

<https://www.youtube.com/watch?list=PLKfWL8IXgKBte4TfD53pLaHONfSYCX0RH&v=VcP4vht8bho>

<http://bottomsupbeer.com/howitworks>

E4S

PLANNING

WELCOME BACK

PLANNING!



ONE SHARED FEATURE OF MOST MODELS



CUSTOMER ADDED VALUE:

**What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)**

INTERNAL ANALYSIS:

Do we have what is needed? (can we play?)

EXTERNAL ANALYSIS:

Who is against us and who can we team up with? (can we win?)

ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)

ONE SHARED FEATURE



CUSTOMER ADDED VALUE:

**What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)**

INTERNAL ANALYSIS:

Do we have what is needed? (can we play?)

EXTERNAL ANALYSIS:

Who is against us and who can we team up with? (can we win?)

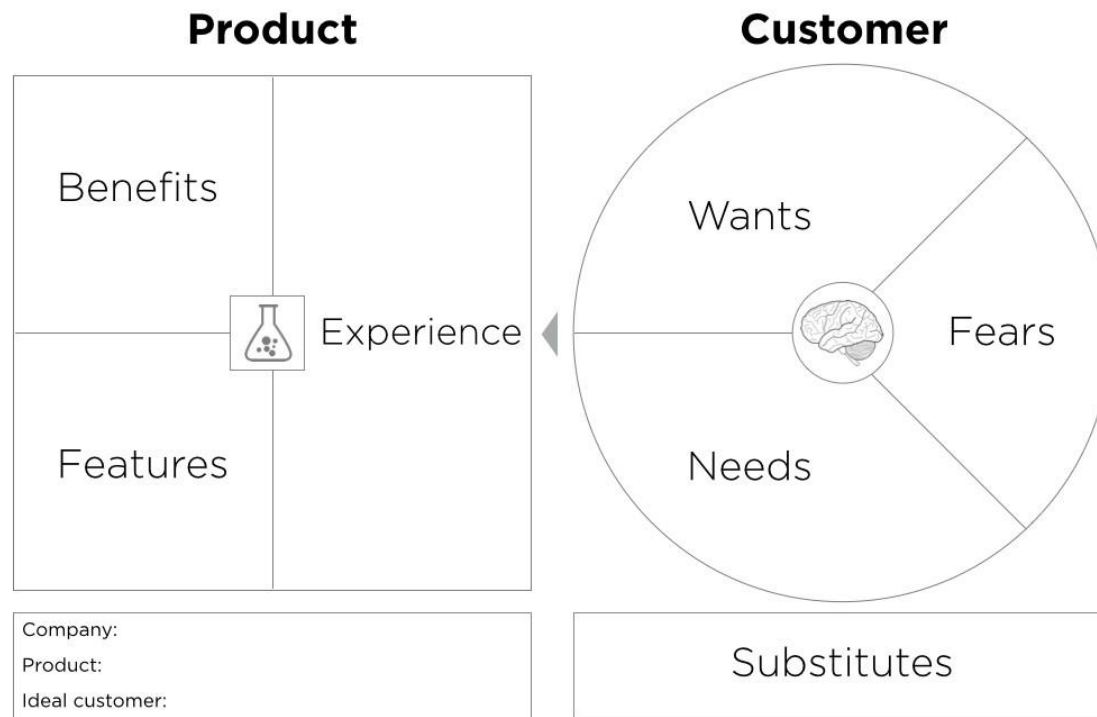
ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)



Find a solution to a problem that is shared by people who are willing to pay to solve it.

Value Proposition Canvas



Based on the work of Steve Blank, Clayton Christensen, Seth Godin, Yves Pigneur and Alex Osterwalder. Released under creative commons license to encourage adaption and iteration. No rights asserted.

<http://www.peterjthomson.com/2013/11/value-proposition-canvas/>



Find a solution to a problem that is shared by people who are willing to pay to solve it.

A three sentence pitch:

“For <target customers> who are dissatisfied with <the current offering of the market> my idea/product is <describe the idea/product> that provides <describe key features>. (Unlike <the competing product>, my idea is <describe key features>.) It’s <make it stick!>”

G. A. Moore (2002), *Crossing the chasm*, HarperCollins

O. Klaff (2011), *Pitch anything*, McGrawHill

Last sentence: Prof. R. Dew

CUSTOMER ADDED VALUE IN 1 SENTENCE: e.g. #1



CUSTOMER VALUE PROPOSITION



For young winemakers
who want to avoid the
risk of spoiled
production...

