

Ideation Master Class

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About Dave

- 5X founder, Board Member, former SVP Programs at UP Global (Startup Weekend + Startup America)
 - Startup Next creator and Startup Week
- Senior Partner, Fearless.fund
- Author – "[Trajectory: Startup – Ideation to Product Market/Fit](#)"
- >15 transactions – 8 sell side, 2 buy side now with [NextPath Advisors](#)
- WTIA Startup Programs Board Chair



Agenda

- ▣ Starting with your Why
- ▣ Design Thinking
- ▣ 11 Ideation Frameworks

- ▣ Market Size/Research homework

Starting with your Why?

[Link](#) to Simon Sinek Video



Starting with Why!

- ▣ Doing a startup is difficult, odds of failure are high
 - ▣ Shackleton graphic
 - ▣ Simon Sinek Video
 - ▣ About the \$\$
 - ▣ Changing the world
 - ▣ Solving a problem
 - ▣ Big or little
 - ▣ Expensive or cheap
 - ▣ A lot of solutions or not many
 - ▣ Unique Intellectual Property – or not

Passion is important – but not
sufficient

Questions?

Take 5 minutes now and write
down your Why

Now – let's talk about WHAT
you're pitching!

Your WHY won't matter, if...

You can't explain "WHAT" you are doing.

If there is no novelty in "HOW" you are doing it.

