



The One to Many

Business Development Process
“Ideate” Training

(For Beginners)

Purpose	This training course aims to help participants understand the activities being undertaken by the NEC Group to develop One to Many businesses and to become familiar with the basic terms and tools (for example, business model canvas) that will become part of the common language of the company so that the NEC Group can continue to grow.
Standard learning time	Approx. 45 minutes * Excludes time required for viewing related materials.
Conditions of course completion	You will have completed this course when you have studied all the pages of the course and answered the questionnaire.
Organizer	Corporate Business Development Division, Business Innovation Unit, NEC Corporation
Contact	Help desk of The One to Many Business Development Process, "Ideate" Training e-mail: bmc_t@learning.jp.nec.com
Contact for inquiries about the operation of or problems with Learning Door	NEC Global Help Desk URL: http://ld.learn.nec.co.jp/jp/contact.html
Training materials download	<div>Download PDF files</div> <p>(The size of the file is about 4 MB. It may take some time to download.)</p>
Cooperation	Ideas of this content have been created with the cooperation of Japan Innovation Network and Learning Entrepreneur's Lab Co., Ltd..

Message from President Niino: "Establish the culture for One to Many business development"

Hello, everyone. This is Niino.

We announced the new Mid-term Management Plan on April 28th. The last fiscal year was "the year of growth" as the final year of the previous Mid-term Management Plan. However, we could not achieve sufficient growth as we had expected. The direction we were pursuing was that "we focus on the Solutions for Society business and globally deploy our business". The direction was clear and we had enough assets to realize it. Why could not we achieve sufficient growth? The reason is the PDCA cycle did not work well since the Business Model was not clearly defined and the plan to promote business was not actualized.



In the new Mid-term Management Plan, three businesses of focus - the safety business, the global carrier network business and the retail IT service business - are defined on the IoT platform that is based on both of the four areas of focus - cloud, SDN, big data and cyber security- strengthened by the previous Mid-term Management Plan and ICT including AI technology that we have.

The development of Business Model to continuously create value for our customers is the key to promote these businesses. This is the very significant process to make NEC continue one hundred years from now and we must establish it as our culture.

Last fiscal year, we promoted a "Program to Establish a Business Model Culture" led by our senior executives in our company and deployed a training program for sharing these business development trends and methodologies within the entire NEC Group. We promoted One to One business up to now. However, One to Many business assumes increasing importance from now on. We must understand our customer's status, surrounding market environment and what technologies are required at first. With that understanding, we need that culture to consider where our Business Model is and which direction we must go.

The establishment of a Business Model Culture is only half of the story. We are continuing to strengthen our efforts this fiscal year.

As mentioned above, we must establish a Business Model Culture as our new culture to promote our Solutions for Society business and global business.

I ask all employees of the NEC Group to take this opportunity to understand the NEC business model process, use it to create your own value, and make it part of the culture of NEC so that we will still be creating value for society one hundred years from now.

Chapter

1

The Necessity of Business Development and NEC's Policy

➤ The One to Many Business Development Process "Ideate" Training (For Beginners)

Let's learn about this together.



You

Recently, I'm hearing a lot about "new business" and "business models." Why is that?

Miss Lean

That's because the NEC Group has decided that the best way to develop new businesses is by creating a new business model.

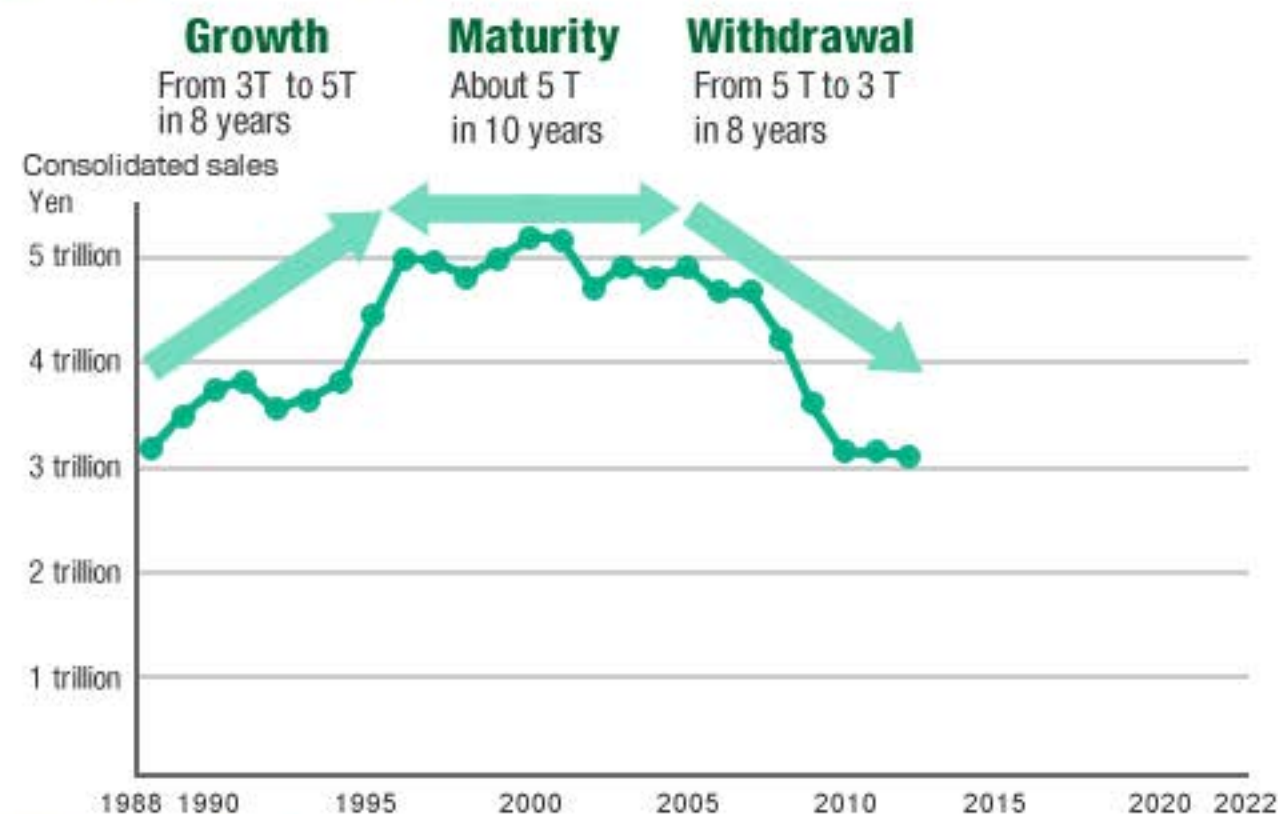
You

Is that right?
Er, and incidentally, who are you?

Miss Lean

My name is Miss Lean and I'm a Cat-type learning robot.
Together, we're going to learn about One to Many business development.

The vision of the NEC Group



Our existing businesses are not sufficient for the NEC Group to continue growing.



Miss Lean

Do you understand why new businesses must be developed by using a business model?

You

Er, not really...

Miss Lean

The graph on the left shows the sales trends of the NEC Group. What can you see from this graph?

You

They're declining. I don't know why because I'm always busy and have a lot of work!

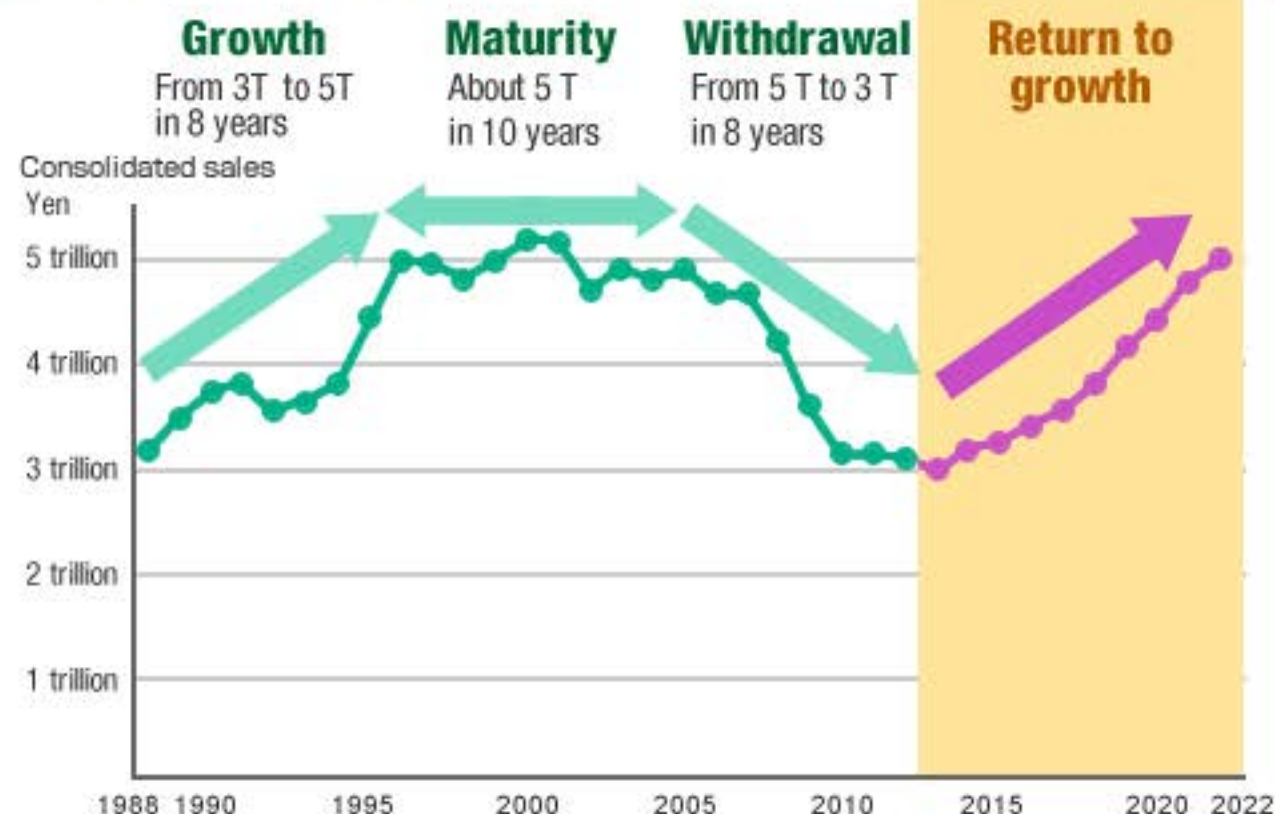
Miss Lean

I know that people throughout NEC are working hard. On the other hand, if you look at the entire business performance of the NEC Group, we have withdrawn from some businesses that were successful during our maturity period. Looking at today's situation, it will be difficult for the NEC Group to get back on the growth track if we continue to focus only on the same lines of business.

You

I see. My work is in our existing businesses, but will they become less important in the future?

The vision of the NEC Group



The NEC Group can bounce back by developing new businesses while continuing with existing businesses.



Miss Lean

Not at all!
Our existing businesses are vital. However, in order for the NEC Group to bounce back and return to growth, not only our existing businesses but also "new businesses" are necessary.

You

Does our "Solutions for Society" business represent a new direction for the NEC Group in which we combine our existing businesses with new businesses?