...we have developed a portable microscope for
at-line control of yeast cells.
It's an insurance against disaster!



PORTABLE / EASY TO USE



HIGH RESOLUTION (1 μm)



LARGE FIELD OF VIEW (6 mm x 6 mm)



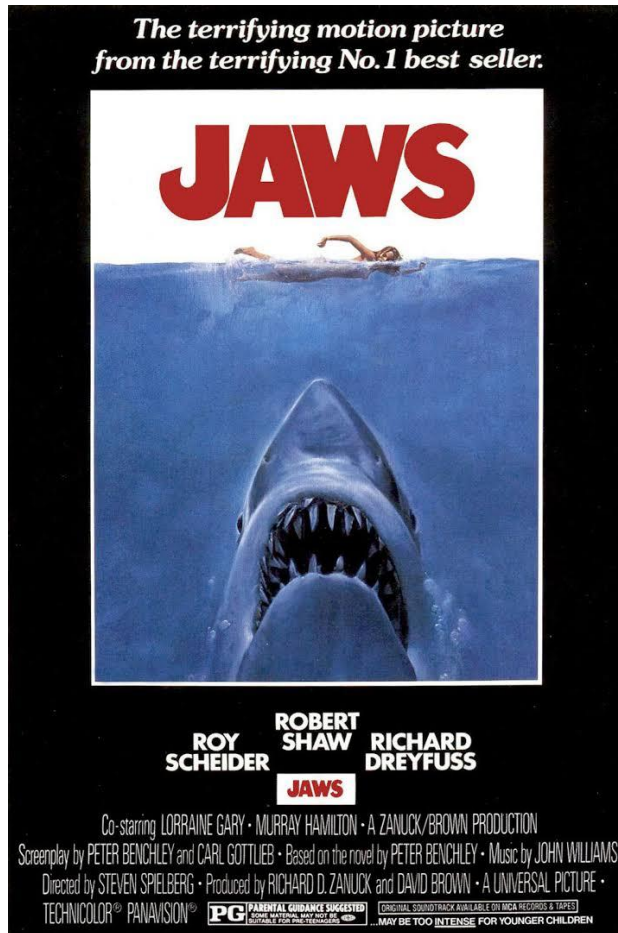
LOW PRICE (BoM < 1,000 €?)



CUSTOMER ADDED VALUE IN 1 SENTENCE: e.g. #2



“It’s Jaws, in space”



Dan O'Bannon, screenwriter of Alien
(see, for example:

<http://web.archive.org/web/20080905074007/http://www.montrealmirror.com/ARCHIVES/2003/102303/film1.html>)

CUSTOMER ADDED VALUE IN 1 SENTENCE: e.g. #3



KICKSTARTER Discover Start a project About us Search Projects

A shirt with the power to change lives
CHARITY (AND USED BY OTHERS)
PRODUCER'S SIDE

A shirt you will not regret buying
COMPANY
CUSTOMER'S SIDE

The screenshot shows a Kickstarter campaign for 'VIRTU shared sense'. The left side features a video player with a woman sewing and a white shirt. The right side displays campaign statistics: 679 backers, €52,287 pledged (out of a €50,000 goal), and 3 days to go. A green 'Back This Project' button and a 'Remind me' link are visible. A 'KICKSTARTER STAFF PICK' badge is on the shirt image. The bottom of the page shows the project location as Berlin, Germany, and the category as Apparel.

VIRTU
shared sense.

679
backers

€52,287
pledged of €50,000 goal

3
days to go

Back This Project ★ Remind me

This project will be funded on Tue, Jan 12 2016 12:56 PM CET.

Berlin, Germany Apparel

VIRTU shared sense

ONE SHARED FEATURE



CUSTOMER ADDED VALUE: ✓

What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)

INTERNAL ANALYSIS:

Do we have what is needed? (can we play?)

EXTERNAL ANALYSIS:

Who is against us and who can we team up with? (can we win?)

ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)



RESOURCE BASED THEORY OF A FIRM

B. Barney (1991), *Journal of Management* 17, 99

RESOURCES: “the stocks of available factors that are owned or controlled by the firm”

CAPABILITIES: “the firm capacity to deploy resources [...] to effect a desired end”

R. A. Amit and P. J. H. Shoemaker (1993), *Strategic Management Journal* 14, 33

NOUNS (thing that you have)

VERBS (things that you do)



(Textbooks:
Tangible, Intangible, and Human)

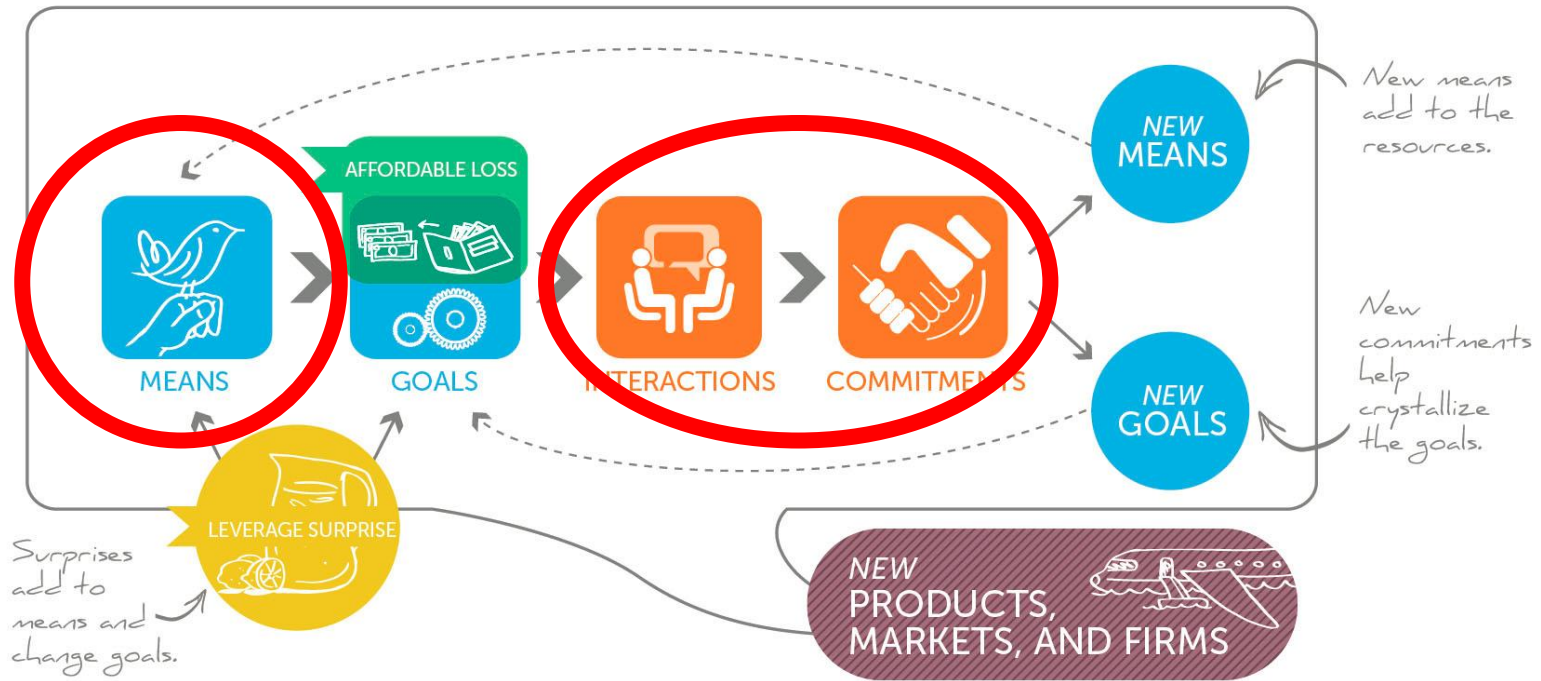
Human
Social
Financial
Physical (e.g., location)
Technical
Organizational



C. G. Brush, P. G. Greene, M. M. Hart, and H. S. Haller (2001),
Academy of Management Executive 15, 1

...and don't forget to keep an eye on your liabilities!

