



2022 Student Entrepreneurs' Programme

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2022 Student Entrepreneurs' Programme

Customer Discovery

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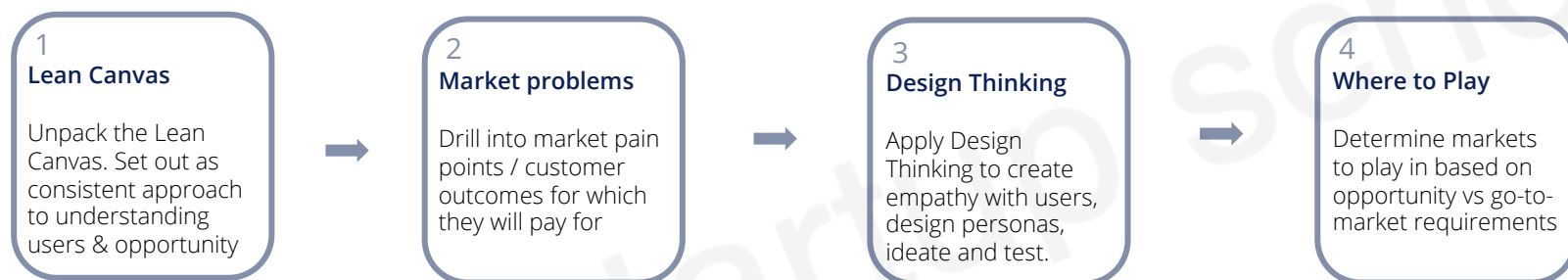


2022 StEP - Workshop Schedule

Week 1 – Developing the opportunity | Week 2 – Digging in & getting ready to pitch

Week 1

Coaching to focus on validating needs, users, opportunity & common challenges for start-ups



1 Lean Canvas
Unpack the Lean Canvas. Set out as consistent approach to understanding users & opportunity

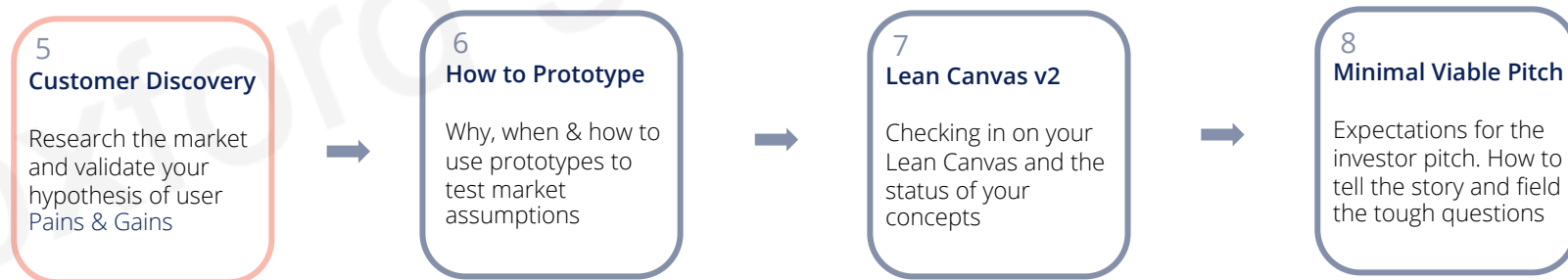
2 Market problems
Drill into market pain points / customer outcomes for which they will pay for

3 Design Thinking
Apply Design Thinking to create empathy with users, design personas, ideate and test.

4 Where to Play
Determine markets to play in based on opportunity vs go-to-market requirements

Week 2

Support to translate opportunity into a viable, presentable investor pitch with go forward plans



5 Customer Discovery
Research the market and validate your hypothesis of user Pains & Gains

6 How to Prototype
Why, when & how to use prototypes to test market assumptions

7 Lean Canvas v2
Checking in on your Lean Canvas and the status of your concepts

8 Minimal Viable Pitch
Expectations for the investor pitch. How to tell the story and field the tough questions

Introducing the workshop

Customer Discovery

- **Key principles PT1** – Customer Discovery, Who, Where, What do they need to do?
- **Expanding your thinking** – An interactive case study. What works and what to avoid?

Over to you – A continuous process of Customer Discovery – what do you need to know?

