

TE 250: Week 9 Competition & Business Types

Mark Karasek
mkarasek@illinois.edu





tec.illinois.edu

Technology Entrepreneur Center

GRAINGER ENGINEERING



MON | OCT 16

Join us for the **Application FAQ & Team Building Event**. We'll answer questions about the application and facilitate team building. Deadline to apply is **Nov. 7**.
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THURS | OCT 19

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TUES | NOV 7

Save the date! Learn about policies and requirements for international students starting a business in the United States.
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WED | NOV 15

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Agenda

- Defining the competition
- Petal diagram breakout
- Startup Types
- Team Breakout: Selecting the proposed solution



Another pitch example

- <https://www.youtube.com/watch?v=5vv8T-EDSzM>
- Start at 31:20

Reviewing how we got here...

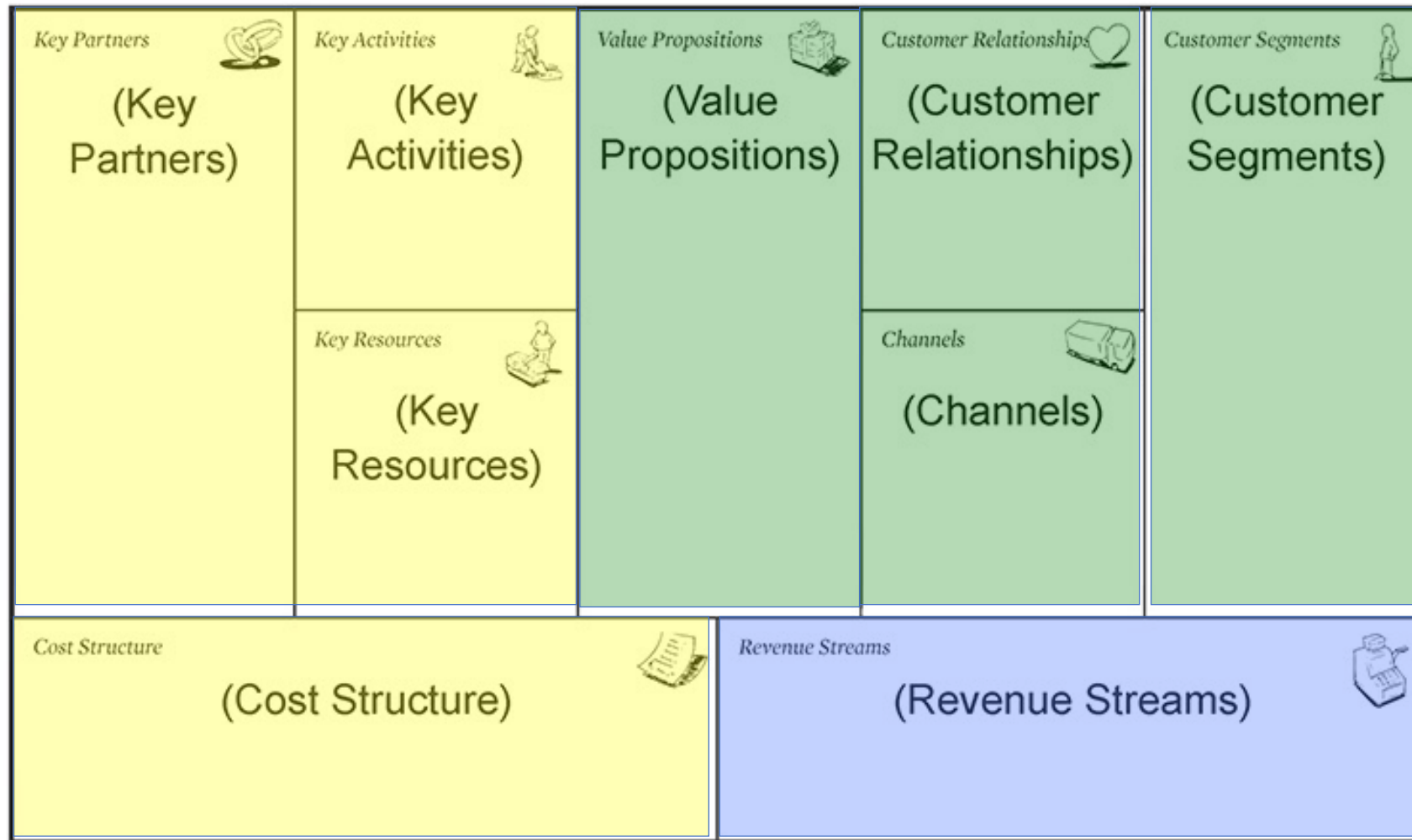
Problem Statement Canvas

CONTEXT When does the problem occur? [Type here]	PROBLEM What is the root cause of the problem? [Type here]	ALTERNATIVES What do customers do now to fix the problem? [Type here]
CUSTOMERS Who has the problem most often? [Type here]	EMOTIONAL IMPACT How does the customer feel? [Type here] QUANTIFIABLE IMPACT What is the measurable impact? (include units) [Type here]	ALTERNATIVE SHORTCOMINGS What are the disadvantages of the alternatives? [Type here]

```
graph LR; P((PROBLEM)) --> C((CONTEXT)); CU((CUSTOMERS)) --> P; CU --> EI((EMOTIONAL IMPACT)); EI --> A((ALTERNATIVES)); AS((ALTERNATIVE SHORTCOMINGS)) --> A;
```