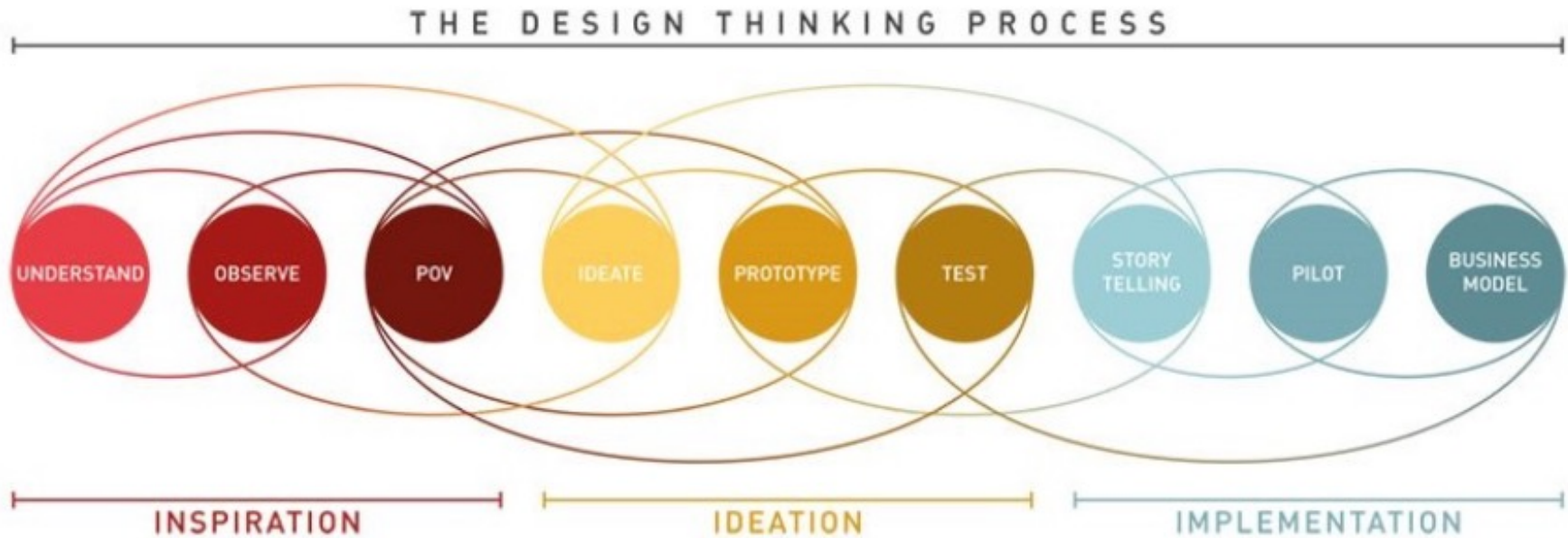
Design Thinking

d.school's 5 Stage Process

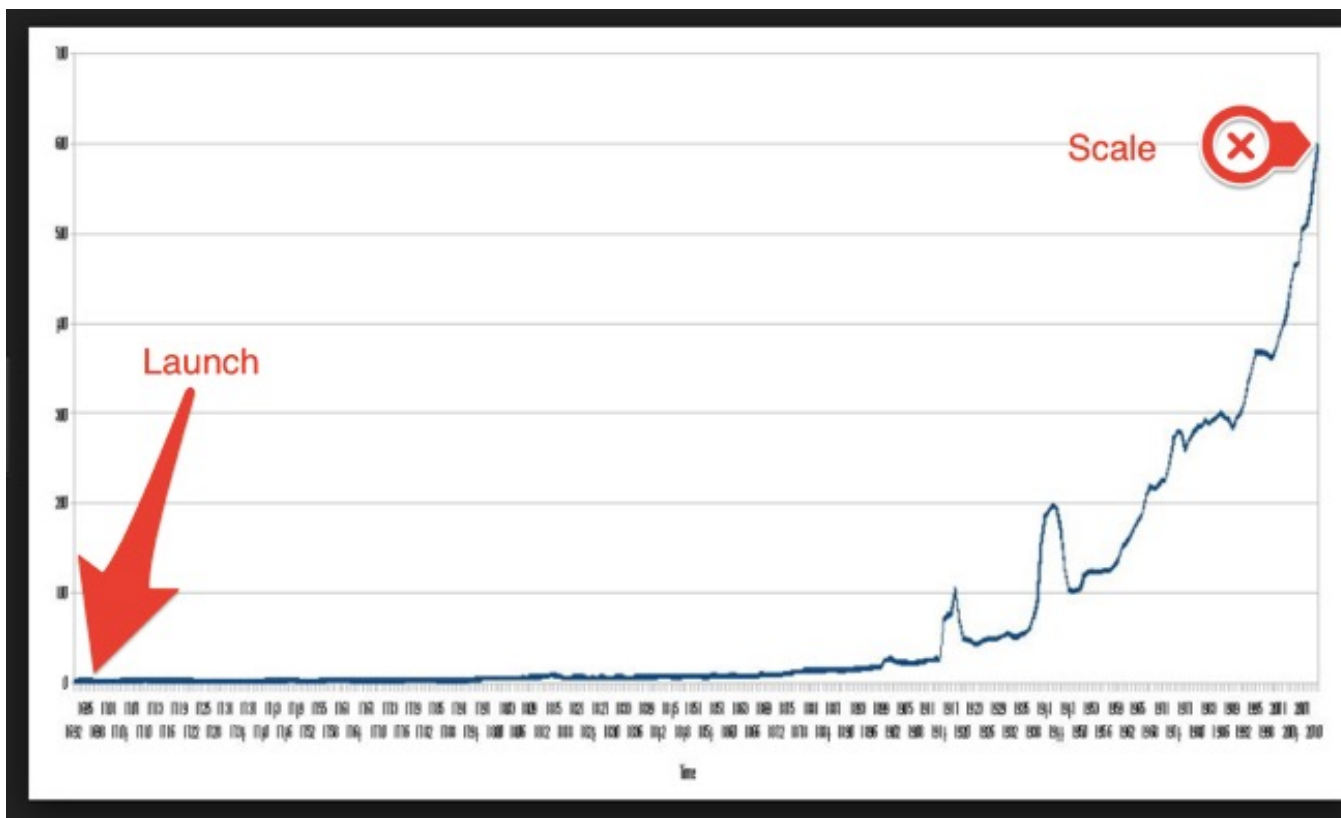
1. Empathize
2. Define the problem
3. Ideate on solutions
4. Prototype product
5. Test



Design Thinking Process



Your idea changes over time



Categorizing your Solution

	Product	Service
B2B	Salesforce	Consulting
B2C	Games	For profit school

Ideas vs Products vs Platforms

Ideas vs product

Ideas

- ▣ Abstract
- ▣ Concepts
- ▣ Cheap

Products

- ▣ Concrete
- ▣ Actionable
- ▣ Require execution

Platforms

- Are like AWS – you can build, deploy and manage on top of them
- Early on, be a product, solve a problem.
- When investors hear “platform” early (pre-revenue, early product) they just wonder if you really have anything!

