



**BERKLEY
ENTREPRENEURSHIP
CENTER**

HELLO

my name is

Prof. Luke Williams

**NYU Stern School of Business
Berkley Entrepreneurship Center**

@LukeGWilliams

Grounding the Data—

What Are Your

Observations?

Recording Observations

Observations are **raw data**, the gradual accumulation of research information that you have consciously and carefully recorded

– exactly the way you saw or heard it, with no interpretation.

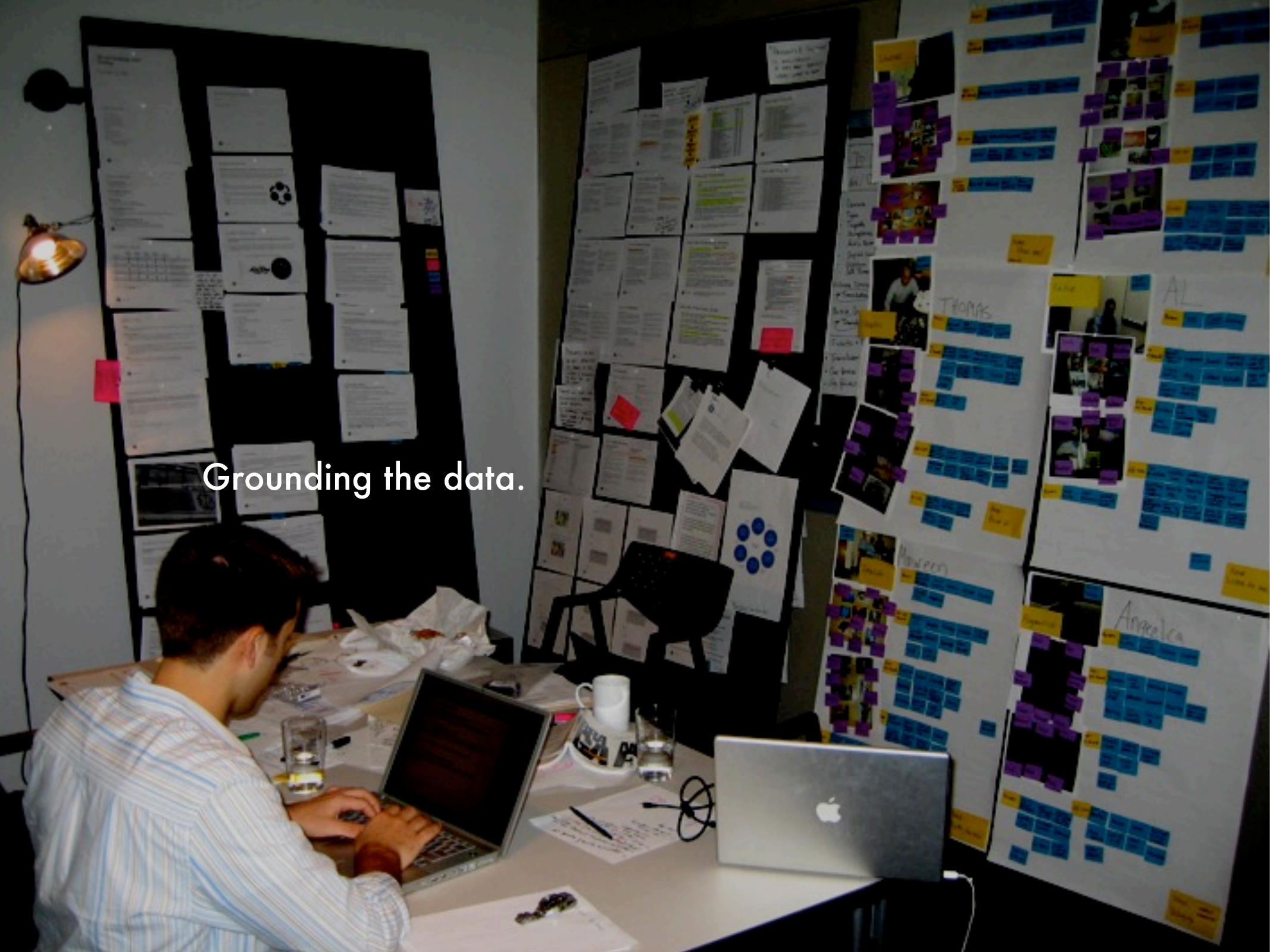
After the Research

After you complete your field research and have your observations, the next step is to **make sense of your discoveries.**

Observations aren't any good when they're stuck in your head or stored on your laptop.

You need to make them tangible and get them out and onto a physical space.

Grounding the data.



Grounding the Data

There's a variety of ways to do this, but they all involve **putting your observations on paper.**

You can use regular paper, card stock, Post-It notes, or anything else that works for you.

Aim for one observation per Post-It note or card.

And don't forget to print out any photos you took.

This process is called, "grounding the data."

Preparation for Synthesis

- Each team should transcribe their research observations to Post-It notes or cards, and transfer them to the board.
- Include key observations from secondary data that you gathered during your category immersion (i.e. the audit of category clichés).
- Print out photographs taken from research (approx. 10 to 20).
- Don't edit yourself – it's easy to cut later.

Insight Board—

Insight Board

The next step is to take all those pieces of paper, photos, and any other memory aids (notes you took on the back of a napkin, brochures, business cards, and so on) and transfer them to what we call an “insight board.”

In the synthesis workshop, you’ll use a large foam-core board, around 6 feet tall, 3 feet wide, which you’ll lean against a wall.

Insight boards allow you to see all of your research findings together.

Example of an "Insight Board."



OBJECTS
ALLOW HIM TO
TALK STORIES
"love story"

What is the
Community effort

History

Geometry
Don't have much
way to be family

CREATE WORD
OF MATH IN
FAMILY TALK

No set, can
expressive to
the world to

FACE-TO-FACE
FAMILY TALK
LIFE-

"to be when
you talk into
OBJECTS"

WORD IS WORK
ABOUT THEM
LEFT TO RIGHT
DIRECTION OF
WORDS

LETTERS
TALK & FACE

Family history
connect from
a low-level
level of study
schools

Interact in
computer - from
visual memory &
spatial

Interact
TO THE POINT
BASED ON
OBJECTS (face)

WORK AS
A DO, CHECK
IN A CIRCLE

PHILOSOPHY
always to make
connections
to each other

connect with
what's important
to each other
connect with

Computer
interaction
with objects

AI-based
interaction
with objects

AI
help understand
big questions, life,
Startup company

Family picture

Talk stories

Stories/pictures
& interact with

Picture (AI)
connect with
"how to be
in life?"

Personal computer
interaction
with objects

AI interaction
with objects

Stories/pictures
interaction

interaction
with objects
connect

AI system to
find efficient -
what you do how -
there will be

Discreetible
picture - E,
how's interact
(AI)

Picture
what E,
connect to

AI system
interaction
with objects

Discreetible
interaction
with objects

AI system
interaction
with objects

Discreetible
picture
interaction


Discreetible
interaction
with objects

Discreetible
interaction
with objects

Organizing Your Thinking

Writing your ideas on paper and physically moving them around makes the entire process feel more real to everyone involved.