Week 1

Business model canvas



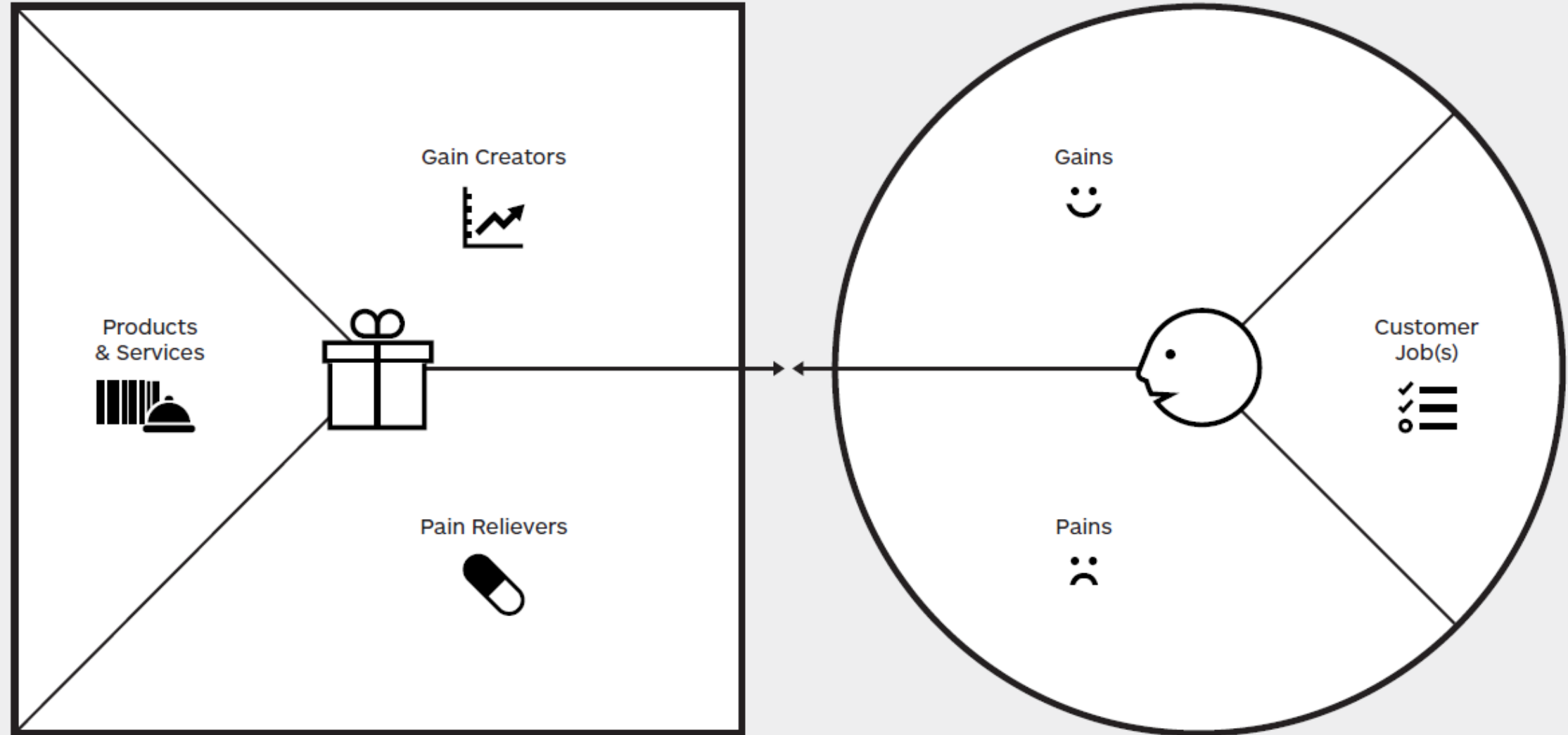
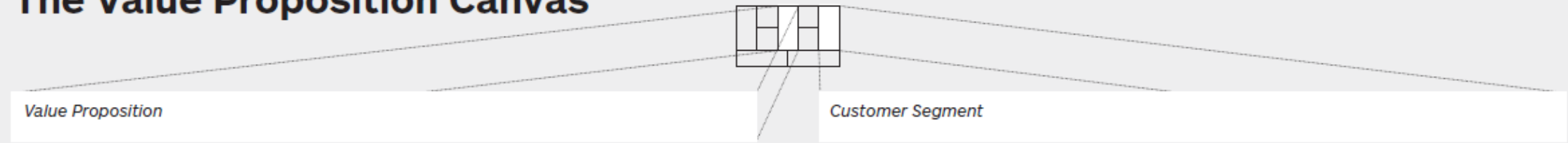
www.businessmodelgeneration.com

The templates here are made available on the same CC license terms as the original canvas.

This model is licensed under the Creative Commons Attribution-ShareAlike 4.0 International license. To see a copy of this license, visit creativecommons.org/licenses/by-sa/4.0/ or a link to this license is provided below. CC BY-SA 4.0 International. The Business Model Canvas is a trademark of Alexander Osterwalder and Yves Pigneur. Copyright 2011-2014.



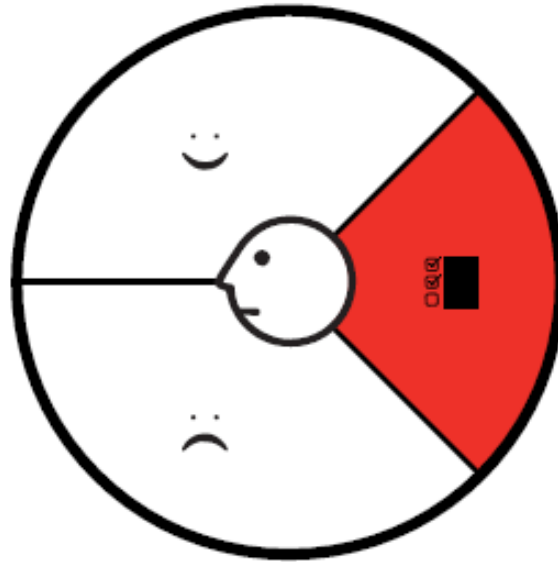
The Value Proposition Canvas



Focus on the right side first

customer jobs*

what customers
are trying to get
done in their work
and in their lives

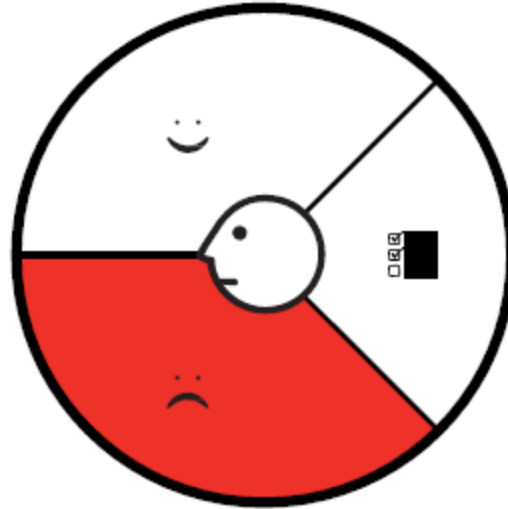


- ✓ Customer A
- ✓ Customer B
- ✓ Customer C
- ✓ Customer D

task to perform, problem to solve, needs to satisfy

customer pains

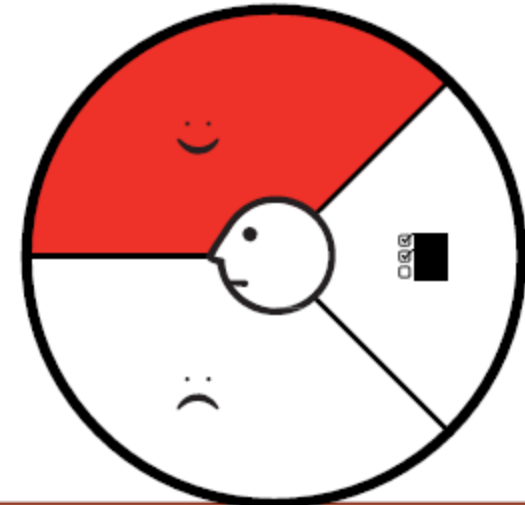
describe bad outcomes, risks, and obstacles related to customer jobs



