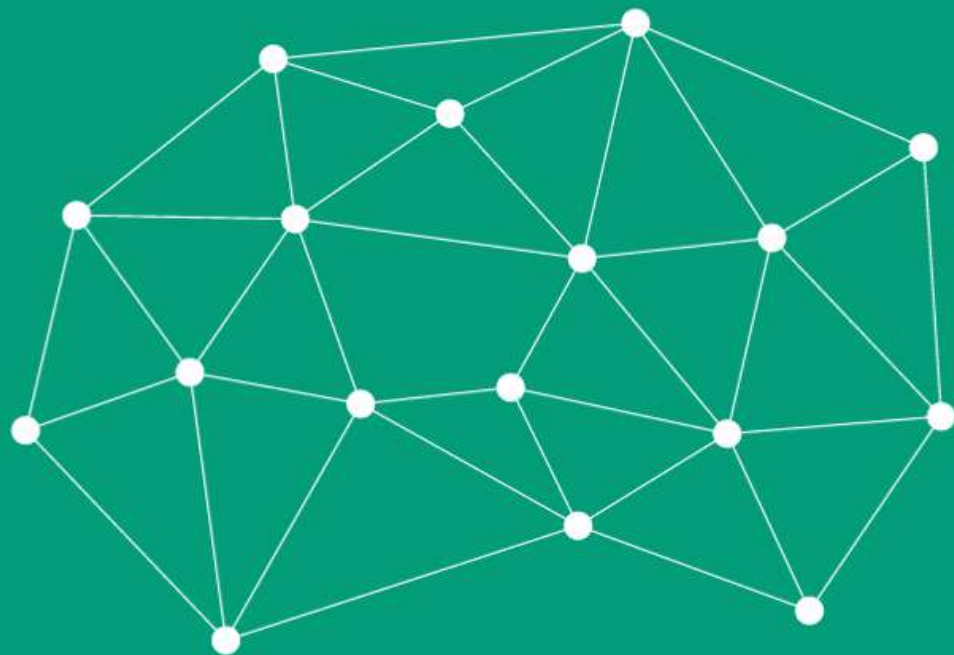


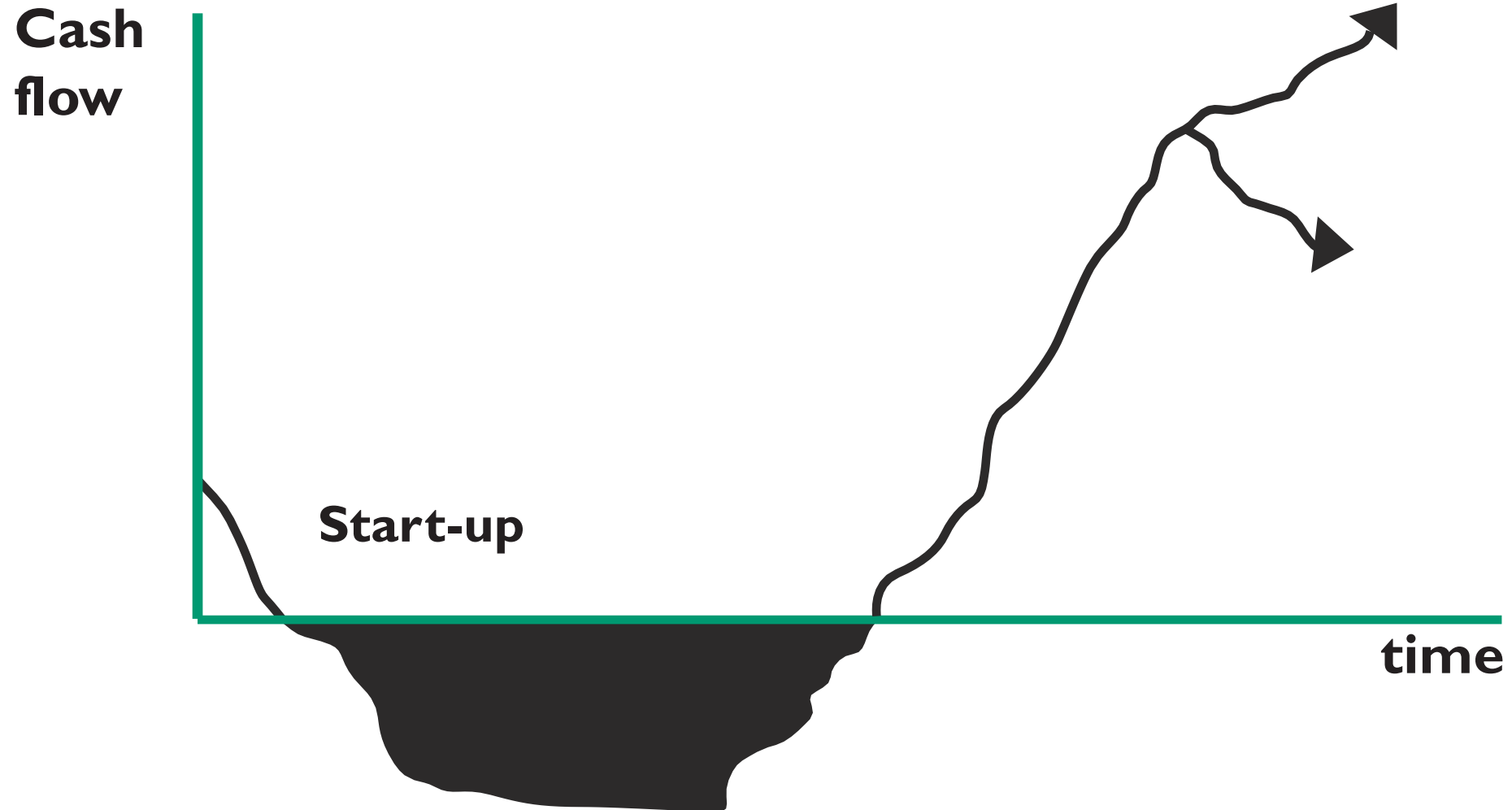


929 CHALLENGE

929 CHALLENGE

VALLEY OF DEATH CHALLENGES

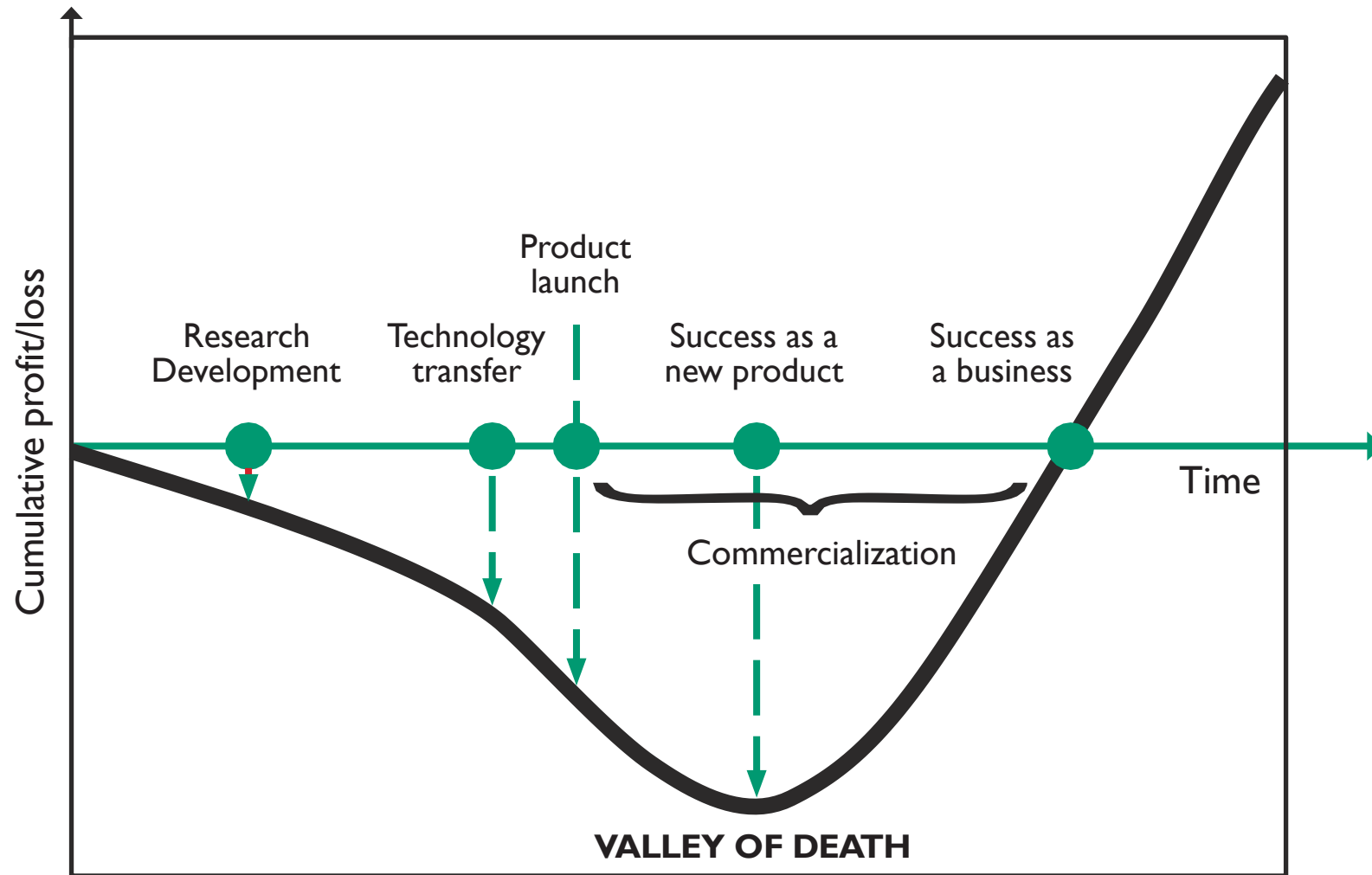
STARTUP VALLEY OF DEATH!



929 CHALLENGE

Note: Startup Genome 2019 research states that only 9% of the entrepreneurs succeed in building successful businesses.

