Designing not Planning a Smart Business

Winslow Sargeant, Ph.D (VP of Data policy and Advocacy, SVP for Partnerships, ICSB)

Ashraf Sheta, DBA. (Adjunct professor of entrepreneurship and innovation AUC)

November 18, 2016

Background

Education: Ph.D., Electrical Engineering, Univ. of Wisconsin-Madison,

Kauffman Fellow (Class 11), Adj. Professor, UPenn (2001-2005)

Private Sector: Member of the Technical Staff, IBM, AT&T Bell Labs, Lucent,

MIT Lincoln Labs, General Electric, Venture Capital (Partner)

Co-Founder: Aanetcom (acquired by PMC-Sierra), Silatronix, and S&T, LLC

National Science

Foundation: Small Business Innovation Research Program Official (2001-2005)

(invested more \$50m in 300 early-stage companies)

US Small Business

Administration: 6th Chief Counsel for Advocacy (2010-2015), Office of Advocacy,

Nominated by President Obama, Unanimously confirmed by US

Senate (2011). Independent representative of 28M SMEs.

Boards: IEEE (2002-2010), WARF, Northeastern University, Stevens

Inst. of Tech, NSF (2005-2010), Silatronix, Pattern Insight, MyQVO

What is a Startup?

"A startup is an temporary organization formed to search for a repeatable and scalable business model." - Steve Blank

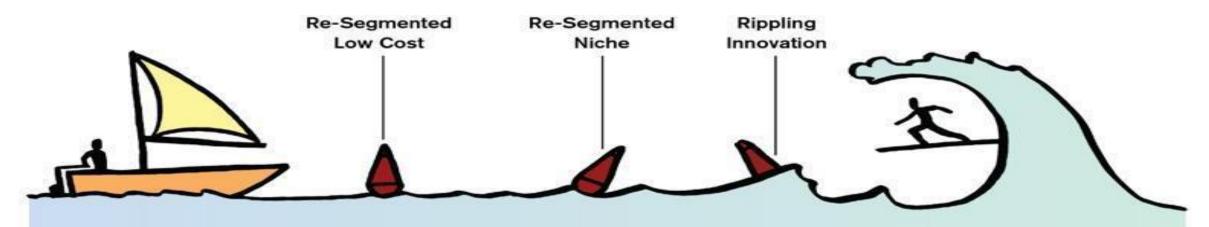
"A human institution designed to create new products and services under conditions of extreme uncertainty." - Eric Ries

The Lean Startup



Each and every day, new entrepreneurs around the world are starting their own enterprises. Most of whom are armed with an idea for an amazing service or product (so they think), but not armed with the tools they need to build an enduring business.

Disruption vs. Sustainable



Sustaining Innovation

Problem is well understood

Existing Market

Innovation improves performance, lower cost, incremental changes

Customer is believable

Market is predictable

Traditional business methods are sufficient

Disruptive Innovation

Problem not well understood

New Market

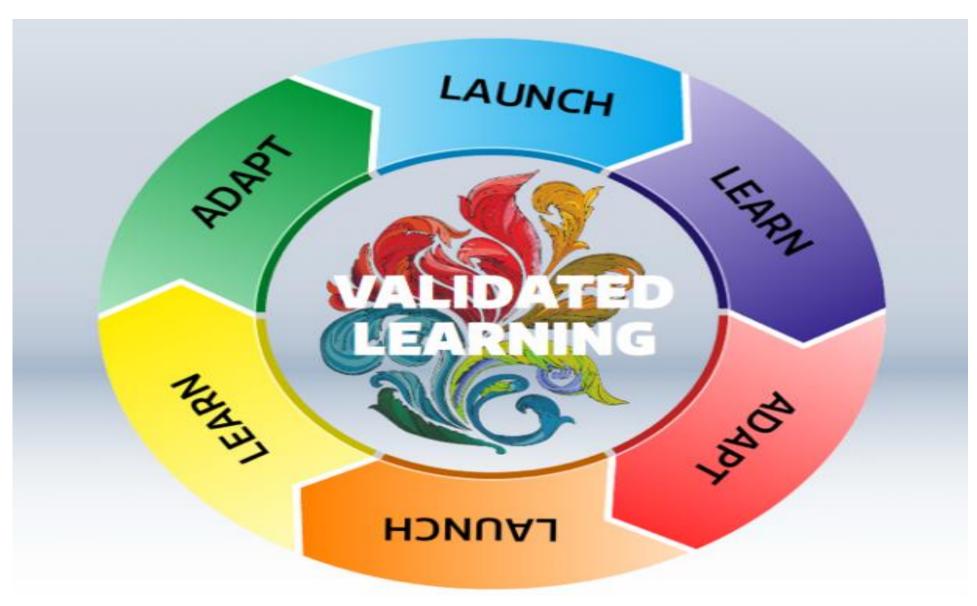
Innovation is dramatic and game changing

Customer doesn't know

Market is unpredictable

Traditional business methods fail

Validated learning



Business Models

Business model

- a company's method for making money in the current business environment
- includes the key structural and operational characteristics of a firm—how it earns revenue and makes a profit

Business Models

A **business model** is usually composed of five elements:

Who it serves

What it provides

How it makes money

How it differentiates and sustains competitive advantage

How it provides its product/service

Business Model Canvas

The Business Model Canvas

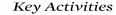
Designed for:

Designed by:

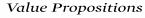
Iteration:

Key Partners

Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? MOTIVATIONS FOR PARTNERSHIPS: Optimisation and economy Reduction of rish and uncertainty Acquisition of particular recourses and activity



What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships?



