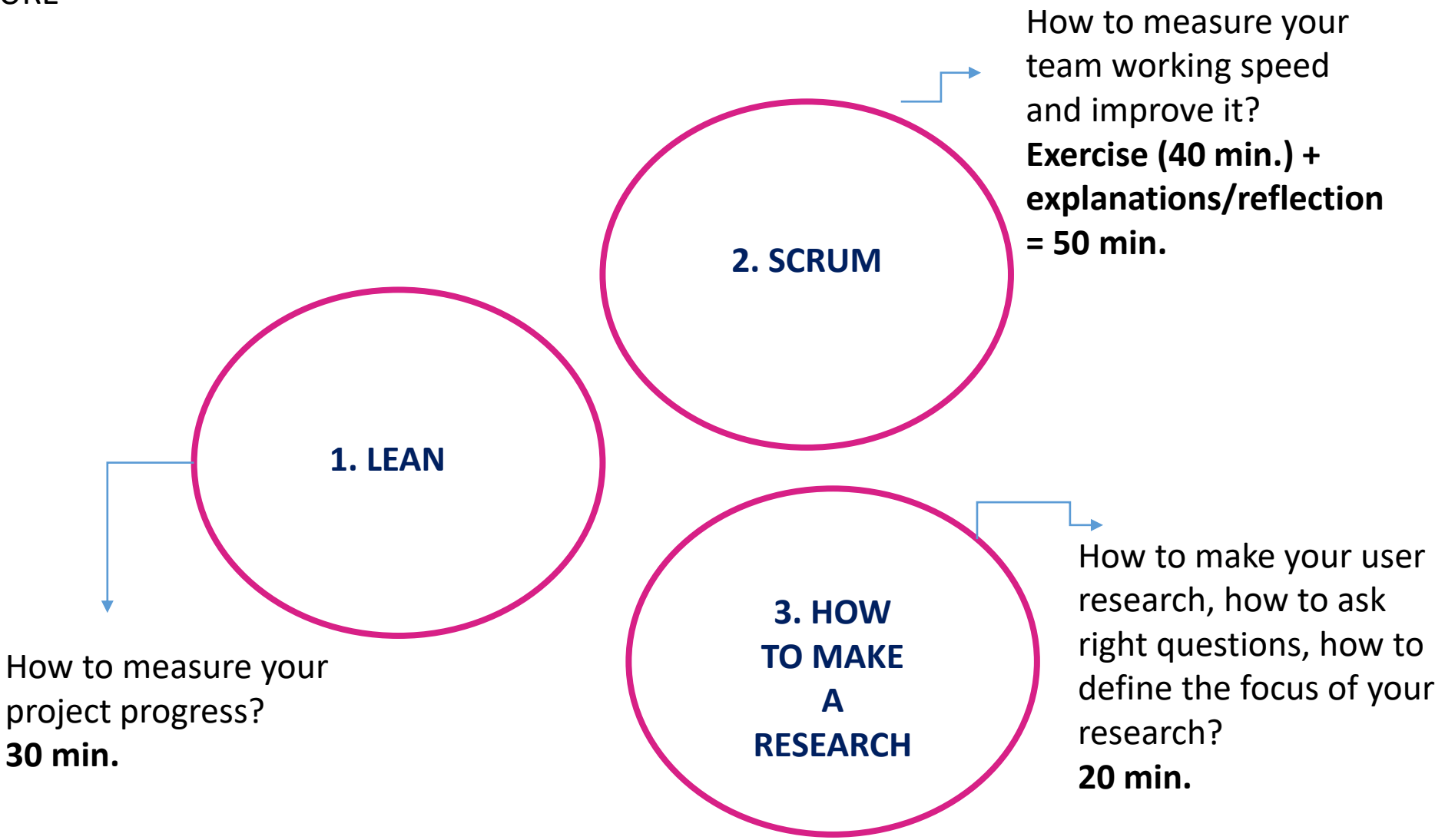
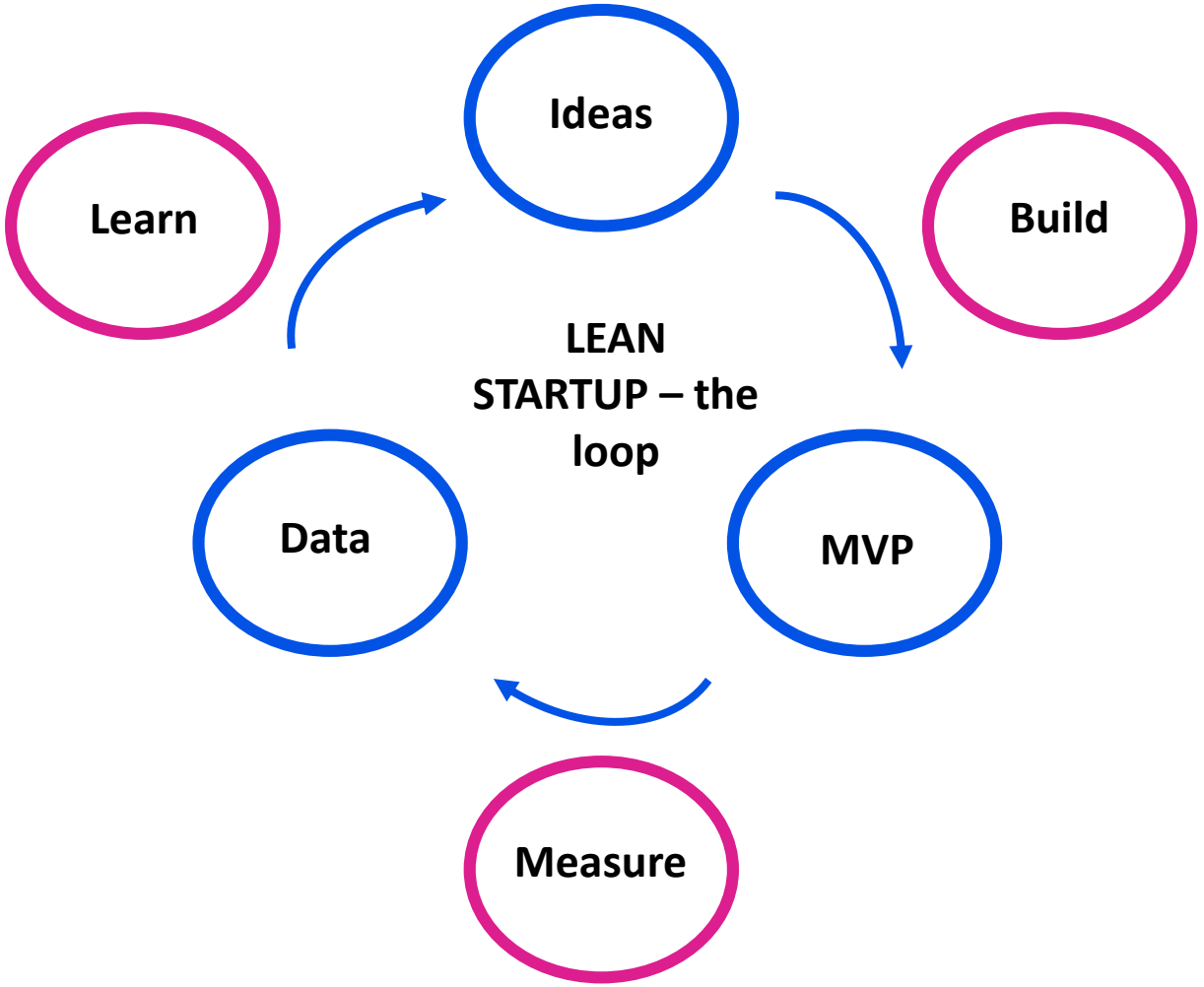
AALTO VENTURES PROGRAM

SESSION STRUCTURE



LEAN CANVAS

LEAN



Eric Ries, book “The Lean Startup”, 2008

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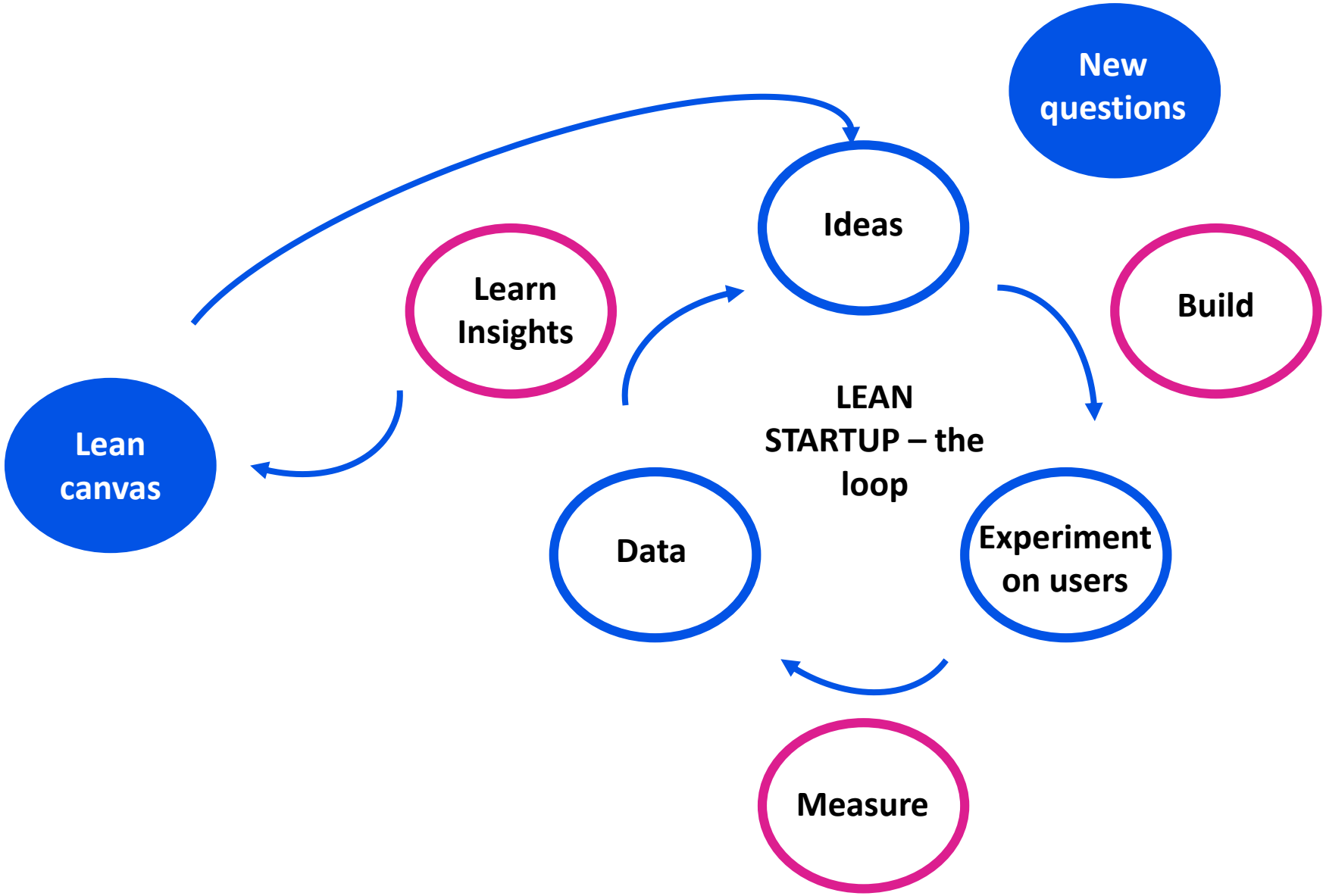

