Workshop 2: Assessing Opportunities & Value Proposition

February 22, 2017
DifferenceMaker Program
Agenda

• Last workshop recap: Problem Identification
• Activity: Problem Pitch
• Assessing Opportunities
• Activity: Identify your competitors
• Value Proposition
• Activity: Value Proposition Pitch
• Wrap-up
Last Workshop Recap: Problem Identification

- What is the problem you wish to solve?
- Who is affected by the problem?
- How significant is this problem?
- Why is it important to solve this problem?
- What don’t you know about this problem?
- Gather data and research
  - Talk to **25+ people** who are affected by your problem
  - Library database search
- Fill out the *DifferenceMaker Toolkit Problem Worksheet*
Share Your Findings: Problem Identification

Rocket pitch
- In 1 Minute
- 1 person/team
- 1 sentence/point
- Introduction: Your name, your team and project name

Talking points:
- What is the problem your solution will solve?
- Who do you think is affected by your problem?
- How will your solution solve the problem?
Assessing Opportunities

What is the difference between an Idea and an Opportunity?

• Idea
  • Dime a dozen
  • Exists in your head
  • Unrealized, Untested

• Opportunity
  • A set of circumstances that creates a need for a new product, service, or business—makes it possible to do something
  • Discovering a problem, talking to customers about it, doing research on it, etc.
Assessing Opportunities

- **Opportunity Gap** – identifying a missing piece, a need, and a new way to address the gap.
  - New product, new way of doing something, etc.
  - Not driven by a desire to make and sell.
  - Driven by your ability to fulfill a market need (pain) and the markets interest in your solution – A two-way street
Assessing Opportunities

Potential Users

• Numbers, Numbers who has numbers?
• How many people are affected by the problem?
• What are their ages? Gender? Income? Profession?
• Where do they live? Work?
• What is their education level?
Assessing Opportunities
Potential Users

• Numbers are helpful in order to estimate the size of the opportunity-
  Credibility
  – Data

• Helps you to assess the scale of your idea
  – How big is it?? How big can it become??

• Also helps to determine first customers or users
Assessing Opportunities – Potential Users

- Numbers are best organized and reviewed in tables and graphs
- Easy to see, analyze, and show to others (judges)

![Age Distribution, Smartphones versus Tablets](image)

Source: Flurry Analytics, Sep 2012

![iPhone User Age](image)
Assessing Opportunities

WordPro Example

The Opportunity

<table>
<thead>
<tr>
<th>Home Language</th>
<th>Number of Grade 12 Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zulu</td>
<td>166,403</td>
</tr>
<tr>
<td>English</td>
<td>111,785</td>
</tr>
<tr>
<td>Xhosa</td>
<td>95,964</td>
</tr>
<tr>
<td>Sepedi</td>
<td>79,021</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>53,799</td>
</tr>
</tbody>
</table>

Table 1: Number of Grade 12 Students by Home Language

<table>
<thead>
<tr>
<th>Additional Language Chosen</th>
<th>Number of Grade 12 Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td>543,941</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>86,987</td>
</tr>
<tr>
<td>Zulu</td>
<td>17,204</td>
</tr>
<tr>
<td>Xhosa</td>
<td>2,369</td>
</tr>
</tbody>
</table>

Table 2: Grade 12 Students by Additional Language

WordPro
A digital flashcard app that helps teach high school students in South Africa a second language

The Opportunity

- Secondary Research
  - NSC Reports from Education Department
  - English is the most popular second language
  - 20% of Grade 12 students score less than 40%
  - Poor vocabulary cited as the main challenge
- Primary Research
  - Focus groups with teachers
  - Focus groups with students

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Assessing Opportunities

- Who is doing something similar?
- How is the problem currently being addressed?
- Who is currently addressing this problem? How big is their market share? Research!
- How effective is the current solution? Is there a Gap? Can you fill it? (Pain)
- How can current solutions be improved upon or changed?
- How is your solution different than your competitors?

who wants to win...
Assessing Opportunities
Happy Heart Cart Example

The Problem
- Hospitalized loved ones
- Lack of integrative, stimulating therapy
- Increased risk of depression

Happy Heart Cart
Activity carts that provide therapeutic practices to improve patient stays in hospitals

The Opportunity
- 80 hospitals in MA
- 50,000 patient stays at MGH
- 90% experience boredom
- Competition
  - Local stores/gift shops
  - Delirium Toolbox
Assessing Opportunities - Masela Dentures Example

**Need**

- Current dentures are too expensive
- 35 million people
  - 15% seeking treatment
  - 30 million untreated
- Socio-economic toll
  - 65% below poverty line, perpetuating stigma
  - Lack of dental insurance
  - Correlation to unemployment, depression, and malnutrition

**Masela Dental**
Affordable 3D Printed Dentures

**Current Denture Solutions**

- Expensive
  - Quality dentures $4,500-$8,000
- Labor Intensive
  - Requires skilled laborers
  - Complex manufacturing processes
- Patient & Dentist Dissatisfaction
  - 5-10 follow up appointments
  - Low profit margins
Assessing Opportunities

Competition Activity

• Get in teams

• Use your poster boards and markers to develop a “picture” of your potential competition

• Try to provide a sense of their relative size and how important this opportunity is to competitors

• What’s your competitive differentiator (value proposition)
How to Assess Your Opportunity

• Talk to the people who are affected by the problem - Surveys, questionnaires, etc.
• Talk to the people who will implement or use your solution (users and customers)
• Faculty Fellows and Staff
  • www.uml.edu/DifferenceMaker/Faculty
• Library Databases
  • Contact Donna Mullin, Business Reference Librarian
  • Lydon Library, 2nd Floor
  • Donna_Mullin@uml.edu, 978-934-4579
So Far, You Have...

