

Introduction to the BMC



Jeff Brown
The Biz Foundry
LLP Instructor
Serial Entrepreneur



Forging Ideas Into Companies



Introduction to the BMC

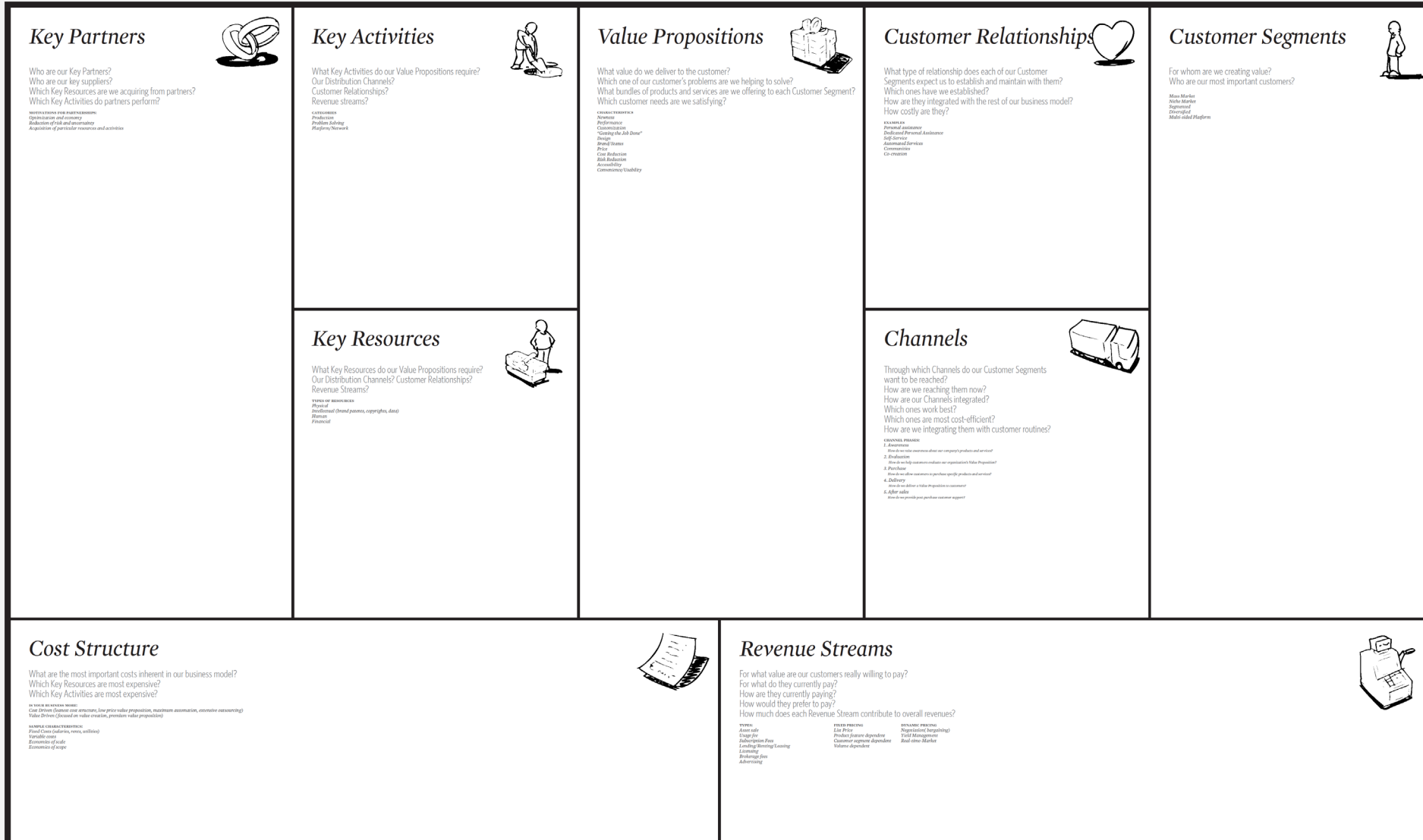
- The gold standard for startups across the globe.
- The lean method of evidence-based entrepreneurship allows you to get to a sustainable business model faster through experimentation and hypothesis testing.
- A living document to help teams understand the startup phase of their business or idea by focusing on what really matters.
- Answers critical questions, with concrete information, and take more of the guesswork out of your more detailed business plan.
- It is not a business plan! It is not projections. It is discovery.

The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year
 Iteration: No.