13 Ideation Frameworks

1. Problem/Solution

- Example: 1Password replaces the need to remember ridiculously long password
- Nearly all B2B startup, many B2C startup

2. Friction/Annoyance “Pain Pill”

- Examples: BREX credit card for startup companies based on Silicon Valley Bank profile vs founder personal credit.
- Observing friction where things shouldn't be that hard
- Example: First screen apps on your phone vs. third or fourth screen apps on your phone
- Contrast Strava – core data for my activities to Relive – flyover after the activity is done.
- Nearly any app store app that Apple has copied

3. Power to the People!

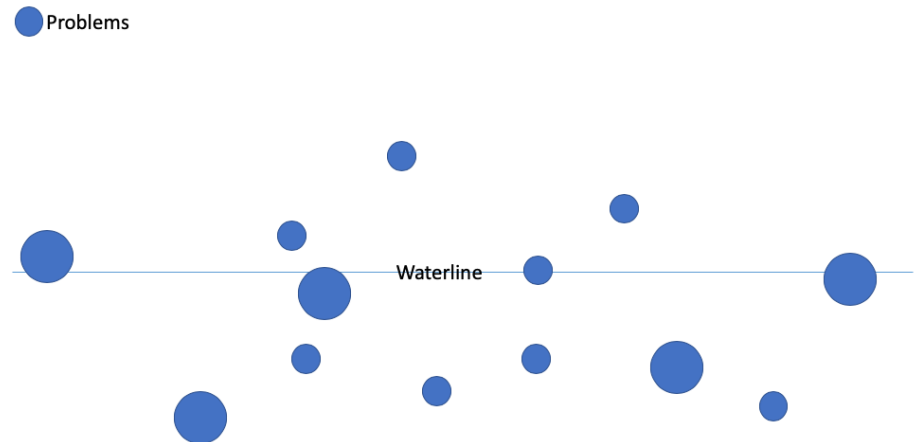
- Example: Expedia and Zillow. Formerly closed data sets made available to users to search for travel (Saber) or houses (MLS)
- Where will your users find the data

4. Ecosystem view

- ▣ Example: Uber Elevate or flying cars requires
 - ▣ Flying cars
 - ▣ Trained pilots
 - ▣ Power on rooftop parking garages
 - ▣ Systems to connect users and payments
- ▣ Some of these pieces make money, some require different companies

5. Waterline view

- ▣ Example: Education technologies for kids
- ▣ Problems exist above the waterline where you can make money and below where you can't



6. Transformational

- Example: AirBnB, nascent market of rooms not previously available
- Changes a market, more rooms than Hyatt and Hilton, not owned by AirBnB
- 10X better solution

7. Incremental

- ▣ Example: Sumo.com marketing tools that plug into WordPress sites.
- ▣ They are efficiency tools but not necessarily a big business

8. Information Asymmetry

- ▣ Example: TrueCar
- ▣ Wholesale pricing on new vehicles

9. Lateral Thinking

- ▣ Example: Convoy = Uber for trucking industry
- ▣ This for that – applying a Product/Market fit model to a new or adjacent market
- ▣ What happens upstream and downstream of your idea?

10. Industry Trends

- When the internet launched
 - What followed: Infrastructure (picks and shovels) and ecommerce
- When Smartphones launched
 - What followed: Apps
- When Bitcoin launched
 - What followed
- When 5G launches?

11. Supply Chain View

- ▣ When you look at the industry segment:
- ▣ Where is there friction? How can you streamline
- ▣ Where is there margin? Where's the Money?
- ▣ Where is there mystery? There's margin

12. New Industry – New experts

- There were a lot of Crypto experts that pivoted to ChatGPT experts when the market shifted
- When new categories get created, no one has direct experience
- Be careful when you claim to be an expert

13. Fun!

- ▣ Example: Angry Birds or Candy Crush
- ▣ The only problem solved is boredom!