Adapted from Eric Ries, book “The Lean Startup”, 2008

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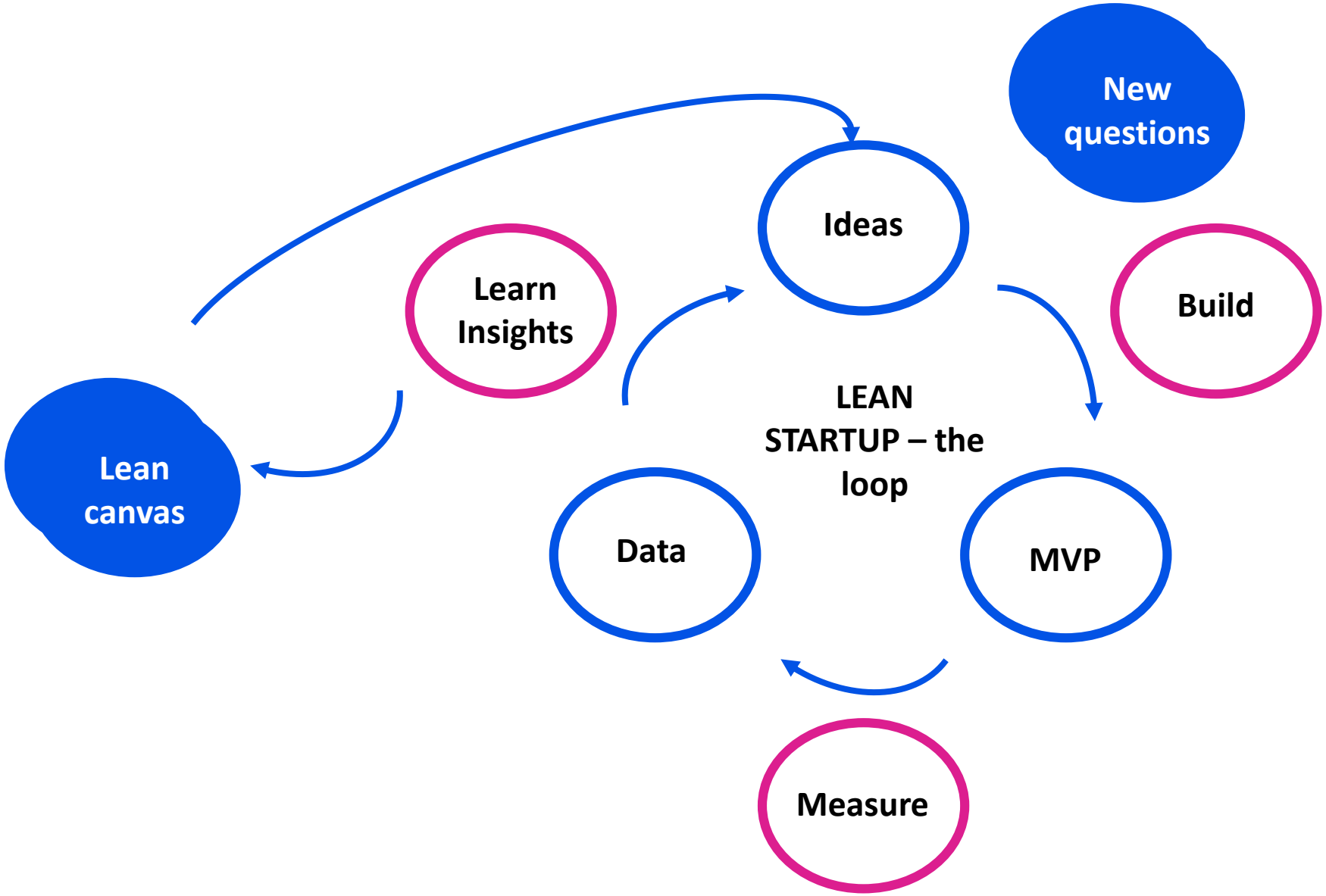

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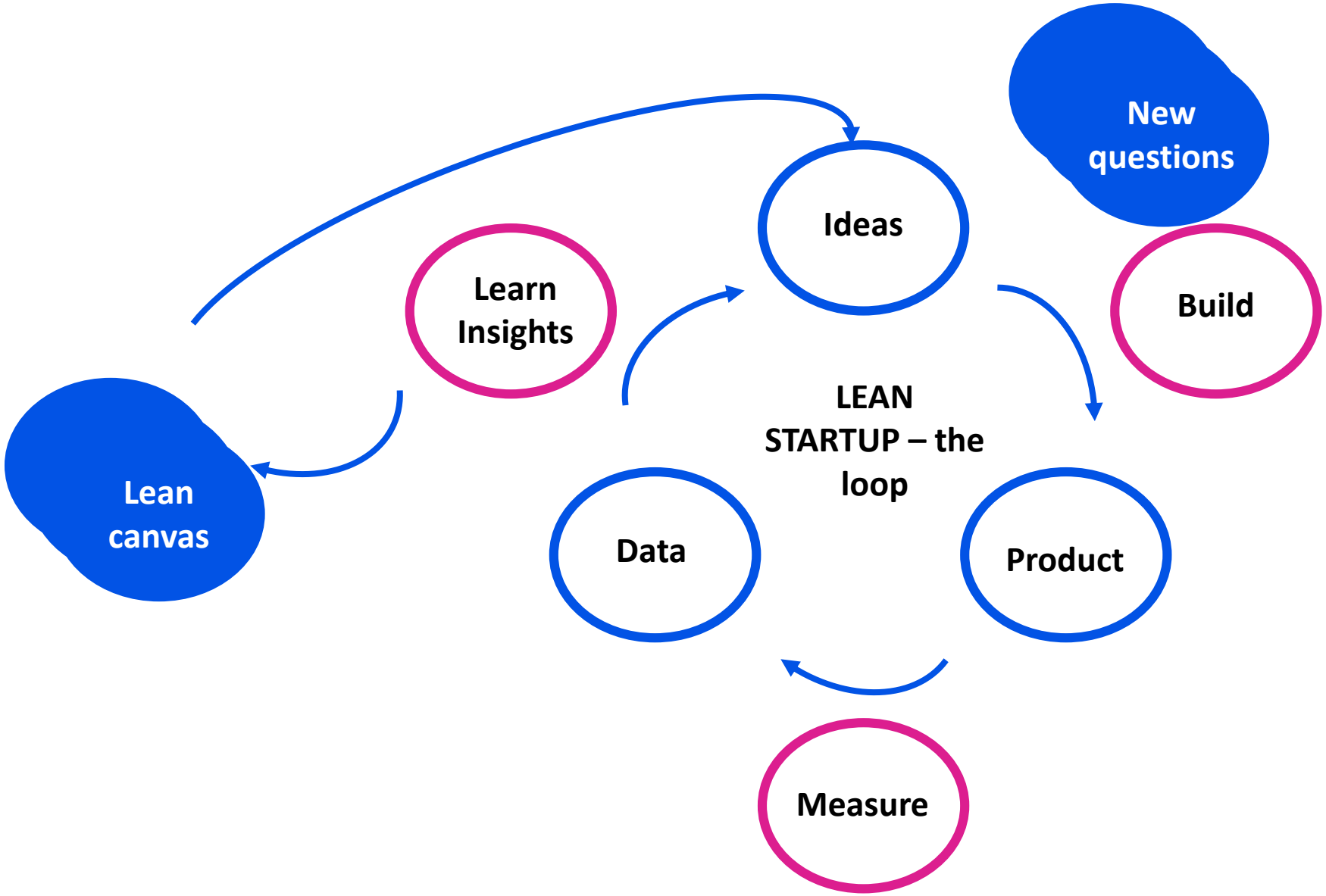

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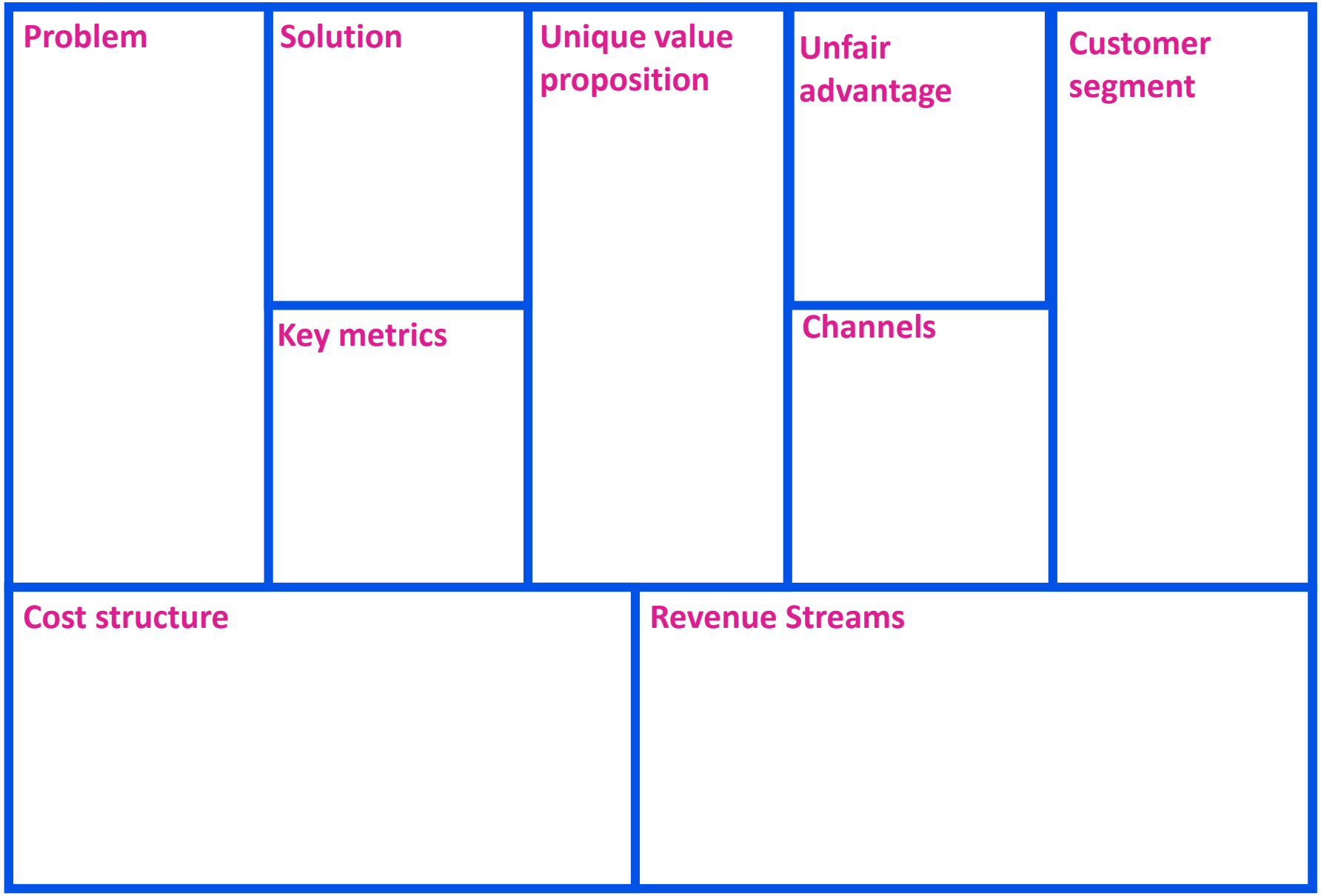
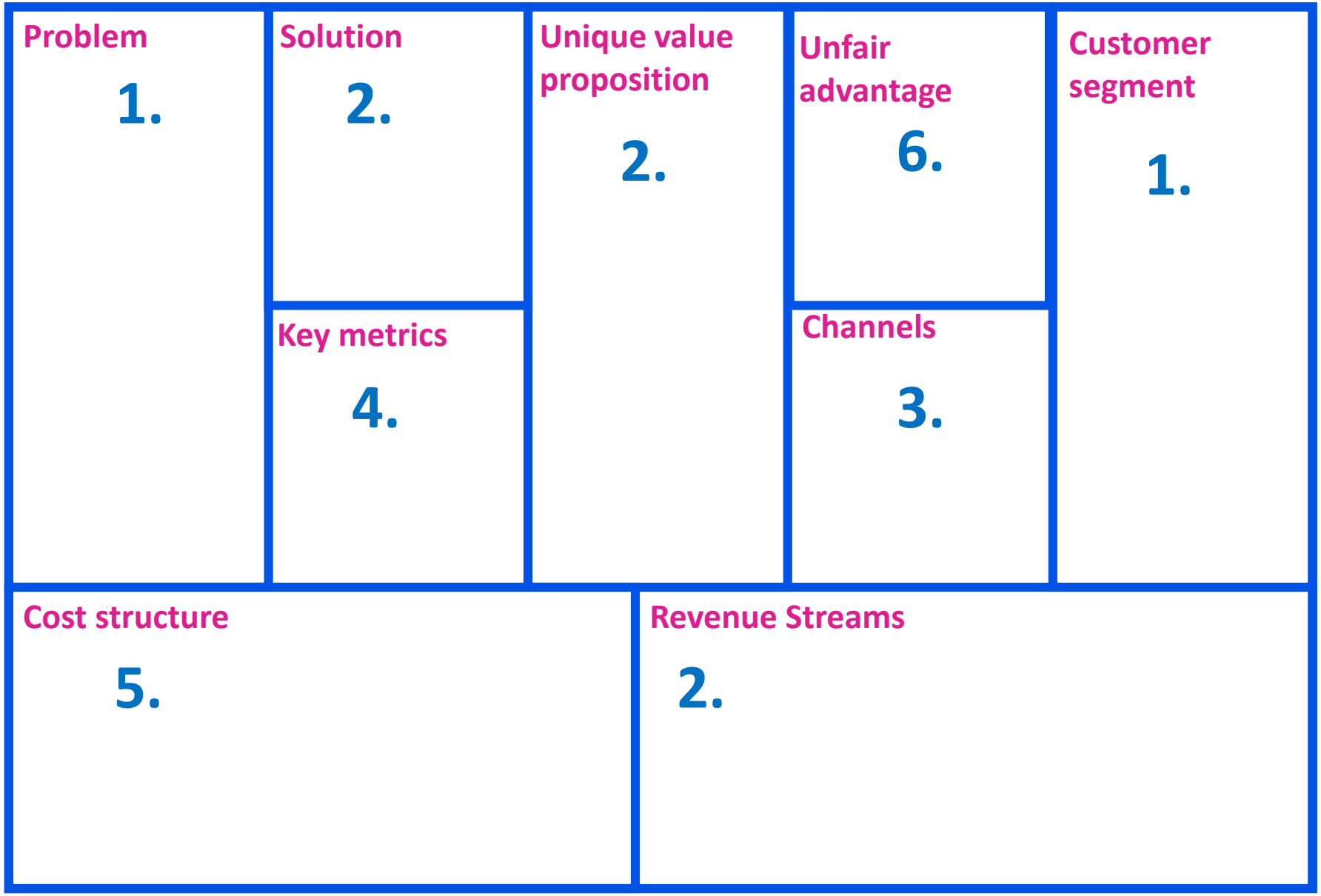
LEAN CANVAS