It also makes it easier to organize your thoughts, and it can help you stay out of some easy-to-fall-into thinking traps.



Synthesizing qualitative data.

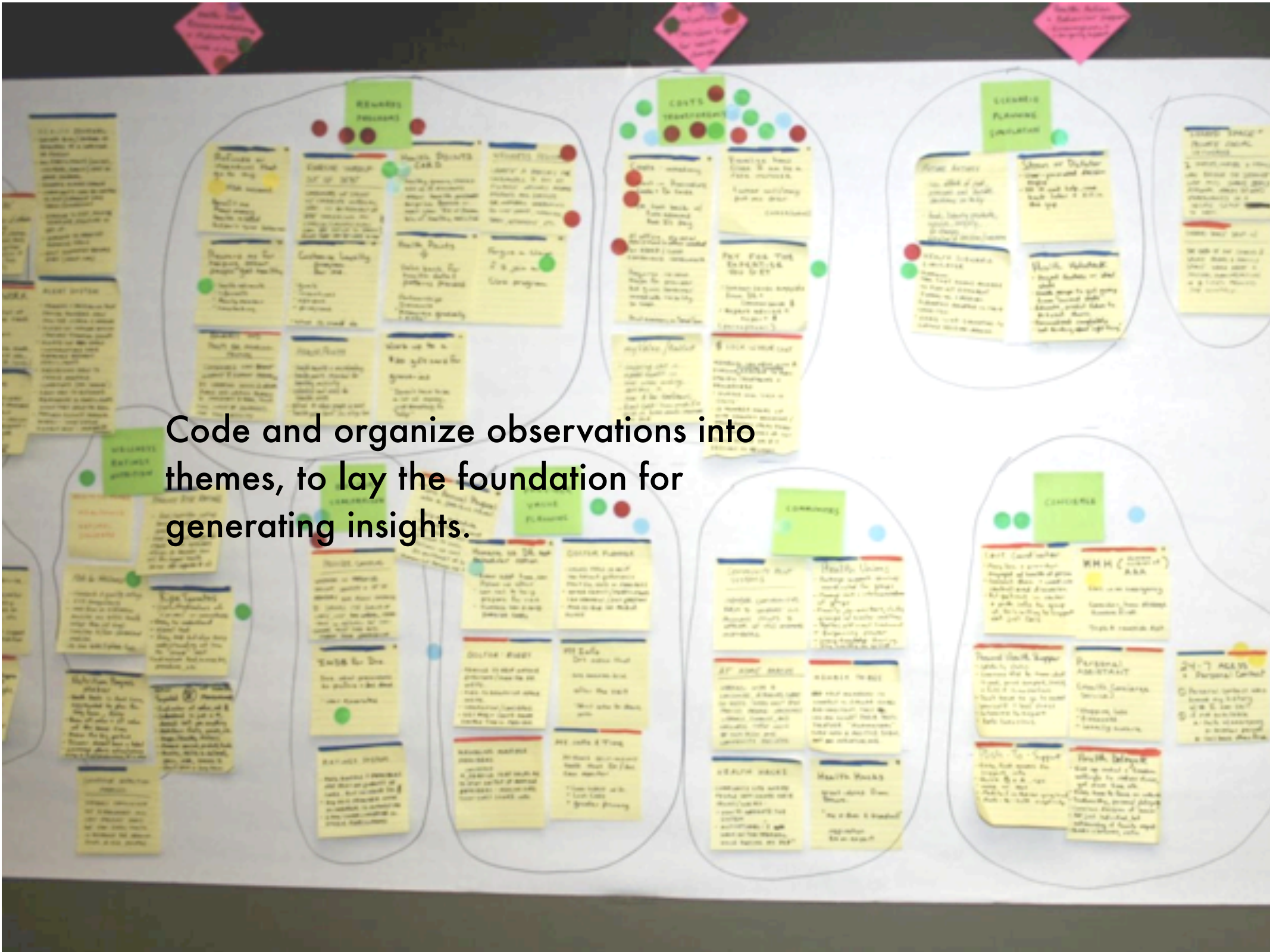
Coding Your Observations

It's always a good idea to use different colors, paper sizes, or markings of some kind to code your key observations, supporting observations, and themes.

It's common to use different sized and shaped Post-It notes, but you can use anything you want, as long as it's consistent and everyone understands what means what.

- For example, you might start out with all of your observations on yellow notes.
- After you identify the key observations, write those on blue notes. After you cluster and organize, mark your themes with a green note.

Code and organize observations into themes, to lay the foundation for generating insights.



Example of themes documented in a deliverable.

Detailed Findings: Theme: Productivity (Making The Best Use of “Car Time”)

Checking off errands

Seemingly endless lists upon lists, inside lists of things to do.

Days were a complex tangle of personal and work related to-do lists.

- Multiple stops.
- Typically took up an entire day.
- Some time between errands good for getting other things done like phone calls .

Making phone calls

Everyone thought it was a bad idea to be on the phone while driving, but they all did it anyway.

A lot.

“Car time” was viewed as optimal time for making phone calls.

- Often alone.
- Inside a controlled environment.
- “Nothing else to do”.
(...except to drive, of course)

Receiving calls

- Outgoing calls would be placed at the driver’s convenience, but this was often while driving.
- Less important phone calls will be dismissed, but important calls will be answered -- with or without a headset, and whether or not traffic is merging.

Dealing with inspiration

When inspiration strikes, drivers will do what’s necessary to capture an idea before it escapes their mind.

What happens

1. Steering with knees.
2. Scrounging for pen.
3. Scrounging for paper.
4. Tucking the idea somewhere safe.

Opportunities
to Ideas—

Not a solution

You've identified a gap and an advantage, but not the means of putting it into effect.

Next, what you need are some ideas to execute the opportunity. That's the focus of the Design Phase.

“When people are looking at Macs in stores, they’re drawn to them in a very physical way. They don’t mind moving them around or touching them.”

-Jonathan Ive



Observation

(people in Mac stores like to touch the computers), to

Insight

(you're rarely intimidated by something you want to touch and if you're intimidated you don't want to touch it), to

Opportunity

(give people an immediate sense of control over the technology by establishing an immediate physical connection between the user and the computer).

To say...

**“there’s an opportunity to
make an impact on
customers by creating a
physical connection,”**

is wonderful, but it doesn’t do anything by itself.

The issue is what are the specific ways to do that?



“A really important function of the handle was that it makes an immediate physical connection... that completely transcends cultural and geographic boundaries.”

Jonathan Ive, “Apple’s Aesthetic Core”, Paper Magazine

The first thing to realize is that any old ideas won't do.

