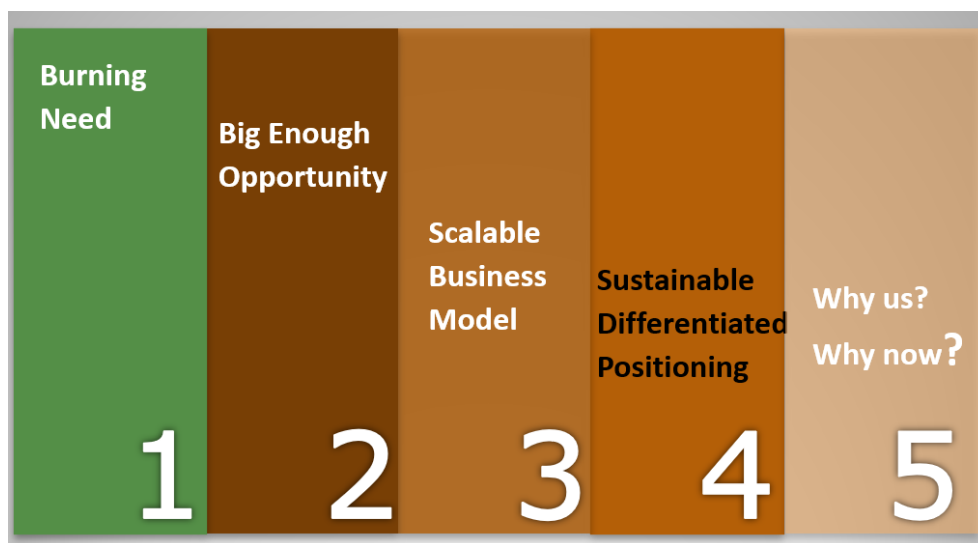


## ENT 101: Autumn 2023: Glossary



### 1) Opportunity / Problem / Idea

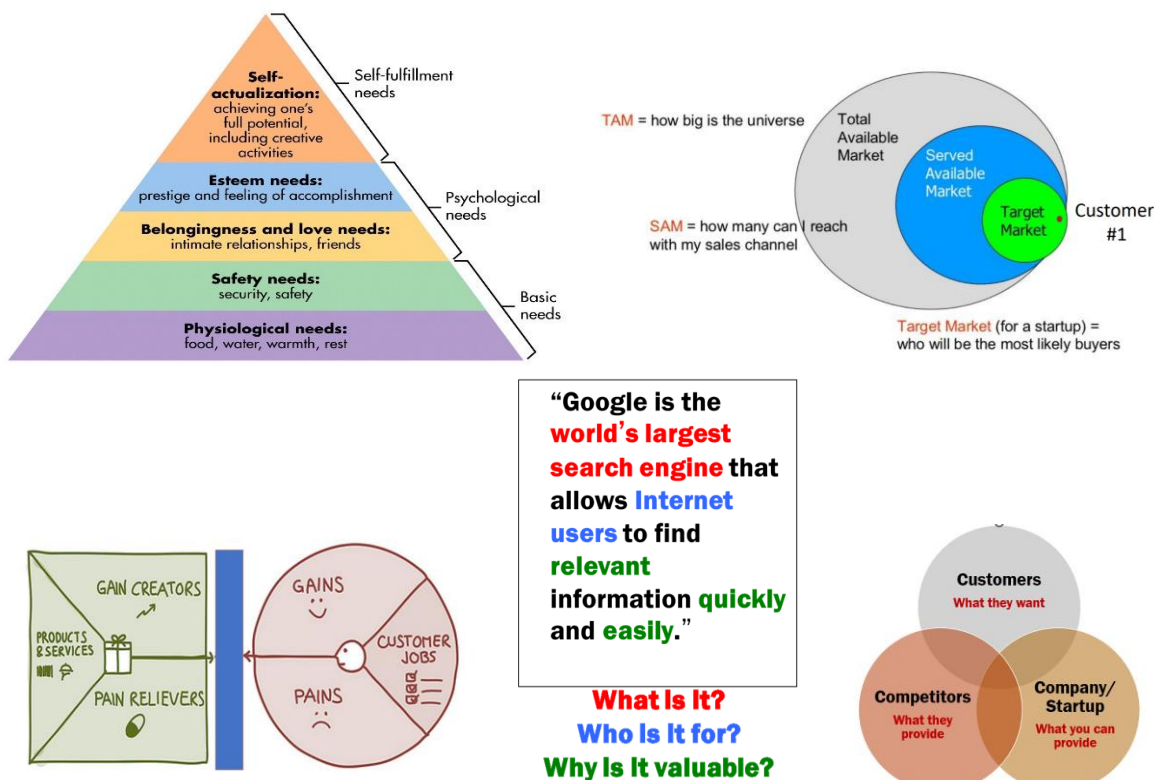
#### Key Framework: 5-Filter Framework



<b>Innovation</b>	Innovation is the creative process of transforming ideas into valuable products, services that disrupt or improve existing markets.
<b>Entrepreneurship</b>	Entrepreneurship is the pursuit of identifying opportunities to create new ventures/startups, often involving risk-taking and innovation, to achieve business success. Entrepreneurship has been defined as “The Pursuit of Opportunity without regard to Resources controlled”.
<b>Opportunity</b>	A customer need / want (something that the customer needs or wants) around which you can build a profitable company. Characteristics of opportunity are newness, desirability or appeal, and potential economic value.
<b>Problem Statement</b>	A problem statement is a precise articulation of an issue that needs to be addressed, often used as a starting point for research or problem-solving.
