

New business first steps - You have an idea, then what?

Dutch Disruptive Ventures

You consider a startup – what is it?

"A startup is an organization formed to search for a repeatable and scalable business model"

Steve Blank



From idea to scalable concept, testing uncertainties, managing risk

O Degree of proof for the business model

Questions	Low Degree of Proof					High
Is there an important unmet customer need?	Said	Shown	Used	Purchased	Repeated	Advocated
Can we deliver the right solution?	Dreamed	Drawn	Prototyped	Piloted	Delivered	Scaled
Can it become a profitable growth business?	Model: Envelope	Model: Unit Economics	Model: Entire Business	Revenue Producing; Unit Economics Validated	Line of Sight to Profitability	Profitable

Ready to Test

Ready to Scale

3 steps once you have an idea

1. Document your idea

2. Identify and prioritize critical assumptions, test those first

3. Run experiments, increase money spent with certainty

Step 1: Document (Is there a need)?

TARGET CUSTOMER

- Who is the customer?
- What job is the customer struggling to get done, in what circumstance?
- What suggests that the job is important and unsatisfied?
- Who else is involved in the decision to purchase and use? What are their jobs to be done? Why will they support the idea?

THE PROPOSITION

- What is the essence of the proposition?
- How will the proposition ease the pain of the customer and stakeholders?
- How does it compare with other ways the customer could get the job done? What makes it different and better?
- What will it look and feel like?

ENTERING & EXPANDING

- What is the foothold market where you will start?
- What is the plan to expand from the foothold?
- Which competitive solutions are you most worried about? How might you get them to ignore you? How will you beat them?

Step 1: Document (Can you deliver)?

OPERATIONS

- What are the key activities involved in the opportunity?
- Who is doing what?
- What will you do?
- What partnerships will you need to form?
- What will you need to acquire?

TEAM

- Who is on the team?
- What have they done in the past that suggests that they have any chance of succeeding?

Step 1: Document (Is it worth it)?

THE ECONOMICS

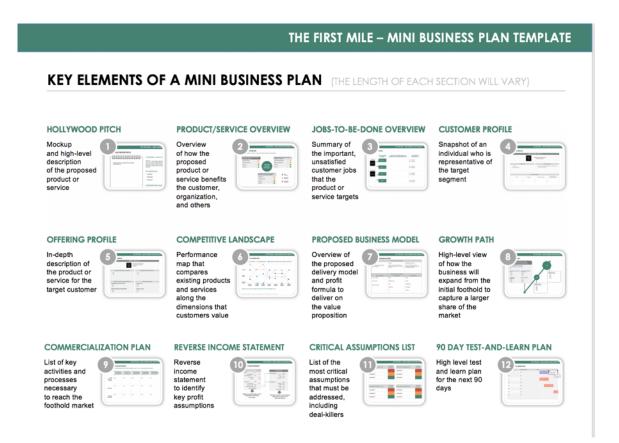
- What are the most likely revenue streams?
- What is the cost of earning those revenues?
- What infrastructure will be required?
- What capital expenditures are required?

INVESTMENT RETURNS

- How much money is required to execute the plan?
- How long will it take to earn a return on that money?