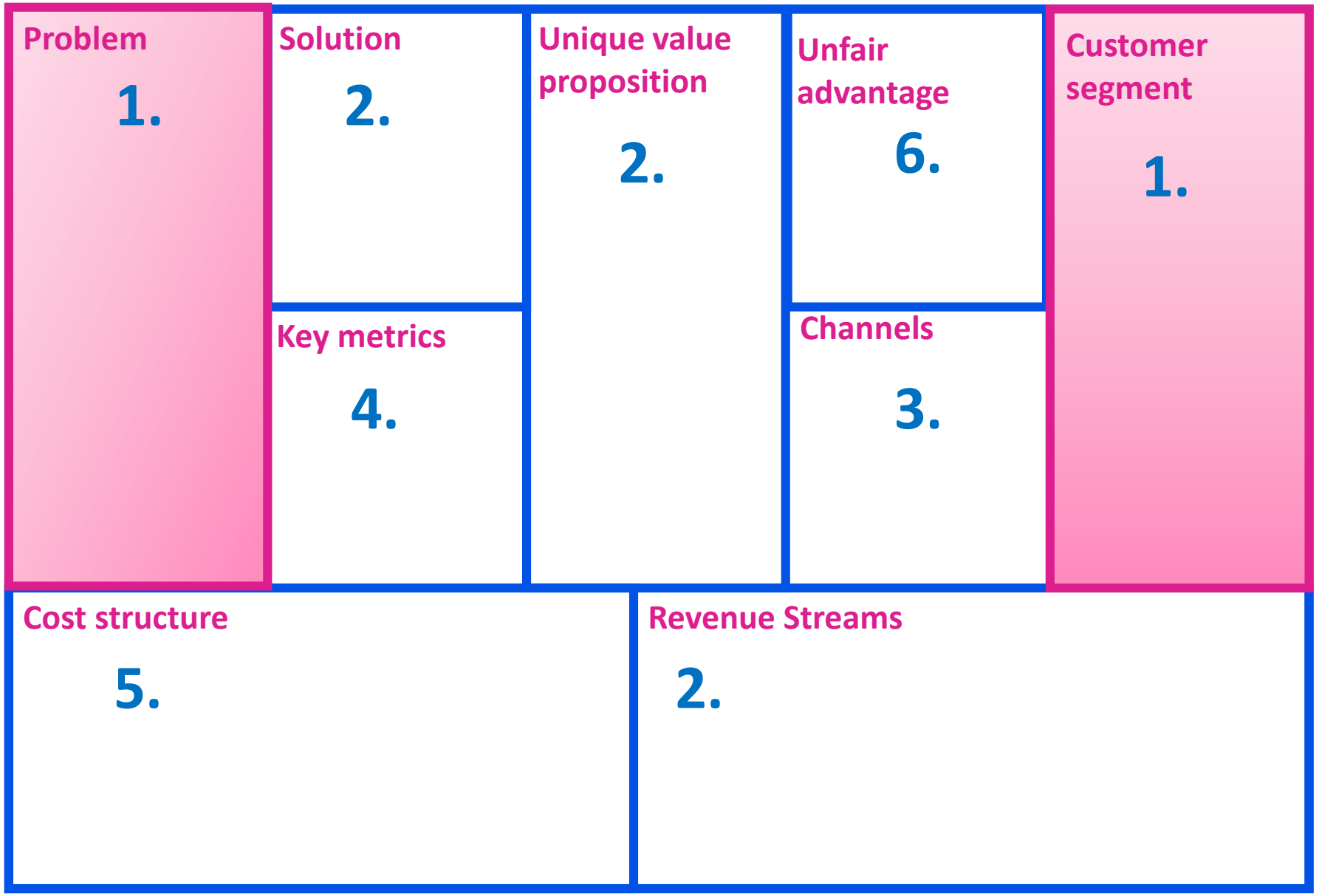
adapted in 2010 by Ash Maurya from Business Model Canvas by Alexander Osterwalder



LEAN CANVAS


Problem
1.
Solution
2.
Unique value proposition
2.
Unfair advantage
6.
Customer segment
1.
Key metrics
4.
Channels
3.
Cost structure
5.
Revenue Streams
2.

1 block – the most important block of your canvas.



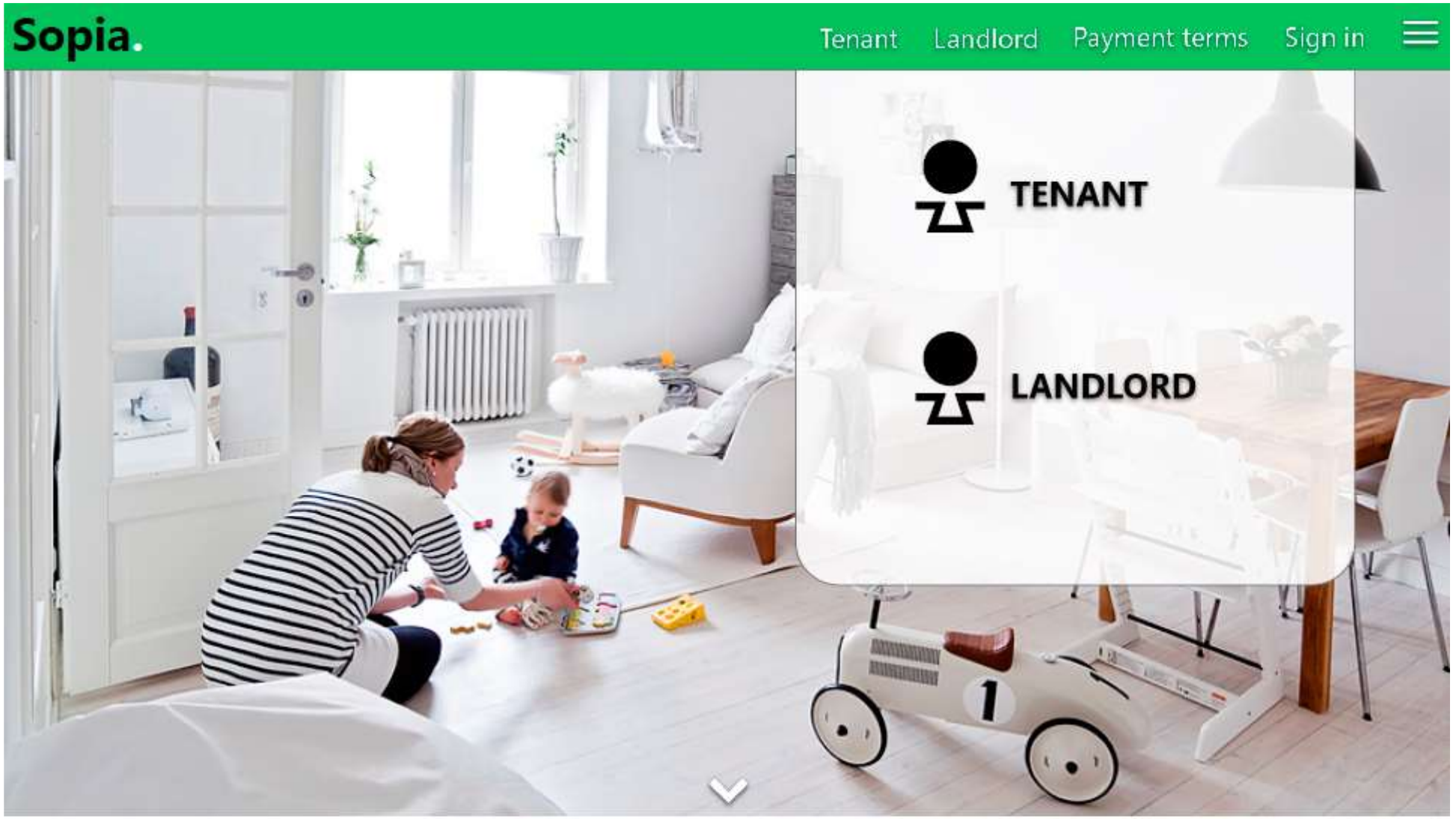
Customer segment **1.**

Target customer

CS box drives your canvas;

You have to choose customer segment you are concentrating (top priority).

