

Keiretsu Forum

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“Great Association with Quality Deal Flow”

Agenda for the Series

1. Are you startup ready?
2. Stages of funding & Investor expectations
3. Fund raising 1 – business models, business plans
4. Fund raising 2 – planning and executing the fund raise
5. Getting ready for due diligence
6. Valuations and Transaction documents

Agenda for today

1. What is required for Start Up Success
2. Value Proposition Canvas
3. Value Map
4. Business Model Canvas
5. The building blocks of the Business Model Canvas
6. Business Model to Business Plan
7. Q&A

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Series on Getting Investment Ready
August and September 2020

WHAT IS REQUIRED FOR STARTUP SUCCESS?

Is there a FIT?

- On Paper – Problem - Solution Fit
- In the Market – Product - Market Fit
- In the Bank – Business Model Fit

Creating Start Up Success

- No business plan survives the first customer contact
- It is the business model, stupid!
- Take the time to think through alternative possibilities
- Your business model idea is just a set of hypothesis
- Don't build your company until you've verified your business model

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VALUE PROPOSITION

Customer Segments

- B2C
- B2B
- B2B2C
- C2C (Peer-to-peer)
- Diversified Market
- Multi-sided market)



Value Proposition

***Value Proposition
describes the benefits
customers can expect
from your products and
services.***

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Value Proposition

- Newness
- Performance
- Customisation
- “Gets the Job Done”
- Design
- Brand/Status
- Cost/risk reduction
- Accessibility
- Convenience

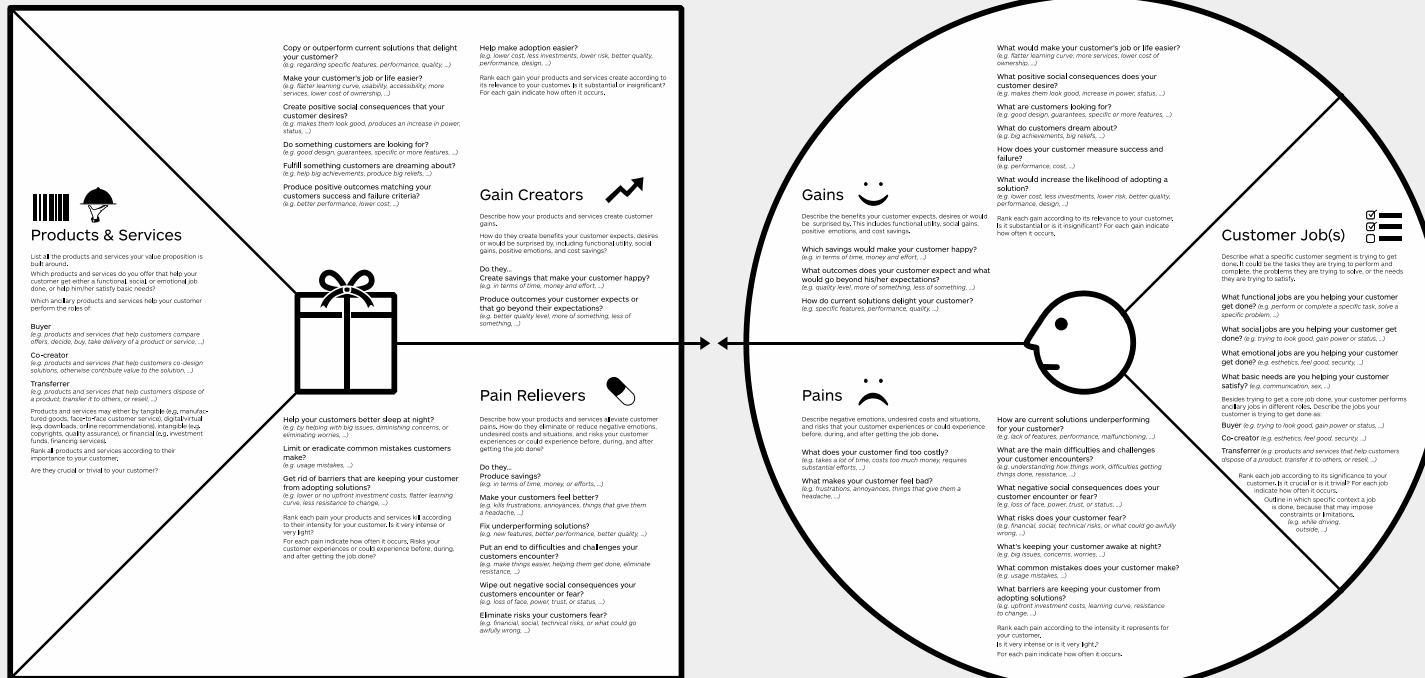


Value Proposition Canvas

The Value Proposition Canvas

Value Proposition

Customer Segment



Is there a FIT?