INTERNAL ANALYSIS IN EFFECTUATION THEORY



Human
Social
Financial
Physical (e.g., location)
Technical
Organizational

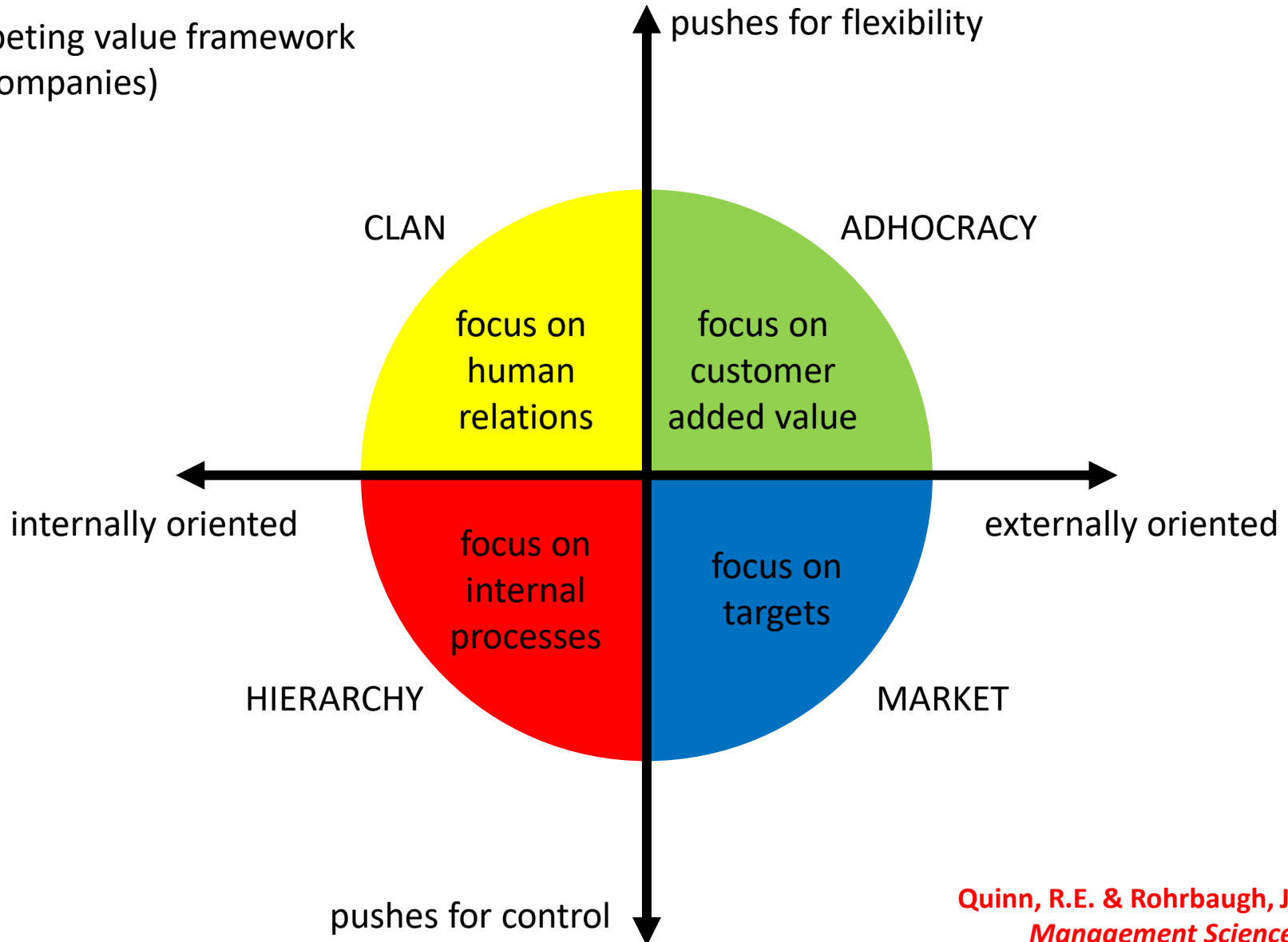
C. G. Brush, P. G. Greene, M. M. Hart, and H. S. Haller (2001),
Academy of Management Executive 15, 1

...and don't forget to keep an eye on your liabilities!

INTERNAL ANALYSIS: HUMAN RESOURCES



Competing value framework
(for companies)

