

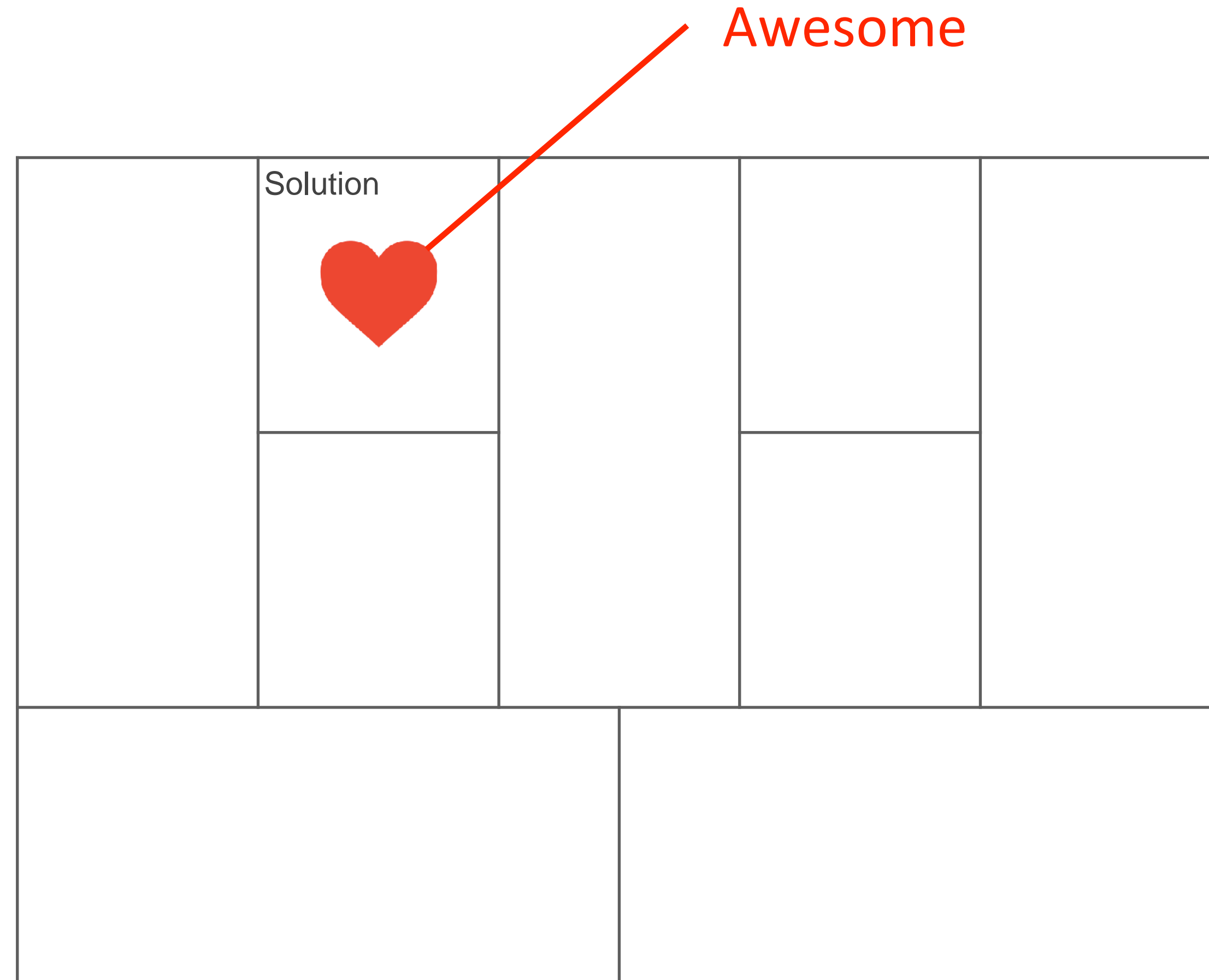
Lean Canvas and the Entrepreneurial Method

Innogrove & StartupSac

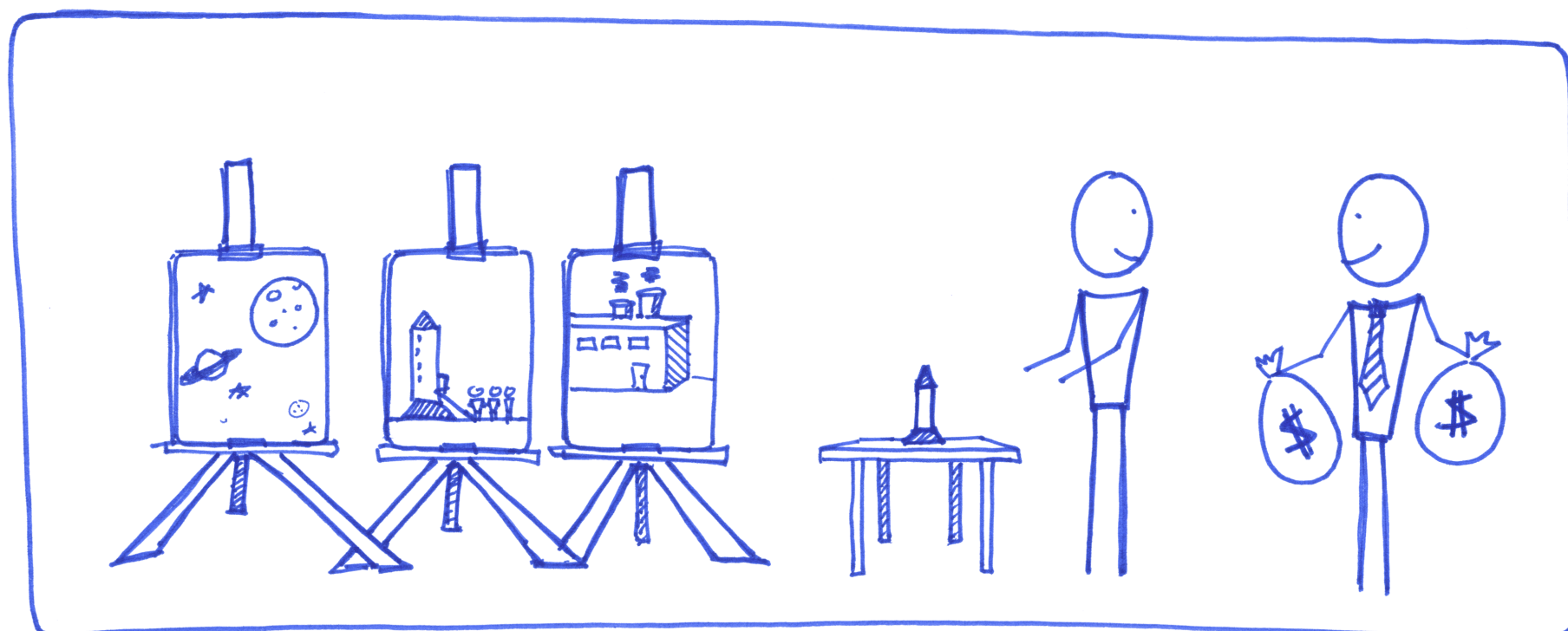
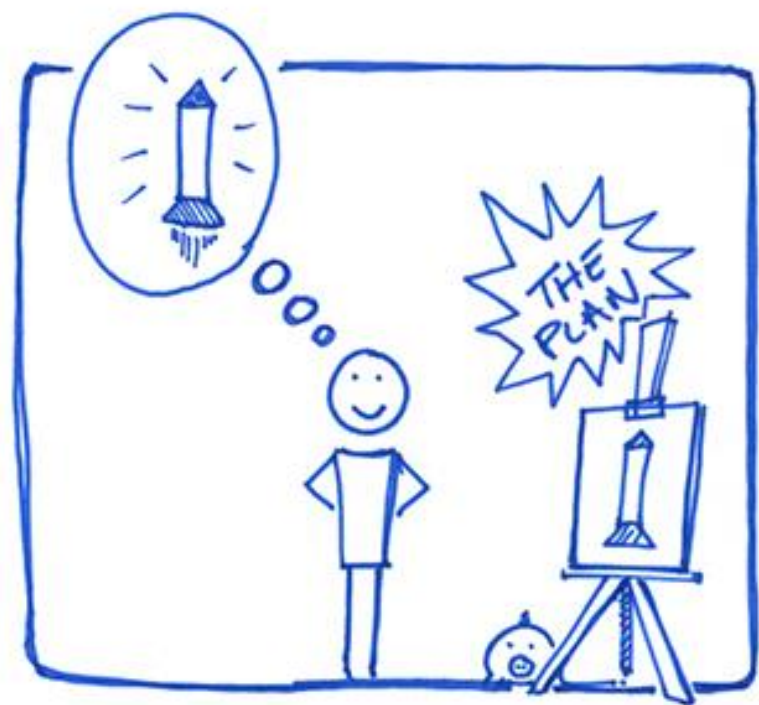
Dr. Brian K.
Gladden, CEO
Strategy &
Innovation
Institute