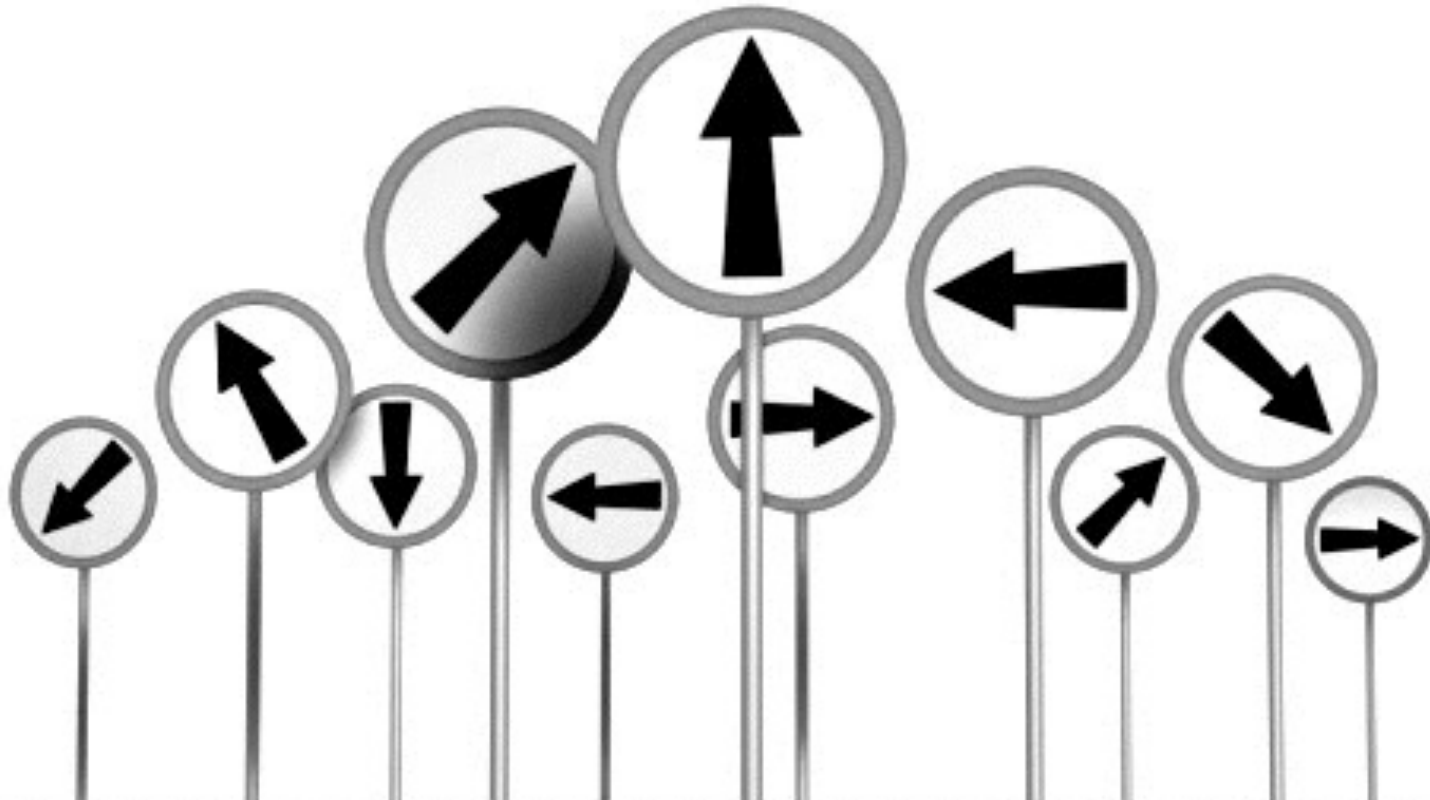
We're looking for **disruptive ideas**

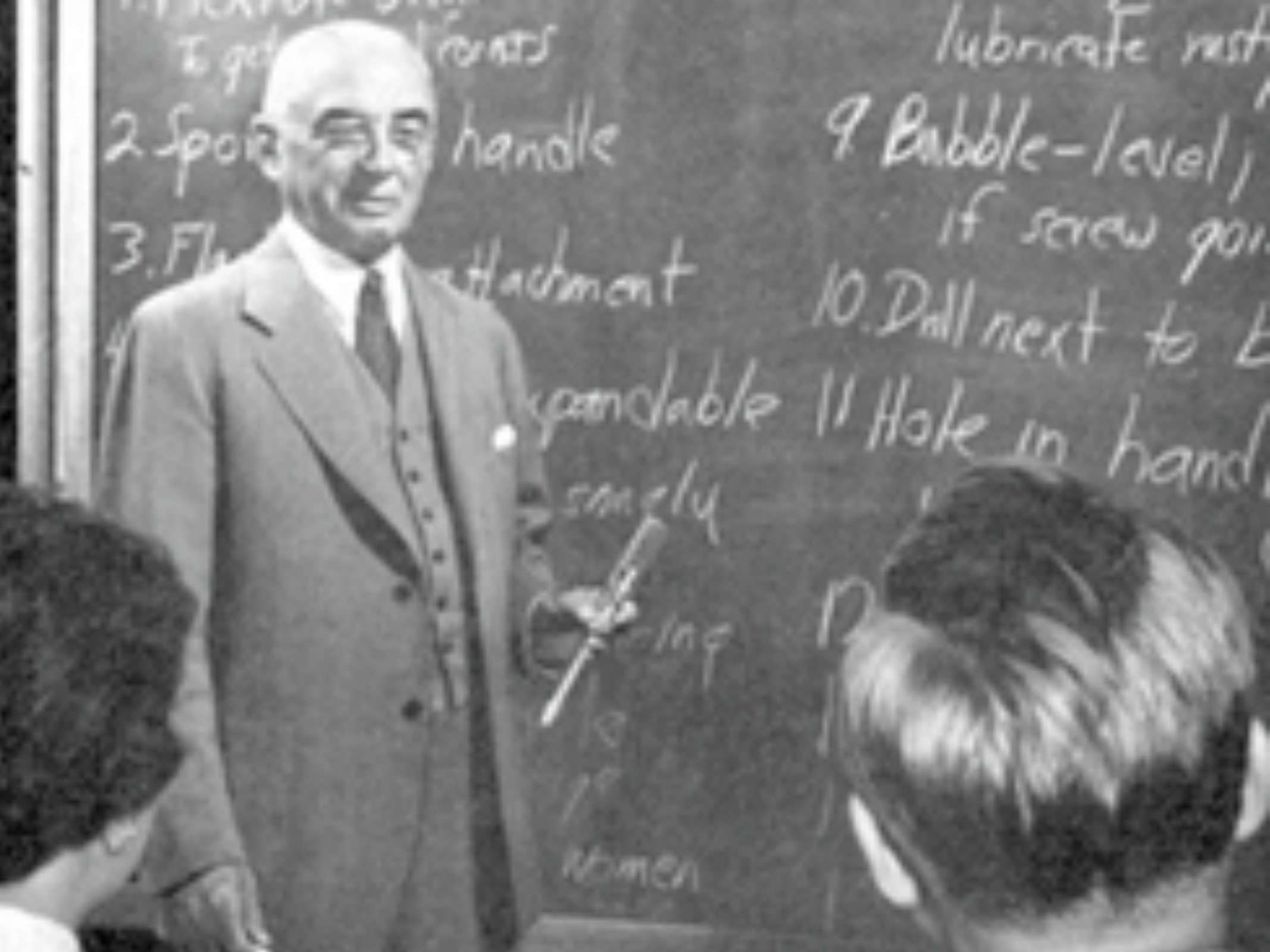
–ideas that have the power to influence and to shape behavior. Ideas that stir the imagination and

inspire a sense of possibility.