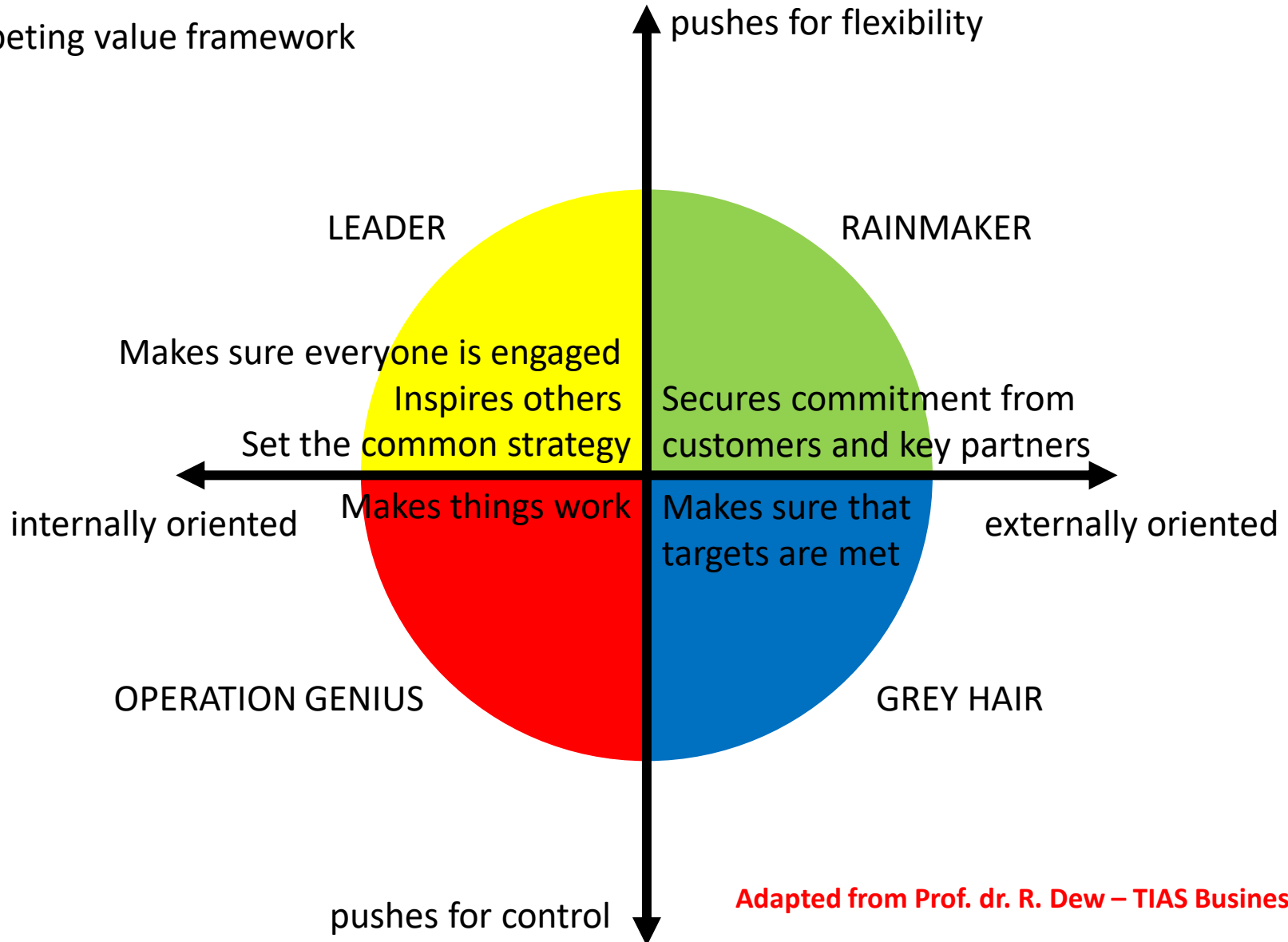


Quinn, R.E. & Rohrbaugh, J. (1983),
Management Science 29, 363

INTERNAL ANALYSIS: HUMAN RESOURCES



Competing value framework



Adapted from Prof. dr. R. Dew – TIAS Business School

INTERNAL ANALYSIS: HUMAN RESOURCES



Competing value framework



Adapted from Prof. dr. R. Dew – TIAS Business School

ONE SHARED FEATURE



CUSTOMER ADDED VALUE: ✓

What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)

INTERNAL ANALYSIS: ✓

Do we have what is needed? (can we play?)

EXTERNAL ANALYSIS:

Who is against us and who can we team up with? (can we win?)

ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)



Market segments

Market size

Market trends

Competition landscape

(Cooperation landscape; will be discussed later)

You should already know from your customer value proposition...
...but it is a good time to check!

Can we reach a **SUSTAINED COMPETITIVE ADVANTAGE?**

...that will last while and after
competitors try to imitate it.
Equilibrium position!

(not necessary infinitely long;
external non competitive factors
may play a role: change in trends,
laws, social and political conditions...)

The company is able to deploy a
strategy (rephrase it: a customer
value proposition) that cannot be
implemented by any of the current or
potential competitors

B. Barney (1991), *Journal of Management* 17, 99

EXTERNAL ANALYSIS: SUSTAINED COMPETITIVE ADV.



Can we reach a SUSTAINED COMPETITIVE ADVANTAGE?

?????

