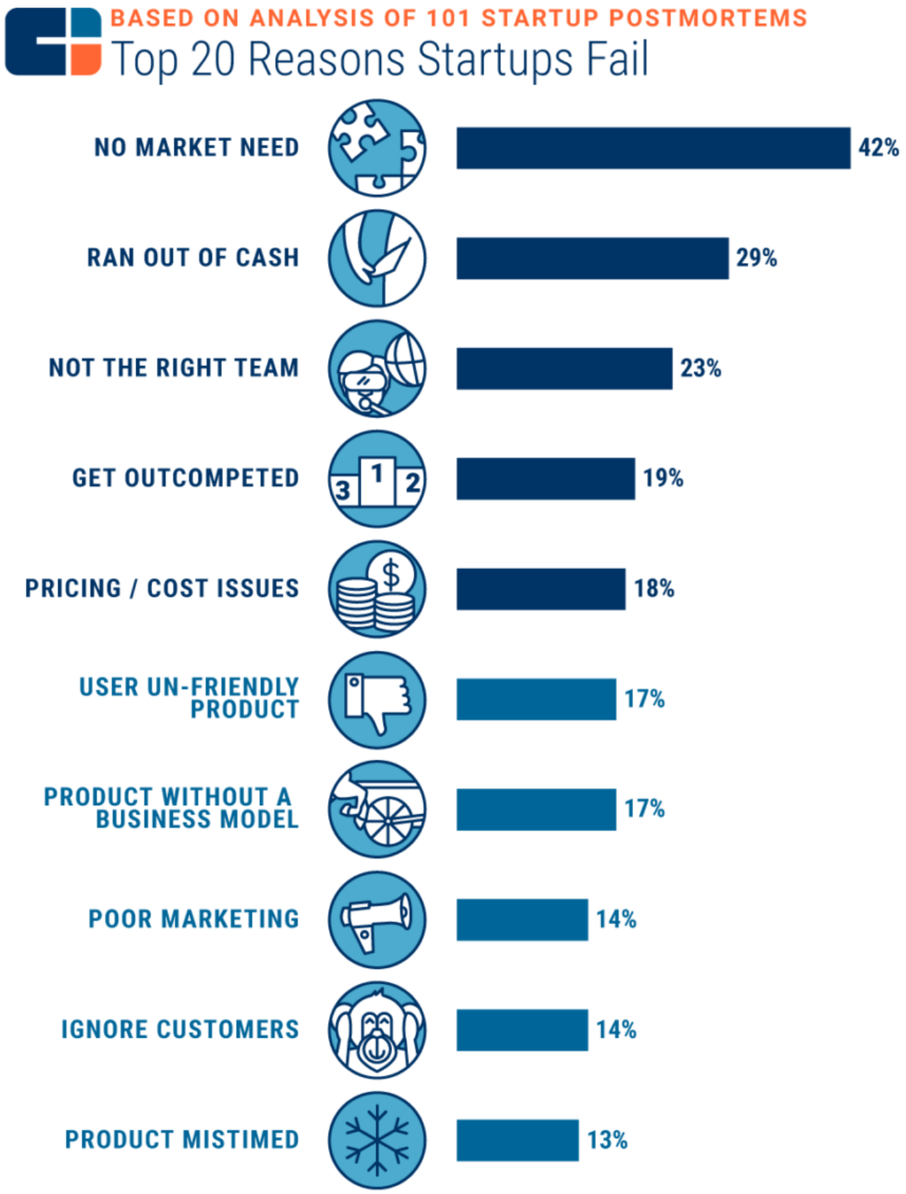
INTRODUCING THE LEAN CANVAS

A simple (painful) truth



A simple question:

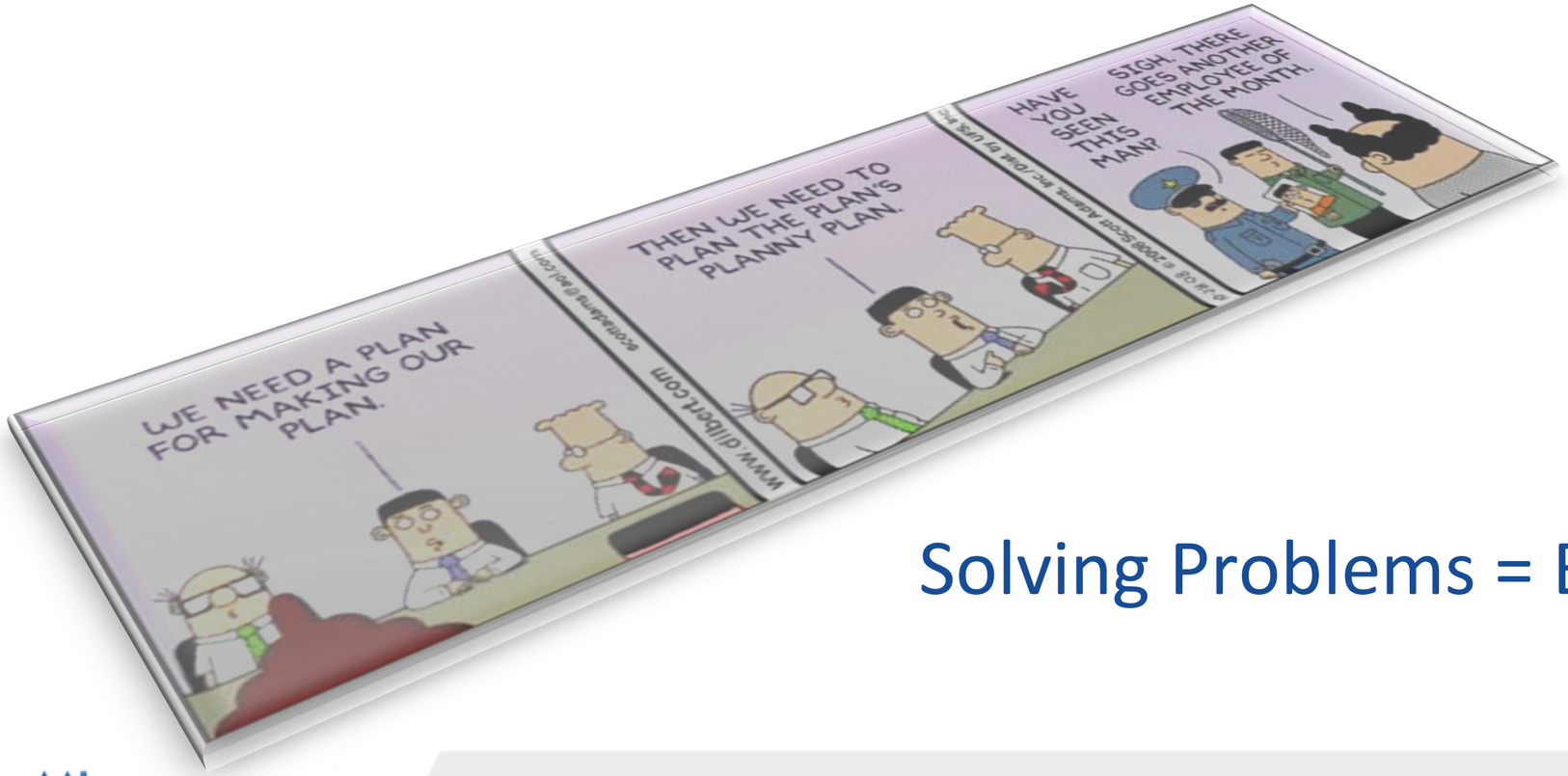
The main reason behind a failure:

Not enough «customers»

How do we find «paying» cutomers?

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

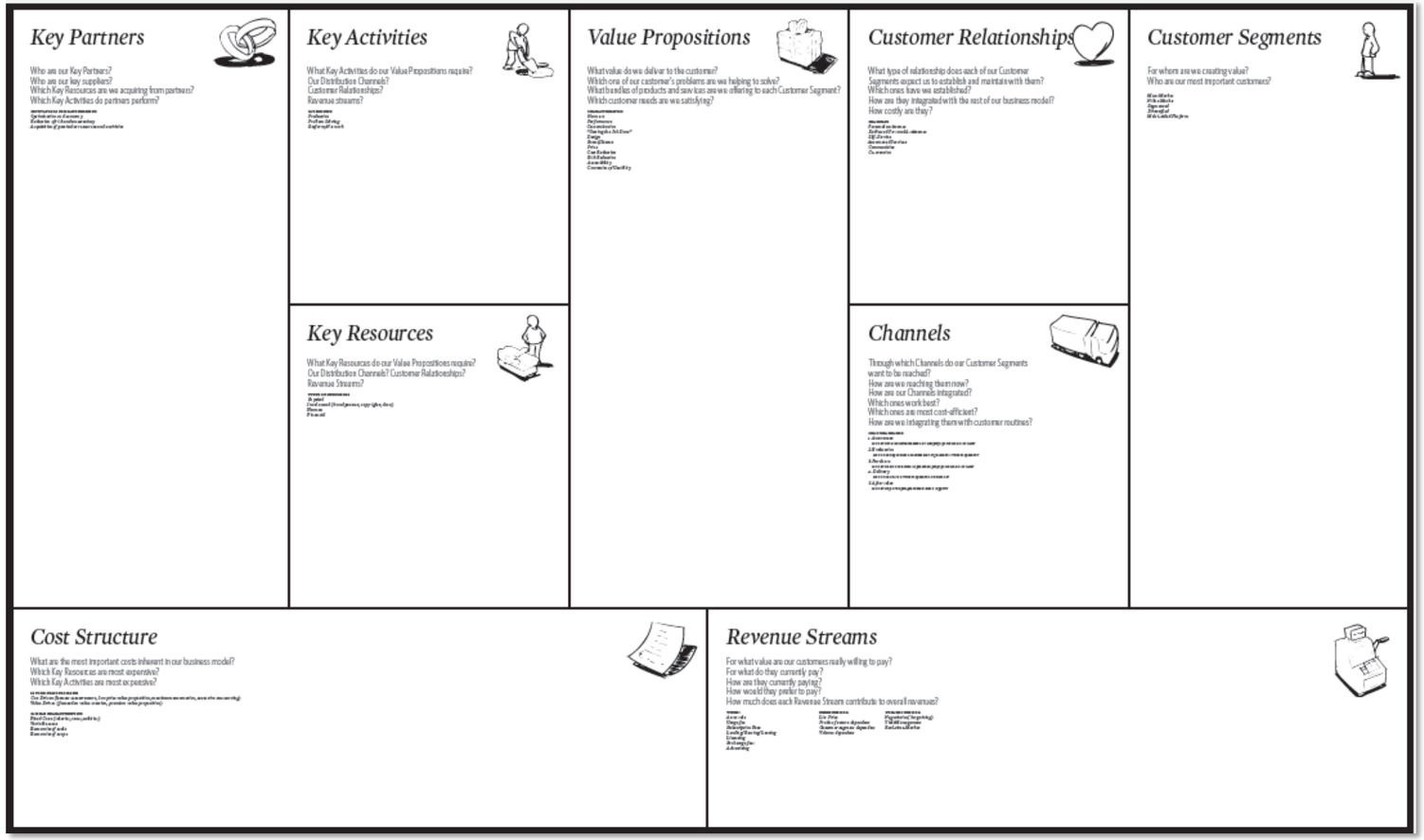
The correct answer:

BUSINESS MODEL

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

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

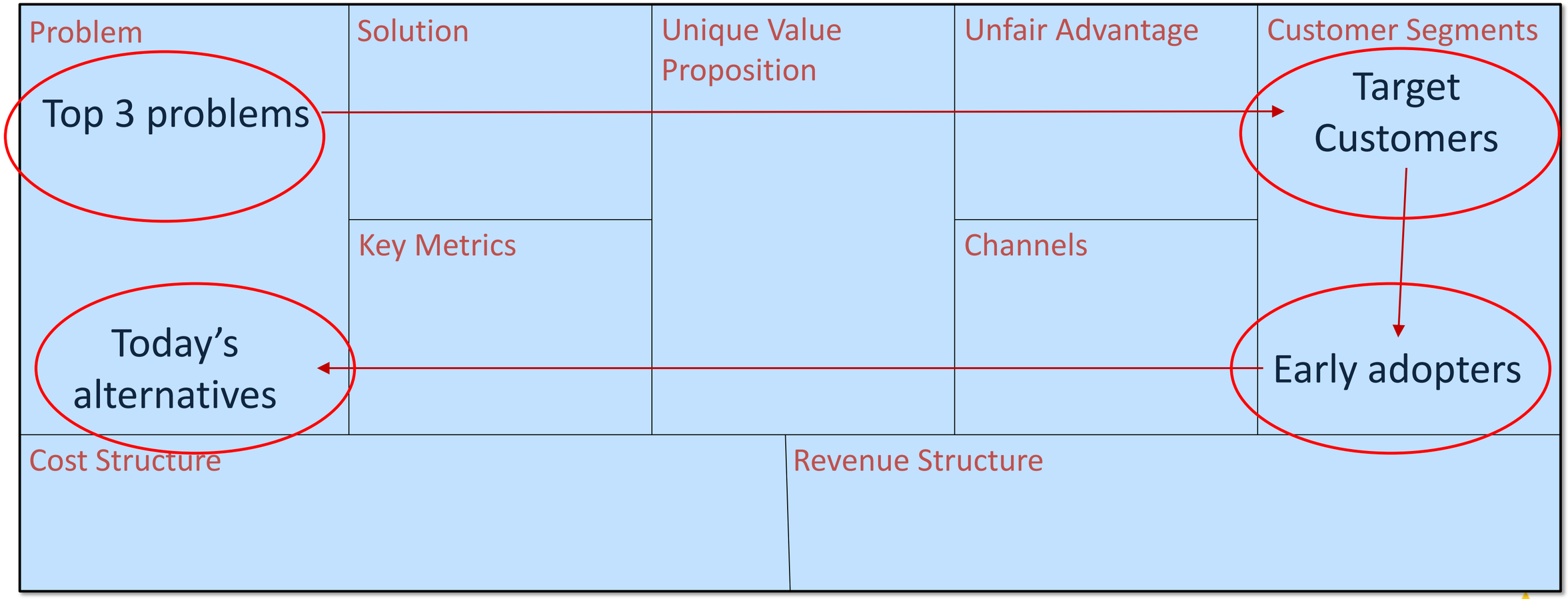
4 Key questions to start:

- 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!