Example

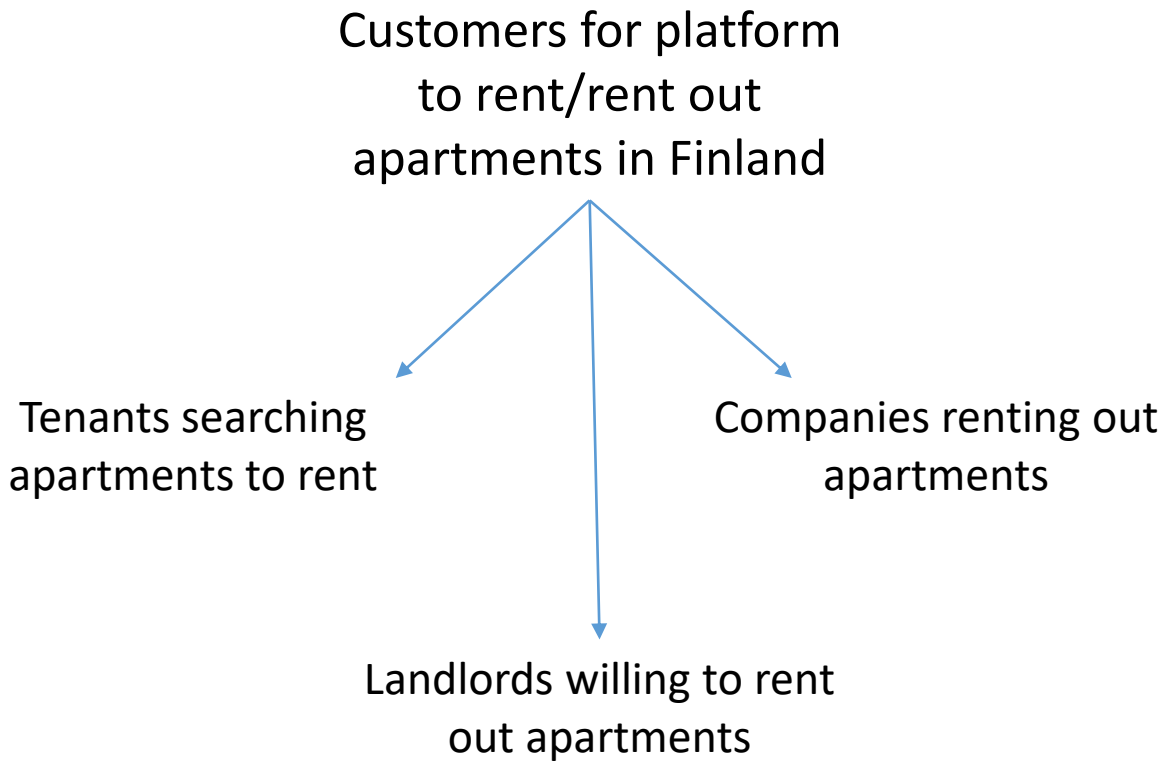


Sopia matches tenants and apartments
- It's the new way to rent out property and find a home

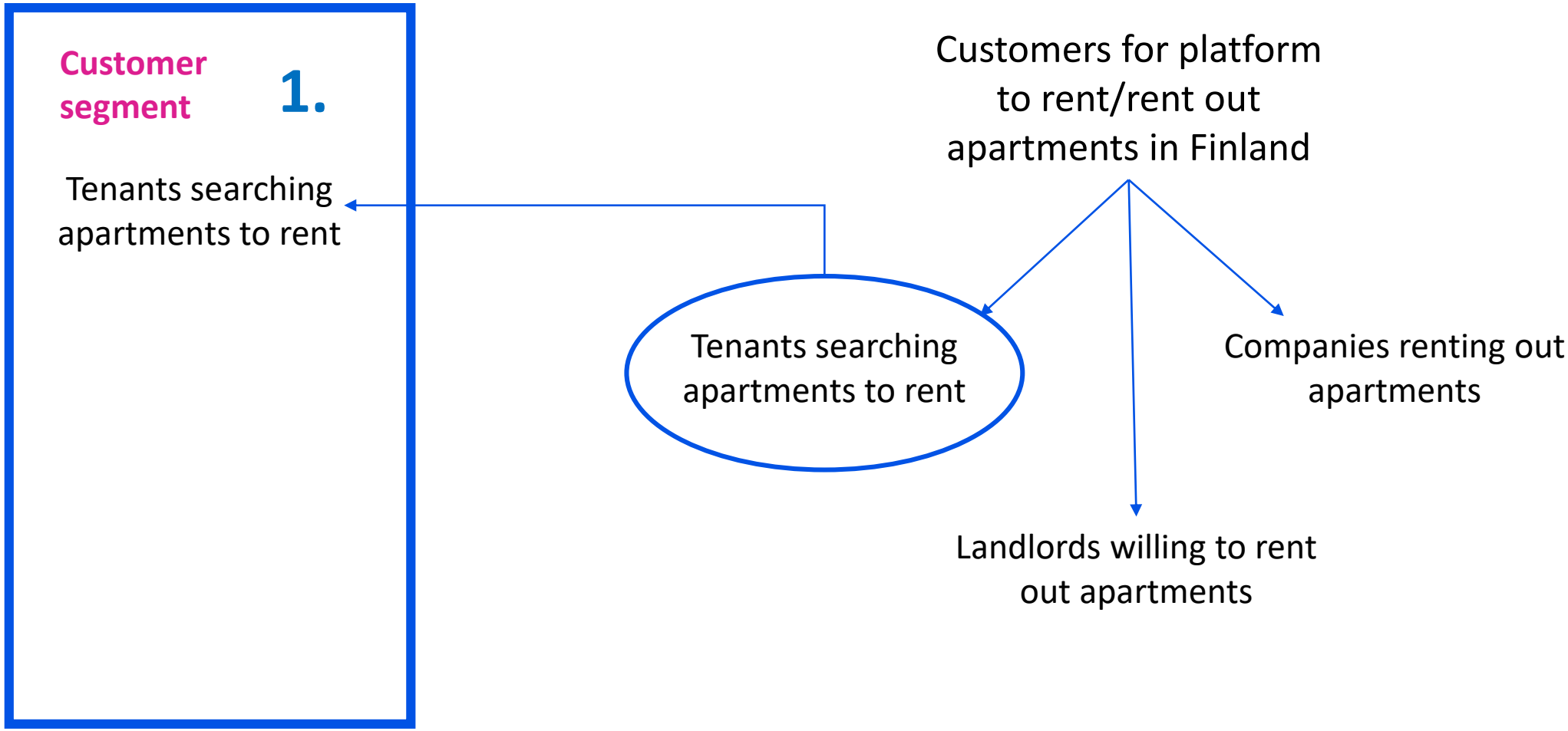
Example

Customer segment **1.**

Target customer



Example

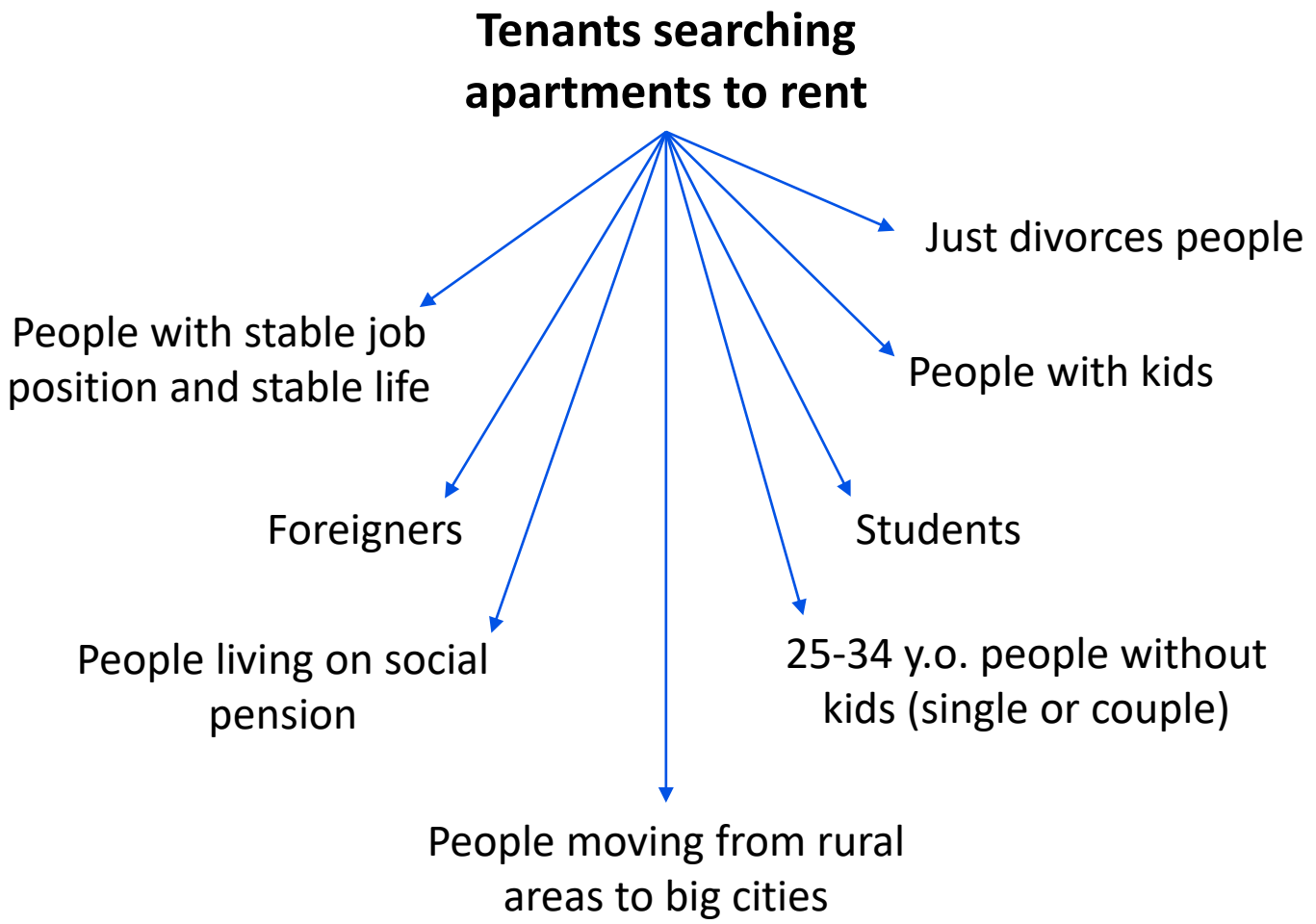

Customer segment
1.
Tenants searching apartments to rent
Customers for platform to rent/rent out apartments in Finland
Tenants searching apartments to rent
Companies renting out apartments
Landlords willing to rent out apartments

Example

Customer segment **1.**

Tenants searching apartments to rent

Early adopters?



