

BUSINESS COACHING

A SURVIVOR'S KIT

IN 10 STEPS



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INNOCENS PROJECT

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BUSINESS COACHING – A SURVIVOR’S KIT

- Every InnoCentre should define their services and communicate to the whole university community.
- A mentor helps entrepreneurs in their way, but it is not required to be a super expert.
- It is a very good idea to start the first meeting asking the entrepreneur what he or she is expecting from this service.

STEP 1. SOME QUESTIONS A MENTOR CAN ASK TO START

1. Who is your potential customer?
2. How big is your market?
3. What is the problem your product solves?
4. What are the alternatives or competitors which solve the same problem?
5. Why your solution is better? (Value proposition)
6. How much better?

STEP 2. TRY TO DEFINE YOUR DEAL

The Deal is a sentence with four elements:

- **The start-up:** that's you
- **The customer:** the one you're selling to (either business or consumer)
- 📦 **The product:** what your selling
- 💰 **The price:** what the consumer pays you in return



Product or Service?

- Product: you sell ownership of something
- Service: you sell use of something for a certain period of time

- What do you sell,
 - To whom,
 - At what price

STEP 3. DEFINING CUSTOMER SEGMENTS

- Not everybody can be your customer from the beginning.
- Definition of a customer segment:
 - Customers buy similar products
 - With similar sales cycles
 - With similar expectations of providing value in similar ways
 - And where there is word of mouth

IT IS A GREAT IDEA TO DO A BRAINSTORMING OF
POSSIBLE CUSTOMER SEGMENTS WITH YOUR
ENTREPRENEUR

Example: A printer that does not use ink

Brainstorming of possible customer segments:

- Public administration
- Book printers
- Newspapers
- Architects
- Final users
- ...

STEP 4. DEFINING BEACH HEAD MARKET

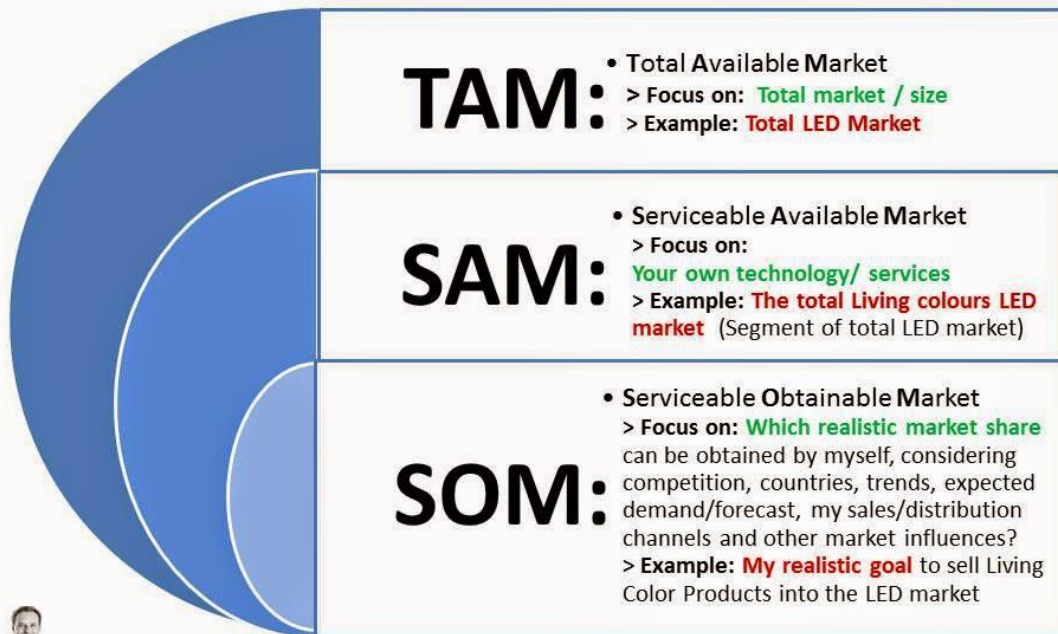
- Your first entry into the market
- Small enough to become a significant player
- Big enough to generate some cash

Fill the table, the one with the highest score is the beach head market:

	Customer Segment 1	Customer Segment 2	...	Customer Segment 6
Easy Decision-Making Unit?				
Well-funded?				
Buying reason?				
Accessible?				
COCA?				
LTV?				
Not many competitors?				
Next segment?				
Like the customer?				

STEP 5. DEFINING SIZE OF THE MARKET

TAM SAM SOM Market Evaluations - Easily Explained



Explanation by Carsten Schade, Dipl./ B.A., Marketing Manager Europe, Middle East & Africa
Questions? Just contact me on: carstenschade@hotmail.com

A market is measured in:

- Number of potential customers.
- Money that this market is moving.

