

The background of the slide is a close-up photograph of numerous green leaves. The leaves are of various shades of green, from bright lime to deep forest green, and are densely packed together. Some leaves show signs of aging or damage, with some edges appearing slightly brown or yellowed. The lighting is soft, creating a natural and organic feel.

Iterative Entrepreneurship: Anticipating the business model canvas



What is entrepreneurship?

- Not magic
- Not secret
- Not hidden talent
- **PROCESS**
- Observable, articulable, learnable
- Applicable to a **BROAD** range of human activities




What is the process?

- Iterative, not linear
- Component parts:
 1. Problem identification/Opportunity recognition
 2. Ideation
 3. Identification of customer
 4. Competitive analysis
 5. Market and industry analysis
 6. Business model (operational structure)



Each part has a question

- What question do most people ask first?
 - > *“How do I make money?”*
- What’s a BETTER question?
 - > *“What problem can I solve? What need isn’t being met?”*
- BEST question:
 - > *“WHY are things this way?”*



In other words: Problem Identification!

- Chambers' advantage: created to solve a problem
- Usually already *know* the problem that needs solving
- The challenge is turning the solution into a sustainable venture
- In-class q: What problem do you want to solve? *Be as specific as possible....*



Turning Problem Identification into Opportunity Recognition

- Why is this an opportunity?
- “What’s the ‘market pain’?” – why do we use this expression?
- *Pain is a powerful motivator of behavioral change.*
- If you’re wrong about the “pain,” your audience won’t be interested in your solution



Ideation

- What's the question here?
- *“What is our solution?”*
- This is your product or service
- What are you going to build, or make, or provide, or do?



Customer identification

- What is the question here?
- *“Who are we doing this for?” “Whose problem are we solving?”*
- Be as specific as possible
- “Patron,” “Consumer,” “Beneficiary”,
“Recipient,” “Stakeholder”
- Remember the “buyer/end user distinction” – is the person who PAYS for the product and the person who receives the benefit the same?
- Example: Children’s toys, pharmaceuticals



Competition

- What's the question here?
- Commercial context: *“What other product/service choices do our customers have?”*
- Chambers: *“What behavior are we looking to change? What does our target audience do now?”*
- Example: access to financial services



Competition, cont'd.

- But you also have to consider other aspects of “competition”
- *“Who is competing for our stakeholders’ time?”*
- *“Who are we competing with for space?”*
- *“Who are we competing with for funding?”*
- And: never underestimate the power of “Nothing”!



Market and Industry Analysis

- What is the question here?
 - *“What are the trends we need to be looking at?”*
 - *“What’s happening to other players in our space?”*
 - *“Where are the threats?”*
 - *“Where are the opportunities?”*
- View from 30,000 feet

Business Model

- This is your organization's operational structure
- What are the questions here?
 - *"What are we going to do?"*
 - *"How are we going to do it?"*
 - *Who's going to do what?"*
 - *"How are we going to make money [or stay afloat] doing it?"*
 - *How are we going to GROW?"*



Hypothesis-driven entrepreneurship

- In-class q: *What do established companies have that startups don't?*
- INFORMATION
- *About what?*
- EVERYTHING: products, customers, market, pricing, costs, competition, industry trends, etc.



So let's go back to your questions....

- *What problem are we trying to solve?*
- *Whose problem is it?*
- *What is our solution?*
- *What/who else is out there?*
- *Why is our idea/product/service better?*
- *How will we grow/thrive in this space?*
- **WHAT IS INHERENT IN THE ANSWERS TO ALL OF THESE QUESTIONS???**



ASSUMPTIONS!

- What assumptions are you making?
- *In-class discussion*
- The challenge for the entrepreneur is to TEST and VALIDATE these assumptions early on – without breaking the bank.
- In other words, you *don't* want more money!
- That's what's meant by a “lean startup”



Starting up lean

- What is your most IMPORTANT assumption? Test that one first...
- It should be set up as a HYPOTHESIS, e.g., “If we’re right about X, then Y will happen.”
- Or, “If X, then Y. If not, then why?”
- This is where your “MVP” comes in ...



Minimum Viable Product*

- Create only as much of a product or service as you need to *test your hypothesis* with your stakeholders; everything else is *waste*.
- You'll have “yes” answers, “no” answers, and “surprise!” answers – things you never saw coming, and didn't even think to ask
- Incorporate that feedback into the next iteration of your product or service
- “Start up, screw up, scale up!”[©]

* “Lean Startup” and “Minimum Viable Product” are terms created by Eric Ries.



Incorporating “human-centered design”

- Innovator-user feedback loop
- Incorporating stakeholder feedback moves you from “expert-centric” to “user-centric” thinking
- All entrepreneurs are subject to “expert-centric” thinking, but government agencies and nonprofits perhaps uniquely so



Moving into the Business Model Canvas

- The “Business Model Canvas” allows you to map out the assumptions underlying the operational structure of your organization
- Including the ones we’ve already referenced, as well as more detailed ones about the way the enterprise will be run, what costs will be, and where revenue will come from



QUESTIONS??