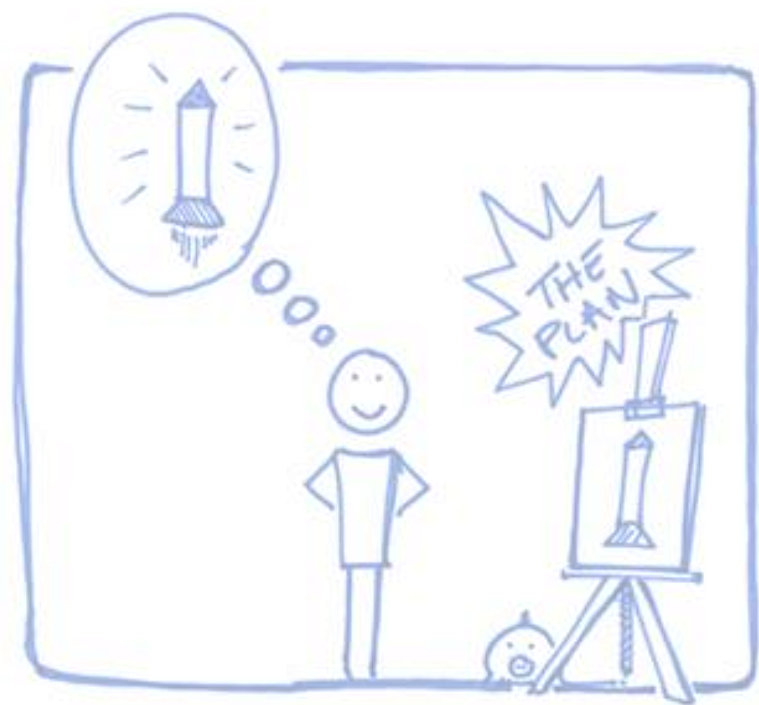
#1 Reason Why Products Fail

We waste needless time, money, and effort **building something nobody wants.**



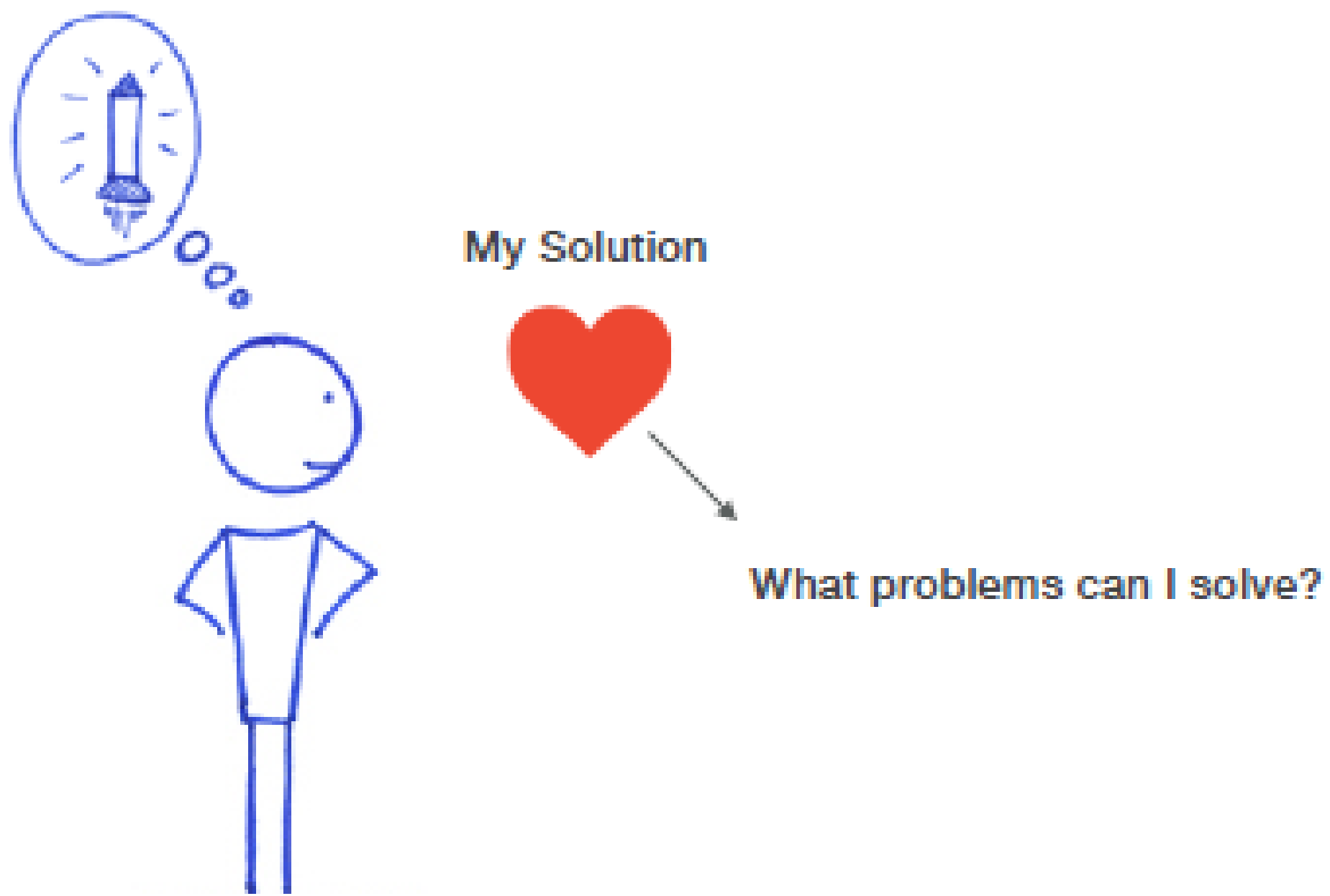
The Innovator's Bias



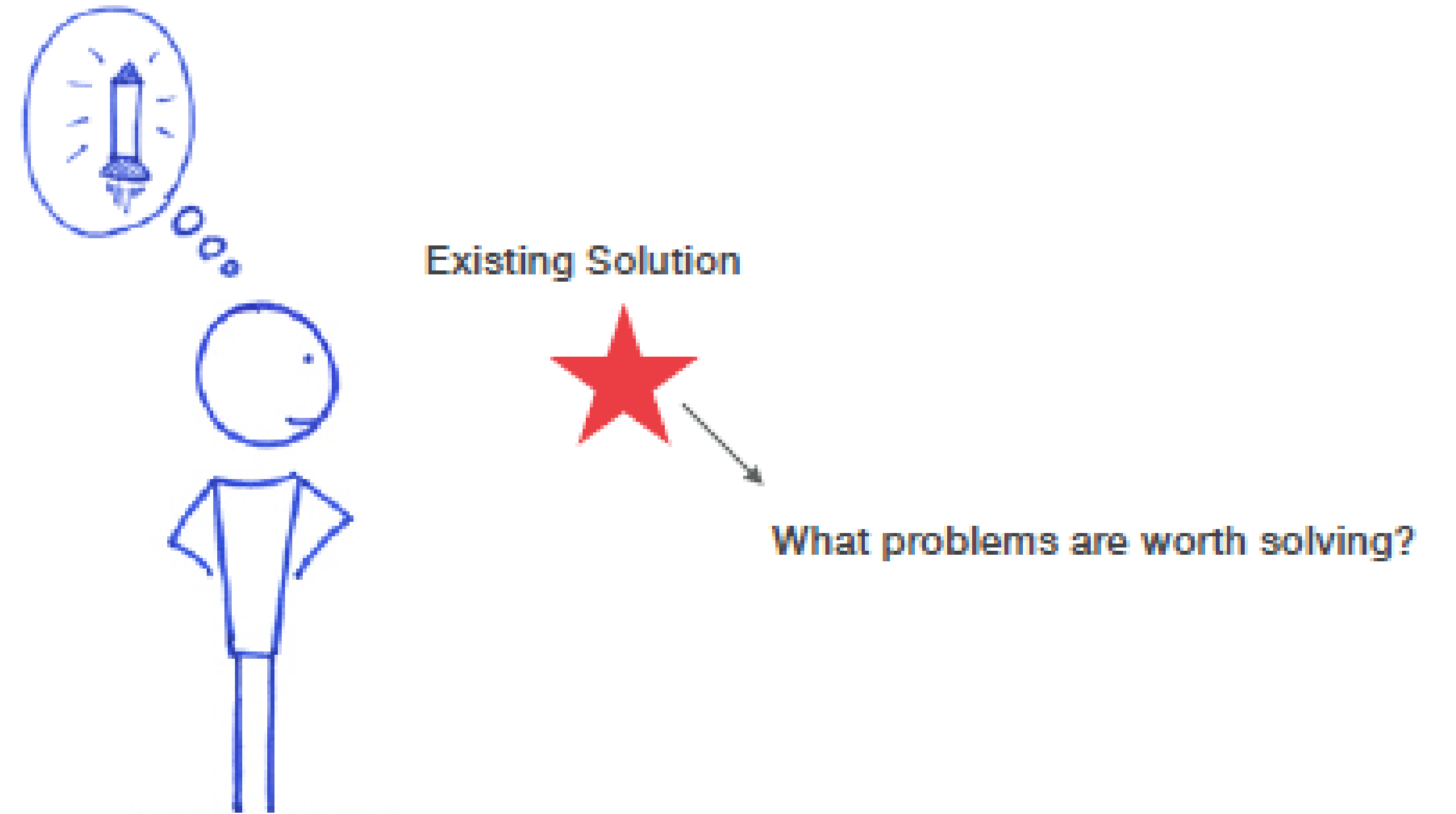


BACKWARDS





The **Innovator's Bias**



The **Innovator's Gift**

THE INNOVATOR'S GIFT

New problems worth solving are
created as byproducts of old solutions.

A gift box wrapped in dark blue fabric with a teal ribbon, set against a dark wood background. The ribbon is tied in a bow and has some faint, illegible text on it. The gift box is positioned on the right side of the image, partially obscured by the text.

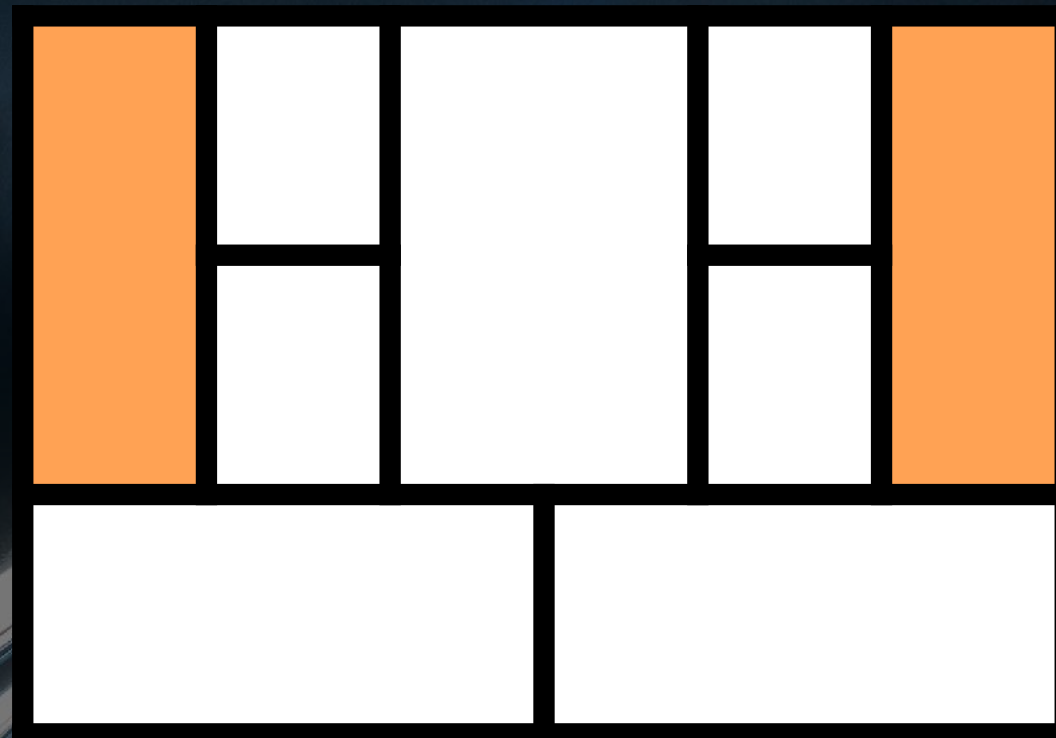
STARTING WITH A SOLUTION IS
LIKE BUILDING A KEY WITHOUT A
DOOR



FOCUS ON DOORS OR
PROBLEMS WORTH SOLVING
INSTEAD...



A KEY MINDSET SHIFT



LOVE THE **PROBLEM**
NOT YOUR SOLUTION

OLD WORLD



BUSINESS PLAN

Definition:

A document investors make you write that no-one reads.

NEW WORLD



BUSINESS MODEL

Definition:

A 1-page diagram of your business idea.

SPEED OF LEARNING IS THE NEW UNFAIR ADVANTAGE



Out-learn the
competition



Build what
customers want



Stay relevant
to customers



Grow your
business model

OUR THESIS:

What separates successful entrepreneurs is differing mindsets, not differing skillsets.

Differing mindsets vs. differing skillsets.



STEVE

...