<b>Idea</b>	An idea in the Innovation/Entrepreneurship context is something that an entrepreneur has. This idea helps solve a problem, adds value to customers and has the potential to make money.
<b>Sustained Differentiated Positioning</b>	Sustained Differentiated Positioning signifies a strategy where a company maintains a unique and valuable position in the market over an extended period, setting itself apart from competitors through distinctive features, products, or services. This enduring differentiation helps secure long-term success and customer loyalty.

## 2) Customer Value Proposition

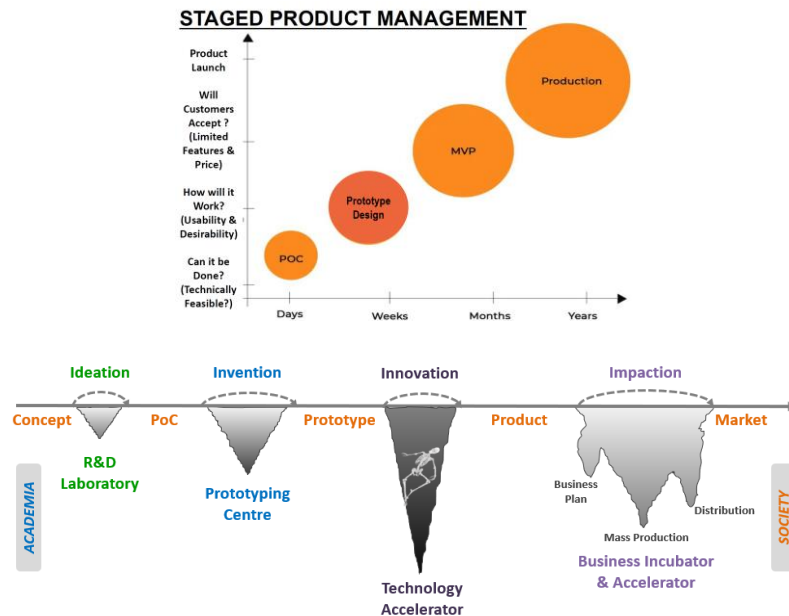
Key Frameworks: 1) Customer Segmentation – Demographic, Psychographic, Geographic 2) Maslow's Needs Hierarchy / Pyramid 3) Market – TAM, SAM, Target Market 4) Customer Pains-Gains 5) CVP = What is it? Who is it for? Why is it valuable / superior / differentiated? 6) Company, Customer, Competitor framework for CVP



