Drafting a Business Plan. The Lean Model Canvas Business tool

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Business Model Definition

The plan implemented by a company to generate revenue and make a profit from operations

➤ *Investopedia*

Alternative definition

The plan to escape competition and win the market.

Things to Think While Defining Your Business Model

- Your ultimate goal
- Global market
- Local market
- 6-12-18 months plan

Building the plan

4 Key questions to start:

➤ Who is "he/she"
➤ What is "his/her" problem
➤ How does he/she solve the problem now
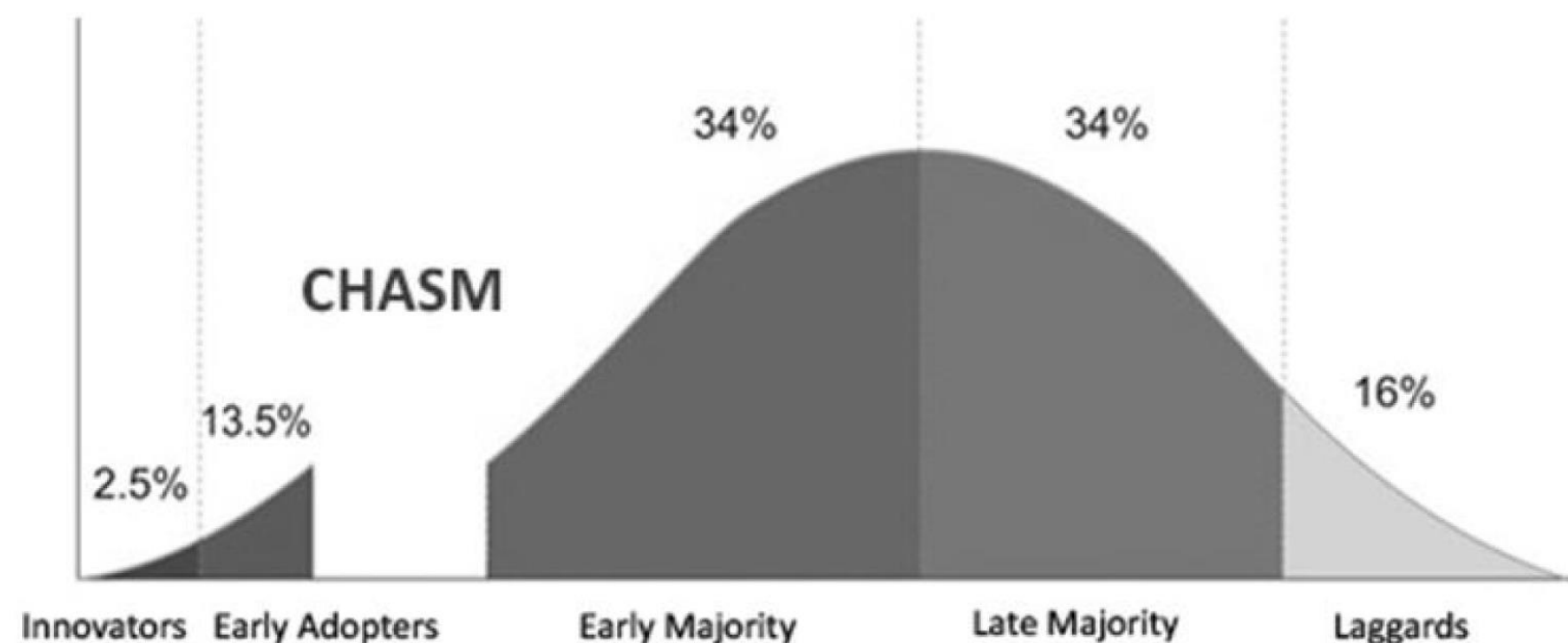➤ Is our product more efficient in solving this issue?

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Ash Maurya – Running Lean

step by step:
What we need to look at

Early adopters - Who Are Your First Clients?