Stumbling Block 1

Teams and individuals feel overwhelmed, directionless, and lack focus.





1. Get front

2. Spot handle

3. Fl attachment

4. Expandable

5. snugly



6. 1/2 inch
7. women

8. Lubricate rest

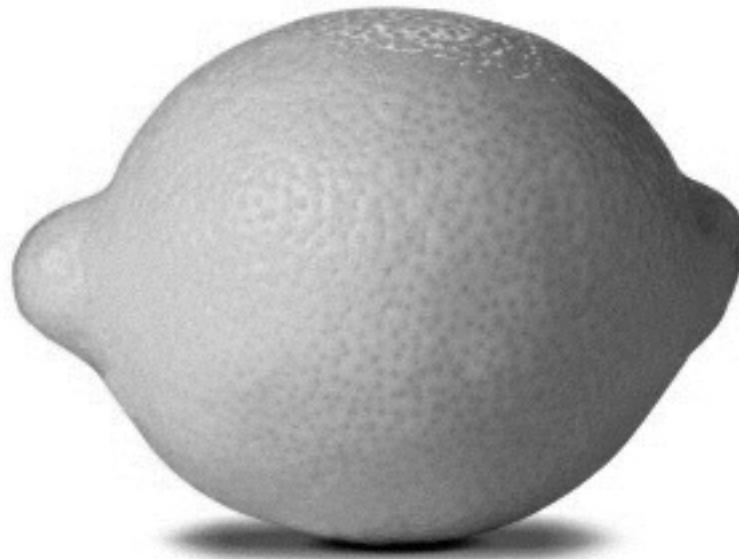
9. Bubble-level, if screw goes

10. Drill next to B

11. Hole in hand

Stumbling Block 2

Many organizations still think of the world in terms of isolated products, services, and information.



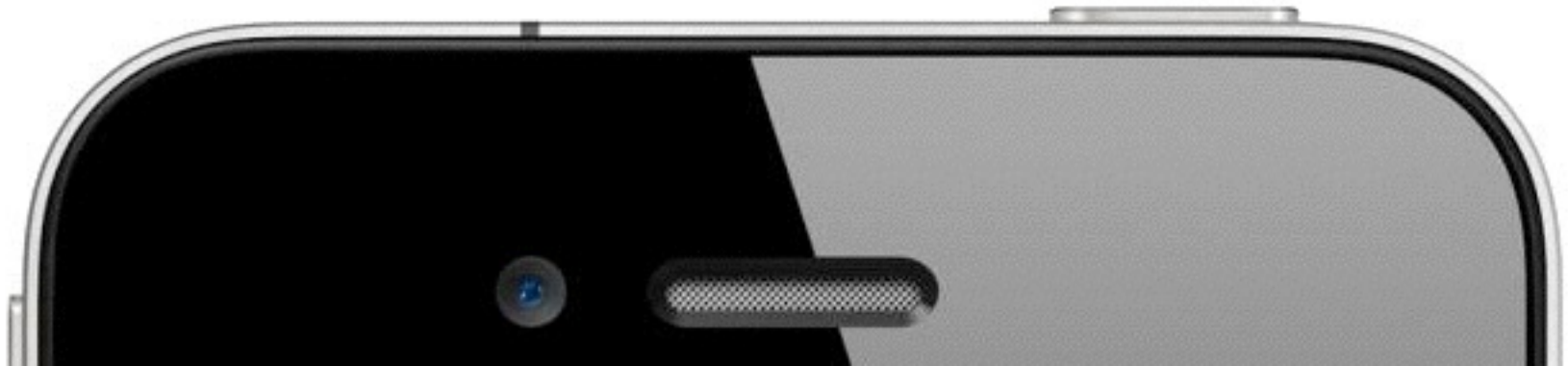
For example...

The hybrid idea behind the iPhone is that it blends:

product (e.g., iPhone with iPhone OS),

service (iTunes+App Store),

and information from the network (which includes wireless providers, Google, Yahoo!, iPhone developers, related iPhone social networks and communities, and the manufacturers).



Stumbling Block 3

Most ideas never get articulated in anything other than water-cooler conversations.



Idea

Refinement A—

Business Model

A business model describes the rationale of how an organization creates, delivers, and captures value.

Can be described through



basic building blocks that show the logic of how a company intends to make money.

Building Blocks—

VALUE PROPOSITION



The **Value Propositions Building Block** describes the bundle of products and services that create value for a specific Customer Segment.

- Newness
- Performance
- Customization
- Brand / Status / Design
- Price
- Convenience / Usability
- Cost Reduction