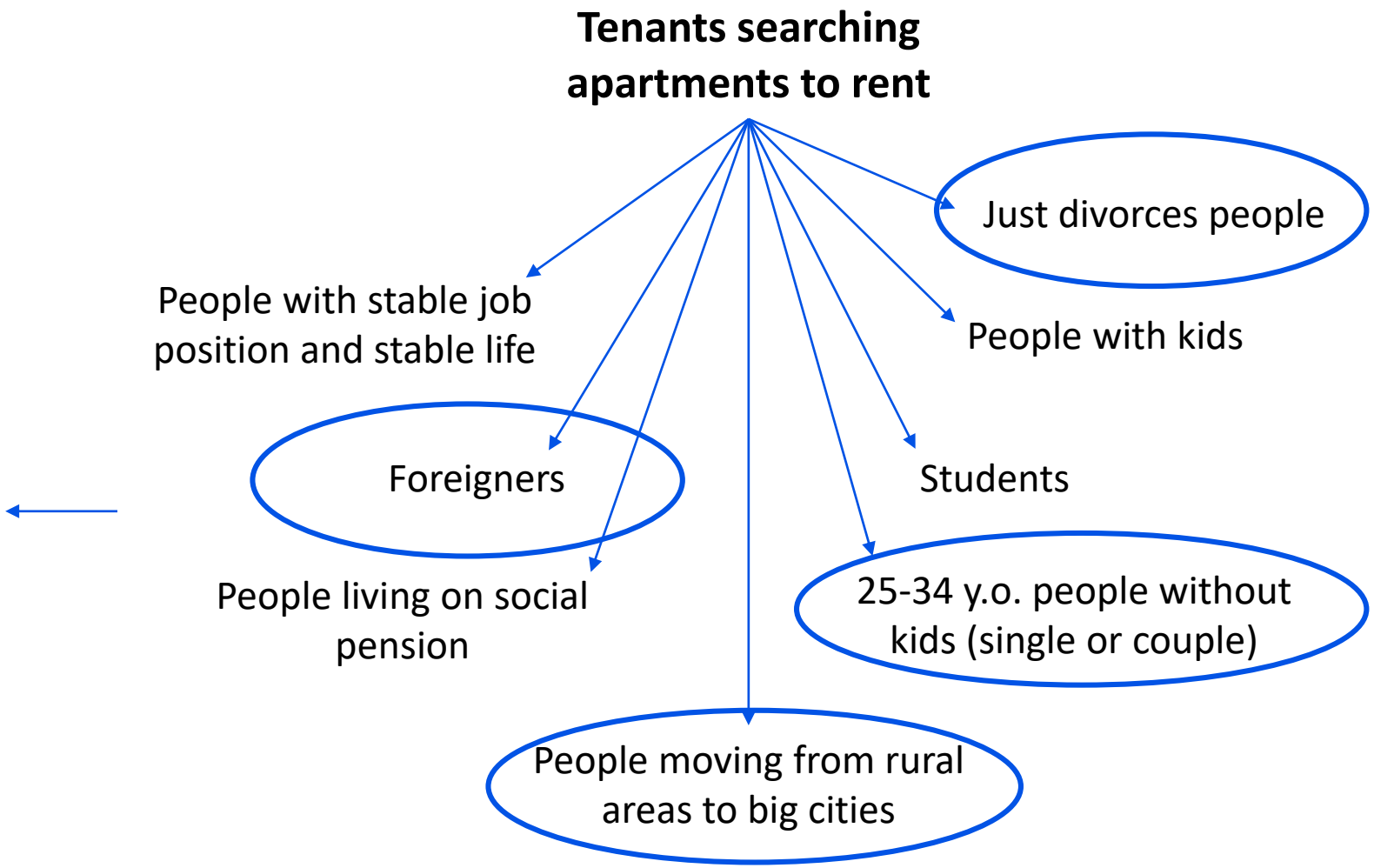
Example

Customer segment **1.**

Tenants searching apartments to rent

Early adopters:

- Foreigners
- People moving from rural areas to big cities
- Just divorces people
- 25-34 y.o. people without kids (single or couple)



“A problem well stated is a problem half-solved.”
- Charles Kettering

Problem **1.**

Top 3 problems

List 1-3 top problems for early adopters.

Example

Problem **1.**

Top 3 problems

Early adopters:

- Foreigners

- People moving from rural areas to big cities

- Just divorces people

- 25-34 y.o. people without kids (single or couple)

- No websites in English

- Difficult to sell yourself on public display

- Impossible to find apartment remotely

- High competition for small apartments in big city

- Problem with fix contract (min 1 year rent) if you change work, study place or your relationship

- Services of agent are too expensive

Example

Problem **1.**

Top 3 problems

- No websites in English
- Difficult to sell yourself on public display
- Impossible to find apartment remotely

Early adopters:

- Foreigners
- People moving from rural areas to big cities
- Just divorces people
- 25-34 y.o. people without kids (single or couple)

- No websites in English
- Difficult to sell yourself on public display
- Impossible to find apartment remotely
- High competition for small apartments in big city
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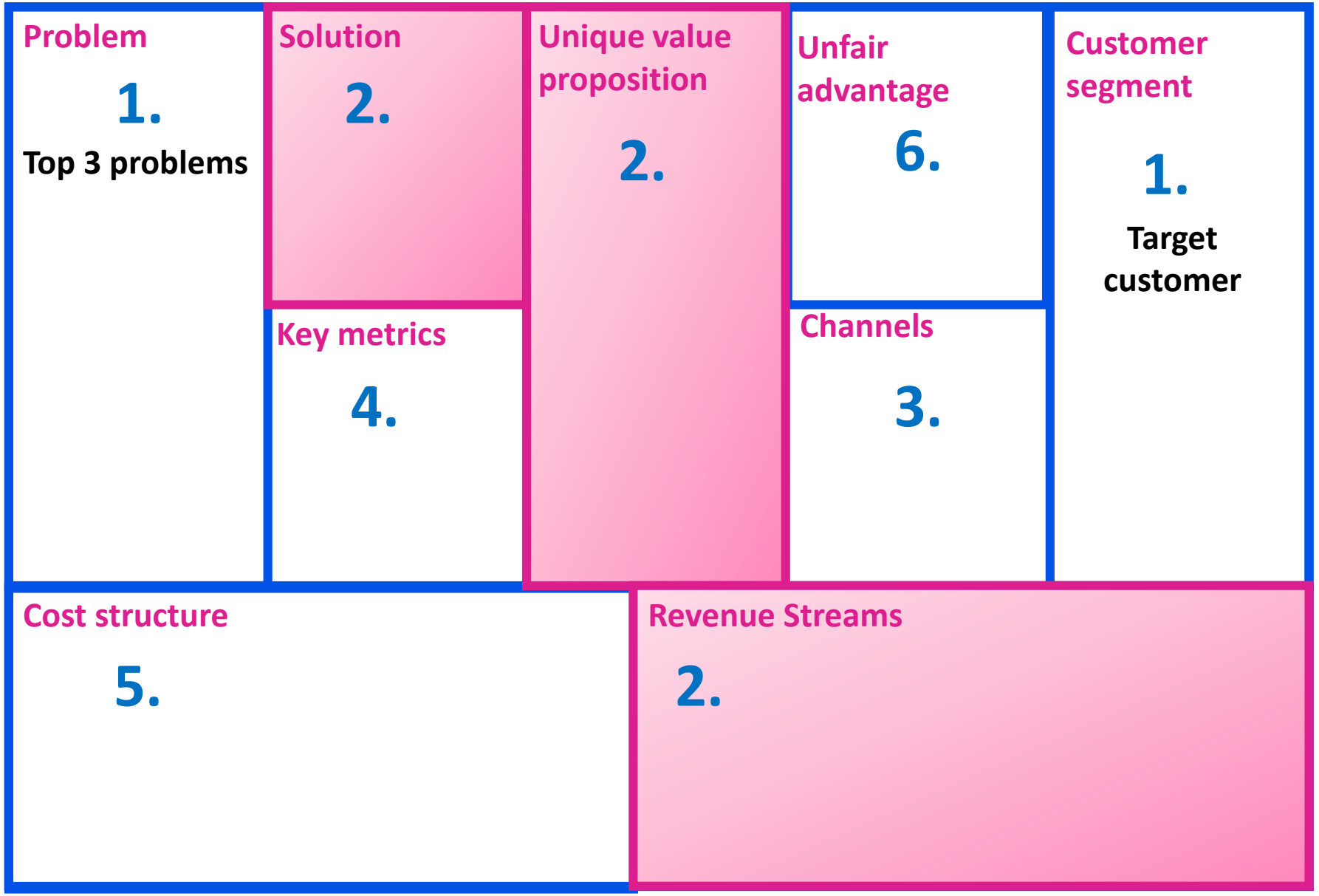
- Services of agent are too expensive

2 block – the most important blocks to build a MVP – smallest solution you can build and still bring customer value



Solution **2.**

Top 3 features

Describe your solution (product, service) in few words, how it works, elements, technology;

For each problem on your canvas, outline a specific solution such as feature on your product.

Example

Solution

2.

Top 3 features

Sopia – platform that links tenants and landlords

AI provides best matches.

Features:

- Virtual tour in apartment
- English version of the platform
- Matching algorithm to match tenant and landlord

Unique value proposition **2.**

Clear, compelling message that states why you are different and worth buying

A value proposition is a promise of value to be delivered.

Instant clarity headline: end result customer wants + specific period of time + address the objections

Example

Unique value proposition **2.**

Clear, compelling message that states why you are different and worth buying

Shop your apartment in 20 minutes!

1. Matching the apartment – the best match to your needs
2. It is easy to find and get an apartment
3. The possibility to feel and see potential apartment without visiting

Revenue Streams

2.

Revenue model
Life time value

Pricing – is part of your product

It should be value based pricing – not cost based pricing.

Example

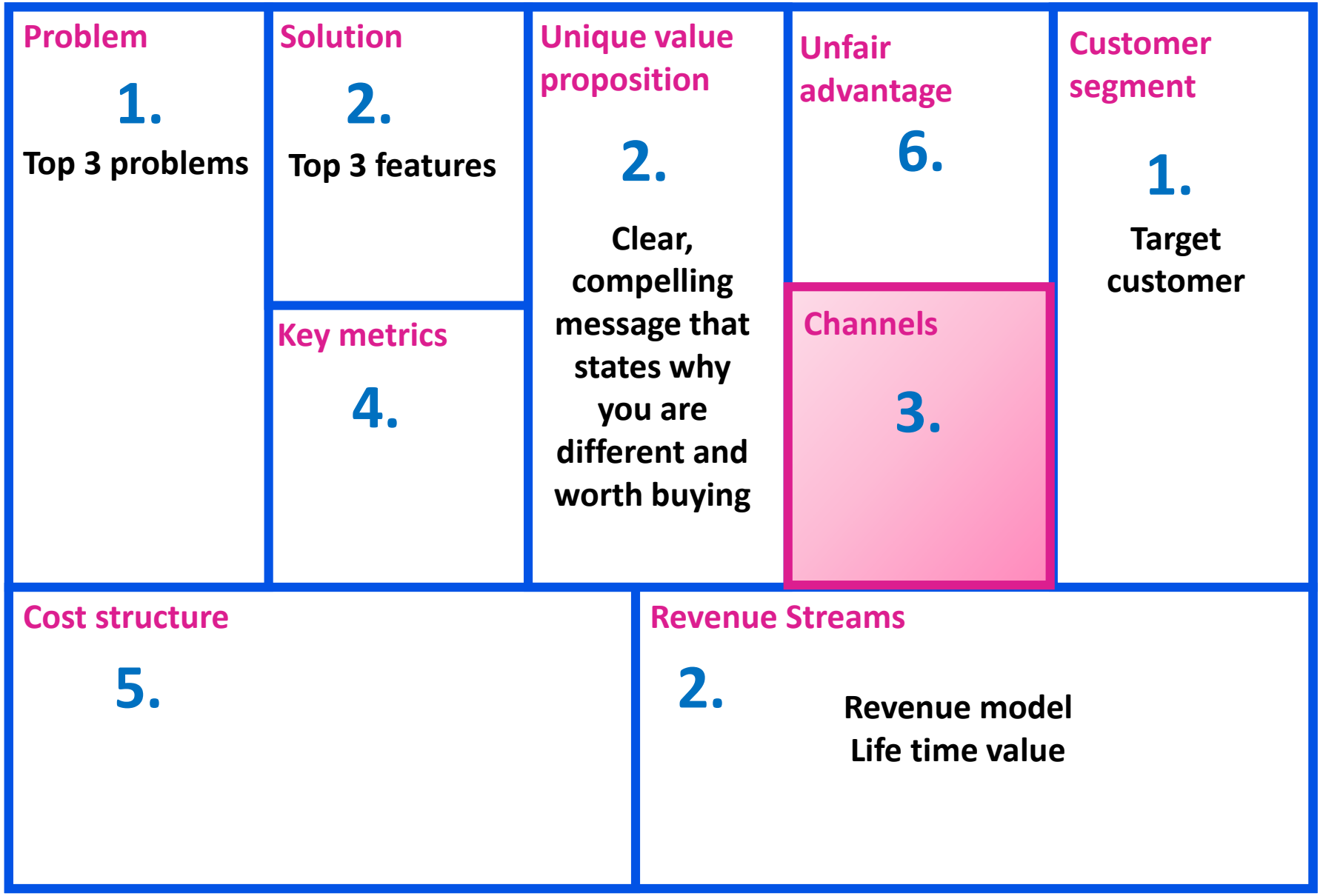
Revenue Streams **2.**

Revenue model
Life time value

Tenants pay fees to the service when they sign e-contract

Landlords pay to make virtual tour of their apartment

3 - segment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Revenue model
Life time value

Channels

3.