- **Key principles PT2** – Sizing the market , how many of your target customers can you reach?
- **Joining up the dots** – What's next on your journey with interactive feedback
- **Feedback** - Summarise today's learnings and discoveries what's next ?

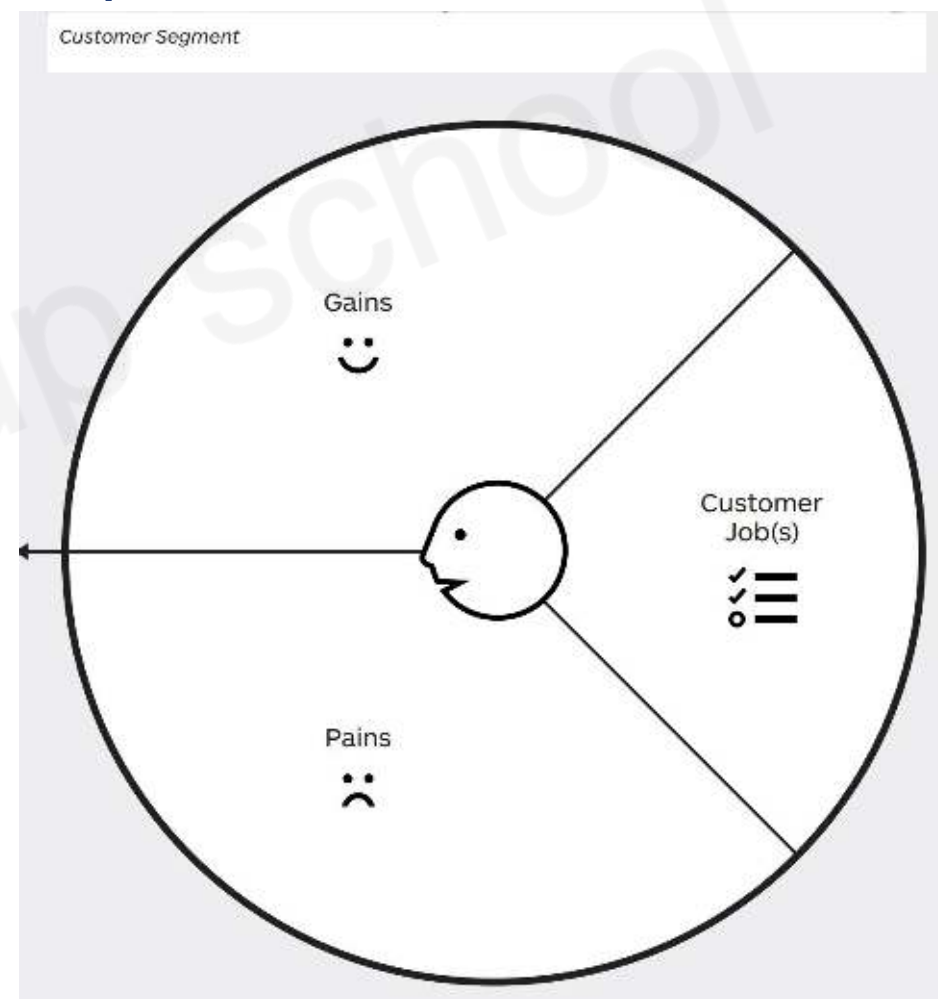
Customer Discovery

USING THE FRAMEWORK TO DEVELOP YOUR THINKING & CUSTOMER UNDERSTANDING

Customer Segment/Profile

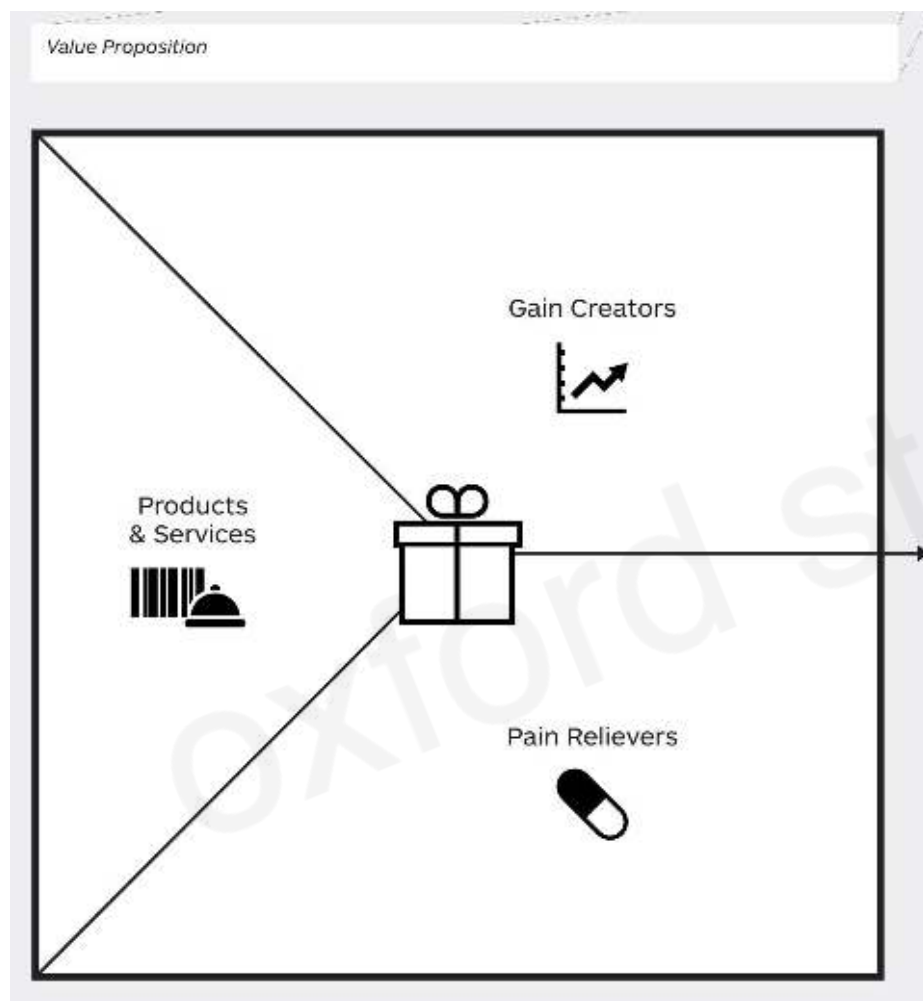
What is the job the customer(s) needs or wants to complete?

- **Customer jobs** what are customers trying to do and in what environment (AEIOU)
- Jobs have different **levels of importance**, what are the consequences of not completing the job? Is it crucial or nice solution to have?
- **Gains** describe the outcomes customers want to achieve or the solid benefits they are seeking – some they expect others, are a surprise
- **Pains** what are the bad outcomes, risks and challenges related to customer jobs