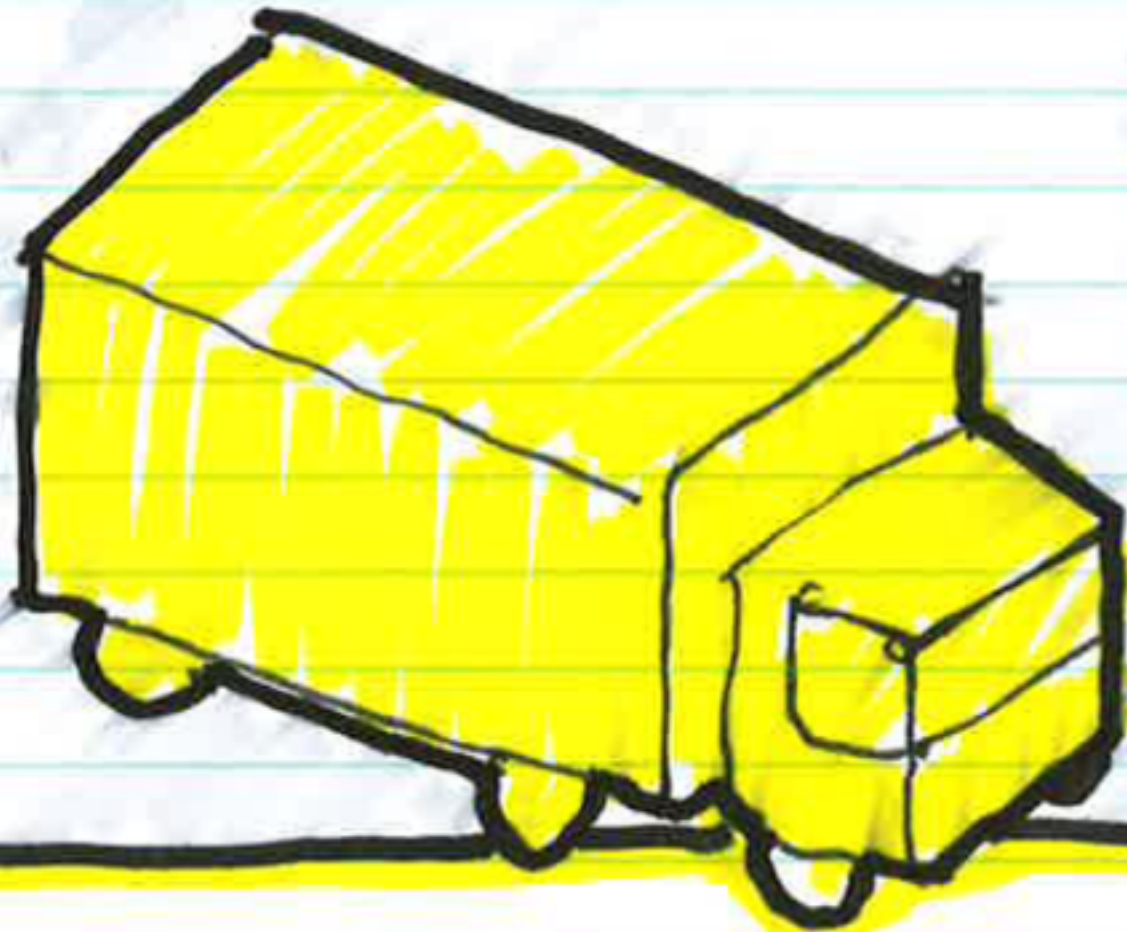
CUSTOMER SEGMENTS



The **Customer Segments Building Block** defines the different groups of people or organizations an enterprise aims to reach and serve.

- Mass Market (i.e., don't distinguish between different customer segments – common in consumer electronics sector)
- Niche Market (i.e., specific, specialized customer segments)
- Segmented (i.e., different needs and problems)
- Diversified (i.e., two unrelated segments with very different needs, such as Amazon serving Web companies by selling “cloud computing services”)
- Multi-sided Platform (i.e., serving two or more interdependent segments, such as a credit card company)

CHANNELS



The **Channels Building Block** describes how a company communicates with and reaches its Customer Segments to deliver the Value Proposition.

- **Awareness:** How do we raise awareness about our company's products and services?
- **Evaluation:** How do we help customers evaluate our organization's Value Proposition?
- **Purchase:** How do we allow customers to purchase specific products and services?
- **Delivery:** How do we deliver a Value Proposition to customers?
- **After Sales:** How do we provide post-purchase customer support?

CUSTOMER RELATIONSHIPS



The **Customer Relationships Building Block** describes the types of relationships a company establishes with specific Customer Segments.

- Personal Assistance
- Dedicated Personal Assistance
- Self-Service
- Automated Services
- Communities
- Co-creation

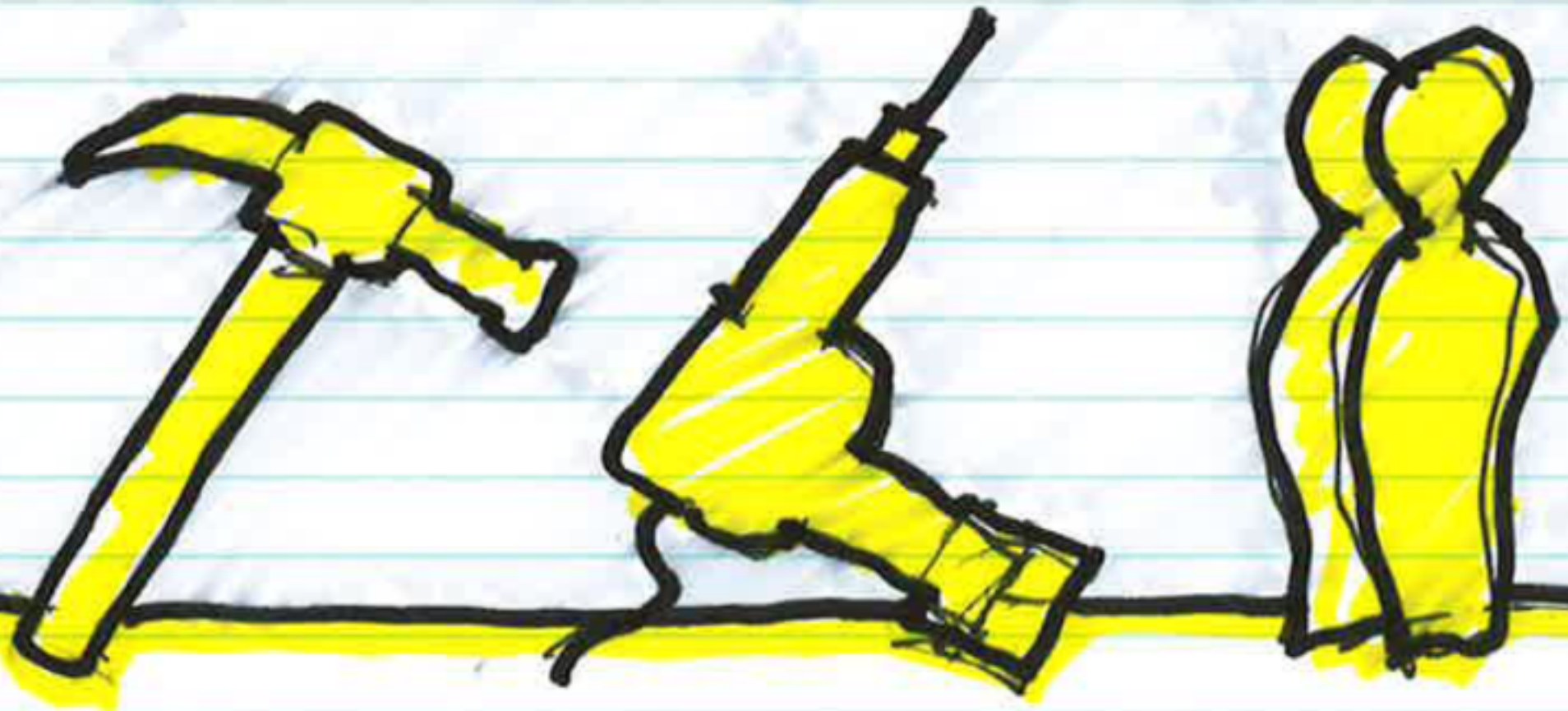
Key Activities



The **Key Activities Building Block** describes the most important things a company must do to make the Value Proposition work.