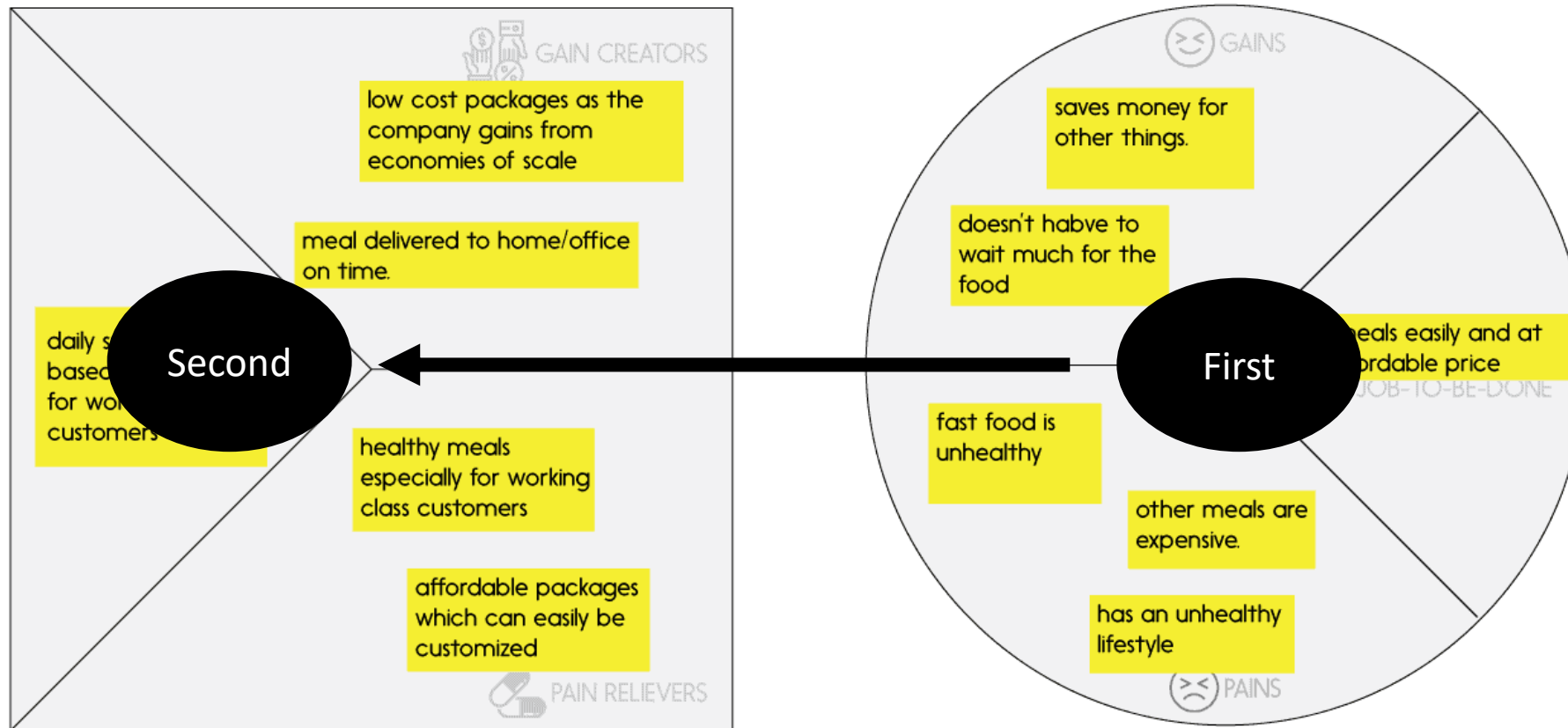
- ✓ Customer A
- ✓ Customer B
- ✓ Customer C
- ✓ Customer D

customer gains

describe the more or less expected benefits the customers are seeking



VALUE PROPOSITION CANVAS



Moving to the left side of the VP
Canvas: It is time to add solution
thinking to our problem identification

What is Creativity?

And what role does it play?



**Imagination → Vision → Creativity → Invention
→ Innovation**

Imagination is the result of wanting more.

Vision is the ability to see the world the way you want it to be.

Creativity is the ability to use the imagination to develop new ideas, new things, or new solutions.

Group Creativity Exercises

- Brainstorming Diamond
- Reverse Planning
- **Disney Creative: Dreamer/Realist/Critic**
- Walking Meeting
- Psychological Distancing / Superhero
- SCAMPER

As you complete interviews, start refining your solution hypotheses based on what you learn.

You will propose a solution in your Final Pitch Presentation

Sharing: What process did you use and what solutions did you submit?

Defining the competition

Competition

Every good idea has competition. **Period.**

~~We are the only ones doing X...~~

~~Our solution is novel...~~

Competition

**One of your biggest competitors will be
the status quo.**

(also know as doing nothing)

