2019 Spring Cohort

Week 1 Workshop
Agenda

12:00 – 12:15 pm  Background and History of NSF I-Corps
12:15 – 12:45 pm  Business Model Canvas Basics
12:45 – 1:00 pm    Developing & Testing Hypotheses
1:00 – 2:00 pm     Team Presentations / Q&A
BACKGROUND AND HISTORY OF I-CORPS
Goal of I-Corps

Commercialize more NSF-funded research by teaching inventors to identify and understand customer needs

$7.5 billion
(NSF budget in 2016)

Measurable Outcomes
Teams
- $50,000 grant
- 7-week program, 15-20 hours/week
- Increases SBIR/STTR success

Nodes
- Regional Consortiums
- Feeders for Teams Program
- 1-week crash course

Sites
- ~70 sites across US
- Independently functioning
- Up to $3,000 team grants
Explore Market

Validate Market

Validate Technology

Startup/Commercialization

I-Corps Sites ($3,000)

I-Corps Teams ($50,000)

LSU LIFT^2 Funding ($50,000)

SBIR/STTR Phase I ($225,000)

VentureWell ($5,000 - $75,000)

BOR POCP Funding ($40,000)
Expectations

• 15-20 Customer Interviews
• Informed Value Proposition
• Understanding
  ◦ Market size
  ◦ Competitive products
  ◦ Value/supply chain
Expectations

• 20-30 Customer Interviews
• Informed Value Proposition
• Understanding market size, competitive products, value/supply chain
Pre-Class Assignments

• Watch “How to Build a Startup” on Udacity
  o Sections 1-6 in Lesson 3 on Business Models
  o Sections 1-10 in Lesson 4 on Customer Development
• Prepare 2-slide presentation
Tenets of the I-Corps Philosophy

1. Business model canvas hypotheses
2. Customer interviews
3. Honest (unbiased) feedback
BUSINESS MODEL CANVAS BASICS
Value Proposition
Value Proposition
What Matters to Customers

Customers do **not** care about your technology
they care how the product creates value to them

Customers do **not** exist to buy your product
you exist for your customers
Keys to a good Value Proposition

• Direct benefit to customer
• Concise
• Specific and quantitative
• Uniquely delivered by your team
• In words your customer would actually say
Customer Hierarchy of Needs

1. Avoiding risk
2. Avoiding hassle
3. Gaining praise
4. Gaining power
5. Having fun
6. Making a profit
Value Proposition Example

Your Technology:
A More Reliable Electric Motor
Value Proposition Example

**Good:** An electric motor that is less likely to fail in electric vehicles

**Better:** An electric motor that lowers failures in haul trucks and reduce significant unplanned downtime and lost production

**Best:** Save mining companies $720,000 per day by preventing lost production from unplanned haul truck down time
Value Proposition

1. **Value Propositions**

   - It's about solving a **need** or problem.
   - It's about **satisfying a customer's need**.
   - It's about **your idea or product**!

   ...and **who** are your customers?
Who Cares?

Why do they care?

Product Market Fit

Who Cares?
Customer Segments
Customer Segments
What makes a good Customer Segment

• They are PEOPLE
• Specific and well-defined group of people
• Very few people who fit the specific description won’t buy your product
• Have willingness and ability to pay
• Their performance or pay is judged on a metric that you can improve
Customer Segment Example

Your Technology:
Releasable Medical Adhesives
Customer Segment Example

**Good:** Hospitals and wound care facilities

**Better:** Wound care nurses

**Best:** Certified wound care nurses who work at nursing homes
DEVELOPING AND TESTING HYPOTHESES
Developing Hypotheses

• Hypotheses = guesses
• Business Model Canvas will help you to organize your thinking
• Prioritize – you cannot test every hypothesis at once
Why do hypotheses matter?

• Determine what you test
• Help prioritize interview questions
• Know when you are right or wrong
  o Trust the data
• Allow for strategy
Testing Hypotheses

Experiments = Customer Interviews

Goal: change theories into facts

- Hypothesize – Guess
- Test – Interviews – Ask
- Assess & Analyze – Listen
- Adjust & Pivot – Guess Again
Pivoting & Iterating

• Pivoting
  o Significant change to your hypothesized business model
  o What you do when your hypotheses don’t meet reality

• Iterating
  o Refining your approach
  o Small deviations
Assignments for Next Week

- Business Model Canvas with value proposition and customer segments portions completed
- Watch “How to Build a Startup” on Udacity
  - Lesson 6 on Customer Segments
- Complete the Customer Interview Form based on 3 interviews with potential customers and end users
- Prepare Presentation for Week 2

Next Class: Wednesday, March 6, 2019