- Production
- Problem Solving
- Platform / Network

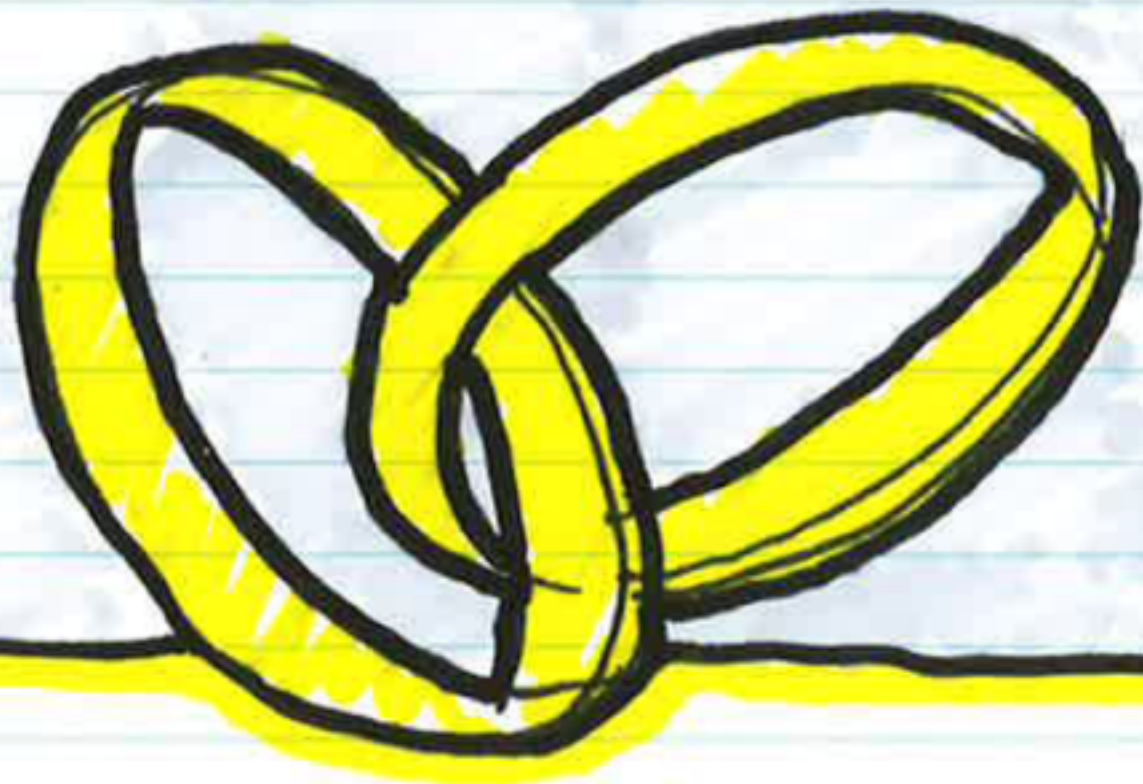
KEY RESOURCES



The **Key Resources Building Block** describes the most important assets required to make the Value Proposition work.

- Physical
- Intellectual (brand patents, copyrights, data)
- Human
- Financial

KEY PARTNERSHIPS



The **Key Partnerships Building Block** describes the network of suppliers and partners that make the value proposition work.

- Strategic alliances between non-competitors
- Coopetition: strategic partnerships between competitors
- Joint ventures to develop new businesses
- Buyer-supplier relationships to assure reliable supplies

REVENUE STREAMS



The **Revenue Streams Building Block** represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).

- Asset Sale
- Usage Fee
- Subscription Fees
- Lending / Renting / Leasing
- Licensing
- Brokerage Fees
- Advertising

Fixed Menu Pricing

Predefined prices are based on static variables

- **List Price:** Fixed prices for individual products, services, or other Value Propositions.
- **Product Feature Dependent:** Price depends on the number or quality of Value Proposition features.
- **Customer Segment Dependent:** Price depends on the type and characteristic of a Customer Segment.
- **Volume Dependent:** Price is a function of the quantity purchased.

Dynamic Pricing

Prices change based on market conditions

- **Negotiation (Bargaining):** Price negotiated between two or more partners depending on negotiation power and/or negotiating skills.
- **Yield Management:** Price depends on inventory and time of purchase (normally used for perishable resources such as hotel rooms or airline seats).
- **Real-Time-Market:** Price is established dynamically based on supply and demand.
- **Auctions:** Price is determined by outcome of competitive bidding.

