



Lean Launchpad: Finding Your Market Before You Write a Business Plan

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The Lean LaunchPad:

Revolutionizing Startup Development



>200 Universities
>30,000 students

Basis for Science
Grants NSF and NIH

First, Don't Write a Business Plan

- BP's force you to think through your ideas...
- But the static BP can lock you into an untested, failing strategy.
- It's better to think through your issues dynamically before you draft a BP.
- When the LLP process is used, BP's are shorter, more focused, tested and credible.

My background:

apollo

MEMOREX



WANG

yankee
group

ACG[®]
Association for Corporate Growth

SIEMENS



Teleflex[®]
MEDICAL

STARTUP
QUEST

FIU
FLORIDA
INTERNATIONAL
UNIVERSITY

FAU
TECH RUNWAY
Florida Atlantic University

INNOVATION HUB
@ BROWARD COLLEGE
www.broward.edu/hub



THE
VENTURE
MENTORING
TEAM



10 Major Reasons Why Startups Fail

CBI Research, 101 Failed Business Post Mortems.

- 10: Release Product at the Wrong Time.**
- 9: Not Actively Seeking and Using Customer Feedback**
- 8: Poor Market Identification and Target Customer Focus**
- 7: Product Release Without Business Model**
- 6: Product “unfriendly” to Target Customers**

10 Major Reasons Why Startups Fail

CBI Research, 101 Failed Business Post Mortems.

- 5: Incorrect Pricing Strategy.
- 4: Outcompeted in the Market.
- 3: Incorrect Team (or No Team).
- 2: Ran Out of Cash (symptom, not cause).
- 1: No (or weak) “Product-Market Fit”

8 of 10 are marketing related.

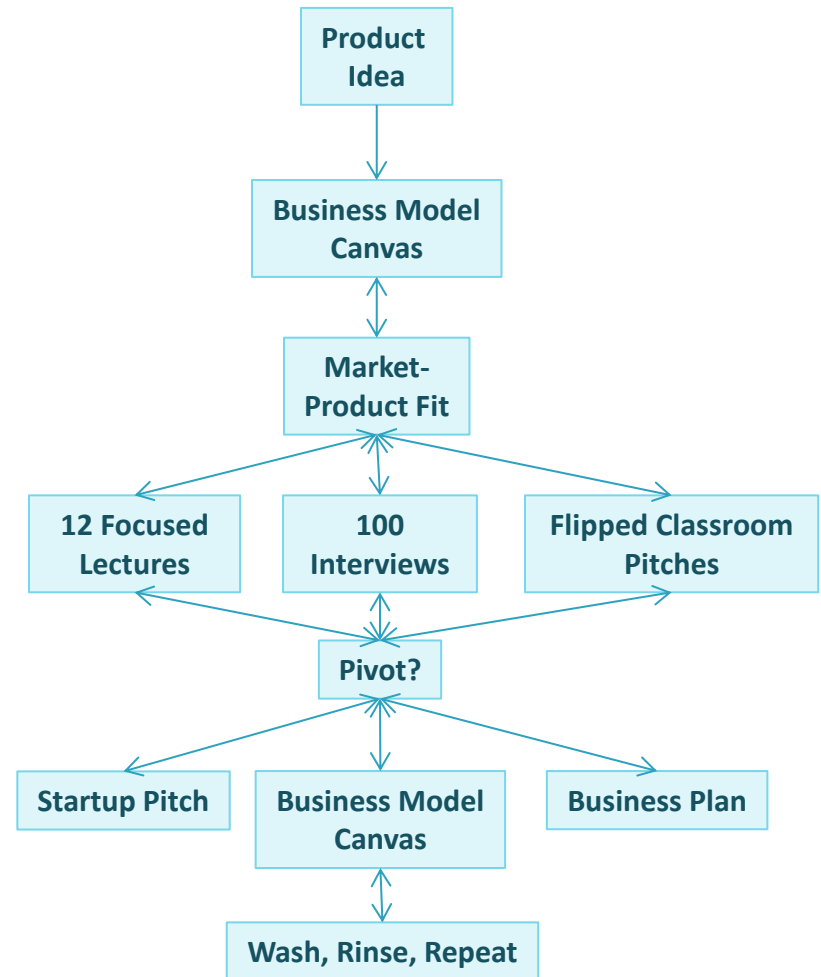
Lean Launchpad Core Beliefs:

- A **Product** Is Not A **Business**.
- A Business **Without Customers** Is a Failure.
- A Business Without a Model Is a **Guess**.
- **Hypotheses** Must Become **Facts** Before **Plans**.
- No Customers **Exist in Your Building**.

