

Lean Business Canvas

Let's build yours`



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The **Business Model Canvas** is a strategic management and lean startup template for developing new or documenting existing business models. It is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs. The Business Model Canvas was initially proposed by Alexander Osterwalder ... in 2008.

http://en.wikipedia.org/wiki/Business_Model_Canvas

Problem Your customer's top 3 problems	Solution Possible solutions to each problem	Unique Value Proposition Single, compelling message that differentiates you	Unfair Advantage What can't be easily copied or bought	Customer Segments Target customer characteristics and identifiers
	Key Performance Indicators How your business is doing by the numbers (RPC, etc.)		Channels Path to customers	
Cost Structure Fixed and variable costs (CPAs, etc.)		Revenue Streams Revenue sources, model, and customer LTV		

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Problem

Your customer's top 3 problems

Solution

Possible solutions to each problem

Unique Value Proposition

Single, compelling message that differentiates you

Unfair Advantage

What can't be easily copied or bought

Customer Segments

Target customer characteristics and identifiers

Key Performance Indicators

How your business is doing by the numbers (e.g., revenue, profit, etc.)

Channels

Path to customers

Product

Market

Cost Structure

Fixed and variable costs (CPAs, etc.)

Revenue Streams

Revenue sources, model, and customer LTV

hopscratch

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Problems

- Identify your customers' problems and how they address them today.
- *"Customers care about their problems, not your solution."* Dave McClure
- Existing alternatives are how your customers address these problems today. Many times these existing alternatives may not be a readily obvious competitor.

Hopscratch Problems

- "I don't know where to start."
- Setting up a business is time consuming, especially when done well.
- "Does anyone know a good ____ who can help me ____?"
- It's expensive to hire proven professionals (accountants, lawyers, etc.).
- Years later: "Where's my password for ____?"

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Customers

- Define an early adopter, not just a standard customer.
- Start by brainstorming the list of possible customers you envision using your product or services.
- Distinguish between customers and users.
- Split broad customer segments into smaller ones as you can't effectively build, design, and position a product for everyone. While you might be aiming to build a mainstream product or service, you need to start with a specific customer in mind. Even Facebook started with a specific early adopter in mind: college students.

Hopscratch Customers

- Soon-to-be business owners; “Wantrepreneurs.”
- Service professionals with solid industry experience, but first-time running a business.
- Tired of working for someone else.

Early adopters:

- Do not know what’s needed to start a business well.
- Intimidated by the process, but excited to become their own boss.
- Has money saved for exactly this.

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Unique Value Proposition

- Craft a clear message that states your offer and why you are different.
- Goal: Turn an unaware visitor into a potential prospect.
- Get inside the head of your customers.
- Derive your UVP directly from the #1 problem you are solving.
- Focus on the finished story benefit of the product instead of the features.
- Visit the landing pages of brands you admire and deconstruct how and why their UVP works.

Hopscratch UVP

- Starting a business is hard. But it doesn't have to be.
- Start your business on the right foot. For free.
- We help wantpreneurs become entrepreneurs.
- High level concept: A step-by-step process to go beyond incorporation and start your business well.

It's all summarized by...



how entrepreneurs start

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Solution

- Define the minimum feature set needed to solve your top 1-3 problems.
- *Outline* a possible solution for each problem.
- Don't spend too much time fleshing out your solution yet.

Hopscratch Solution

- Step-by-step guides to help you do it right.
- Full service business setup for you very fast at one fixed price; packages.
- Network of proven consultants, ready to setup appointments with you in one click.

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Channels

- Start building a significant path to customers from day one.
- Channels are how you reach your customers. The more specific your early adopter definition, the easier it is to formulate specific channels for reaching them.
- Inbound channels use “pull messaging” to let customers find you organically while outbound channels rely on “push messaging” for reaching customers.
- Identify how you will find your first 10-100 customers.
- What inbound channels can you start building today?

Hopscratch Channels

- Organizations dealing with business owners; lawyers, bankers, and accountants.
- Integration partners; GoDaddy, Google, Intuit, etc.
- Local BBBs and industry-specific groups
- Secondary channels: franchises, CEDs, universities, etc.

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Revenue

- Identify how you will make money.
- Picking a price is more art than science. Not only does your pricing model keep you in business, it also signals your branding and positioning which determines your customers. A good starting point is using your customer's existing alternatives as pricing anchors.
- Brainstorm different revenue models.
- Examine the pricing of existing alternatives.
- Pick a starting price to test.

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Costs

- List your fixed costs and variable costs.
- Use your cost structure and revenue streams to calculate your break even point.
- List your immediate fixed costs.
- List your immediate variable costs.
- Calculate your break-even point

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Key Performance Indicators

- Identify the key numbers that tell you how your business is doing in real time.
- Key Metrics track what your customers do and are critical in prioritizing what actions you focus on first.
- Most businesses can be mapped using Dave McClure's AARRR pirate metrics conversion funnel. The key metrics you focus on vary by the stage of your startup.
- Early on, focus on your value metrics: Activation, and Retention.
- Later, focus on your growth: Acquisition, and Referral.

Hopscratch KPIs

- User conversion rate
- Customer conversion rate
- New businesses started
- Revenue per new user
- Big question: What's our LTV?

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Unfair Advantages

- Identify your barrier to entry against competition.
- This is usually the hardest section to fill which is why it's left for last. Most founders list things as competitive advantages that really aren't such as code, passion, features.
- *"A real unfair advantage is something that cannot be easily copied or bought."* Jason Cohen
- Do you have any existing advantages?
- What are some advantages you could develop over time?

Hopscratch Advantages

- Cultural alignment of metrics and values: NPS.
- Automated integration across best in class platforms and brands; we are platform-agnostic.
- Superior customer service and customer experience.
- Content IP and inbound marketing process.
- Team: founders, advisors, investors.
- Geographic sales talent-acquisition pool: GoDaddy, Infusionsoft, Yelp, Zenefits, Weebly, etc.

Questions?

How can I help you?

LinkedIn, Facebook, Twitter, whatever
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