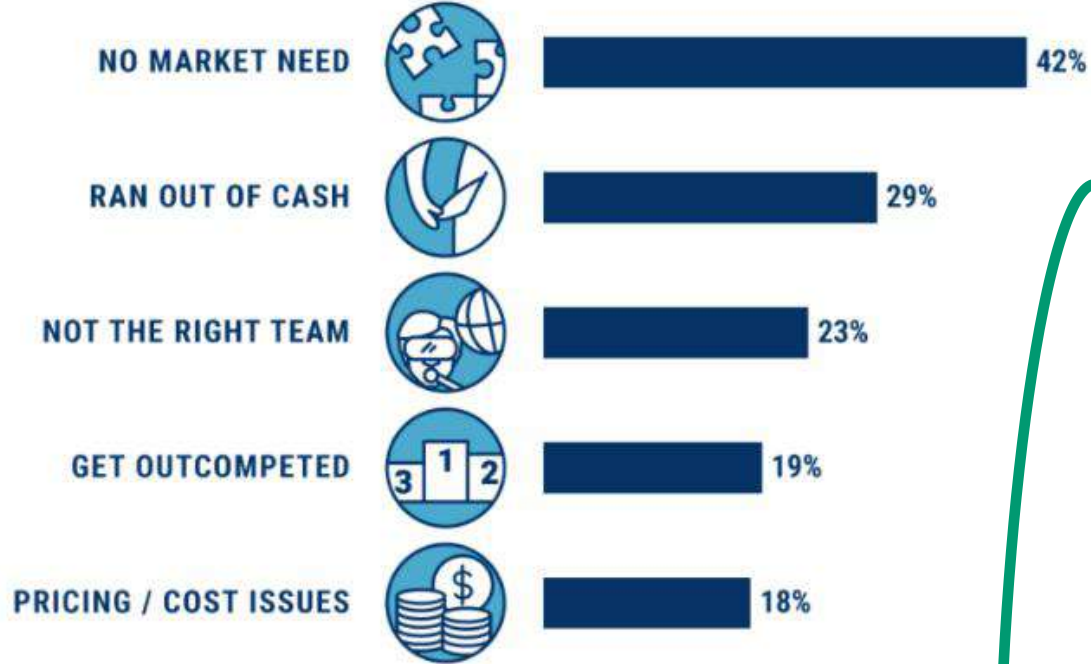
VALLEY OF DEATH CHART



The "valley of death" refers to the critical early phase in a company's life with **significant risks** as the business tries to **develop its product and gain market traction** before its initial funding runs out.

ENTREPRENEUR SIDE

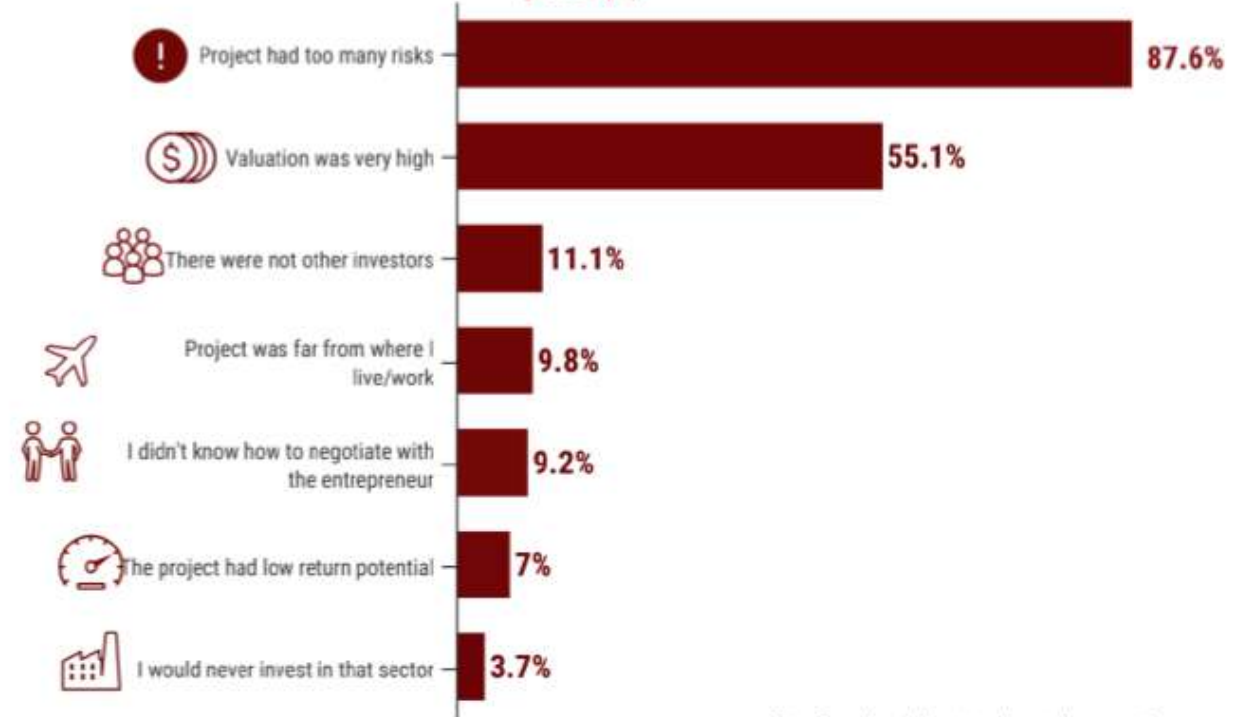
BASED ON ANALYSIS OF 101 STARTUP POSTMORTEMS Top 20 Reasons Startups Fail



929 CHALLENGE

INVESTOR SIDE

Figure 3. Reasons why you didn't invest (on average) in investment opportunities in the last 5 years (%)



*Note: Several participants took more than one option

VALLEY OF DEATH CHALLENGES

Risks and Challenges in starting a Business

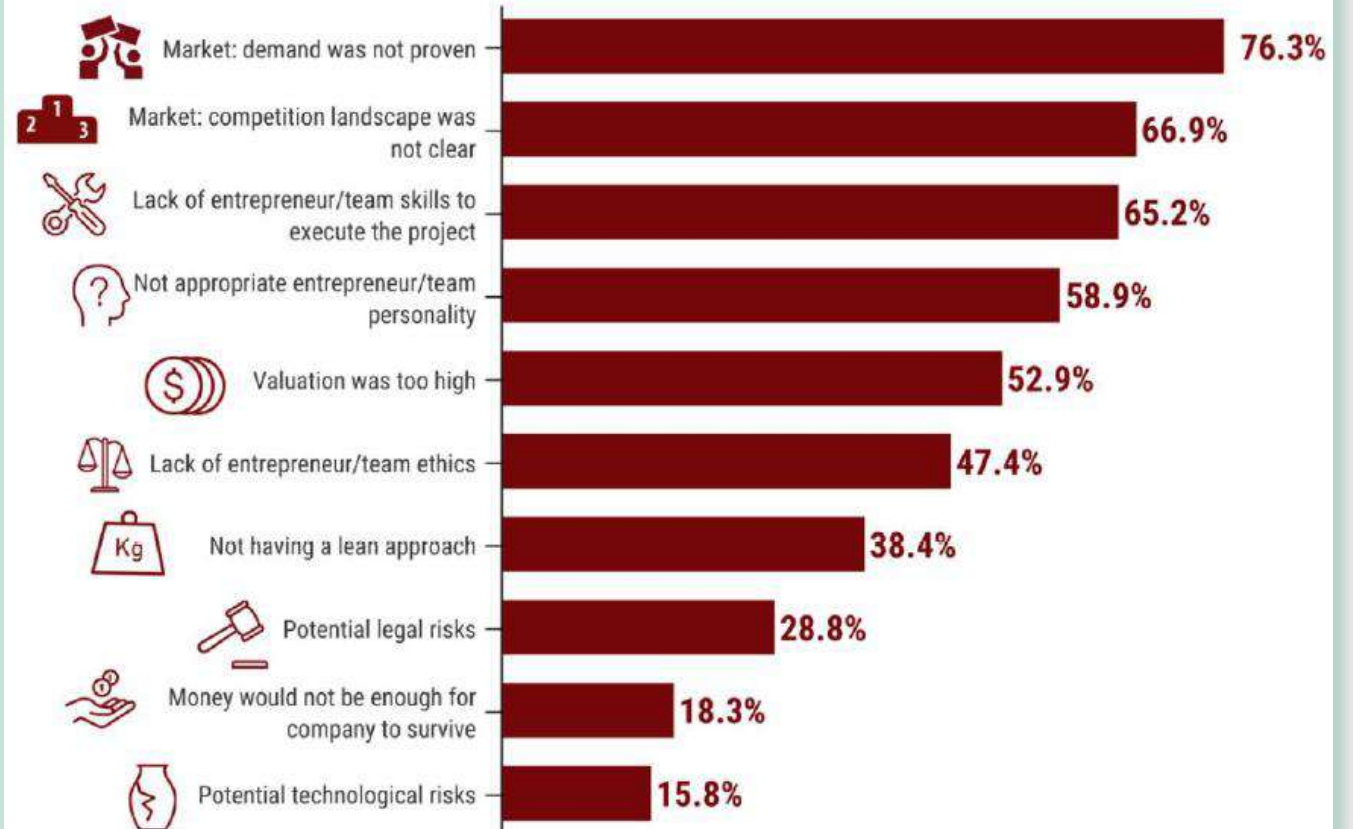
Common risks and challenges that businesses face when embarking on the commercialization process.



MAIN PROBLEMS THAT PREVENTED INVESTORS TO INVEST

Source: EBAN 2018. Survey done to 683 business angel that attended on-site training sessions

Figure 4. Main problems that prevented you from investing in tech deals (%)



929 CHALLENGE

MITIGATING RISKS

UNPROVEN MARKET DEMAND

- To mitigate the risk of failure due to unproven market demand, entrepreneurs should conduct market research and validation before launching their startups. This involves identifying the target market, understanding customer needs and preferences, analyzing the competitive landscape, and assessing the potential demand for the product or service.
- Validating the market demand can be done through various methods, such as conducting surveys, interviews, focus groups, or even creating minimum viable products (MVPs) to gather feedback from potential customers.

Startup Failure: No Market Need

Primary reason for startup failure is the lack of a market need for the product or service offered by the startup. The following sections provide a deeper analysis of the issue and highlight the common pitfalls that entrepreneurs should avoid to ensure success.

Misreading Market Demand

Startups often innovate and create products based on what they believe the market needs without adequate validation. If these assumptions are incorrect or not thoroughly tested against actual consumer behavior, the resulting product may not align with the needs, desires, or interests of any significant customer base.

A startup creates a product based on their assumption of market demand without validating it through market research.

A startup assumes that a new technology will be in demand, but customers are not interested in it.

Overestimating Market Size

Entrepreneurs can sometimes overestimate the size of their target market. They might believe that a larger audience exists for their product than is realistically the case. When the actual market size turns out to be much smaller, the revenues generated do not sustain the business operations.

A startup assumes that there is a large market for their niche product, but it turns out to be much smaller than anticipated.

A startup overestimates the number of potential customers and fails to generate enough revenue to sustain operations.

Niche Markets

Targeting a niche market isn't inherently negative, but if the niche is too small, the business might struggle to scale or maintain profitability. A common pitfall for startups is focusing on a niche that is not only small but also lacks growth potential.

A startup targets a small, niche market that does not have growth potential.

A startup focuses on a niche market that is too small to sustain business operations.