CHASM

2.5% Innovators
13.5% Early Adopters
34% Early Majority
34% Late Majority
16% Laggards

New ventures fail before reaching out the early majority

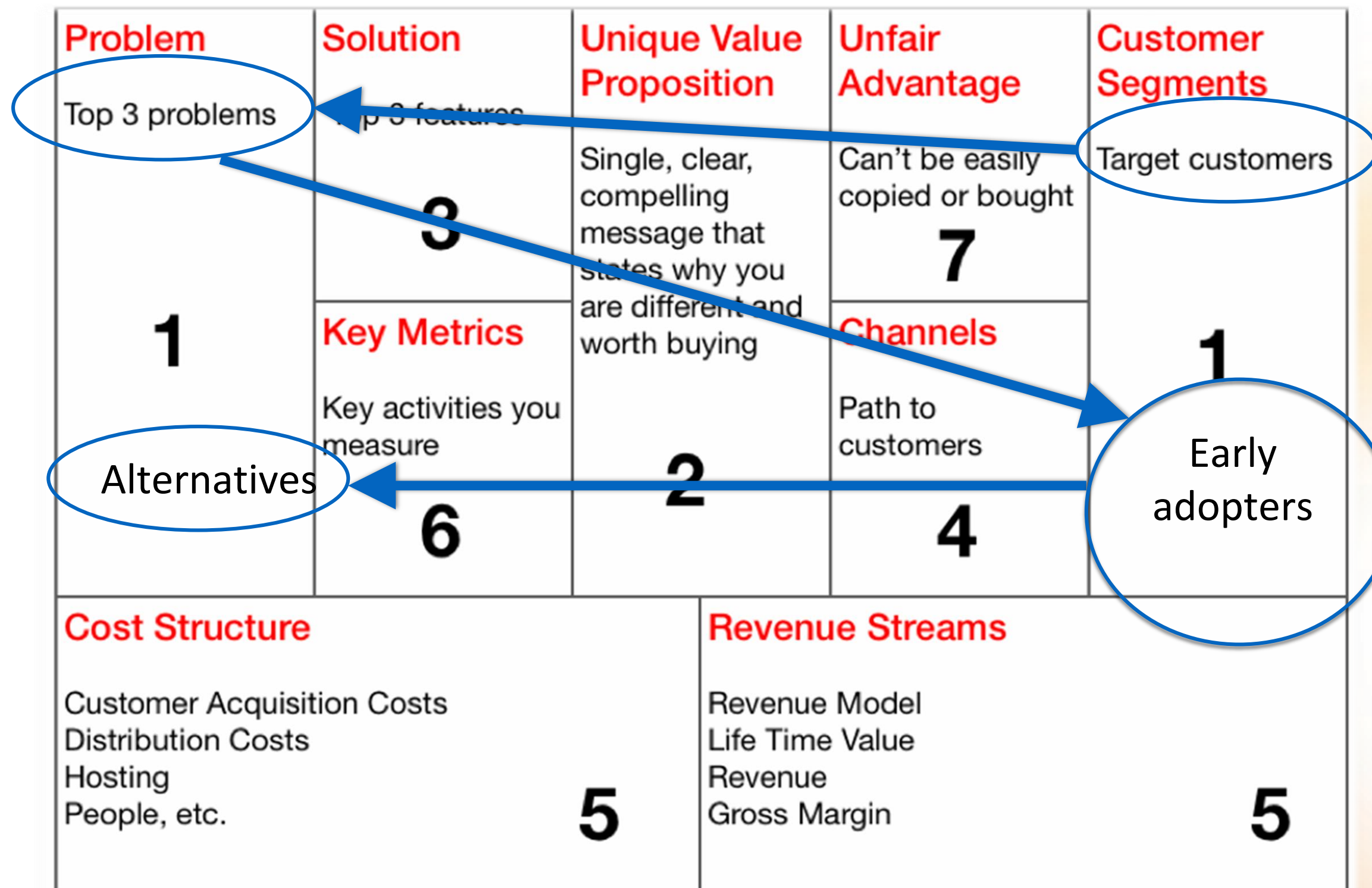Early adopters are the ones to address

Understand them

Solving Problems = Building Client Base

Every customer has a problem, every problem has a solution
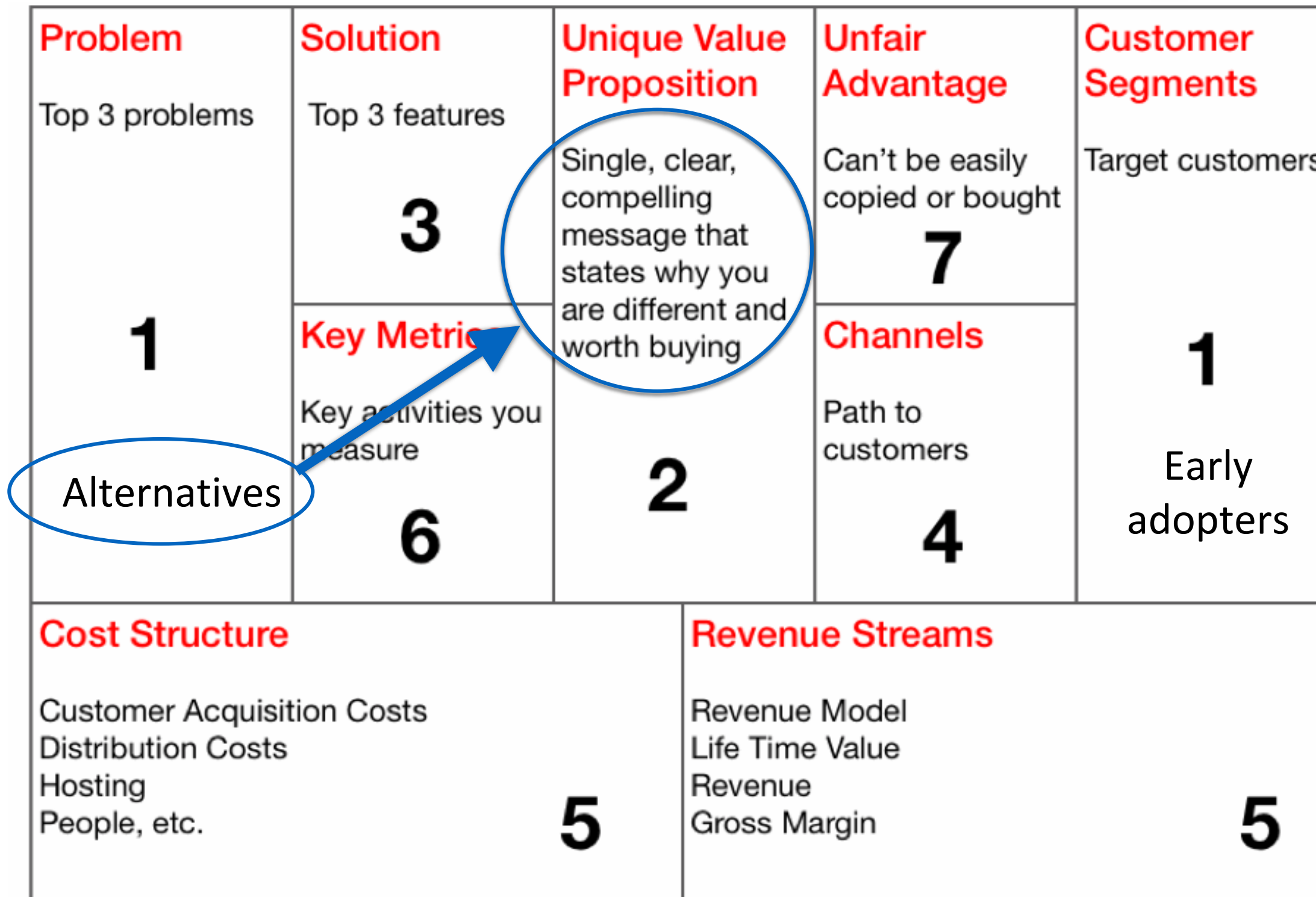
Not every solution has a problem
Not every problem has a customer

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Problem — Top 3 problems — 1

Solution — Top 3 features — 3

Unique Value Proposition — Single, clear, compelling message that states why you are different and worth buying

Unfair Advantage — Can't be easily copied or bought — 7

Customer Segments — Target customers — 1

Key Metrics — Key activities you measure — 6

Channels — Path to customers — 4

Alternatives — 2

Early adopters

Cost Structure — Customer Acquisition Costs, Distribution Costs, Hosting, People, etc. — 5

Revenue Streams — Revenue Model, Life Time Value, Revenue, Gross Margin — 5

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2nd

Problem

Top 3 problems

1

Solution

Top 3 features

3

Key Metrics

Key activities you measure

6

Unique Value Proposition

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

2

Unfair Advantage

Can't be easily copied or bought

7

Channels

Path to customers

4

Customer Segments

Target customers

1

Early adopters

Cost Structure

Customer Acquisition Costs
Distribution Costs
Hosting
People, etc.

5

Revenue Streams

Revenue Model
Life Time Value
Revenue
Gross Margin

5

Alternatives

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UVP

$>= 10$ x

X = best product in the market

faster &-or better &-or cheaper

Facts and data:

✓ We will fix your iPhone **fast**

✓ We will fix your iPhone, in **less than 1 hour**

✓ We will fix your iPhone in **less than 1 hour, wherever you are**

Any decision needs to be based on facts, data, not on your opinions.

META
knowledge to market

UVP

Best mover

Google still the best after 20 years

Being the best is not technology but in most of the case is how you build "distribution"

What wins is the whole package, not just technology.