Miss Lean

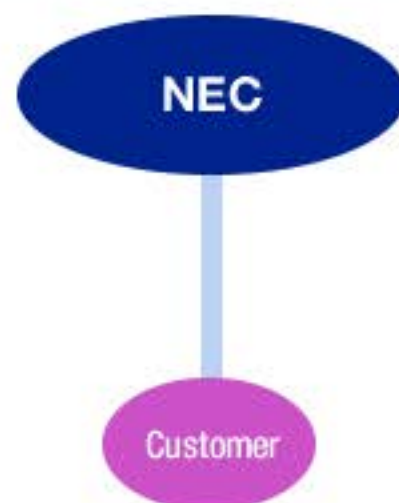
That's right.
In order to return to growth, the NEC Group has decided to switch from defensive tactics to offensive or proactive tactics. Therefore, from now on, the NEC Group will be looking to create new value by developing new businesses, while continuing to nurture our existing businesses.

You

Now I understand.
But the company has been working on developing new businesses for quite a while. Why start talking about it now?

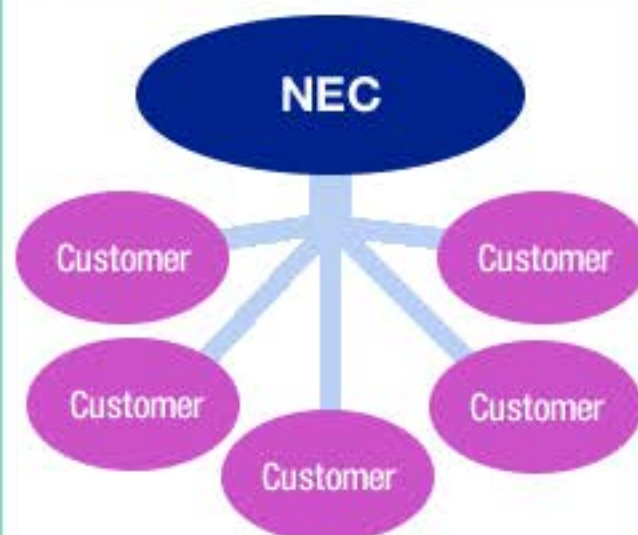
Existing business development (One to One)

Meeting the needs of the customer



New business development (One to Many)

Discover needs common to many customers



Miss Lean

We have of course developed many businesses in the past. However, as you can see from the charts on the left, we are changing our approach.

You

So from now on, are we going to develop businesses by identifying needs common to many customers?

Miss Lean

That's right. Much of our business development in the past was based on One to One business development in which we tried to meet each and every need of each and every customer. Now, we will focus on One to Many business development in which we identify needs that are common to several customers and combine them to create a new product or service."

You

One to Many?



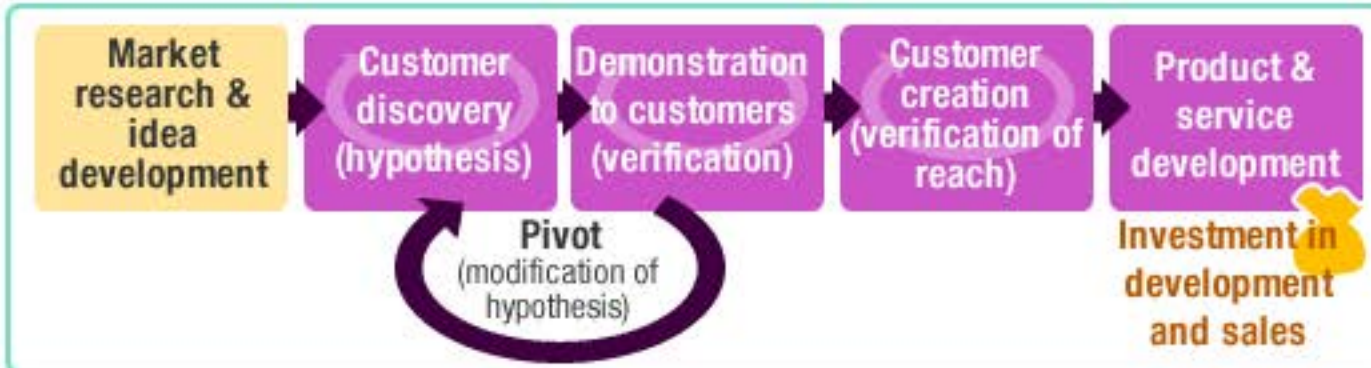
The new style of business development involves identifying needs common to many customers before making a proposal.



Existing business development (One to One)



New business development (One to Many)



One to Many makes it easier to deploy businesses.



Miss Lean

In conventional One to One business development, we emphasized meeting the requirements of a specific customer. This was why it has been difficult to deploy businesses on a large scale.

To improve this situation, the company decided to develop a One to Many model. With the One to Many approach, we begin with identifying needs that are common to several customers. This way, it is easier to provide products and services to many customers.

You

I see.

So from now, we will implement One to Many business development whereby we start by listening to the needs of many customers, and then expand our business on a large scale.

I understand better now.

From now on, I will also work hard on One to Many business development.

Differences between One to One and One to Many

One to One

Thoroughly understand the customer's specifications

Meet the customer's requirements

Complete the project

Manage the customer so that they remain loyal

Make our organization self-sustaining

One to Many

Offer specifications prepared by us

Create value together with the customer

Develop and deploy businesses

Manage the market to attract new customers

Collaborate with other organizations

What does the creation of One to Many business mean?

- "Discovering customers" will be a key factor.
- It is necessary to identify needs common to many customers and combine them to create a single product or service.
- It is necessary to not only develop products and services, but also to establish a system to create ongoing profit from these products and services.

Miss Lean

To begin with, take a look at the chart on the left and see the differences between One to One and One to Many.

You

Wow, there are so many differences!

Miss Lean

There are three key points to developing new businesses based on One to Many.

The first is discovering customers.

The second is identifying needs that are common to many customers and combining them to create a single product or service.

The third is establishing a system to create ongoing profit from the new product or service.

It is important to be aware of these three points when implementing One to Many business development.

You

That seems quite difficult.

Miss Lean

Maybe.

The people doing this training may feel the same way.

Don't worry. As long as you study this course thoroughly, you will be alright.

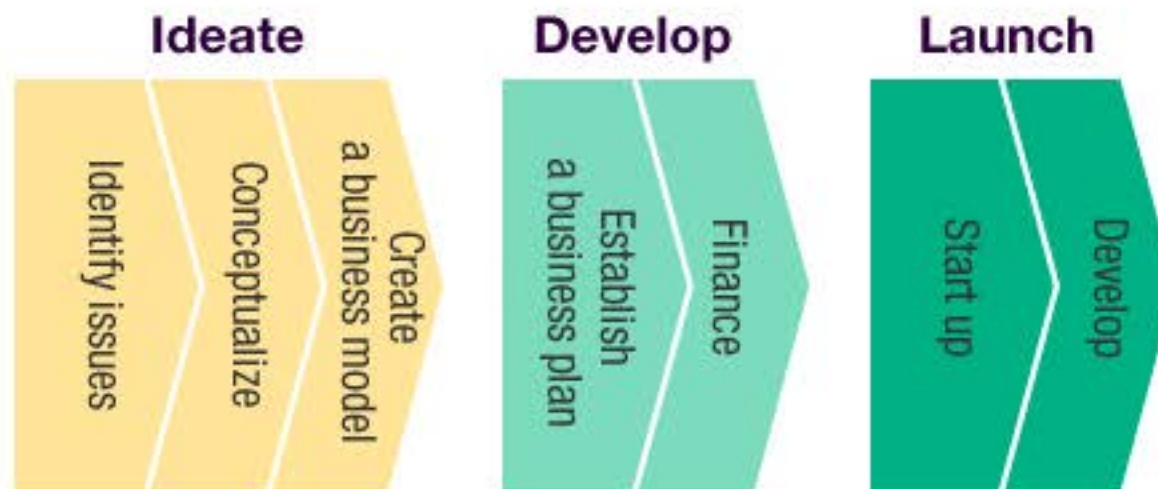
Chapter

2

The One to Many Business Development Process

➤ The One to Many Business Development Process "Ideate" Training (For Beginners)

One to Many Business Development



In One to Many business development, it is important to understand the process of "Ideate."



You

I understand the necessity of developing new businesses. It seems difficult, but I want to learn more about it. Can you teach me in detail, Miss Lean?

Miss Lean

Of course.

Let's recap the concept of One to Many business development. As shown in the chart on the left, the One to Many process is divided into three phases; "Ideate," "Develop," and "Launch."

You

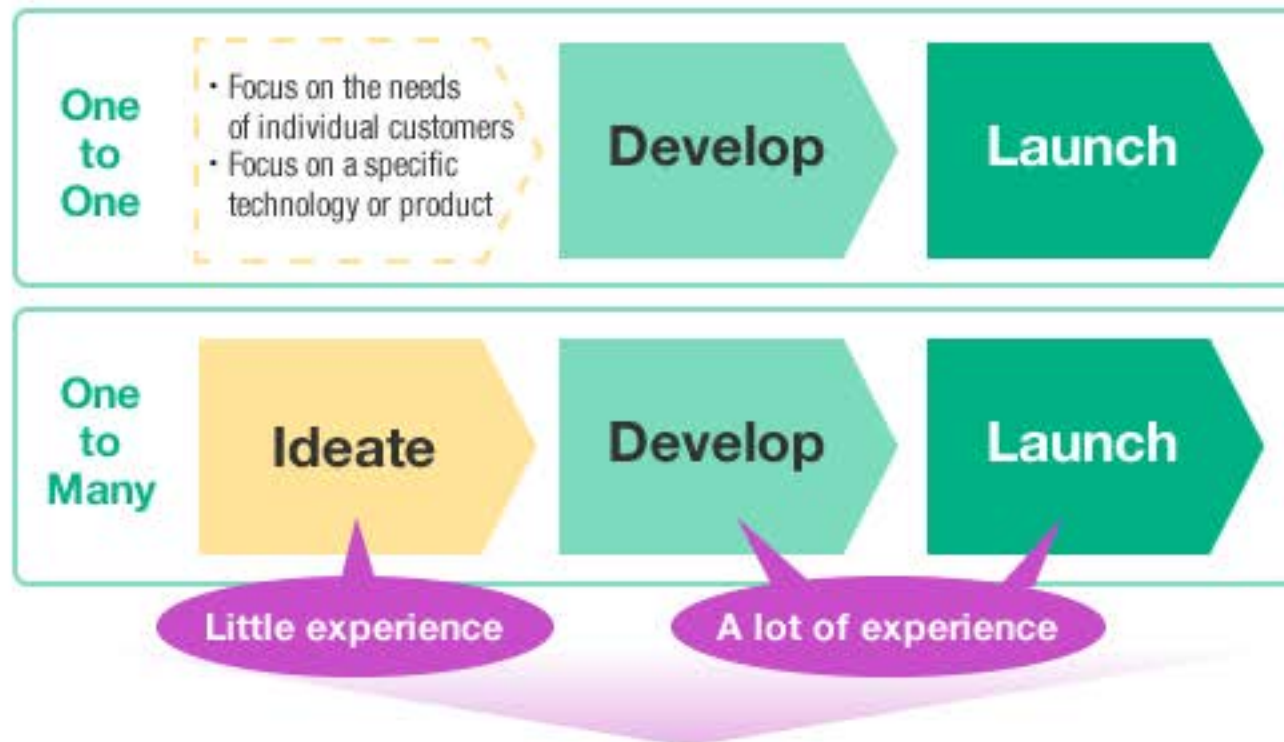
How to do you pronounce "Ideate"?

Miss Lean

It's ['ī-dē-āt].

You

['ī-dē-āt], I get it.



Standardize business development processes and promote coordination between multiple departments



We standardize business development processes and promote use of a standardized process throughout the company.



Miss Lean

The NEC Group used to emphasize One to One business. This is why we have limited experience in methods and techniques for the "Ideate" phase, such as conceptualizing and establishing business models.