Criteria	Score	Feedback/Comments
Problem Identified (Value Proposition)		
Customer Identified (Customer Segment)		
Solution identified (Innovation/ Creativity of solution) (MVP, VP, & Key Activites)		
Market size/Go to market/Revenue model (CS, Channes, CR, RS, CS)		
Social Impact		
Presentation/Story		
Total		

Relating BMC to the Rubric

Problem
Identified

Customer
Identified

Value Prop
Problem

Customer
Segments

Relating BMC to the Rubric

Solution Identified

Value Prop

Key Activities

MVP

Market Size/Go To Market Revenue Model

Customer Segments

Channels

Customer Relationships

Revenue. Streams

Cost Structure

Relating BMC to the Rubric

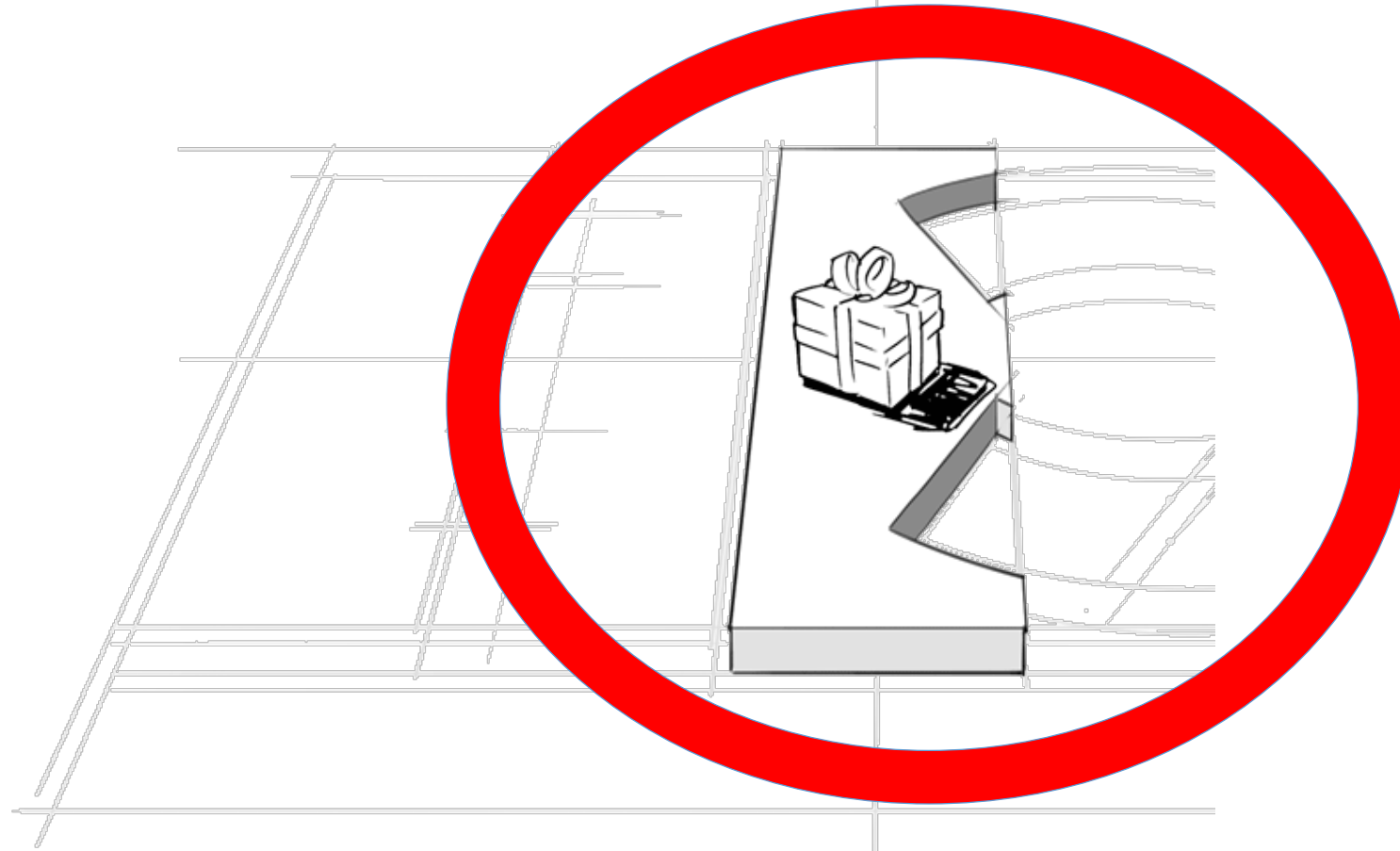
Social Impact

Presentation/Story

Value Prop
Problem

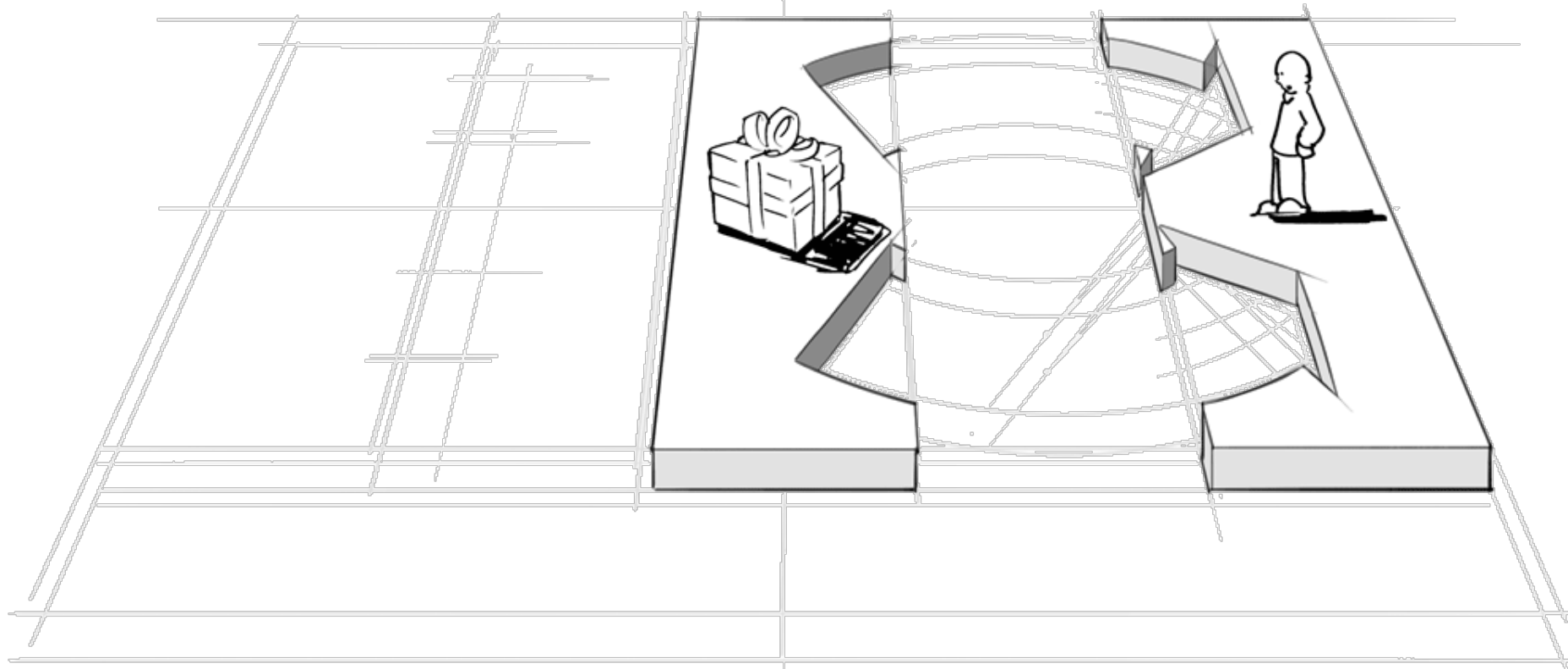
All

VALUE PROPOSITIONS



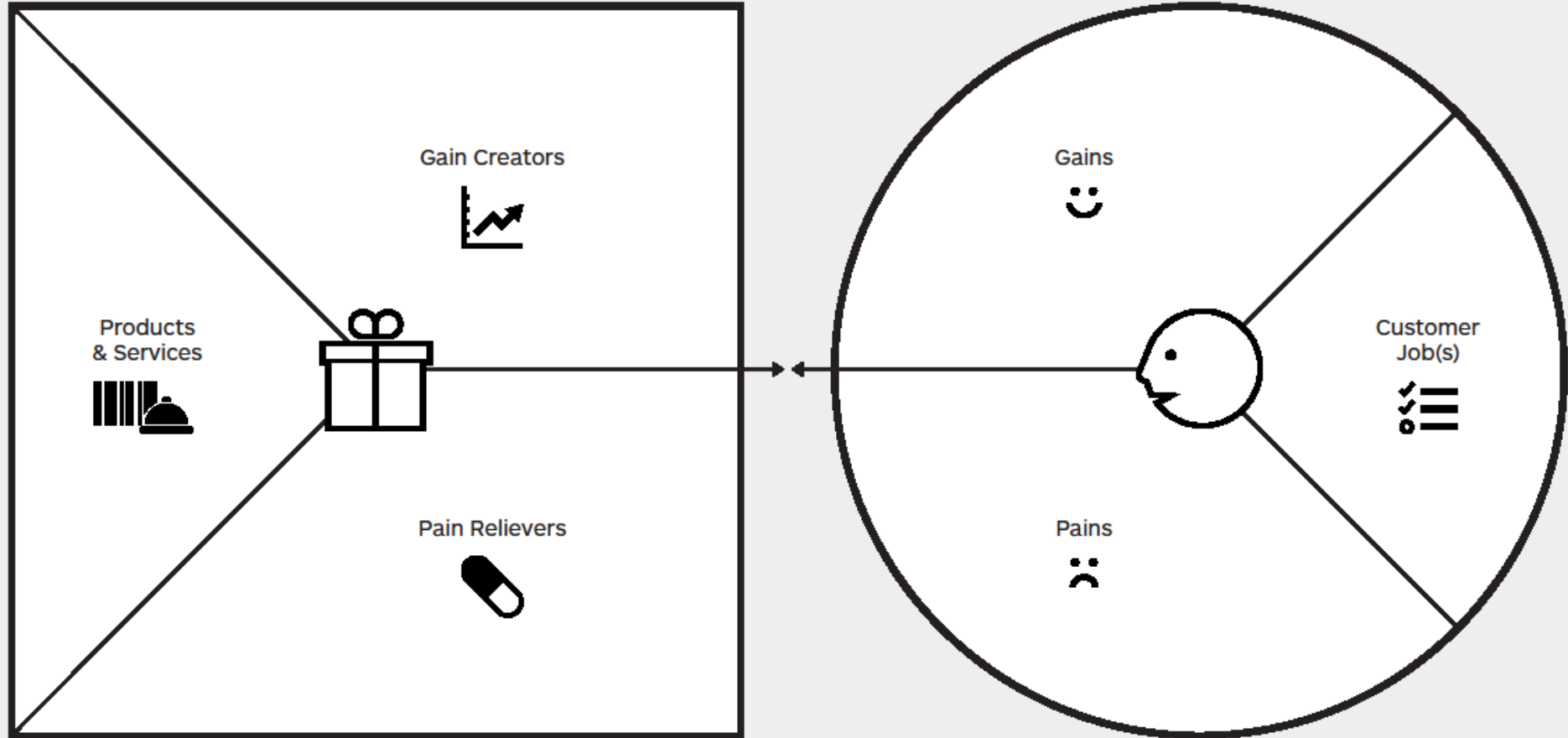
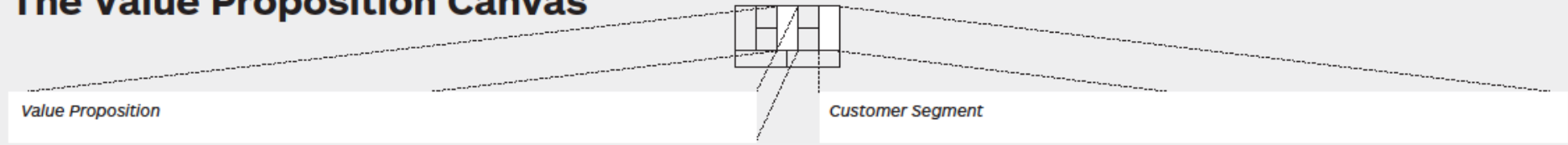
what are you offering them? what is that getting done for them? why do they care?

