



IDEA TO IMPLEMENTATION





HELLO.



CONTACT INFO

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HOW MIGHT WE...?



AGENDA

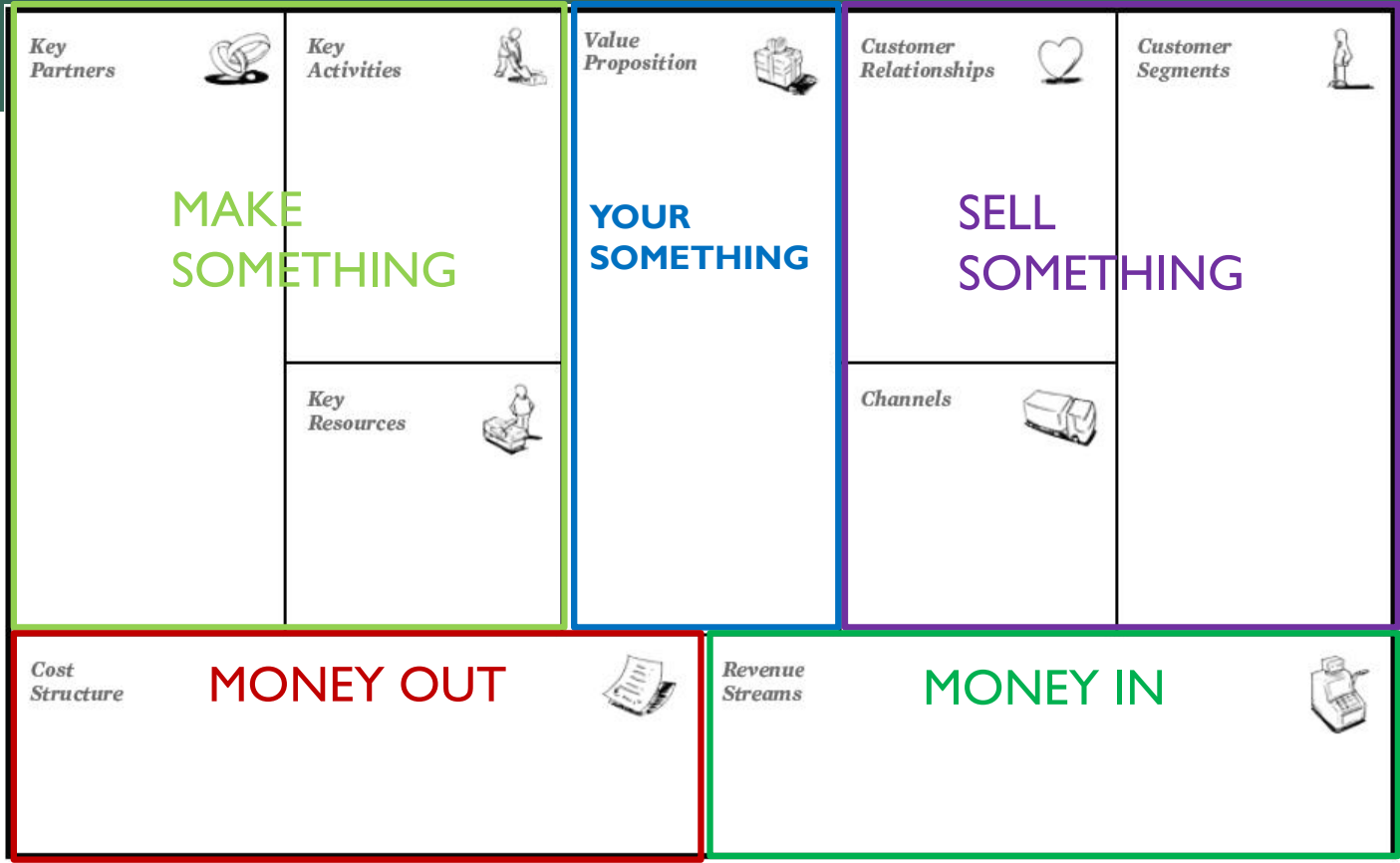
- What are we going to accomplish?
 - Building the business case.
 - Idea to Model
 - Opportunity
 - MVP
 - Strategy
 - Customer Discovery

WHAT HAPPENS WITH AN IDEA?

- In your organization?
- If you are an entrepreneur?
 - Draft Business Model
 - Analyze Opportunity
 - MVP (Minimum Viable Product)
 - Develop Strategy
 - Customer Discovery
 - Repeat (as needed)

WHAT IS A BUSINESS MODEL?