So: Get Out of the Building!!

Don't write a business plan until you do LLP:

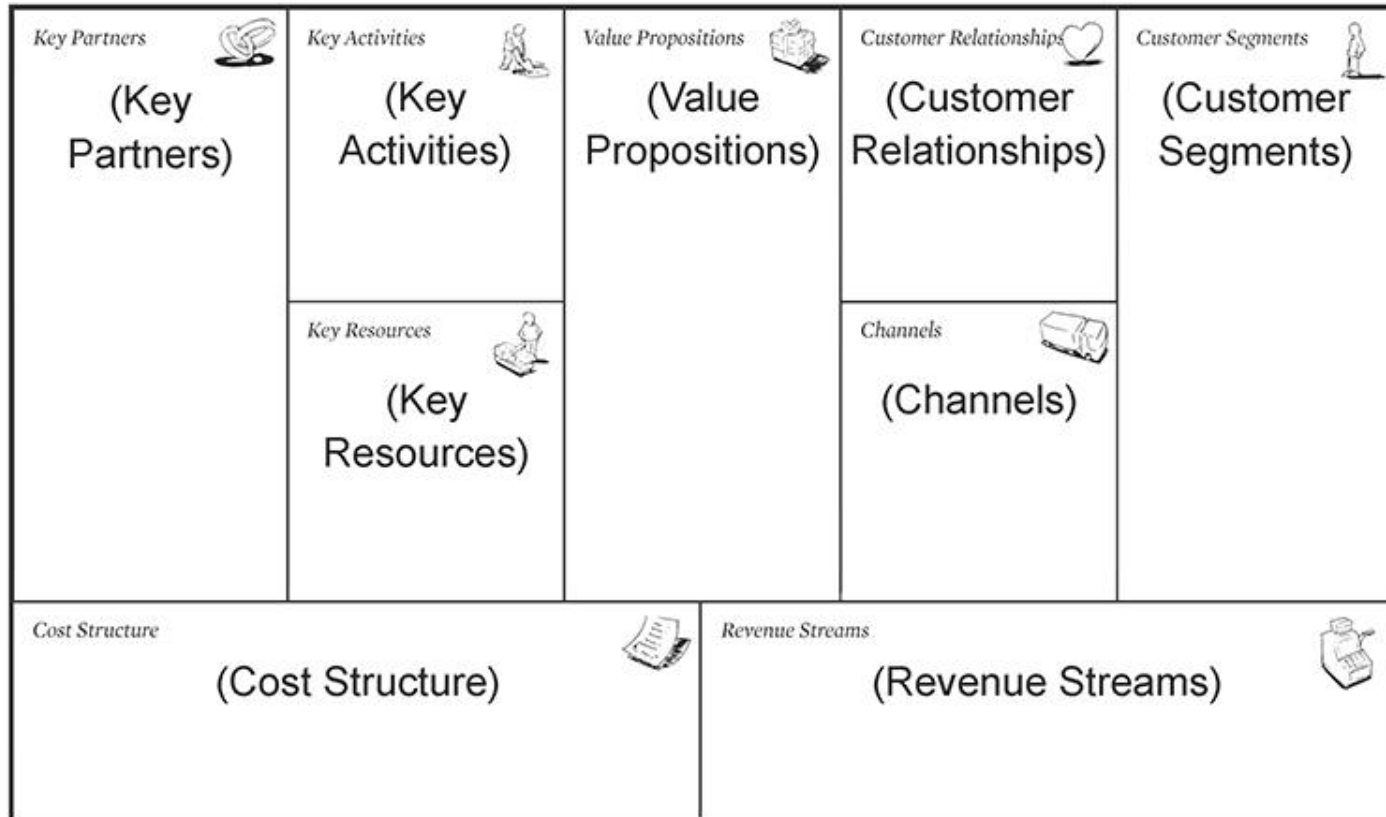
- The best practical startup tool in the last 20 years
- Responded to needs of technologists, scientists, software designers – and inventors
- NIH and NSF use it to make grants.
- It changes how people think about corporations and startups.
- The core:
 - “The Market is Not on Your Screen, or in this Lab, so -- Get Out of The Building!”
- Finding your Product-Market Fit drives the rest.