CUSTOMER SEGMENTS

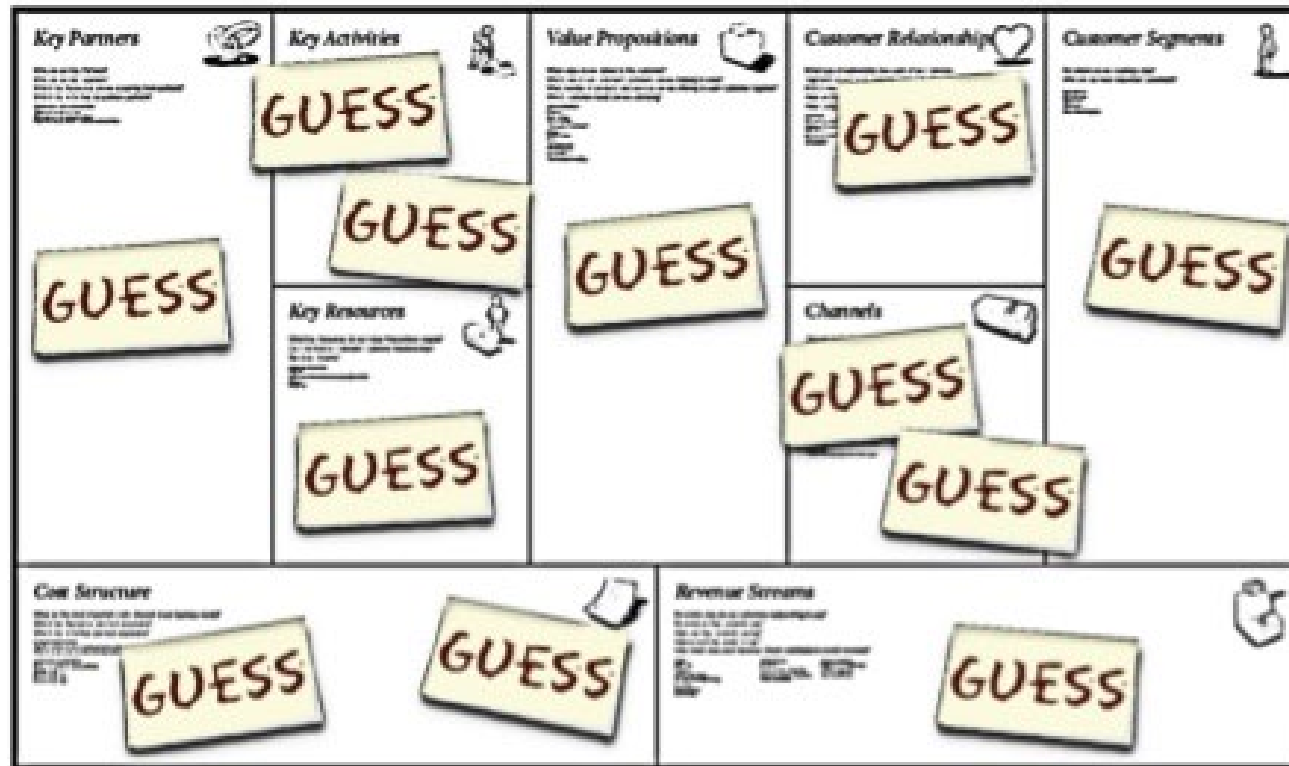


which customers and users are you serving? which jobs do they really want to get done?

The Value Proposition Canvas



Create a **CANVAS** of your enterprise project



Step 1. Spec. the Value Proposition

- Product(s)?
 - Service(s)?
 - Ecosystem?
-
- Is it a service or product?

Value Proposition – Common Mistake

- Is it just a feature of someone else's product
- Is it a “nice to have” product
- Is it a “got to have” product
- Can it scale to a company?

Value Proposition - Discovery

- Product
 - Long term vision
 - Features
 - Benefits
 - Minimum Viable Product spec
- For a web/mobile app
 - Low fidelity MVP live and running
- Understand Customer Problem and Solution
- Test Market Type

Minimum Viable Product MVP

What is the minimum product that you can build to solve the problem.

No added features or bells and whistles.

Can be multiple iterations.

Product

- **Problem Statement:** *What is the problem?*
- **Technology / Market Insight:** *Why is the problem so hard to solve?*
- **Market Size:** *How big is this problem?*
- **Competition:** *What do customers do today?*
- **Product:** *How do you do it?*

Step 2: What's the Minimum Viable Product – Physical

- First, test your understanding of the problem
- Next test your understanding of the solution
 - Proves that it solves *a core problem* for customers
 - The minimum set of features needed to learn from earlyvangelists
- Interviews, demos, prototypes, etc
- Lots of eyeball contact

Step 2: What's the Minimum Viable Product – Web/Mobile

- NOW “low fidelity” web/app for customer feedback
 - First, tests your understanding of the problem
- LATER, “high fidelity” web/app tests your understanding of the solution
 - Proves that it solves *a core problem* for customers
 - The minimum set of features needed to learn from earlyvangelists
- Avoid building products nobody wants
- Maximize the learning per time spent

Step 2: What's the Testing the Minimum Viable Product – Web/Mobile

- Smoke testing with landing pages using AdWords
- In-product split-testing
- Prototypes (particularly for hardware)
- Removing features
- Continued customer discovery and validation
- Interviews

Step 2: What's the Testing the MVP— Web/Mobile - Tactics

- Interview customers
 - make sure they have a matching core problem
- Set up web site landing page to test for conversion
 - What offers are required to get customers to use the product (e.g. prizes, payment)
 - Use problem definition as described by customers to identify key word list – plug into Google search traffic estimator - high traffic means there is problem awareness
- Drive traffic to site using Google search and see how deep into a registration process customers are willing to go through