Successful Entrepreneurship for Microsystems

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Course presented at UCSD CSE 190, Spring Quarter 2014
So far…

- Entrepreneurship Overview
- Projects and Projects selected, Round 1 presentation
- Microsystem
  - History
  - Market Drivers
  - Lifecycle
- Mobile Apps opportunities
  - Learnings from Dr. Greg Hoovers’s session
    - Mobile Apps alone
      - difficult business
      - Could get lucky a’la WhatsApp
      - iOS or Google Play?
- Intro to Business Plan, Business Model Canvas
- Presentation template
Towards “Plan A” – an iterative process
Case Study
“Running Lean”…book writing project by Ash Maurya

Validate QUALITATIVELY
Focus on “Early Adopters”

Ref: Ash Maurya, “Running Lean”
Target Early Adopters
…from Geoffrey Moore, “Crossing the Chasm”, “Dealing with Darwin”
CISCO example of Category-Maturity Life Cycle
...from Geoffrey Moore, “Crossing the Chasm”, “Dealing with Darwin”
Target Early Adopters
...from Geoffrey Moore, “Crossing the Chasm”, “Dealing with Darwin”
Target Early Adopters
...from Geoffrey Moore, “Crossing the Chasm”, “Dealing with Darwin”
Case Study
“CloudFire”…a Media Sharing capability

CASE STUDY: CLOUDFIRE

Background:

Prior to CloudFire, I had launched a file-sharing application called BoxCloud that simplified the process of sharing large files, using a proprietary peer-to-web (p2web) framework we had built.

BoxCloud’s unique value proposition (UVP) was that it allowed the sharer to share a file/folder directly from his computer without any uploading. Recipients accessed the shared file/folder directly from their browser without the need to install any additional software.

BoxCloud was primarily targeted at business users and was in use by graphic designers, attorneys, accountants, and other small-business owners.

I was interested in exploring other uses of the p2web framework, especially around media sharing (photos, videos, and music), which is how CloudFire came about.

Really broad category:

Anyone that shares lots of media content.

More specific possible customers:

- Photographers
- Videographers
- Media consumers (scratch my own itch)
- Parents

While I was initially drawn to building something for the consumer segment (with myself as the prototypical customer), I had recently become a parent and witnessed some pain points around photo and (especially) video sharing. That is the segment I decided to model first.

Ref: Ash Maurya, “Running Lean”
# Building the Lean Canvas Business Model

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>SOLUTION</th>
<th>UNIQUE VALUE PROPOSITION</th>
<th>UNFAIR ADVANTAGE</th>
<th>CUSTOMER SEGMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 3 problems</td>
<td>Top 3 features</td>
<td>Single, clear, compelling message that states why you are different and worth buying</td>
<td>Can’t be easily copied or bought</td>
<td>Target customers</td>
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<table>
<thead>
<tr>
<th>KEY METRICS</th>
<th>8</th>
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<tbody>
<tr>
<td>Key activities you measure</td>
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<table>
<thead>
<tr>
<th>CHANNELS</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Path to customers</td>
<td></td>
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<table>
<thead>
<tr>
<th>COST STRUCTURE</th>
<th>7</th>
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</thead>
<tbody>
<tr>
<td>Customer Acquisition Costs</td>
<td></td>
</tr>
<tr>
<td>Distributing Costs</td>
<td></td>
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<tr>
<td>Hosting</td>
<td></td>
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<tr>
<td>People, etc.</td>
<td></td>
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</table>

<table>
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<tr>
<th>REVENUE STREAMS</th>
<th>6</th>
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</thead>
<tbody>
<tr>
<td>Revenue Model</td>
<td></td>
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<tr>
<td>Lifetime Value</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Gross Margin</td>
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Lean Canvas is adapted from The Business Model Canvas (http://www.businessmodelgeneration.com) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

Ref: Ash Maurya, “Running Lean”

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Building the Lean Canvas Business Model – Some Guidelines

- Distinguish between Customers and Users
- Split broad customer segments into small ones
  - Can’t build a product for everyone
  - Select/Target a specific customer initially
- Put everyone on the same canvas at first
- Sketch a Lean Canvas for each customer segment

- It’s ok to leave sections blank
- Be concise
- Use a customer-centric approach

Ref: Ash Maurya, “Running Lean”
Building the Lean Canvas Business Model – UVP

- Be Different, but make sure your difference matters
- Target Early Adopters
- Focus on finished story BENEFITS
  - Features are nice, but BENEFIT is key for the customer
- Clear Headline
  - end result customer wants + specific period of time
    + consequence
- Example, Domino’s:
  - “Hot fresh Pizza delivered to your door in 30 minutes, or it’s free”
- Pick your words carefully and OWN them
  - Ex, Performance – BMW, Prestige – Mercedes
- What, Who, Why?
- Study competition , and other good UVPs
- Create a high concept pitch

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<tr>
<td>Sharing lots of photos/videos is time-consuming.</td>
<td>Instant, no-upload sharing</td>
<td>The Fastest Way to Share Your Photos and Videos</td>
<td></td>
<td>Parents (creators)</td>
</tr>
<tr>
<td>Parents have no free time.</td>
<td>iPhoto/folder integration</td>
<td></td>
<td></td>
<td>Family and friends (viewers)</td>
</tr>
<tr>
<td>There is lots of external demand on this content.</td>
<td>Better notification tools</td>
<td></td>
<td></td>
<td></td>
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*Existing alternatives:* Flickr Pro, SmugMug, Apple MobileMe, Facebook

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<td><em>High-level concept:</em> Photo and video sharing without the uploading</td>
<td>Early adopter: Parents with young kids</td>
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HW 6.1 – Lean Canvas

*No submission required*

Create a Lean Canvas for your Project for the Problem, Customer Segments, Solution and UVP phases.

Note – the complete Canvas will be required for submission next week.