Path to customers

Channels are ways for you to reach your CS;

Channels can be email, social, ads, blogs, articles, trade shows, radio & TV, webinars etc.

Example

Channels

3.

Path to customers

Social Media

Strong emphasis on social media by running own fan pages and placing banner ads

We can have a blog author

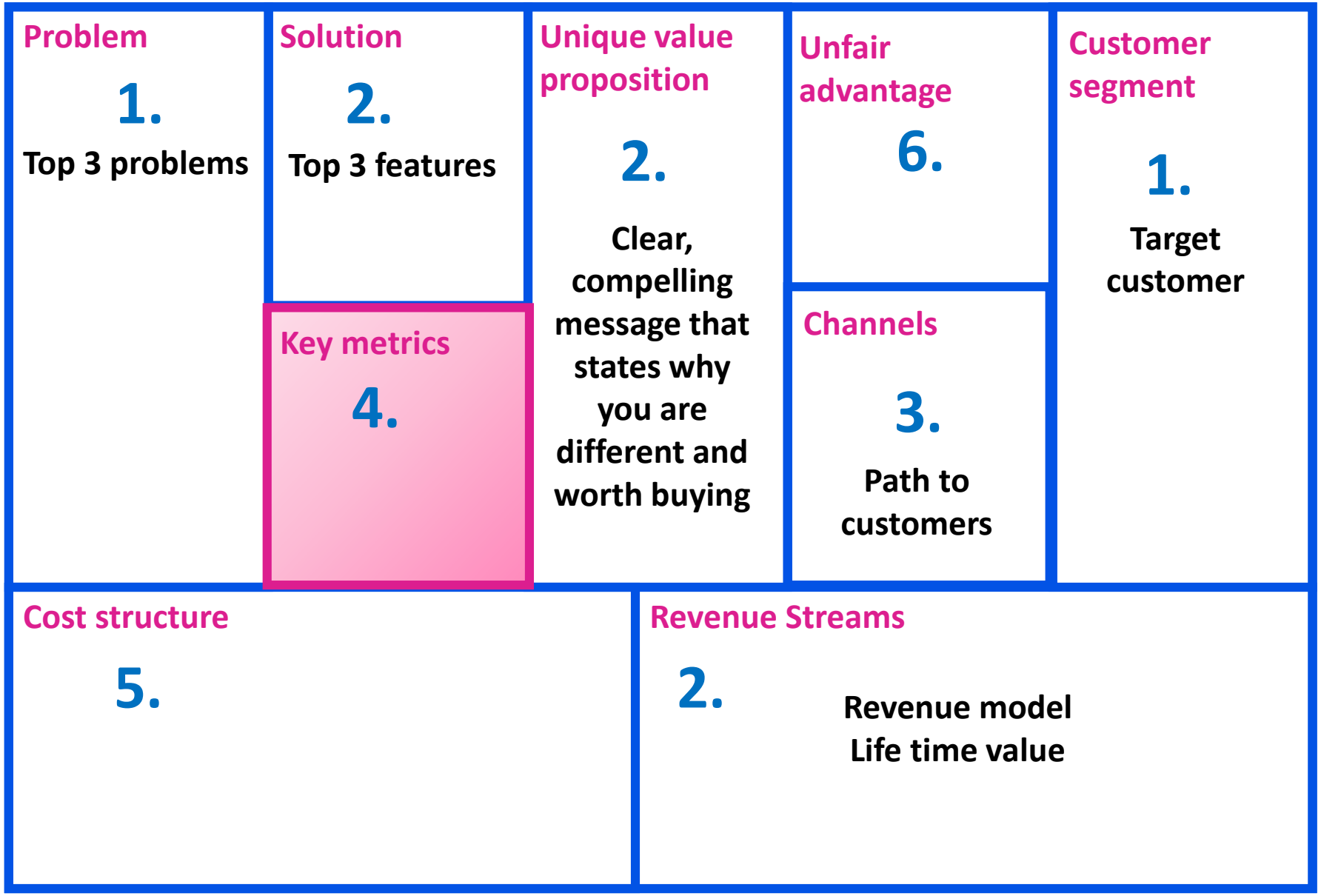
www.sopia.io

The most important channel of all

Mobile App

Online Search Engines

4 – segment – how we measure success



Key metrics

4.

Key activities you measure

The key activities that have to be done to demonstrate that the business is moving forward and metrics that will define your path towards success (number of sign in customers, first contract, number of contracts etc.);

Example

Key metrics

4.

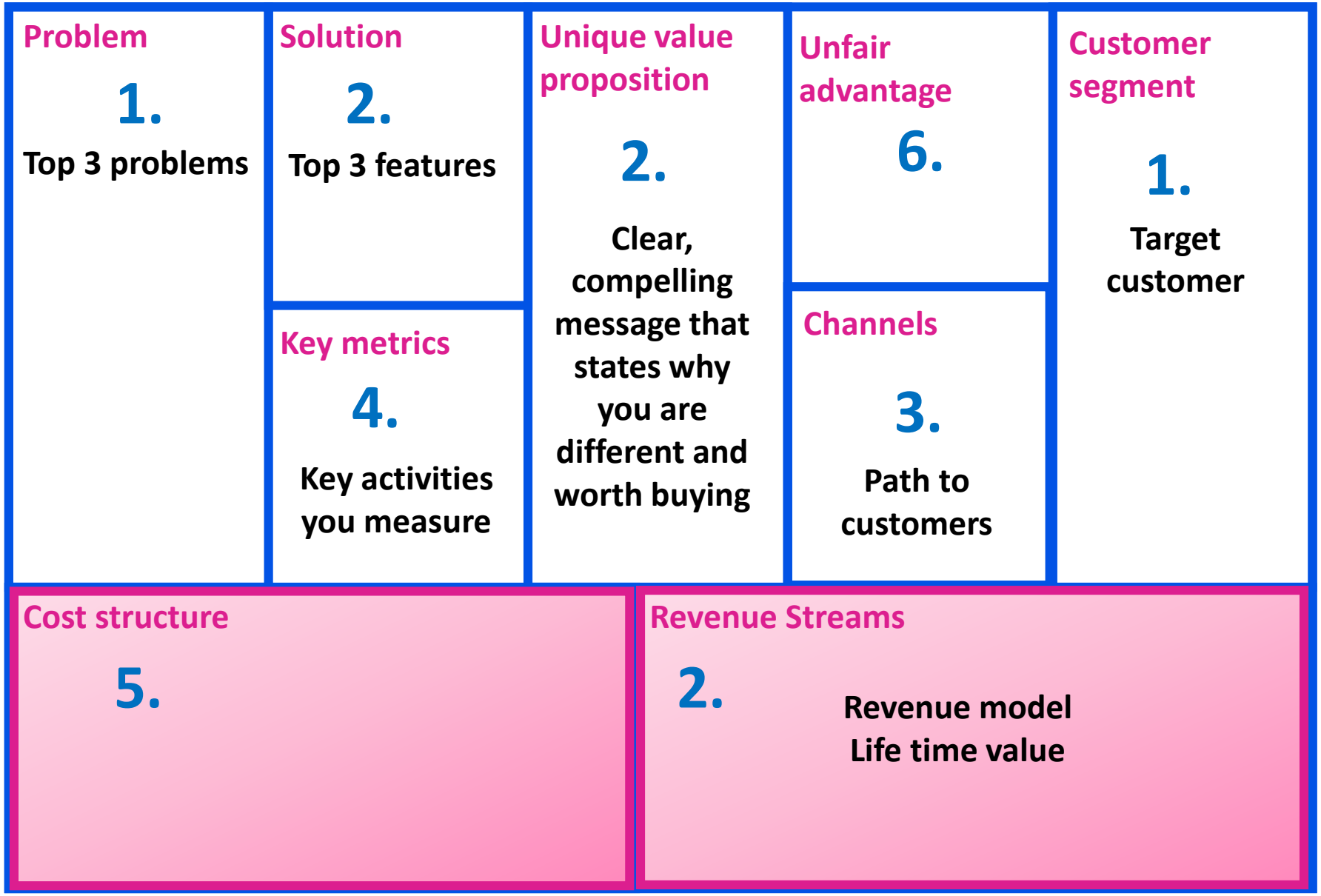
Key activities you measure

100 signed e-contracts;

100 registered apartments;

100 tenants profiles.

5 block – to estimate the scope and the feasibility of business



Cost structure

5.

Customer acquisition costs

People

Development costs

Maintenance costs

List all the operational costs for taking this business to market

What is your burn rate — your total monthly running costs?

Example

Cost structure 5.

Customer acquisition costs

People

Development costs

Maintenance costs

Development costs

- Sw development
- UX design

Maintenance costs

- Sw, Customer support, Tech support, UX design

CAC (customer acquisition cost) / ad / marketing costs

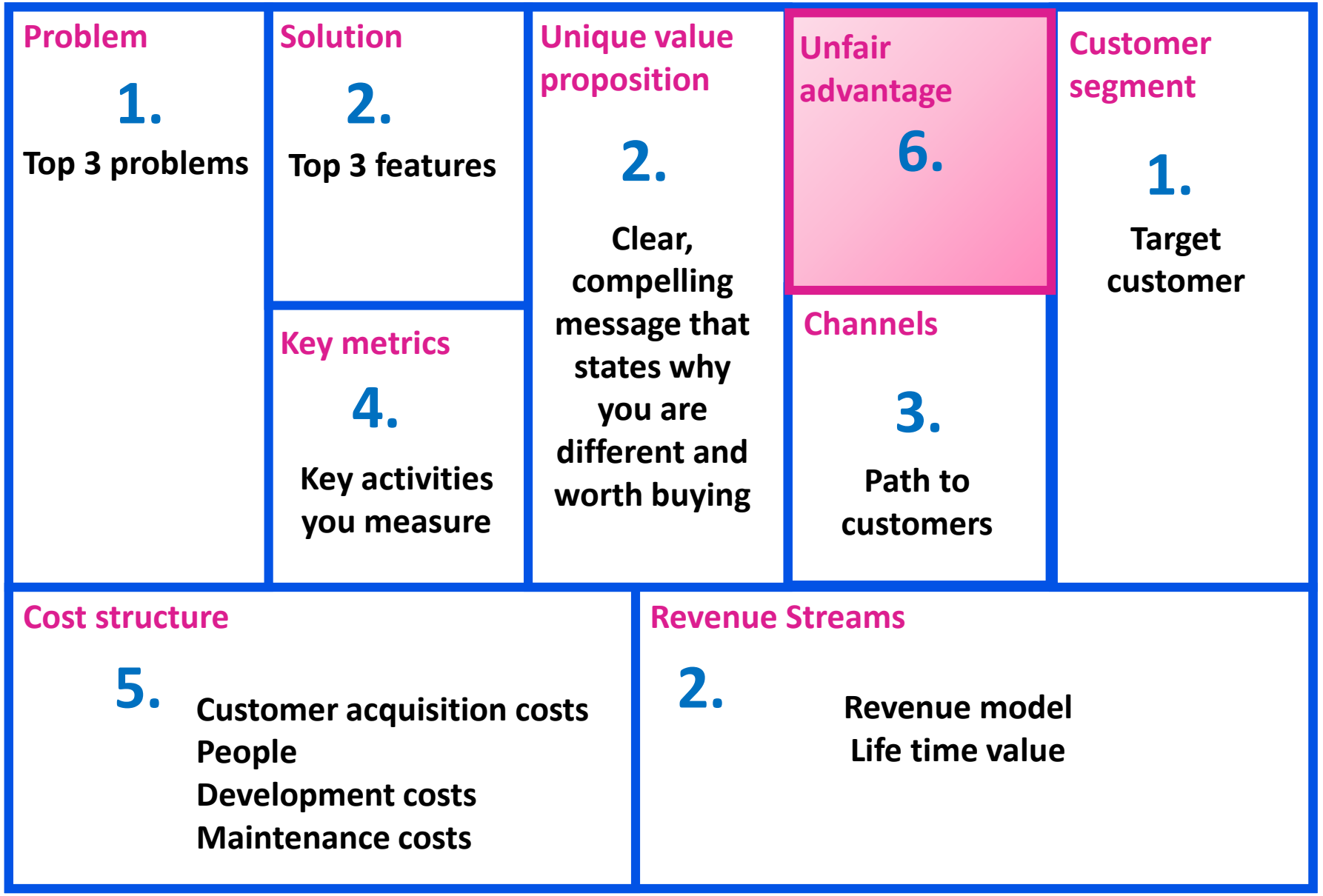
Human Capital

Online Payment Processing Firms

Administration

Market analytics costs

6 – segment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Target customer
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Customer acquisition costs
People
Development costs
Maintenance costs
Revenue Streams
2.
Revenue model
Life time value

Unfair advantage **6.**

Cannot be copied and cannot be bought

The only real competitive advantage is that which cannot be copied and cannot be bought."