There are a variety of ways to document the competitive landscape

Our Company Competitive Analysis

Goodness

Our Company



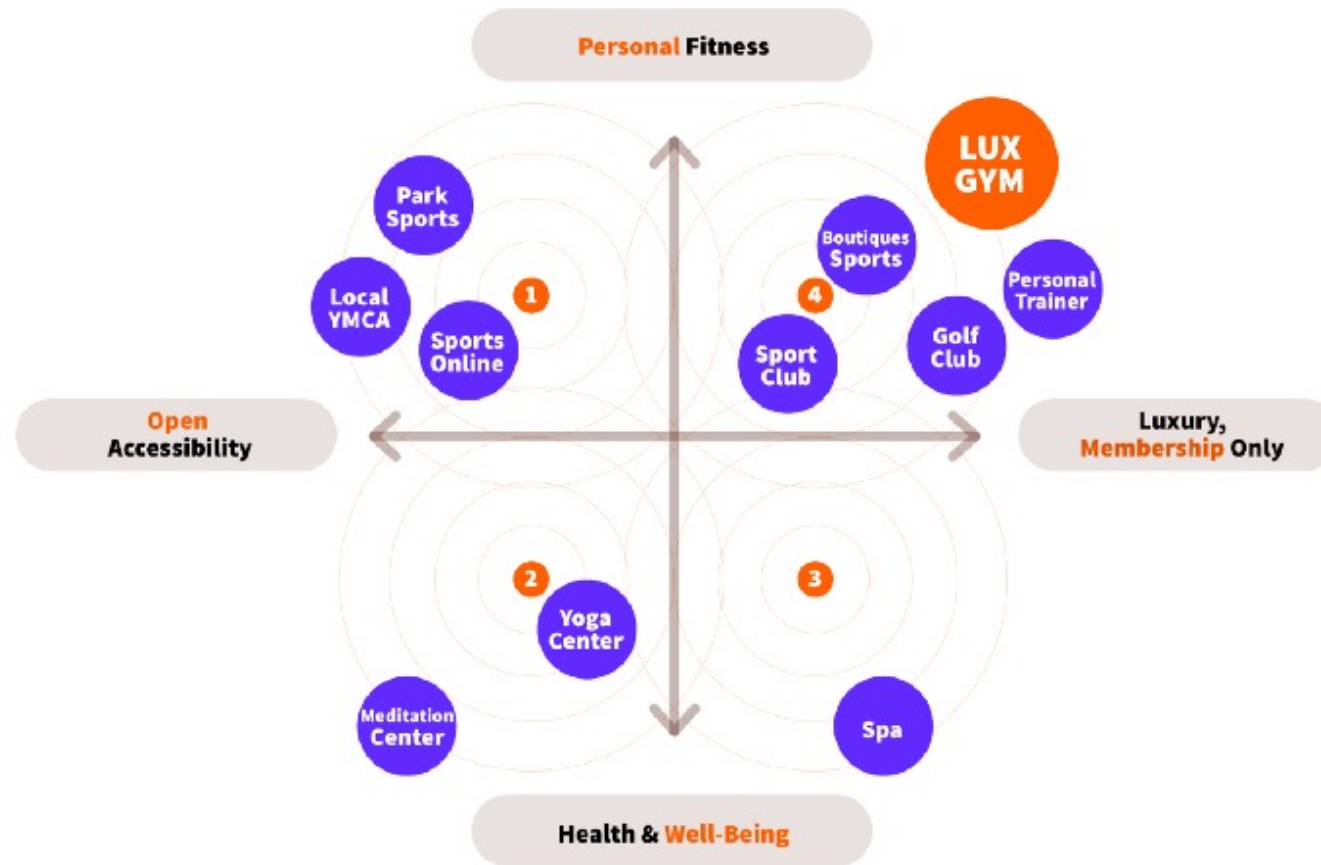
Our Competitors



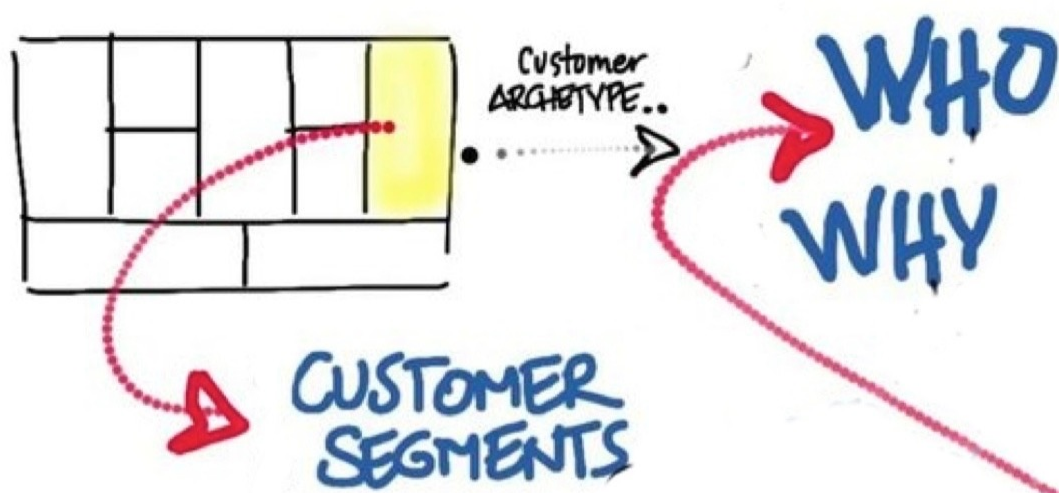
Badness

Goodness

4 Quadrant Chart

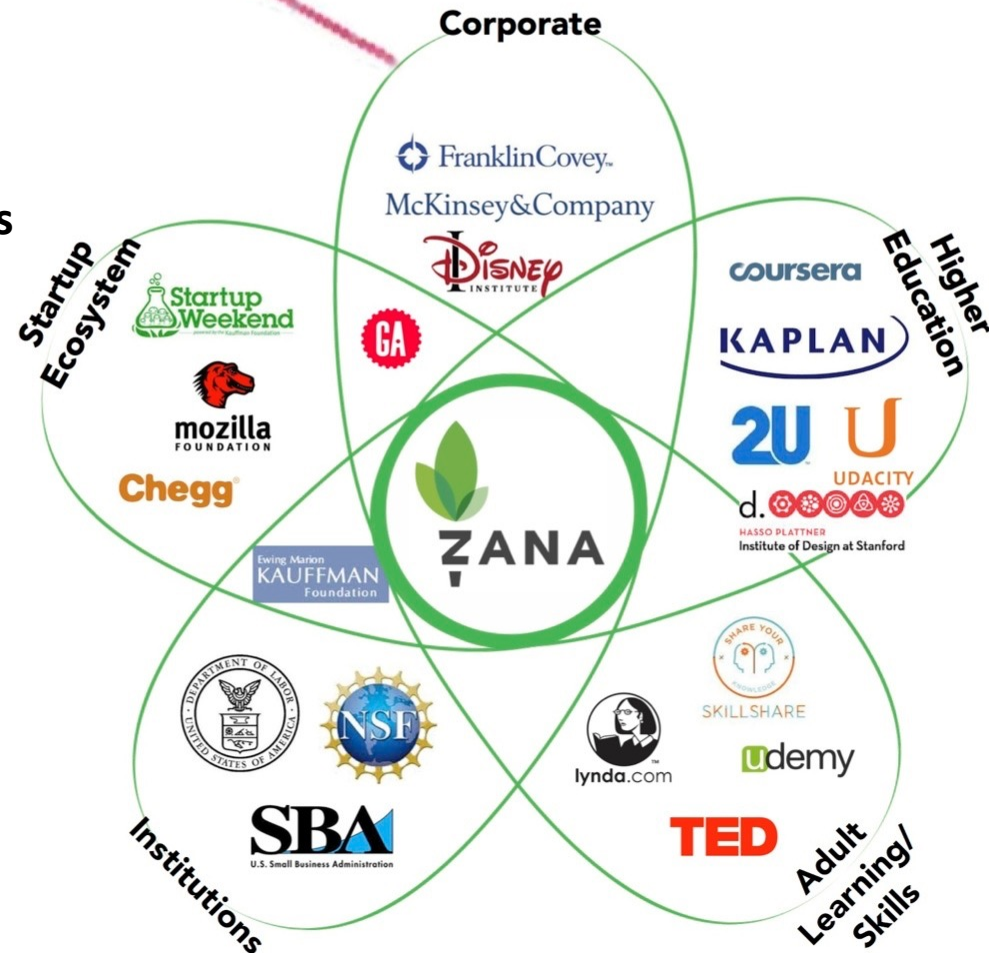


Petal Diagram approach

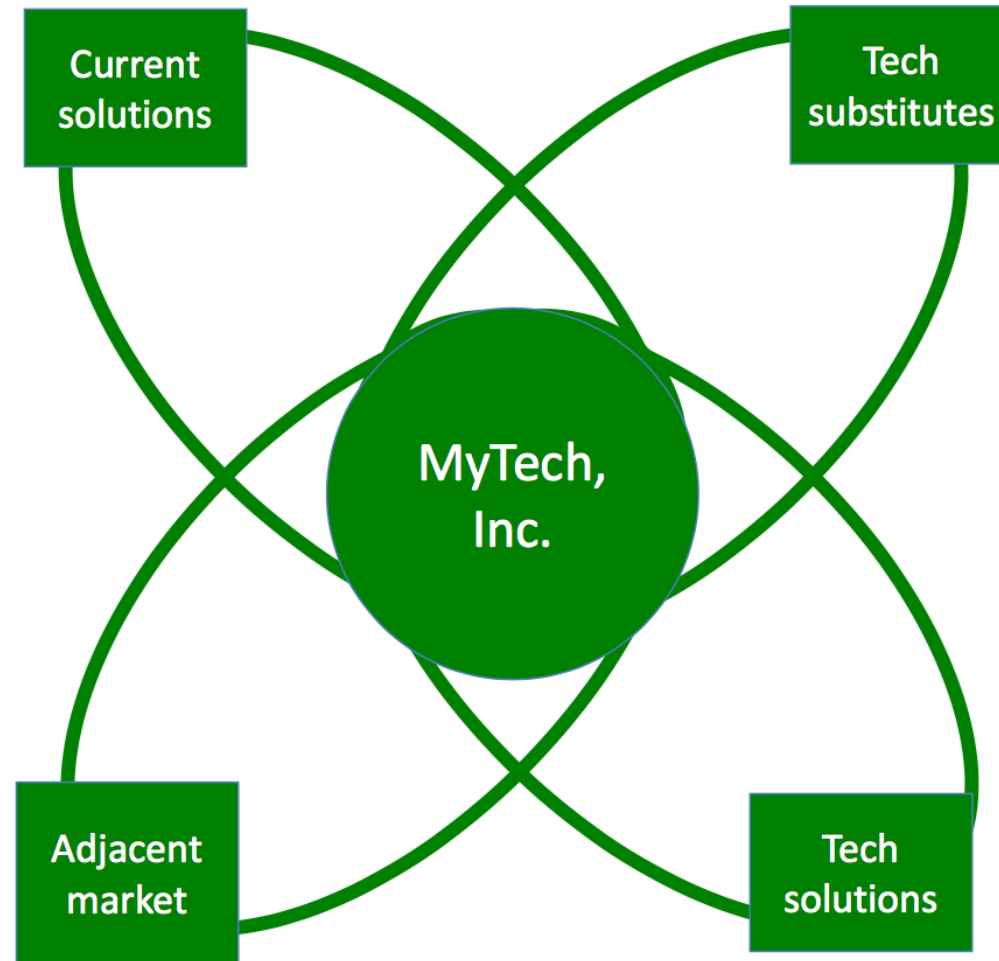


The Petal Diagram drives your business model canvas.