Do not confuse UVP with the solution.

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| Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
Top 3 problems	Top 3 features	Single, clear, compelling message that states why you are different and worth buying	Can't be easily copied or bought	Target customers
1 Alternatives	**Key Metrics** Key activities you measure **6** **3**	**2**	**7** **Channels** Path to customers **4**	**1** Early adopters
Cost Structure		**Revenue Streams**		
Customer Acquisition Costs Distribution Costs Hosting People, etc. **5**		Revenue Model Life Time Value Revenue Gross Margin **5**		

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Don't Lie

UVP vs Solution

Seriously, don't lie
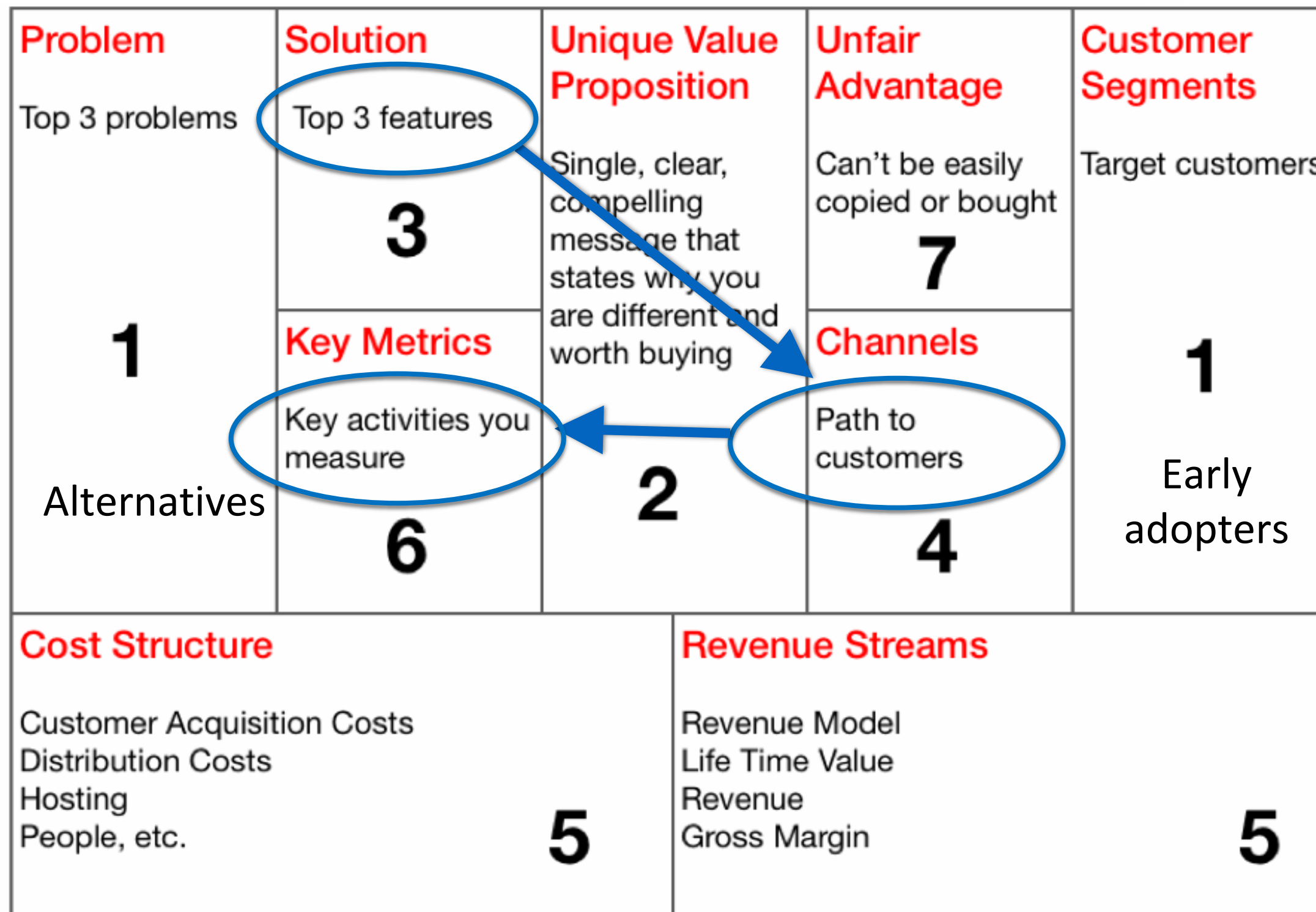
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