Lack of Customer Engagement and Feedback

Failing to engage with potential customers continuously and not soliciting feedback during product development can lead to a product that does not adequately address the customer's problems or improve upon existing solutions.

A startup does not seek customer feedback during product development and launches a product that does not meet customer needs.

A startup fails to engage with potential customers and does not understand the market demand for their product.

Inflexibility in Pivoting

Startups need to be agile and willing to pivot their business models based on feedback and market realities. A rigid adherence to an initial idea, without considering market feedback, can lead to failure if the market demand is not there.

A startup is unwilling to pivot their business model based on market feedback and continues to pursue an idea that does not meet customer needs.

A startup fails to adapt to changing market realities and is unable to meet customer demands.

Poor Product-Market Fit

Achieving a good product-market fit means the product not only addresses a genuine need but does so in a way that is better than other available alternatives. Without this fit, even technically excellent products can fail to achieve commercial success.

A startup creates a product that technically works well but does not address a genuine customer need.

A startup fails to differentiate their product from other available alternatives, resulting in poor product-market fit.

Timing

Launching a product too early or too late can also impact market need. Entering the market before potential customers recognize the need for your solution, or after many competitors have already satisfied the demand, can lead to failures.

A startup enters the market too early with a product that customers are not yet ready for.

A startup enters the market too late and faces too much competition to generate enough revenue.

Startup Failure: Unclear Market Landscape

The unclear market landscape is one of the major reasons for startup failure. It includes several critical elements such as an inadequate understanding of market dynamics, insufficient competitive analysis, changes in market trends, misjudging customer needs, scaling challenges, regulatory and legal hurdles, and economic and external factors. Here is a comprehensive analysis of this issue:

Lack of Understanding of Market Dynamics

Startups often falter because they haven't adequately researched or don't fully understand market dynamics. This can lead to misjudgments about entering the market, pricing strategies, or how to effectively compete.

A startup misjudging the demand for their product due to lack of market research.

A startup failing to understand the regulatory environment and the impact it has on their business.

A startup entering a market without understanding the competitive landscape.

Inadequate Competitive Analysis

Knowing who your competitors are, their strengths and weaknesses, their market share, and their business strategies is crucial. Startups that fail to recognize or correctly assess their competition might find themselves outmaneuvered or undercut, leading to difficulties in gaining a foothold in the market.

A startup failing to identify a major competitor and losing market share.

A startup underestimating the impact of a new entrant into the market.

A startup failing to differentiate their product from their competitors.

Changes in Market Trends

Startups that do not stay attuned to changes in market trends may find their products or services becoming irrelevant or outdated, leading to failure.

A startup failing to pivot in response to a shift in consumer preferences.

A startup using outdated technology to develop their products or services.

A startup failing to anticipate changes in regulations that affect their industry.

Misjudging Customer Needs

Startups sometimes base their business models on assumptions about what customers want without sufficient evidence. If these assumptions prove wrong, the startup risks developing products or services that do not meet any significant consumer demand.

A startup developing a product that nobody wants to buy.

A startup misjudging the pricing preferences of their target market.

A startup failing to understand the user experience of their product.

Scaling Challenges

Scaling too quickly without adequate market demand or too slowly when demand is rising can both be detrimental. Misreading the market landscape can lead startups to scale operations in ways that are unsustainable or unprofitable.

A startup expanding too quickly before they have achieved product-market fit.

A startup failing to scale up in response to increased demand for their product or service.

A startup scaling in a way that is not aligned with their business model.

Regulatory and Legal Hurdles

An unclear understanding of regulatory and legal implications can drastically affect a startup's ability to operate. Whether it's failing to comply with local, national, or international laws, or misunderstanding licensing requirements, startups can face serious legal challenges that hinder their operations and growth.

A startup violating a regulation and facing legal consequences.

A startup failing to secure the necessary licenses to operate.

A startup operating in a legal grey area that affects their ability to grow.

Economic and External Factors

External factors such as economic downturns, political instability, or technological shifts also form part of the market landscape. Startups might not have control over these factors, but a lack of preparedness for such changes can exacerbate their impact.

A startup failing to anticipate the impact of a recession on their business.

A startup failing to adapt to technological changes in their industry.

A startup entering a market that is highly regulated due to political instability.

Reasons why investors may choose not to invest in startups, particularly due to competition and market clarity issues.

Increased Risk Investors may perceive a lack of clarity in the competition landscape or market as an indicator of higher risk. Uncertainty about competitors and market dynamics can make it challenging to assess the potential for long-term success and return on investment.	Limited Differentiation If the competition landscape is not clear, investors may worry that the startup's product or service does not have a unique selling proposition or a clear differentiation from existing offerings. This can make it difficult for the startup to capture market share or sustain a competitive advantage.	Market Viability Investors may be hesitant to invest in startups if the market is not clearly defined or if there is insufficient evidence of market demand. Understanding the target market and its size, growth potential, and customer needs is crucial for investors to assess the viability and scalability of the startup's business model.	Intense Competition If the competition landscape is crowded or dominated by well-established players, investors may be concerned about the startup's ability to penetrate the market and gain market share. High competition can lead to price wars, limited profit margins, and challenges in capturing customers' attention.
Investors are hesitant to invest in a startup because they are unsure about the competition landscape and market dynamics. As a result, it is difficult for them to assess the potential for long-term success and ROI. Lack of market clarity and competition can increase the risk perception for investors, which can make it challenging to assess the potential for success and ROI.	Investors may not invest in startups if there is limited differentiation from existing offerings. This can make it challenging for startups to capture market share and sustain a competitive advantage. A lack of differentiation can be a concern for investors as it may make it difficult for startups to stand out in a crowded market.	Investors may not invest in startups if the market is not well-defined or if there is insufficient evidence of market demand. It is important for investors to understand the target market, its size, growth potential, and customer needs to assess the viability and scalability of the startup's business model. Market viability is a key consideration for investors when evaluating startups. Without a clear understanding of the market and its dynamics, it can be challenging to assess the potential for success and ROI.	Investors may hesitate to invest in startups if the competition landscape is crowded or dominated by well-established players. High competition can lead to price wars, limited profit margins, and challenges in capturing customers' attention. Intense competition can make it challenging for startups to penetrate the market and gain market share, which can be a concern for investors.
Lack of Market Understanding Investors value startups that demonstrate a deep understanding of the market and its dynamics. If the startup's founders or team members cannot articulate a clear target market, customer segmentation, or competitive analysis, it may raise concerns about their ability to navigate the market effectively and make informed business decisions.	Uncertain Growth Potential Investors seek startups with significant growth potential. If the market is not clear or well-defined, it becomes challenging to assess the scalability and growth prospects of the startup. Investors may prefer opportunities with a clearer path to market expansion and substantial returns.	Limited Investor Confidence Lack of clarity in the competition landscape and market can erode investor confidence. Investors prefer opportunities where they can conduct thorough due diligence and gain confidence in the startup's market positioning, competitive advantage, and growth potential.	
Investors prefer startups that demonstrate a deep understanding of the market and its dynamics. If the startup's founders or team members cannot articulate a clear target market, customer segmentation, or competitive analysis, it may raise concerns about their ability to navigate the market effectively and make informed business decisions. Lack of market understanding can make it challenging for investors to assess the startup's potential for success and ROI, which can be a concern for them.	Investors seek startups with significant growth potential, but if the market is not clear or well-defined, it can be challenging to assess the scalability and growth prospects of the startup. As a result, investors may prefer opportunities with a clearer path to market expansion and substantial returns. Uncertain growth potential can make it difficult for investors to evaluate the startup's potential for success and ROI, which can be a concern for them.	Lack of market clarity and competition can erode investor confidence, as they prefer opportunities where they can conduct thorough due diligence and gain confidence in the startup's market positioning, competitive advantage, and growth potential. Limited investor confidence can make it challenging for startups to attract investment, especially if the market is not clear or well-defined.	

Challenges and Risks of Technology Transfer

Technology transfer is a process that involves sharing proprietary technology between entities for mutual benefit. However, it comes with its own set of challenges and risks that need to be addressed.

Intellectual Property Protection

Protecting intellectual property is a significant concern when it comes to technology transfer.

The transfer of intellectual property rights can be a complex process that requires a thorough understanding of the legal framework and technology involved.

Failing to protect intellectual property can lead to a loss of competitive advantage and revenue.

National Security

Technology transfer can pose a risk to national security.

The transfer of technology with military applications from one country to another can be a significant threat to national security.

It is essential to consider the potential misuse of technology by the recipient.

Cost

The cost of technology transfer can be a significant barrier for small businesses and start-ups.

Technology transfer can be an expensive process that requires a considerable amount of resources.

The costs can include legal fees, technology licensing fees, and other expenses.

Loss of Control

Once technology has been transferred, the original entity loses control over how it is used and developed.

The recipient can modify the technology, develop it further, or use it in a different context.

This can lead to a loss of competitive advantage for the original entity.

Suitability

There is a risk that the technology being transferred may not be suitable for the recipient.

The technology may be too complex or too expensive for the recipient to implement.

It may not fit with the recipient's business model.

Reducing Risks in Technology Transfer

This article discusses strategies to mitigate risks in technology transfer.

Intellectual Property Protection

Securing intellectual property through patents and copyrights is vital.

Company X obtained 50 patents in 2020 to safeguard against unauthorized use or replication.

Due Diligence and Assessment

Conducting a thorough due diligence process to evaluate the recipient's capabilities and intentions is crucial.

Statistics show that 90% of companies that carry out in-depth due diligence report fewer risks in technology transfer.

Clear Contractual Agreements

Establishing explicit contractual terms with recipients is crucial to define the technology usage boundaries.

Company Z managed to reduce legal disputes by 30% through precise contractual agreements.

Knowledge Transfer and Training

Providing comprehensive training and knowledge transfer sessions to the recipient is essential to ensure effective utilization of transferred technology.

Company A's initiative to train 100 employees resulted in a 40% risk reduction in implementation.

Ongoing Monitoring and Support

Maintaining a system to monitor technology usage and offer consistent support is beneficial post-transfer.

Company B's commitment to this approach led to a 20% decline in technology-related risks due to their continuous monitoring and support efforts.

Entrepreneur Risks/Solutions Infographic

List of potential risks and solutions categorized into Market Risk, Financial Risk, Operational Risk, Legal Risk, and Human Resources

Cash flow problems

Using accounting software to forecast cash flow and setting aside a percentage of profits for unexpected expenses.

Unexpected expenses

Allocating a fixed amount of contingency funds in the budget to cover unforeseen costs like equipment repairs.

Failure to meet financial goals

Monthly review of sales targets, and if not met, strategize on marketing efforts or cost-cutting measures.

Insufficient funding

Seeking out venture capitalists or applying for business loans with a well-prepared business plan.

Productivity defects

Implementing project management software and training employees on time management techniques.

Regulatory non-compliance

Subscribing to regulatory updates and conducting compliance audits.

