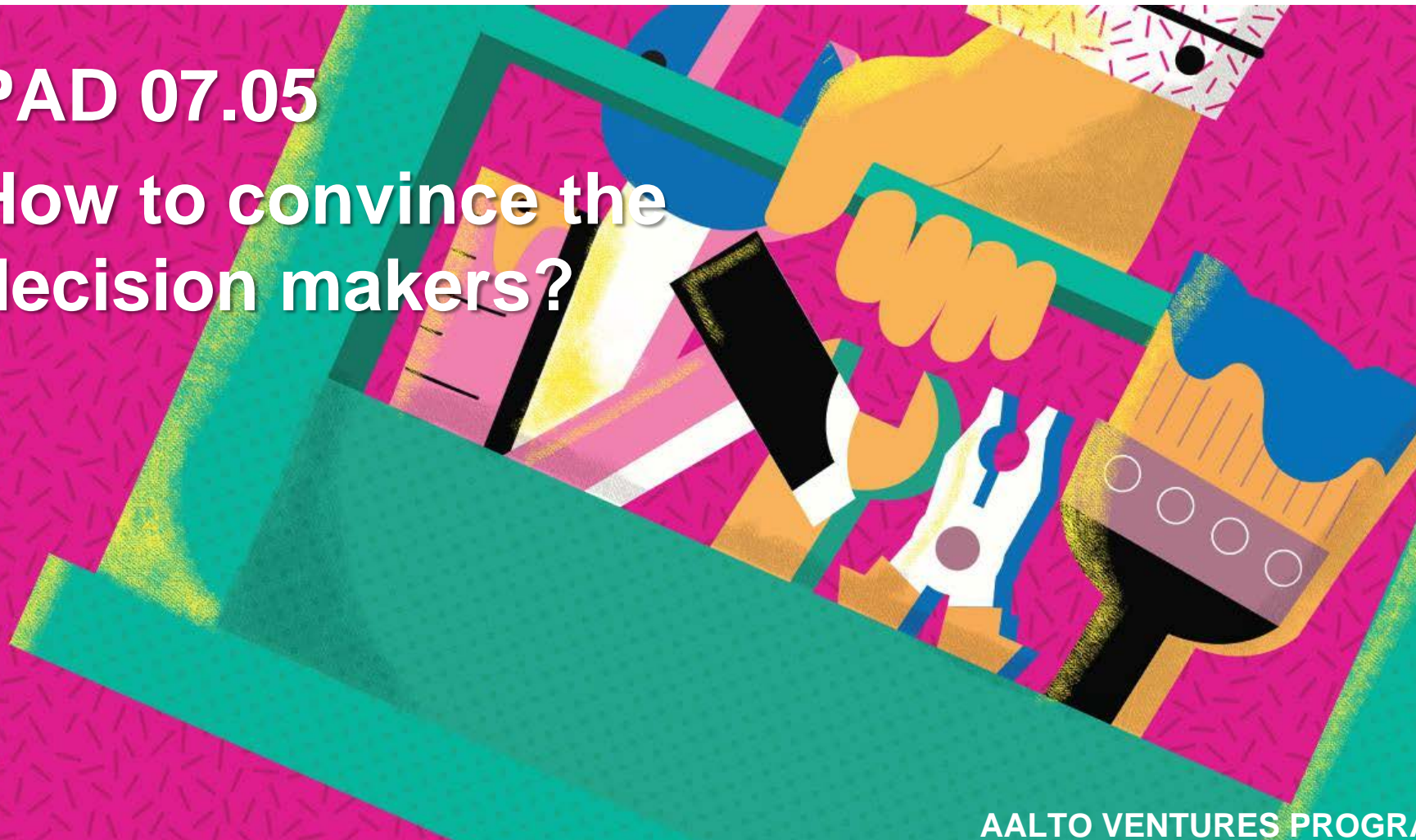


PAD 07.05

**How to convince the
decision makers?**

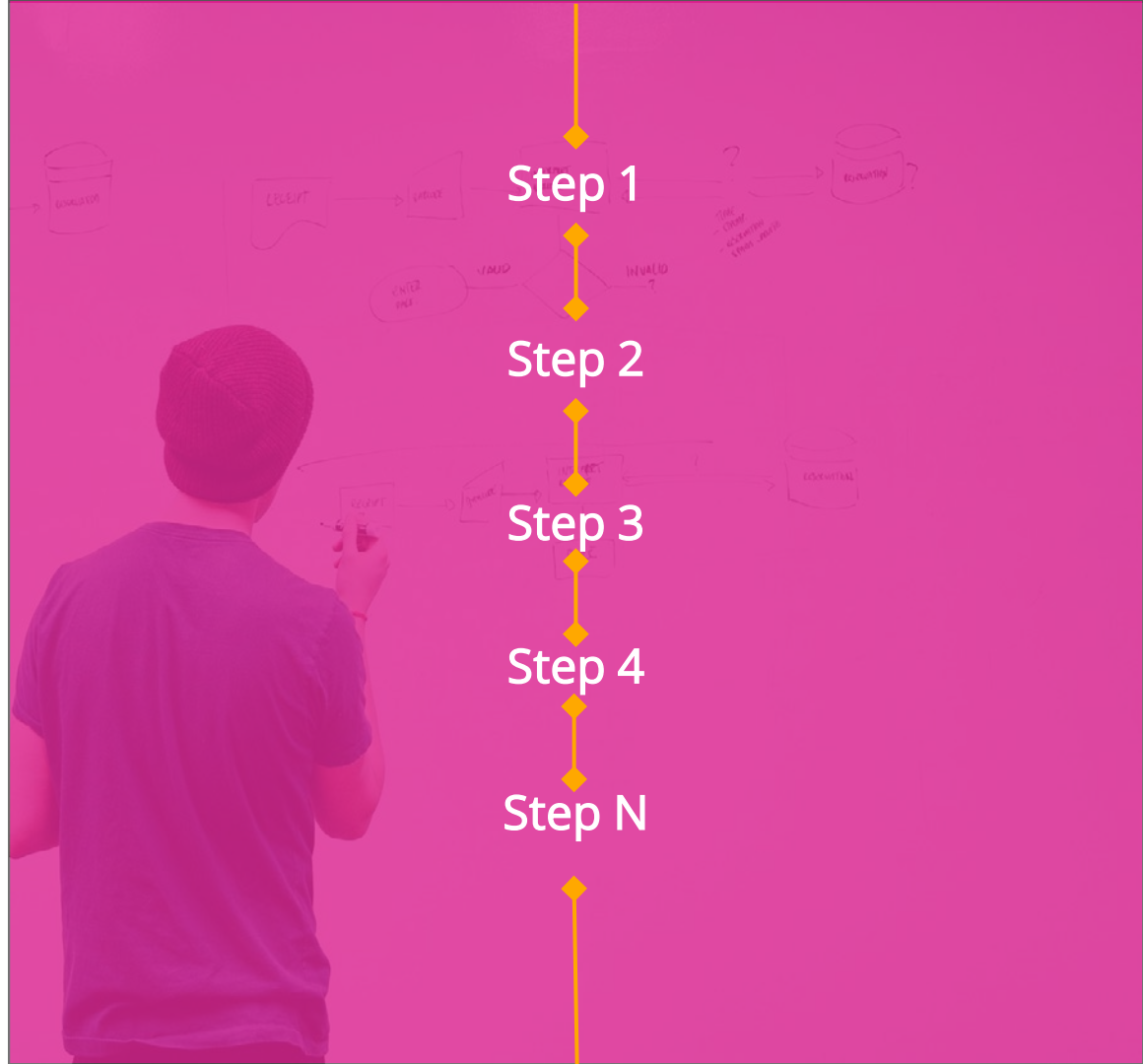


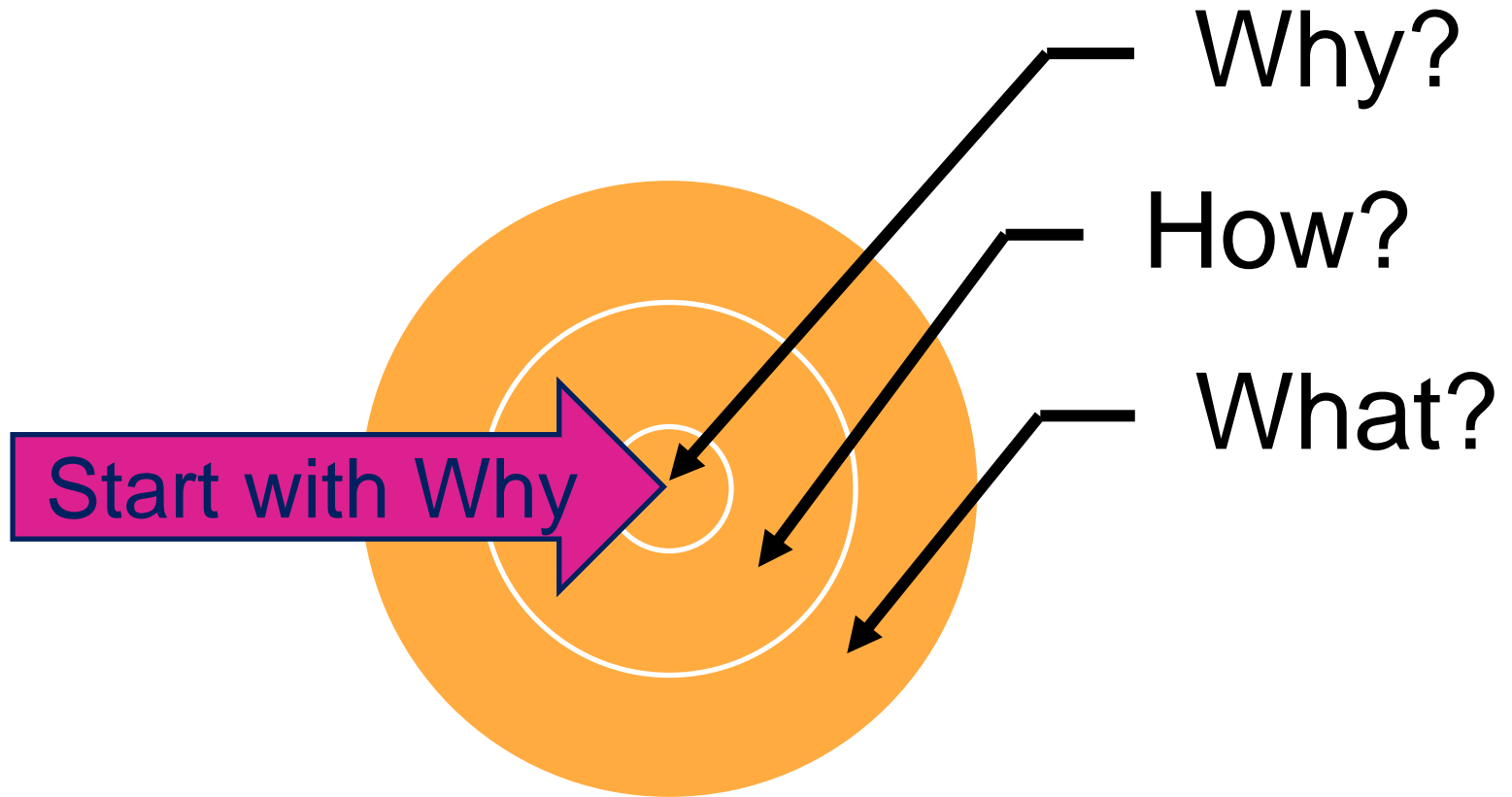
Present your experiments:

- **What did you do?**
- **What did you want to find out?**
- **What was the outcome? What did you learn?**
- **Your plans?**

Possible structure for presentation

1. Initial company brief
2. Problems identified after user's research
3. Customer persona (s)
4. Value proposition
5. Is there a business?
6. Plans
7. Dream team





Why?

How?

What?