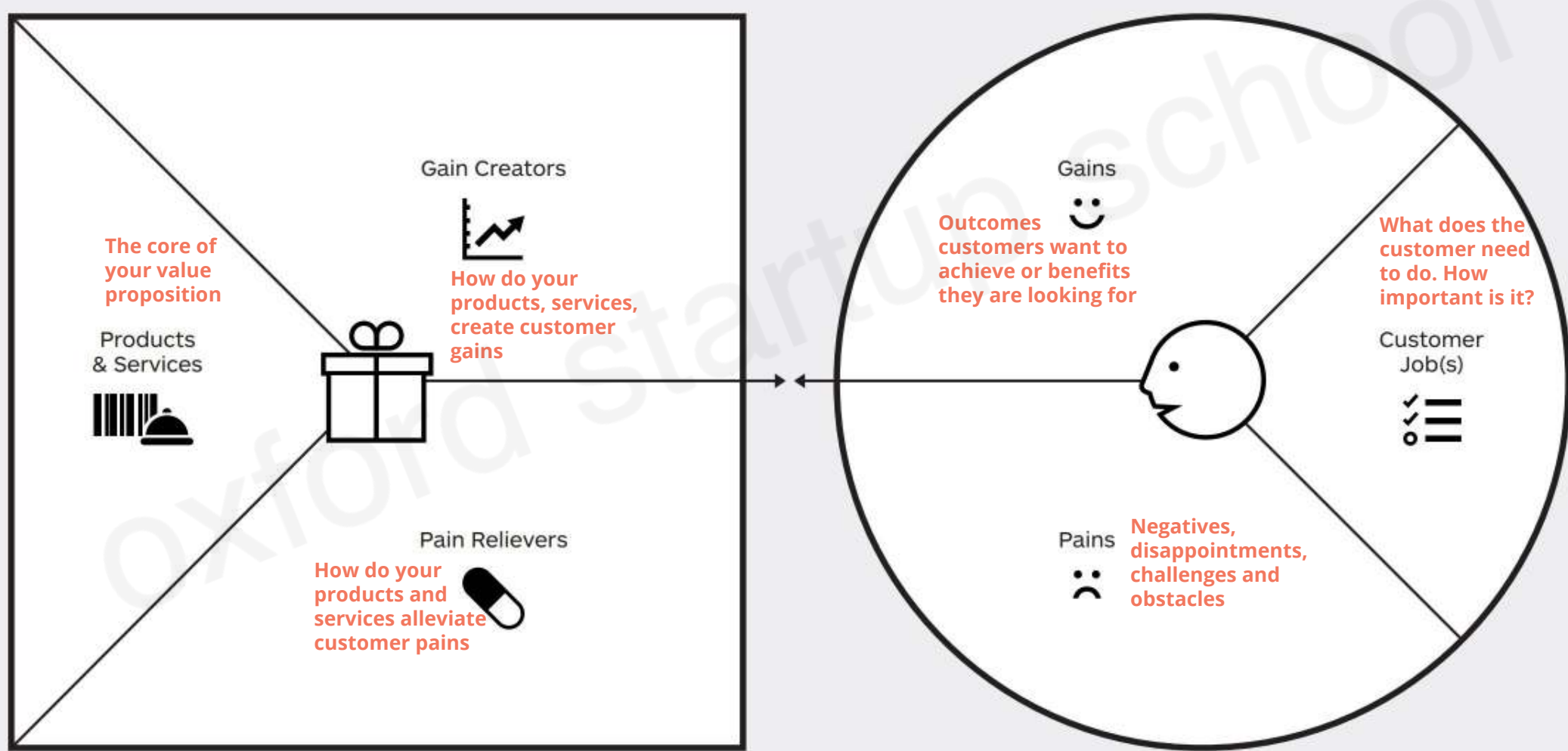
Value Map

Breaking your value proposition into products & services, pain relievers and gain creators