Artist

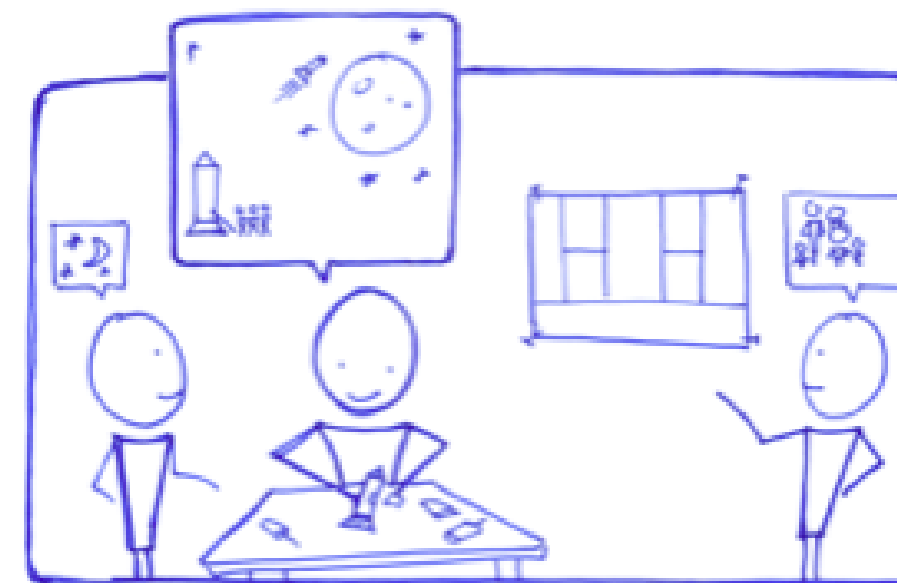
Build-first

Takes big risks

Loves their solution

Solution is the product

VS



LARRY

...

Innovator

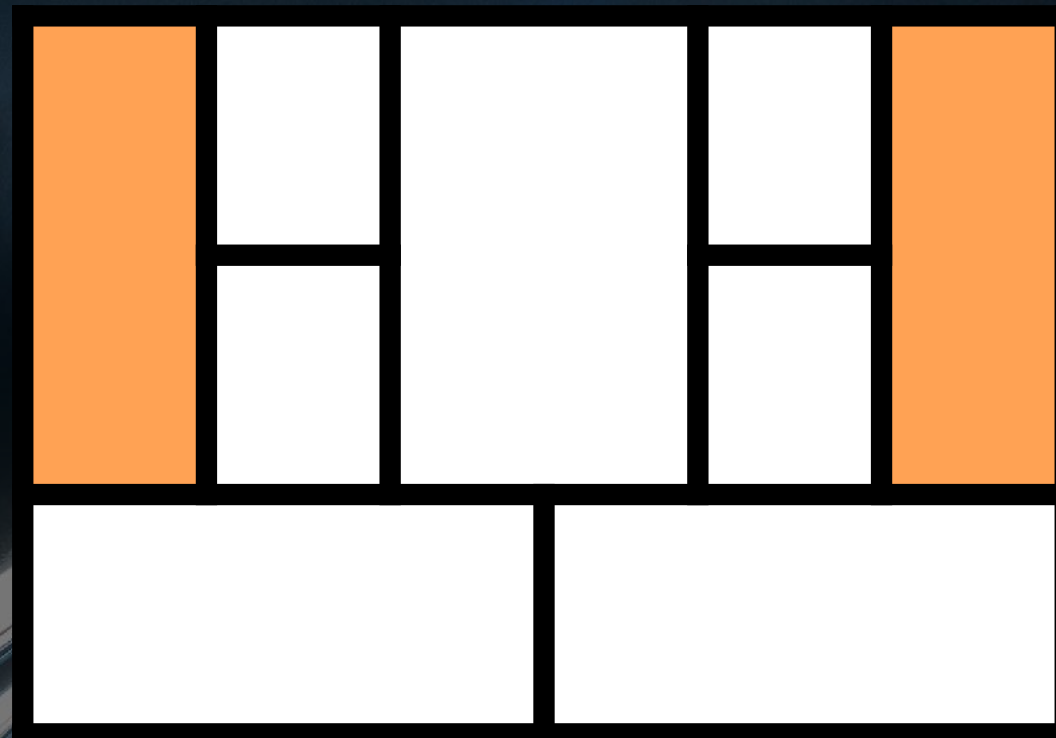
Customer first

Removes biggest risks

Loves customer's problem

Business model is the product

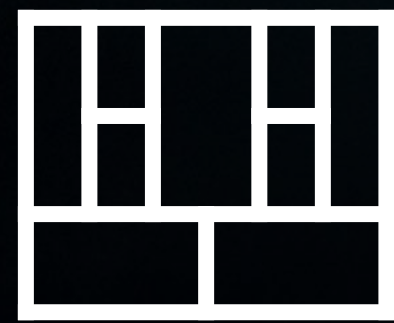
KEY MINDSET SHIFT



YOUR **BUSINESS MODEL**,
NOT YOUR SOLUTION,
IS THE **PRODUCT**.

THE ENTREPRENEURIAL METHOD

MODEL



Start with a
business model



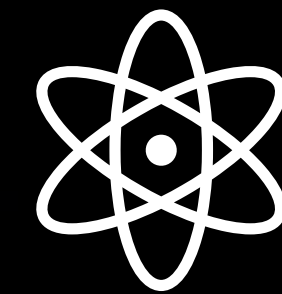
PRIORITIZE



Identify what's
riskiest

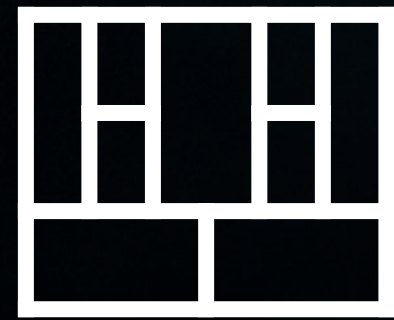


TEST



Test & refine
the model

THE ENTREPRENEURIAL METHOD

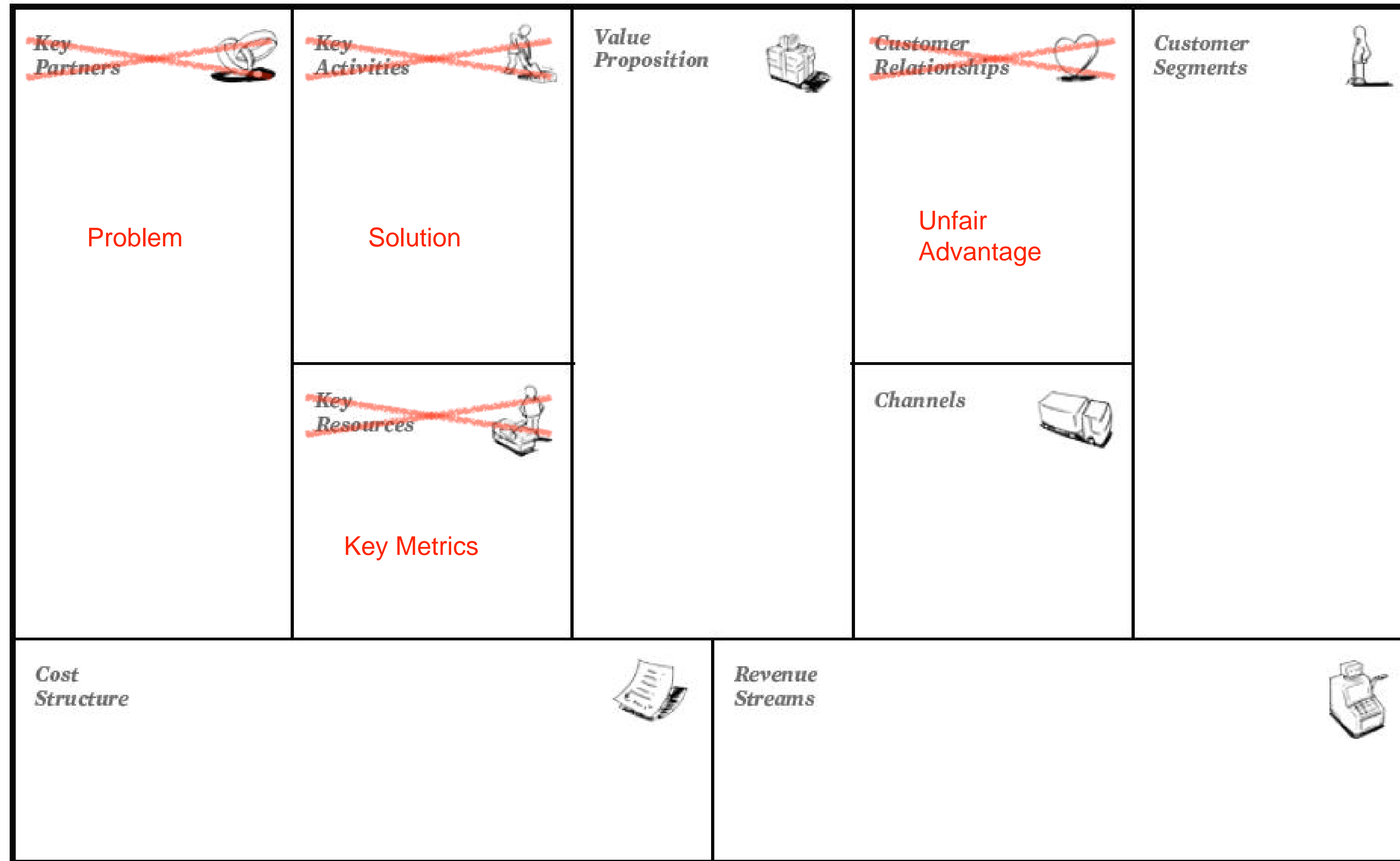


Start with a
business model



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LEAN CANVAS



Lean Canvas **vs** Business Model Canvas

PROBLEM

List your top 1-3 problems

2

EXISTING ALTERNATIVES

List how these problems are solved today

SOLUTION

Outline a possible solution for each problem

4

KEY METRICS

List the key numbers that tell you how your business is doing

8

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that turns an unaware visitor into an interested prospect

3

HIGH-LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

9

CHANNELS

List your path to customers

5

CUSTOMER SEGMENTS

List your target customers and users

1

EARLY ADOPTERS

List the characteristics of your ideal customers

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

List your sources of revenue

6



AirBed&Breakfast™

2008

PROBLEM

- Hard to find cheap/affordable accomodation options when travelling
- Staying in hotels travellers cannot get authentic experiences of a location
- It's not easy for a homeowner to monetize vacant areas on a day-by-day basis
- Uncultivated home sharing culture

EXISTING ALTERNATIVES

Booking.com
Hotels.com

SOLUTION

- An online service where travelers can rent an affordable local apartment, and homeowners can earn extra money by renting out vacant areas on a day-by-day basis

KEY METRICS

- Number of views-to-bookings per host
- Number of hosts applied
- NPS
- DAU/MAU

UNIQUE VALUE PROPOSITION

- Travelers can get authentic experience of local area
- Extra monetization of vacant areas for homeowners

HIGH-LEVEL CONCEPT

Everyone can become a host
Sharing economy

UNFAIR ADVANTAGE

- Any homeowner can rent out space
- Trust building: bi-directional rating system of hosts and visitors
- Insurance by default for hosts

CHANNELS

- Referrals
- Recommendations
- Advertising (both online and offline)

CUSTOMER SEGMENTS

- Travellers looking for an adequate accommodation experience for a low price
- People having some accomodation options to become a host