You can describe the value of a solution without knowing what it is

Value of the outcome to the user

Value



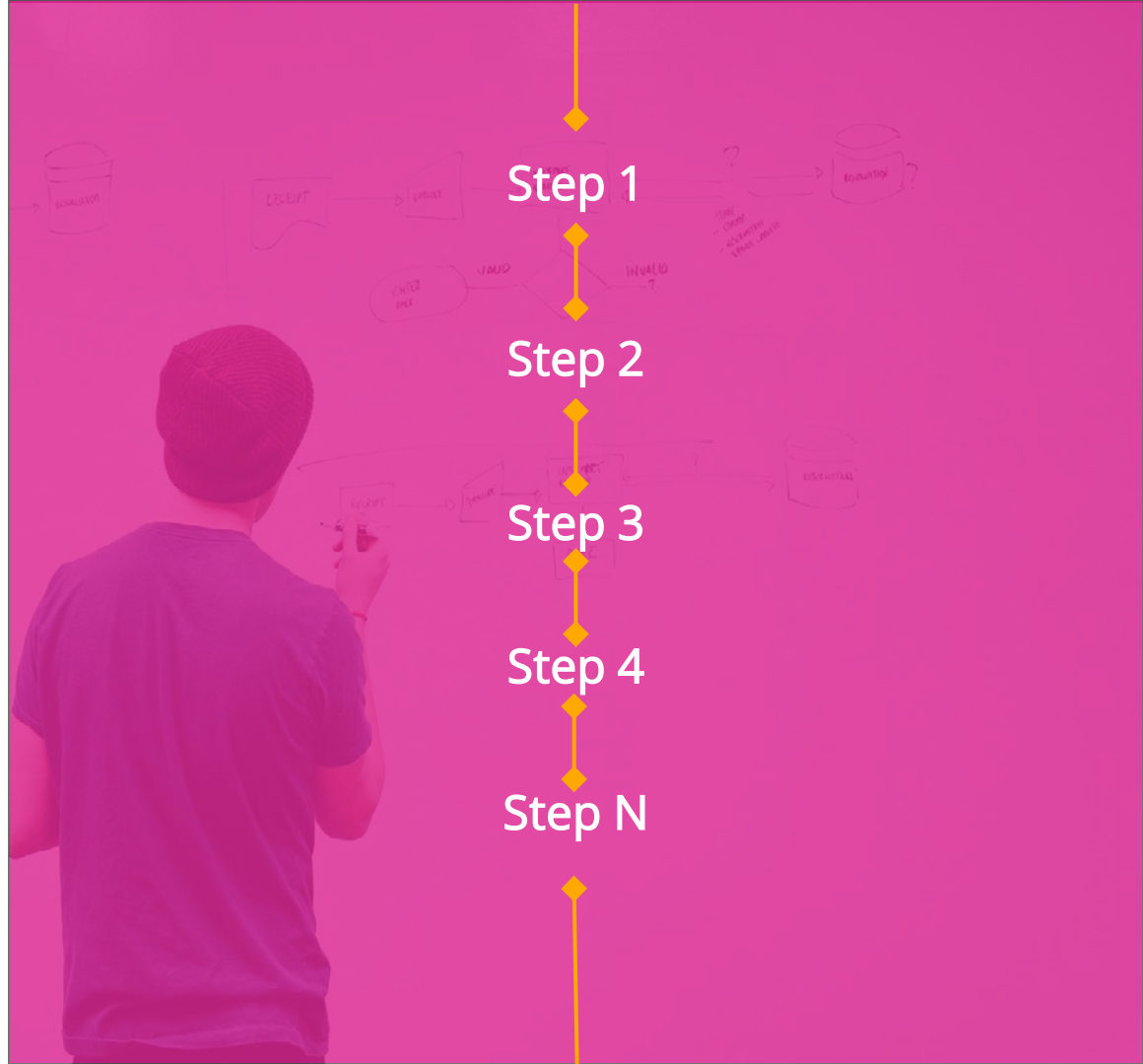
**Provide evidence
supporting your design**

Evidence



Possible structure for presentation

1. Initial company brief
2. Problems identified after user's research
3. Customer persona(s)
4. Value proposition
5. Is there a business?
6. Plans 1 block for each customer segment
7. Dream team



**IS THERE A
BUSINESS?**



KEY TERMS, WHAT DO THEY MEAN?