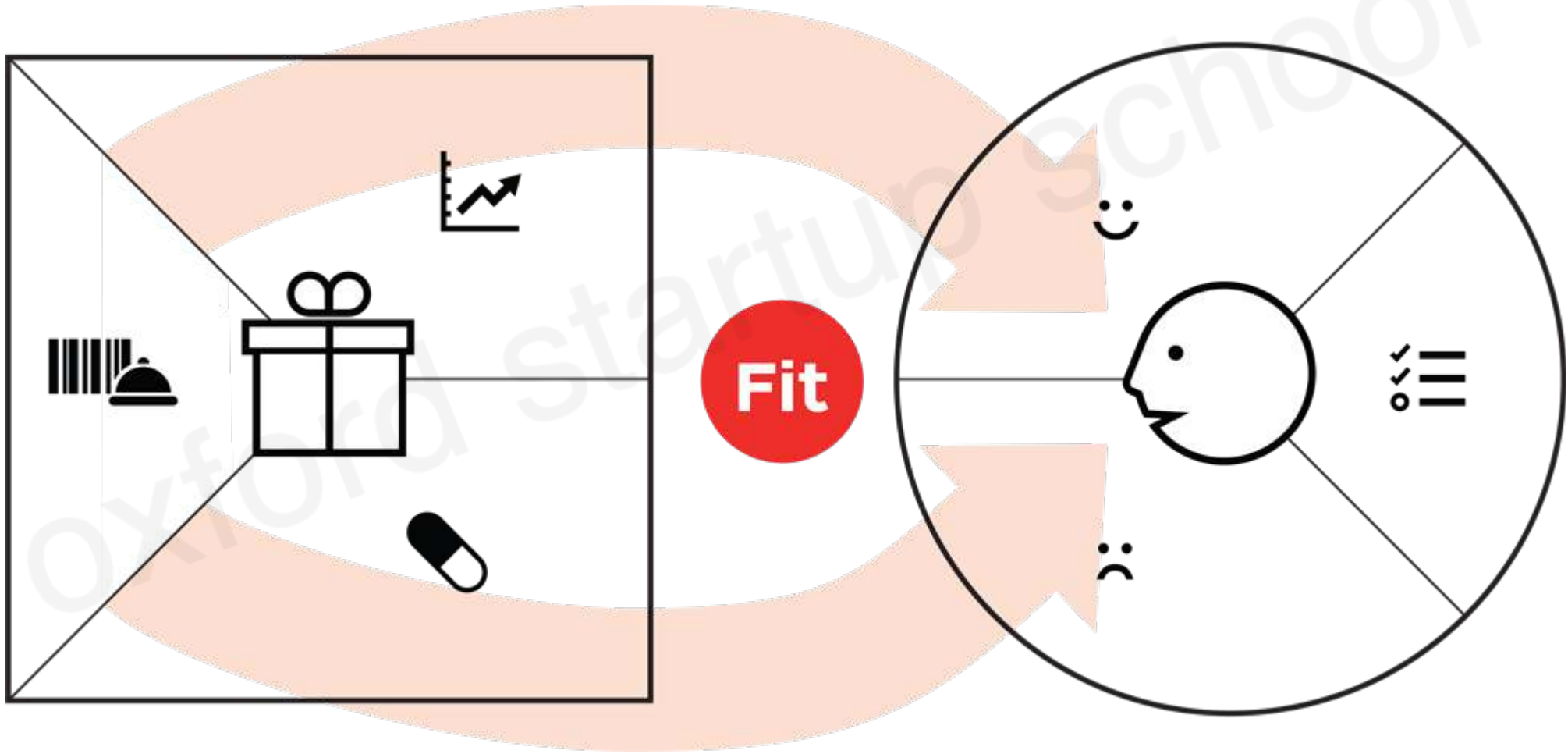
- What **products and services** does your value proposition provide?
- **Gain creators** describe how your products and services create customer gains, these can be required, expected or desired or an unexpected moment of delight.
- **Pain relievers** describe how your products and services alleviate customer pains? Financial, time frames
- Create a **priority list**, ranking products and services, pain relievers and gain creators, depending on their importance to customers.

The Value Proposition Canvas



Value Proposition Canvas

Fit is when customers really want your value proposition. This will depend on how you address important jobs, alleviate customer pains and create gains. Fit is hard to achieve – getting there is at the core of Value Proposition Design





CRED

we take your money matters seriously.

so that you don't have to.

Everytime you pay your bills

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Get out of the building!

Take a Value Proposition Canvas and explore your proposition

CUSTOMER DISCOVERY

Using Business Tools

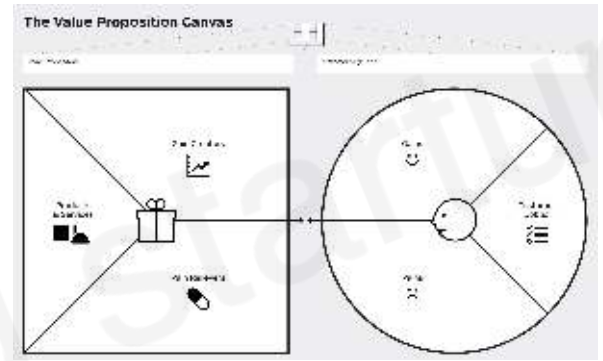
Value Proposition Canvas

STEP 1 STEP TEAMS



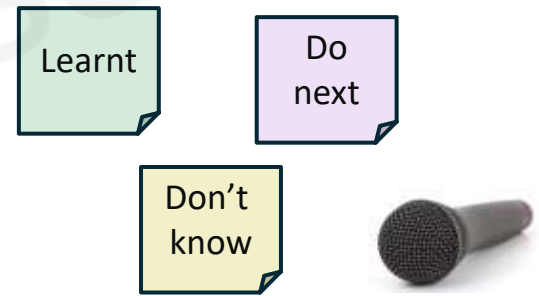
Work with your team

STEP 2 APPLICATION



Customer Discovery Canvas – assumptions & questions are ok

STEP 3 STICK 'N' SAY



Using our standard reflection questions we will update the Stick 'n' Say walls

Stick 'n' Say

Standard reflection questions to capture, share & discuss

1. What did you **learn / like** by using the Value Proposition Canvas with your team?
2. What **don't you know** and why does this matter?
3. What are you going to **do next** and what do you hope to achieve?