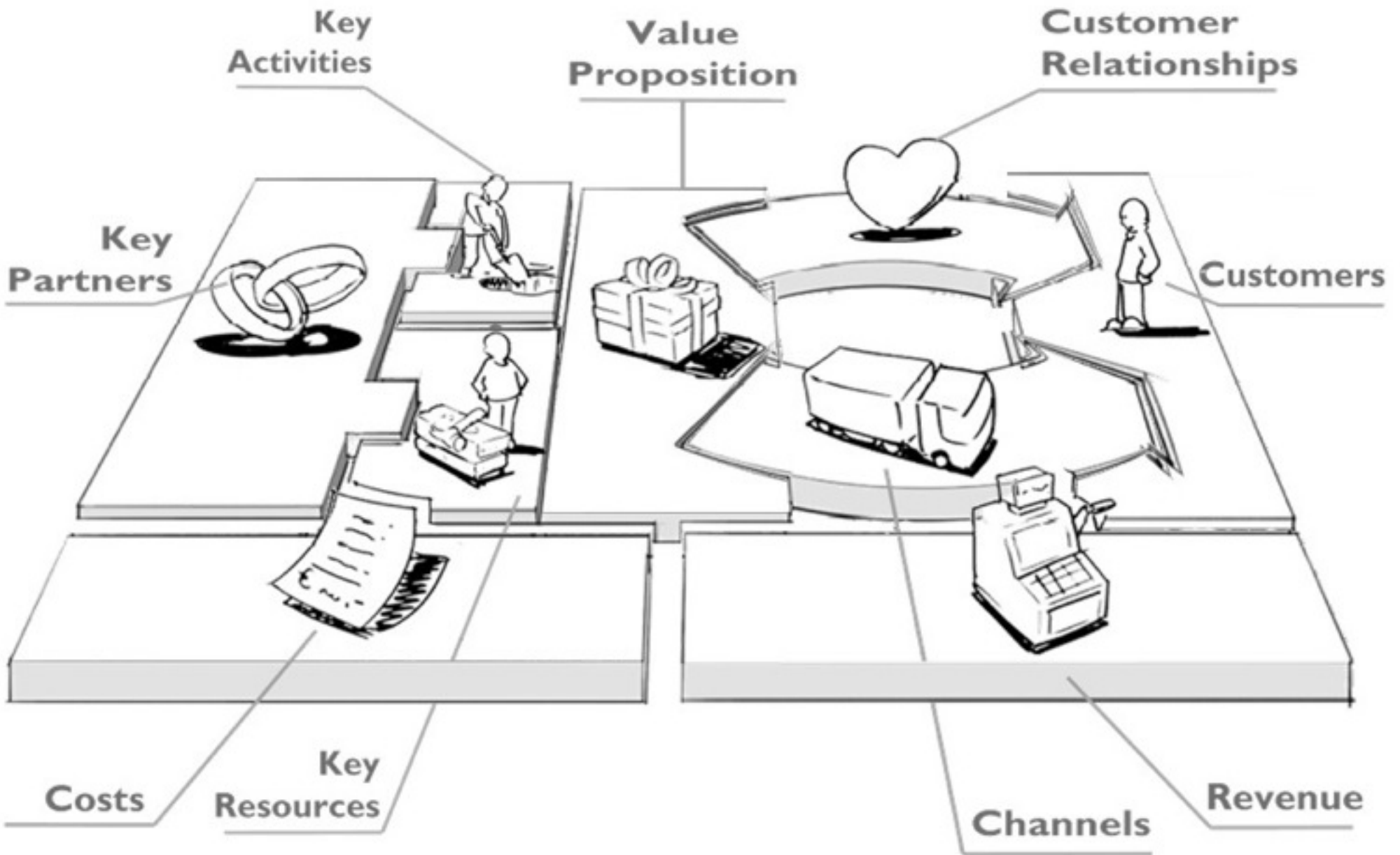
COST STRUCTURE

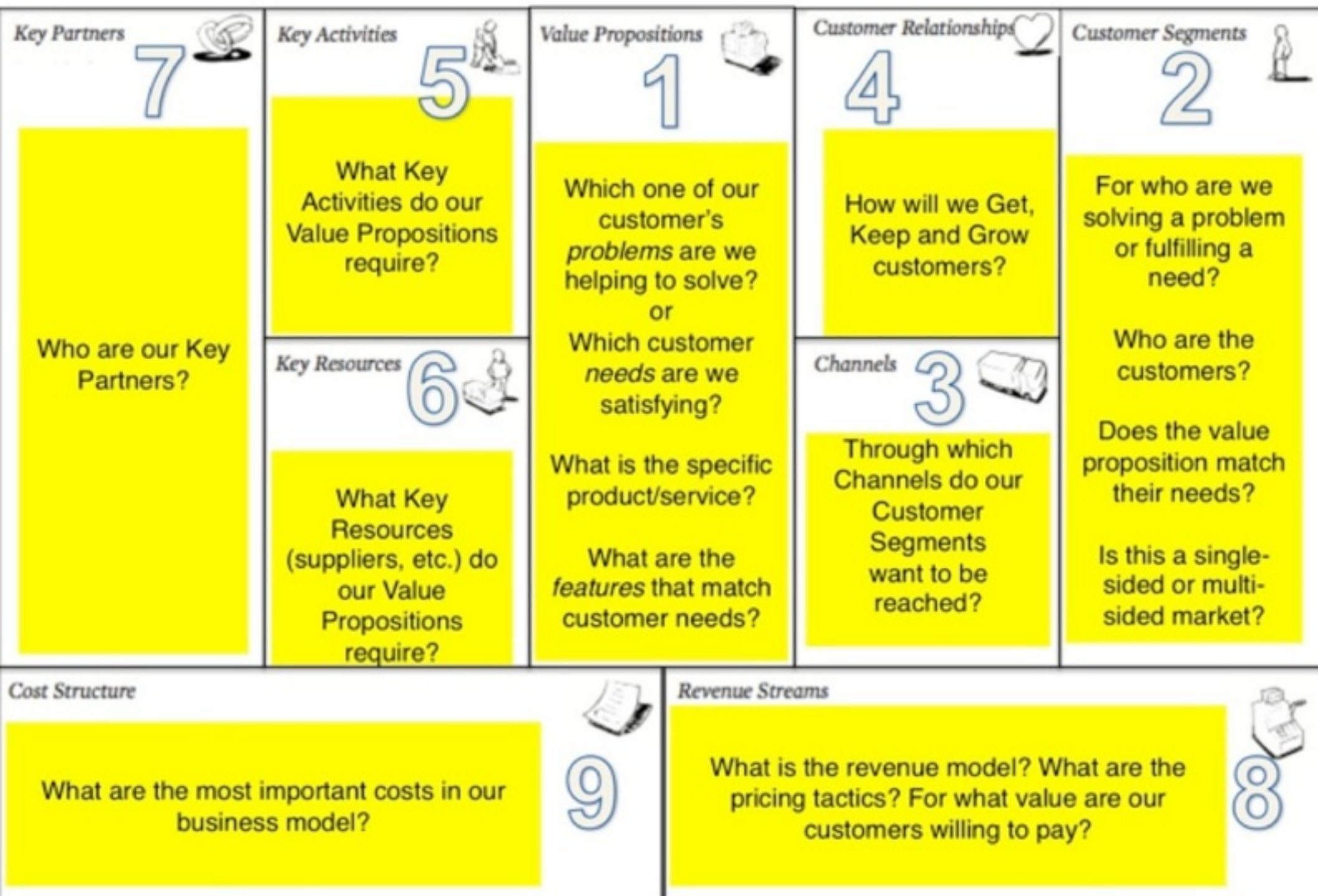


The **Cost Structure Building Block** describes all costs incurred to operate a business model.

- Fixed Costs (e.g., salaries, rents, utilities)
- Variable Costs (vary proportionally with the volume of goods or services produced)
- Economies of Scale (e.g., lower bulk purchase rates)
- Economies of Scope (e.g., same distribution channels support multiple products)

Business Model Canvas—














Worksheet—

The Business Model Canvas

Designed for:

Designed by:

One Two Three
 Alternative

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>
	<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>		<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>	
<h3>Cost Structure</h3>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>		<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>Business model canvas Business model generation Business model generation canvas Business model generation canvas</p>		