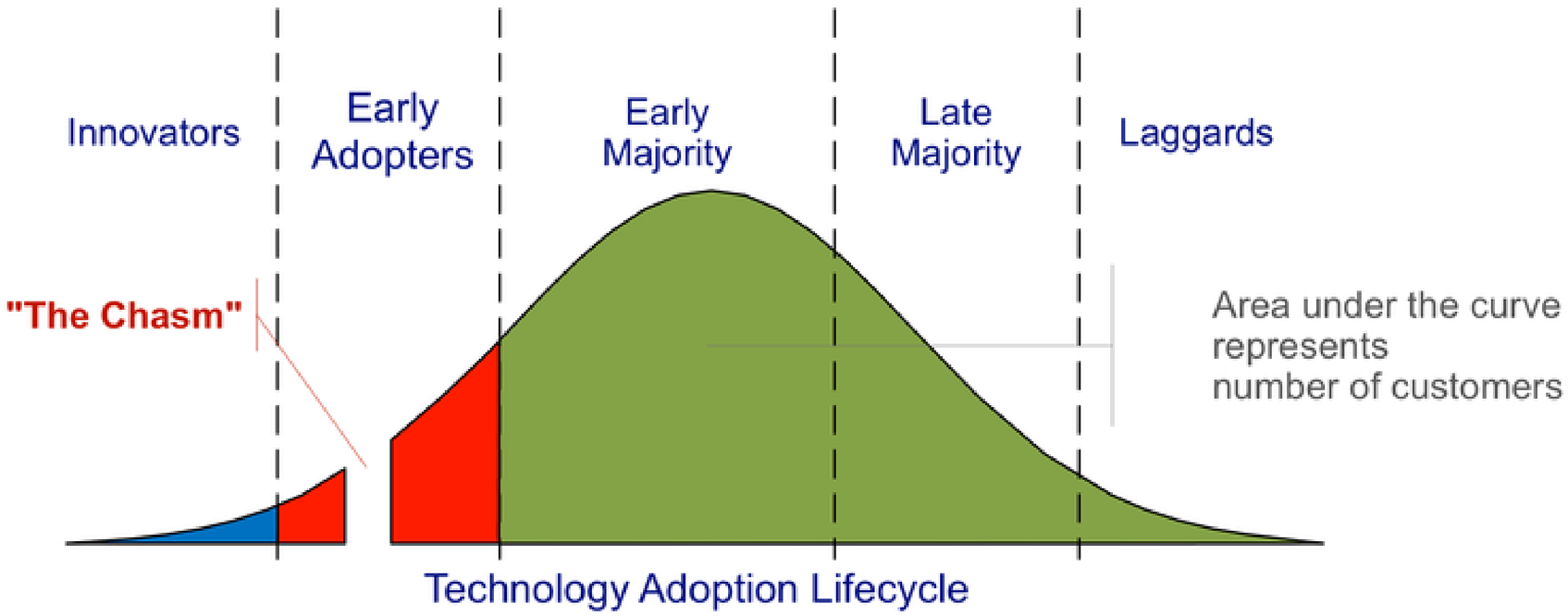
Problem Top 3 problems 1 Current solutions	**Solution** Top 3 features 4	**Unique Value Proposition** Single, clear, compelling message stating why you're different and worth buying 3	**Unfair Advantage** Can't be easily copied or bought 9	**Customer Segments** Target customers 2 Early Adopters
	Key Metrics Activities driving retention / revenue 8		**Channels** Path to customers 5	
Cost Structure CAC, distribution cost Hosting, people, ... 7			**Revenue Structure** Revenue model, lifetime value Revenue, gross margin 6	

First Move


Problem
Solution
Unique Value Proposition
Unfair Advantage
Customer Segments
Top 3 problems
Target Customers
Key Metrics
Channels
Today's alternatives
Early adopters
Cost Structure
Revenue Structure