EARLY ADOPTERS

People ready to share their residence and earn money as hosts

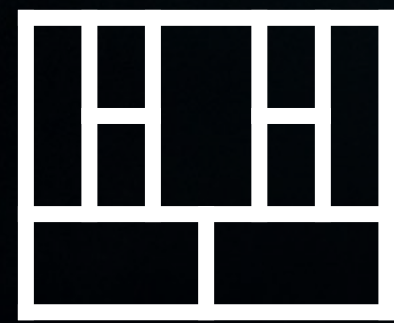
COST STRUCTURE

Development
Hosting
Marketing
Payroll
Insurance
Photography

REVENUE STREAMS

Fees for travellers

THE ENTREPRENEURIAL METHOD

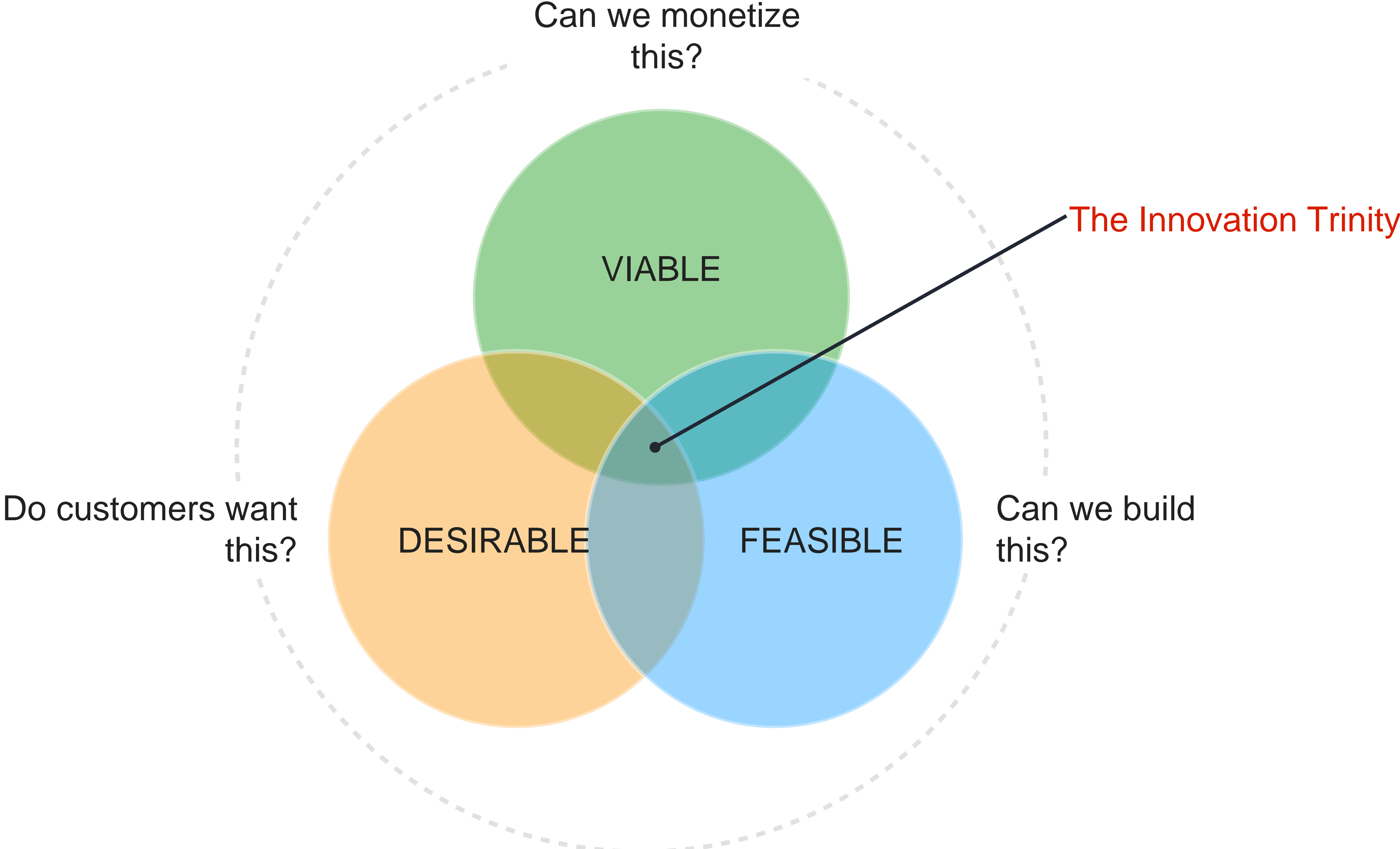


Start with a
business model



Identify what's
riskiest





#1 Reason Why Products Fail

We waste needless time, money, and effort **building something nobody wants.**

1

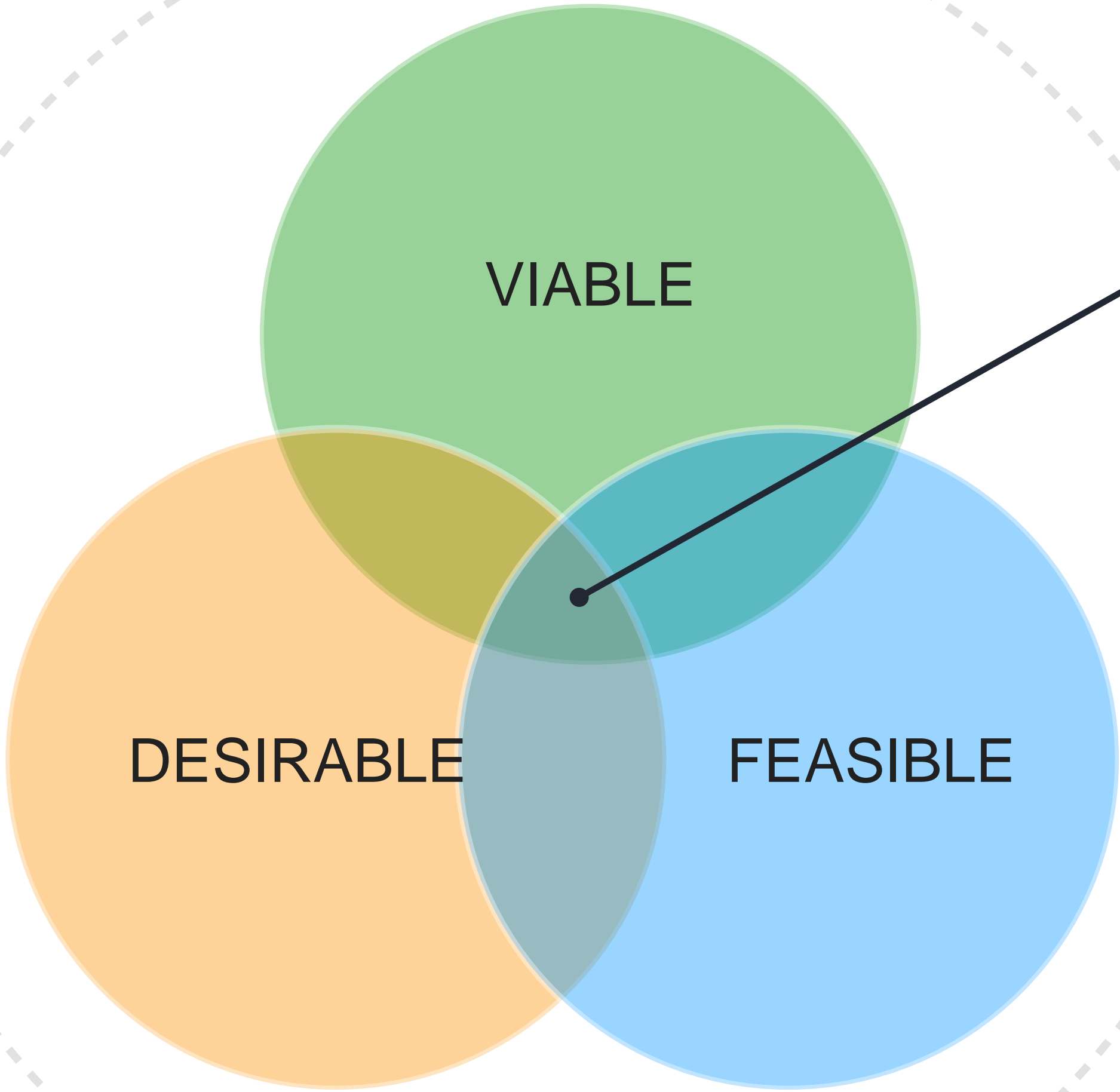
Do customers want this?

2

Can we monetize this?

3

Can we build this?