Lawsuits and legal disputes

Keeping detailed records of all business transactions and having a legal advisor on retainer.

Intellectual property infringement

Filing for patents or trademarks and monitoring for potential infringements.

Entrepreneur Risks/Solutions Infographic

List of potential risks and solutions categorized into Market Risk, Financial Risk, Operational Risk, Legal Risk, and Human Resources

Supply chain disruptions

Having multiple suppliers for critical components to avoid delays if one supplier faces an issue.

Product quality defects

Regular product inspections and providing training to employees on the importance of quality standards.

Cybersecurity breaches

Installing firewalls, using secure passwords, and conducting cybersecurity awareness workshops for staff.

Health and safety incidents

Regular safety drills and providing personal protective equipment to employees.

Lack of Innovation

Setting aside a budget for R&D and hosting regular brainstorming sessions with the team.

Ineffective recruitment strategies

Using job boards, social media, and recruitment agencies to attract a diverse pool of candidates.

Lack of employee engagement

Hosting team-building activities and implementing an employee recognition program.

Insufficient training and development

Creating an annual training calendar and offering tuition reimbursement for further education.

Poor team dynamics

Regular team meetings and conflict resolution workshops.

Succession planning oversights

Identifying high-potential employees and enrolling them in a mentorship program.

1. Technology, Product, IP	2. Market & Competition	3. Team	3. Business Model	Diligence Tasks
4. Deals Terms	5. Operations, Regulatory Issues	6. Governance	7. Exits	Mitigation Actions

929 CHALLENGE

FRAMEWORKS TO REDUCE VALLEY OF DEATH RISKS

929 CHALLENGE

MARKET SEGMENTATION

MARKET SEGMENTATION

- “Your customer isn’t ‘Everyone’.”
- Market segmentation is a crucial component of any successful marketing strategy to understand your target market.
- Analyze your potential customers: do they have the same age, sex, or are located in the same region? Do they have the same income and education levels? Do they all have the same pain points, needs, or desires?
- A market segment is a group of individuals within a larger target market who share a particular set of characteristics.

Market Segmentation Framework

Different types of market segmentation which can be used to understand customer needs and preferences based on their demographic, geographic, psychographic, behavioral, firmographic, technographic, and benefit profiles.

Demographic Segmentation	Geographic Segmentation	Psychographic Segmentation	Behavioral Segmentation	Firmographic Segmentation	Technographic Segmentation	Benefit Segmentation
Dividing the market based on demographic variables such as age, gender, income, education, occupation, marital status, and family size.	Segmenting the market based on geographical factors such as region, country, city, climate, population density, and urban/rural areas.	Dividing the market based on psychographic variables like lifestyle, personality traits, attitudes, interests, and values.	Segmenting the market based on consumer behavior, including their purchasing patterns, usage frequency, brand loyalty, benefits sought, and occasions.	Primarily used in B2B (business-to-business) markets, this segmentation focuses on characteristics such as industry type, company size, revenue, and purchasing behavior.	Relevant in technology-related industries, technographic segmentation considers factors such as technology adoption, usage, preferences, and digital behavior of customers.	Dividing the market based on the benefits or value customers seek from a product or service.
Age: 18-24, 25-34, 35-44, 45-54, 55+	Region: North, South, East, West	Lifestyle: Health-conscious, Adventurous, Tech-savvy, Luxury-loving, Family-oriented	Purchasing patterns: Regular, Occasional, Impulsive, Bargain-driven, Brand-conscious	Industry type: Manufacturing, Technology, Healthcare, Retail, Finance	Technology adoption: Innovators, Early adopters, Early majority, Late majority, Laggards	Benefits: Quality, Convenience, Price, Health, Sustainability
Gender: Male, Female, Non-binary	Country: US, Canada, UK, Australia, India	Personality traits: Outgoing, Introverted, Creative, Analytical, Empathetic	Usage frequency: Daily, Weekly, Monthly, Occasionally, Rarely	Company size: Small, Medium, Large, Enterprise	Usage: Heavy, Moderate, Light, Non-existent	Value: Performance, Reliability, Durability, Design, Support
Income: Under \$25K, \$25K-\$50K, \$50K-\$75K, \$75K-\$100K, \$100K+	City: New York, Los Angeles, London, Tokyo, Mumbai	Attitudes: Environmentalism, Political activism, Social responsibility, Individualism, Traditionalism	Brand loyalty: Strong, Moderate, Weak, Non-existent	Revenue: Under \$1M, \$1M-\$10M, \$10M-\$100M, \$100M+	Preferences: Mobile-first, Desktop-first, Cloud-based, On-premise	Outcomes: Time-saving, Cost-saving, Productivity, Satisfaction, Happiness
Education: High school, Some college, Bachelor's degree, Master's degree, Doctorate	Climate: Tropical, Temperate, Arid, Polar	Interests: Sports, Travel, Music, Food, Fashion	Benefits sought: Quality, Convenience, Price, Health, Sustainability	Purchasing behavior: Centralized, Decentralized, Collaborative, Autonomous	Digital behavior: Social media, Online shopping, Gaming, Streaming, Research	
Occupation: Student, Professional, Self-employed, Retired, Unemployed	Population density: Urban, Suburban, Rural	Values: Freedom, Equality, Success, Community, Spirituality	Occasions: Holidays, Celebrations, Milestones, Seasons, Everyday			
Marital status: Single, Married, Divorced, Widowed	Urban/rural areas: Metropolitan, Small town, Countryside					
Family size: 1-2, 3-4, 5+						

Market Segmentation Framework

This is a detailed framework utilized by TripAdvisor to understand their customer needs and preferences based on their profiles. It is divided into six categories: Demographic Segmentation, Geographic Segmentation, Psychographic Segmentation, Behavioral Segmentation, Firmographic Segmentation (B2B Focus), and Technographic Segmentation, and Benefit Segmentation.

Demographic Segmentation

This category differentiates the market based on age, gender, income, education, occupation, marital status, and family size.

Targeting millennials with disposable income and higher education levels

Geographic Segmentation

This category involves region, country, city, climate, and population density.

Targeting users in colder regions who are more likely to seek travel to warmer destinations during winter months

Psychographic Segmentation

This category includes lifestyle, personality traits, attitudes, interests, and values.

Targeting customers who value experiences over possessions and are interested in unique and authentic travel experiences

Behavioral Segmentation

This category looks at purchasing patterns, usage frequency, brand loyalty, benefits sought, and occasions.

Segmenting the market based on customers who frequently book trips online and show loyalty to the TripAdvisor brand for reliable reviews and booking convenience

Firmographic Segmentation (B2B Focus)

This category looks at industry type, company size, revenue, and purchasing behavior.

Focusing on partnerships with small to medium-sized travel agencies looking to expand their digital footprint

Technographic Segmentation

This category considers technology adoption, usage, preferences, and digital behavior.

Targeting tech-savvy customers who prefer using mobile apps for travel planning and booking

Benefit Segmentation

This category focuses on the benefits, value, and outcomes that customers seek.

Segmenting customers who are looking for cost-effective travel options or those seeking luxury experiences

Market Segmentation Framework using TripAdvisor Example

The source content provides a market segmentation framework for TripAdvisor based on demographic, psychographic, behavioral, and geographic factors.

Demographic Segmentation

Segmenting the market based on demographic factors

Focus on travelers aged 25 to 44 for higher travel frequency and disposable income

Target both male and female travelers

Concentrate on middle to high-income individuals

Psychographic Segmentation

Segmenting the market based on lifestyle, personality, and values

Attract individuals seeking unique and off-the-beaten-path travel experiences as Adventurous Explorers segment

Target those who prefer high-end accommodations and fine dining as Luxury Travelers segment

Appeal to cost-conscious travelers looking for affordable options as Budget Travelers segment

Behavioral Segmentation

Segmenting the market based on behavior and decision-making patterns

Provide tools for those who travel often, like business travelers or digital nomads, as Frequent Travelers segment

Offer information on child-friendly destinations and family accommodations as Family Travelers segment

Provide safety tips and recommendations for solo travel as Solo Travelers segment

Geographic Segmentation

Segmenting the market based on geographic location

Focus on regions with a higher propensity for international travel like North America and Europe as International Travelers segment

Target tourists in specific cities or locals seeking regional recommendations as Local Explorers segment

Target Audience Analysis Template

A template that guides startups to analyze their target audience for an effective product or service launch. It comprises three main sections: Segmentation, Targeting, and Preferences.

Segmentation

This section helps define the characteristics of the target customer.

Age: Define the age range of the target customer.

Income: Determine the income level suitable for the product or service.

Interests: Identify the interests that align with the offering.

Behavior: Understand customer behavior patterns related to the product or service.

Targeting

This section helps identify the target audience based on their preferences.

Adventurous Travelers: Focus on customers seeking new and exciting experiences.

Luxury Travelers: Target customers who prefer high-end, luxurious travel options.

Budget-Conscious Travelers: Aim for customers who prioritize cost-effective travel solutions.

Preferences

This section helps identify the preferences of the target audience.

Travel Destinations: Determine the preferred destinations of the target audience.

Travel Activities: Understand the types of activities the target audience enjoys.

Travel Accommodations: Identify the preferred accommodation styles of the target audience.



Market Segmentation Framework

A comprehensive analysis of the market segmentation framework used by TripAdvisor to understand customer needs and preferences based on their profiles.

Demographic Segmentation

This section outlines the different demographic categories that TripAdvisor uses to understand their target customers.

Age

Gender

Income

Education

Occupation

Marital status

Family size

Geographic Segmentation

This section outlines the different geographic categories that TripAdvisor uses to understand their target customers.

Region

Country

City

Climate

Population density

Psychographic Segmentation

This section outlines the different psychographic categories that TripAdvisor uses to understand their target customers.

Lifestyle

Personality traits

Attitudes

Interests

Values

Behavioral Segmentation

This section outlines the different behavioral categories that TripAdvisor uses to understand their target customers.

Purchasing patterns

Usage frequency

Brand loyalty

Benefits sought

Occasions

Firmographic Segmentation (B2B Focus)

This section outlines the different firmographic categories that TripAdvisor uses to understand their target B2B customers.

Industry type

Company size

Revenue

Purchasing behavior

Technographic Segmentation

This section outlines the different technographic categories that TripAdvisor uses to understand their target customers.

Technology adoption

Usage

Preferences

Digital behavior

Benefit Segmentation

This section outlines the different benefit categories that TripAdvisor uses to understand their target customers.

Benefits

Value

Outcomes

929 CHALLENGE

CUSTOMER PERSONAS

CUSTOMER PERSONA FRAMEWORK

- A persona template to break your real and potential customer base into smaller, more useful groups. These groups are defined by various behavioral characteristics, which will help you determine which customer personas your business should focus on first.
- Identify and sketch your persona. Write down their behaviors, demographics, needs, goals, and main problems. Give this person a name and a face.