STEP 6. DEFINE YOUR VALUE PROPOSITION

If B2C:

Cheaper

Better

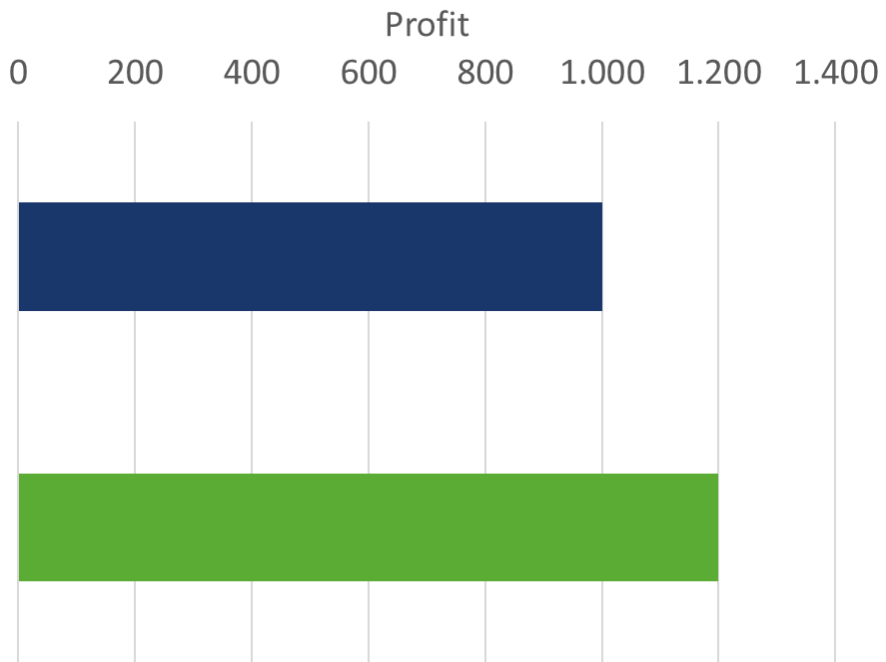
Better is everything that is not cheaper:

- Better quality
- Ease of use
- Beauty
- Sustainable
- Etc.

If B2B, is always about an economic benefit for your customer:

- Lower costs
- Better quality
- Reduced capital investments
- Other ways: i.e. improved competitive position

STEP 7. QUANTIFY YOUR VALUE PROPOSITION



STEP 8. DEFINE A WHOLE BUSINESS MODEL WITH THE BUSINESS MODEL CANVAS

Create Business Model Canvas

The Business Model Canvas reflects systematically on your business model, so you're freely to map each of its elements to your real business components. (That also means you don't have to define or enter all of them). The following list and questions will help you brainstorm the precise idea for your next business model innovation.

1. Key partners

1. Who are your key partners/suppliers?
2. What are the motivations for the partnerships?

2. Key activities

1. What key activities does your value proposition require?
2. What activities are most important in distribution channels, customer relationships, revenue stream...?

3. Value Proposition

1. What core value do you deliver to the customer?
2. Which customer needs are you satisfying?

4. Customer Relationship

1. What relationship that the target customer expects you to establish?
2. How can you integrate that into your business in terms of cost and format?

5. Customer Segment

1. Which classes are you creating values for?
2. Who is your most important customer?

6.Key Resources

- 1.What key resources does your value proposition require?
2. What resources are important the most in distribution channels, customer relationships, revenue stream...?

7.Distribution Channel

1. Through which channels that your customers want to be reached?
2. Which channels work best? How much do they cost? How can they be integrated into your and your customers' routines?

