



**COMMUNITY
ECONOMIC
DEVELOPMENT**

LEAP! LOCAL ENTREPRENEURSHIP ACCELERATOR PROGRAM

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Description

The purpose of this program is to focus and accelerate the startup--- of new businesses to contribute to a vibrant and inclusive economy on the Sunshine Coast. The overarching goal is for participants to learn how to determine whether his or her business idea is viable.

Successful entrepreneurs solve problems for customers. That is the only reason people pay them for their product or service. You should think of this program as helping you conserve energy and resources, while learning what problems the market wants you to solve, and finally how you can structure a viable venture around solving that problem.

The process reduces risk of failure and improves the likelihood of building something real customers will want. The process will also provide the tools for an entrepreneur to understand if their idea is not likely to be viable, saving you serious time and money.

Process

We will follow a “flipped” classroom model, in that you will have a set of videos and occasionally readings each week that constitute the lecture component, and the time we spend together each week will be largely dedicated to questions, feedback, and discussion. The real work you need to do will be outside the classroom.

There are a minimum of 3---4 hours of pre---work each week where you will think about your venture, the problem you solve, your customers, and other components of your business model. There will also be a set of real world activities that will take time to do well, such as talking to customers, researching partners, and testing ideas. If you do the pre---reading and join our discussions, you will better understand how to build your business. Those that can dedicate significant time outside of class each week to applying the lessons learned will get the most out of the program.

Each venture will be expected to present EACH week on what they’ve learned. After 8 weeks of guided practice, you will still have access to local people to help you keep up your momentum.

Resources

Video Lectures

Sign up for the following free online course “How to Build a Startup” by Steve Blank, presented on Udacity, and familiarize yourself with the platform. We will be closely following these lectures each week to guide your venture development. You’re welcome to skip around and check it out, but we’ll cover each lecture in the first 7 weeks of our program.

<https://www.udacity.com/course/ep245>

Mandatory Book

Business Model Generation (by Alex Osterwalder and Yves Pigneur) – You must download the following **free preview** version of this book, available at:

<http://www.businessmodelgeneration.com/book>

Either bring your copy on a laptop or tablet or print it out and have it with you for reference each week.

Optional Books

The Startup Owners Manual (by Steve Blank and Bob Dorf), is the companion book to the lectures we will be following above. This is not mandatory and you can understand the lectures without it, but is an extremely helpful guide to starting a new company. You can find it on any online book retailer.

I will send you other helpful blogs and links as needed throughout the course.

IMPORTANT – The resources above often feel aimed at tech startups or other high scale ventures. It’s really just a matter of language and perspective, and we will translate this for your purposes. Don’t panic if something sounds intimidating, as the vast majority of the content is totally applicable to what you are trying to accomplish!

The following pages contain a weekly outline.

Weekly Overview

*The Preparation & Activities section indicates items that should be completed BEFORE that week's session. This includes both pre-readings and videos, and venture development activities. They are listed in the recommended order of completion, and you will receive more detailed instructions in advance.

Every video lecture ends with a list of optional readings in its final segment. If you have the Business Model Generation and Startup Owners Manual books, and the time, these will deepen your understanding.

Week	Focus	Preparation & Activities
1	Introduction + Business Models	<ul style="list-style-type: none">- Download and read preview of Business Model Generation- Watch Lecture 1.5A (Optional – Lecture 1)- Introduce your venture idea to the group
2	Business Model Cont. + Customer Development	<ul style="list-style-type: none">- Watch Lecture 1.5B- Watch interview with Aaron Joe- Customer interviews- Complete business model canvas for your venture- 5 minute presentation
3	Value Proposition	<ul style="list-style-type: none">- Watch Lecture 2- Watch interview with Brian Postlewait- Customer Interviews- Estimate market size- Update business model canvas and identify hypotheses tests for value proposition- 5 minute presentation
4	Know Your Customer	<ul style="list-style-type: none">- Watch Lecture 3- Customer Interviews- Create a customer archetype- Update business model canvas and identify hypotheses tests for customer segments- 5 minute presentation
5	Channels and Relationships	<ul style="list-style-type: none">- Watch Lectures 4 and 5

