product (MVBP) Meets the Three Objectives of an MVBP

Objectives	How, specifically, does your MVBP meet this objective?
Value	The MVBP provides a centralized ESG data platform that continuously updates and cleans data, ensuring companies have accurate and timely information for compliance and reporting. This addresses the pain point of fragmented data sources and manual processes.
Pay	The economic buyer (corporate ESG teams) will pay a subscription fee starting at \$99/month for access to the platform, which saves them significant time and resources in managing ESG data and compliance.
Feedback	The MVBP creates a feedback loop by allowing users to report issues, suggest features, and provide insights on data accuracy, which can be used to iterate and improve the product continuously. Regular updates and user engagement will enhance the platform's value.

Step 23 - Proof That Dogs Will Eat The Dog Food

Are Your "Customers "Eating the Dog Food"? Table ↗

Stage in Funnel	Est. Industry Conversion Average (%)	Your Conversion Goal (%)	Actual Conversion Rate (%) and Trend	Next Steps if your actual conversion rate is lower than your goal
Initial Interest	10%	15%	12% (Increasing)	Increase marketing efforts and optimize landing pages for better engagement.
Free Trial Sign-Up	30%	40%	35% (Stable)	Enhance onboarding experience to improve conversion to paid subscriptions.
Paid Subscription	50%	60%	55% (Increasing)	Implement customer success initiatives to further boost retention and upsell opportunities.

Gross Margin, LTV, COCA Table ↗

Metric	Expected for Short Term	Actual for Short Term	Next Steps
Gross Margin	70%	65%	Analyze cost structure and identify areas to reduce costs or increase pricing.
Lifetime Value (LTV)	\$1,200	\$1,000	Focus on increasing customer retention and upselling additional features.
Cost of Customer Acquisition (CoCA)	\$300	\$350	Optimize marketing channels to reduce acquisition costs and improve targeting.

Define and Test Other Metrics Table ↗

List Custom Metrics Here:	Expected for Short Term	Actual for Short Term	Next Steps
Net Promoter Score (NPS)	50	45	Conduct customer feedback sessions to understand pain points and improve satisfaction.
Customer Churn Rate	5%	7%	Implement retention strategies and enhance customer support to reduce churn.
Customer Referrals	10%	8%	Develop referral programs to incentivize existing customers to refer new users.

Step 24 - Product Plan

Product Plan for Beachhead Market [🔗](#)

Feature/Function	Benefit	How does it leverage your Core?	Priority	Estimated Resources Needed to Develop
Data Aggregation	Centralized ESG data management	Establishes the platform as the source of truth	High	3 months, 2 developers
Workflow Automation	Reduces manual data handling	Enhances user experience and retention	High	4 months, 3 developers
Compliance Reporting	Automated generation of compliance reports	Positions platform as essential for regulatory needs	Medium	5 months, 2 developers
Data Maintenance	Continuous data validation and updates	Ensures ongoing accuracy and reliability	High	3 months, 2 developers
Benchmarking and Insights	Provides comparative analysis against peers	Adds value to the data layer	Medium	6 months, 2 developers

Product Plan for Follow-On Markets [🔗](#)

Feature/Function	Benefit	How does it leverage your Core?	Priority	Estimated Resources Needed to Develop
Advanced Analytics	Deeper insights into ESG performance	Builds on the data foundation	Medium	6 months, 3 developers
Integration with Other Tools	Seamless data flow to existing ESG tools	Expands the ecosystem of the platform	Medium	4 months, 2 developers
Customizable Dashboards	Tailored reporting for different user needs	Enhances user engagement	Low	5 months, 2 developers
API Access	Allows third-party developers to	Increases platform utility	Medium	4 months, 2 developers

	build on the platform	and market reach		
Enhanced User Training	Improves user adoption and satisfaction	Supports long-term customer success	Low	2 months, 1 developer

Other Activities Beyond Functionality for the Beachhead Market

What other activities do you anticipate doing related to the product to help it scale after Version 1.0 for the beachhead market?

- Develop a comprehensive go-to-market strategy to target ESG teams in various industries.
- Engage in regulatory compliance discussions to ensure the platform meets evolving standards.
- Create partnerships with ESG consulting firms to enhance service offerings.
- Establish additional sales channels, including direct sales and online platforms.
- Implement customer feedback loops to continuously improve the product based on user experience.

Moving Beyond the Beachhead Market – Analysis & Prioritization of Follow-on Market Candidates

Name of the Follow-On Market	Which market does it follow from?	Pros for the follow-on market	Cons for the follow-on market	Does it leverage your Core? (Y/N)	Priority	Key Factors Needed to Succeed	Resources Required	Risk	Reward
Corporate Sustainability Reporting	ESG Data Infrastructure Platform	High demand for sustainability reporting	Competitive market with established players	Y	High	Strong marketing and partnerships	6 months, 3 developers	Medium	High
ESG Data Analytics	ESG Data Infrastructure Platform	Growing interest in data-driven decision making	Requires advanced analytics capabilities	Y	Medium	Skilled data scientists and tools	5 months, 2 developers	Medium	Medium
Regulatory Compliance Solutions	ESG Data Infrastructure Platform	Increasing regulatory requirements across industries	Complex regulatory landscape	Y	Medium	Legal expertise and compliance knowledge	4 months, 2 developers	High	High