Before You Draft A Business Plan:

- **Define your Business Model Canvas.**
- **Interview at Least 100 Relevant Parties:**
 - Potential Customers
 - Competitors, Distributors
 - Producers (manufacturers, prototypers etc)
- **Define the Product Market Fit**
 - Can't find a market? Pivot to a New Market
 - Product doesn't fit any market? Find a new Product, because you're likely wasting time and money.

The Core of LLP is the Business Model Canvas.



www.businessmodelgeneration.com

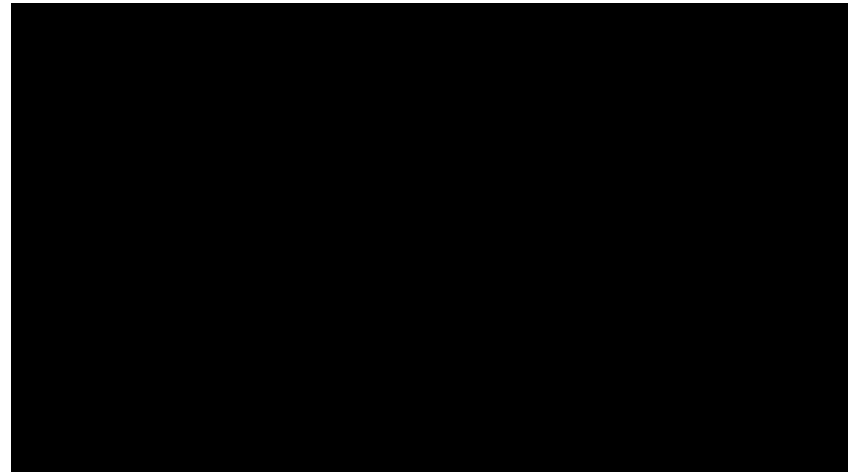
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The Business Model Canvas

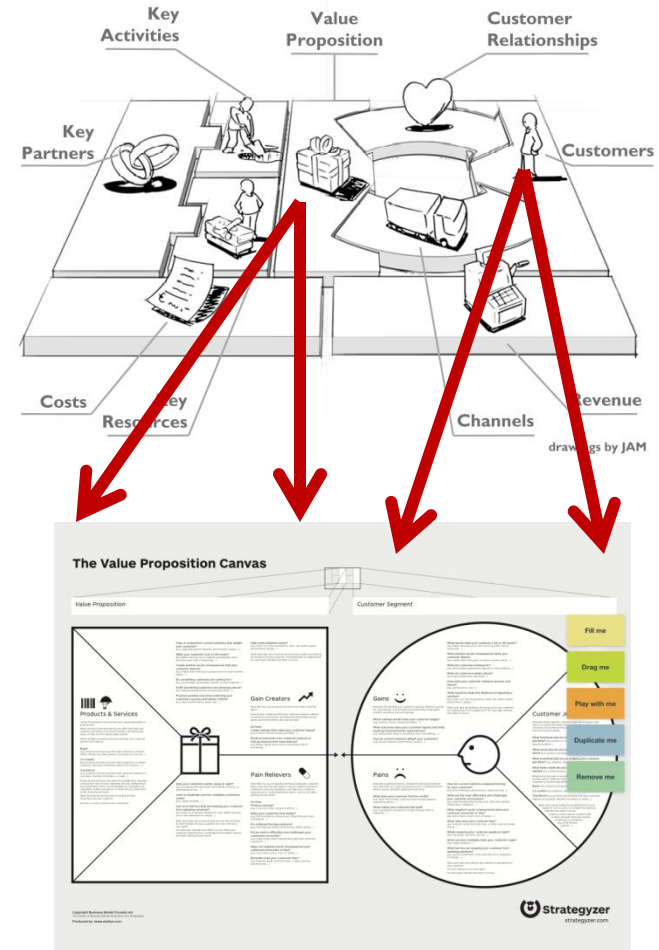


The Value Proposition Plug-in












Lean LaunchPad: a Breakthrough in Entrepreneurship:

- ✓ The Idea gets mapped across the Business Model Canvas.
- ✓ The BMC requires that the Startup be seen as a whole.
- ✓ The Value Proposition matches product requirements to Customer needs....
- ✓ Defining the Product-Market Fit



Case 1: Here's a BMC. Fill it in for Uber. 10 Minutes.