Yes, if we have resources and/or capabilities that are:

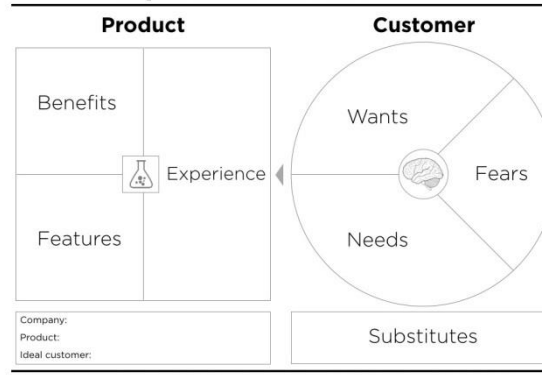
V: Valuable (they serve the purpose)

R: Rare (very few competitors have it)

I: Inimitable (competitors cannot reproduce it as is)

nS: non-Substitutable (competitors cannot make something that does the same thing)

Value Proposition Canvas



Wait a minute! Maybe the model misses something!

B. Barney (1991), *Journal of M.* 17, 99



ADAPT TO CONTINGENCIES OVER PREDICTION:

Entrepreneurs:

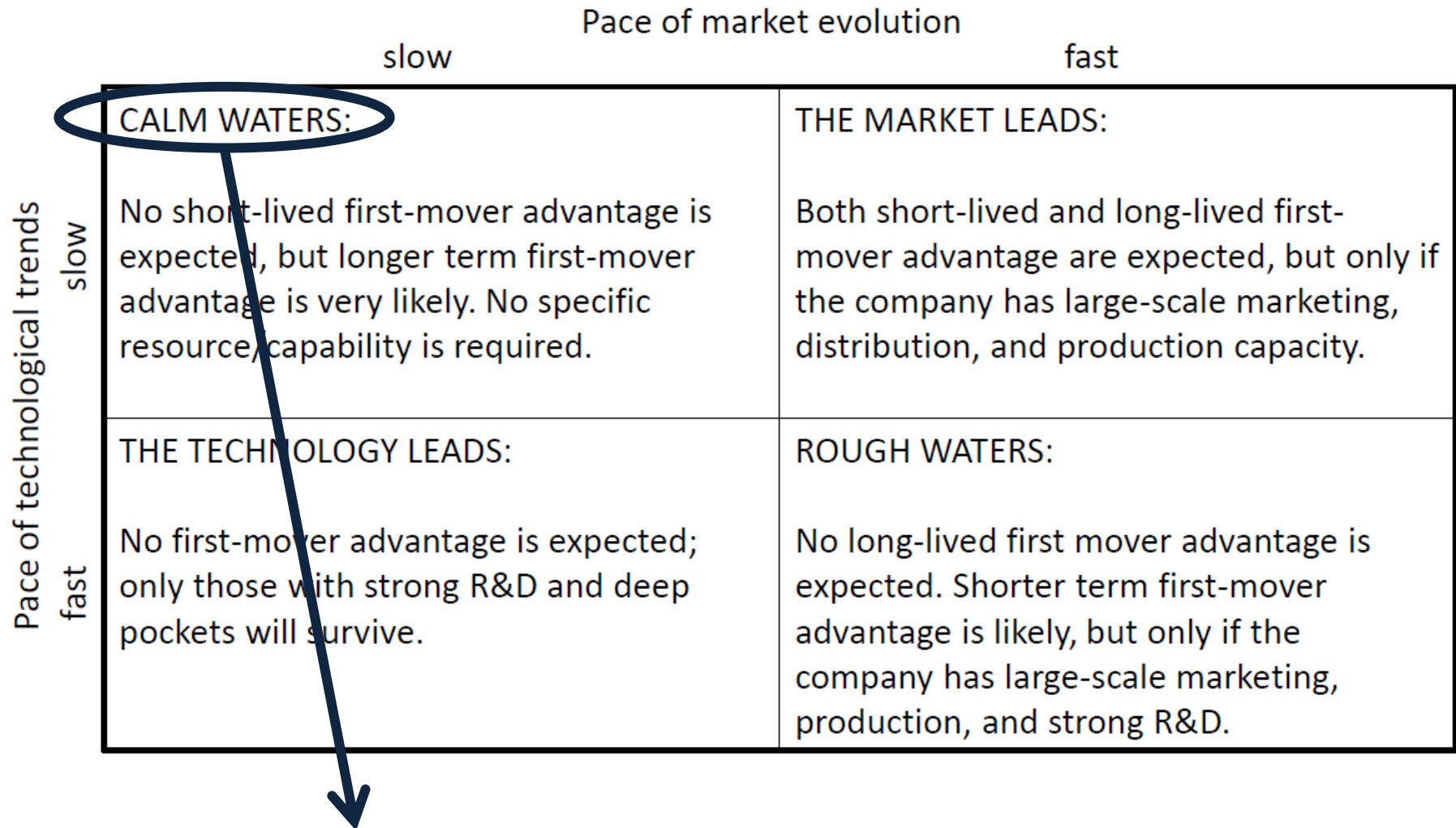
- not looking for an ex-ante equilibrium position (maybe it does not even exist!)
- but more to move the boundary where they want them to be!