		<ul style="list-style-type: none"> - Watch interview with Candace Campo - Customer and Channel Partner Interviews - Update business model canvas and identify hypotheses tests for channels and relationships - 5 minute presentation
6	How You Make Money – Revenue Models	<ul style="list-style-type: none"> - Watch Lecture 6 - Customer Interviews - Update business model canvas and identify hypotheses tests for channels and relationships - 5 minute presentation
7	Backstage (Operations)	<ul style="list-style-type: none"> - Watch Lectures 7 & 8 - Watch interview with Brian Smith - Talk to potential partners and suppliers - Update business model canvas and identify hypotheses tests for activities, resources, partners, and cost structure. - 5 minute presentation
8	Practice Pitch	<ul style="list-style-type: none"> - Create and practice a 5 minute pitch. Be prepared to give this pitch in class. - Watch interview with Tracee Lang - If you have been doing the work, your idea will be quite different than what you presented in the first week of class!

Week One – Introductions & Business Models

This week we're just getting warmed up, and focused on getting to know each other and sharing our venture ideas. That said, with only 10 weeks together we want to get off to a good start so you have a little prep to do!

Preparation (before session)

1) Download and read the free 72 page preview of Business Model Generation

http://www.businessmodelgeneration.com/downloads/businessmodelgeneration_preview.pdf

2) Watch 'Lecture 1.5A: Business Models and Customer Development' of *How to Build a Startup* by Steve Blank on Udacity:

<https://www.udacity.com/course/ep245>

This lecture complements the above reading, and covers what a business model is and how to think about the 9 core pieces of the business model canvas, a tool we will use extensively to map and track your venture development.

3) Be prepared to introduce yourself and your venture with the following information:

- Your name
- Venture name (if you have one)
- 60 second introduction of the business concept including what, why, and how far along you are in developing the idea
- What you hope to get out of the next 10 weeks

**Optional – Lecture 1 from “How to Build a Startup” by Steve Blank on Udacity. It’s interesting if you have the time, but not required for the program.*

Venture Development Homework (after session)

1) Talk to at least ten potential users of your product or service, and be prepared to report back to the group next week. **Do NOT tell interviewees about your solution;** simply ask them about the problem you are solving. Your goal is to make sure you actually understand this problem as potential customers might, so try not to get over-wrapped up on your interpretation, or proposed solution. The types of questions you want to ask may include:

- Do they agree this is a problem?
- “If you had a magic wand, what would you want?”
- How do you encounter this problem in their lives?
- On a scale of 1-10, how painful is this problem for you?
- What types of things do you do to get around this problem now?
- Do you know others who have voiced complaints about this issue?
- Why do you think this problem still exists?
- Would you pay for a solution to this problem?
- How much would you pay for a solution to this problem?

Week Two – Business Models Cont. & Customer Development

Now we're getting going, and it's already time to start applying what you learned in week one!

Preparation (before session)

1) Download the business model canvas if you haven't already, and try to map out your venture based on the readings and video lecture from last week:

http://www.businessmodelgeneration.com/downloads/business_model_canvas_poster.pdf

2) Watch 'Lecture 1.5B: Business Models and Customer Development' of *How to Build a Startup* by Steve Blank on Udacity:

<https://www.udacity.com/course/ep245>

3) Watch interview with Aaron Joe: <http://sfuleap.ca/videos/>

This lecture is really the second half of the last one, and helps you understand how the business model canvas we learned about last time is just a tool, and scorecard, to help you identify all of the assumptions you are making about your venture, and to design and track tests you can run to prove whether the assumptions are valid. This cycle of describing your assumptions, testing them, and confirming or ruling them out, will be key to the efficient development of your model.

The end of the lecture talks about market size estimation. This is aimed more at startup businesses seeking venture investment and massive growth, but the process is useful for you to understand whether the market size justifies the amount of work you will put in.

**Optional supplementary readings are listed in the last section of the video.*

3) Be prepared to give a 3-5 minute presentation on your customer interviews about **the problem** you are working on, and any lessons you learned.