Workshop – what framework are you following? Do you have another framework to share?

Break

Bad Ideas =

- ❑ Copycat within market
 - ❑ Groupon
 - ❑ Food delivery
 - ❑ Where the market has already raised massive capital
- ❑ Fatal Flaws - hoverboard
- ❑ Features with a dependency on someone else's product
- ❑ Tools with small markets

Surfing Analogy

- ▣ The Wave
- ▣ The Board
- ▣ The Surfer
- ▣ The Trend
- ▣ The Product
- ▣ The Leader/Team

Market timing = bad waves

Small waves are bad

Bad product

Wrong person/team for the market

Are all three lined up for you?



Bring \$\$\$

Should you build it?

Belty, an internet-connected belt



Humans held their pants up just fine with leather belts for thousands of years. But now, there's a better way. According to its maker, the Belty smart belt automatically loosens when you've had too much to eat, using "an actuator that ensures your preferred level of comfort throughout the

And than there's this one



It sounds like America's favorite \$400 juice machine will be no longer.

Tracking your idea(s)

- ▣ Google Sheet
 - ▣ Connecting to research
 - ▣ Don't spend \$\$ yet
- ▣ Note pad
- ▣ Title
 - ▣ Description
 - ▣ Target customer
 - ▣ Why they will buy or use the product?
- ▣ Take a few minutes now!

Markets & Research

Resources

- ▣ [Creative Confidence](#) – Tom & David Kelley
- ▣ [Creativity Inc](#): Overcoming the Unseen Forces That Stand in the Way of True Inspiration – Ed Catmull
- ▣ [Industries of the Future](#) – Alec Ross
- ▣ [Play Bigger](#): How Pirates, Dreamers, and Innovators Create and Dominate Markets – Al Ramadan
- ▣ [Innovators Dilemma](#): When New Technologies Cause Great Firms to Fail – Clayton Christiansen. A classic for corporate innovation and why you need to be fast and nimble in your approach to your startup
- ▣ [Black Box Thinking](#): Why Some People Never Learn from Their Mistakes – But Some Do – Matthew Syed