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

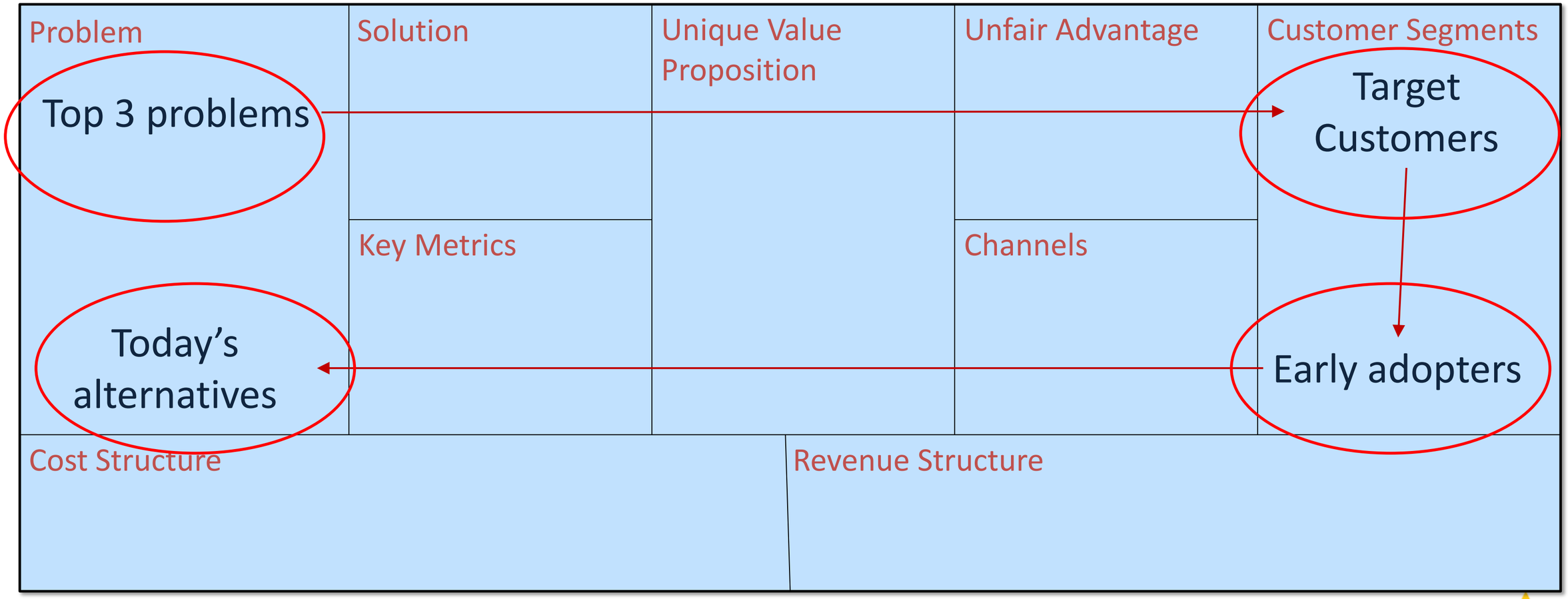
Who are my “early adopters”?