Venture Development Homework (after session)

- 1) Try to estimate your Total Available Market, Served Available Market, and Target Market.
- 2) Talk to at least 10 MORE potential customers about the problem (see last week's instructions).
- 3) Think of some hypotheses in your model - try to come up with at least 5 key things you are assuming, that you need to test.

Week Three – Value Proposition

Successful entrepreneurs solve a meaningful problem for customers. The value proposition is NOT about what your cool idea, service or product is, it is a description of how you make your customers' life better.

Preparation (before session)

1) Watch 'Lecture 2: Value Proposition' of *How to Build a Startup* by Steve Blank on Udacity:

<https://www.udacity.com/course/ep245>

2) Watch Interview with Brian Postlewait: <http://sfuleap.ca/videos>

Now we're getting into the thick of the business model. The value proposition is the heart of your venture, and this lecture helps you understand what it is in relation to your customers, how to describe it, and how to test it. There are short sections of these lectures aimed at web/mobile and other tech related ventures, so just think about the basic concepts in relation to your venture.

**Optional supplementary readings are listed in the last section of the video.*

2) Review the "Value Proposition" section of the Business Model Generation preview (or book if you bought it).

3) Update your entire business model canvas with any changes, and bring it to the session.

4) Be prepared to give a 3-5 minute presentation on your customer interviews and lessons learned, the market size, and top three hypotheses that need testing.

Venture Development Homework (after session)

1) Now that you've spent two weeks talking to people about the problem (NOT solution), talk to at least 10 potential customers about your VALUE PROPOSITION. Find out how excited people would be if you could solve the problems you propose to solve. Do they agree that the value you describe feels important? Would they pay for it if you were ready to sell today? How much?

2) Identify three key value proposition hypotheses and try to test them.

Week Four – Customer Segments and Markets

This week we'll go deep on understanding your customer.

Preparation (before session)

- 1) Watch 'Lecture 3: Customer Segments' of *How to Build a Startup* by Steve Blank on Udacity:
<https://www.udacity.com/course/ep245>

How do they make decisions? What is their life like? Where do they live and work? How much can/will they pay? What type of market are you in? We'll get into these and other customer related questions this week.

**Optional supplementary readings are listed in the last section of the video.*

- 2) Watch Interview with Candace Campo: <http://sfuleap.ca/videos>
- 3) Review the 'Customer Segment' section of the *Business Model Generation* preview (or book if you bought it).
- 4) Update your entire business model canvas with any changes, and bring it to the session.
- 5) Be prepared to give a 3-5 minute presentation on your customer interviews and lessons learned, any changes to your model, and results or plans for value proposition validation.

Venture Development Homework (after session)

- 1) Talk about your proposed solution to at least 10 potential customers you feel are in your key customer segment(s). Be sure to ask open ended questions, keep your description simple, and encourage them to talk.
- 2) Develop a Customer Archetype or Empathy Map.
- 3) Develop a customer workflow if appropriate.

Week Five – Channels and Relationships

So we've starting getting a firmer grasp on who our customers are and what it is we can do to make their life better, so now we need to think about how we're going to get our product or service to them, and how we can get, keep, and grow that relationship.

Preparation (before session)

1) Watch 'Lecture 4: Channels' and 'Lecture 5: Customer Relationships' of *How to Build a Startup* by Steve Blank on Udacity:

<https://www.udacity.com/course/ep245>

**Optional supplementary readings are listed in the last section of the video.*

2) Review the 'Channels' and 'Customer Relationships' section of the *Business Model Generation* preview (or book if you bought it).

3) Update your entire business model canvas with any changes, and bring it to the session.

4) Be prepared to give a 3-5 minute presentation on your customer interviews and lessons learned, your customer archetype and/or customer workflow, and any changes to your model.

Venture Development Homework (after session)

- 1) Talk to at least 5 potential channel partners and 5 potential customers to try to validate assumptions about your channels. Will channel partners work with you in the way you imagine? Do customers want to access your product/service offerings the way you imagine?
- 2) How will you attract customers? Clearly explain your assumptions on how this will work, and decide on how you might test this.
- 3) What is your customer acquisition cost, and lifetime value of a customer?