You

I see, because we have been taking the One to One approach and focusing on the needs of individual customers, we have not considered things in terms of a business model.

Miss Lean

That's right. So the issue of One to Many is how to implement the "Ideate" process. NEC therefore decided to standardize the "Ideate" process so that there was a common process that could be used throughout the entire company.

You

Will we all use the same procedures for One to Many business development, then?

Miss Lean

Yes. By standardizing basic procedures and tools, we can achieve smooth communication between multiple departments, and promote business activities as One NEC.

Ideate



Use tools such as the Business Model Canvas



Use the method of lean startup



In the "Ideate" process, we will use a method known as lean startup and tools such as the Business Model Canvas.



Miss Lean

What we do in the "Ideate" process is to discover customers for a new business, identify their needs and issues, and create a business model.

To do this, NEC decided to use the lean startup method and tools such as the Business Model Canvas.

You

Lean startup?
Business Model Canvas?

Miss Lean

Lean startup is a method of building a business by eliminating wasteful practices and increasing profit-producing practices during the product development phase by identifying the customer's most urgent needs.

Business Model Canvas is a tool that is often used in the lean startup of businesses and provides an easy-to-understand business model overview.

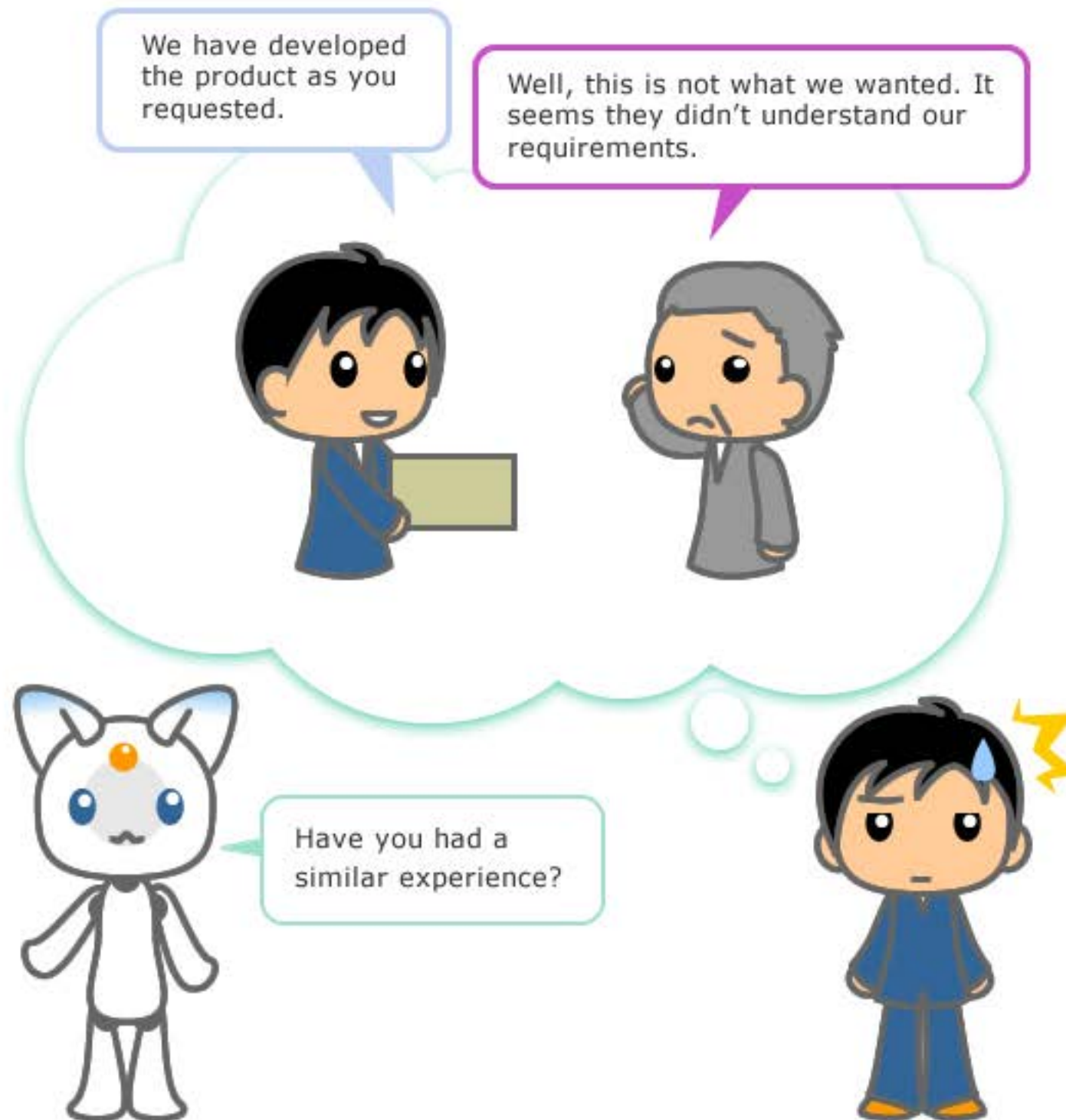
If these method and tools were used effectively within the entire organization, don't you think that it would be easier to deal with people from other departments, thereby raising the success rate of new businesses?

Chapter

3

Lean Startup

➤ The One to Many Business Development Process "Ideate" Training (For Beginners)



Miss Lean

I mentioned earlier that in the "Ideate" process, we use a certain method to realize One to Many business development. Do you remember what it is?

You

Yes, I remember. It is "lean startup."

Miss Lean

That's right.
Incidentally, have you ever found that you couldn't meet your customer's needs despite spending a lot of time, effort and resources?

You

Er, ...

Miss Lean

Did I remind you of a bad experience?
You know, the lean startup method was developed to prevent these kinds of experiences.

You

Really?!

Lean startup is a method used to prevent developing a product or service based merely on the hypothesis of a provider and that has no value for the customer. By using this method, time, labor and resources can be utilized effectively, allowing innovations to be linked to profit production.



Do not green light a project merely on a hypothesis. Check if the hypothesis is correct.



Talk with your customer and confirm their needs.



Lean startup is a method that allows time, labor and resources to be used effectively, thereby linking innovations to profit production.



Miss Lean

Yes.

Lean startup is a method used to prevent developing a product or service based merely on the hypothesis of a provider and that has no value for the customer. By using this method, time, labor and resources can be utilized effectively, allowing innovations to be linked to profit production.

You

"Time, labor and resources can be utilized effectively, allowing innovations to be linked to profit production." That sounds hard to do.

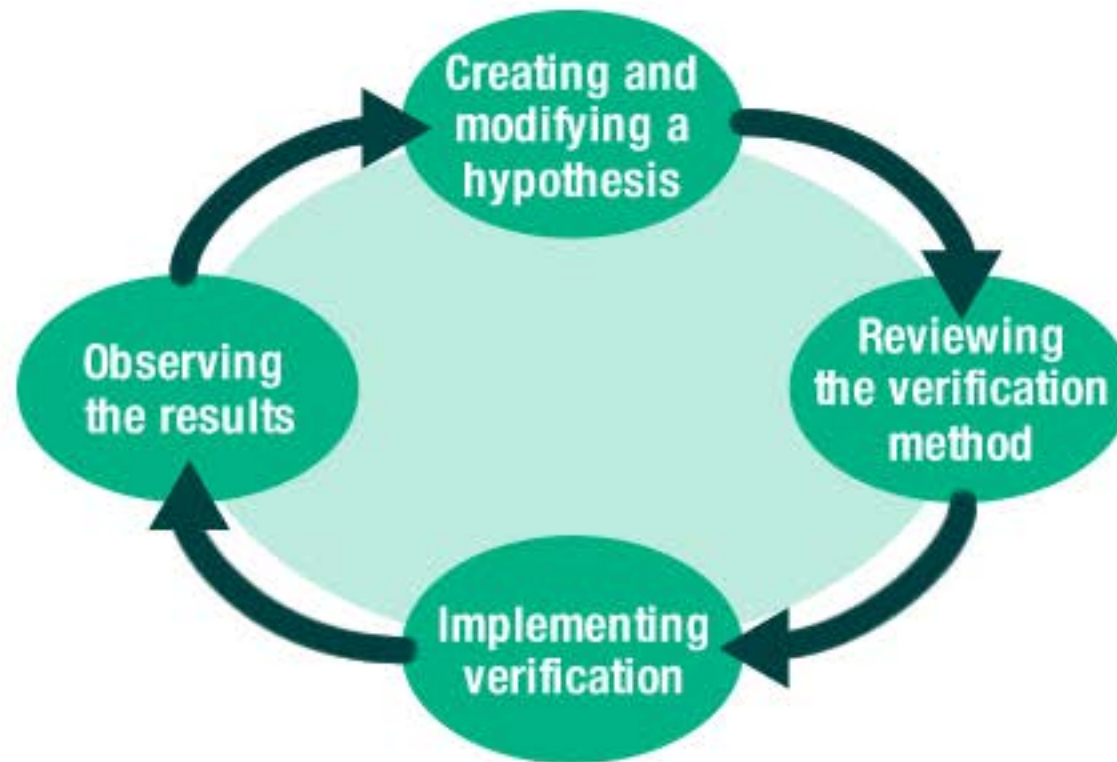
Miss Lean

But if you use this method, you will be able to verify the existence of customers for your product or service, identify their needs, and start thinking about a business model before investing large amounts of resources.

You

I see.

So how do I actually implement lean startup?



The key points of lean startup are implementing the "create hypothesis" -> "verify hypothesis" cycle quickly, inexpensively, and repeatedly.



Miss Lean

In lean startup, to design and improve the business model, we repeat the cycle of Creating a hypothesis -> Reviewing the verification method -> Implementing verification -> Observing the results.

You

It's like a PDCA cycle. Repeating is important, isn't it?

Miss Lean

Yes.

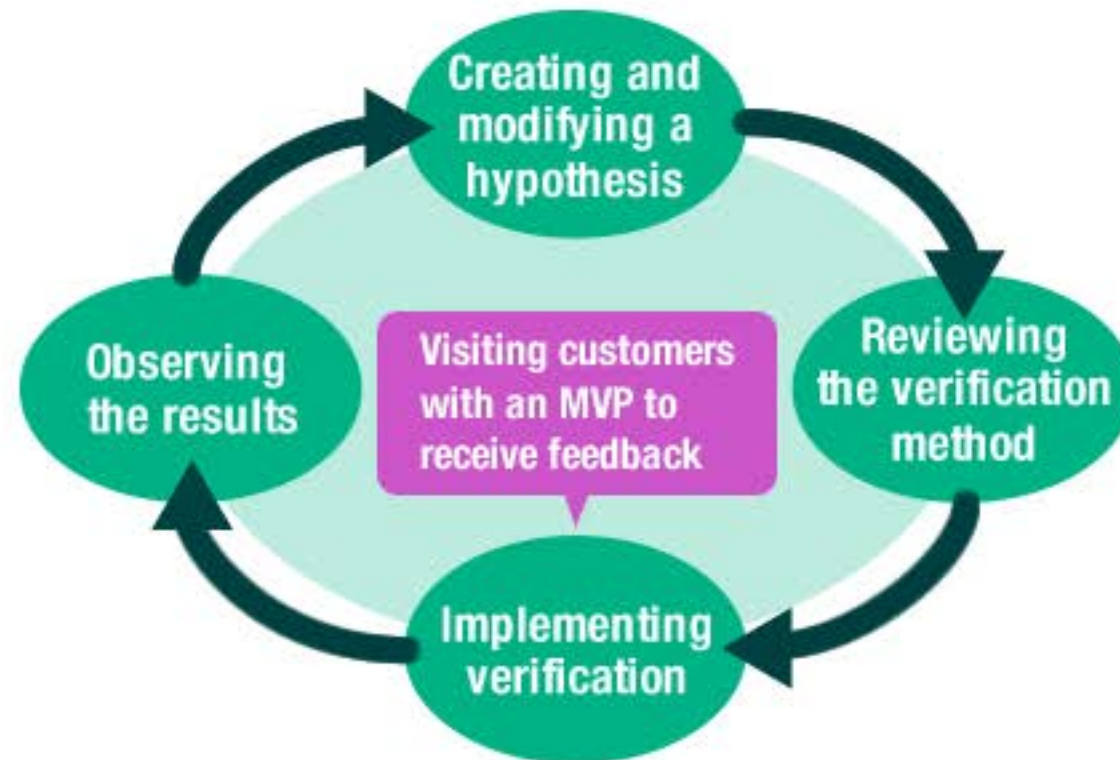
First, in "Creating a hypothesis," we speculate that "a service or product like this might sell to this type of customer."