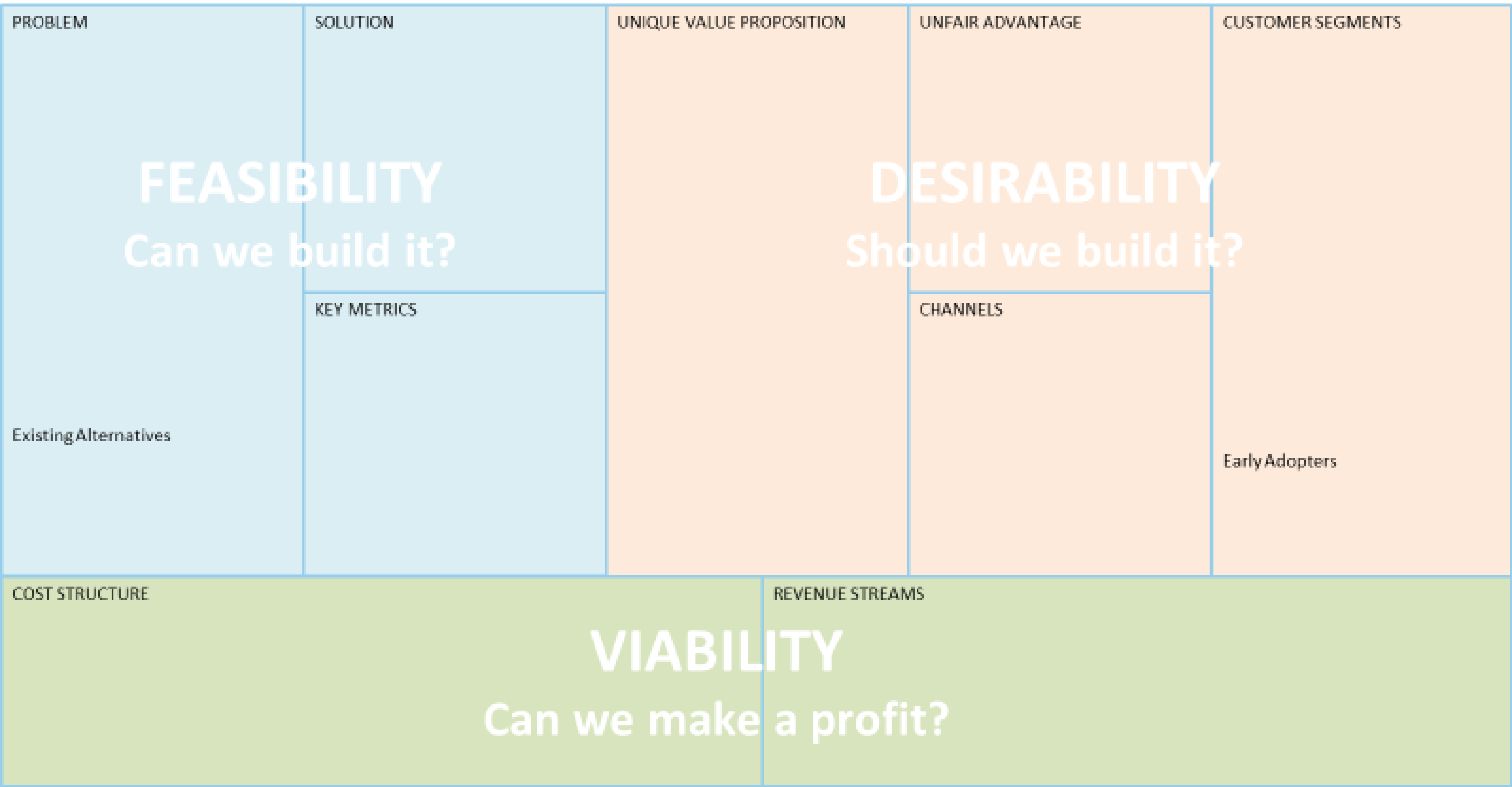
VIABLE

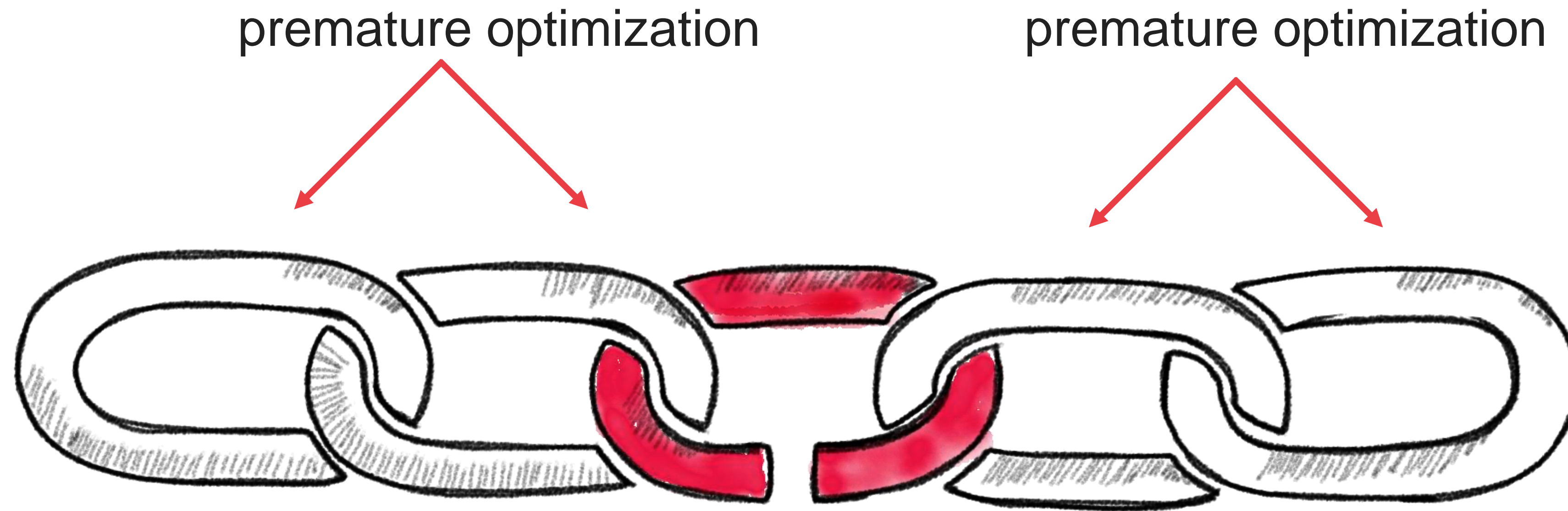
DESIRABLE

FEASIBLE

The Innovation Trinity

Lean Canvas





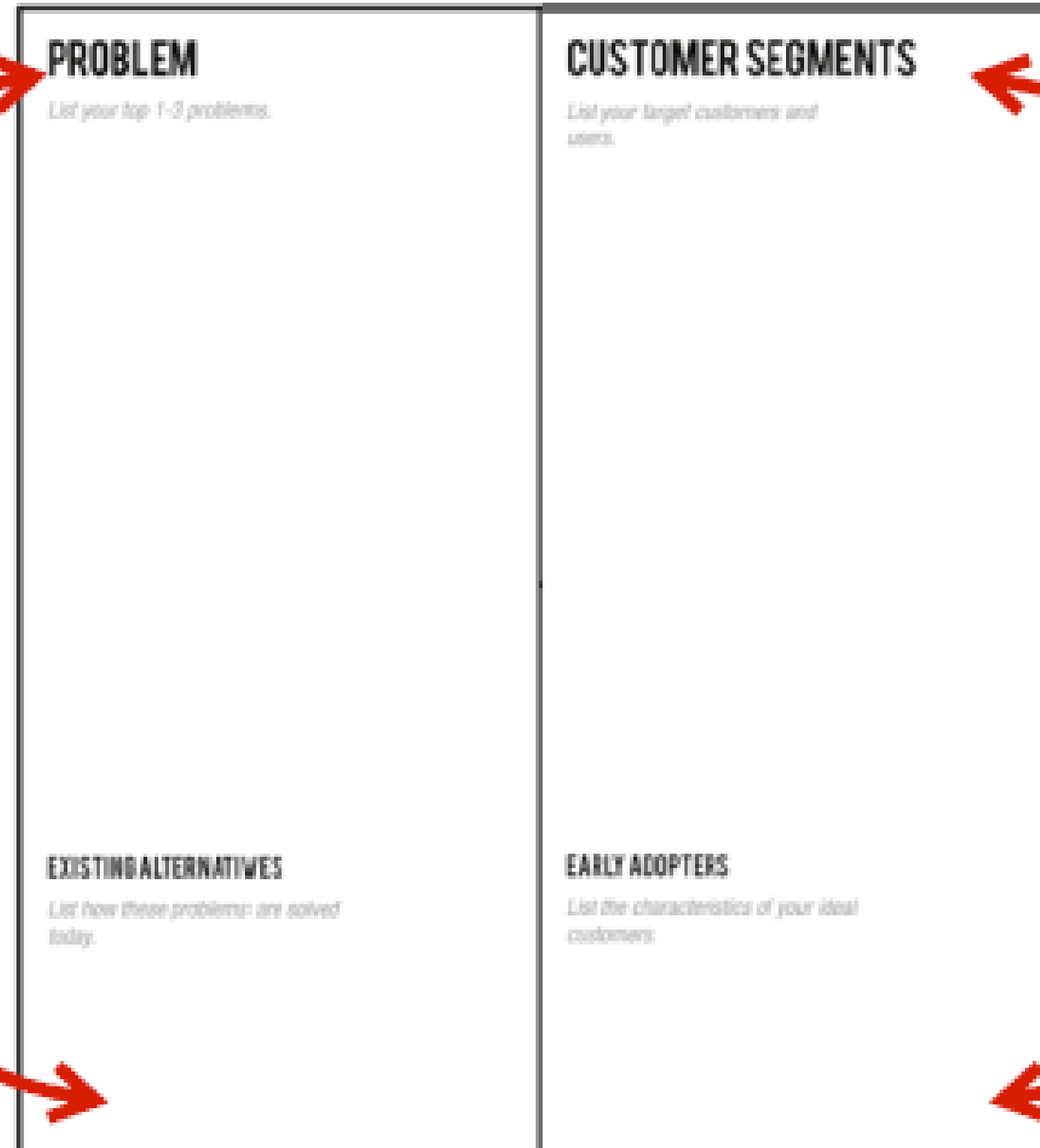
Addressing the weakest link is
the **only thing that matters.**



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LEAN CANVAS

Lean(er) Canvas



What are your early adopter's top 3 problems?

Who is the customer?

How do they solve the problem today?

How will you qualify/identify early adopters?