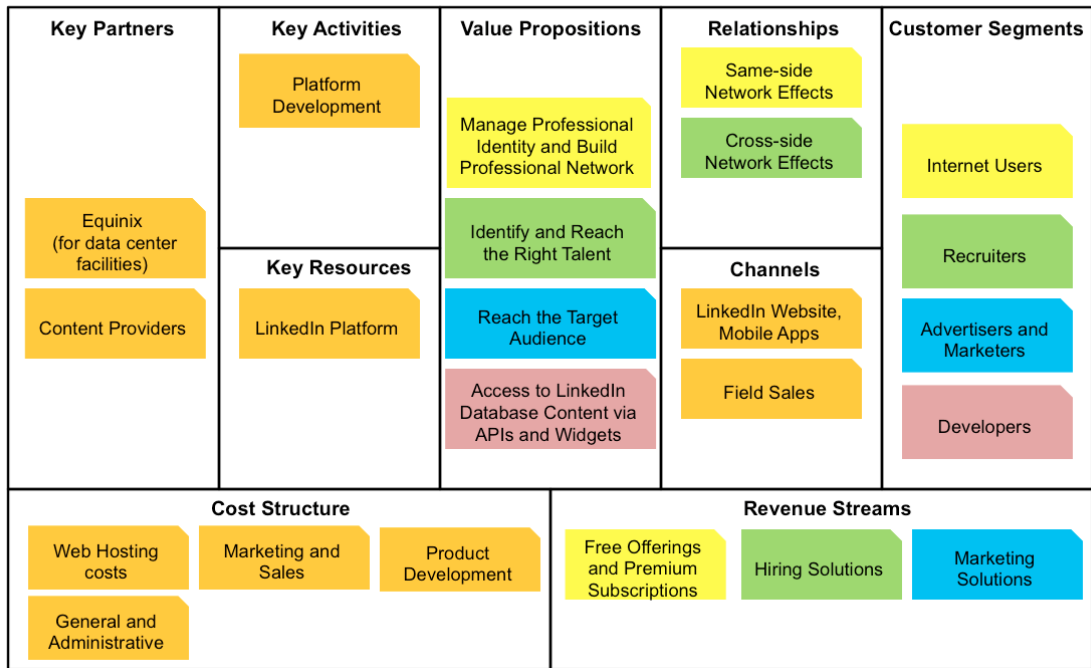
8.Cost Structure

1. What are the most cost in your business?
2. Which key resources/ activities are most expensive?

9.Revenue Stream

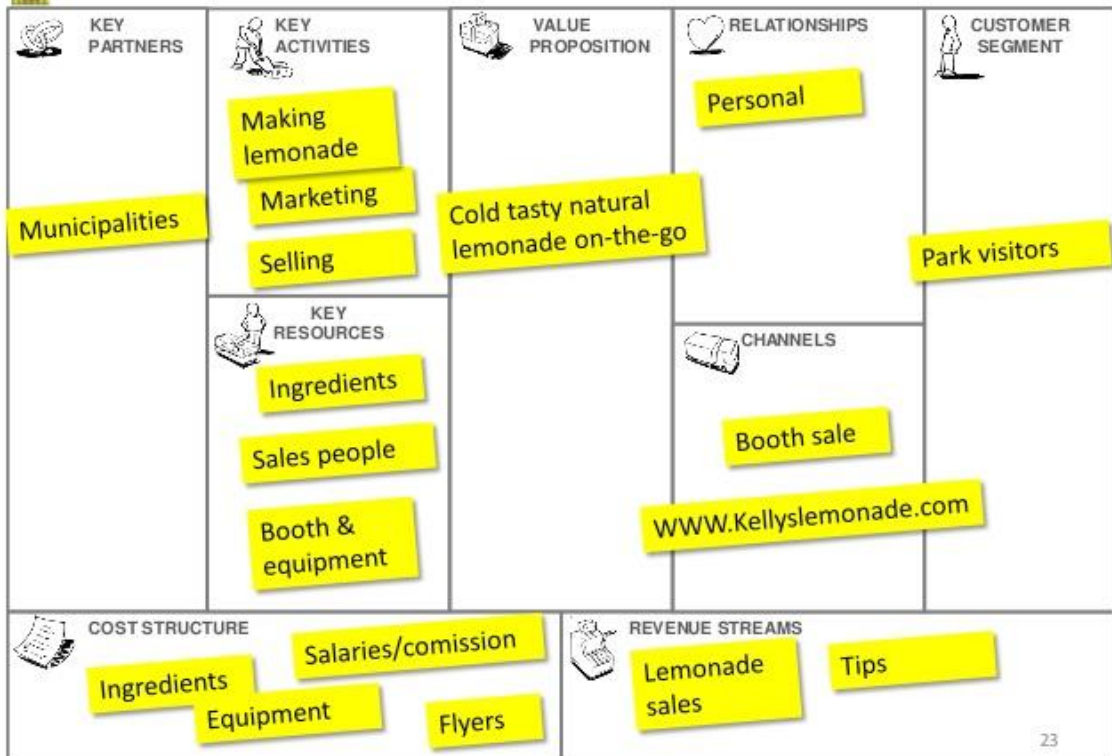
1. For what value are your customers willing to pay?
2. What and how do they recently pay? How would they prefer to pay?
3. How much does every revenue stream contribute to the overall revenues?