<i>Key Partners</i>  (Key Partners)	<i>Key Activities</i>  (Key Activities)	<i>Value Propositions</i>  (Value Propositions)	<i>Customer Relationships</i>  (Customer Relationships)	<i>Customer Segments</i>  (Customer Segments)
<i>Key Resources</i>  (Key Resources)	<i>Channels</i>  (Channels)			
<i>Cost Structure</i>  (Cost Structure)		<i>Revenue Streams</i>  (Revenue Streams)		

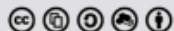
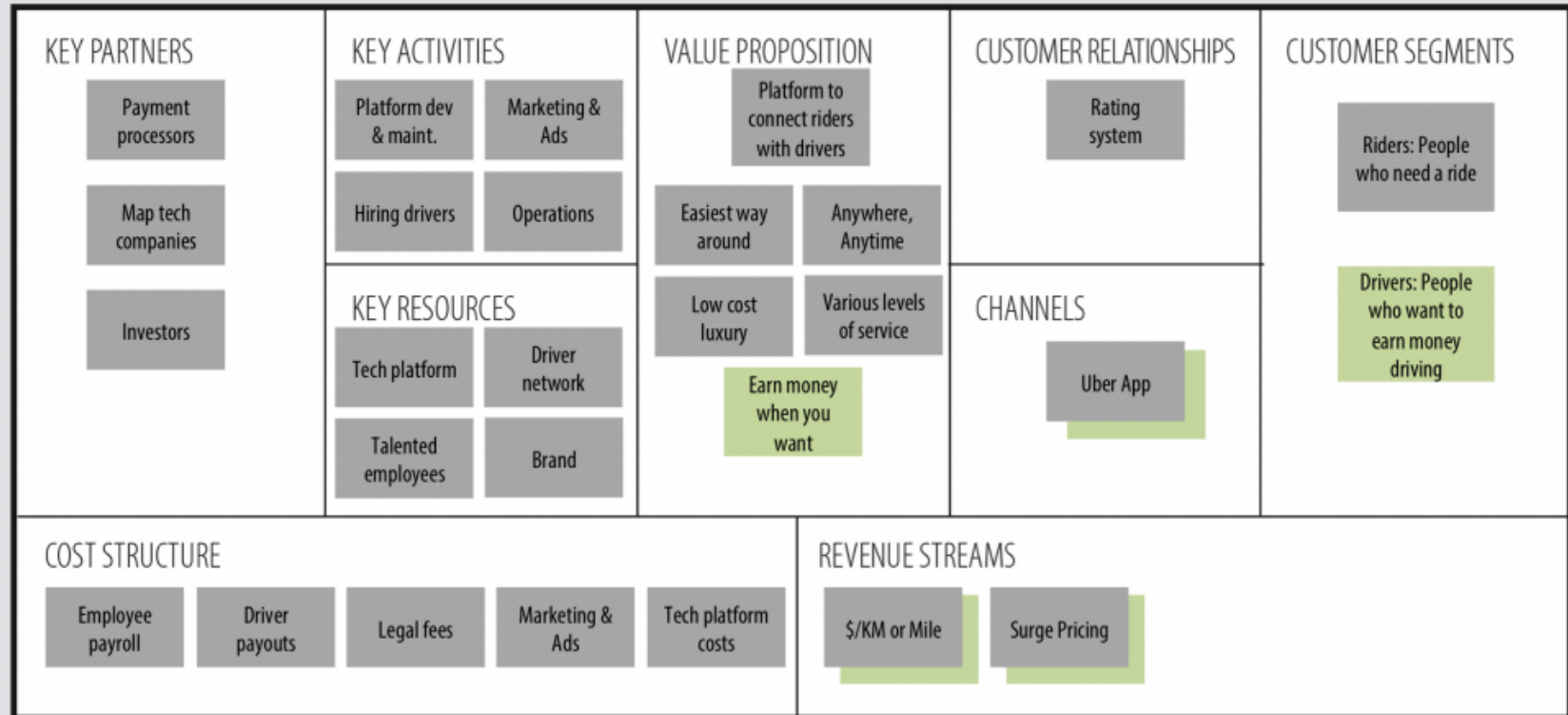
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BUSINESS MODEL CANVAS