PROBLEM

There's no hosting video as a service

EXISTING ALTERNATIVES

- ShareYourWorld
- Vimeo
- Google Video

CUSTOMER SEGMENTS

- Mass market users
- Amateur video bloggers
- Advertisers

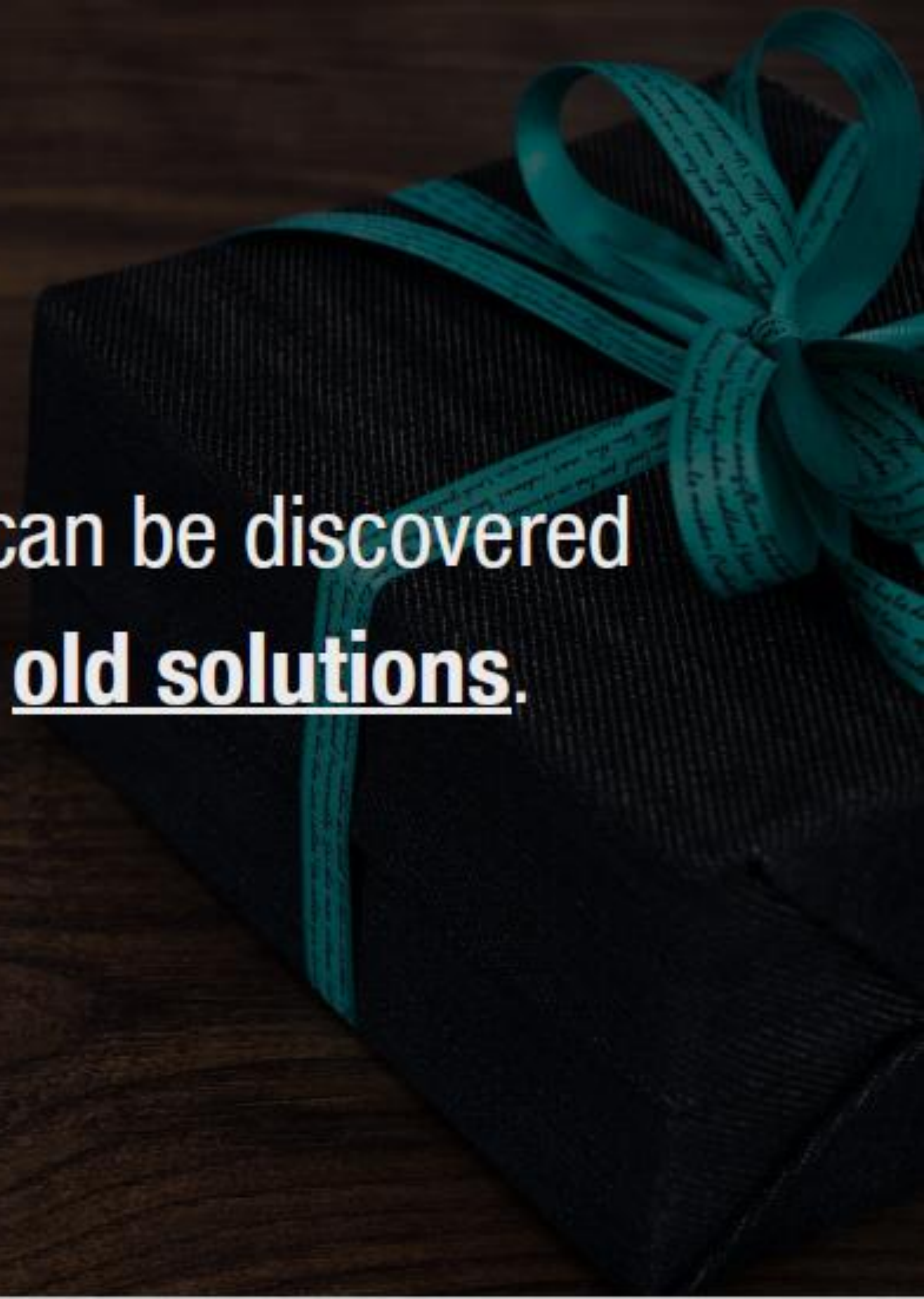
EARLY ADOPTERS

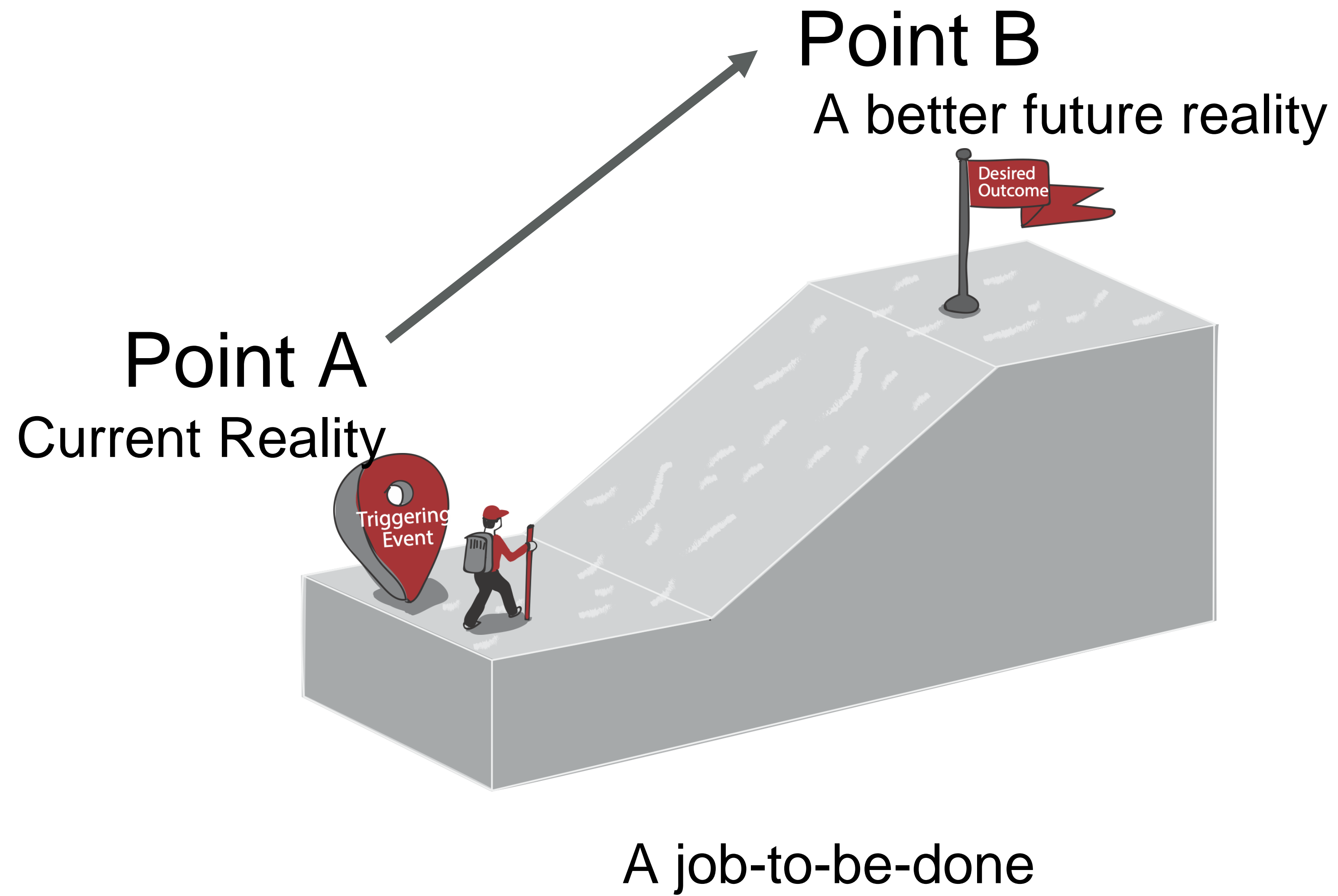
- Teenagers
- College students
- Video hobbyists
- Film-makers

How do we find the problems worth solving?

THE INNOVATOR'S GIFT

New problems worth solving can be discovered by studying how customers use old solutions.





Functional

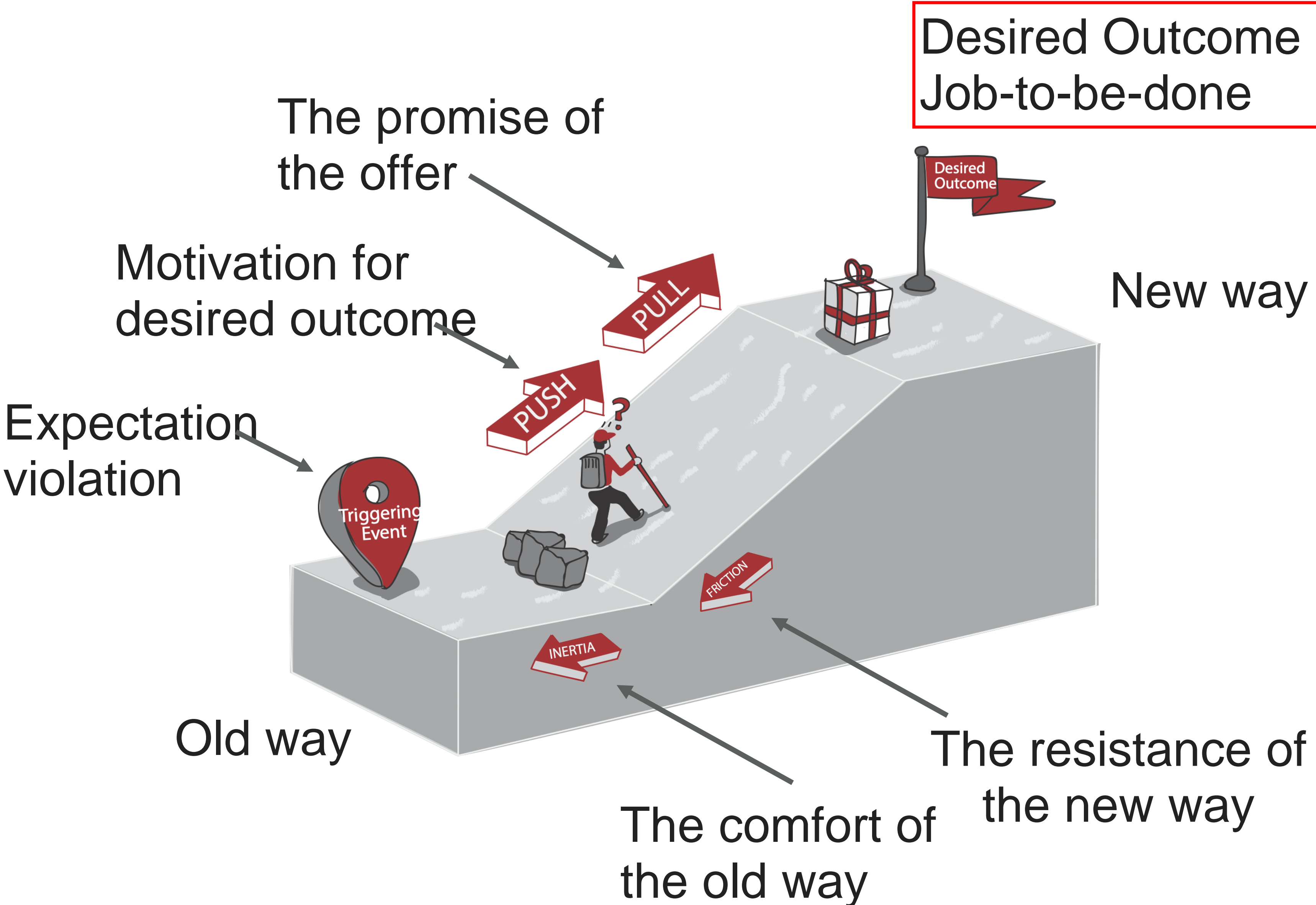
Emotional

Social

JOB TO BE DONE

The instantiation of an unmet need or want
in response to a **trigger**.