- Defined the **Problem** your Team is Solving
  - Problem Statement
  - Who is affected by problem?
  - How are they affected by problem?
  - Why is it important to solve this problem?

- Assessed the Opportunity
  - Who currently addresses this problem?
  - How is the current solution delivered?
  - How effective is the current solution?
  - What can be improved? Alternative approach?
Questions Addressed Now

- What part of the problem are you trying to solve?
- Who is the affected group?
- What **VALUE** do you deliver to the affected group?
WHAT IS A VALUE PROPOSITION?

http://ecorner.stanford.edu/authorMaterialInfo.html;jsessionid=C88A82434C120C7FE39B9D5ABDD0494A?mid=2877
Getting The Customer Value Proposition Right Is Critical To Success

Map Customer to Value Proposition

Value Proposition

- Products
- Services
- Features

- Wins
- Results
- Pain Killers

Customer Segment

- Gains
- Pains
- JOB
- To Be
- DONE

FIT
Hydraulic Walker Example

Hydraulic Walker
A walker that utilizes hydraulic technology, can be used on stairs

Impact of the Hydraulic Walker

On the Consumer
- Decrease risk of falls on stairs
  - 1/3 of elderly population fall each year
- Prolong living in current home
  - 25% of baby boomers cite stairs as the biggest obstacle to staying in current home
- Improved quality of life through increased home and community access

On Insurance Companies and Hospitals
- Decrease length of hospital stays
  - Estimated $140,000,000/year for surgical patients alone
- Decrease hospital admission rates with newly improved balance on stairs
- Decrease the need for assistance from family and caregivers
Assessing Opportunities

invisaWear Example

Problem

- Every 107 seconds, an American is sexually assaulted.
- 17.5 Million Students enrolled in College Campuses in the US alone.
- People in developing nations all over the world who can’t rely on response time.
  * over 80 million people in Egypt alone

invisaWear

A wearable device that connects to a smart phone to send help message and location to emergency contact.

SOLUTION

Flaire:

- Coin-Sized component that fits into wearable devices
- Easily accessible
- Discreet
- Reliable
- Worldwide need

When pressed, communicates with phone via Bluetooth to send alert messages containing location information to pre-determined emergency contacts (or police via automated voice message).
What Characterizes a Value Proposition?

Value propositions describe the **WHAT** you are providing, to **WHOM** you are providing it, and **HOW** it solves the customer’s problem

...and **WHY** it is better, faster and / or cheaper than competitive offerings (i.e., differentiated offering)
Value Proposition Mad Lib

We sell **A** {our product} to **B** {your customer: the person or entity who will pay you money}.*

Our customer has a problem and it is **C** {describe the problem}.

We solve this problem by **D** {describe how you solve their problem AND WITH WHAT DIFFERENTIATORS!}
We sell/providing a low cost, durable, and natural prosthetic limb to amputees

Our customer has a problem and it is the lack of availability of affordable limbs that can improve quality of life.

We solve this problem by mass producing easily adjustable prosthetic components.

They may have tried heat shrinking soft drink bottles to your residual limb to stabilize objects during everyday tasks or waiting 3-6 months to receive a customized limb from your provider that is beyond their means.

We’re different because we provide kits for caregivers that allow for efficient customization and easy at home adjustment for patients.
Your Value Proposition Activity

We sell **A** {our product} to **B** {your customer: the person or entity who will pay you money}.*

Our customer has a problem and it is **C** {describe the problem}.

We solve this problem by **D** {describe how you solve their problem AND WITH WHAT DIFFERENTIATORS!}.

Are they **succinct** about their product?
Are they **specific** about who their customer is?

Are they **convincing** about the problem?
And is this a problem for their customer...or is it some other problem?

Are they **addressing** the problem with their solution?
Do they **differentiate** their product (“faster, better, cheaper” etc.) and do they **quantify** those differentiators (25% cheaper, 10% faster etc.)?
Your Value Proposition Activity

• Get in teams
• Use your poster boards and markers to fill in the blanks:

We sell **A** {our product} to **B** {your customer: the person or entity who will pay you money}.*

Our customer has a problem and it is **C** {describe the problem}.

We solve this problem by **D** {describe how you solve their problem AND WITH WHAT DIFFERENTIATORS!}
What’s Next?

• Workshop 3 - Developing Business Models
  • Guest Speaker: Tom O’Donnell, Director, Innovation Hub
  • Mon., Feb. 27, 5:30-7:30 PM, Lydon Library, Room 110

• Complete the Problem and Opportunity Worksheets

• Begin completing the Solutions Worksheet

• Idea Plan Due March 6
  • Log on to TeamMaker, go to the Manage link, and complete your Idea Plan!
Contact Us!

• Visit Us:
  • DifferenceMaker Central
  • Lydon Library, Suite 012, North Campus—Next to Starbucks

• Stay Connected:
  • www.uml.edu/differencemaker
  • differencemaker@uml.edu
  • @difference.uml