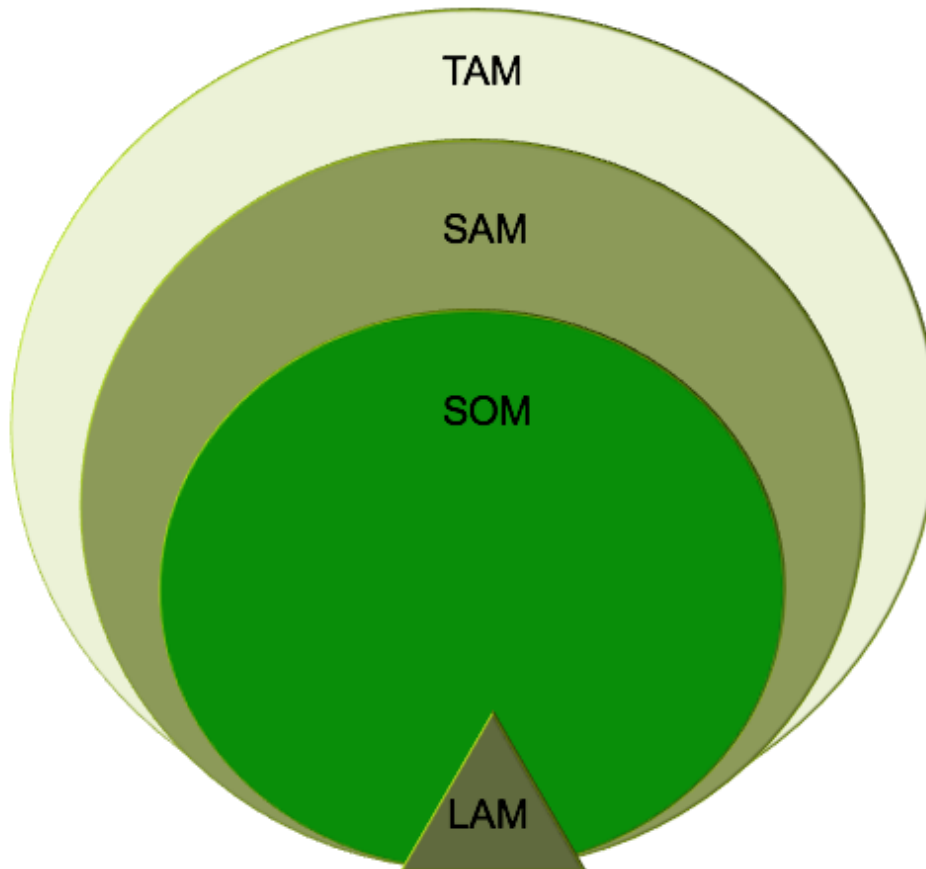
Market Sizing

- ▣ How big is the existing market
 - ▣ Global
 - ▣ Americas
 - ▣ US
 - ▣ Your State
- ▣ How do you put a dollar amount to it?

Market Conditions

- ▣ Nascent market
 - ▣ Future large markets - >\$100M or \$1B
 - ▣ Large market provide “at bat” opportunities
 - ▣ Small markets suck
- ▣ Headwinds or tailwinds?

Who is the Market & Customer



TAM – Total Addressable Market
SAM – Service Addressable Market
SOM – Service Obtainable Market
LAM – Launch Addressable Market.
Who can buy your product at MVP?

Total Addressable Market

- ▣ Also called Total Available Market
 - ▣ Think global – launch local
 - ▣ The Upside
- ▣ Calculating – bottom up, Total number of customers X Annual Revenue for your product
 - ▣ Direct Data
 - ▣ Explicate data
 - ▣ Indirect Data
 - ▣ Implicit data
 - ▣ Triangulation Data
 - ▣ A combination of different data sources

Service Addressable Market

- Or Serviceable Available Market
- The part of the market that can actually be reached
 - Sales and Marketing driven
 - With the features you have now
 - With the product roadmap you have
 - Competition
- Not everyone that might use it, if they found it, if it was in their language and currency

Service Obtainable Market

- ▣ The subset of the market you can capture
- ▣ A proxy for short term upside
- ▣ Not Aspirational

Launch Addressable Market

- ▣ Given you TAM, SAM and SOM – WHO is the customer?
- ▣ And limited features
- ▣ Who can you sell to today?
 - ▣ B2B
 - ▣ B2C
 - ▣ Buyer profile
- ▣ What features will you need to launch to expand your market and price?

10, 100, 1000 Customers

- Have a plan for how you get your first customers
 - 10 – it's you and your co-founder
 - 100 – still you, maybe one inside salesperson, forming a process to scale
 - 1000 – not you, scalable process
- Your LAM maps to your Go-to-Market (GTM)
 - Customer
 - Value Prop
 - Pricing
 - Marketing Spend and Sales effort

Who is your customer?

- Product vs. Services
 - Product is something you can deliver or ship – can you make \$\$ while you sleep
 - Services require people to deliver on the value and promise – consulting or a restaurant
- Who pays the bill?
 - A business
 - The Consumer
- The product user and who pays can be different as in Facebook or Google that make money on advertising

Ideal Customer Profile (ICP)

B2B

- ▣ Company type
- ▣ Vertical
- ▣ Size/Stage
- ▣ Buyer profile
- ▣ User profile

B2C

- ▣ Profile
- ▣ Demographic
- ▣ “Name”

Why/How do they buy?