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

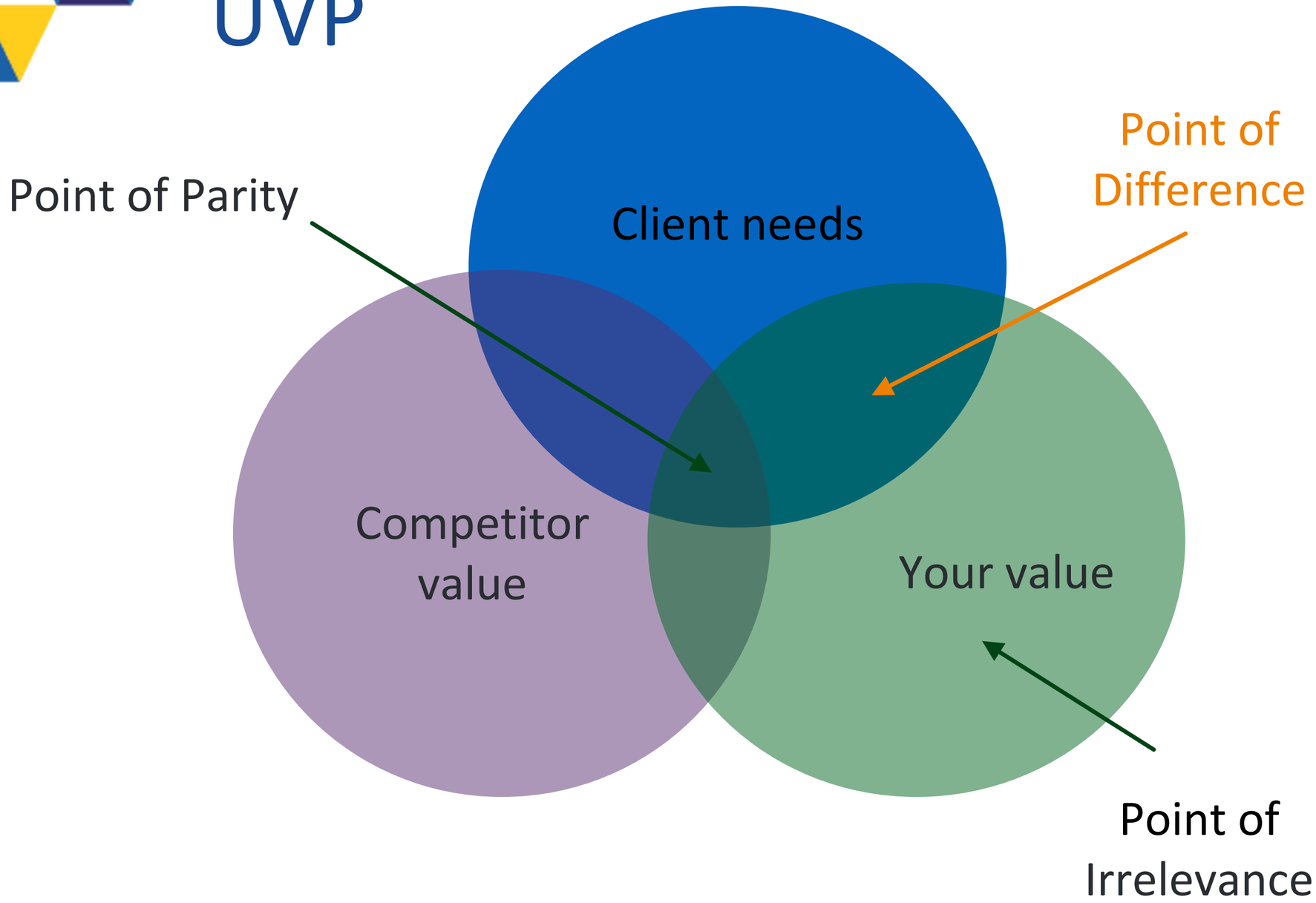

Problem
Solution
Unique Value Proposition
Unfair Advantage
Customer Segments
Top 3 problems
Target Customers
Key Metrics
Channels
Today's alternatives
Early adopters
Cost Structure
Revenue Structure

Second Move

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
Top 3 problems		Single, clear, compelling message stating why you're different and worth buying		Target Customers
Today's alternatives	Key Metrics		Channels	Early adopters
Cost Structure			Revenue Structure	

UNIQUE VALUE PROPOSITION

UVP



Do not imitate/mirror competitors.

Keep in mind customers, not competitors

Unique value proposition

Why are you better (different)?

What do you do?

UVP

Customer experience?

Understandable in less than 8 seconds

UVP

>= 10 x

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.