- X/Y competitive graphs are appropriate in an existing market
- Mapping potential competitors in new or resegmented markets requires a different view
- The competitive diagram is how you develop your first hypotheses about who your customers are

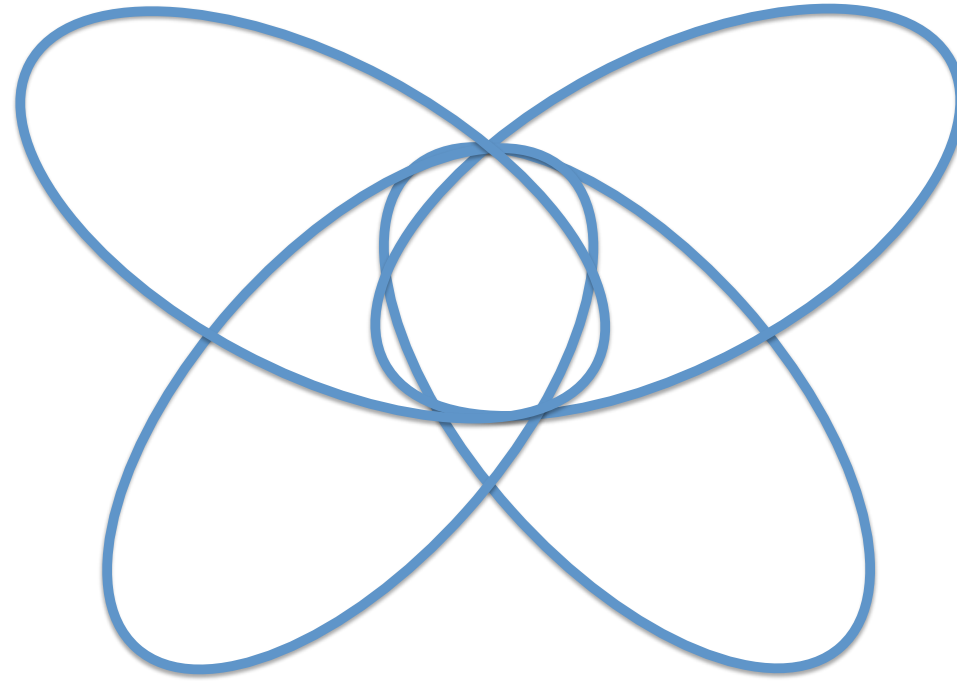


Petal Diagram



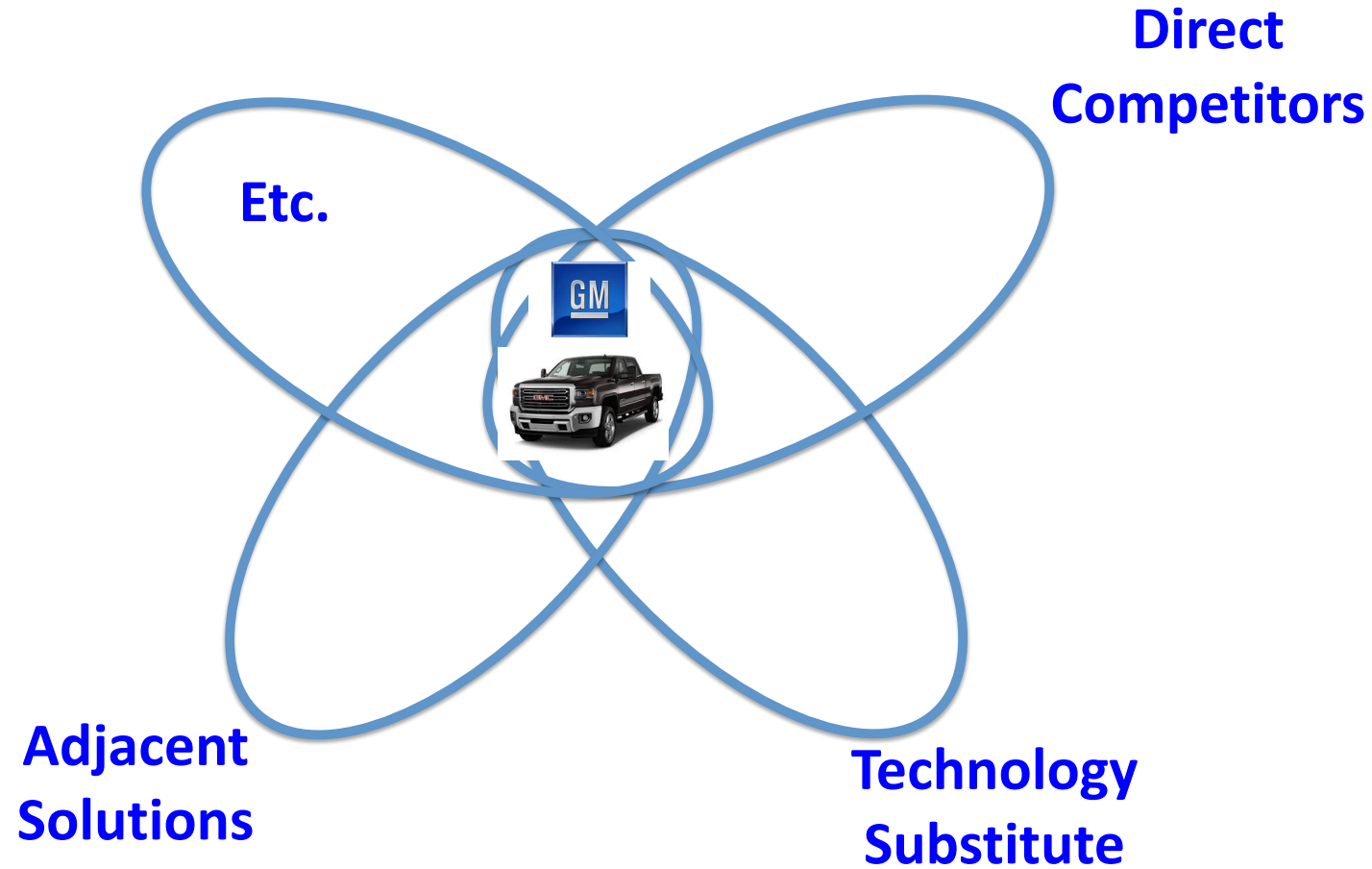
Petal Diagram: Competitive Landscape

Transportation



