MIT Accelerating Information Technology Innovation

Session 9
Know Your Customer

Entrepreneurship Roadmap

Week 1: Ideate

- Participants will brainstorm and share business ideas and form teams

Week 2: Pitch

- Teams will develop their initial business proposals and pitch to the rest of the class

Week 3: Accelerate

- Teams will participate in a hackathon weekend to develop an alpha prototype of their product

Weeks 4 & 5: Incubate

- Teams will refine their prototypes and develop full business plans for VCs and other potential investors

Week 6: Launch

- Teams will demo their final prototypes and present their business plans to mentors, investors, Google and UGM representatives, and other interested parties

Program Milestones

Week 1:   Being an Entrepreneur
- Chocolate Challenge
- Topic Selection
- Team Formation
- Initial Idea Proposal

Intro to Programming
- Platform Setup
- Platform Basics

Week 2:   Pitching & Selling
- Final Idea Definition
- Product/Market Fit
- Initial Pitch Deck

Technical Intensive
- Advanced Android

Week 3:   Models & Strategy
- Elevator Pitch Contest
- Initial Business Models
- Mentor Matching
- Team Dynamics

Mobile Design
- Mobile Development
- Hackathon

Week 4:   Product Refining
- Mentor Sessions
- Rough Demo

Prototyping
- Refine Specs
- Improving Prototype

Week 5:   Negotiating
- Negotiation Day
- Revised Business Model
- Understanding Intellectual Property

Final Product
- Functional Prototype
- Finalized Design

Week 6:   Launching Your Business
- Rough Demo
- Final Business Model

Refining the Product & Business Model
- Envision new features
- Set course for next year
- Time and team commitments

End of Week 6: DEMO DAY!!!
- Final Product
- Final Pitch

Today's Agenda

- Scrum!
- Elevator Pitch Practice
- Class Activity: Find Your Customer
- Customer Use Cases
- Class Activity & Homework Assignment
- Key Takeaways

Let's Scrum!

- What have you done since yesterday?
- What are you planning to do today?
- Any impediments/stumbling blocks?

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The Pitch Contest is coming!!

- Details:
  - Time: Monday – we start at 8:40am, SHARP!
  - Location: 1st floor classroom – Ruang Kuliah Transmisi dan Distribusi (TD)
- Notes:
  - BE ON TIME.
  - Dress to impress. Imagine you were meeting an investor. What would you wear?
  - Each team will pick one member to pitch.

Pitch Contest Schedule

8:40 am	Introduction to MIT AITI
9:00 am	Introduction of Judges
9:10 am	Daily Scrum
9:20 am	Explanation of contest rules
9:30 am	PITCH!
9:45 am	End of pitches; judges deliberate/ break
10:00 am	Judges' feedback and announcement of winners
10:30 am	Presentations from Judges and Q&A with students

Your Judges

- Mr. Afrizal – UGM Alumni, Gama Multi Company

- Yansen Kamto – Google Business Group

- 1 more Googler, TBA…

Practice practice practice…

- Take 5 minutes in your groups to revisit, review, and revise your pitches
- Each team's representative will pitch for 60-seconds
- We may ask questions – be prepared to think on your feet!
- We will give quick feedback on things to think about over the weekend.
- Questions?

Ready

Set

Pitch!

