INTRODUCING THE LEAN CANVAS
A simple (painful) truth
A simple question:

The main reason behind a failure:

*Not enough «customers»*

How do we find «paying» customers?
Every customer has a problem, every problem has a solution

Not every solution has a problem
Not every problem has a customer

Solving Problems = Building Client Base
The correct answer:

Business Models
Business Model Definition

The plan implemented by a company to generate revenue and make a profit from operations

Investopedia
The correct answer:

**BUSINESS MODEL**

- What is your solution?
- Why should they buy your product?
- Who are your clients?
- How do you reach these customers?
- How much you spend to get customers?
- Which is the cost of your product?
The Business Model Canvas

Asking questions and giving answers about your business in one page

Alex Osterwalder – Business Model Generation
What it is better for setting the route to market for innovative results?

Lean canvas by Ash Maurya is closer to R&D projects

Based on
- Problems (3 top problems) and
- Customers
Building the plan

4 Key questions to start:

➤ What is your customer’s problem?
➤ Who is your target customer?
➤ How is your customer currently solving the problem?
➤ Is your product more efficient in solving this issue?
Let’s work on the Lean Canvas!
<table>
<thead>
<tr>
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<td>Channels</td>
<td>Early Adopters</td>
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<th>Activities driving retention / revenue</th>
<th>Cost Structure</th>
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# First Move

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- **Top 3 problems**
- **Today’s alternatives**
- **Key Metrics**
- **Channels**
- **Revenue Structure**
- **Target Customers**
- **Early adopters**
EARLY ADOPTERS
Early adopters - Who Are Your First Clients?

New ventures fail before reaching out the early majority

Early adopters are the ones to address

Understand them
Who are my “early adopters”?

It is a long journey in the market.
Keep your eyes open and try to find your customers.
There is a way to work with the canvas

- Who is my early adopter?
- What is my early adopter’s problem?
- How is my early adopter currently solving his/her problem?
- Is your product more efficient in solving the issue?
# First Move

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- **Cost Structure**
- **Revenue Structure**
## Second Move

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- **Cost Structure**
- **Revenue Structure**
UNIQUE VALUE PROPOSITION
Do not imitate/mirror competitors.

Keep in mind customers, not competitors.

Point of Parity

Client needs

Competitor value

Your value

Point of Difference

Point of Irrelevance
Unique value proposition

What do you do?

Why are you better (different)?

UVP

Customer experience?

Understandable in less than 8 seconds
X = best product in the market faster &-or better &-or cheaper

Facts and data:

✓ We will fix your iPhone fast

✓ We will fix your iPhone, in less than 1 hour

✓ We will fix your iPhone in less than 1 hour, wherever you are

Any decision needs to be based on facts, data, not on your opinions.
Example: a web resume generator

Product: professionally designed templates

Benefit: Bullet proofed (eye-catching) resume

UVP: landing your dream job
## Third Move

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For each problem, find a solution compelling to your UVP
THE LEAN CANVAS STEP BY STEP
Filling the canvas step by step.... #1

1. **Problem and Existing Alternatives**
   - What are the Top 3 Problems that you are solving/What are the 3 problems the customer needs to be solved
   - How are people solving the problems today?

2. **Customer Segments and Early Adopters**
   - Who are the people having the problem you are describing?
   - Who is the group of people you are doing this for specifically?
   - What makes them unique, where are they from and how do they behave?
Filling the canvas step by step.... #2

3. Unique Value Proposition (UVP)

- Why you are different and worth getting attention?
- What makes you standing out?
- What is the number one problem you are solving and for whom?

“Raise Money For Anything”

“Learning for creators.”

“Get rid of old stuff. Get new stuff for free.”

“The easiest way to pay your employees.”
4. Solution

• Top three features of your product according to the problem you are currently solving?
5. Channels (Your path to the customer)
- How do you reach your customers?
- Possible channels are:
  - SEO
  - Blogs/websites
  - Facebook Ads
  - Print Ads
  - Word of mouth
  - Events (Conferences, Tradeshows)
  - Partnerships
  - Friends
Filling the canvas step by step.... #5

6. Revenue Streams
   - How are you going to make money? Not in three to five years but as soon as your first version of your product is online?
   - How much money with each revenue stream (appr.)

7. Cost structure
   - What are your upcoming operational costs as soon as the first version of your product is up and running
     • Server, Salaries, software, advertising,......
8. Key Metrics

- The numbers that tell you how you are performing!
- Come up with 3 numbers
Filling the canvas step by step.... #7

9. Unfair Advantage
   • What do you have that others don’t have and cannot easily copy or buy?

Examples:
   • Patent
   • Endorsement by a well known expert
   • Insider Information
   • A team with outstanding experience and knowledge
A Case Study: Amazon

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| - Bookstores are expensive  
- Bookstores have limited inventory  
- It’s hard to find books and get recommendations at bookstores | [Box containing unique value proposition] | [Box containing unfair advantage] | [Box containing customer segments] |

**Existing Alternatives**
- Bookstores, catalogs, book clubs

**Cost Structure**
- CAC, distribution cost
- Hosting, people, ...

**Revenue Structure**
- Revenue model, lifetime value
- Revenue, gross margin
## A Case Study: Amazon

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### Key Metrics

- Book readers

### Customer segments

#### Early Adopters

- Passionate book readers, that use Internet and are willing to buy online.

### Cost Structure

- CAC, distribution cost
- Hosting, people, ...

### Revenue Structure

- Revenue model, lifetime value
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### Key Metrics

- The largest bookstore on Earth
- The supermarket of books online

### Cost Structure

- CAC, distribution cost, Hosting, people, ...

### Revenue Structure

- Revenue, gross margin
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### Solution
- Website selling the most books available
- Web-based customer reviews
- Direct shipping from distributors

### Cost Structure
- CAC, distribution cost
- Hosting, people, ...

### Revenue Structure
- Revenue model, lifetime value
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### Cost Structure
- CAC, distribution cost
- Hosting, people, ...

### Channels
- Direct sale to the customers through a website
- Emails
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### Revenue Structure
- Book sales
- Shipping fees

### Cost Structure
- CAC, distribution cost
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### Revenue Structure
- Revenue model, lifetime value
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### Cost Structure

- Website operations
- Customer service staff and centre
- Logistic staff and costs
- Books

CAC, distribution cost
Hosting, people, ...

Revenue model, lifetime value
Revenue, gross margin
# A Case Study: Amazon

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## Key Metrics

- Sales conversion per visitor
- Average sales transaction
- Total sales to visitor ratio
## A Case Study: Amazon

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Thank you for your attention

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