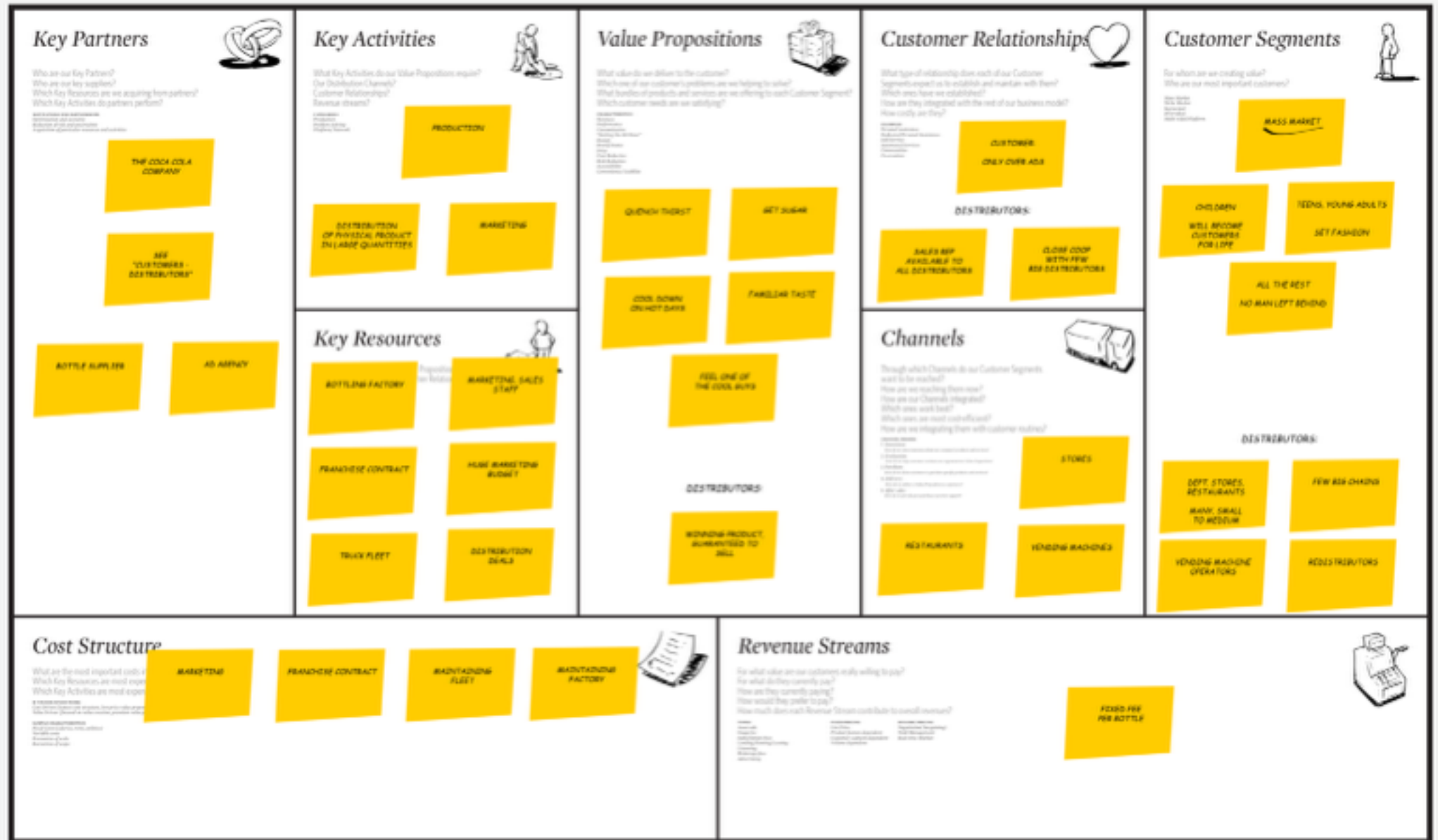
The Business Model Canvas

Designed for: COCA COLA FRANCHISEE (PRACTICE)

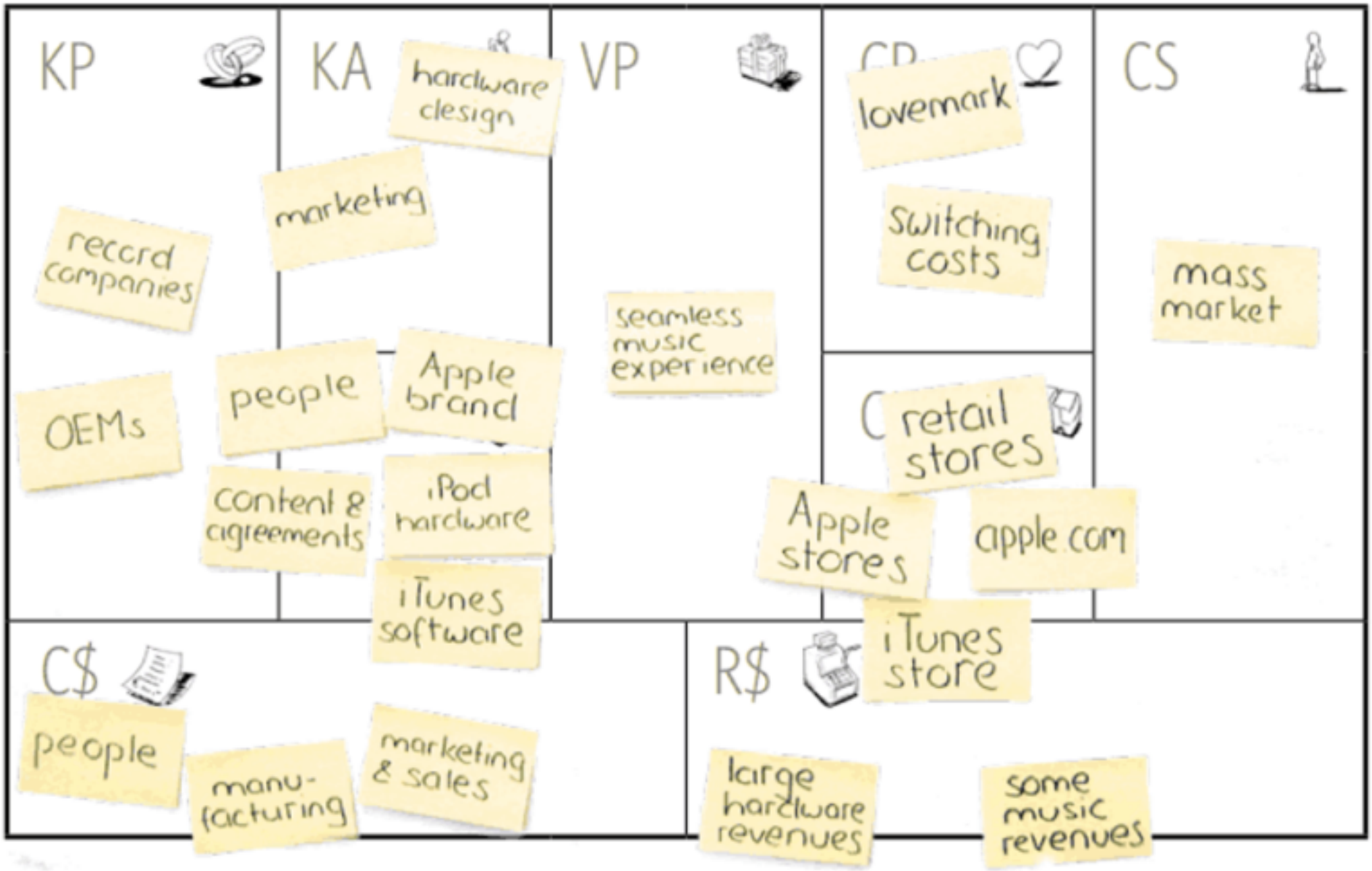
Designed by: AUR SARAF

On: 10 11 2012

Iteration: 1



Examples—



GROUPON - Business Model Canvas by Carlo Arioli (English)





Thank you—