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Kelly’s Lemonade Stand: Refreshing Lemonade

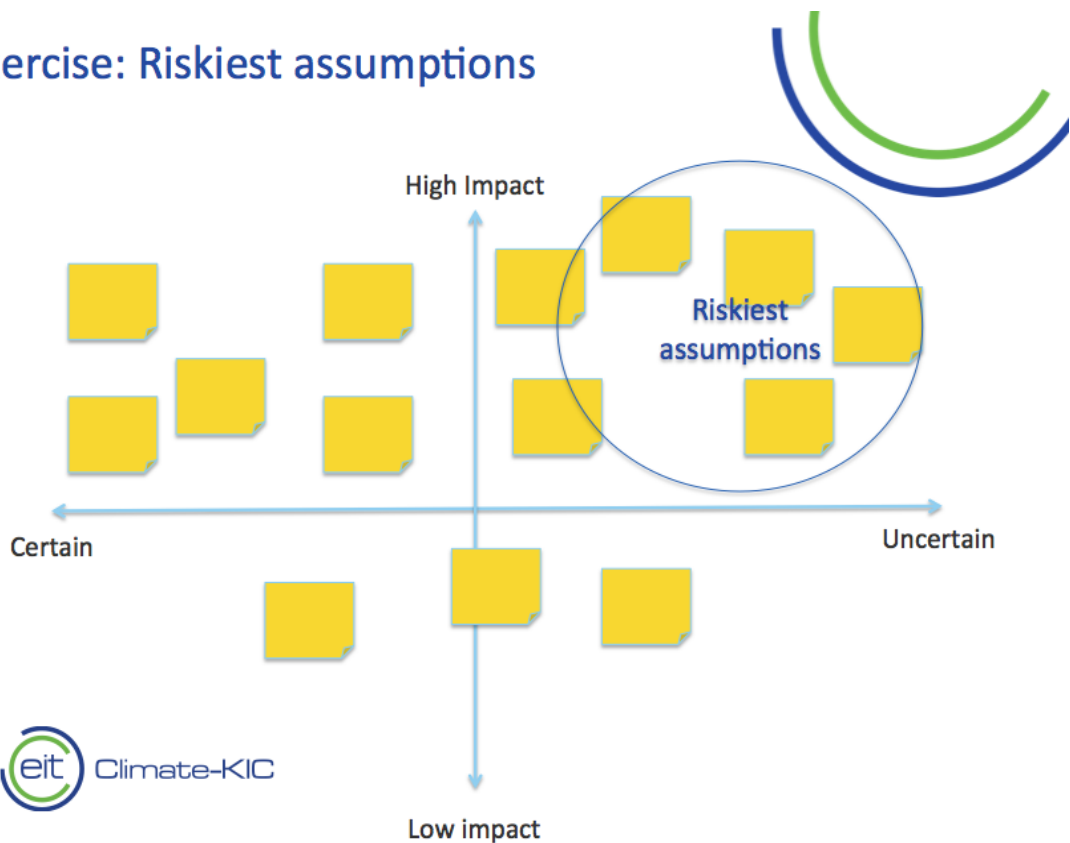


STEP 9. DEFINING ASSUMPTIONS

Fill the table and generate graphic:

Assumption to validate:	Uncertainty (1-10)	Impact (1-10)

Exercise: Riskiest assumptions



STEP 10. DEFINING EXPERIMENTS TO VALIDATE ASSUMPTIONS

1. Hypothesis: Define the hypothesis you want to validate <i>"We believe that..."</i>	5. Results: Describe the obtained results <i>"We observed/measured..."</i>
2. Experiment design: Define how you are going to test the hypothesis <i>"To verify that, we will..."</i>	6. Learnings: Describe what you learned from the obtained results <i>"From our observations we learned that..."</i>
3. Metric: Define the metric you are going to use <i>"We will measure..."</i>	7. Next steps: Describe your decisions, actions & next steps <i>"Therefore we will..."</i>
4. Minimum success criteria: Define the criteria to validate the hypothesis as true <i>"We are right if..."</i>	

A POSSIBLE SCRIPT TO DO CUSTOMER INTERVIEWS:

1. What's the hardest part about [problem context] ?
2. Can you tell me about the last time that happened?
3. Why was that hard?
4. What, if anything, have you done to solve that problem?
5. What don't you love about the solutions you've tried?

ANNEX: TEAM BUILDING



The Hipster: Usually working their way into the mix as the designer or creative genius, they'll make sure the final product is cooler than anything else out there. But, not only that, they'll ensure the shade of blue used to accent the font really brings out the subtle homage to an artist from the '70's you've probably never heard of.

The Hacker: The one most likely to sit quietly through a board meeting until uttering the three sentences that answers the all important question of "how?" the new idea or initiative can be brought into reality. Resembling MacGyver with their ability to wield various lines of code or programming languages, you'll get dizzy trying to keep up with their keystrokes.

The Hustler: They have the tendency to be the most misunderstood member of this trio. The Hipster is likely to accuse the Hustler of having sold out to the man because of their constant question of "It's cool, but is it something our partners and clients want?" The Hacker is likely to do their best to avoid one on one conversations with the Hustler as a result of jock vs. geek episode back in high school.

But, when the Hipster brings the creative design and cool factor, the Hacker brings their utility belt of technology solutions, and the Hustler finds the right way to package it all up and take it to the masses in the form of sales and partnerships, it is a combination that is tough to beat.

The only question is, does your team have all three?