Hours　　　Minutes　　　Seconds
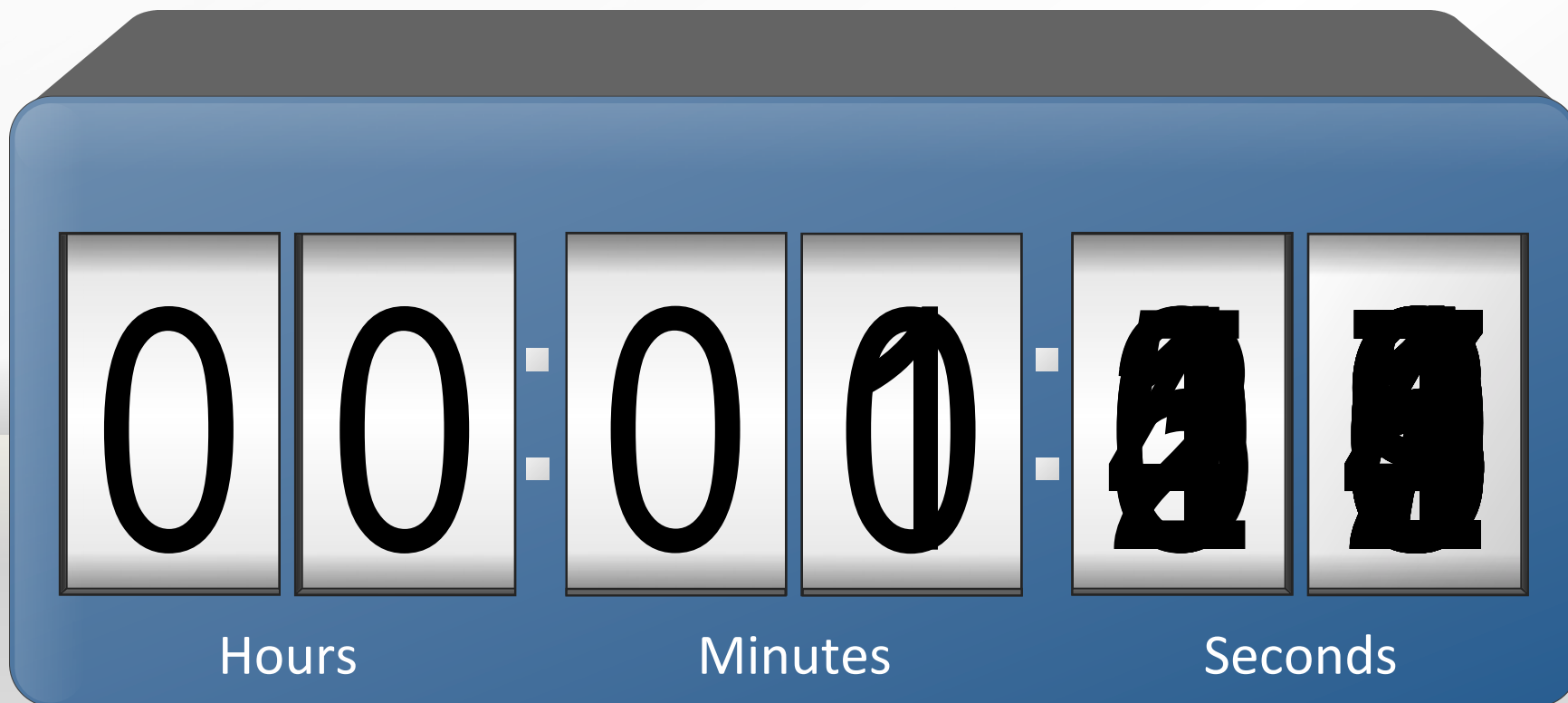
Final Tips and Reminders

- Remember Lynn's 3 C's
  - Confidence
  - Conviction
  - Content
- Anticipate questions and have answers
- Stand tall and face your audience

Smile! Look like you're having fun, even if
you're a nervous wreck ☺
(I'll be nervous too…)