Then, in "Reviewing the verification method," we review how to verify the hypothesis, for example, by thinking carefully about who our target users are and what kinds of questions we should ask them.

Next, in "Implementing verification," we visit our customers with an MVP (Minimum Viable Product) and receive feedback from them.

Finally, in "Observing the results," we examine what was good and what was bad about the hypothesis based on the customers' feedback and reflect the results of these observations in a new hypothesis.

This cycle needs to be carried out quickly, inexpensively and repeatedly. That's the key to success.



Quickly, inexpensively, and repeatedly!



What's an MVP?



You

Quickly, inexpensively, and repeatedly!
That's the important thing, right?

Miss Lean

Right.
Implementing this cycle will enable "time, labor and resources to be utilized effectively, allowing innovations to be linked to profit production."

You

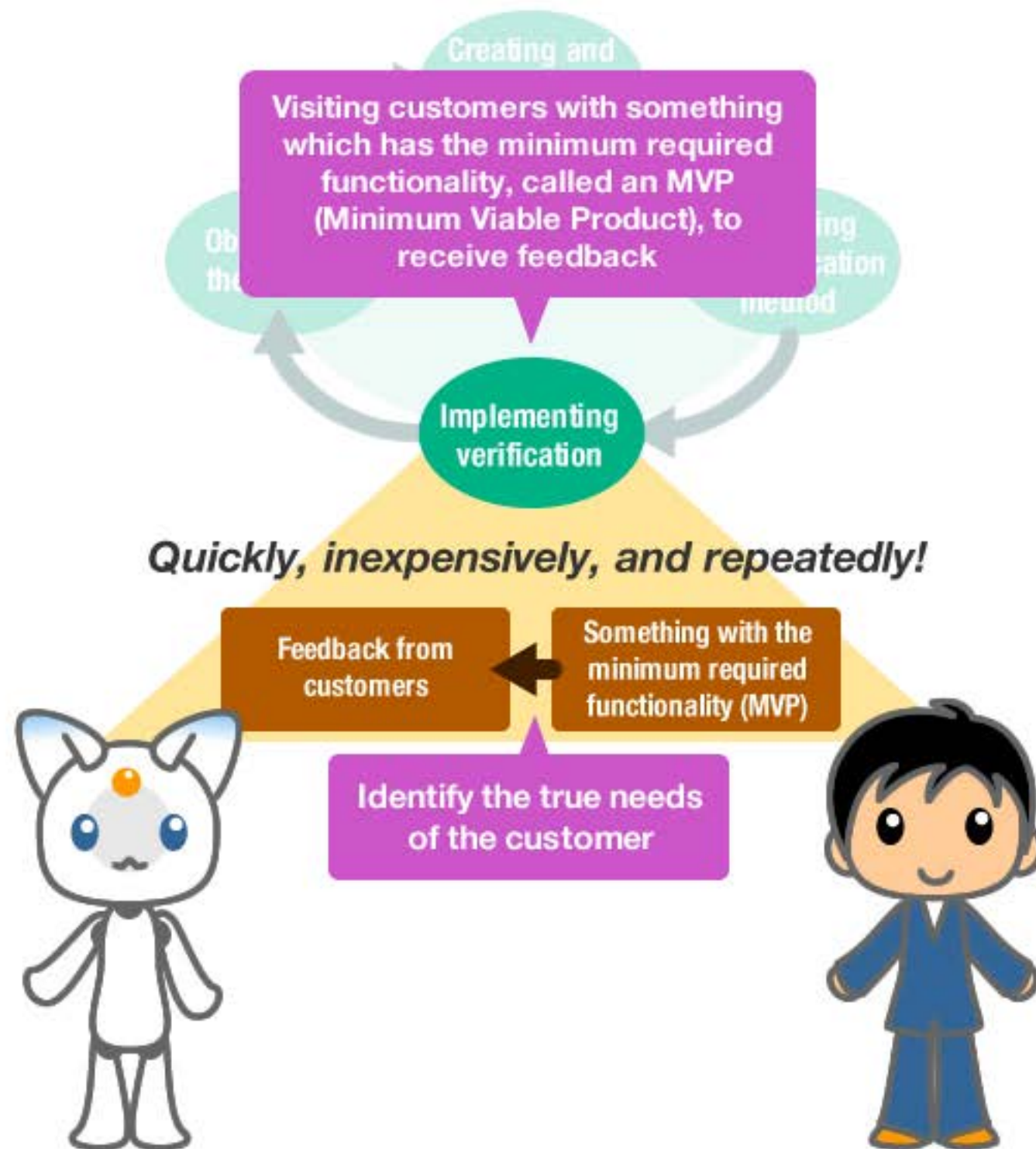
I see.
This lean startup method can be used in the job I'm doing now!

Miss Lean

There is another important key word: "MVP."
Do you remember what I told you about "Implementing verification"?

You

"Implementing verification"?
I remember you saying "we visit our customers with an MVP and receive feedback from them."
Wait a minute... MVP? What is an MVP?



Miss Lean

An MVP is something with the minimum required functionality that can be used to identify the most urgent needs our customers have.

As you may remember, "Implementing verification" is a phase in which we visit our customers with the hypothesis we have created to obtain feedback from them. The important point here is to visit the customer to hear their opinions with the idea of verifying a hypothesis rather than aiming for a finished product.

To do this, we need to listen carefully to the issues customers really have.

You

Hmm.

Miss Lean

Our purpose here is to verify our hypothesis. An MVP can be just a few slides that represent the hypothesis, as long as it suits your purpose. The important thing is to identify the true needs of the customer through conversation with them and to do it quickly, inexpensively, and repeatedly. Again, identifying the truly urgent needs of the customer through conversation is important.

You

I see.

Minimum Viable Product

Something with the minimum required functionality to identify the urgent needs of the customer

Examples of MVPs



Slides

Are there urgent needs?



Video (sample)

Is the product or pricing suitable for the market?



Mock-up

Is scale out possible?



Prototype product

Is it possible to acquire a base of first users



With an MVP, we can minimize investment in the initial phase when the rate of success is low and then upgrade the MVP as the rate of success increases.



Miss Lean

We use an MVP to repeat verification of our hypothesis so that we can move toward creating a successful product.

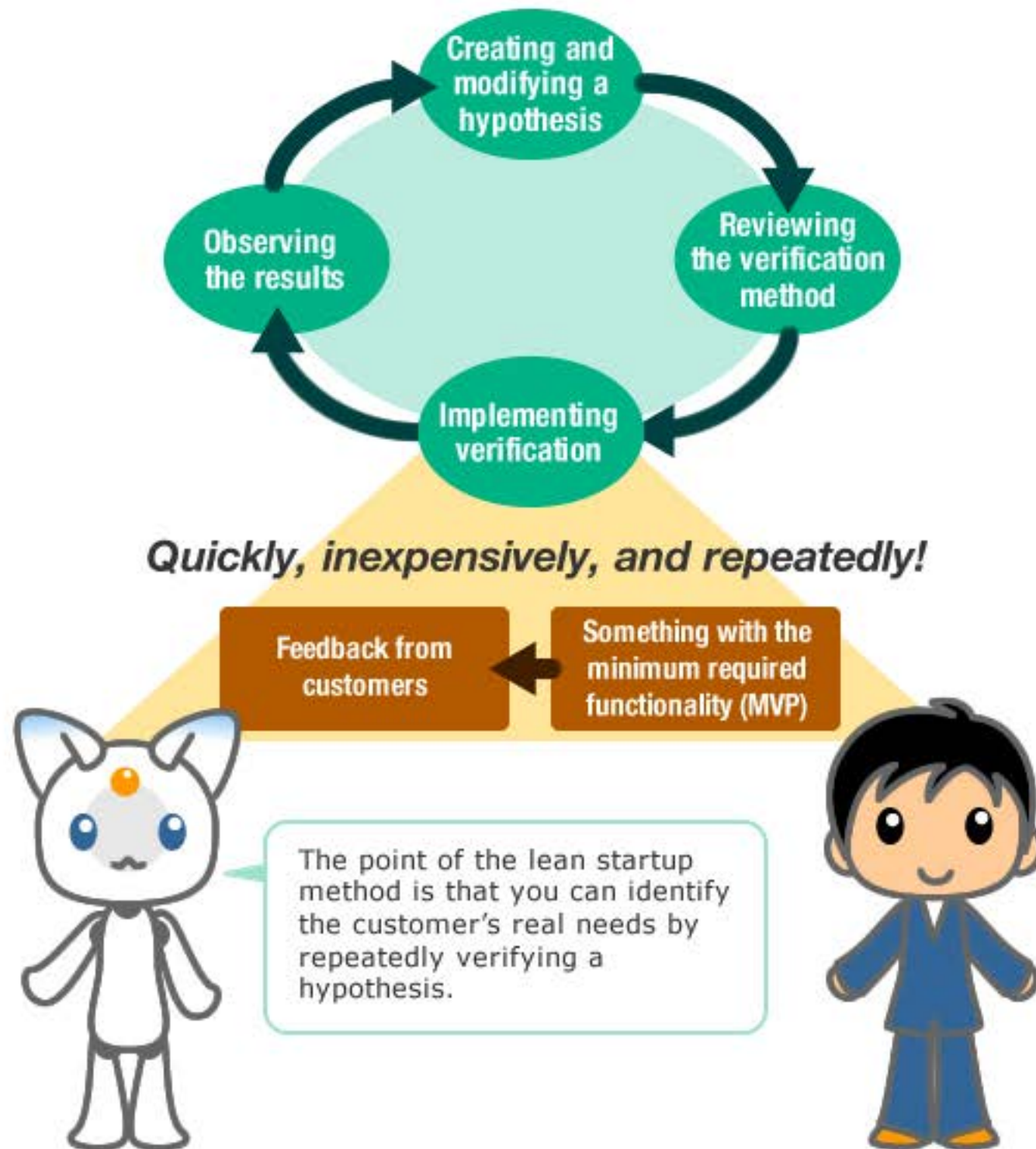
You

So we continually upgrade it, like in the picture on the left.

Miss Lean

That's right.

In new business development, we should minimize the investment made in the initial phase when we have a low chance of success. As we come closer to validating our hypothesis and the likelihood of success increases, we will increase the level of investment and upgrade the MVP.



You

I see. If we visit the customer with a finished product from the start and the hypothesis turns out to be wrong, the whole process of developing the product is wasted.

Miss Lean

It is indeed.

With that style of development, we have to invest large amounts of time and money each time we create a hypothesis, so the risk of failure is huge. To avoid this risk, it is important to use an MVP that enables us to implement verification step by step, keeping in mind to what extent we can make corrections to get back on course. This way, we are also able to repeat the process of verifying our hypothesis.