- How you plan to make money.
- “How you plan to take money from your customer’s pocket and put in yours.” - Guy Kawasaki
- “Assumptions about what a company gets paid for.”
– Peter Drucker



Source: Business Model Generation – Osterwalder



QUESTIONS FOR THE BMC.

WHAT ARE YOUR ASSUMPTIONS?



VALUE PROPOSITION

- **What is your proposed solution?**
 - How does it work?
 - How important is it to solve this problem or need?
 - What is unique or different? Your point of differentiation.

CUSTOMER SEGMENT

- **For whom are you creating value?**
- **Who is/are your customer(s)?**
 - What is their profile?
 - What is the Total Available Market?
 - How many potential market segments are there?
 - Does each segment have different needs?
 - What other products or service do / will they want you to provide?
 - How profitable is each segment?

CUSTOMER RELATIONSHIP

- **What type of interaction is your customer requiring?**
 - Do they prefer extensive customer service?
 - Basic transaction with no follow up?
 - Rewards programs?
 - Warranties?
 - Are they becoming a brand ambassador?

CHANNELS (TWO CATEGORIES)

1.) How will they receive the good or service?

- What services will be offered with each channel?
- Do you own the channel or are you dependent on others?
- What are the most cost efficient channels?

2.) How will they hear about the good or service?

- How will you reach each customer segment?
- How are they being reached by your competition? Do they want something else?

KEY ACTIVITIES

- **What do you do to create your value proposition?**
- **What makes you different.**
 - Production activity?
 - Manufacturing / production
 - Specialized problem solving?
 - Consultancy model
 - Platform development?
 - Technology / software / apps
- **Focus on differentiation NOT general business activities.**

KEY RESOURCES

- **What assets (things) do you need to deliver the value proposition?**
 - Human capital?
 - Financial capital?
 - Physical assets?
 - Intellectual assets?

KEY PARTNERS

- **Who do you need to work with to make the model work?**
 - Who are they?
 - What value is delivered by each?
 - What can be borrowed, rented or leased as opposed to purchased?
 - How critical are partners to delivering value to your customer?
 - What risks or uncertainties are reduced through the partnership?

REVENUE STREAMS

- **How does money come into your business?**
 - What are the revenue drivers?
 - What are customers willing to pay? What mechanisms dictate pricing?
 - How do they pay? Are there alternative methods?
 - What is the average time to sale?
 - Frequency of purchases?
 - Volume of purchases?
 - What is the margin?
 - What is the break even point? (unit volume, sales volume)

COST STRUCTURE

- **What are the major expenses you will incur in your model?**
 - COGS (Cost of Goods Sold)
 - What are the cost drivers? (activities, resources, standards)
 - What is the unit cost structure?
 - How much does it take to deliver one product or service session?
 - Are there economies of scale?
 - What costs are fixed / variable?



THE BMC IS NEVER FINISHED.



BMC VIDEO RESOURCES

- <https://youtu.be/RpFiL-lTVLw>
- <https://youtu.be/QoAOzMTLP5s>
- <https://youtu.be/LLKqthjOdN8>



WHAT ARE YOUR NEXT FIVE STEPS?





ARE IDEAS THE SAME THING AS OPPORTUNITIES?



OPPORTUNITIES

- How does your proposal meet market trends?
- Does your proposal impact market growth?
- Does your proposal impact pricing / frequency of purchases / perceived value?
- Does the proposal impact distribution?
- Is the proposal following competition or leading?
- How does the proposal impact vendors?
- Are there regulation issues that arise?
- Impact on global environment and supply chain?



OPPORTUNITIES CHECKLIST EXERCISE





PROTOTYPING



MINIMALLY VIABLE PRODUCT (MVP)



(minimum viable product)



(product)