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What is the single most important and sufficient condition for a business?
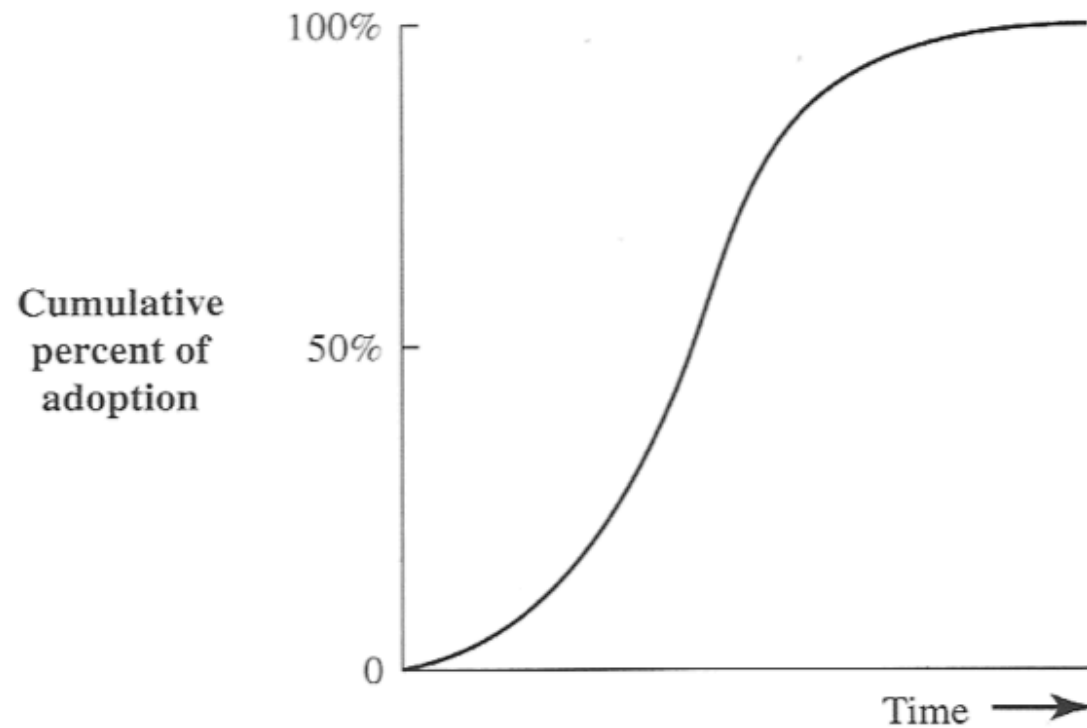
A paying customer

Technology Adoption Curve

FIGURE 11.8 S curve of adoption of an innovation.

Everett M. Rogers – *Diffusion of Innovation*

Category of Adopters

Early Majority
- First followers of the Early Adopters
- Rely on group opinion (weigh pros and cons)
- Source of valuable customer feedback

Early Adopters
- Active and prominent in their communities
- Adhere more to norms
- Opinion leaders

Late Majority
- The skeptics
- Adopt because "everyone else is doing it"
- Lower income levels

Innovators
- The risk-takers
- Always looking for the latest and greatest
- Confident, independent
- Higher disposable income

Laggards
- Isolated users
- Against change, highly skeptical
- By the time they adopt, something else will have come along…