<b>Customer Segment</b>	Customer segmentation is the process of identifying a company's customers or potential customers into groups based on common characteristics so these groups can be targeted effectively
<b>Demographic Segment</b>	Demographic segmentation is defined as a market segmentation method based on variables such as age, gender, income, education, can also include geography etc.
<b>Psychographic Segment</b>	Psychographic segmentation is defined as a market segmentation method based on variables including personality, lifestyle, social status, activities, interests, opinions, and attitudes.
<b>Value</b>	Value is a measure of worth, importance, usefulness or relevance to a consumer. Value is not equal to price; it could be higher or lower.
<b>Total Addressable Market (TAM)</b>	Total addressable market or TAM refers to the total market demand for a product or service. It's the maximum amount of revenue a business can possibly generate by selling their product or service over the entire market.
<b>Target Market</b>	A target market is a market / group of people that have been identified as the most likely potential customers (at a point of time) for a product because of their shared characteristics, such as age, income, and lifestyle.
<b>Customer Value Proposition</b>	A Customer Value Proposition is a clear and compelling statement that explains how a product or service solves a customer's problem, delivers specific benefits, and why it's better than the competition. Example: Amazon's Customer Value Proposition is "The world's largest selection, low prices, fast shipping, and award-winning customer service." What is it? Who is it for? Why is it valuable, superior, differentiated?

### 3) Product Design & Development

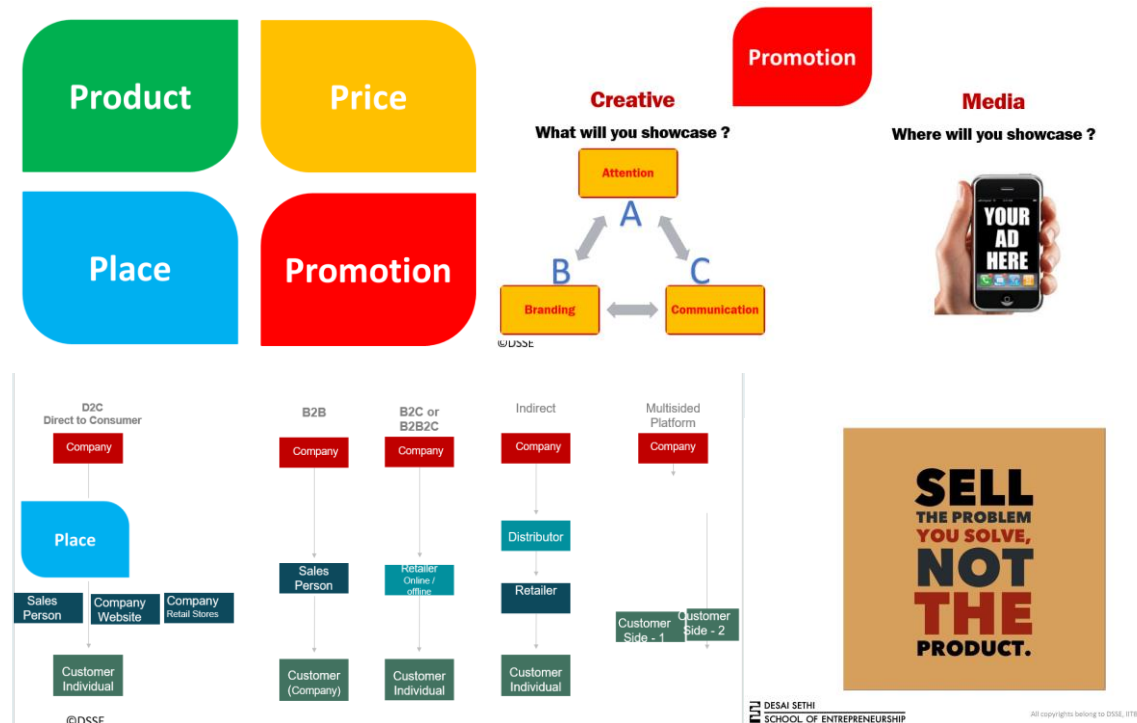
Key Frameworks: 1) Product Development Process / Staged Product Management: POC -> Prototype -> MVP -> Production (credit : ENT 609 DSSE) 2) Valleys of Death (credit : Prof B Ravi, BETIC)