Petal Diagram: Competitive Landscape

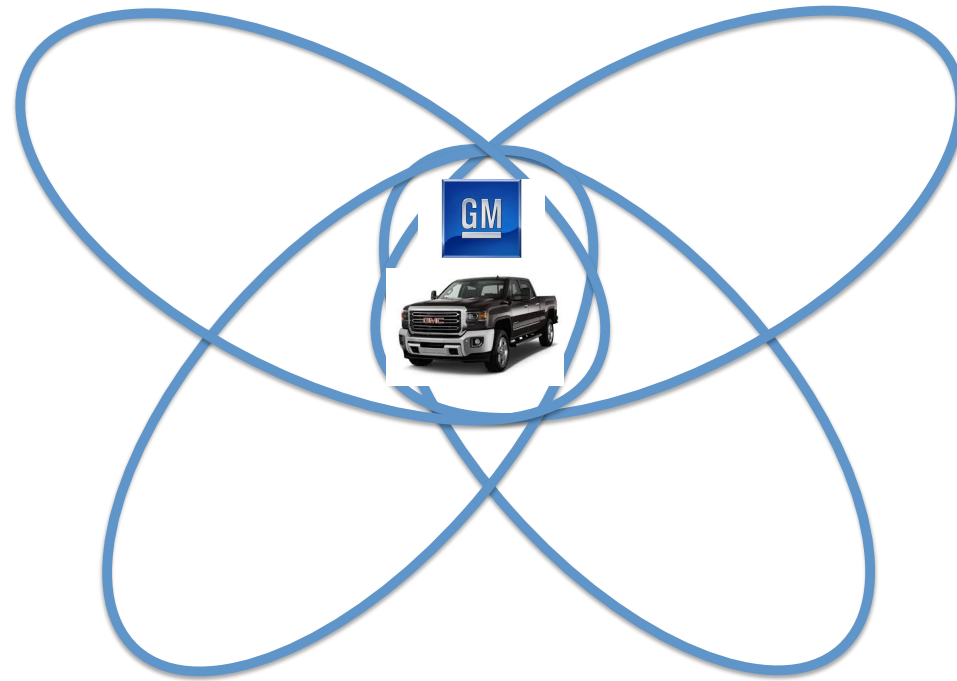
Passenger Vehicles, Light Duty Luxury Pick Up Trucks



Petal Diagram: Competitive Landscape

Passenger Vehicles, Light Duty Luxury Pick Up Trucks

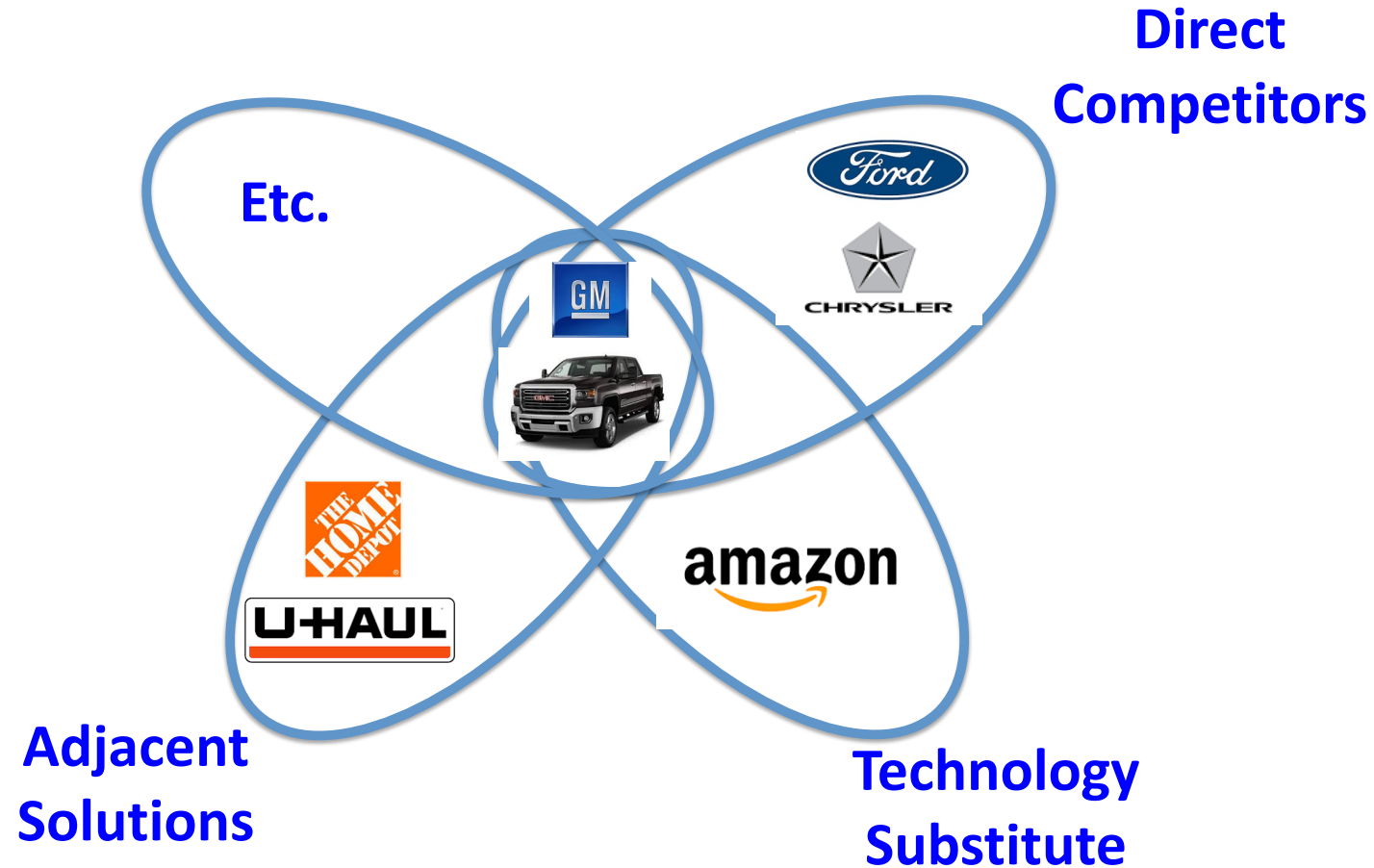
Transportation



Customer Segment: Weekend Home Renovation Warrior
Value Proposition: "Haul stuff back from Home Depot"