Customer Personas

Customer personas are fictional representations of your ideal customers. They are created based on research, data, and insights about your target market. Customer personas typically include information such as demographics, motivations, goals, challenges, preferred communication channels, and buying behaviors. Developing customer personas helps you gain a deeper understanding of your target audience and enables you to create more targeted and effective marketing strategies.

Demographics

Information about your ideal customer's age, gender, location, income, education, and other key demographics.

25-35 years old, female, living in urban areas, earning \$50,000-\$75,000 annually, with a college degree

Motivations

The driving forces that influence your ideal customer's behavior and decision-making.

Desire for convenience and time-saving solutions

Aspiration for success and recognition

Need for security and stability

Goals

What your ideal customer wants to achieve or accomplish in their personal or professional life.

Grow their business and increase revenue

Maintain a healthy work-life balance

Achieve financial independence

Challenges

The obstacles or problems your ideal customer faces in achieving their goals.

Limited resources and budget

Lack of expertise or knowledge

Competition and market saturation

Communication Channels

The preferred methods of communication and information consumption for your ideal customer.

Social media platforms such as Instagram and Twitter

Email newsletters and blogs

In-person events and conferences

Buying Behaviors

The patterns and preferences your ideal customer exhibits when making purchasing decisions.

Prioritizes quality and value over price

Prefers products and services with eco-friendly and sustainable features

Researches extensively before making a purchase

Jill Anderson



"I'm looking for a site that will simplify the planning of my business trips."

AGE: 35

WORK: Regional Director

FAMILY: Married, 1 Child

LOCATION: Austin, Tx

ARCHETYPE: The Frequent Flyer

Organized

Practical

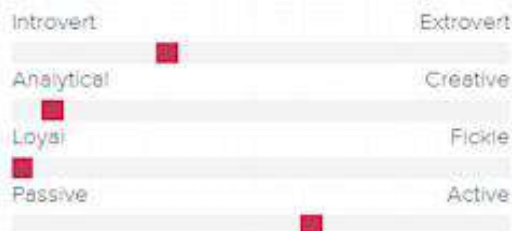
Protective

Hardworking

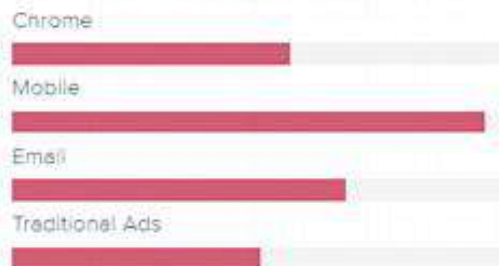
Bio

Jill is a Regional Director who travels 4-8 times each month for work. She has a specific region in which she travels, and she often visits the same cities and stays at the same hotel. She is frustrated by the fact that no matter how frequently she takes similar trips, she spends hours of her day booking travel. She expects her travel solutions to be as organized as she is.

Personality



Preferred Channels



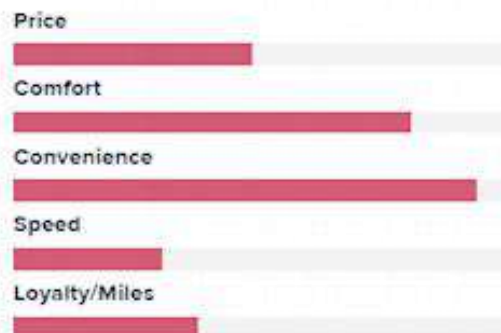
Goals

- To spend less time booking travel
- To narrow her options quickly

Frustrations

- Too much time spent booking - she's busy!
- Too many websites visited per trip
- Not terribly tech savvy - doesn't like the process

Motivations



Brands



929 CHALLENGE

CUSTOMER JOURNEY MAPPING

CUSTOMER JOURNEY MAPPING FRAMEWORK

- A customer journey framework is a set of tools and guiding principles that helps organizations to analyze, optimize and manage the entire customer journey as an ongoing process. It provides a high-level understanding of the customer journey and helps to zoom in and breaks it down to actual tasks.
- When mapping out the customer journey, you are looking for the moments that matter



H&M User Journey Map

This user journey map provides a comprehensive analysis of the entire customer experience at H&M, from initial contact to post-purchase.

Awareness 👁️

This section represents the stage where customers first become aware of H&M and its products.

Customer sees an H&M advertisement on social media

Customer hears about H&M from a friend

Customer sees an H&M store while out shopping

Research 🔍

This section represents the stage where customers research H&M and its products to learn more.

Customer visits the H&M website

Customer reads reviews of H&M products

Customer compares H&M prices to other retailers

Shopping 🛒

This section represents the stage where customers browse and purchase products at H&M.

Customer visits an H&M store

Customer adds products to their online shopping cart

Customer tries on clothes in an H&M fitting room

Checkout 💳

This section represents the stage where customers complete their purchase at H&M.

Customer enters their payment information

Customer applies a discount code

Customer selects a shipping method

Post-Purchase 📦

This section represents the stage where customers receive their H&M products and provide feedback.

Customer receives their order in the mail

Customer leaves a review of their purchase on the H&M website

Customer exchanges a product for a different size



H&M

Customer Journey Map

Industry: Fashion Retail

Stores: 4,801 (2021)

H&M offers a wide selection of stylish and affordable clothing. With a global reach, rapid fashion turnover, and a commitment to sustainability, they provide accessible and trendy fashion choices, making H&M a top choice for fashion-forward individuals looking for sustainable and stylish options.

	Awareness	Consideration	Decision	Service	Loyalty
TOUCHPOINT	Instagram Shopping	In-Store-Mode	Click & Collect	Online Returns in Stores	Customer Loyalty Program
Customer Actions	Customers discover H&M products and shop directly from images and videos on Instagram.	Customers check item availability in the store they're shopping in using the H&M app.	Customers order items online and pick them up at physical stores.	Customers return online purchases in physical stores.	Customers earn points for purchases and redeem them for bonuses and discounts.
Experience	Positive Negative  interested, hesitant  curious, excited  excited  frustrated  satisfied, happy				
Pain Points	Limited awareness of new collections.	Uncertainty about in-store stock.	Challenges in online-to-store transition.	Complicated return process.	Unclear program benefits.
Potential Solution	Use Instagram for active and engaging promotion.	Train staff for exceptional in-store assistance.	Simplify the Click & Collect process for convenience.	Make online returns in stores more straightforward.	Clearly communicate the loyalty program's advantages.

	Awarness	Research / Consideration	Shopping / Decision	Checkout/ Service	Post-Purchase / Loyalty
TouchPoint					
Customer Actions					
Experience					
Pain Points					
Potential Solution					

929 CHALLENGE

VALUE PROPOSITION CANVAS

VALUE PROPOSITION CANVAS

- Identify your customer's major Jobs-to-be-done, the pains they face when trying to accomplish their Jobs-to-be-done and the gains they perceive by getting their jobs done. When mapping out the customer journey, you are looking for the moments that matter.
- Define the most important components of your offering, how you relieve pain and create gains for your customers.
- Adjust your Value Proposition based on the insights you gained from customer evidence and achieve Product-Market fit.