Which one of our customer's problems are we helping to solve?

What bundles of products and services are we offering to each Customer Segment'

Customer Relationships

What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?

Customer Segments

For whom are we creating value? Who are our most important customers?

Key Resources

What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?



Channels

Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated?

Cost Structure

What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?



Revenue Streams

For what value are our customers really willing to pay? For what do they currently pay?

For what do they currently pay?

How are they currently paying?

How would they prefer to pay?

How much does each Revenue Stream contribute to overall revenues?



www.businessmodelgeneration.com

This work is illomased under the Crustine Commons Attribution-Share Alike 3.0 Unparted License.
To view a copy of this iscense, with http://crustinecommons.org/licenses/by-iay.26//
or send a letter to Creative Commons, 17 Second Street, Suite 300, Shar Pandisch, Californy, 9405. USA



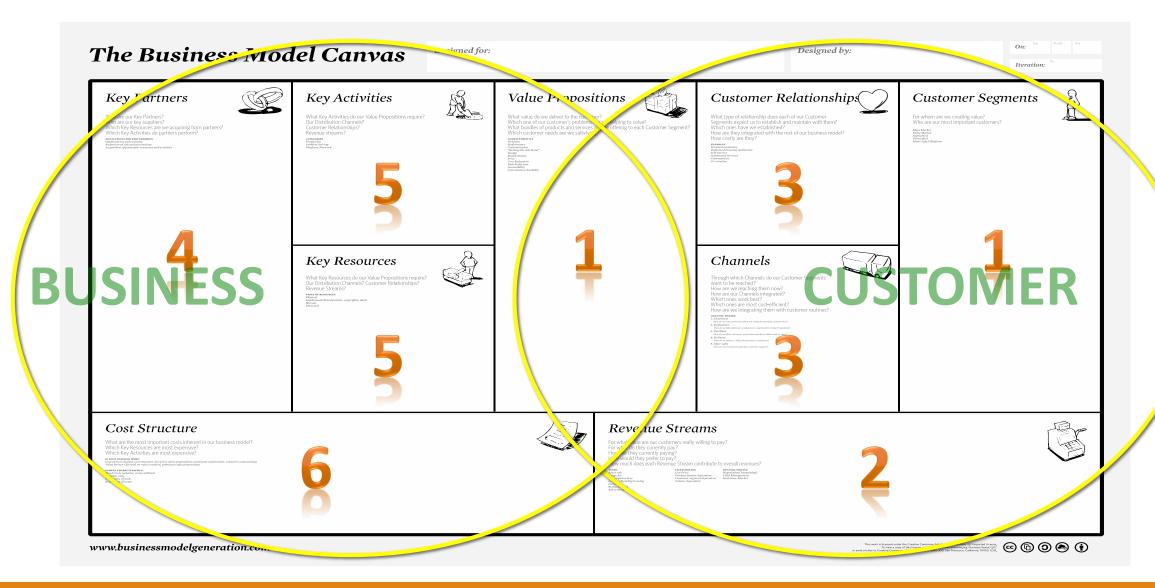




Ep 2 - Visualizing Your Business Model

https://www.youtube.com/watch?v=wIKP-BaC0jA

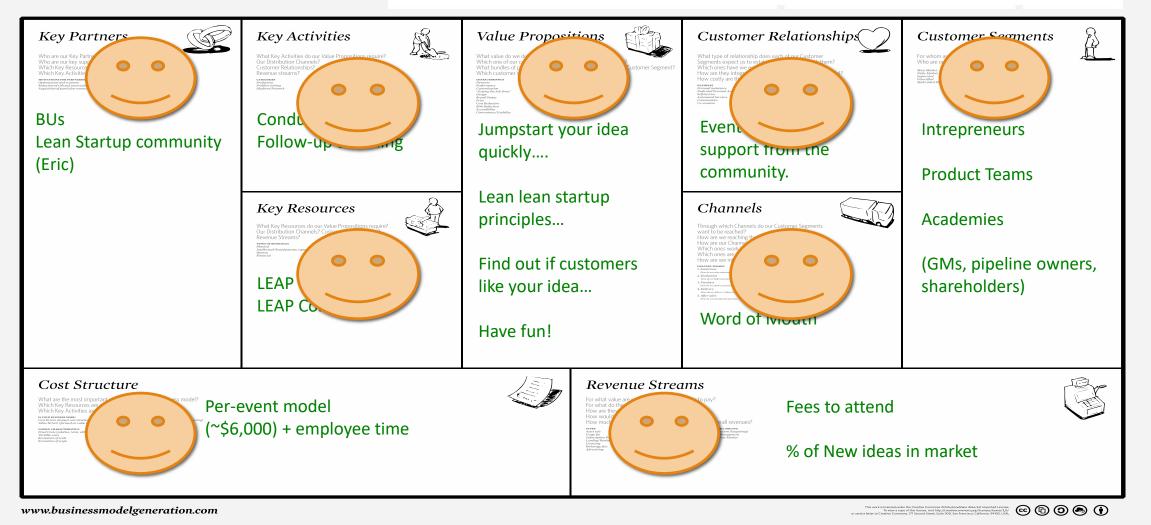
Start with Customer, then Business Use learning from customers to inform how to create business



Vision: Create Entrepreneurs...

The Business Model Canvas

IDEA: 48 hour startup competition for internal entrepreneurs



Thank you!

شكرا

Winslow Sargeant, Ph.D. Ashraf Sheta, DBA.

Email: <u>wsarge2010@me.com</u> ashrafsheta@aucegypt.edu