Week Six – Revenue Model

Finally, we can talk about how you are going to make money! This week we look at how your venture proposes to generate revenue.

Preparation (before session)

- 1) Watch 'Lecture 6: Revenue Model' of *How to Build a Startup* by Steve Blank on Udacity:
<https://www.udacity.com/course/ep245>

Now we get into revenue strategies including ways you can earn revenue in the model, how to set prices for customer segments, and ways to package your offering.

**Optional supplementary readings are listed in the last section of the video.*

- 2) Review the 'Revenue Model' section of the *Business Model Generation* preview (or book if you bought it).
- 3) Update your entire business model canvas with any changes, and bring it to the session.
- 4) Be prepared to give a 3-5 minute presentation on your channel partner and/or customer interviews and lessons learned, your plans to attract customers, the customer acquisition cost/lifetime value calculations, and any changes to your model.

Venture Development Homework (after session)

- 1) Prepare and test your pricing strategy or offer in front of at least 10 customers offline, or at least 100 if you have an online product. Try to make the sale!
- 2) Describe your revenue model strategy and draw a diagram of payment flows.
- 3) Create competitor pricing matrix.

Week Seven – Operations (Activities, Resources, Partners, Cost Structure)

We have spent almost all of our time so far focused on the “front” of the business, the part that customers see and interact with. This session is about the back rooms and operations, where most of the work actually gets done.

Preparation (before session)

1) Watch ‘Lecture 7: Partners’ and Lecture 8: Resources, Activities and Costs’ of *How to Build a Startup* by Steve Blank on Udacity:

<https://www.udacity.com/course/ep245>

These lectures cover everything from how and why to partner with others to deliver parts of your business model (or why not!), to how to understand the key cost drivers of your venture. We’re condensing a fair amount of material into a single session as this part is less important if you can’t get the earlier parts right, but you are highly encouraged to take more time to explore these lectures and readings after the program.

**Optional supplementary readings are listed in the last section of the video.*

2) Watch Interview with Brian Smith: <http://sfuleap.ca/videos>

3) Review the ‘Partners’, ‘Resources’, ‘Activities’, and ‘Cost’ sections of the *Business Model Generation* preview (or book if you bought it).

4) Update your entire business model canvas with any changes, and bring it to the session.

5) Be prepared to give a 3-5 minute presentation on the results of your revenue model testing, and any changes to your model.

Venture Development Homework (after session)

- 1) Talk with any potential partners you have identified, and see if they will work with you as you imagine, and what the costs might be. Identify any risks.
- 2) What are your critical resources to deliver on your key activities? Do you have them? Can you get them?
- 3) What are your ‘metrics that matter’?
- 4) What are your major costs? Test these by speaking with suppliers, service providers, potential employees etc. Which costs are fixed, and which are variable in your model?

Week Eight – Pitching (Talking about your business)

During the final session, we will practice our pitch. Being able to talk about your business succinctly is critical to your success – especially in your first year when you are trying to secure customers, partnerships, suppliers and possibly investors or lenders. This session will help prepare you for the final Barnraiser.

P r e p a r a t i o n (before session)

- 1) Watch Interview with Tracee Lang: <http://sfuleap.ca/videos>
- 2) Read: <http://venturebeat.com/2010/05/24/five-minute-pitch-sliderocket/>
&<http://onpurpose.uk.com/pitching-startup-social-enterprise/>
- 3) Write out your pitch. For the first version don't edit, just write it all out. Read it out loud. Consider who your audience is (community members, potential customers and investors at the Barnraiser); it can be helpful to think of one person you are telling your pitch to. What does that person need? Reduce your pitch. What is the main idea you need to convey? Practice again. Pace yourself. Have silent parts. Do not rush. Practice again with a timer. Make sure it is not longer than 5 minutes.
- 4) Be prepared to give a 3 - 5 minute pitch for in the final class.