- ▣ Make Money vs. Save Money?
- ▣ Searching for product
- ▣ Needs to be sold

Two Approaches

Business Model Canvas – Lean Stack Edition



OHUB Project

LEANER CANVAS 0 COMMENTS

<p>Problem List your customer's top 3 problems</p> <p>+ 0</p> <p>2</p>	<p>Solution Outline a possible solution for each problem</p> <p>+ 0</p> <p>4</p>	<p>Unique Value Proposition Single, clear, compelling message that turns an unaware visitor into an interested prospect</p> <p>+ 0</p> <p>5</p>	<p>Unfair Advantage Something that can not be easily copied or bought</p> <p>+ 0</p> <p>9</p>	<p>Customer Segments</p> <p>+ 0</p> <p>1</p>
<p>Existing Alternatives List how these problems are solved today</p> <p>+ 0</p>	<p>Key Metrics List the key numbers that tell you how your business is doing</p> <p>+ 0</p> <p>7</p>	<p>High-Level Concept List your X for Y analogy (e.g. YouTube = Flickr for videos)</p> <p>+ 0</p>	<p>Channels List your path to customers</p> <p>+ 0</p> <p>6</p>	<p>Early Adopters List the characteristics of your ideal customers</p> <p>+ 0</p>
<p>Cost Structure List your fixed and variable costs</p> <p>+ 0</p> <p>8</p>		<p>Revenue Streams List your sources of revenue</p> <p>+ 0</p> <p>3</p>		

Lean Canvas is adapted from [Business Model Canvas](#) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License. [See the difference.](#)

LEAN CANVAS

Lean Stack Version

1. Customer Segment
2. Problem
3. Revenue Streams
4. Solution
5. Unique Value Proposition
6. Channels
7. Key Metrics
8. Cost Structure
9. Unfair Advantage

Process

- ▣ Have a thesis
- ▣ Update weekly as you get more data
- ▣ Know how you will make \$\$ ([14 Revenue models post](#))

Product Opportunity Assessment

Template [here](#)

- ▣ Download your own copy of the Product Opportunity Assessment document
- ▣ Problem to be solved?
- ▣ For Whom?
- ▣ How big is the opportunity (market size)

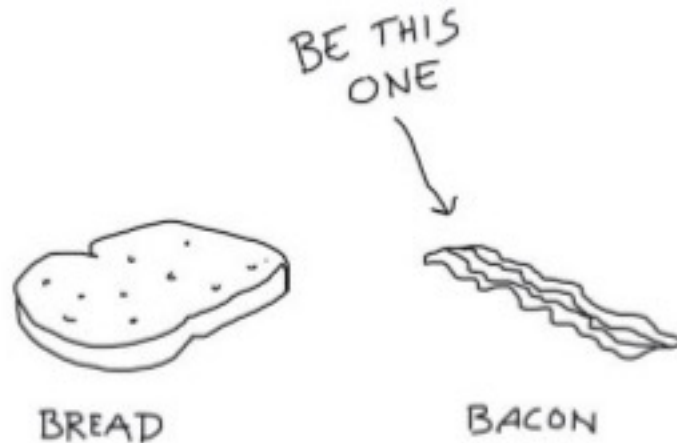
Workshop – pick either the BMC or Template. Take 30 minutes now to start filling it out.

Break

What's your idea???

Pitching

MINIMUM VIABLE PERSONALITY



Most important step for build product is build product.
Second most important is build personality for product.
No have personality? Product boring, no one want.

Pitching your Idea (the WHAT)

- Clearly communicating your idea is critical for recruiting a co-founder and capital
- Starting strong
- What questions do you want the audience to ask when you're through?
 - Can I invest
 - Can I help
 - WTF?

Dave's Madlibs Pitch

Hi, I'm <your name here>, and my company <your Company name here> the problem I'm solving is <insert problem here>. Our product <insert product info here> is designed for our target customer of <insert target customer here>. We make money by <insert method here> and our team is the right team because <insert why you're awesome here>. I need help with <insert help needed here>.

Supporting Slides

Program Overview

- @GetTrajectory is designed to get you out of your head and get you to revenue in five months
- Not all ideas can be accomplished in this time. But you'll be surprised how far you can get in five months
- Can you go faster? Of course, but not all customers will be available on your timeline
- The next five months is about preparing you and your idea to prove it's worth **your** time

Deliverables

- ▣ Write you “Why are you doing a startup” summary
- ▣ List your problem solutions. Rank based on what you know today
- ▣ Market Research: Market size, resources for data
- ▣ Pitch: Outline and practice your pitch
- ▣ Bring these deliverables December 3