VALUE PROPOSITION CANVAS

CUSTOMER SEGMENT

VALUE PROPOSITION

Gains creators

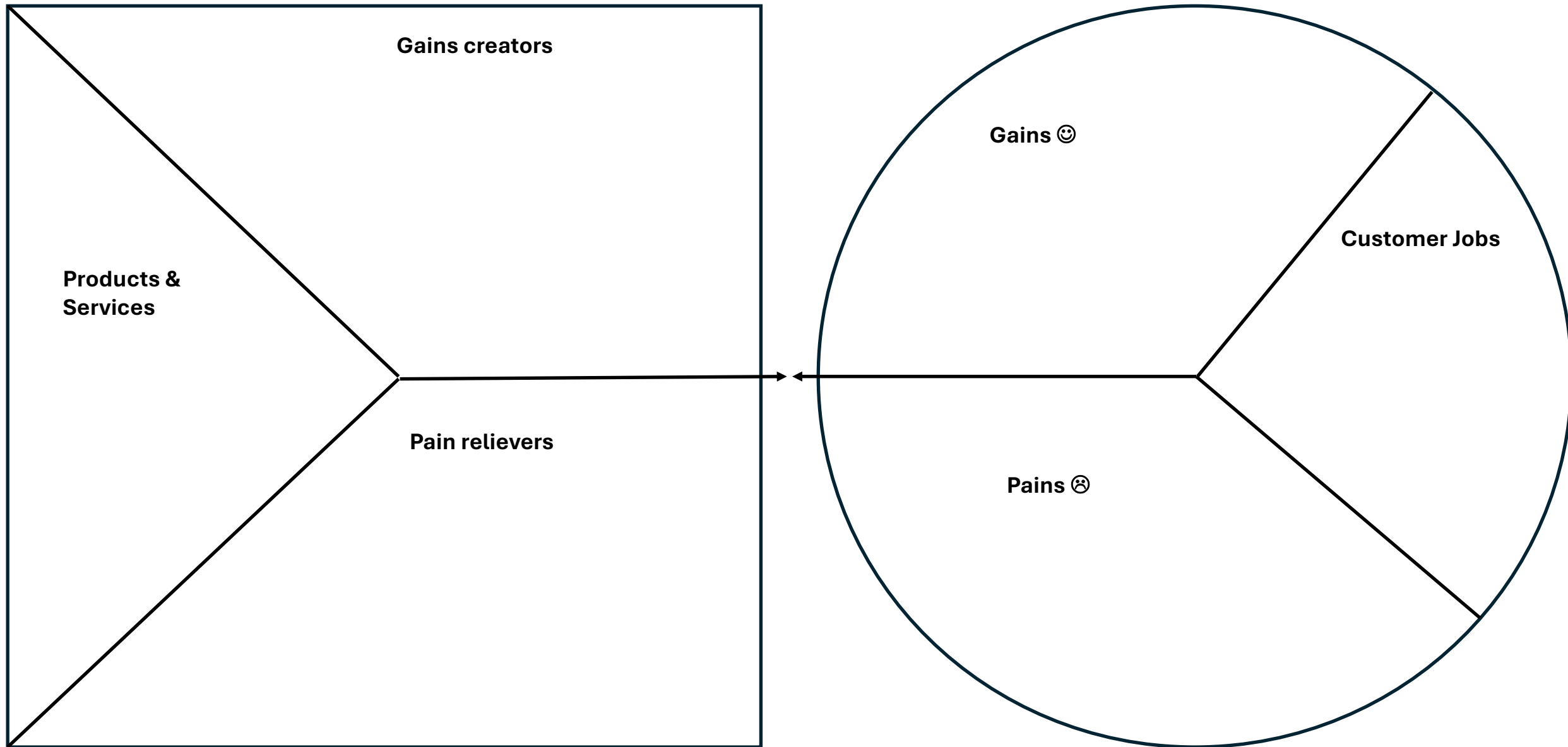
Gains 😊

Customer Jobs

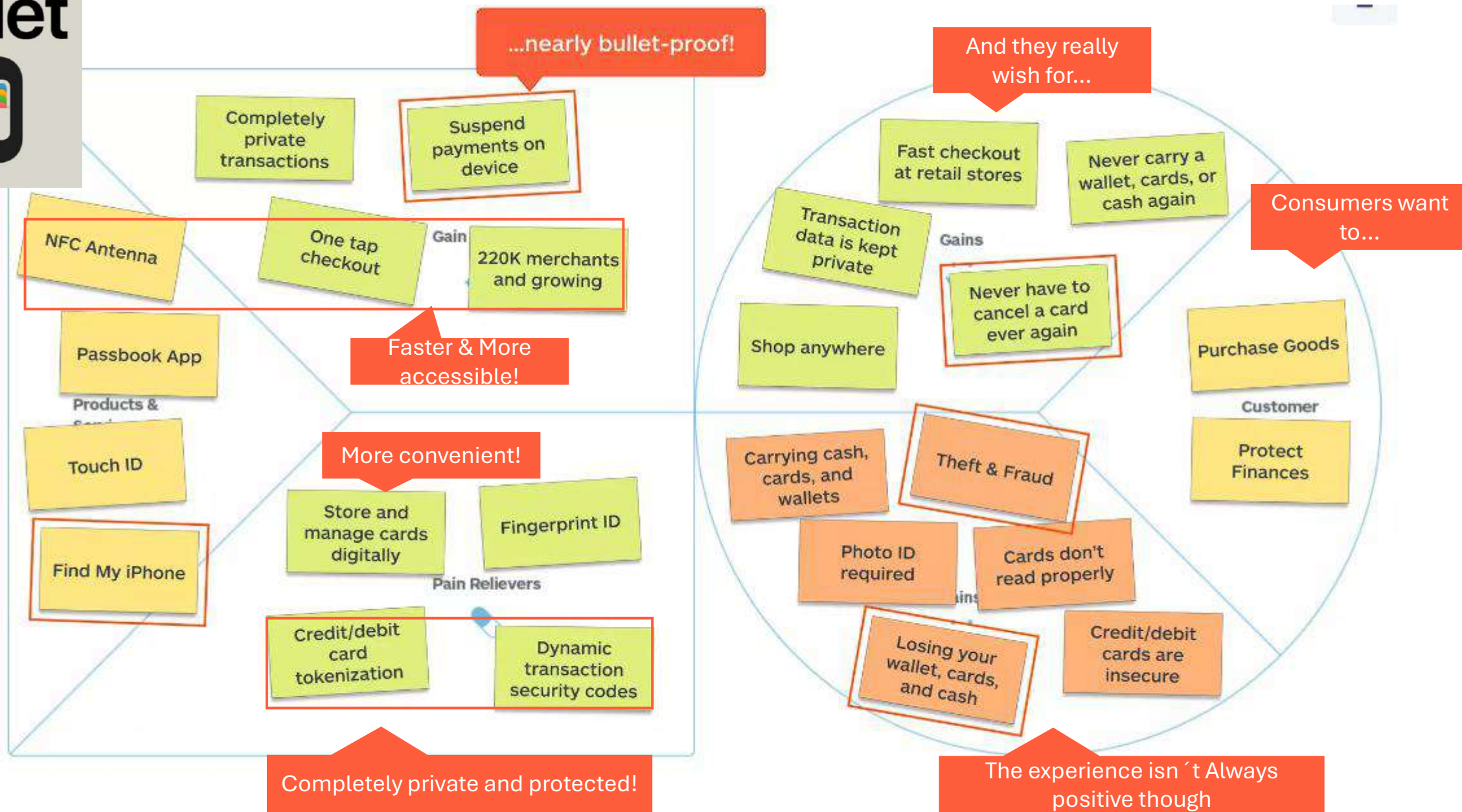
Products &
Services

Pain relievers

Pains 😞



Wallet





Value Proposition Canvas Analysis for H&M

H&M is a Swedish multinational clothing retailer with over 4,700 stores in 74 countries. They offer a wide range of trendy and affordable clothing for men, women, teenagers, and children, operating in the fast fashion market.

Value Proposition

H&M provides trendy and affordable clothing for men, women, teenagers, and children, operating in the fast fashion market.

H&M offers a wide range of clothing for all ages and genders

Their products are affordable and trendy

They operate in the fast fashion market

Customer Segments

H&M targets fashion-conscious individuals who want trendy clothing at an affordable price.

Men

Women

Teenagers

Children

Customer Jobs

H&M aims to provide customers with trendy clothing options that fit their individual style and preferences.

Provide trendy clothing options

Fit individual style and preferences

Offer affordable prices

Pains

H&M may face challenges related to ethical concerns and sustainability in their fast fashion practices.

Ethical concerns

Sustainability issues

Competition from other fast fashion brands

Gains

H&M can benefit from their strong brand recognition and customer loyalty.

Strong brand recognition

Customer loyalty

Ability to quickly adapt to new fashion trends

929 CHALLENGE

MVP CANVAS

MVP CANVAS

- The purpose of a Minimum Viable Product (MVP) is to create the simplest version of a product that we can use to validate a small set of assumptions about the product vision and its role in a business.
- Product/Service features is at the core of the canvas: A product feature is a specific function or characteristic of a product that provides value to customers. It can include capabilities, design elements, or performance upgrades
- A well-defined feature should describe both the functionality as well as how it addresses a customer need. These details align the broader product team on the problems to solve and how to approach them.

Minimum Viable Product Framework

A concept used in product development and entrepreneurship to quickly validate and launch a product or service with minimal resources.

Core Value Proposition

Determine the key problem or need your product aims to solve for the target market. Identify the core features or functionalities that provide the most significant value to the users.

Identify the problem or need

Identify core features

Minimum Feature Set

Identify the minimum set of features or functionalities required to deliver the core value proposition. Strip away any non-essential features that can be added in later iterations.

Identify minimum features

Remove non-essential features

Build Prototype or MVP

Develop a basic version of the product that includes the core features. The emphasis is on creating a functional product with minimal resources and development time.

Develop basic version

Include core features

Test and Validate

Release the MVP to a selected group of early adopters or target customers. Gather feedback, monitor user interactions, and track key metrics to assess the product's performance and validate the value proposition.

Release to early adopters

Gather feedback

Track key metrics

Iterate and Improve

Based on user feedback and data analysis, make iterative improvements to the product. Focus on addressing user needs, enhancing usability, and refining the features to create a more robust and market-ready product.

Make iterative improvements

Address user needs

Enhance usability

Scale and Expand

Once the product has been validated and refined through multiple iterations, gradually scale the product by adding more features, expanding the target market, and investing in marketing and growth strategies.

Gradually scale the product

Add more features

Expand target market

Key Principles

Speed, learning, resource efficiency, and customer-centric approach are the key principles of the MVP framework.

Speed

Learning

Resource efficiency

Customer-centric approach

929 CHALLENGE

MVP Canvas

Segmented Personas

2

Journeys

3

MVP Proposal

1

MVP Features

4

Cost and Schedule

7

Expected Outcome

5

Metrics to validate the business hypotheses

6

MVP Canvas

Segmented Personas

- The MVP is for fitness enthusiasts who own an Apple Watch and are interested in tracking their daily fitness progress and setting fitness goals.
- We can segment and test this MVP in a smaller group by targeting fitness enthusiasts who are using other fitness tracking apps on their Apple Watch.
- Tech Enthusiasts: These users are passionate about the latest technology and gadgets.
- Health-Conscious Individuals: These users prioritize their overall health and well-being.
- Professionals and Executives: This segment includes busy professionals who value the Apple Watch for its productivity features

Journeys

Fitness enthusiast:

- Sets daily fitness goals and tracks progress.
- Achieves daily fitness goals and receives notifications or rewards for hitting milestones
- Utilizes social features to connect with other fitness enthusiasts, share progress, and participate in challenges or competitions.

Apple Watch user:

- Uses the watch to track daily fitness progress and monitor fitness goals.
- Receives personalized health insights and recommendations based on fitness data collected by the watch.

MVP Proposal:

- To create an MVP for Apple Watch that enables users to track their daily fitness progress and set daily fitness goals. The goal is to learn about user engagement and interest in using the Apple Watch as a fitness tracker.
- We want to learn if users are interested in using the Apple Watch as a fitness tracker and if they find it convenient to track their daily fitness goals using the watch.

MVP Features

- Track daily fitness progress
- Heart Rate Monitoring
- Set daily fitness goals
- Monitor daily fitness progress
- Receive notifications for progress updates
- View daily fitness summary

Cost and Schedule

- The cost and schedule for this MVP will depend on the complexity of the features and the resources available. We estimate a cost of \$10,000 and a schedule of 3 months.
- There are no schedule constraints at this time.

Expected Outcome

- We are seeking to learn about user engagement and interest in using the Apple Watch as a fitness tracker.
- We want to determine if users find it convenient to track their daily fitness goals using the watch.
- Clarity of Value Proposition
- Prioritization of Features
- Alignment with User Needs
- Validation of Assumption
- Communication and Collaboration

Metrics to validate the business hypotheses

- We will collect data on user engagement and retention rates, as well as user feedback on the convenience and usefulness of the fitness tracking features.
- Success will be determined by high user engagement and retention rates, as well as positive user feedback on the fitness tracking features. (User adoption & retention rate)
- App Downloads and Usage
- User Feedback and Ratings
- Revenue and Profitability
- Partnerships and Integrations

929 CHALLENGE

COMPETITIVE LANDSCAPE ANALYSIS

COMPETITIVE LANDSCAPE ANALYSIS

- **Competitive landscape analysis** is the process of examining your market to identify your competitors and figure out where they stand with regard to other players, including you.
- You can use the process to analyze and understand a **variety of different metrics**, such as: Market share, Product offerings and pricing, Website traffic data, Positioning and messaging, Company growth and trajectory.

Competitive Landscape Analysis Template

This template provides a structure for analyzing the competitive landscape of a particular industry or market. It includes various sections such as market share, user adoption, retention rate, active usage, health and fitness metrics, user feedback and ratings, revenue and profitability, ecosystem engagement, app downloads and usage, and partnerships and integrations.