Jason Cohen

Unfair advantage can be insider information, a dream team, getting expert endorsements, existing customers etc.

Microsoft. Bought 86-DOS, turned into MS-DOS (which Gates did not invent), which in turn was an improved clone of CP/M. Did not invent BASIC, either. Office in many ways built in part on top of Lotus 1–2–3's success. Windows after/alongside Mac OS. Etc. etc. etc.

Facebook. Copied MySpace, Friendster

Google. Copied Yahoo, Altavista

Apple. Copied Xerox, Altair.

Example

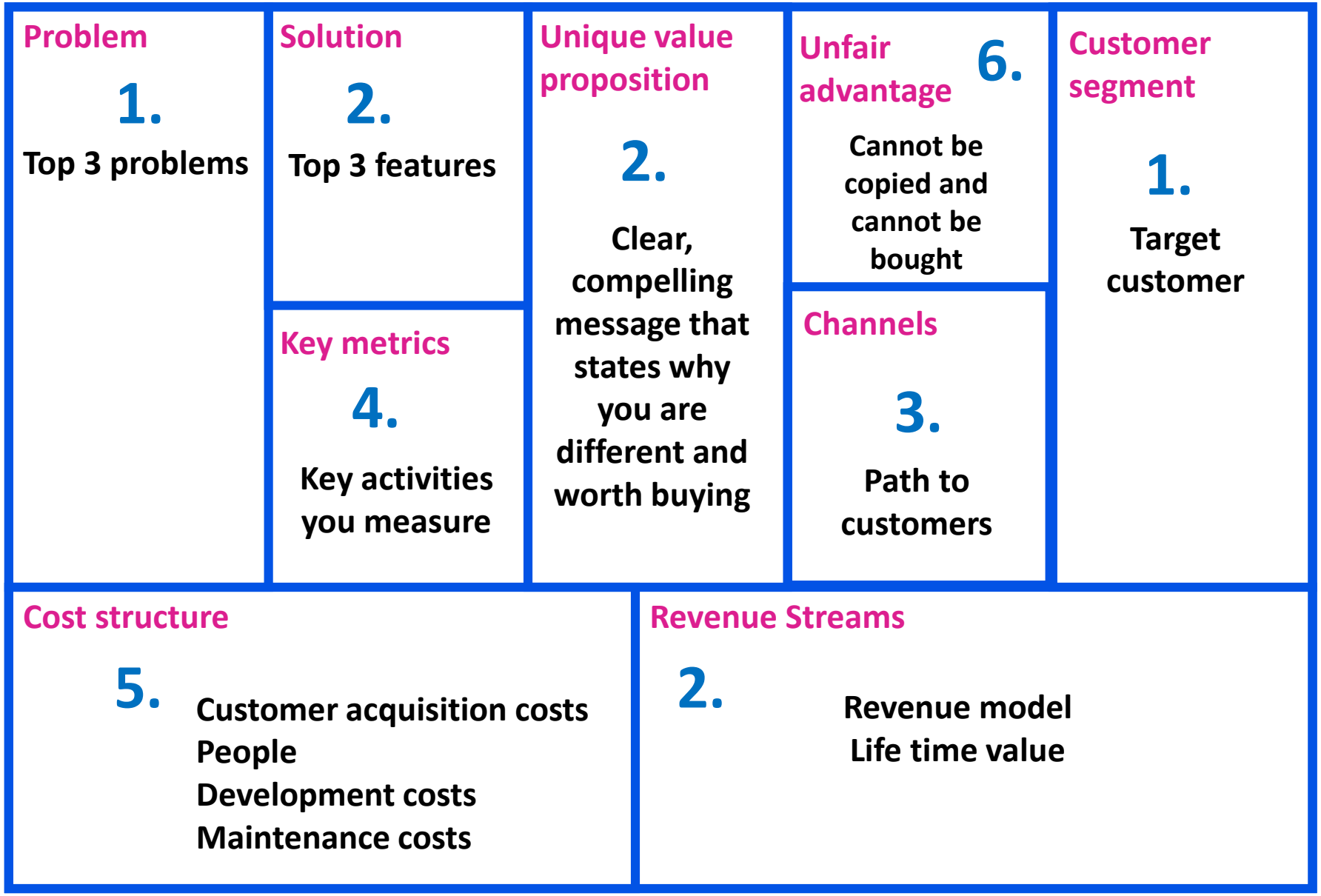
Unfair advantage **6.**

Cannot be copied and cannot be bought

Mathematical algorithm to design AI

Dream team: coders, service designer, UX designer, mathematician, financial sector employee

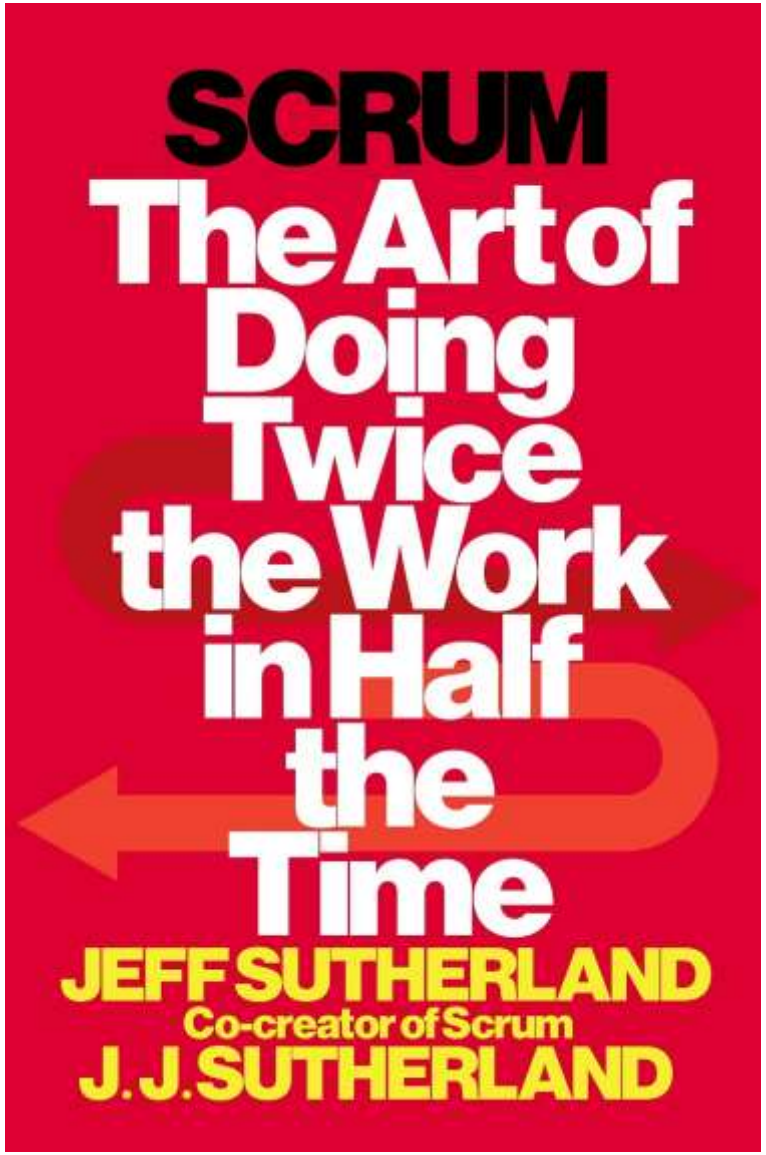
6 – segment – how we measure success



SCRUM

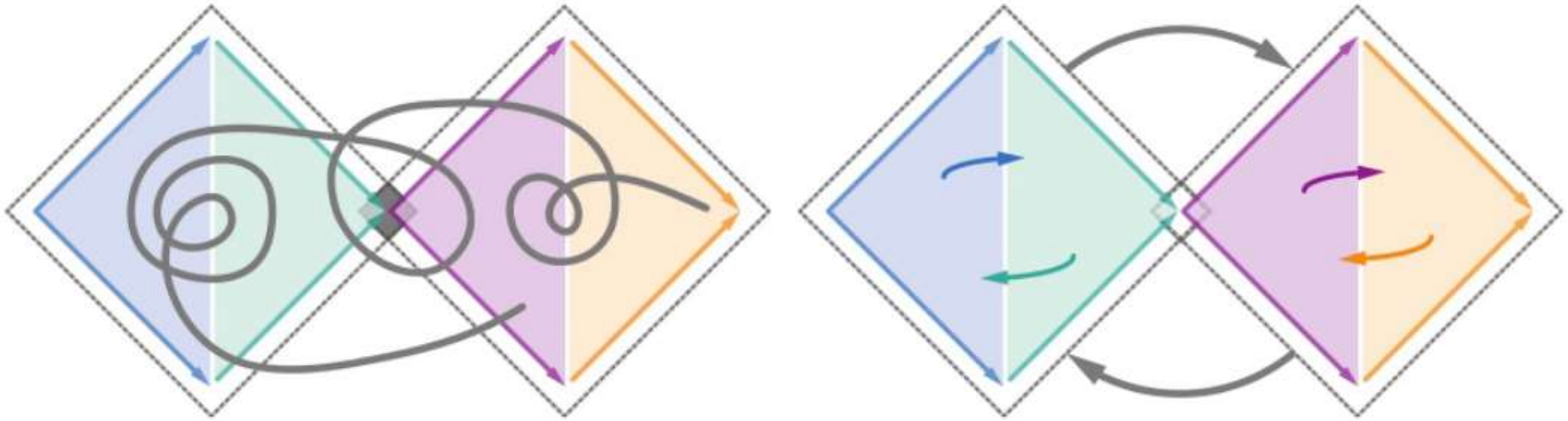
AGILE

….


SCRUM
The Art of Doing Twice the Work in Half the Time
JEFF SUTHERLAND
Co-creator of Scrum
J. J. SUTHERLAND

SCRUM
AGILE
…

The Design Process is…



Non-Linear & Iterative

THE AGILE MANIFESTO

Individuals and interactions over processes and tools
Working software over comprehensive documentation
Customer collaboration over contract negotiation
Responding to change over following a plan

http://agilemanifesto.org/

SCRUM
AGILE
..

THE AGILE MANIFESTO, adapted

Individuals and interactions with some processes and tools

Experiments and testing over detailed planning

Customer interaction over working in isolation

Responding to change over following a plan

SCRUM
AGILE
..

THE AGILE MANIFESTO, adapted

The critical success factor:

How fast can your organization:

Learn

Adapt

TEAM ITERATIVE/SPRINT WORKFLOW

- What should we do
  - Selection and prioritization
- Who should do it
  - Whole team together
  - Small teams (2-3 persons)
  - Individual tasks
- How do you know what is on-going
  - Problems
- How do we learn

SCRUM
AGILE
..

HOW IS A WORKFLOW HELPFUL

- What should I do next?
- I have a problem, who can I ask for help?
- Are we on time for sprint X?
- ….

SCRUM
AGILE
..

HOW TO KNOW WHAT TO DO NEXT?

TRELLO demo

SCRUM
AGILE
..