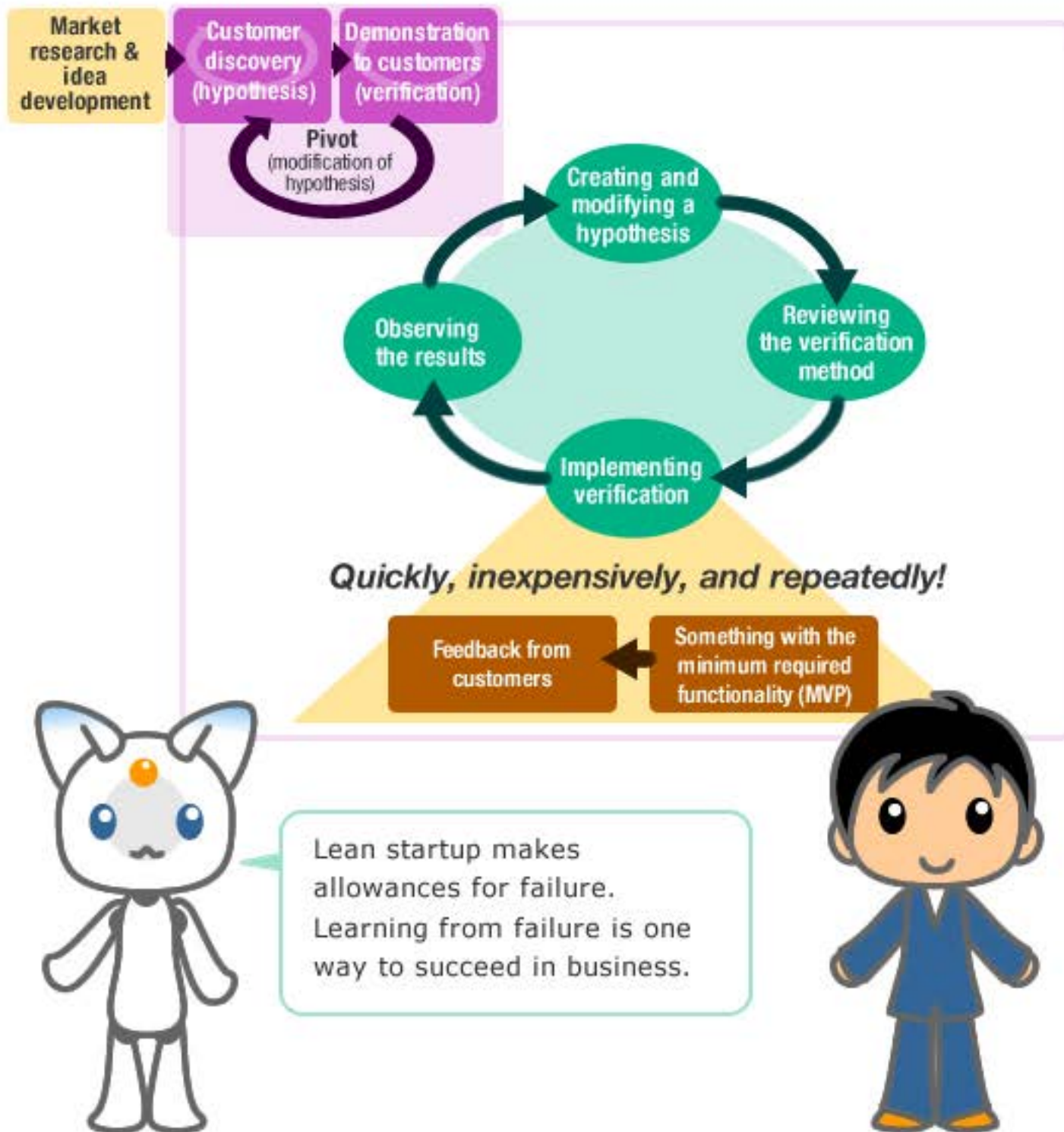
You

As we keep repeating hypothesis verification, we have more opportunities to talk with our customers, and more opportunities to identify their needs.

Miss Lean

Yes, that's right.

We end up creating a successful product or service through repeated hypothesis verification.



You

But...there is no point in continually repeating hypothesis verification and continually failing.

Miss Lean

Lean startup makes allowances for failure.

You

You mean failure is expected?

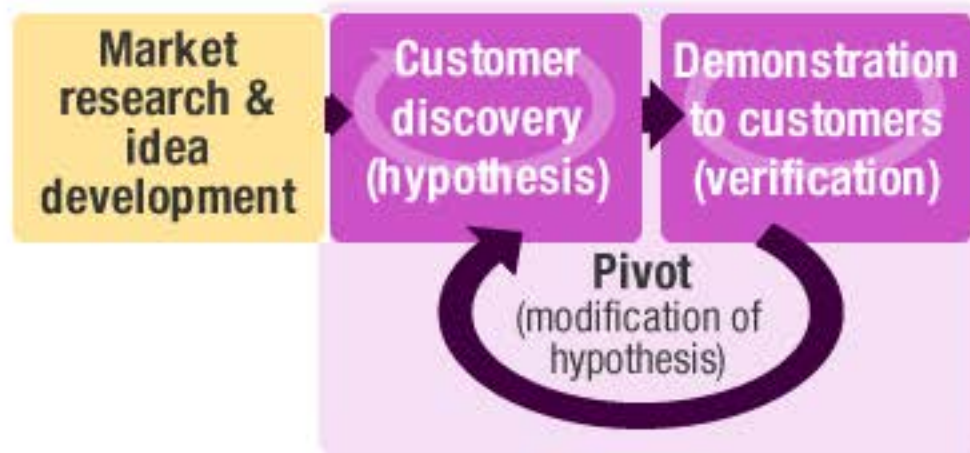
Miss Lean

Well, it is not really expected, but there are very few hypothesis that get it right the first time. Any hypothesis needs to be refined by being repeatedly verified.

We should take the attitude that the fact that a hypothesis was found wrong as a result of verification is not a failure but rather a step closer to success, because we've eliminated a potential failure. The more we fail, the more we learn.

Moreover, if, after verification, we find that the current hypothesis does not work, we can always change direction.

This change of direction is called a "pivot."



Example of pivot (changing target customers)

When developing a grass mowing robot, we first talked with a golf course, who we thought would be a good potential customer, but they didn't rate the robot very highly. Next we approached farmers, and we found that there was a large demand for the robot as a means of removing weeds without using chemicals and the product was a great success.



Once you realize that the needs you assumed in your hypothesis do not in fact exist, make a pivot.



You

Pivot means changing direction.
Can you give me an example?

Miss Lean

As a result of hypothesis verification, it may be necessary to make a significant change in relation to one or more elements of the business model. Making a change in this way is called a pivot (change of course).

For example, if you find that after talking with the target users, there is no need for the product or service you are hypothesizing, you should go to other customers to verify the hypothesis, or reconsider the value that you should be providing.

You

I see.



You

So in lean startup, it is important to prove the hypothesis you have created with facts to raise the probability of business success.

Miss Lean

That's right.

In addition, it is important not to just visit familiar customers; you have to meet customers whose opinions count.

Do you now have a good grasp of lean startup?

You

Yes, I do.

The key words are "quickly, inexpensively, and repeatedly."

So I should go out with an MVP to find facts to prove or disprove the hypothesis I have created. Then I should repeat verification of the hypothesis to identify the true needs of our customers.

Miss Lean

That's right.

I hope you can use the lean startup method to increase the probability of success in a new business.

Chapter

4

Business Model Canvas

➤ The One to Many Business Development Process "Ideate" Training (For Beginners)

Key points in creating a good business model

Clearly answer these three questions.

To whom will you provide value?

What kind of value will you provide?

How will you continue to make a profit?



The key to success in business rests on whether you have made a good or bad business model.



Miss Lean

We learned that in the "Ideate" process, the aim was to create a business model. The first thing I want you to remember here is that success in business rests on whether you have made a good or bad business model.

You

The quality of the business model...
In this case, I have to create a good business model.
What should I keep in mind?

Miss Lean

You should clearly answer these questions:

- To whom will you provide value?
- What kind of value will you provide?
- How will you continue to make a profit?

You

I see.
These are the three main points.

Key points in creating a good business model

Clearly answer these three questions.

To whom will
you provide
value?

What kind of
value will you
provide?

How will you
continue to
make a profit?

The Business Model Canvas (BMC)
expresses these points in a single diagram.



You can create a business model by using a tool called a Business Model Canvas (BMC).



Miss Lean

"To whom and what kind of value will you provide?"

We have learned that you can identify these by using an MVP, right?

You

Yes.

And it should be done quickly, inexpensively, and repeatedly.

Miss Lean

The information you obtain from outside the company through your MVP has to be swiftly summarized and shared with your manager and colleagues.

You

So speed is important.

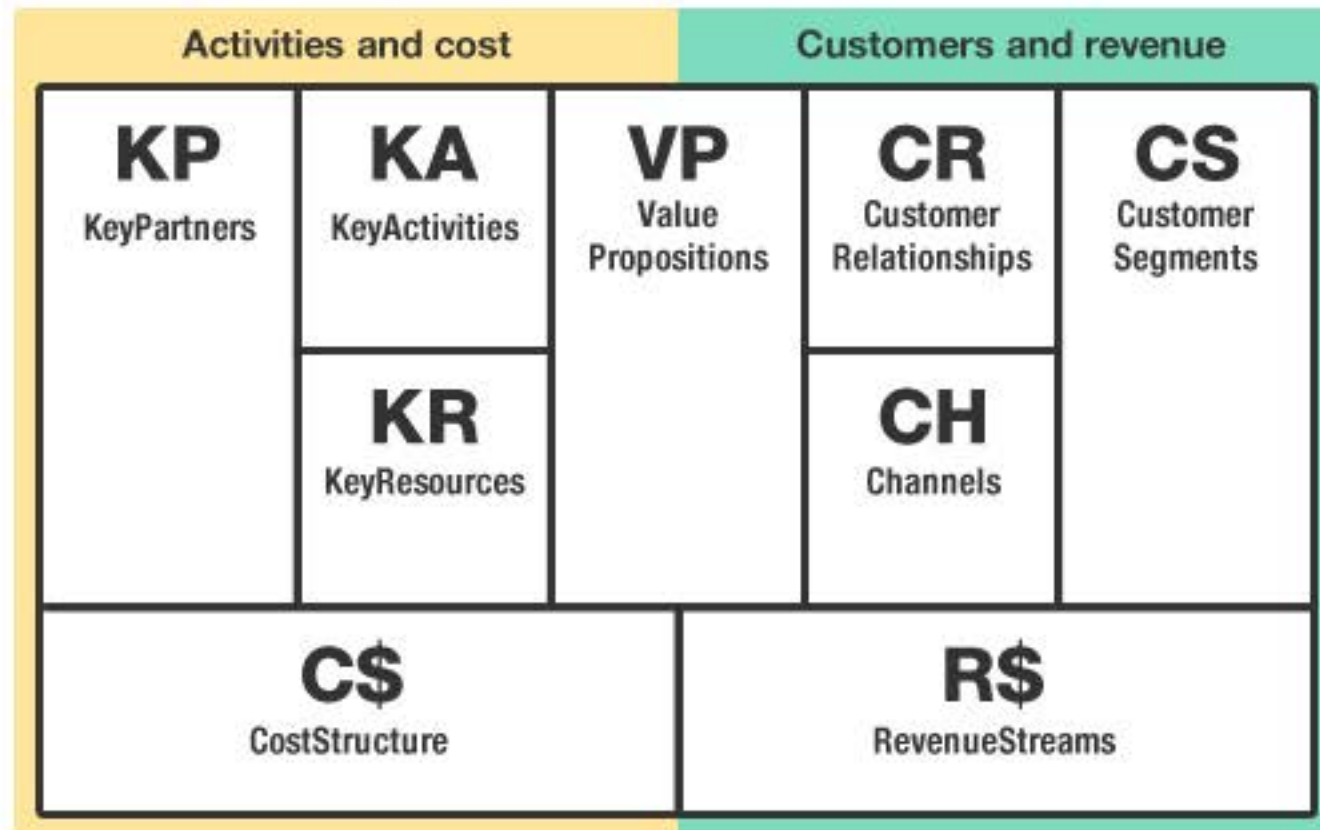
Miss Lean

That's right.