 Market Share This section focuses on the current market share of the product or service, its growth rate compared to competitors, and its brand recognition and reputation. Our product has a 25% market share in the industry. Our brand is well-recognized and has a positive reputation among our target customers. We have seen a growth rate of 10% compared to our competitors in the past year.	 User Adoption This section focuses on the total number of users, their demographics, and geographical distribution. Our product has 5 million active users. Our users are primarily located in North America and Europe. Our users are primarily millennials between the ages of 18-35.	 Retention Rate This section focuses on the percentage of users who continue to use the product after a certain period, the reasons for customer loyalty, and the reasons for user churn. Our retention rate is 80% after 6 months of use. Users who have churned have cited pricing and lack of features as the main reasons. Customers who are loyal to our product cite its ease of use and reliability.	 Active Usage This section focuses on the average daily usage, most frequently used features, and user satisfaction with the interface and usability. Our users spend an average of 30 minutes per day on our product. Users are generally satisfied with the ease of use and interface of our product. The most frequently used feature is our messaging system.	 Health and Fitness Metrics This section focuses on key health and fitness metrics tracked, the average number of steps, calories burned, etc., and the usage of additional health features. Our product tracks steps, calories burned, and heart rate. 10% of users utilize our nutrition tracking feature. Users take an average of 10,000 steps per day.
 User Feedback and Ratings This section focuses on the average user rating, positive and negative feedback, and suggestions for improvement. Our average user rating is 4.2 out of 5 stars. Users have suggested adding more personalized features to the product. Users have praised our customer service but have raised concerns about the pricing.	 Revenue and Profitability This section focuses on the total revenue generated, profit margins, and revenue growth year-over-year. Our product generated \$50 million in revenue last year. We have seen a revenue growth of 15% year-over-year. Our profit margin is 20%.	 Ecosystem Engagement This section focuses on the percentage of users with other products from the same brand, integration with other products, and frequency of cross-product usage. 20% of our users have other products from our brand. 10% of our users use both our product and our smartwatch product on a daily basis. Our product integrates with our smartwatch product.	 App Downloads and Usage This section focuses on the total number of app downloads, most downloaded apps, and average time spent on apps. Our app has been downloaded 10 million times. Users spend an average of 3 hours per week on our app. Our app is most frequently downloaded in the United States.	 Partnerships and Integrations This section focuses on the number of third-party partnerships, integration with other devices and systems, and strategic alliances with other brands and organizations. We have partnerships with 5 other companies in the industry. We have a strategic alliance with a major health insurance company. Our product integrates with both Apple and Android devices.

Apple watch Competitive Landscape Analysis

This template provides a comprehensive analysis of the smartwatch competitive landscape with a focus on Apple Watch metrics.

Market Share

This section focuses on the market share of Apple Watch compared to its competitors.

Apple Watch has a 55% market share compared to competitors.

Apple Watch has higher brand recognition and reputation compared to competitors.

Apple Watch market growth rate is 15% higher than competitors.

User Adoption

This section focuses on the adoption rate of Apple Watch among users.

Apple has sold 100 million watches to date.

Most Apple Watch users are between 25-44 years old and have a high income level.

There are 50 million active Apple Watch users.

Apple Watch users are geographically distributed across the globe.

Retention Rate

This section focuses on the percentage of users who continue to use their Apple Watch after a certain period of time.

80% of Apple Watch users continue to use their watch after 6 months.

Apple Watch has a high customer loyalty and repeat purchase rate.

60% of Apple Watch users continue to use their watch after 1 year.

The main reason for Apple Watch user churn is dissatisfaction with the battery life.

Active Usage

This section focuses on the frequency and duration of Apple Watch usage, as well as user satisfaction with the interface.

Apple Watch is used an average of 10 times per day.

The most frequently used Apple Watch feature is notifications.

The average duration of Apple Watch usage per day is 3 hours.

Apple Watch users are satisfied with the interface and usability.

App Downloads and Usage

This section focuses on the number and frequency of Apple Watch app downloads and usage.

There have been 1 billion Apple Watch app downloads to date.

The top downloaded Apple Watch apps are fitness and health-related.

The average time spent on Apple Watch apps is 30 minutes per day.

Apple Watch users use apps frequently but not as often as the core features.

Health and Fitness Metrics

This section focuses on health and fitness-related metrics tracked by the Apple Watch.

Apple Watch tracks an average of 3 workouts per week for each user.

The average number of steps taken per day is 10,000 for Apple Watch users.

The average number of calories burned per day is 500 for Apple Watch users.

Apple Watch provides users with sleep tracking data, but usage is low.

User Feedback and Ratings

This section focuses on user feedback and ratings for the Apple Watch.

The average user rating for the Apple Watch is 4.5 out of 5.

Users appreciate the design and functionality of the Apple Watch but suggest improvements to battery life and third-party app integration.

90% of user reviews for the Apple Watch are positive.

Apple Watch customer service has a high response rate and effectiveness.

Revenue and Profitability

This section focuses on the revenue and profitability of Apple Watch sales.

Apple has generated \$30 billion in revenue from Apple Watch sales.

Apple Watch has a high profit margin due to its premium pricing.

Apple has generated \$5 billion in revenue from Apple Watch accessories and related services.

Apple Watch revenue growth has been steadily increasing year-over-year.

Ecosystem Engagement

This section focuses on the engagement of Apple Watch users with other Apple products.

90% of Apple Watch users also own an iPhone.

Apple Watch is often used in conjunction with other Apple products such as iPad and Mac.

Apple Watch and iPhone integration is frequent and seamless.

Apple Watch users frequently use Apple Pay and Siri.

Partnerships and Integrations

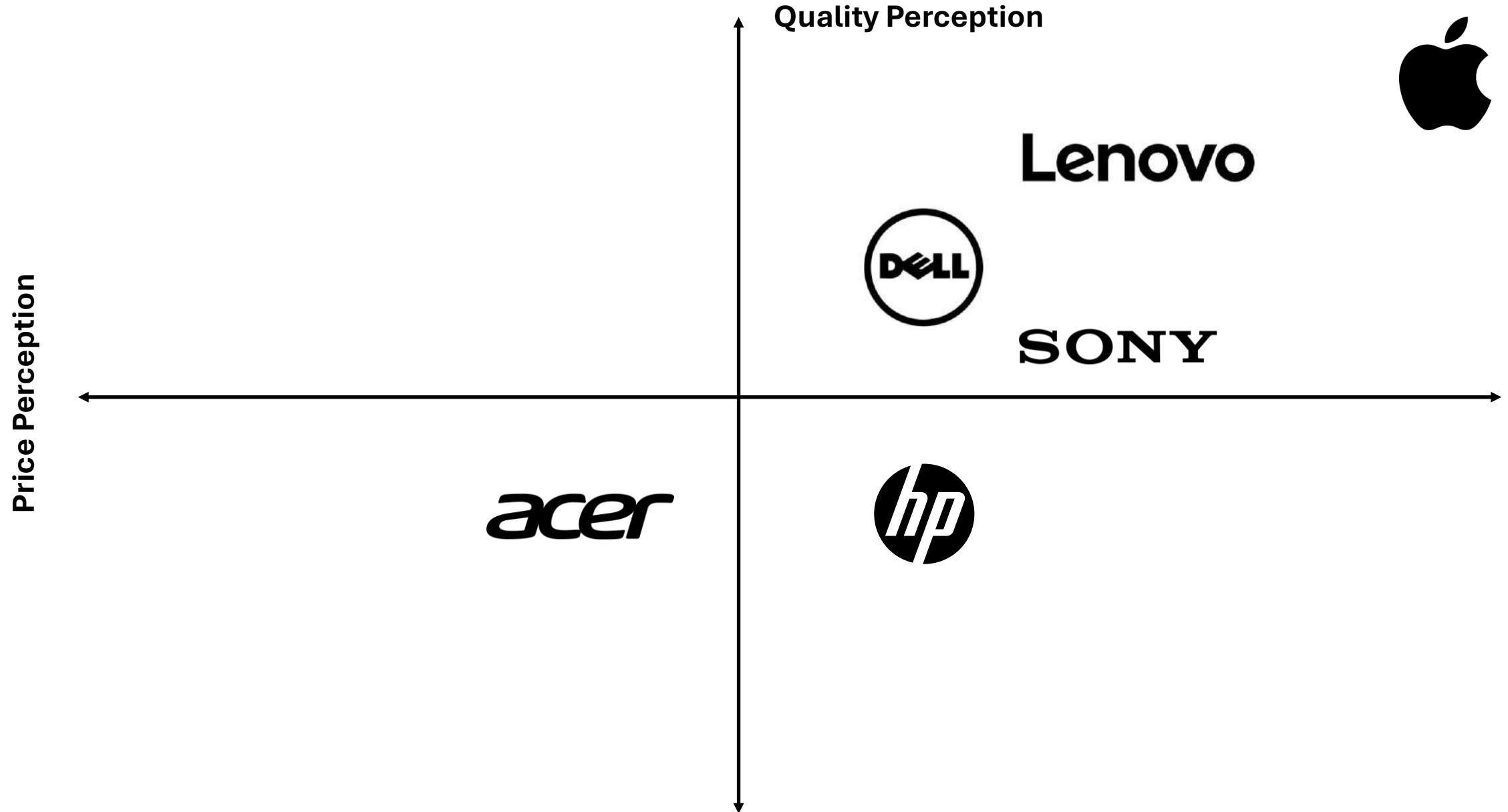
This section focuses on partnerships and integrations with third-party apps and services.

Apple Watch has partnerships with over 10,000 third-party apps and services.

Apple Watch has strategic alliances with fitness brands and sports organizations.

Several healthcare providers have integrated with the Apple Watch to provide remote patient monitoring.

Apple Watch can integrate with smart home devices and systems.



929 CHALLENGE

STARTUP RISKS

Risks and Challenges in Business

This prompt outlines common risks and challenges that businesses face when embarking on the commercialization process.

 Market Risk There is a risk that the target market may not be as receptive to the product or service as anticipated. A new vegan restaurant opening in a meat-loving town A luxury car brand attempting to appeal to budget-conscious consumers The introduction of a new smartphone model in a saturated market	 Financial Risk Starting a business often requires significant financial investment. Underestimating start-up costs Failing to secure necessary funding Experiencing unexpected expenses	 Competitive Risk The presence of established competitors or new entrants in the market can pose a risk to commercialization. A new coffee shop competing with established chains A clothing brand competing with fast fashion retailers A start-up tech company competing with industry giants	 Operational Risk Poor operational planning or execution can result in inefficiencies, production delays, quality issues, or inability to meet customer demands. Supply chain disruptions Production line breakdowns Inadequate inventory management	 Intellectual Property Risk If a business relies on unique intellectual property (IP), there is a risk of infringement or unauthorized use by competitors. A tech start-up with a patented software solution A biotech company with a proprietary formula A fashion brand with a trademarked logo
 Regulatory and Legal Risk Compliance with industry-specific regulations, licensing requirements, and legal obligations is essential for commercial success. A healthcare start-up navigating FDA regulations A construction company adhering to safety standards An e-commerce business complying with consumer protection laws	 Technological Risk Technology-driven businesses face risks related to technological advancements and obsolescence. A mobile app company competing in a rapidly evolving market An AI software provider keeping up with industry trends A renewable energy start-up dependent on emerging technologies	 Team and Talent Risk Building and retaining a skilled and motivated team is critical for business success. Difficulty in finding qualified employees Managing conflicts or communication issues within the team Retaining key talent in a competitive job market	 Marketing and Sales Risk Inadequate marketing strategies, ineffective sales efforts, or failure to properly target and reach the intended customer base can hinder commercialization. A new product launch with poor market positioning Difficulty in converting leads into sales Low customer awareness due to ineffective promotion	 External Factors External factors such as natural disasters, political instability, or changes in government regulations can pose risks to commercialization. A tourism business impacted by a hurricane A tech start-up navigating changing data privacy laws A manufacturing company affected by trade policies

Entrepreneur Risks Infographic

An infographic designed to help entrepreneurs identify potential risks in their business, specifically categorized into Market Risk, Financial Risk, Operational Risk, and Legal Risk, with a section on identifying human resources risks in business.