Petal Diagram: Competitive Landscape

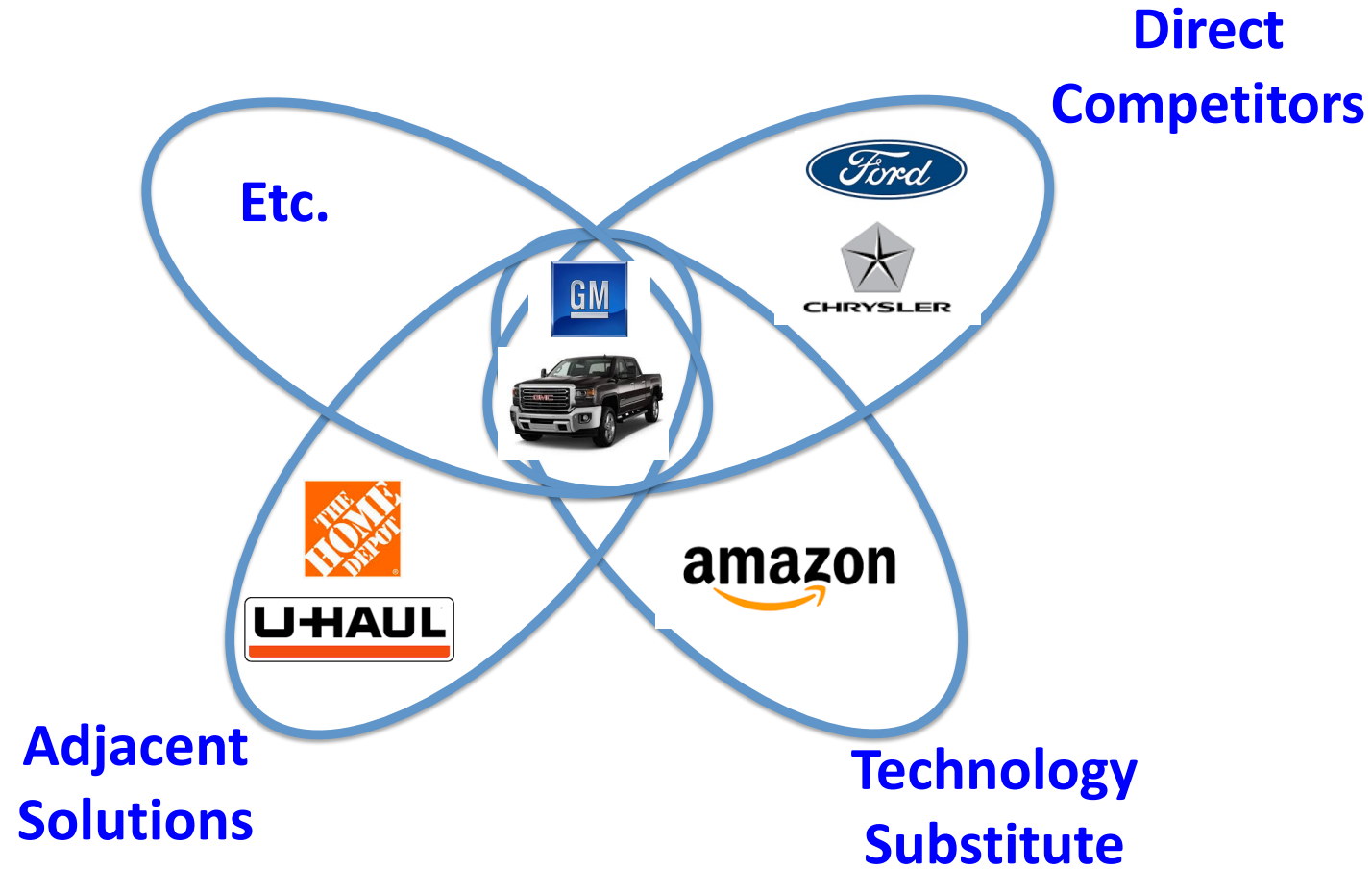
Passenger Vehicles, Light Duty Luxury Pick Up Trucks



Value Proposition: “Haul stuff back from Home Depot”

Petal Diagram: Competitive Landscape

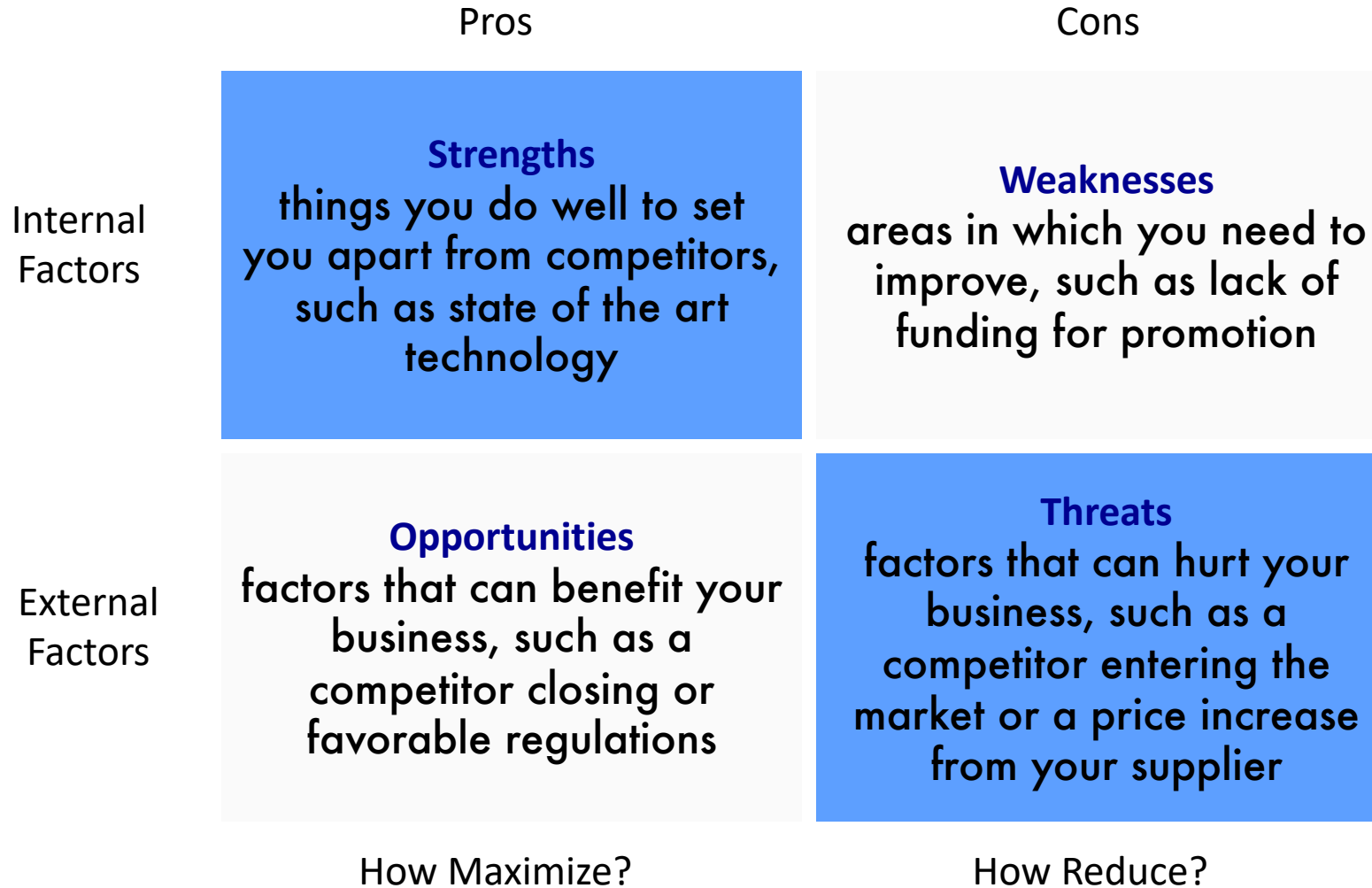
Passenger Vehicles, Light Duty Luxury Pick Up Trucks



Value Proposition: "Haul stuff back from Home Depot"

Once you identify the competitive landscape, then you need to define your position...

SWOT Analysis



SWOT Analysis

	Pros	Cons
Internal Factors	Strengths Expertise in develop./manuf. of biologic drugs. High margins, limited competition	Weaknesses Inability to discover novel therapeutics to avoid declines in revenue
External Factors	Opportunities Expand to new geographies, indications, and formulations	Threats Competition from follow-on biologics and pricing pressures

SWOT Analysis for Amgen

Breakout activity

Build a pedal diagram for Shake Box

Health protein shakes from a vending machine

Targeted at busy students on college campuses with few healthy alternative for a quick meal

Competes with food trucks, fast food restaurants, vending machines, convenience stores, delivery services, food delivery, and subscription food services.