<b>POC (Proof of Concept)</b>	A Proof of Concept (POC) is a small-scale demonstration or experiment that validates the feasibility of an innovative idea, product, or technology, showing its potential to address a specific problem. It answers the question "Can it be done?"
<b>Prototype</b>	A prototype is a preliminary and often simplified version of a product created to test and refine its design, functionality, and feasibility before moving forward with full-scale production or implementation. In entrepreneurship, prototypes answer the question "How will it work?"
<b>MVP (Minimum Viable Product)</b>	An MVP, or Minimum Viable Product, is the simplest and most basic version of a product or service that includes only essential features and functionality. It is designed to be quickly developed and deployed to gather user feedback and validate the core concept, allowing entrepreneurs to iterate and improve based on real-world input while minimizing initial development costs and time. It answers the question "Will customers accept the product?"
<b>Valley of Death</b>	In the context of entrepreneurship, the "Valley of Death" refers to the critical stage(s) where a startup or new venture faces a significant gap or funding shortage. Valleys of death happen between any two phases in product development and we have built support systems for each of these valleys
<b>SKU (Stock Keeping Unit)</b>	A Stock Keeping Unit (SKU) is a unique identification code or number assigned to a specific product or item in a retailer's inventory, enabling efficient tracking, management, and sales of individual products. SKUs help businesses maintain inventory control and streamline their operations.

#### 4) Marketing & Go to Market

**Key Frameworks:** 1) 4P's of the Marketing Mix – Product, Price, Promotion & Place 2) Branding (Who am I) & Proposition (Why Buy Me) 3) ABC of Communication – Attention, Branding, Clarity of communication



<b>Marketing Mix</b>	Marketing Mix is a set of controllable elements that a company uses to influence and meet the needs of its target customers in the most effective and efficient way possible.
<b>4P's of Marketing Mix</b>	Four Ps of Marketing are the four key components into which elements of marketing mix are divided, these are Product, Price, Promotion and Place
<b>Functional Benefit</b>	Functional benefits of a product are the tangible and practical advantages or features that a product provides to its users, These benefits address the functional needs and requirements of customers, and they are often the primary reasons why people choose a product for the first time.
<b>Emotional Benefit</b>	Emotional benefits of a product are the positive feelings, experiences, or psychological rewards that a customer derives from using or owning that product. These benefits are not directly related to the product's functional features or capabilities but rather to the emotional impact it creates. These are often what Branding does.
<b>Branding &amp; Proposition</b>	Branding answers the question "Who am I" and is built over time through authenticity, consistent experiences. This is often the emotional benefits offered. Proposition answers the question "Why Buy Me" and is often the functional benefits offered.
<b>Cost-Plus &amp; Value Pricing</b>	Cost-plus pricing is a straightforward pricing strategy in which a company sets the selling price of a product or service by adding a markup (a certain percentage or fixed amount) to the cost of producing the product. Value pricing is a pricing strategy that focuses on setting the price of a product or service based on the perceived value it offers to customers rather than just the cost of production. In value pricing, the goal is to align the price closely with what customers are willing to pay for the benefits and value they receive.
<b>ABC of Communication</b>	The ABCs of communication stand for attention, branding, and clarity.