CUSTOMER FORCES

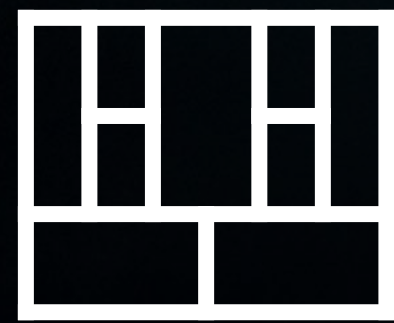


The **job** of listening to music



THE ENTREPRENEURIAL METHOD

MODEL



Start with a
business model



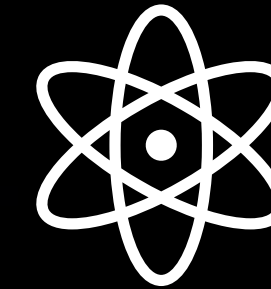
PRIORITIZE



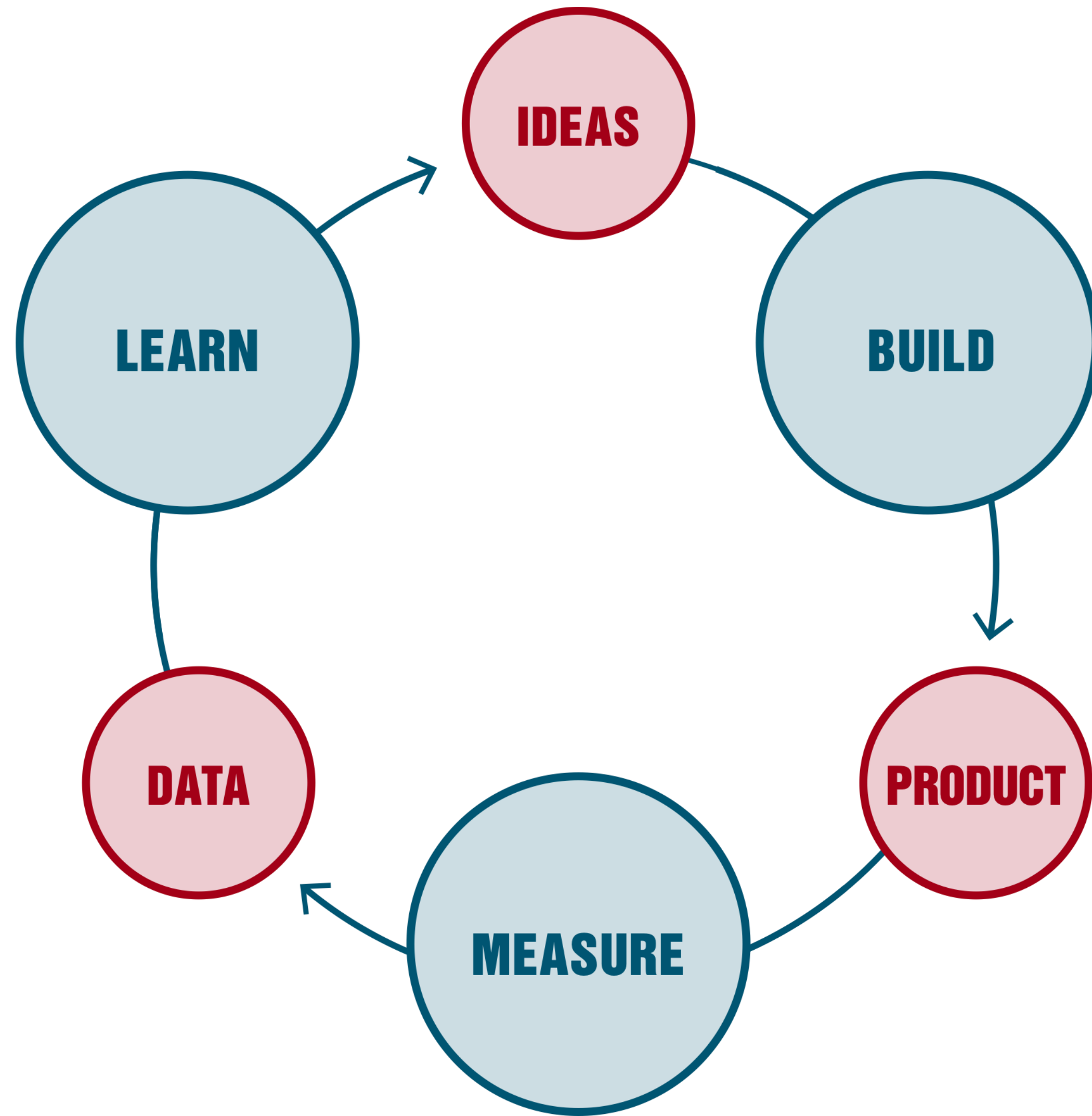
Identify what's
riskiest



TEST



Test & refine
the model



The Experiment Loop

OLD WORLD



OUTPUT

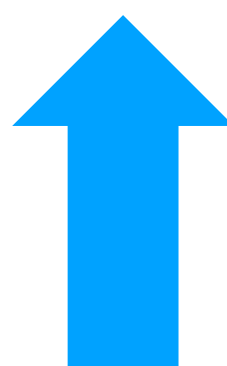
NEW WORLD



OUTCOMES



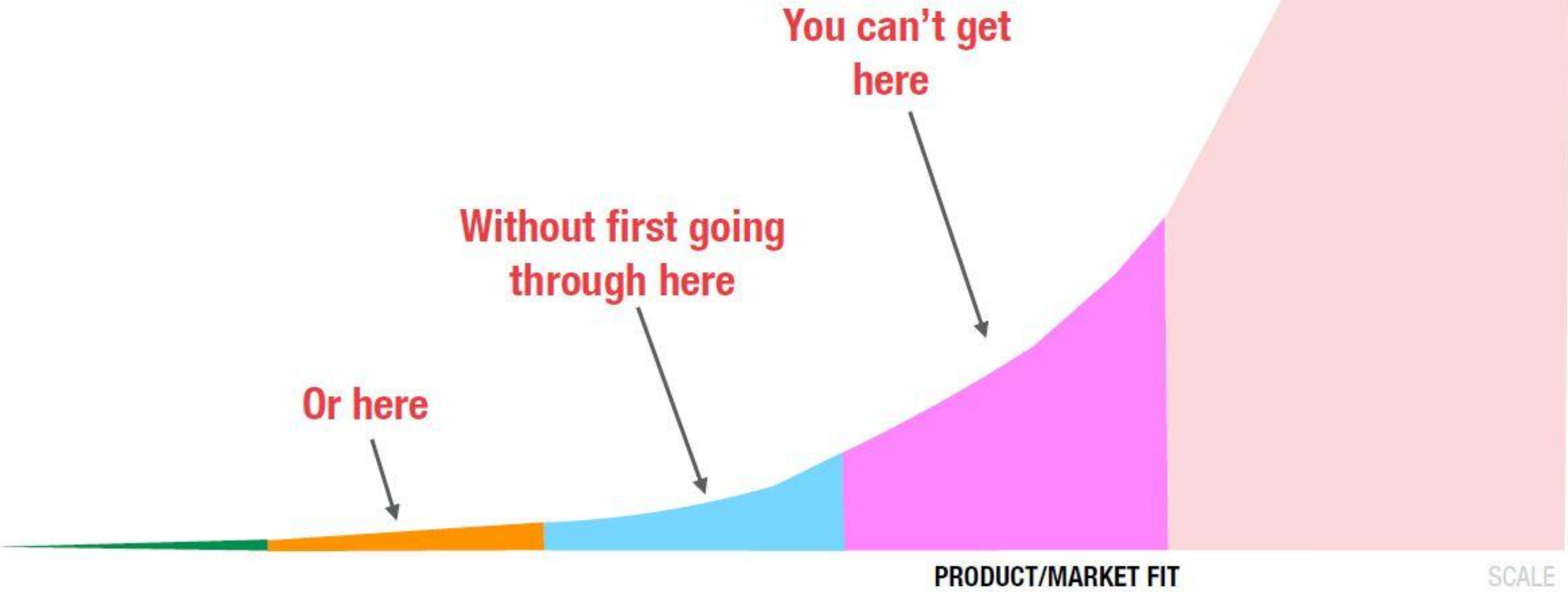
Show me traction

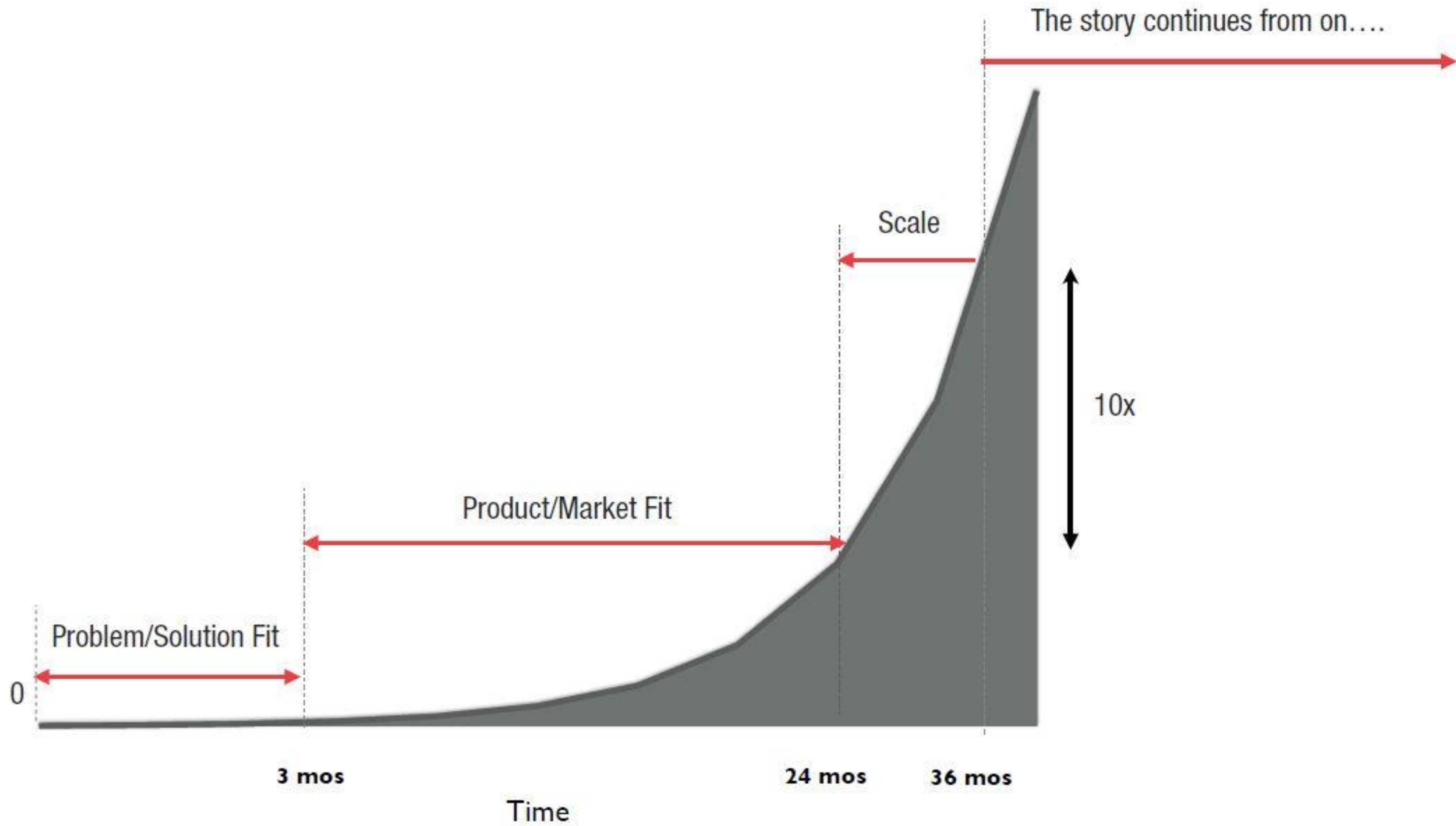
You? 

TRACTION matters above everything else

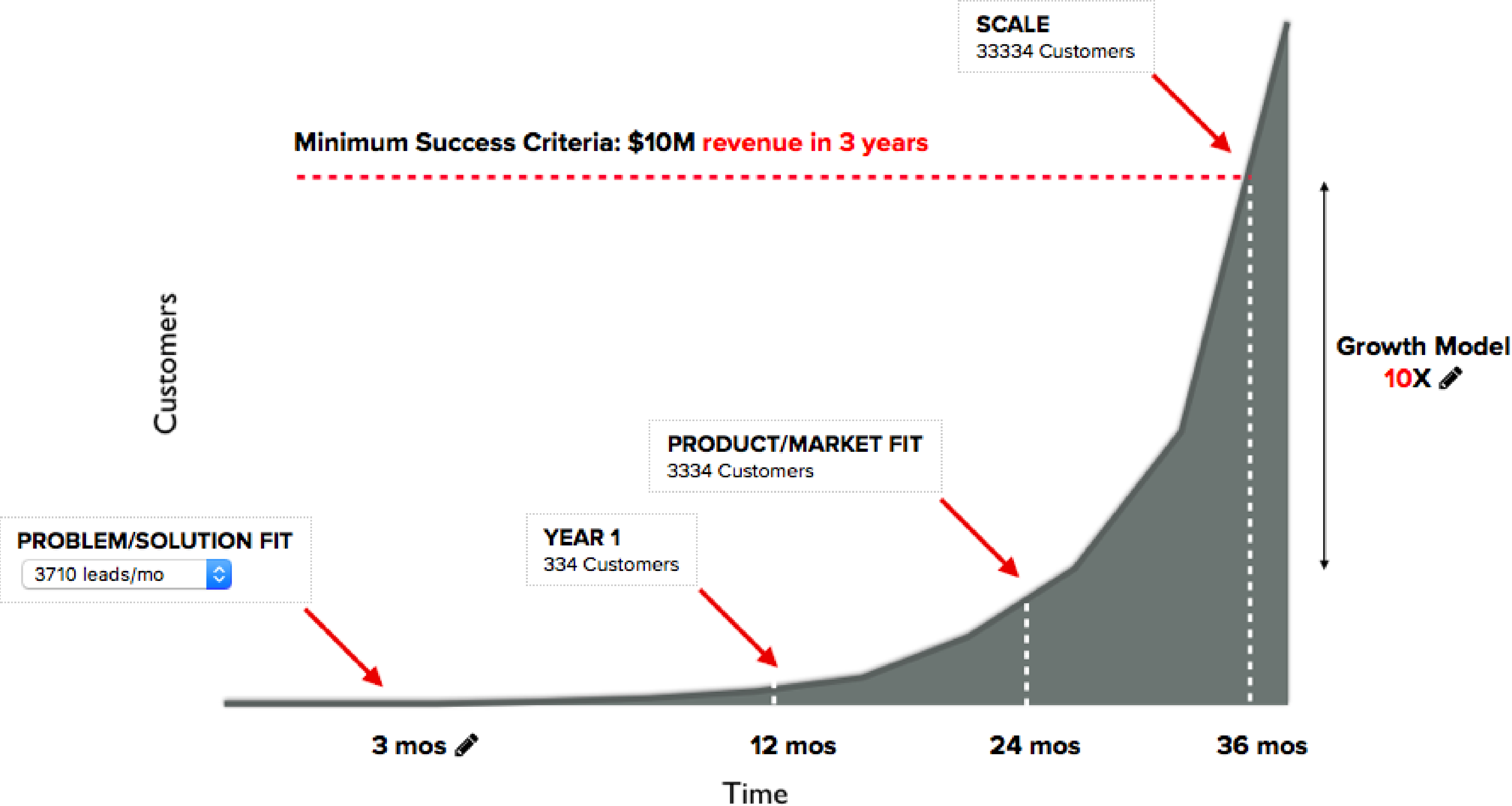


FOCUSING ON THE WRONG THINGS AT THE WRONG TIME.