Defining the enterprise



Components of Culture

Building a company culture starts from day 1

- Vision
- Values
- Practices
- People
- Narrative
- Place



Culture – six components

1. Vision

Articulated in mission statement

- a. defines purpose
- b. orients employee behavior



Life
is Good®



WARBY PARKER
eyewear



Warby Parker was founded with a rebellious spirit and a lofty objective: to offer designer eyewear at a revolutionary price, while leading the way for socially-conscious businesses.



Our Blue Box Values

At American Express®, we have a mission to be the world's most respected service brand. To do this, we have established a culture that supports our team members, so they can provide exceptional service to our customers.



Patagonia's Mission Statement

Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

I ILLINOIS

Honest[®] tea

Mission Statement

Honest Tea seeks to create and promote great-tasting, healthier, organic beverages. We strive to grow our business with the same honesty and integrity we use to craft our products, with sustainability and great taste for all.



Our vision and business idea

At IKEA our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

I ILLINOIS

Culture

2. Values

Offers guidelines on behaviors & mindset required to achieve vision

Authenticity >
Originality

The Google logo, consisting of the word "Google" in its characteristic multi-colored font.

Ten things we know to be true

1. Focus on the user and all else will follow.
2. It's best to do one thing really, really well.
3. Fast is better than slow.
4. Democracy on the web works.
5. You don't need to be at your desk to need an answer.
6. You can make money without doing evil.
7. There's always more information out there.
8. The need for information crosses all borders.
9. You can be serious without a suit.
10. Great just isn't good enough.

Culture

3. Practices

The enshrinement of values

If a company says, “people are our greatest asset,” it should be prepared to invest in employees in visible ways.



Wegmans

2019 #3 Fortune 100
Best Places to Work

What employees are saying:

“I truly feel that Wegmans is a company where employees can follow the American Dream. We're given endless opportunities to learn and grow. It's a place where those who seek to build a career for themselves while following their passions can do so.”

15 applicants per job opening
94% employee satisfaction

The booming family-owned grocery chain spends more than \$50 million a year on training and development for its massive workforce, and is one of the few grocers to help defray school costs—this year it awarded \$5 million in tuition assistance. “It’s nice to work for a company that keeps giving instead of taking away,” says one employee.



Culture

4. People

Must share core values →
stringent recruiting

Firms with cultural alignment
have 30% less turnover

Fit > Talent



Culture

5. Narrative

A company's story
...it's history
...it's heritage
...it's roots

Even more powerful as part of a firm's ongoing culture



Culture

6. Place

Seek congruency

- a. Geography – industry clusters, customs
- b. Architecture – office layout
- c. Aesthetic Design – décor





Getting ready for Week 10

- Week 9 Team Assignment – Submit interview tracker – 4 interviews per member
- Week 9 Individual Assignment – Create a petal diagram for the assigned startup
- Should be accumulating interviews and documenting them on the tracker. How are they impacting your vision for a solution?
- Topics still to be covered:
 - Week 10: Market segmentation and sizing with breakout (10pts)
 - Week 11: Venture formation, IP, etc with breakout (10pts)
 - Week 12: IP and finance with breakout (10pts)
 - Week 13: Making a pitch with breakout (10pts)
 - Week 14/15: Final Pitching

Team Breakout

Hypothesize three options for a solution to the problem you are solving

Down select to a single solution hypothesis

Build out a petal diagram of the competition based on the final hypothesis

Submit work product before end of class

Week 9 Breakout Template

Team #: _____

Members present in class: _____

Solution Option 1:

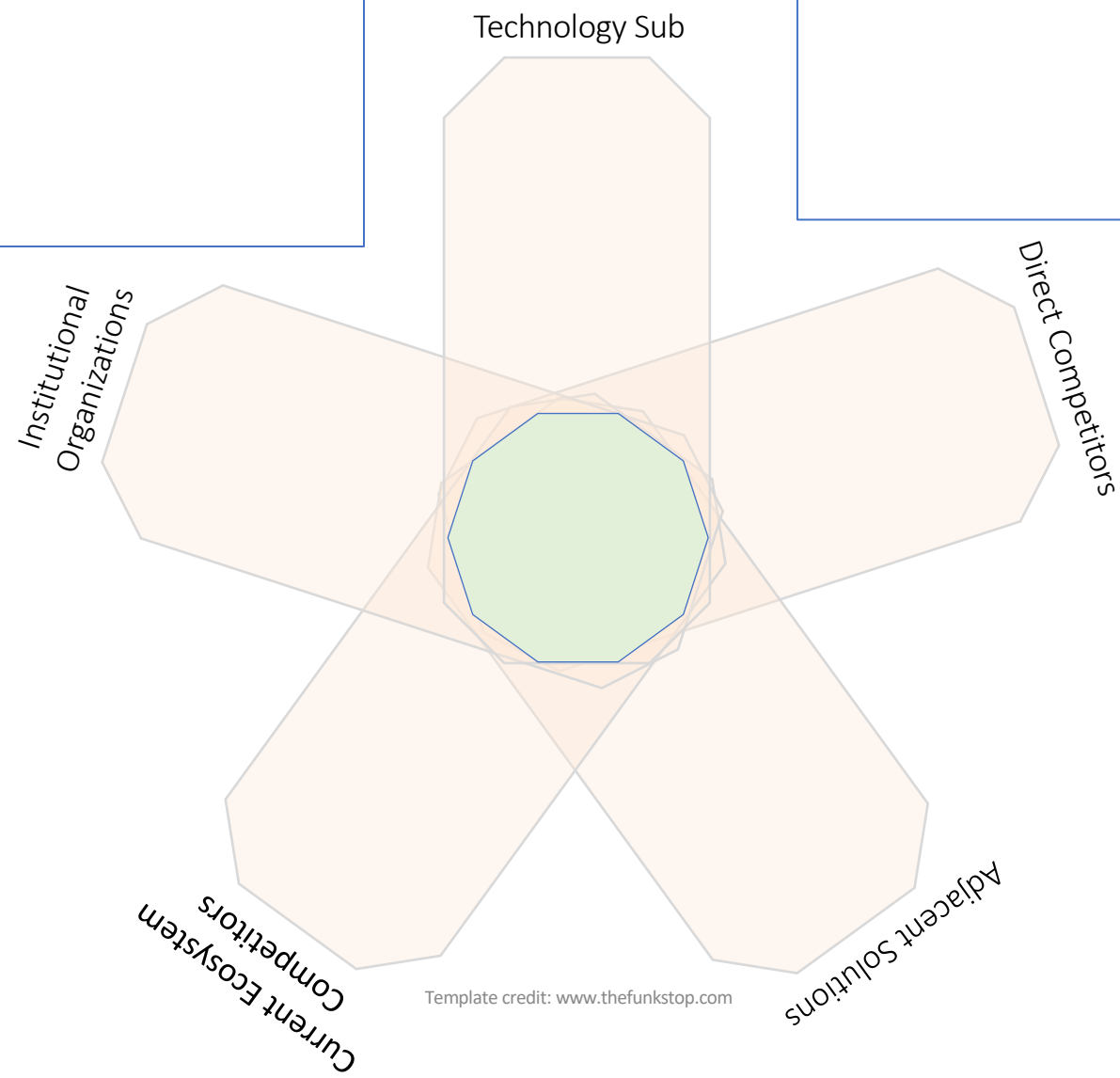
Solution Option 2:

Solution Option 3:

Selected solution hypothesis (1, 2, or 3): _____

Problem Statement:

Final solution hypothesis:



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