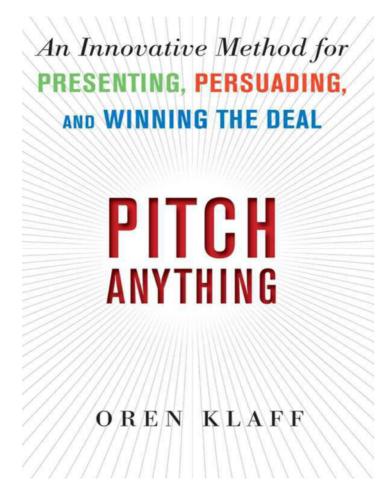
Document template and example available

https://www.dutchdisruptiveventures.com/tools





Always introduce your idea with the 1-minute formula



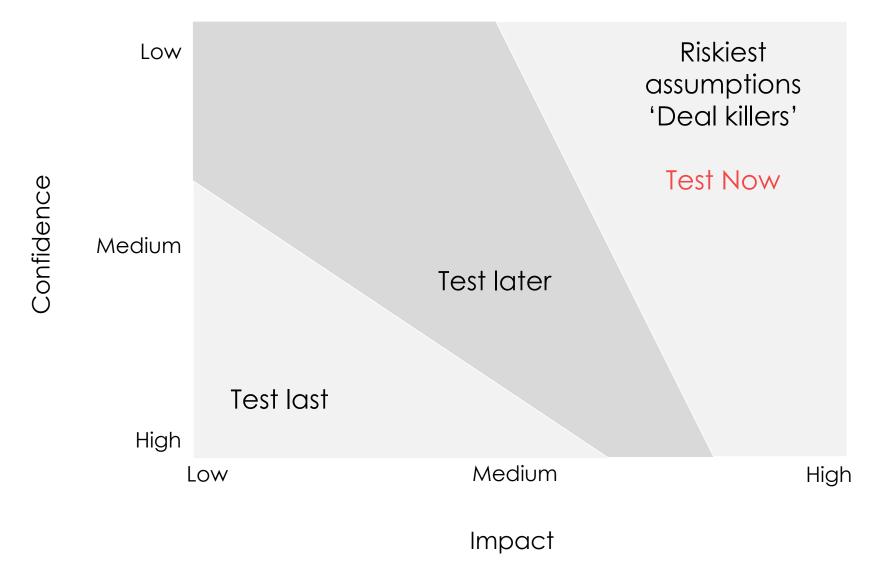
The idea introduction pattern by Geoff Moore, Author of 'Crossing the Chasm'

"For [target customers]
Who are dissatisfied with [the current offerings in the market].
My idea/product is a [new idea or product category]
That provides [key problem/solution features].
Unlike [the competing product].
My idea/product is [describe key features]."

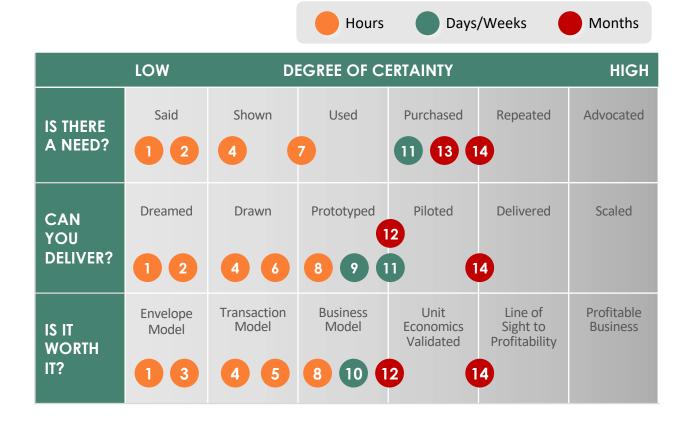
Example:

"For companies with large buildings in California and Arizona Who are dissatisfied with their aging solar panels. My product is a plug-and-play solar accelerator That provides 35 percent more energy from old panels. And unlike the cost of replacing panels, My product is inexpensive and has no moving parts."

Step 2: Identify and prioritize critical assumptions, test those first



Step 3: Run experiments, increasing money spent with certainty



- 1. Desk Research
- 2. Thought Experiment
- 3. Back-Of-Napkin 4P model
- 4. Phone Call
- 5. Transaction Walkthrough
- 6. MacGyver Prototype
- 7. Customer Conversation
- 8. Reverse Income Statement
- 9. Focused Feasibility Test
- 10. Detailed Financial Model
- 11. Transaction Test
- 12. Business Model Prototype
- 13. Small-Base Usage Test
- 14. Operational Pilot

Dutch Disruptive Ventures

Wij zijn Nederlandse venturing experts met jarenlange internationale en eigen start-up ervaring, die willen bijdragen aan het herstel van de Nederlandse economie en het creëren van banen, door getalenteerde founders te helpen winstgevend groeiende bedrijven te bouwen.

Nu is er de noodzaak én opportuniteit. We zien echter in onze ogen te hoge start-up failure rates. Een andere mindset en strategische keuzes met ongekende professionaliteit en kennis van o.a. disruption theory zal het verschil maken -- juist in de pre-investment fase waar professionele ondersteuning veelal ontbreekt.

We bieden "Coaching before Capital", pre-seed professionele ondersteuning om het idee en het team te shapen, plus eerste ronde investering met een netwerk van Nederlands' beste innovatie experts.

De beste starters zoeken investeerders op die hen sterker weten te maken. Wij staan met onze expertise en praktische daadkracht binnen 24 uur voor je klaar. Neem daarom nu contact op met <u>Bas.Kemme@gmail.com</u> of <u>Coenraad.de.Vos@gmail.com</u>.