Let's look at the 'Help Me' wall

Sweeping up the wall together – working as a community



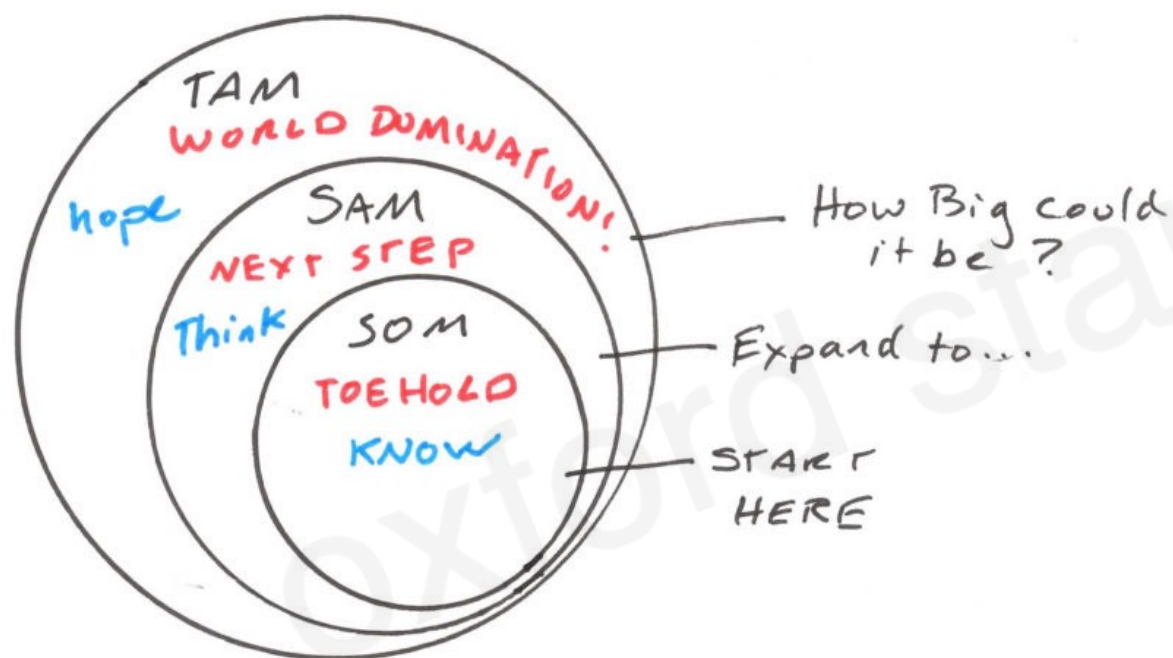
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Expanding your thinking

WHAT WE CAN LEARN FROM OTHERS

Market Opportunity Size

Linking your value to the segment to the opportunity



- TAM or **Total Available Market** is the total market demand for a product or service.
- SAM or **Serviceable Available Market** is the segment of the TAM targeted by your products and services which is within your geographical reach.
- SOM or **Serviceable Obtainable Market** is the portion of SAM that you can capture.
- **Still confused?** TAM SAM SOM? Let's take an example.

Market Opportunity Size Example

Linking your value to the segment to the opportunity



- Total South African Market
- 58.5 million population **Hard Fact**



- Total Addressable Market (**TAM**)
 - 22.4 million of working population **Hard Fact**
 - 16.4 million are employed **Hard Fact**
 - 20% are in profession occupations **Soft Fact**
 - *3.28 million have the means to make significant savings*
- Service Addressable Market (**SAM**)
 - ABSA has 22% market share **Hard fact**
 - *0.72 million existing customers **
- Target Market (**SOM**)
 - Assume 25% penetration of existing customer base **SWAG!**
 - *0.18 million existing customers that is a reasonable target number*
 - 0.3% of Total Market!