FIRST-MOVER COMPETITIVE ADVANTAGE!

Get the lead in geographic space, human resources, customer perception space.

M. B. Lieberman and D. B. Montgomery (1998), *Strategic Management Journal* 19, 1111
D. G. Sirman, M. A. Hitt, J.-L. Arregle, J. T. Campbell (2010), *Strategic Management Journal* 31, 1386

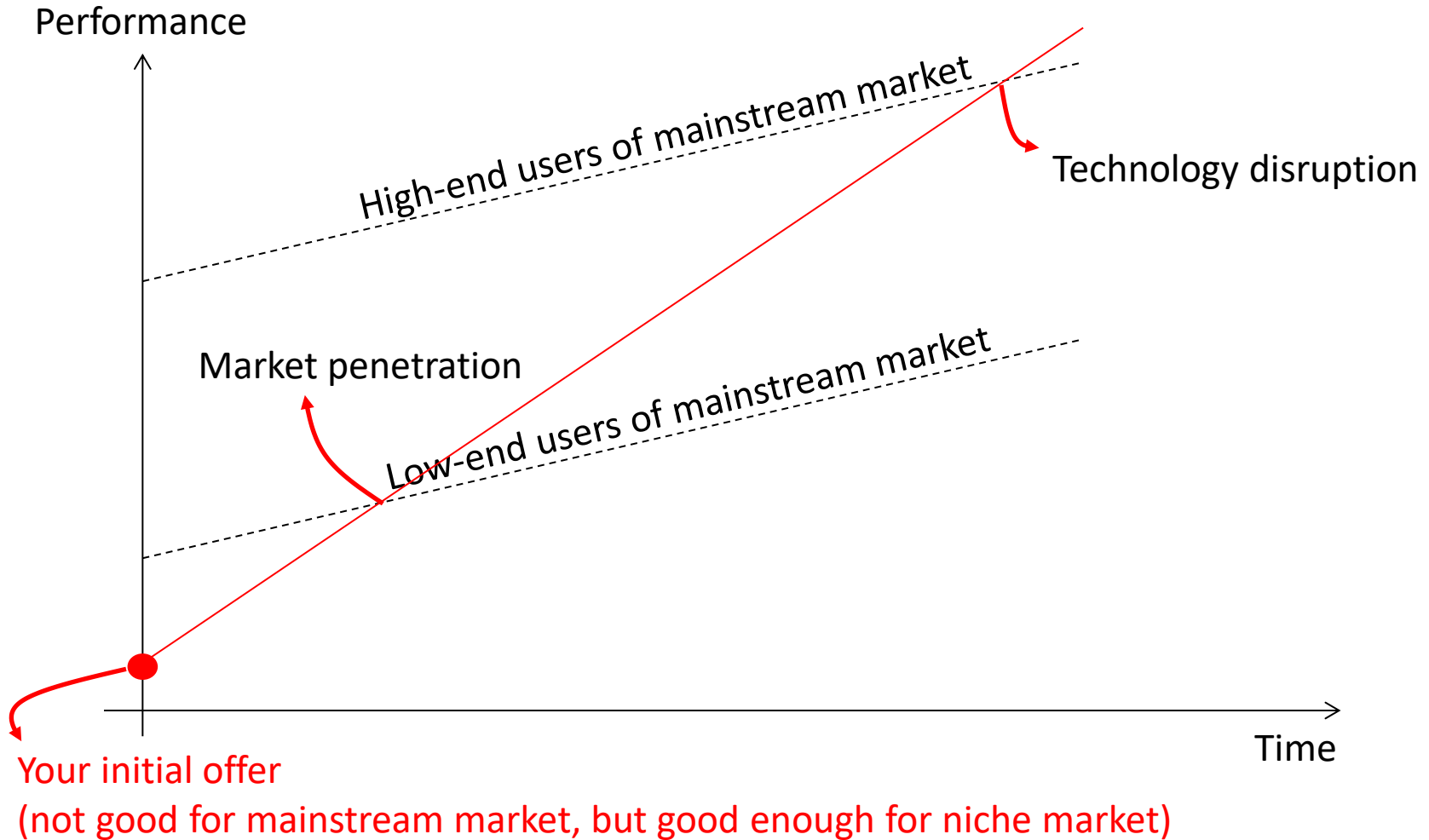
EXTERNAL ANALYSIS: TEMPORARY COMPETITIVE ADV.