A Business Model Canvas (BMC) is tool that helps you share this information quickly and effectively.

You

A Business Model Canvas (BMC)?
What's that?



BMC 「<http://www.businessmodelgeneration.com/canvas/bmc>」



A Business Model Canvas (BMC) shows the overall picture of a business model on a canvas.



Miss Lean

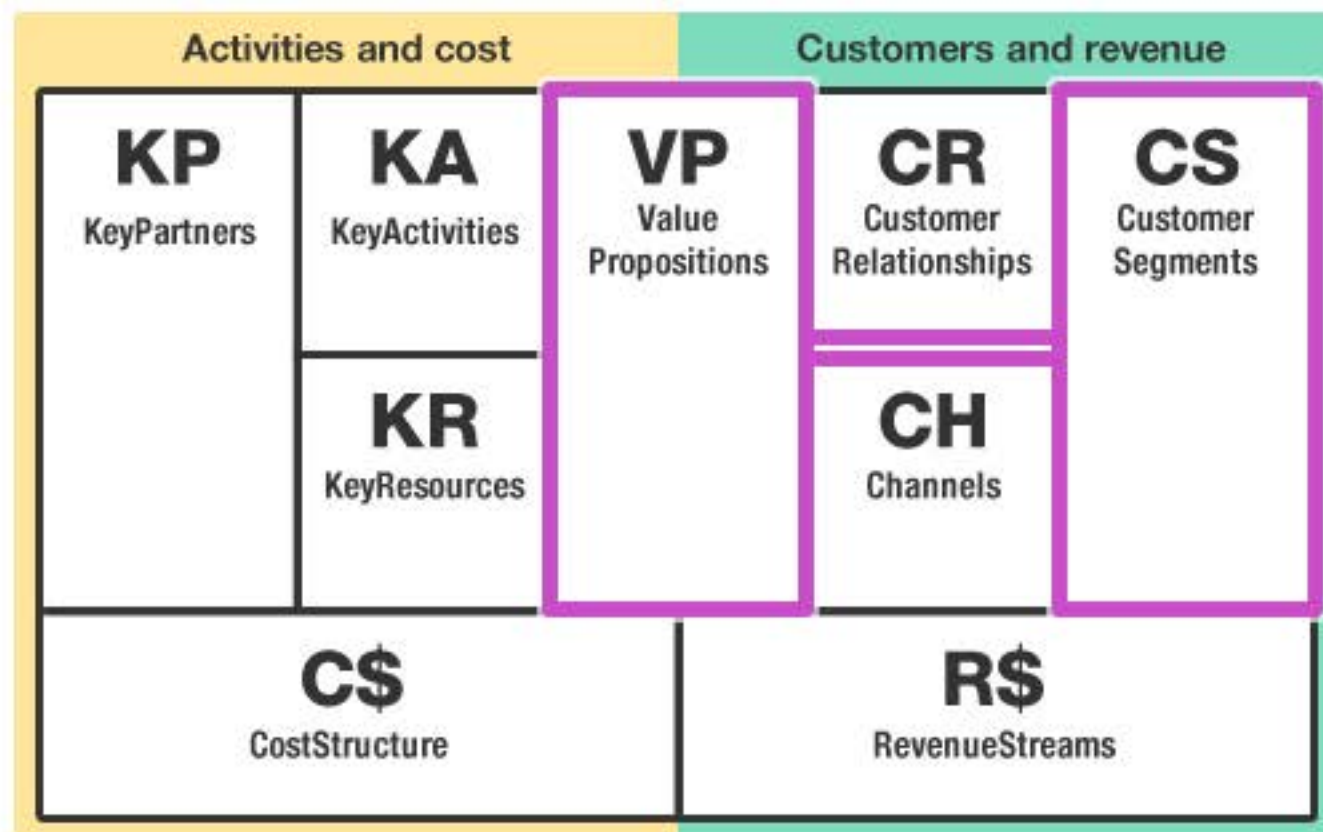
A Business Model Canvas is a tool that enables you to represent the structure of your business model; that is the mechanism whereby you will provide customers with value and obtain a suitable fee in return, on a single canvas.

You

I see.

Miss Lean

It is a very useful tool for understanding the overall picture of a business model.



BMC 「<http://www.businessmodelgeneration.com/canvas/bmc>」



The BMC is make up of nine elements. "VP" and "CS" are particularly important.



Miss Lean

Let's begin by looking at an overview of the BMC. The diagram on the left shows the BMC.

You

I can see that the BMC has nine elements in total. With "VP" in the center, the elements related to "Customers and revenue" are on the right side and the elements related to "Activities and costs" are on the left side.

Miss Lean

You are very observant. Can you say which two elements are particularly important? It would be helpful to think about what a good business model means.

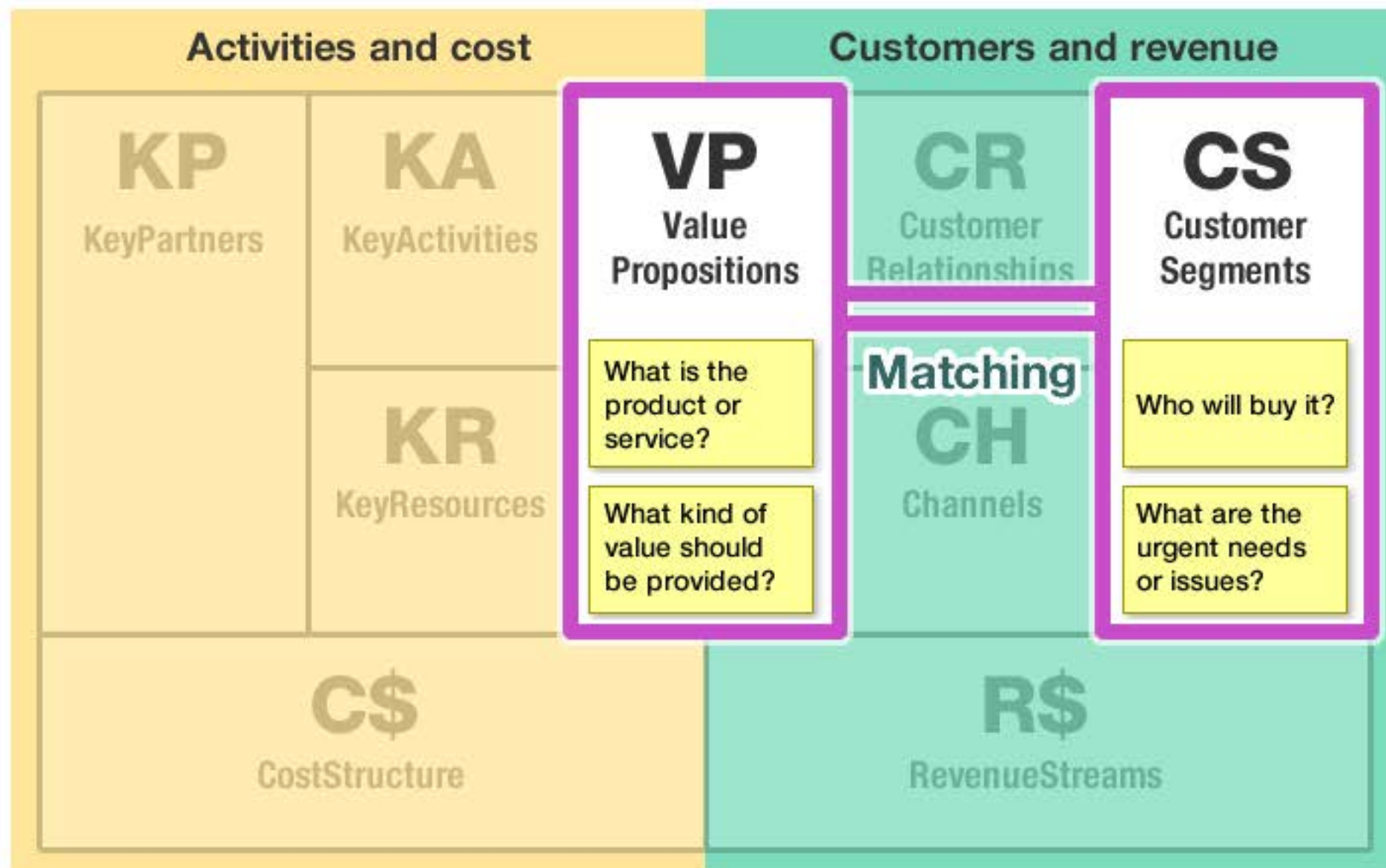
You

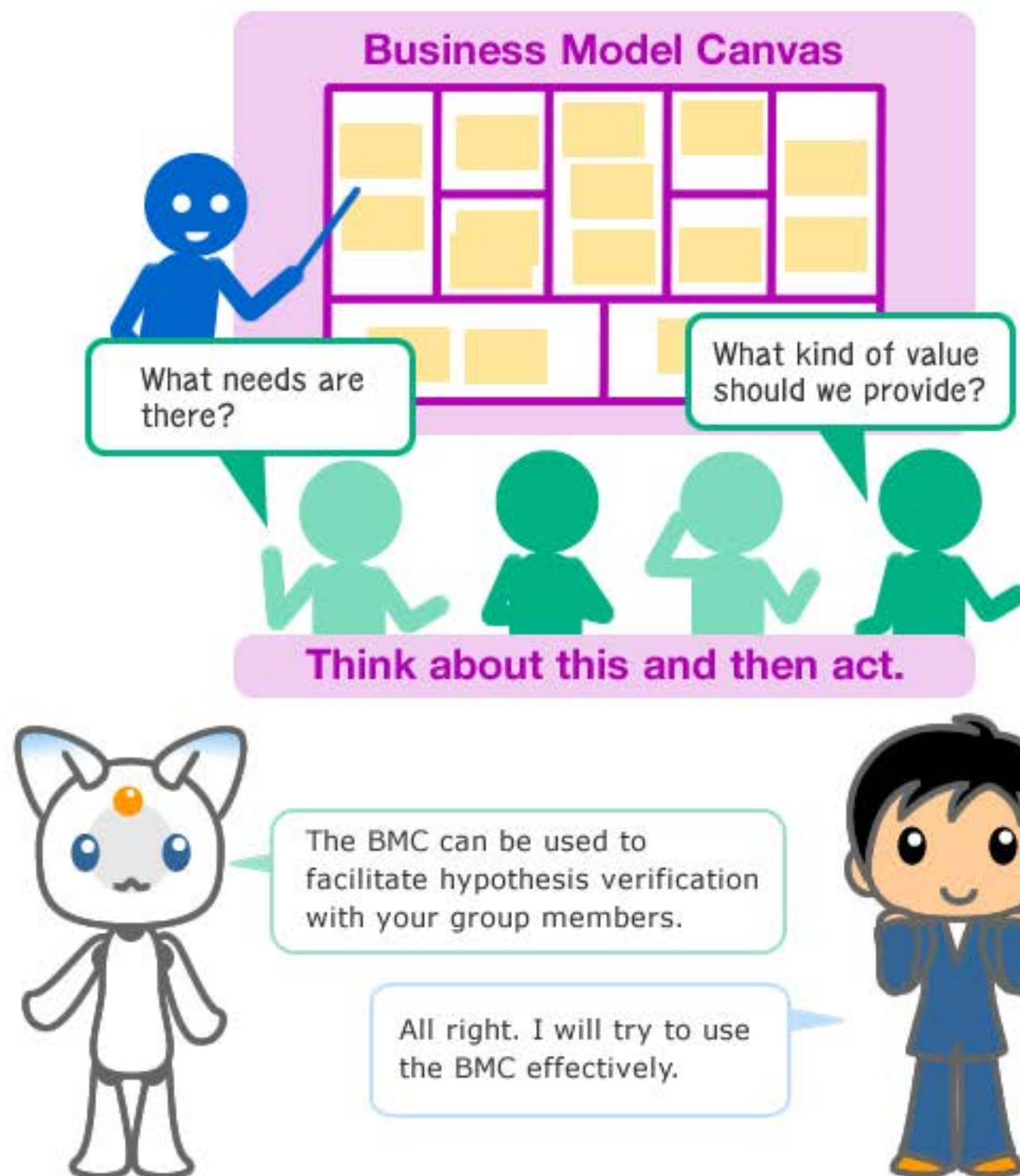
A good business model clarifies "to whom and what kind of value you will provide." So the important elements are "CS" and "VP," I think.