* assuming wealth management product is an add-on to existing ABSA products and services


Customer Discovery

<p>PROBLEM 1</p> <p><i>List your top 1-3 problems.</i></p> <p><i>Do we know the key pain points. And, does it hurt enough so people will pay for the pain to be relieved...</i></p> <p>EXISTING ALTERNATIVES</p> <p><i>List how these problems are solved today.</i></p> <p><i>How do we solve customer apathy or hard implementation...</i></p>	<p>SOLUTION 4</p> <p><i>Outline a possible solution for each problem.</i></p> <p><i>How you will relieve pains points with your proposed solution</i></p>	<p>UNIQUE VALUE PROPOSITION 3</p> <p><i>Single, clear, compelling message that states why you are different and worth paying attention.</i></p> <p><i>What makes us attractive to customers, like solving their pain! And, what's interesting for investors...</i></p> <p>HIGH-LEVEL CONCEPT</p> <p><i>List your X for Y analogy e.g. YouTube = Flickr for videos.</i></p> <p><i>Give it me in a sentence, or your elevator pitch...</i></p>	<p>UNFAIR ADVANTAGE 5</p> <p><i>Something that cannot easily be bought or copied.</i></p> <p><i>Your: IP, know-how, technology, brand, trade secrets, finances, customers, timing...</i></p>	<p>CUSTOMER SEGMENTS 2</p> <p><i>List your target customers and users.</i></p> <p><i>Who's hurting, who's bothered, and who's prepared to pay?</i></p> <p><i>This might be segments, personas or buyer roles...</i></p> <p>EARLY ADOPTERS</p> <p><i>List the characteristics of your ideal customers.</i></p> <p><i>Which personas are likely to help us test market-product fit</i></p>
<p>COST STRUCTURE 6</p> <p><i>List your fixed and variable costs.</i></p> <p><i>What are the key capital and operating costs</i></p> <p><i>Are there significant investment to get going</i></p> <p><i>What's the running cost and working capital needs</i></p>		<p>REVENUE STREAMS 6</p> <p><i>List your sources of revenue.</i></p> <p><i>From where is revenue being generated</i></p> <p><i>How is everyone getting paid</i></p> <p><i>What is the business model being used</i></p>		

Signposting the Pitch Canvas...

Phase 1: Opportunity


Phase 2: Validation

<p>Simple Statement of what change you and your product are making in the world.</p> <p>A memorable one-sentence explanation of what you do for customers.</p> 		<p>Customer Traction</p> <p>Success so far? Pilot customers? Major brands? Progression in users or downloads? Customer reference quotes or movies? PR coverage? Competition wins? Use data and facts to strengthen your case.</p> 	<p>Business Model</p> <p>How do you get paid? What's the opportunity for growth? How can you scale beyond your current scope: new industries, territories, applications of partnerships and technology?</p> 
<p>Pain (+ Gain)</p> <p>What problem are you solving for your customers? What does the pain result in? Can you make the pain a human problem, that everyone can relate to? How many people need this problem solved – market size? Have you validated that people will pay to have it solved?</p> 	<p>Product</p> <p>As simply as possible: How does it work? What does your product do for customers? What can your customers do as a result of your product? What opportunities do you provide for people to be faster, more cost-effective, more efficient, happier, safer? How have you tested it with customers? (Be sure not to let the product dominate the pitch.)</p> 	<p>Investment</p> <p>Have you invested money yourself? Have you raised money so far? How much are you looking for now? What big next steps will you use the investment for? What milestones will you reach with the money? How many, and what type of investor are you looking for? What expectations do you have of your investors; network, expertise?</p> 	<p>Team</p> <p>What relevant experience and skills does your team have that supports your story? Brands worked for? Achievements? Sales success? What binds you together as people and as entrepreneurs to fix this problem? What's special about the character of your team, that will make you stand out and be memorable?</p> 
<p>Product Demo</p> <p>Live demo? (always risky, but powerful if it works...) A screenflow movie of a working app convinces this is for real. Physical product convinces you can execute. Screenshots are also OK, but can look like a mock-up – moving product on screen is better. Can you show a real customer using it?</p> 	<p>What's Unique</p> <p>Technology/Relationships/Partnerships. How do you help your customers get results differently to your competition, or alternatives? What's new and innovative about your solution? Show you have researched the market and know what competition is out there.</p> 	<p>Call To Action and End Statement</p> <p>Finish the pitch strongly with a clear request for the audience to take action – what is their first next step?</p> 	

Why You?

NOTE: Why You? can show up in any part of the pitch.

Why do you care about solving this problem for your customers? How has your life been affected by this industry?
Why should your audience have confidence that you are driven to do what you promise, no matter what?