Innovators 2.5%
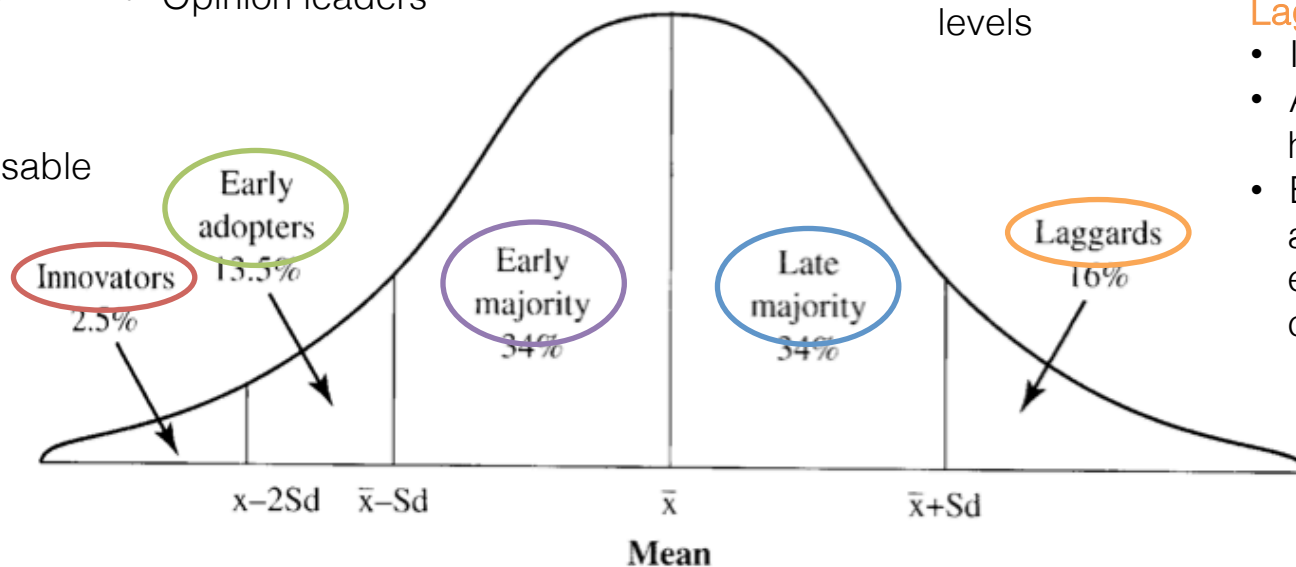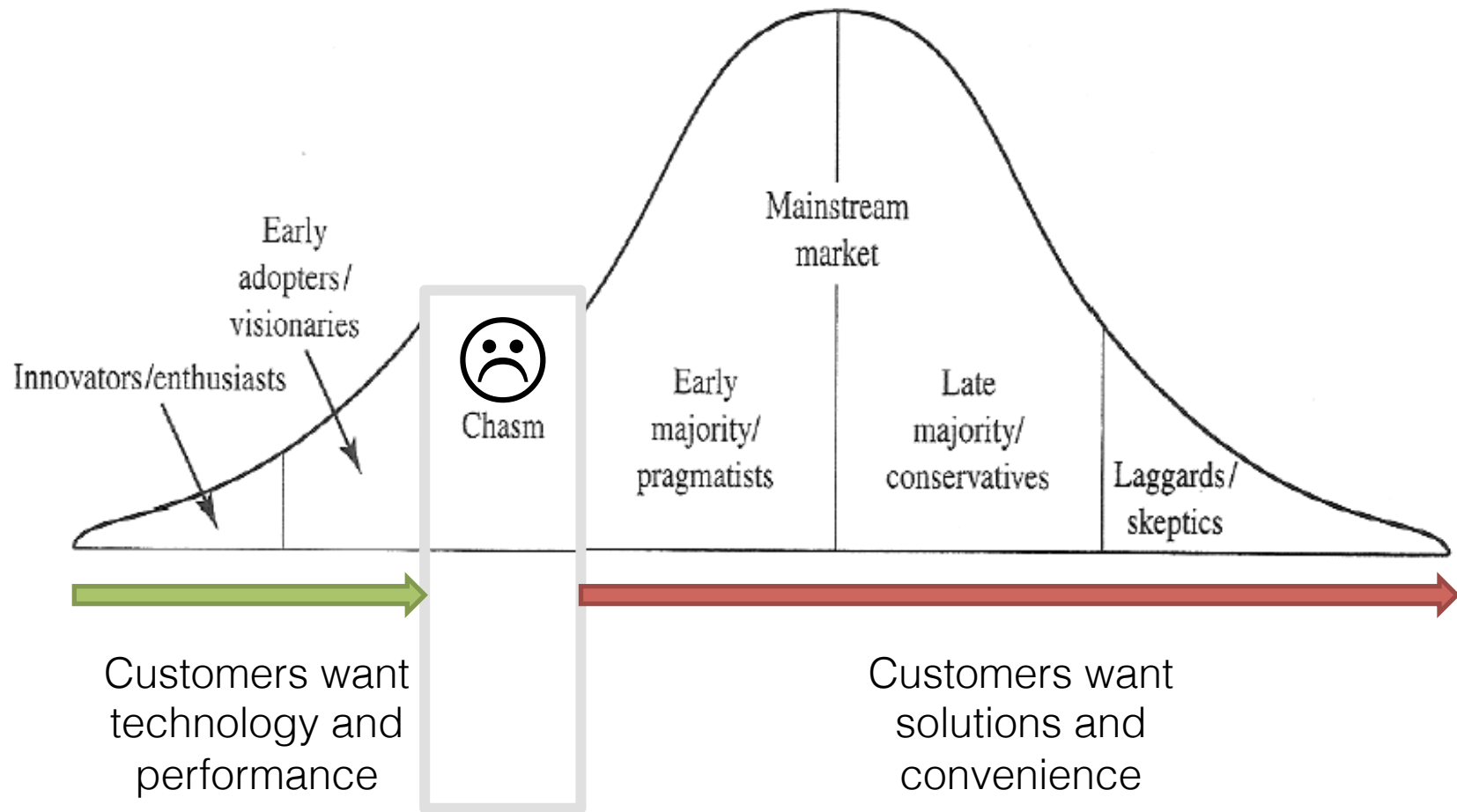
Early adopters 13.5%