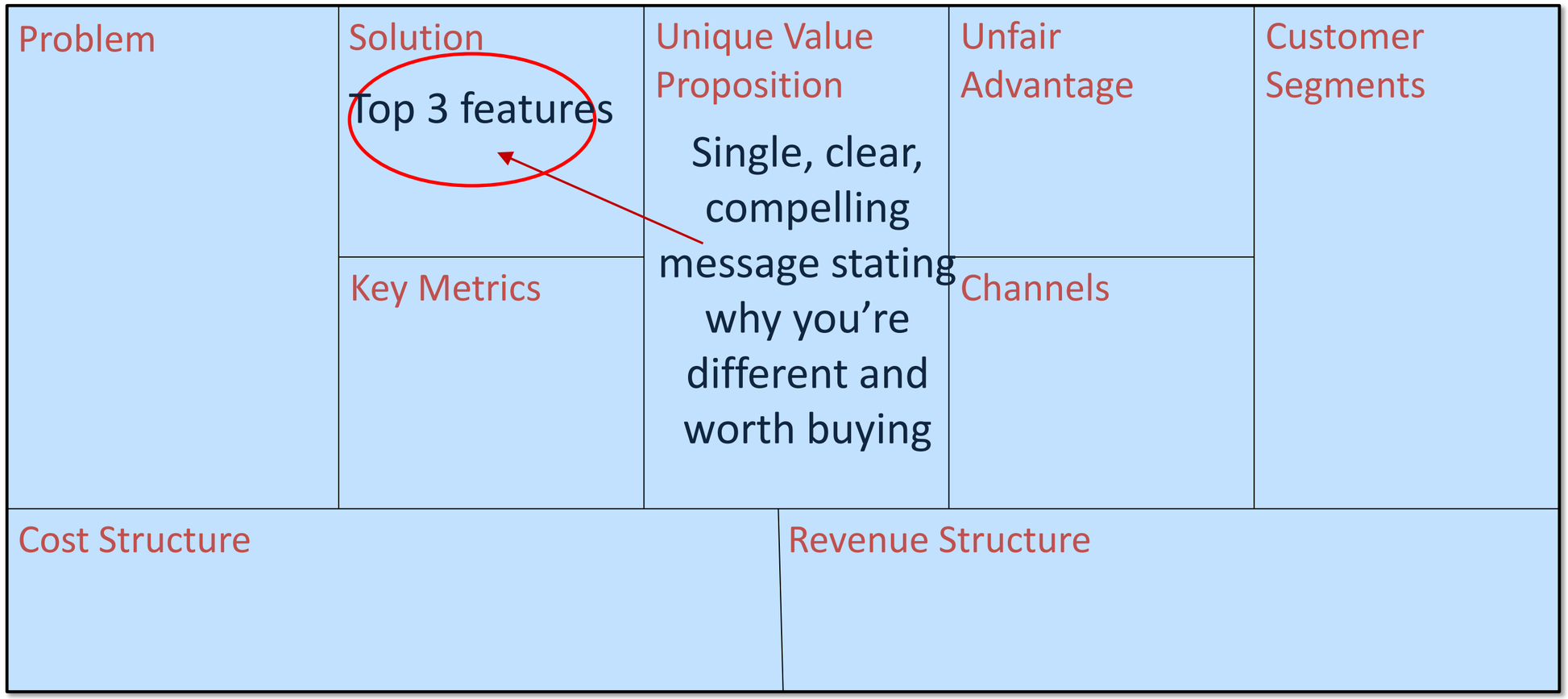
Example: a web resume generator

Product: ***professionally designed templates***

Benefit: Bullet proofed (*eye-catching) resume*

UVP: ***landing your dream job***

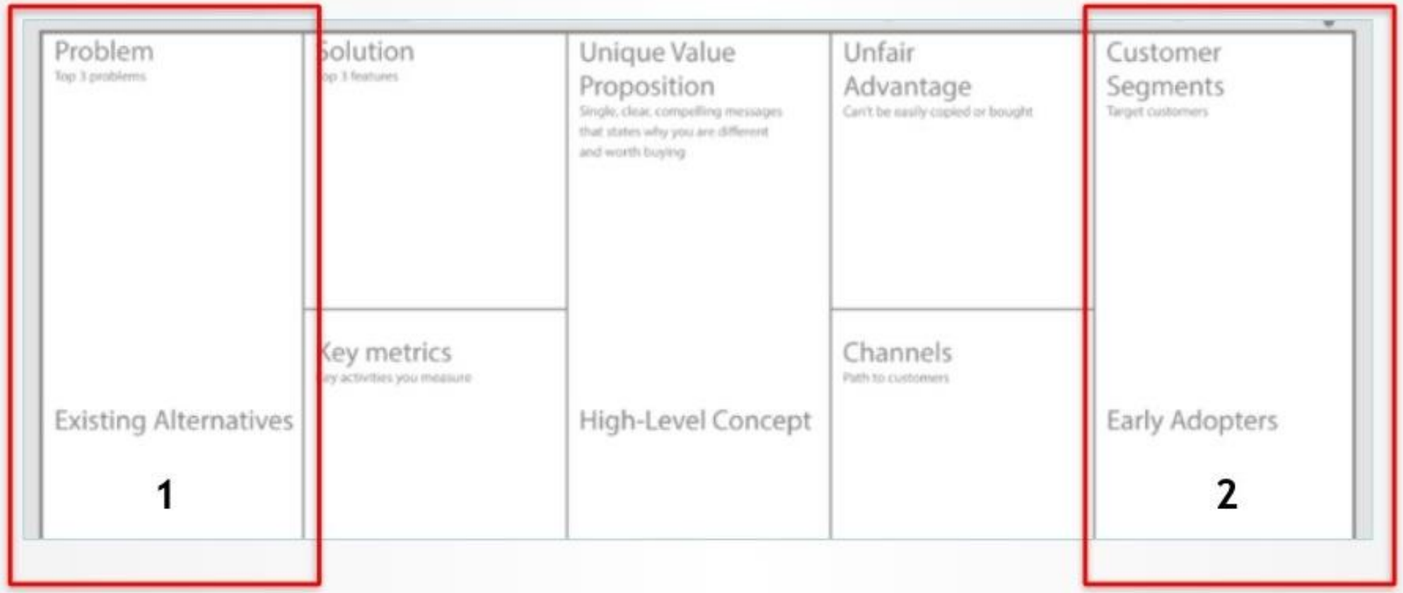
Third Move



For each problem, find a solution compelling to your UVP

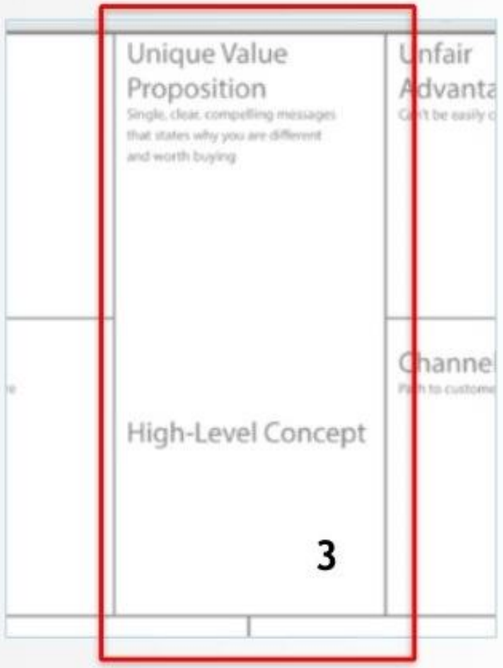
THE LEAN CANVAS STEP BY STEP

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?

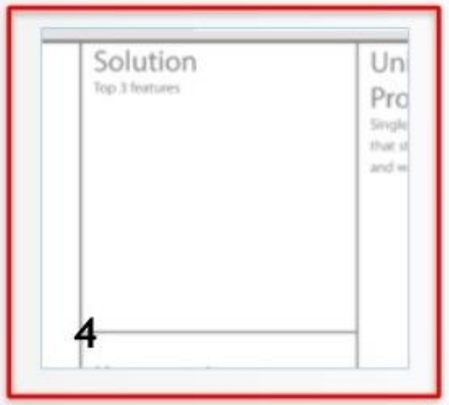
"Raise Money For Anything"

"Learning for creators."