Phase 3: Pitch Ready

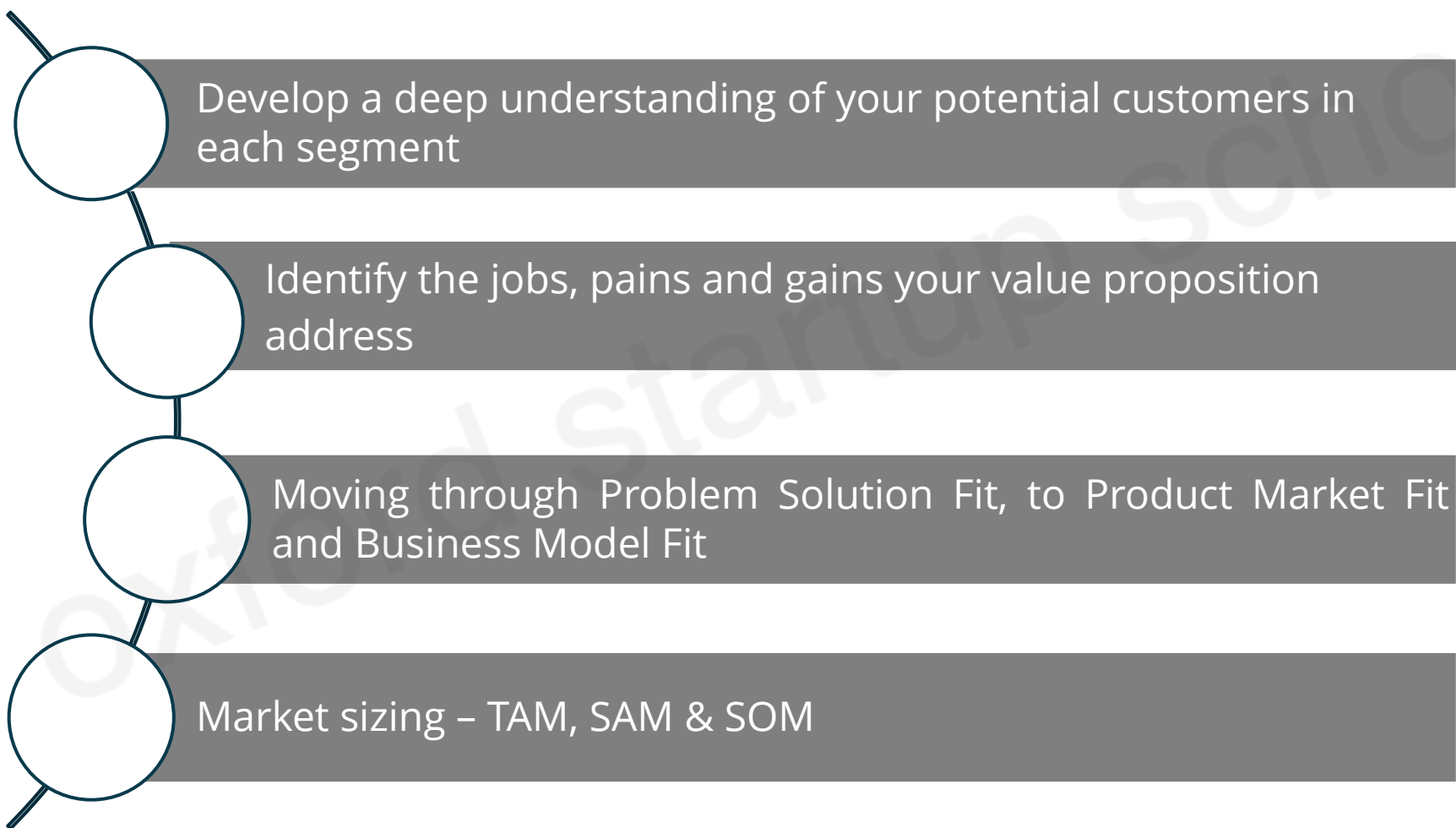
Source: Best3Minutes.com

Joining up the dots

CONNECTING YOUR UNKNOWNNS WITH YOUR BIG VISIONS

Customer Discovery

A continuous, iterative process of discovery, learning and testing



Session feedback

Customer Discovery

menti.com with code

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Thank you



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