Build a **traction roadmap** vs. a product roadmap





Franklin
BARBECUE

SPEED
LIMIT
25

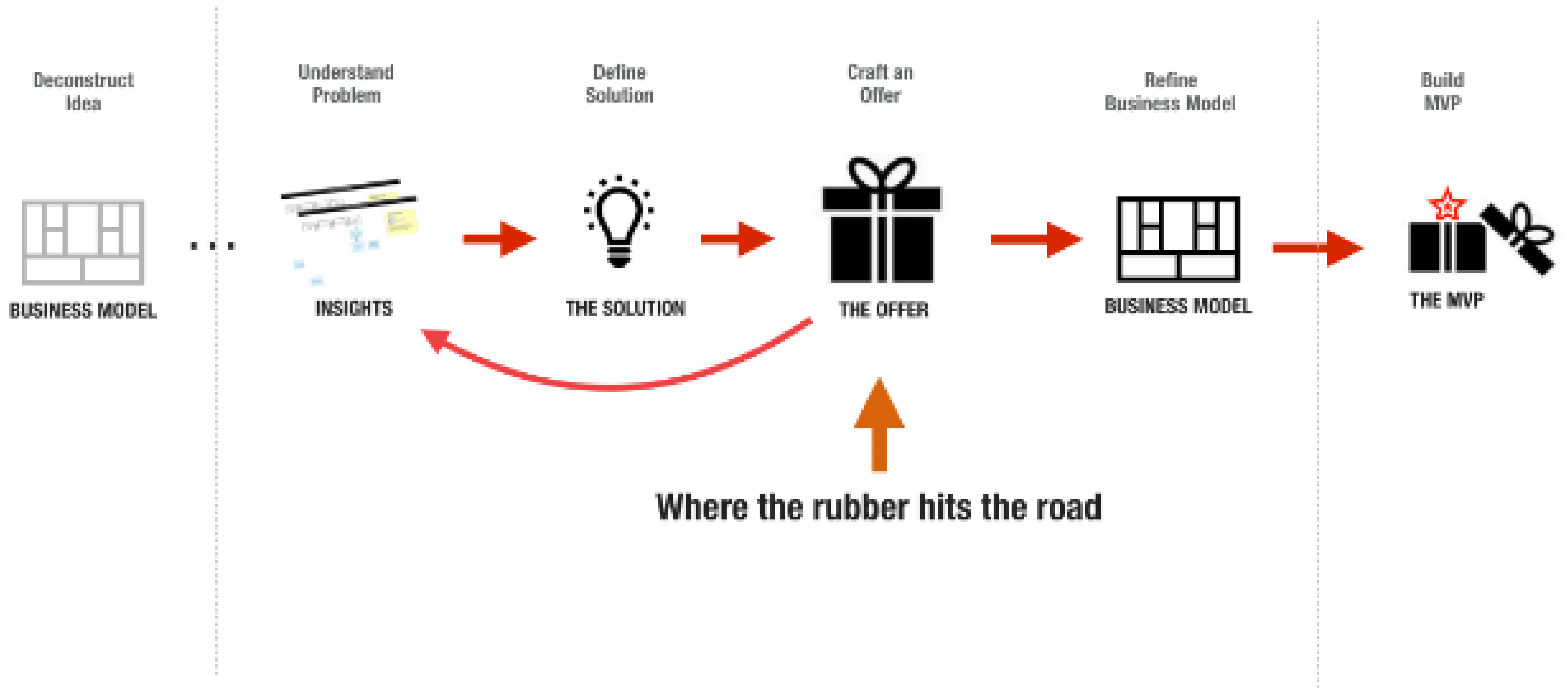


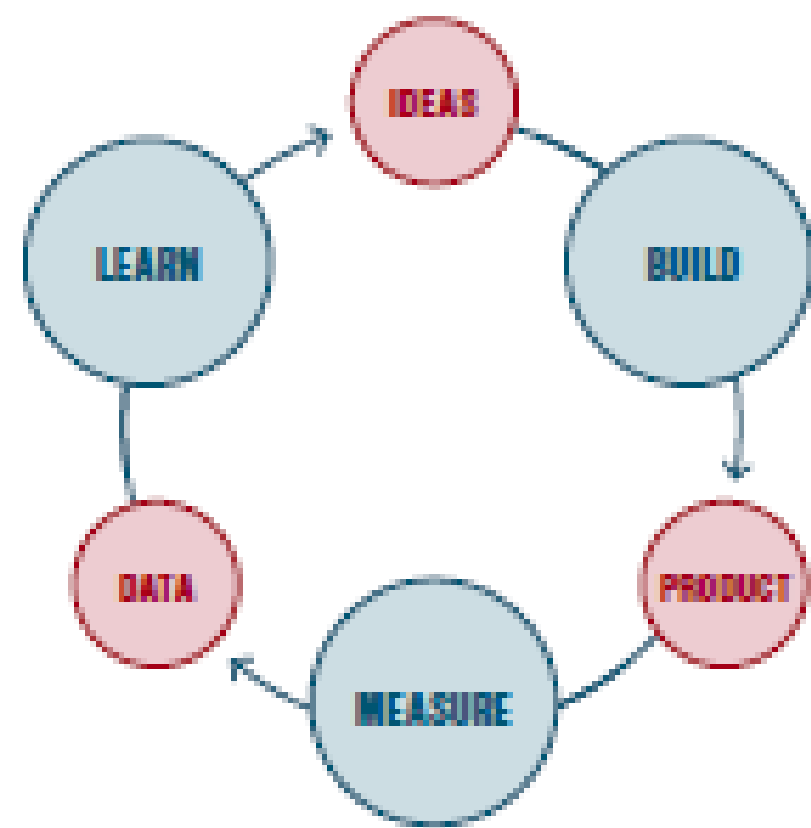


DON'T START WITH AN MVP

★ MVP

PROBLEM/SOLUTION FIT





Experiment



Offer



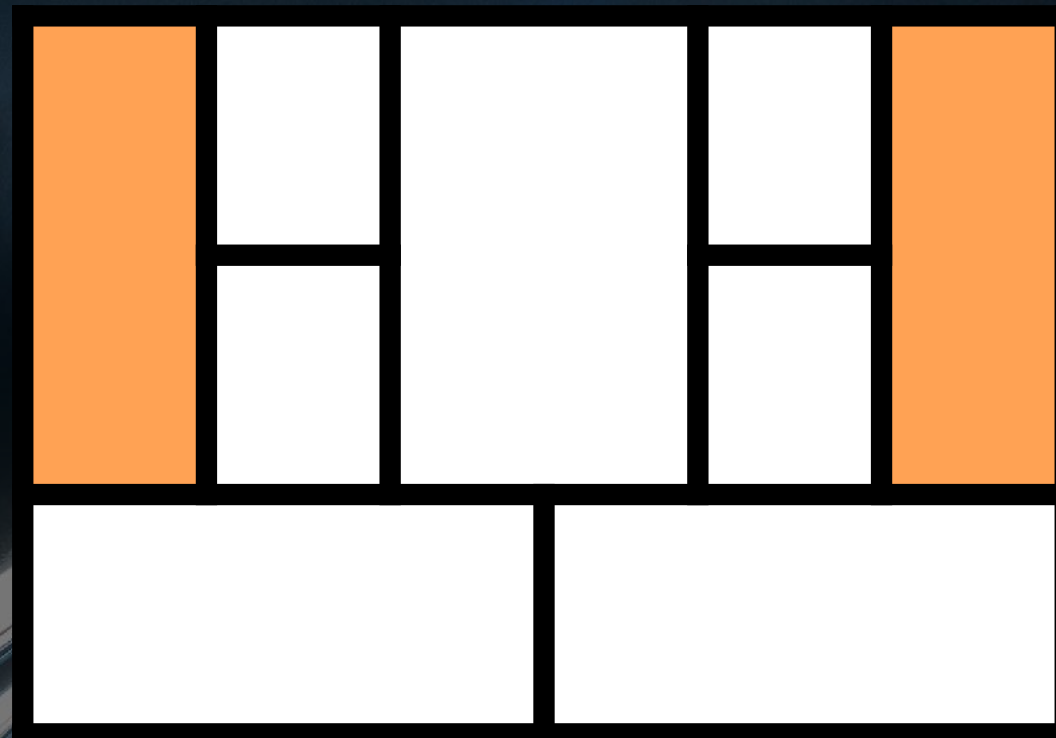
The MVP

A cycle around the **Build/Measure/Learn** loop.

A stand-in for your solution that helps you define your **UVP** and **MVP**.

The smallest solution that creates, delivers, and captures monetizable value from your customers.

A KEY MINDSET SHIFT



LOVE THE **PROBLEM**
NOT YOUR SOLUTION

Coaching & Resources

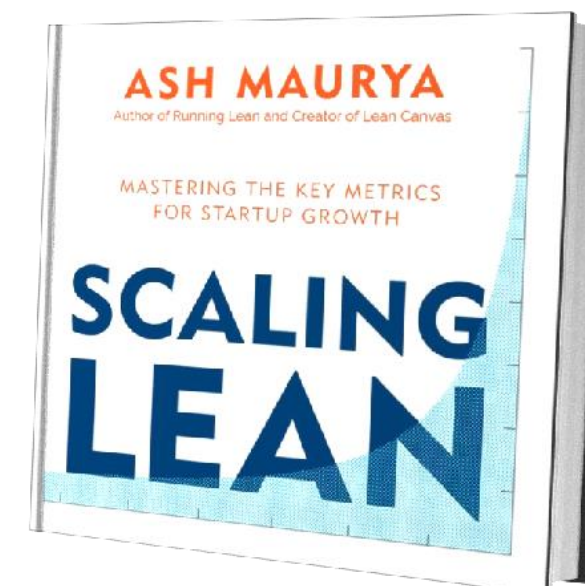
- Sac State Carlsen Center for Innovation & Entrepreneurship
 - <https://www.csus.edu/center/carlsen/virtual-toolkit-series.html>



- Strategy & Innovation Institute
 - www.si2blue.com
 - Startup coaching
 - <https://www.linkedin.com/in/bkggladd>



- LeanStack.com
 - 90 day startup program – Ash Maurya
 - ash@leanstack.com
 - Mention Brian Gladden sent you





Thank You

Dr. Brian Gladden

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bkgladden@si2blue.com

Strategy & Innovation
Institute