Early majority 34%

Late majority 34%

Laggards 16%

x–2Sd   x̄–Sd   x̄   x̄+Sd

Mean

FIGURE 11.9 Innovation adoption categories when Sd = standard deviation.

Geoffrey Moore – Crossing the Chasm

Innovators/enthusiasts

Early adopters/visionaries

Chasm

Mainstream market

Early majority/pragmatists

Late majority/conservatives

Laggards/skeptics

Customers want technology and performance

Customers want solutions and convenience
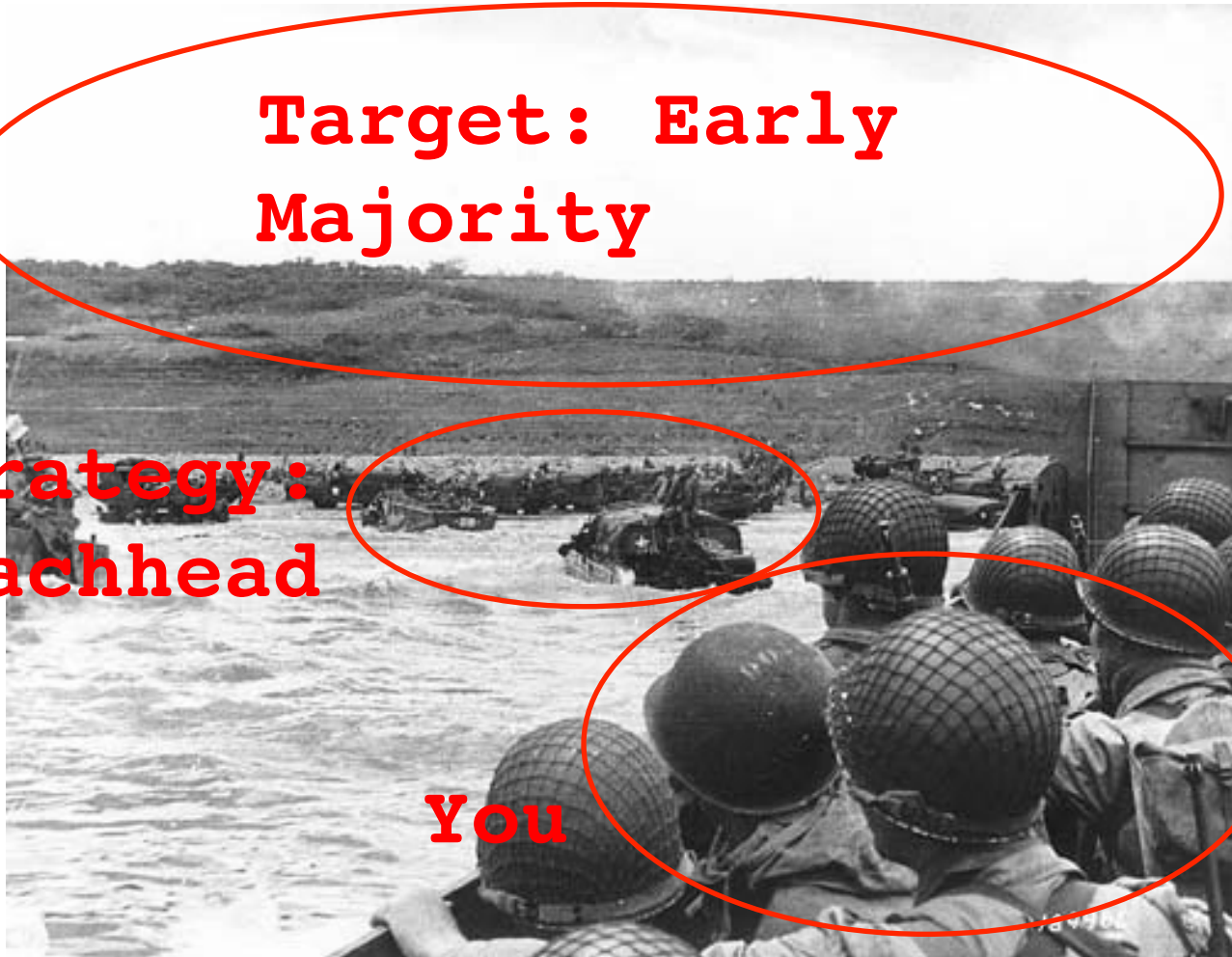
How do you cross the chasm?