"Get rid of old stuff. Get new stuff for free."

"The easiest way to pay your employees."

Filling the canvas step by step…. #3



4. Solution

- Top three features of your product according to the problem you are currently solving?

Filling the canvas step by step…. #4

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

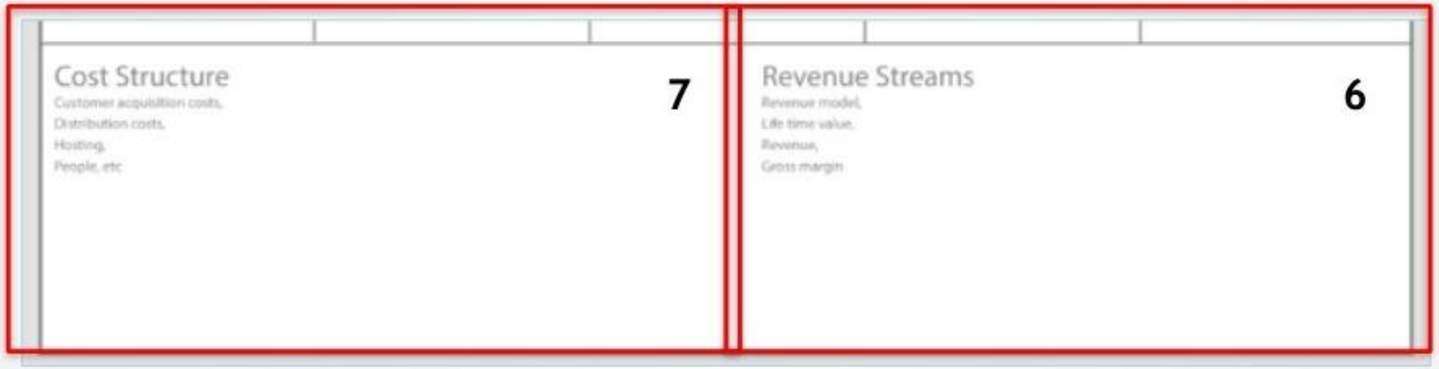
Filling the canvas step by step…. #5

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,…….



Filling the canvas step by step…. #6

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

Problem	Solution	Unique Value	Unfair	Customer
				nents et omers

Problem

- Bookstores are expensive
- Bookstores have limited inventory
- It's hard to find books and get recommendations at bookstores

Existing Alternatives

- Bookstores, catalogs, book clubs

Cost Structure	Revenue Structure
CAC, distribution cost Hosting, people, ...	Revenue model, lifetime value Revenue, gross margin

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear, compelling	Can't be easily copied or	Target customers
	Key Metrics			
Cost Structure CAC, distribution cost Hosting, people, ...		Revenue model, lifetime value Revenue, gross margin		

Customer segments

- Book readers

Early Adopters

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

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear, compelling message stating why you're different and worth buying	Can't be easily copied or bought	Target customers
	Key Metrics		Channels Path to customers	
Cost Structure CAC, distributio Hosting, people, …			Revenue, gross margin	

Unique Value Proposition

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

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear	Can't be easily ed or ght	Target customers
			nnels n to tomers	

Solution

- Website selling the most books available
- Web-based customer reviews
- Direct shipping from distributors

Cost Structure	Revenue Structure
CAC, distribution cost Hosting, people, ...	Revenue model, lifetime value Revenue, gross margin

A Case Study: Amazon

Problem	Solution	Unique Value Proposition Single, clear, compelling message stating why you're different and worth buying	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
	Key Metrics		Channels Path to customers	
Cost Structure CAC, distribution cost Hosting, people, ...				

Channels

- Direct sale to the customers through a website
- Emails

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear, compelling message stating	Can't be easily copied or bought	Target customers
	Key			

Revenue Structure

- Book sales
- Shipping fees

Cost Structure	Revenue Structure
CAC, distribution cost Hosting, people, ...	Revenue model, lifetime value Revenue, gross margin

A Case Study: Amazon

Problem	Solution	Unique Value Proposition Single, clear, compelling	Unfair Advantage Can't be easily copied or	Customer Segments Target customers
			s rs	
CAC, distribution cost Hosting, people, ...		Revenue model, lifetime value Revenue, gross margin		

Cost Structure

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

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear, compelling message stating why you're different and	Can't be easily copied or bought	Target customers
	Key Metrics		Channels Path to rs	
			etime value rgin	

Key metrics

- Sales conversion per visitor
- Average sales transaction
- Total sales to visitor ratio

A Case Study: Amazon

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
		Single, clear, compelling message stating why you're	Can't be easily copied or bought	Target customers
	Key Metrics		Channels	

Unfair advantage

- Unlimited selection of books with great prices and customer service

Cost Structure	Revenue Structure
CAC, distribution cost Hosting, people, ...	Revenue model, lifetime value Revenue, gross margin

Thank you for your attention

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