Miss Lean

You are right!
The most important thing is "to whom and what value you will provide." Therefore, the first step of One to Many is to understand "CS" accurately and then consider what is the right value to provide to that CS.

It is important to verify that the elements on the Business Model Canvas relate to each other and, in particular, that the needs of the customers (CS) and the value to be provided (VP) match.





You

In the picture on the left, it seems like the people are having a discussion about something using the BMC.

Miss Lean

That's right.

If you use a BMC, you can see the overall picture of the business model at a glance, which is helpful for sharing the business model with others and carrying out hypothesis verification effectively.

NEC is promoting making BMC a common language. If it is used by all employees, it will become a catalyst for active consultation between different divisions and further cooperation with each other.

You

I see. So that's how you use a BMC.

All right. I will try it myself and see if I can create a business model by using a BMC!!!

Which CS (Customer Segments) best match the VP (Value Propositions) shown in the chart below? Choose an answer from the following:



VP Value Propositions

- A quiet, intimate place with an elegant interior (completely non-smoking)
- A third place
A place where you can relax and mingle with people which is neither a home nor a workplace (Starbucks)

CS Customer Segments

1. Business people who want to take a break during working hours in a place where smoking is allowed.
2. Business people who want to enjoy their private time or have some time to relax.
3. Young couples who want to enjoy eating out with their small child.

Explanation:

Which CS (Customer Segments) best match the VP (Value Propositions) shown in the chart below? Choose an answer from the following:



VP Value Propositions

- A quiet, intimate place with an elegant interior (completely non-smoking)
- A third place
A place where you can relax and mingle with people which is neither a home nor a workplace (Starbucks)

CS Customer Segments

- ☒ 1. Business people who want to take a break during working hours in a place where smoking is allowed.
- ☐ 2. Business people who want to enjoy their private time or have some time to relax.
- ☒ 3. Young couples who want to enjoy eating out with their small child.

Explanation: The correct answer is 2.

For businesspeople who work hard in their places of work and spend time with their families at home, but do not have a lot of free time for themselves to relax, Starbucks provides a "place where you can relax and mingle with people" as a "third place" that is neither the home nor the workplace.

Number 1 is the CS for the Doutor VP, and number 2 is the CS for the family restaurant VP.

Which VP (Value Propositions) best match the CS (Customer Segments) shown in the chart below? Choose an answer from the following:



VP Value Propositions

1. Lessons by an instructor who is a native English speaker with teaching experience (attend a class at a large English school).
2. Provide an opportunity to speak in English with a native speaker one-to-one at a low cost (a native speaker employed part time).
3. Provide individual lessons with a high quality Filipino instructor at a low cost on weeknights from 8pm to 1am, with each lesson lasting 25 minutes. (Online English conversation lesson via Skype)

CS Customer Segments

- People who wish to improve their English speaking ability at as low a cost as possible by speaking with high level native English speakers as much as possible.
- People who wish to fit English conversation lessons around their schedule, such as late at night on weeknights.

Explanation:

Which VP (Value Propositions) best match the CS (Customer Segments) shown in the chart below? Choose an answer from the following:



VP Value Propositions

- ✗ 1. Lessons by an instructor who is a native English speaker with teaching experience (attend a class at a large English school).
- ✗ 2. Provide an opportunity to speak in English with a native speaker one-to-one at a low cost (a native speaker employed part time).
- 3. Provide individual lessons with a high quality Filipino instructor at a low cost on weeknights from 8pm to 1am, with each lesson lasting 25 minutes. (Online English conversation lesson via Skype)

CS Customer Segments

- People who wish to improve their English speaking ability at as low a cost as possible by speaking with high level native English speakers as much as possible.
- People who wish to fit English conversation lessons around their schedule, such as late at night on weeknights.

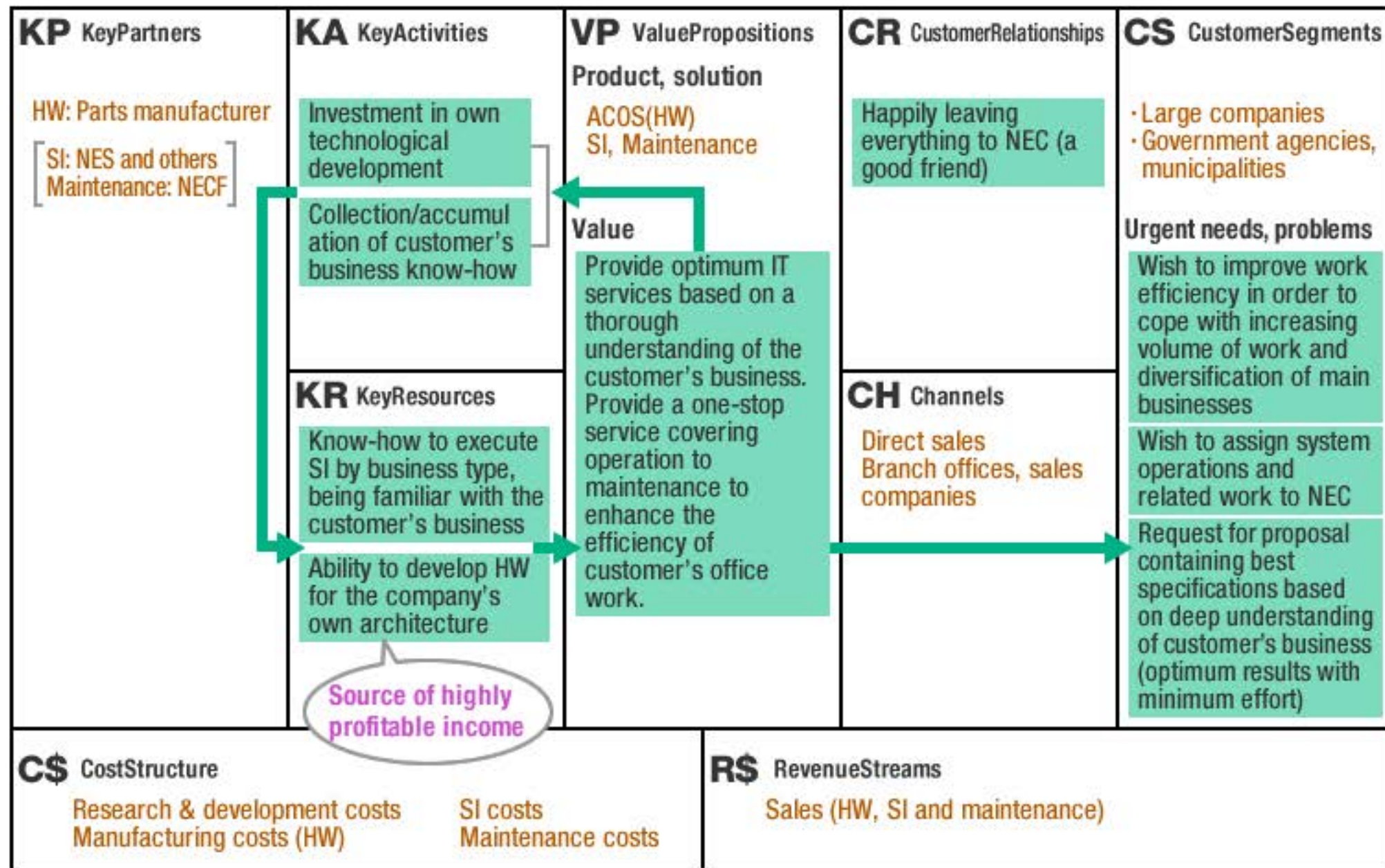
Explanation: The correct answer is 3.

High quality but inexpensive English conversation lessons are provided by using Skype—a free online conversation tool—and students from top Philippines universities as teachers, because they use English as their native language but have lower labor costs. This satisfies the needs of "People who wish to improve their English speaking ability at as low a cost as possible by speaking with high level native English speakers as much as possible." In addition, the time difference with the country where the teachers are located is utilized to provide lessons even late at night in Japan. This allows students who are busy in the daytime to take private English conversation lessons.

In general, 1 is considered "High in quality, but high in price," and 2 as "Low in price, but quality varies." In addition, there is relatively less flexibility in scheduling with 2.

Finally, let's have a look at a real example of using a BMC to create a business model. The example shown here is about the launch of NEC's ACOS Series of general-purpose computers.

Business Model for ACOS



Explanation:

Since the mid-1970s, general-purpose computers (mainframes) used for information processing, a business that was pioneered by IBM, had been developed in Japan by Japanese manufactures under the guidance of the then Ministry of International Trade and Industry, to compete with IBM. The six domestic manufacturers that existed at the time in Japan were integrated into three groups and NEC collaborated with Toshiba to develop the ACOS series. NEC was in charge of developing small- to mid-sized computers while Toshiba was responsible for developing large computers. Unlike the approach taken by the other two groups (the Hitachi and Fujitsu group and the Mitsubishi Electric and Oki Electric Industry group), the ACOS series was developed based on unique technology which was not compatible with IBM machines.

The original customers of the general-purpose computer business were government agencies and large companies. The reason for this was that introducing general-purpose computers was a costly proposition, and only large organizations with a solid financial base could secure a return on investment. The main purpose of introducing general-purpose computers was to improve the efficiency of vast volumes of clerical work. These customers needed to increase their productivity by improving the efficiency of simple but extremely time-consuming clerical work. In addition, when introducing the computer, it was necessary to create specifications for the work to be processed by the computer. So the important conditions for selecting a vendor were the creation of the target work specifications, a proposal based on complete understanding of the customer's business from the customer's point of view, and the provision of reliable operations management and maintenance after introduction.

CS (Customer Segments) of BMC

To meet these customer needs, NEC provided a unique architecture called ACOS. It was built by SEs knowledgeable about the customer's business, and the SE's were able to provide a total package that included the optimum system for each customer and services covering operations to maintenance of the system, thereby realizing the desired clerical work efficiency.

KR (Key Resources) and VP (Value Propositions) of BMC

Furthermore, after the work efficiency had been improved by the introduction of ACOS, new operations became required as a result of the enhanced efficiency. This meant that simple work was replaced with diversified work. This led to new demands for efficiency in terms of higher performance system updates, upgrades and additions. This then created a cycle of enhanced work efficiency, increased volume of new work and work diversification due to the introduction of ACOS, and then using ACOS to resolve these issues. In this way, a business model was created in which promotion of IT in the area of the customer's business would lead to increased ACOS introduction and thereby an increase in profits for NEC.