TRELLO KEY POINTS

Visibility
Accountability
Personal responsibility

SCRUM
AGILE
..

TRELLO ESCAPE ~~ROOM~~ BOARD

Using TRELLO plan and execute

Perform a play according to instructions in mycourses
Length of the performance must be at least 30 seconds

- **Story and performance**
- **Artefacts**
- **Costume**

SCRUM
AGILE
..

TRELLO ESCAPE ~~ROOM~~ BOARD

To escape, each team must:

- Analyze task and make a plan in Trello
- At least one activity must be assigned to each member
- Each member must update status of own task in Trello
- Perform the play for Lidia
- Report on the outcome of the play in Trello

SCRUM
AGILE
..

TRELLO ESCAPE ~~ROOM~~ BOARD

The winning team is the team that first has updated everything in Trello

SCRUM
AGILE
..

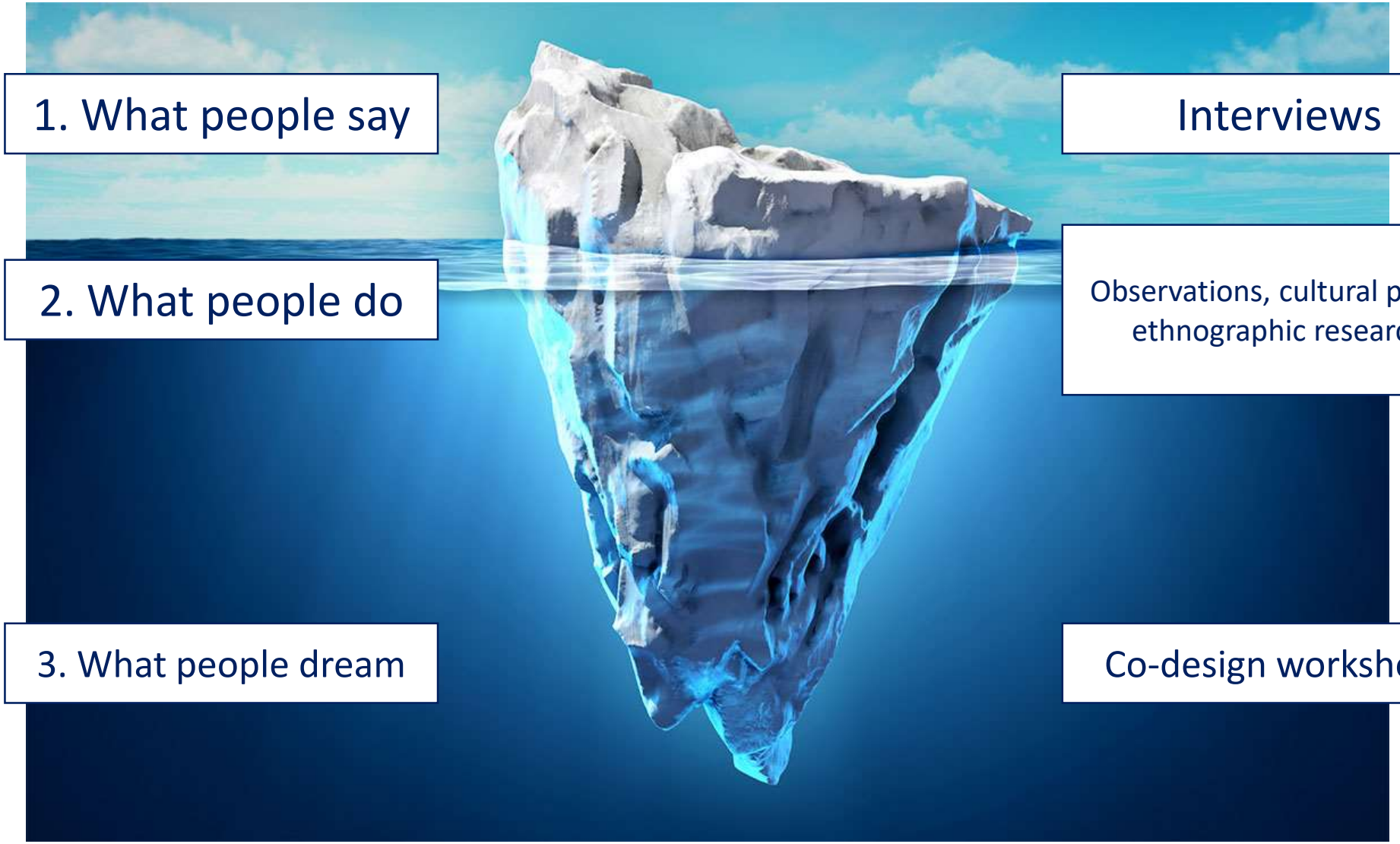
TRELLO ESCAPE ~~ROOM~~ BOARD

Time starts

NOW

HOW TO MAKE A RESEARCH?

Users' research. Levels of insights gathering



1. What people say

Interviews

2. What people do

Observations, cultural probs, ethnographic research

3. What people dream

Co-design workshops

Interviews

Open-ended interview

made to gather qualitative data and insights

Expert interview

made to get the knowledge in the field

Structured ethnographic survey

rigid structure and list of questions, made to gather quantitative data

Interviews

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CREATE A FOCUS

A good focus helps you to:

- Identify the correct stakeholders for research
- Not spending too much time asking the wrong things
- Helps you prepare the right themes and questions
- Keeps your research on topic

A focus should strike a balance: not too wide (irrelevant data) and not too narrow (missing insights)

*Juha Kronkvist (ITP, Hellon)

Open-ended interview

made to gather qualitative data and insights

GOAL:

To understand experience, gather insights, define pain points and opportunities.

How to make:

- define interviewees;
- Based on the research prepare themes or questions for interviews;
- fix insights right after the interview;
- record and make photos (after permission);
- don’t judge and don’t evaluate answers;
- you can make an interview with a group of people;
- you need to gather different points of view.

Open-ended interview

made to gather qualitative data and insights

GOAL:

To understand experience, gather insights, define pain points and opportunities.

During the interview:

- The introduction – give information about content, confidentiality and method of recording, some warmup questions to allow the user to relax;
- Listen more that talk;
- Don’t lead the interviewee;
- Avoid closed questions for which one can answer yes or no;
- Don’t be too fast, leave time for thinking;
- Focus on the interviewee, don’t start telling about your own experiences.

Open-ended interview

made to gather qualitative data and insights

RULE OF 5 x WHY

Observed problem: People are unhappy at work

Assumption about the problem People don't like their jobs

1. Why did this happen? They don't think they're doing the right things

2. Why did this happen? They can't choose what they are working on

3. Why did this happen? Management gives orders on what to work on

4. Why did this happen? There is a policy of top-down management

5. Why did this happen? The company has not reviewed it's management policies

*Juha Kronkvist (ITP, Hellon)

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ROOT CAUSE

*Juha Kronkvist (ITP, Hellon)

Interview in context

The interviewer asks the participant to walk through a service, product use or a future scenario

UBER

Designing Onboarding &
Education Experiences

Observation

- People don’t usually say what they think
- People don’t usually understand what they do

Example of observation

Nestlé Black magic chocolate

Initial brief: rebranding, sales growth

Target group: people 60+

Method: interviews, surveys, observations, prototyping

Solution:

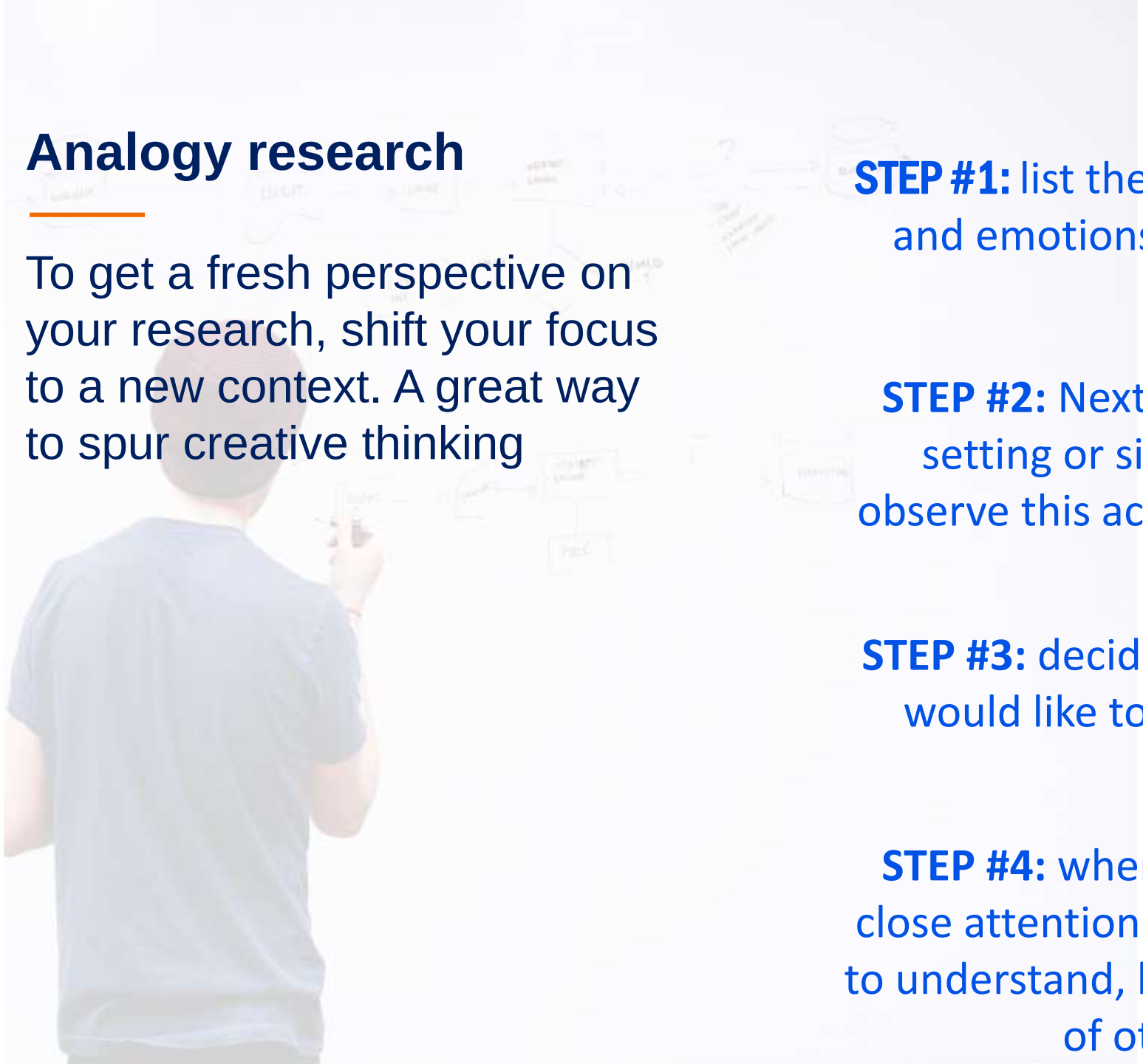
new packaging to open chocolate box

1,83 ml. of new clients

*http://www.designforeurope.eu/news-opinion/highlights-design-driven-innovation-food-industry-expo-milano-2015

Analogy research

To get a fresh perspective on your research, shift your focus to a new context. A great way to spur creative thinking



STEP #1: list the distinct activities, behaviors, and emotions you're looking to research

STEP #2: Next to each one, write down a setting or situation where you might observe this activity, behavior, or emotion.

STEP #3: decide on the site visits that you would like to observe for inspiration.

STEP #4: when you make your visit, pay close attention to what it is you're seeking to understand, but remain open to all kinds of other inspiration.

ASSIGNMENT FOR NEXT TUESDAY

- 5 interviews each
- 2 observations or analogy research
- LEAN canvas for COO debrief
- Keep using TRELLO from now! We will check it after pitching session
- Keep filling Diary of your activities