Value Map

- Products and services
- Pain Relievers
- Gain Creators

FIT?

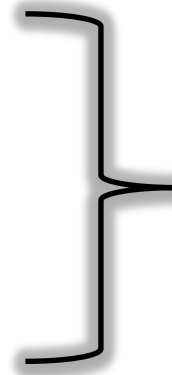
Customer Profile

- Customer Jobs
- Customer Pains
- Customer Gains

Fit – Value Map & Customer Profile

You achieve fit when customers get excited about your value proposition

- address important jobs
- alleviate extreme pains
- create essential gains



that customers care about!

Your customers are judge, jury and executioner of your value proposition

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KEY ELEMENTS OF A BUSINESS MODEL

What is a Business Model

The Business Model describes the rationale of how an organisation creates, delivers and captures value.

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The Business Model Canvas












The Business Model Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration:

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>KEY PARTNERS Suppliers Distributors Channels Complementors Suppliers of Key Resources</p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>KEY ACTIVITIES Production Logistics Customer Support Distribution Platform Development</p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>VALUE PROPOSITIONS Performance Reliability Customization Convenience Cost Design Access Risk Compatibility Interoperability Convenience/Usability</p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>CUSTOMER RELATIONSHIPS Personal Assistant Dedicated Personal Assistance Self-Service Automated Services Co-creation Communities</p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p>CUSTOMER SEGMENTS Mass Market Niche Market Segments of Markets Underserved Unexplored Niches</p>	
<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>KEY RESOURCES Physical Intellectual Financial Human</p>		<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p>CHANNELS Direct Sales Retail Partners Partners/Distributors Resellers Agents Intermediaries Self-Service Social Media Email Search Engines Referrals Influencers Community Groups Events Direct Mail Telemarketing Direct Sales Force Retail Store Network Wholesale Franchising Partners/Distributors Resellers Agents Intermediaries Self-Service Social Media Email Search Engines Referrals Influencers Community Groups Events Direct Mail Telemarketing Direct Sales Force Retail Store Network Wholesale Franchising</p>			<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>REVENUE STREAMS Transactional Subscription Lending Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium Sponsorship Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium</p>
<h3>Cost Structure</h3>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>COST STRUCTURE Fixed Costs Variable Costs Semi-Variable Costs Variable Costs Fixed Costs Semi-Variable Costs Variable Costs Fixed Costs Semi-Variable Costs Variable Costs</p>		<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>REVENUE STREAMS Transactional Subscription Lending Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium Sponsorship Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium</p>			<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>REVENUE STREAMS Transactional Subscription Lending Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium Sponsorship Advertising Commission Brokerage Rental License Royalty Contribution Margin Usage-Based Performance-Based Free Base + Add-On Freemium</p>

Customer Segments

- Mass Market
- Niche Market
- Segmented Market
- Diversified Market
- Multi-sided Platform (or multi-sided market)



Value Proposition

- Newness
- Performance
- Customisation
- “Gets the Job Done”
- Design
- Brand/Status
- Cost/risk reduction
- Accessibility
- Convenience



Channel

- Channel Types
 - Direct, such as own sales force and web sales
 - Indirect, such as partner stores and wholesalers/distributors
- Channel Phases
 1. Awareness – of products and services on offer
 2. Evaluation – of the Value Proposition
 3. Purchase – of the specific products and services
 4. Delivery – of the Value Proposition to the customer
 5. After Sales – provide post-purchase customer support

Customer Relationship

- Personal assistance
- Dedicated personal assistance
- Co-creation
- Self service
- Communities
- Automated services

Revenue Streams

- Asset sale
- Usage fee / transaction fee
- Subscription fee
- Licensing
- Brokerage fee
- Leasing / rental
- Advertising



Key Resources

- Physical assets, such as plant, networks, etc.
- Intellectual assets, such as IP, secret formula, source codes, knowhow, etc.
- Human Capital
- Financial Capital

Key Activities

- Production
- Problem Solving
- Platform / network provision
- Business Development



Key Partnerships

- Optimisation & economies of scale
- Reduction of risk & uncertainty
- Acquisition of particular resources & activities

Business Model to Business Plan

- Management profile and why the team can win
- Financial analysis, including scenario analysis
- Environmental scan
- Implementation roadmap
- Risk analysis (this section will cover the Critical Success Factors of the venture)

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QUESTIONS & ANSWERS

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