What You Can Uniquely Do for Your Customer? (Step #10-11)

Class Nine

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Comment

• We are probably ahead of you on the material covered from what you are doing on your project
• This is understood but you should be putting to work the earlier steps and catching up by meeting as a team and deciding what you beachhead market is and then doing a lot of secondary and even more importantly, primary target customer research
• Our class today is not going to be as many steps but they are more subtle and very important
• Keep up with your project and applying the steps if at all possible. Don’t fall too far behind.
# Review – Last Class

<table>
<thead>
<tr>
<th>Who is Your Customer?</th>
<th>What Can You Do for Your Customer?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Market Segmentation</td>
<td>6) Full Life Cycle Use Case</td>
</tr>
<tr>
<td>2) Select a Beachhead Market</td>
<td>7) High-Level Product Specification</td>
</tr>
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<td>3) Build an End User Profile</td>
<td>8) Quantify the Value Proposition</td>
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<td>4) Calculate the Total Addressable Market Size (TAM) for the Beachhead Market</td>
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<td>5) Profile the Persona for the Beachhead Market</td>
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Illustration removed due to copyright restrictions. Spiraling innovation.
## Review – At the End of Today

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<td>10) Define Your Core</td>
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<td>5) Profile the Persona for the Beachhead Market</td>
<td>11) Chart Your Competitive Position</td>
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Step #10: Definition of “Core”

Determine what you “Core” is – that being what is it that will give you sustainable competitive advantage and you will protect at all costs. Your core is what you invest your resources into to do better than anyone else and it is what will give you your unique selling proposition over time if not from day 1. It can be IP, special capability, market share, access to key resources (e.g., vendors, buyers, markets, partners), brand, costs, or other. This is what will give your company a high valuation as well.
Examples of “Core”

• SensAble
  ‣ Hardware vs. Software
  ‣ What specifically in the software?

• Zappos
  ‣ Customer Service

• Key Customers?
• User Experience (UX)?
• Costs?
• Logistics Expertise & Relationships?
• Speed?
Examples in the Room
Key Points on Core

• Core matters to you and the customer might not care about it but it will be fundamental to you creating something of benefit to them
• It could be a capability and not a benefit yet; we will translate in the next step
• There might be temporary one ("traps") that will slow down the competition – these are like moats around the outside – but you should get a sense of what the crown jewels or innermost core will be and focus on building and protecting it
Step #11

Step #11: Chart Your Competitive Position

It is good at this point to revisit your *Uniqueness*. What is it that makes you unique compared to the alternatives? Most specifically, what makes you most valuably unique to your persona? This will come directly from the persona’s priorities. Always consider that one of the most compelling alternatives is to “do nothing” and how will you overcome this? Considering the alternatives including competition, why is yours the best from their vantage point (not yours)? This will relate back to and build off your Core.
Competitive Advantage Example

- SunSpring’s value proposition is increased efficiency, flexibility, mobility, reliability and operation simplicity vis-à-vis its competitors

**PVRO Competitors**

- **SunSpring**
- **AquaSun**
- **SPECTRA WATERMAKERS**
- **WORLDWATE**
- **BLUE SPRING**
- **R SOLAR TECHNOLOGIES**
WellWatcher protects its intellectual property through:

- ✔ Trade secret protection on software
- ✔ Patent protection of hardware

Example: Competitive Advantage?

**United States Patent**
Brookshire et al.

**Systems and Methods for Controlling Gas Flow from Landfills**

Inventors: Ronald L. Brookshire, El Cajon, Donald Brookshire, Walnut, Tran, Brookshire, El Cajon, Seyed Mohammad Reza Kalantar Nejad, Cajon, James Joseph Beach, El Cajon, all of CA (US)

Assignee: Landfill & Environmental Products, Inc., El Cajon, CA (US)

Abstract: This patent issued on a continuous generation application filed under 37 C.F.R. 1.53(a), and is subject to the twenty patent term provisions of 35 U.S.C. 154(a)(2).

Under 35 U.S.C. 154(b), the term of patent shall be extended for 9 years.

Appl. No.: 08/757,959
Filed: Sep. 23, 1996

**Chemical Engineering**

Example of Competitive Advantage:

A competing system determines adjustments for each of the wellheads and then determines further adjustments to certain of the wellheads based at least partly on a current energy production of respective wellheads, data regarding historical energy production of respective wellheads, and an adjustment for the respective wellhead to be made on the basis of predicted total energy production of the gas extraction system.

**Patent Application Publication**

**Optimizing Energy Production of a Landfill Gas Extraction System**

Inventor: Jamie Tooley, Yucaipa, CA (US)

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IRVINE, CA 92664

Appl. No.: 11/066,659
Filed: Dec. 4, 2004

**Published Application No.** 2007/0225923 A1
Published Date: Sep. 27, 2007

**References Cited**

U.S. Patent Documents

4,386,955 * 5,037,777 Johnson et al. 1983
4,444,181 * 4,104,198 Zion 1984

**Trade Secret Protection**

- Protects software
- Patent protection of hardware

Courtesy of the U.S. Patent and Trademark Office.
Logical Flow of Course

- Financial Statements
- Investor Strategy & Pitch
- Go to Market
- Sales
- Marketing
- Where to Extract Rent
- Pricing
- Value Proposition
- Competitive Advantage
- Development Plans
- Segment
- Direct Validation
- Competition
- Team Composition
- Values
- Setting Expectations
- Generation
- Analysis
- Testing on Key Stakeholders

Plan to Capture Value
Plan to Create Value