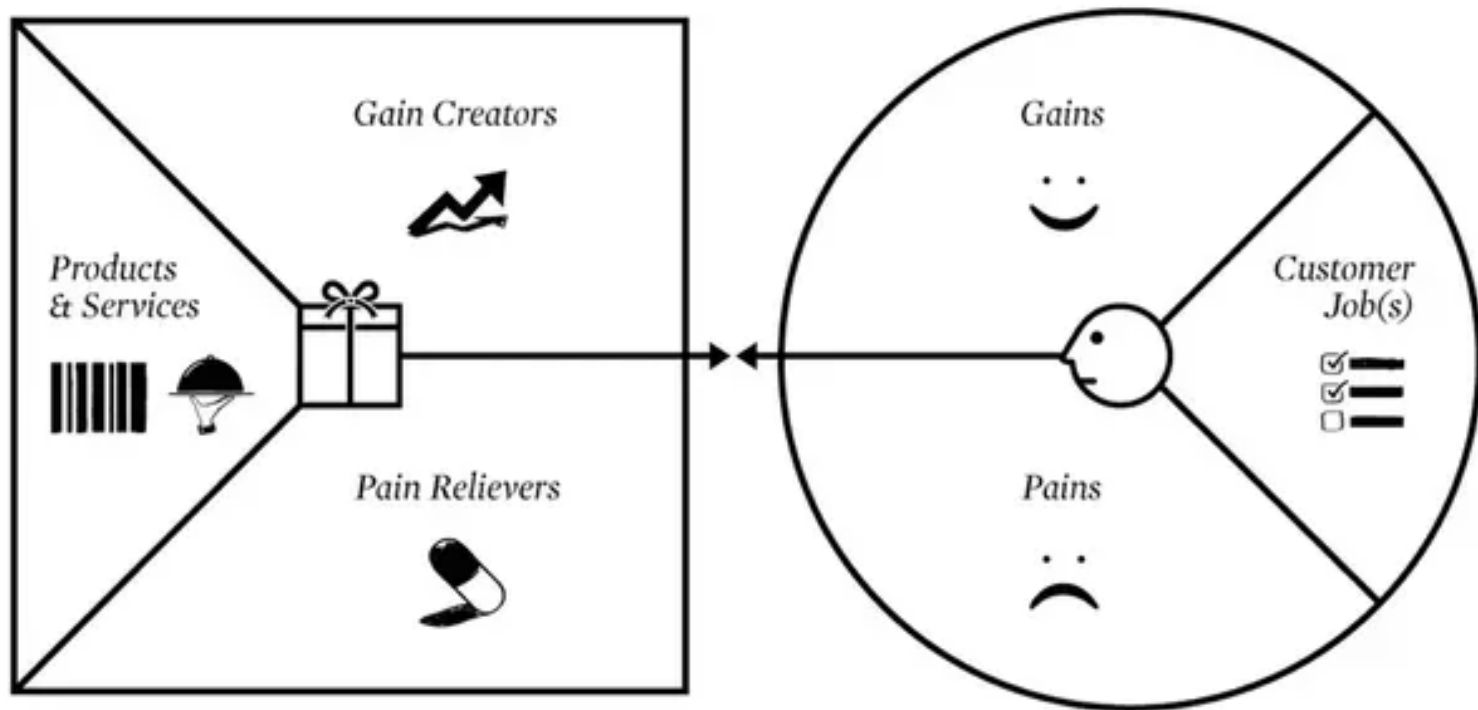
UBER



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 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

Case 3: Here's a VPC. Fill it in for Tesla. 10 Minutes.