Point 1: A business expansion cycle is incorporated in the business model

In addition, since the ACOS system was developed based on a unique technology that was different from others, once the ACOS system was introduced, replacing it with another manufacture's system would require significant financial outlay. If a customer introduced the ACOS system in many work areas, the barrier against entry by other competitors would be high because the customer would have to pay very expensive switchover costs. This was an advantage for NEC in that it allowed the company to avoid price competition and maintain high profitability.

Point 2: A mechanism to retain customers and earn high profits is incorporated in the business model

In this way, the general-purpose computer business based on ACOS was one of NEC's most successful business models because by promoting and expanding the use of IT systems in the area of clerical work to meet the needs of the customer, NEC was able to establish a high barrier against entry by competitors, which brought about business expansion and high profits.

Chapter

5

Summary

➤ The One to Many Business Development Process "Ideate" Training (For Beginners)

Have you understood everything that we have learned so far? Let's check by looking at the following questions.
Please click the answer (box) that you think is correct.



How should we develop our business in order to realize NEC's vision?

Use "Defensive" tactics that focus only on existing businesses.

Use "Offensive" tactics that involve investing in and expanding new businesses.

What business style is NEC looking to adopt?

One to One

One to Many

What is necessary for lean startup?

To present the functions or product that you have conceived of in a complete form so that it can be communicated accurately to customers.

To present the minimum required functions or product to customers to identify their true needs through customer feedback.

Which two elements should we focus on first when reviewing a business model?

Key Resources and Channels

Value Propositions and Customer Segments

Cost Structure and Revenue Streams

Have you understood everything that we have learned so far? Let's check by looking at the following questions.
Please click the answer (box) that you think is correct.



How should we develop our business in order to realize NEC's vision?

- ☒ Use "Defensive" tactics that focus only on existing businesses.
- ☐ Use "Offensive" tactics that involve investing in and expanding new businesses.

>> Go to "Chapter 1 The Necessity of Business Development (2)"

What business style is NEC looking to adopt?

- ☒ One to One
- ☐ One to Many

>> Go to "Chapter 2 Issues We Face in Business Development (2)"

What is necessary for lean startup?

- ☒ To present the functions or product that you have conceived of in a complete form so that it can be communicated accurately to customers.
- ☐ To present the minimum required functions or product to customers to identify their true needs through customer feedback.

>> Go to "Chapter 3 What is Lean Startup? (1)"

Which two elements should we focus on first when reviewing a business model?

- ☒ Key Resources and Channels
- ☐ Value Propositions and Customer Segments
- ☒ Cost Structure and Revenue Streams

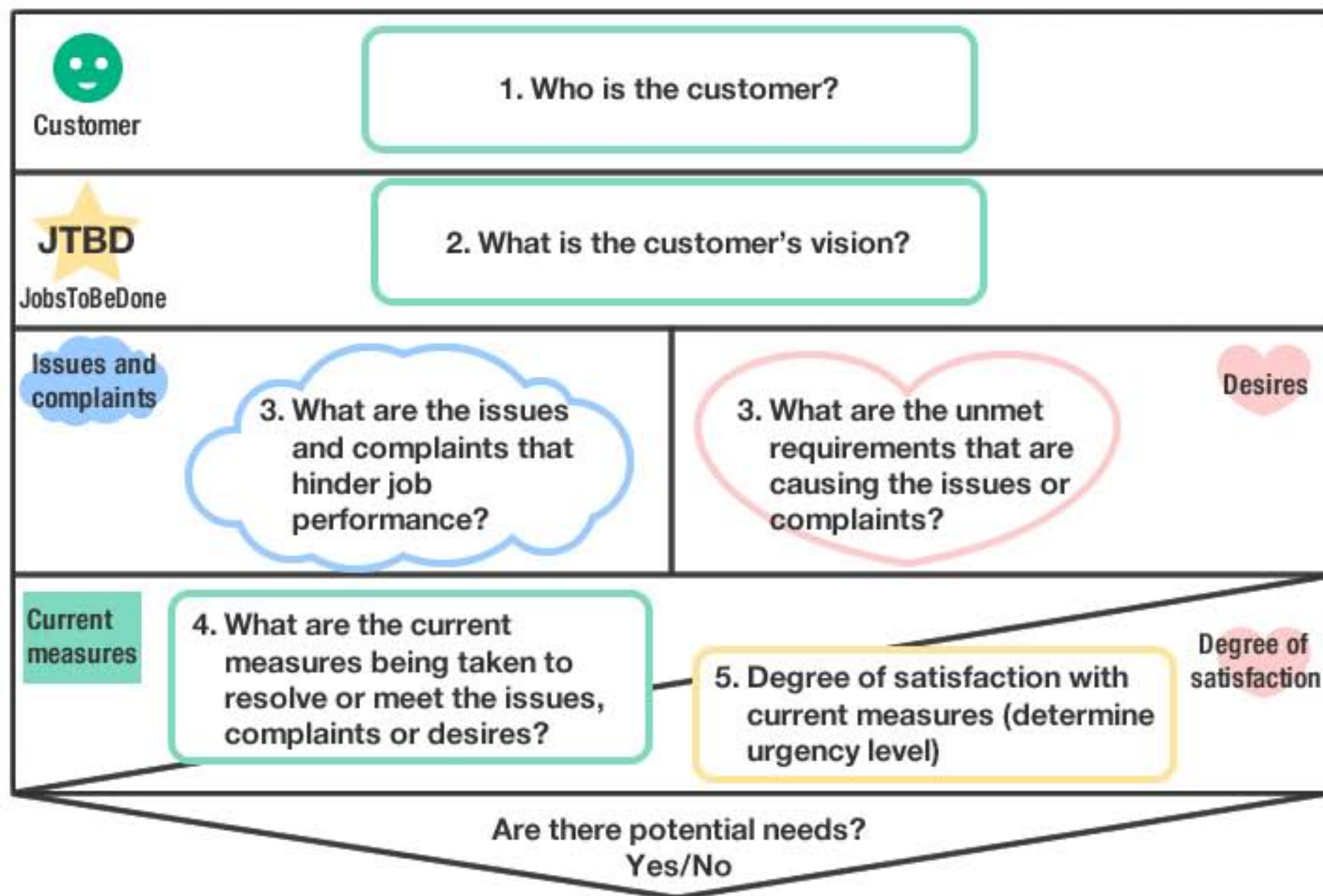
>> Go to "Chapter 4 Overview of the Business Model Canvas (1)"

Mechanism of needs

Value Proposition Canvas (VPC)

Mechanism of needs

This is a tool that focuses on the CS element of the BMC and, in particular, "individual customers." It is used to drill down into a customer's needs and problems to determine which of them are true and urgent.



Source : Learning Entrepreneur's Lab (le-lab.jp)

Value Proposition Canvas (VPC)

This is a tool to help create a BMC. It is used to confirm if the Value Propositions (VP) "fit" the issues or problems of the Customer Segments (CS) and organize them.

For more information about the contents and use of The Value Proposition Canvas, please refer to 'Value Proposition Design: How to Create Products and Services Customers Want (Strategyzer)' by Alexander Osterwalder, Yves Pigneur, etc.. (SHOEISYA).



The One to Many Business Development Process (special website published in Japanese and English)

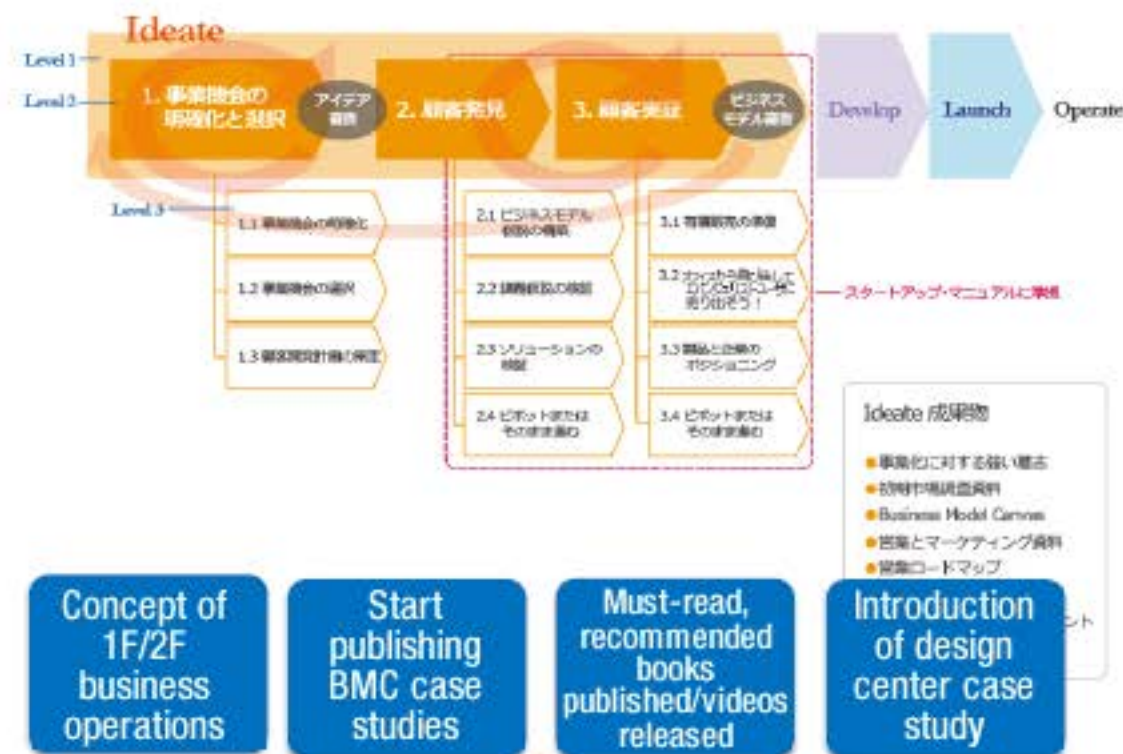
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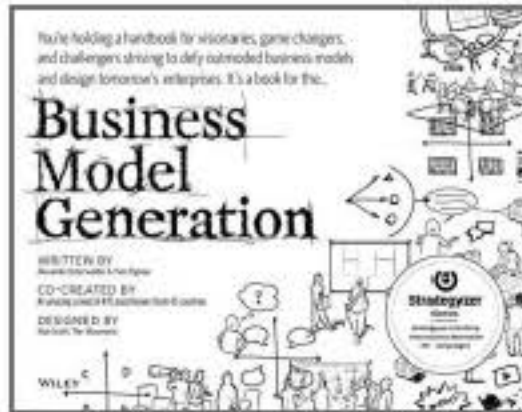
The One to Many Business Development Process

Planning details for processes and activities (Lv4)

Establishing an output system/references/introduction of tools

Roles of executives/business creators/acceleration support team





Business Model Generation Business model design book

Written by Alexander Osterwalder and Yves Pigneur
Translated by Ryusuke Koyama



Value Proposition Design How to create products and services customers want.

Written by Alex Osterwalder, Yves Pigneur
Greg Barnarda and Alan Smith
Translated by Miwa Seki



THE STARTUP OWNER'S MANUAL The Step-by-Step Guide for Building a Great Company

Written by Steve Blank and Bob Dorf
Translated by Masato Iino and Takashi Tsutsumi



THE LEAN STARTUP

Written by Eric Ries
Commentary by Joichi Ito (Director of the MIT Media Lab)
Translated by Koji Iguchi

**This is the end of this training course.
Thank you for your participation.**

Be sure to use the BMC!