EXPERIMENTS EXERCISE

- \$50
- \$500
- \$2500



STRATEGY

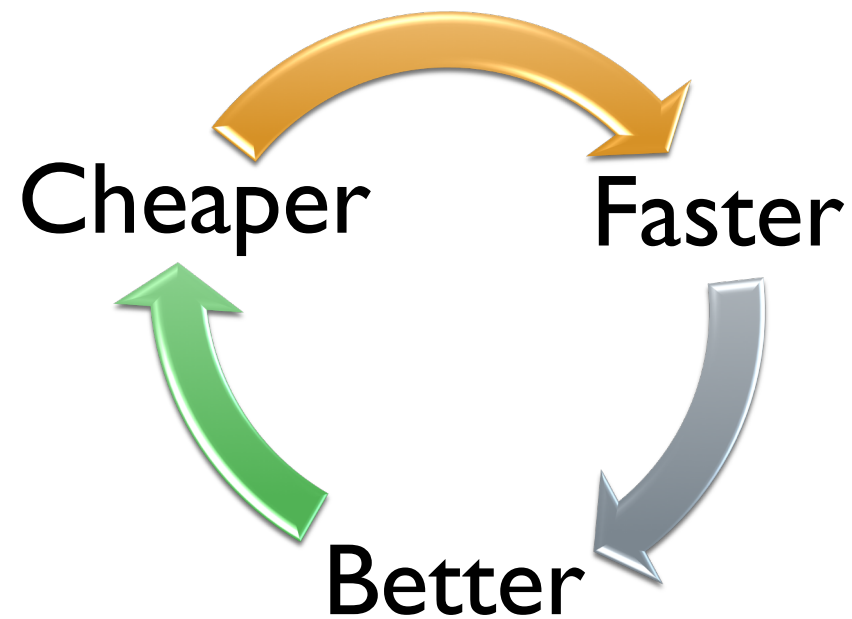
ARE YOU ON OFFENSE OR DEFENSE?



MICHAEL PORTER “WHAT IS STRATEGY?”

- Operational effectiveness is not a substitute for strategy.
 - A company can outperform rivals only if it can establish a difference it can preserve.
- Operational effectiveness lies in efficiency improvements (best practices and technology...primarily.)
 - These improvements are quickly duplicable.
- Strategy is about UNIQUE ACTIVITIES!
 - The choice to do things differently than your competition.
 - (Southwest, IKEA, Tesla, etc.)

TO WIN, YOUR STRATEGY MUST BE TO BE ONE,
OR MORE, OF THESE...





WHAT IS YOUR STRATEGY?

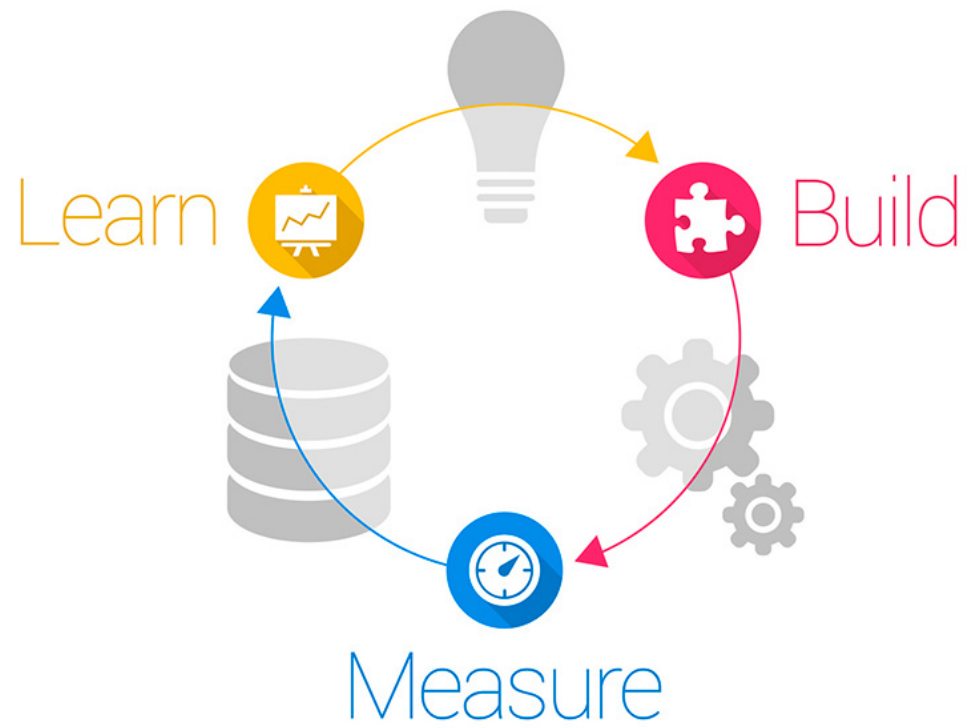




LEAN STARTUP METHODOLOGY

PIONEERED BY ERIC RIES AND STEVE BLANK







STARTUPS ARE DEPENDENT ON INTENSIVE CUSTOMER DISCOVERY

“THE ANSWERS LIVE OUTSIDE OF THE BUILDING.”





CUSTOMER DISCOVERY – 10 PEOPLE EXERCISE





THANK YOU.

