Workshop 2: Assessing Opportunities & Value Proposition

February 22
DifferenceMaker Program
Intros and Reminders

• Idea Plan Due March 5
  • Log on to TeamMaker, go to the Manage link, and complete your Idea Plan!

• Need help? Come to DifferenceMaker Central!

• Guest Speakers:
  • Brent Shell, Health Sciences
  • Neil Shortland, FAHSS
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 15+ 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.

Everything should taste like pickles
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

"An apparatus for use as a toy by an animal, for example a dog, to either fetch or carry or chew..."
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

Savannah Marshall, founder of Fresh Beets, catering an event!
Assessing Opportunities – Potential Users

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

Source: Flurry Analytics, Sep 2012
Assessing Opportunities

WordPro Example

<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
Assessing Opportunities

Competition

- 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?
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
Map Customer to Value Proposition

Getting The Customer Value Proposition Right Is Critical To Success
Hydraulic Walker Example

A walker that utilizes hydraulic technology, can be used on stairs.
Assessing Opportunities
invisaWear Example

Problem

Every 107 seconds, an American is sexually assaulted.
Each year, there are about 293,000 victims of sexual assault.

17.5 Million Students enrolled in College Campuses in the US alone

“It is overwhelming how unsafe students say they feel...parents and students feel they don’t have much control in keeping themselves safe or protecting themselves from tragic senseless crimes.”
- Jonathan Kasso, Executive Director of Security on Campus Association

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

VALUE
- 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 and Professor Hunter Mack, Engineering
  - Feb. 26, 5:30-7:30 PM, Lydon Library, Room 110

- Complete the Problem and Opportunity Worksheets

- Begin completing the Solutions Worksheet

- Idea Plan Due March 5
  - 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:**
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  - differencemaker@uml.edu
  - @difference.uml