Find your <u>beachhead market</u>.

- A single market that you can use as a springboard to adjacent markets
- "Focused Leverage"
- For applications, **your beachhead is usually your end user** (there can be exceptions)
- Make them love/need you, and the rest will fall into place…

Target: Early Majority

Strategy: Beachhead

You

Defining Your Beachhead

1. Is the target customer well funded and are they readily accessible to our sales force?

2. Do they have a compelling reason to buy?

3. Can we today, with the help of partners, deliver a whole product to fulfill that reason to buy?

4. Is there no entrenched competition that could prevent us from getting a fair shot at this business?

5. If we win this segment, can we leverage it to enter additional segments?

6. Can we show results in a one to two year timeframe?

Class Activity: Find Your Customer

- Wow, that's a lot of words. Now it's time to practice.
- Using your work from yesterday, define your beachhead market by answering the questions from the previous slide.
- You will have **until this afternoon** to reach someone in that market.
  - Find them online and give them a call or e-mail them
  - If you can find them in-person, even better!
- Explain your product and get their thoughts.

This is your first customer feedback opportunity, so pay attention!

"Your most unhappy customers are your greatest source of learning"

- Bill Gates

Class Activity: Find Your Customer

- But Nicole, what do I say??

- This is where everything we've taught you comes into play…
  - Introduce yourself and this program (hint: pitch deck, 3C's)
  - Introduce your business (hint: value proposition, elevator pitch)
  - Explain what you hope to gain from their feedback
  - Say thank you and ask if you can follow-up in the future

- If you fail, you'll learn from that too.

Quick Activity Debrief – Online Survey

- How many of you were able to talk to someone?

- How many people did you talk to? Who were they?

- How did your product fair?

- Since we're already thinking about our customers and their requirements…

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Starting thinking about your product design…

- What will the product do?
- What features will your product have?
- How will you build this product?
- Mock-up UI Design
- Customer Use Case

Customer Use Cases

What is a <u>Use Case</u>?