- Total Addressable Market (TAM) / Share of the market
- Lifetime Value (LTV)
- Customer Acquisition Cost (CAC)

TAM – TOTAL ADDRESSABLE MARKET

- Total number of potential customers
- Total potential units sold into the market (if we assume users will buy more than 1 unit)

Lifetime Value (LTV) And Customer Acquisition Costs

Lifetime value is today's value of the future *net profit* from the customer, over the duration of the relationship.

Helps determine customer (long-term) net profit after accounting for customer acquisition costs (CAC)

LTV gives an upper limit on what you can spend on customer acquisition.

CAC - the cost of convincing a potential customer to buy a product or service.

Basically, the CAC can be calculated by simply dividing all the costs spent on acquiring more customers (marketing expenses) by the number of customers acquired in the period the money was spent. For example, if a company spent \$100 on marketing in a year and acquired 100 customers in the same year, their CAC is \$1.00.

**WHY DOES THE MARKET
EVEN HAVE TO BE BIG?**

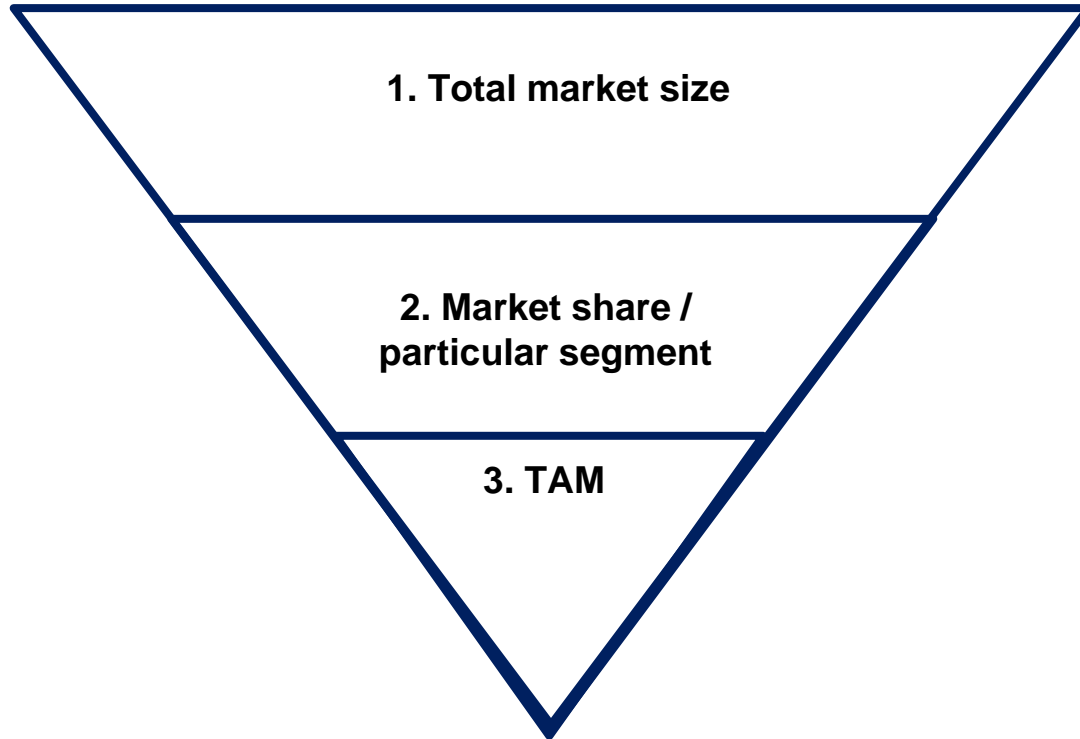
CREATING YOUR MARKET

- If you are creating a new market it will be more difficult to do accurate estimates
- F.ex. What was the market potential of e-scooters 5 years ago? Or airplanes in 1920?
- What is the market potential for Bitcoin, SpaceX or AR in 5 years?