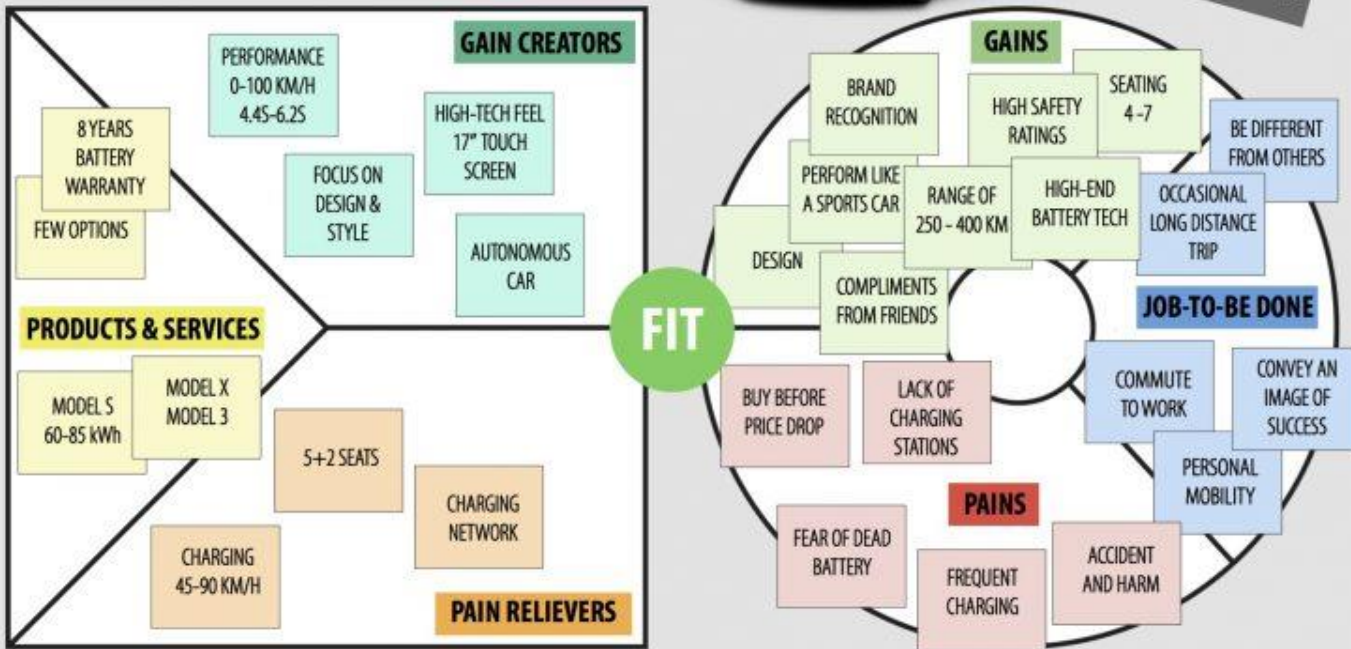


VALUE PROPOSITION CANVAS

TESLA



UPPER MIDDLE
CLASS MALE
\$100k+ INCOME

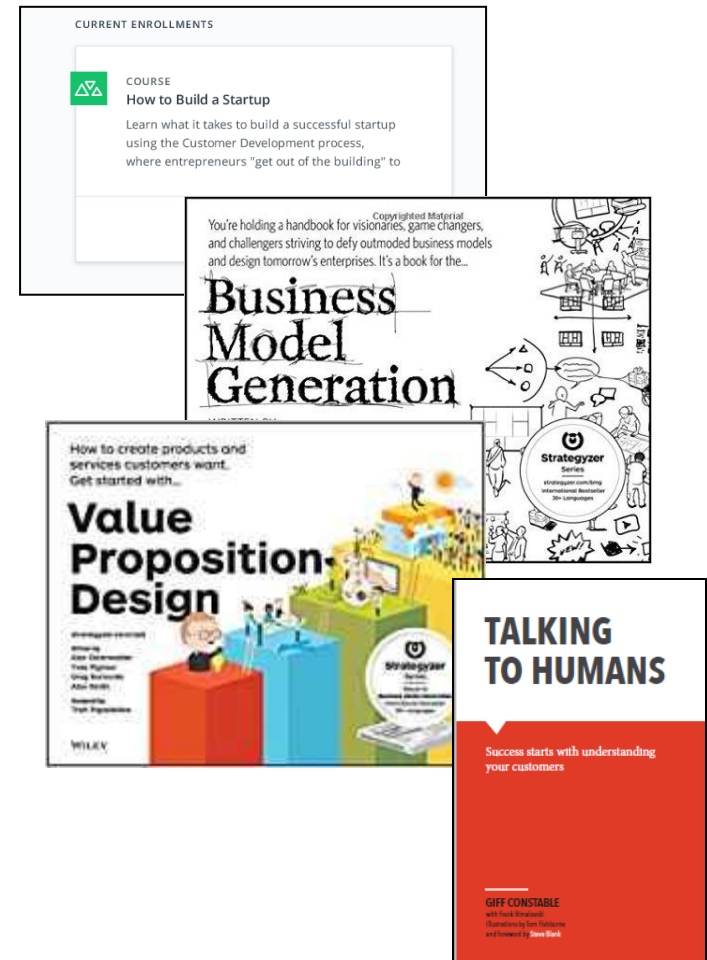


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Strategyzer
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Osterwalder and Blank's Breakthrough in Entrepreneurship