In simplest terms, it describes the steps that your "actor" will take in your application, to achieve a specific goal
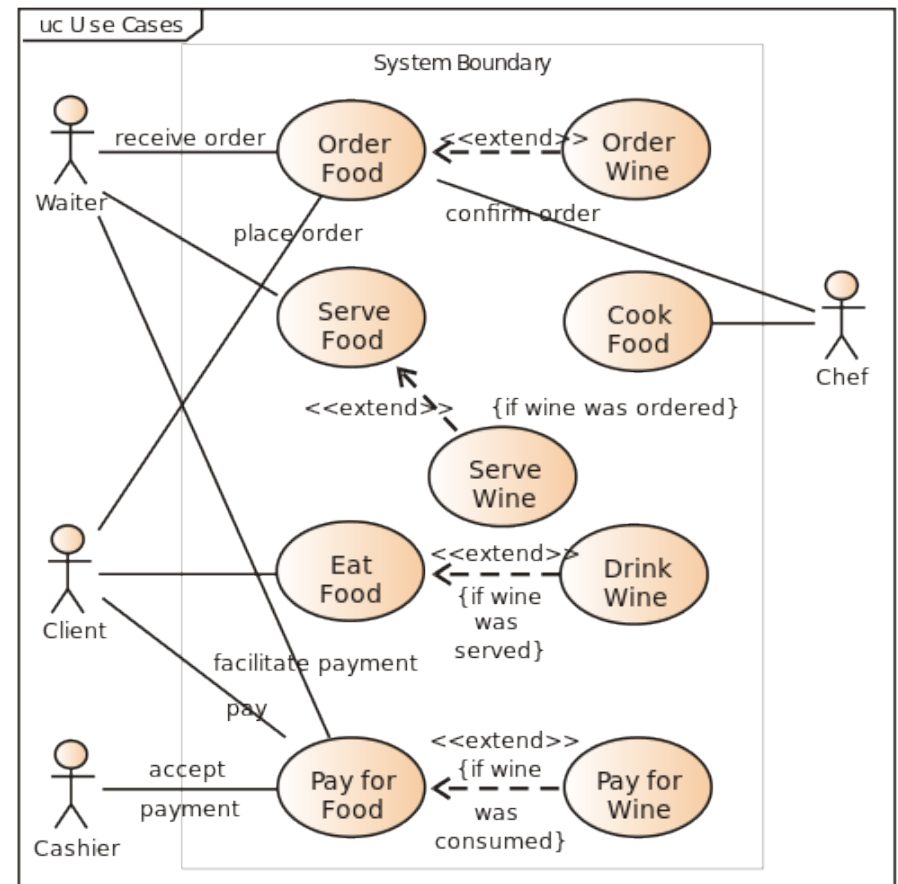
Tips for Building Use Cases

- Get something done – don't focus on perfection. You'll get feedback from your users later anyway.
- Use the 80/20 rule – focus on the 20% of use case scenarios that cover 80% of your user's needs
- Create an index to keep track of your use cases

Use Case ID	Use Case Name	Primary Actor	Scope	Complexity	Priority
1	Places a bid	Buyer	In	High	1
2	Purchase an item	Buyer	In	High	1
3	Creates Account	Generic User	In	Med	1
4	Searches listings	Generic User	In	Med	1
5	Provides Feedback	Generic User	In	High	1
6	Creates an auction	Seller	In	High	1
7	Ships an item	Seller	In	High	2

For more tips, see:
http://www.gatherspace.com/static/use_case_example.html

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Class Activity & Homework Assignment #8: Build a Customer Use Case

- ## Step into the user's mind:
  - – How will your product/service work for the target customer?
  - – How does it fit into their current state?
  - – What are the key interface points?
  - – Why exactly would they acquire it?
  - – What barriers to adoption might arise?

Submit your Customer Use Cases by Sunday, July 7, 11:59pm

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Key Takeaways

- Pitch Contest on Monday morning!
  - Be ready for an 8:40am start
  - TD classroom, 1st floor
- Without a paying customer, you aren't a business.
- Your beachhead market will help you cross the chasm. Find them, and make them love you <3!
- A Use Case will describe how a specific "actor" interacts with your product to accomplish a specific goal.

"If you do build a great experience, customers tell each other about that. Word of mouth is very powerful."

– Jeff Bezos, Founder of Amazon

- Check your e-mail and Facebook for any additional announcements
- Questions?
- See you Monday!