MARKET ESTIMATION

TOP-DOWN / BOTTOM-UP

TOP-DOWN



TOP-DOWN. Example

Team Foodl market estimation

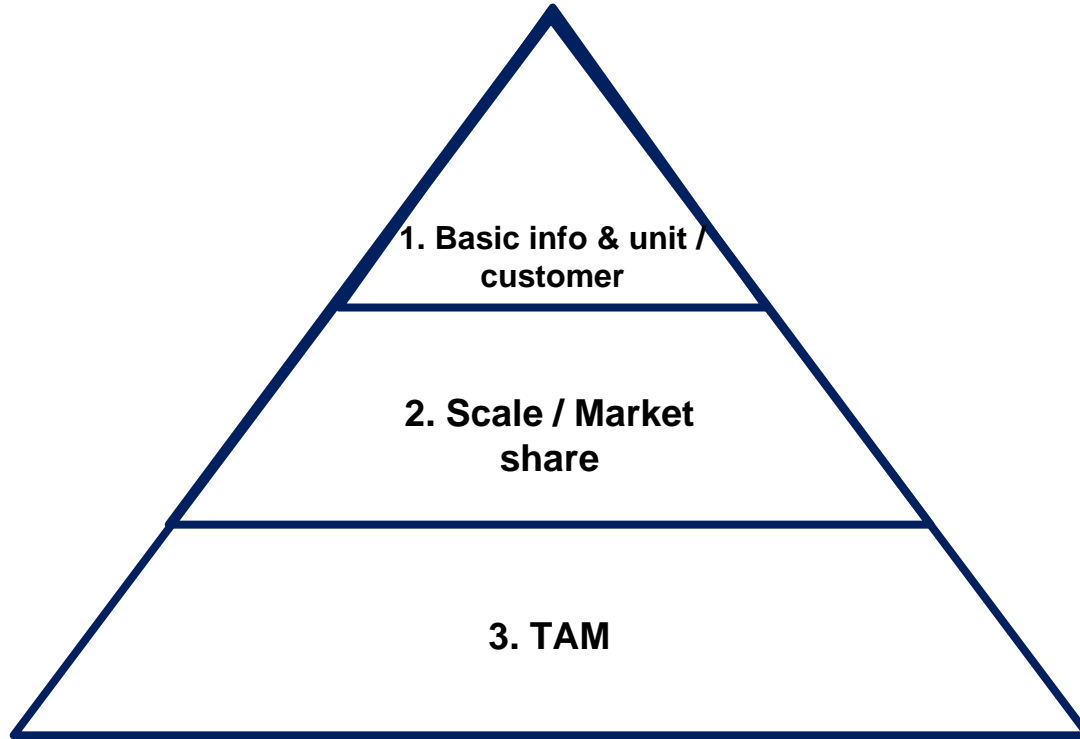
	Share Percentage	Value
Number of People in Europe		740 million
Number of fridges per person	0.769	569 million
People that find a smart-home appealing	77%	438 million
Potential Product Market	40%	175 million

TAM - Total Available Market

SAM - Serviceable Available Market

SOM - Share of Market

BOTTOM-UP



BOTTOM-UP. Example

Heimdall market estimation.

We looked for countries in Europe due to the forthcoming air regulation in 2020. Given those

countries, we looked for rescue departments in those countries: **288 rescue departments** in Europe in Sum

We estimated alongside the course assistants that **30K€/year*unit** would be the price that we would offer.

The average units per rescue department was estimated to be **3**.

**MARKET
ESTIMATION -
€25,920,000.00**

288*3*30K

Make your market estimation for each customers segment:

- **TOP-DOWN**
- **BOTTOM-UP**

40 min.

**HOW YOU WILL GET
ATTENTION OF YOUR
CUSTOMERS?**

FAKE
ADVERTISEMENT
THE FIRST **PROTOTYPE**

Picture

Caption

Headline

Copy

Make your fake ad.:

30 min.

Thank You!

If you have questions feel free to contact:

- lidia.borisova@aalto.fi
- johannes.kaira@aalto.fi
- hakan.mitts@aalto.fi