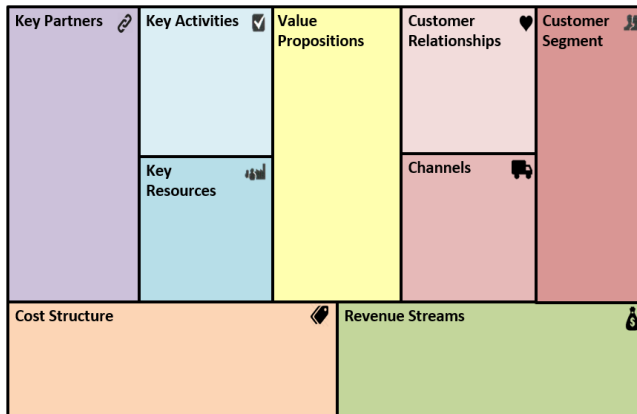
## 5) Finance & Business Planning

### Key Frameworks: Financial Statements 1) Profit & Loss Account 2) Balance Sheet 3 )Cash Flow

<b>Profit &amp; Loss Statement</b>	A profit and loss statement tracks the amount of profit that remains after a business subtracts all of its costs from its revenue during a specific accounting period, typically monthly, quarterly and annually. It is for a period
<b>Revenue</b>	Revenue is the sales booked by the company. It is also called Turnover. It is usually the volume sold multiplied by the price.
<b>Fixed &amp; Variable Costs</b>	Costs in the business can be variable – meaning they are linearly correlated with the number of units sold. Fixed costs in the business are those that occur immaterial of whether you sell one unit or multiple units.
<b>Balance Sheet</b>	A balance sheet is a financial statement that contains details of a company's assets or liabilities at a specific point in time. It is a snapshot. It is one of the three core financial statements
<b>Assets &amp; Liabilities</b>	Assets are what a company owns. Liabilities are what a company owes.
<b>Cash Flow Statement</b>	A cash flow statement is a financial statement that shows how cash entered and exited a company during an accounting period
<b>Valuation</b>	Valuation is the process of determining the current (or projected) worth of an asset or a company. The typical methods of valuation are based on discounted cash flows, or multiples of revenue / profit
<b>Venture Capital</b>	Venture capital is a type of financing that is provided by investors to startup companies and small businesses that are believed to have long-term growth potential.
<b>IPO</b>	When a private company first sells shares of stock to the public, this process is known as an initial public offering (IPO). In essence, an IPO means that a company's ownership is transitioning from private ownership to public ownership

## 6) Business Model Canvas / Pitch Deck

Key Frameworks: 1) Business Model Canvas 2) Types of Business Models



### Types of Business Models

- B2B, B2C, B2G : business models
- The Long Tail Businesses – D2C
- Multi-Sided Platforms
- Subscription based business model
- FREE as a Business Model

### Pitch-deck

## 12 slides is all you need

1. Cover Page/ Introduction
2. Overview
3. Problem
4. Market
5. Team
6. Technology/ Solution
7. Customers/ Revenue Model
8. Go to Market
9. Competition
10. Financials
11. Milestones
12. Summary

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<b>Business</b>	An Organization that creates, delivers, captures and sustains / grows value
<b>Business models</b>	A business model is a structured plan that outlines how a company creates, delivers, and captures value. It describes the key elements of how the business operates, generates revenue, and sustains itself in the market.
<b>B2C business model</b>	The B2C (Business-to-Consumer) business model is a type of business where a company sells its products or services to individual consumers, this can be directly (D2C) or through online or offline retail channels.
<b>B2B business model</b>	The B2B (Business-to-Business) business model is a type of business where a company sells its products or services to other businesses or organisations rather than individual consumers. Examples: TCS, Infosys, AWS, Salesforce
<b>Multisided business model</b>	A multisided platform is a business model that connects and facilitates interactions between two or more distinct user groups, creating value for each group. Both the groups are to be acquired by the platform and can be treated as customers. Examples: Uber, Swiggy etc
<b>Strategy</b>	Strategy is about matching an unmet customer need with your unique ability to serve to create all around value. Strategy is an integrated set of choices, including what not to do