- ✓ **The Lectures (free):**
<https://classroom.udacity.com/courses/ep245/lessons/48743167/concepts/487500570923#> (you'll have to sign in)
- ✓ **The Books:**
<https://www.amazon.com/Business-Model-Generation-Visionaries-Challengers/dp/0470876417>
- ✓ **And:**
https://www.amazon.com/value_proposition_design
- ✓ **As Well As Altman's lectures at Stamford:**
<http://startupclass.samaltman.com/>



Well, that was simple.










Three things before you try to draft a Business Plan:










- **Buy the Osterwalder Book and use it.**
- **Do The BMC and the VPC several times.**
- **Do 100 customer/supplier/designer interviews!**

Thanks!

Backup Slides

Case 2: Here's a BMC. Fill it in for Solar City. 10 Minutes.

<i>Key Partners</i>  (Key Partners)	<i>Key Activities</i>  (Key Activities)	<i>Value Propositions</i>  (Value Propositions)	<i>Customer Relationships</i>  (Customer Relationships)	<i>Customer Segments</i>  (Customer Segments)
	<i>Key Resources</i>  (Key Resources)		<i>Channels</i>  (Channels)	
<i>Cost Structure</i>  (Cost Structure)			<i>Revenue Streams</i>  (Revenue Streams)	

<p>Key Partners</p>  <p><i>Main partners: Solar panels and inverters manufacturers</i></p> <p><i>Master contractual agreements with major suppliers</i></p>	<p>Key Activities</p>  <p><i>Communication and marketing</i></p> <p><i>Installation and maintenance of solar system</i></p> <p><i>Energy advisory</i></p> <p>Key Resources</p>  <p><i>Innovative technology</i></p> <p><i>Real time softwares for energy evaluation</i></p> <p><i>Human resources</i></p>	<p>Value Proposition</p>  <p><i>Integrated solutions for lower energy costs</i></p> <p><i>Renewable energy at prices below utility rates</i></p> <p><i>Better Energy concept - renewable energy + energy efficiency products and services</i></p>	<p>Customer Relationships</p>  <p><i>20-year contract term including ongoing service and repair, as well as further cost savings through constant monitoring of energy spendings</i></p> <p>Channels</p>  <p><i>Direct outside sales force</i> <i>Call Center</i> <i>Channel Partner Network</i> <i>Customer Referral Program</i></p>	<p>Customer Segments</p>  <p><i>Residential customers</i></p> <p><i>Commercial customers</i></p> <p><i>Government entities</i></p>
<p>Cost Structure</p>  <p><i>Installation and maintenance of solar panels</i> <i>Design of energy-efficient solutions</i> <i>Production of solar energy through solar farms</i></p>		<p>Revenue Streams</p>  <p><i>Predicted revenues from long-term customers:</i> <i>Fixed monthly fees from lease customers</i> <i>Fees based on the electricity spent from PPA customers</i></p> <p><i>Additional revenues from energy-efficient solutions</i></p>		

What should they have?

- ✓ Credible team → One guy with an elevator pitch.
- ✓ Business Model canvas; Lean Launchpad Strategy; and 100 market interviews → An idea, of sorts.
- ✓ Unique disruptive product idea → An “expertise” type business pitch deck
- ✓ 10 Minute Comprehensive, focused Pitch → Some scribbles on a napkin
- ✓ Business Plan → Not a clue what financials are really for
- ✓ Complete financial projections → “It’s worth \$2 million or so.”
- ✓ Valuation projections → “Corporation?”
- ✓ Structured Corporation in place → “I’ll hire a salesperson.”
- ✓ First few Customers → “Advisors? You mean a Board of Directors?”
- ✓ Advisors in place

What do they have?