Market Risk

Potential risks associated with market factors such as demand and competition.

Changing consumer trends

New competitors entering the market

Market saturation

Decrease in demand

Financial Risk

Potential risks associated with financial factors such as revenue, expenses, and investments.

Cash flow problems

Unexpected expenses

Failure to meet financial goals

Insufficient funding

Operational Risk

Potential risks associated with day-to-day business operations.

Supply chain disruptions

Product quality defects

Cybersecurity breaches

Health and safety incidents

Lack of Innovation

Productivity defects

Legal Risk

Potential risks associated with legal and regulatory compliance.

Regulatory non-compliance

Lawsuits and legal disputes

Intellectual property infringement

Human Resources

Potential risks associated with human resources and team management.

Ineffective recruitment strategies

Lack of employee engagement

Insufficient training and development

Poor team dynamics

Succession planning oversights

STARTUP RISKS/SOLUTIONS

BUSINESS MODEL VS BUSINESS PLAN

BUSINESS MODEL vs BUSINESS PLAN

Many entrepreneurs, particularly those who are new to launching and running businesses, often **struggle to differentiate between a business model and a business plan**. Below is a concise explanation to help clarify the distinctions between the two:

- **Business Model:** *A strategic blueprint* detailing **how** a business creates and captures value, focusing on the operational and conceptual structure necessary for interacting profitably with customers.
- **Business Plan:** *A detailed plan* **describing** the actionable steps and strategies necessary for the business to succeed in its objectives, often used for communication with external stakeholders like investors.

Comparison Table: Business Model vs. Business Plan

This is a comparison table that analyzes the differences between a Business Model and a Business Plan, focusing on aspects such as aspect, emphasis, description, key elements, and scope.

Aspect		Emphasis		Description	
Business Model: Refers to the way a business creates and delivers value to customers/clients and generates revenue.	Business Plan: Focuses on how a business will achieve its goals and objectives.	Business Model: Emphasizes the value creation and capture process.	Business Plan: Emphasizes the implementation and execution process.	Business Model: Provides a framework for understanding how a business creates and delivers value to stakeholders.	Business Plan: Describes the specific steps, strategies, and tactics to be implemented to achieve the business goals.
Key Elements		Purpose		Scope	
Business Model: Highlights the value proposition, target market, revenue streams, key partnerships, and cost structure.	Business Plan: Outlines the company's mission, vision, goals, and objectives.	Business Model: The purpose is to provide a framework for understanding how a business creates and delivers value to stakeholders.	Business Plan: The purpose is to provide a roadmap for how a business will operate and achieve its objectives.	Business Model: Defines the core components of the business and its operations.	Business Plan: Includes market analysis, competitive landscape, marketing strategies, financial projections, and operations.

929 CHALLENGE

Business Model Framework

The Business Model Framework is a tool for creating, analyzing and optimizing a business model. It describes the main elements of a company's business model and how they are related. The framework consists of 9 building blocks: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure.

Customer Segments

The different groups of people or organizations a company aims to reach and serve.

Mass Market

Niche Market

Segmented

Diversified

Multi-sided Platform

Value Propositions

The bundle of products and services that create value for a specific Customer Segment.

Newness

Performance

Customization

Design

Price

Cost Reduction

Risk Reduction

Accessibility

Convenience/Usability

Channels

The paths through which a company reaches and delivers Value Propositions to its Customer Segments.

Direct Sales

Online Sales

Wholesales

Retail

Own Stores

Partner Stores

Telemarketing

Third-party Sales

Consultants

Customer Relationships

The types of relationships a company establishes with its Customer Segments.

Personal Assistance

Dedicated Personal Assistance

Self-service

Automated Services

Communities

Co-creation

Revenue Streams

The cash a company generates from each Customer Segment.

Asset Sale

Usage Fee

Subscription Fee

Lending/Renting/Leasing

Licensing

Brokerage Fees

Advertising

Key Resources

The most important assets required to make a business model work.

Physical

Intellectual

Human

Financial

Key Activities

The most important things a company must do to make its business model work.

Production

Problem Solving

Platform/Network

Customer Relationship Management

Marketing

Sales

Distribution

After Sales Service

Key Partnerships

The network of suppliers and partners that make the business model work.

Strategic Alliance

Coopetition

Joint Venture

Buyer-Supplier Partnership

Shared Infrastructure/Facilities

Cost Structure

The costs incurred by a company while operating under a particular business model.

Cost-Driven

Value-Driven

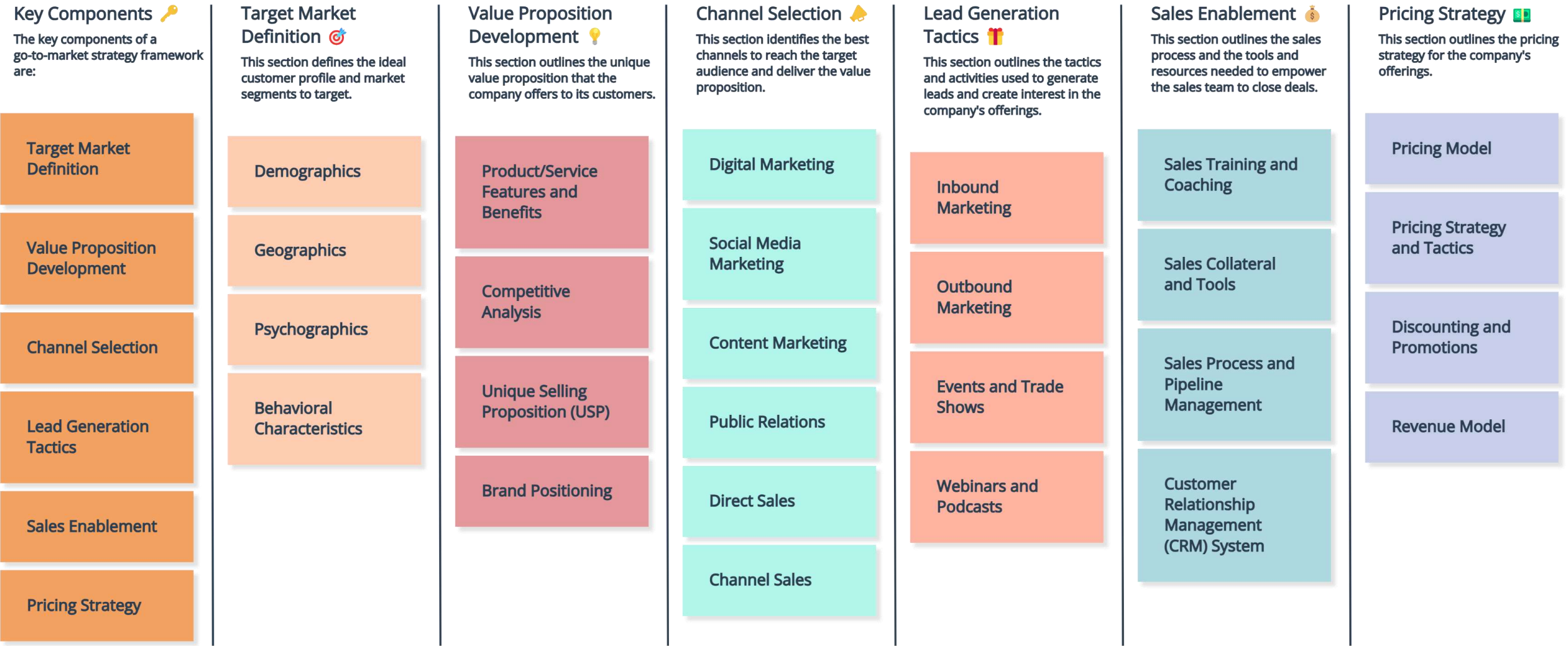


GO-TO MARKET STRATEGY

GO-TO MARKET STRATEGY

Go-to-Market Strategy Framework

The go-to-market (GTM) strategy framework is a roadmap for how a company will reach its target customers. It includes the tactics and actions needed to create awareness, generate leads, and convert those leads into customers. This framework helps businesses to identify the best channels and messaging to use for their target audience.



Target Market Framework

A tool utilized for identifying and analyzing potential customers for a product or service.



BUSINESS READY & INVESTOR READY

- When you present your business model, please bear in mind that securing funding for your business (or future business) can be demanding, being “investor ready” makes it a lot easier.
- Being “Investor Ready” essentially means that potential Investors, Governments, Banks or Lenders believe that you are worth investing in and that you are ready for the next step.
- Being “Investor Ready” also means having runs on the board and proof that what you want to do is commercial, effective and will bring value back to an investor.
- This is the key for ALL growing businesses and investors want you and your team well prepared.

BUSINESS READY & INVESTOR READY

A few reminders for you when you devise your fund-raising deck:

- Investors look for (a) **business model** and (b) **team execution** capability.
- Investors willing to invest time to sit down with you is a good sign that they are comfortable on your business-readiness.
- Investors believe that there is no such thing as a bad business idea, only bad planning and execution.

How do you could demonstrate you are "Investor Ready?"

- Investors look for **lowest possible risk and highest possible returns**.
- Investors look for a team that has **structured and detailed plans on how they are going to execute the business**.
- One straight-forward way to show you are "ready" is to **build strong and effective plans and forecasts, this means:**

BUILD STRONG AND EFFECTIVE PLANS AND FORECASTS

Established a robust and effective "execution & planning mechanism" and "due process for forecast / re-forecast" that satisfy investor expectations.

Prepare a comprehensive plan (including a contingency plan) to make the best use of the investors' money and properly planned the exit arrangement and timing for investors to realize their investment returns.

From enterprise operations and corporate finance perspectives. Investor ready shall include, as a minimal, the following:

- Business Plans and Contingency Plans (sensitivity and scenario analysis)
- Growth Strategies & Growth Enabler Analysis
- Financial Forecasts & Forecast Modelling
- Sales & Marketing Plans and Strategies (and resources deployment)
- Enterprise operations and risk management framework
- (if possible) Business Valuations and Offer to Investors (debt / equity)