Find the right segment

F. Suarez and G. Lanzolla (2005)
Harvard Business Review, April, 121

EXTERNAL ANALYSIS: DISRUPTIVE TECHNOLOGY



C. M. Christensen

The Innovator's Dilemma (Harvard Business Review Press, 1997)

IS FIBER-TOP TECHNOLOGY DISRUPTIVE?



YESTERDAY:

Could have been an AFM
(but probes were not competitive);
decided to focus on indentation (niche market)

TODAY:

30 instruments sold worldwide

Probes are much more competitive, and the
instrument can be transformed into an AFM

Can we disrupt the AFM market?



ONE SHARED FEATURE



CUSTOMER ADDED VALUE: ✓

What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)

INTERNAL ANALYSIS: ✓

Do we have what is needed? (can we play?)

EXTERNAL ANALYSIS: ✓

Who is against us and who can we team up with? (can we win?)

ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)

VALUE CAPTURING: ONE WORD OF ADVICE



WHO PAYS ≠ WHO BUYS ≠ WHO USES

Example:

Master student: “I need a new microscope”

PhD student: “I will look for the best one”

Professor: “If I am convinced, I will buy it for you”

Funding agency: “You are allowed to”

ANALYZE THE VALUE CHAIN: WHO GETS THE MONEY? YOU, YOUR SUPPLIERS, THE RETAILER?

SOMETIMES THERE ARE OPPORTUNITIES FOR NON-OBVIOUS REVENUE STREAMS!

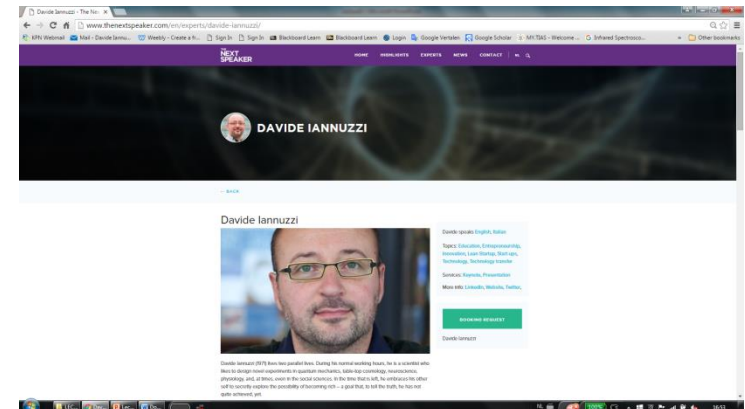
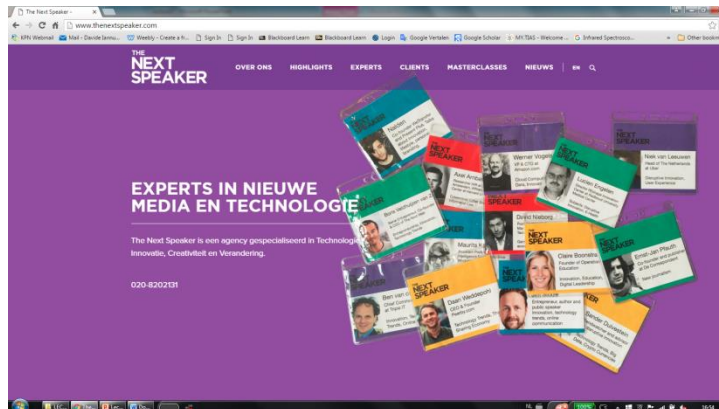
Example:

“Entrepreneurship for Scientists”

a course (for free)

a book (for pay)

a ticket to get keynote speaker invitations





CUSTOMER ADDED VALUE:

What are we offering to our customers? Which problem are we solving for whom?
(which game are we playing?)

YOU KNOW EVERYTHING ABOUT IT BY NOW!

INTERNAL ANALYSIS:

Do we have what is needed? (can we play?)

RESOURCES AND CAPABILITIES

EXTERNAL ANALYSIS:

Who is against us and who can we team up with? (can we win?)

VRInS / or FIRST MOVER ADVANTAGE

ANALYSIS OF THE VALUE-CAPTURING MODEL:

How are we going to make more than what we spend? (is it worth playing at all?)

NOT AS TRIVIAL AS IT MAY SOUND

NEXT STOP: BUSINESS CANVAS