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 2019)
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
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
  o Market size
  o Competitive products
  o Value/supply chain
Expectations

• 20-30 Customer Interviews
• Informed Value Proposition
• Understanding:
  - Market size
  - Competitive products
  - Value/supply chain

“DO. OR DO NOT. THERE IS NO TRY.”
– Yoda
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
Who Cares?

Why do they care?

Product Market Fit

Who Cares?
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 not about solving a problem or satisfying a customer need.
- It's not about your idea or product.
- "It's not 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
  o 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, January 29, 2020