TE 250: Week 9
Competition & Business Types

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Cozad New Venture Challenge DEMO DAY

Come see hundreds of innovative students showcase their startup ideas as they compete for over $300,000 in funding and prizes. At Heritage Hall, Illinois Conference Center.

THURS / APR 13 / 2-5:30pm

ENTREPRENEURSHIP Advising

At Grainger Engineering Library & SCD
Have questions about how to pursue your startup ideas? Drop in and talk with our staff!
SEE THE SCHEDULE: go.illinois.edu/tec-ea

Entrepreneurship Celebration & Awards Ceremony

Save the Date!
Celebrate the year with us, and see who wins the Illinois Innovation Award, Fiddler Innovation Fellowship, and other awards.
Fri | Apr 28 | 4:30-6:30pm

Learn about these events and more at tec.illinois.edu
Agenda

• Midterm presentations
• Defining the competition
• Startup Types
Midterm presentations

• Carpool
• Flooding
• Mental Health Help
• Internship Feedback
• Learning about Industries
Reviewing how we got here...
## Problem Statement Canvas

<table>
<thead>
<tr>
<th>CONTEXT</th>
<th>PROBLEM</th>
<th>ALTERNATIVES</th>
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<tbody>
<tr>
<td>When does the problem occur?</td>
<td>What is the root cause of the problem?</td>
<td>What do customers do now to fix the problem?</td>
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<table>
<thead>
<tr>
<th>CUSTOMERS</th>
<th>EMOTIONAL IMPACT</th>
<th>ALTERNATIVE SHORTCOMINGS</th>
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<tr>
<td>Who has the problem most often?</td>
<td>How does the customer feel?</td>
<td>What are the disadvantages of the alternatives?</td>
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<tr>
<th>QUANTIFIABLE IMPACT</th>
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<td>What is the measurable impact? (include units)</td>
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Week 1
Business model canvas

<table>
<thead>
<tr>
<th>Key Partners (Key Partners)</th>
<th>Key Activities (Key Activities)</th>
<th>Value Propositions (Value Propositions)</th>
<th>Customer Relationships (Customer Relationships)</th>
<th>Customer Segments (Customer Segments)</th>
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<table>
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<tr>
<th>Key Resources (Key Resources)</th>
<th>Channels (Channels)</th>
<th>Cost Structure (Cost Structure)</th>
<th>Revenue Streams (Revenue Streams)</th>
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Focus on the right side first
customer jobs*

what customers are trying to get done in their work and in their lives

task to perform, problem to solve, needs to satisfy

✓ Customer A
✓ Customer B
✓ Customer C
✓ Customer D
**customer pains**

describe bad outcomes, risks, and obstacles related to customer jobs

- ✔ Customer A
- ✔ Customer B
- ✔ Customer C
- ✔ Customer D

**customer gains**

describe the more or less expected benefits the customers are seeking
VALUE PROPOSITION CANVAS

First

- saves money for other things.
- doesn’t have to wait much for the food.
- meals easily and at an affordable price.
- has an unhealthy lifestyle.
- other meals are expensive.
- fast food is unhealthy.

Second

- low cost packages as the company gains from economies of scale.
- meal delivered to home/office on time.
- healthy meals especially for working class customers.
- affordable packages which can easily be customized.

daily service based for working customers.
Moving to the left side of the VP Canvas: It is time to add solution thinking to our problem identification
What is Creativity?
And what role does it play?

Imagination → Vision → Creativity → Invention
→ Innovation

Imagination is the result of wanting more.

Vision is the ability to see the world the way you want it to be.

Creativity is the ability to use the imagination to develop new ideas, new things, or new solutions.
Group Creativity Exercises

• Brainstorming Diamond
• Reverse Planning
• Disney Creative: Dreamer/Realist/Critic
• Walking Meeting
• Psychological Distancing / Superhero
• SCAMPER
As you complete interviews, start refining your solution hypotheses based on what you learn.

You will propose a solution in your Final Pitch Presentation
Sharing: What process did you use and what solutions did you submit?
Defining the competition
Competition

Every good idea has competition. Period.

We are the only ones doing X...
Our solution is novel...
Competition

One of your biggest competitors will be the status quo.
(also know as doing nothing)
There are a variety of ways to document the competitive landscape
Our Company Competitive Analysis

Goodness

Our Competitors

Our Company

Badness

Goodness
4 Quadrant Chart

https://bootcamp.uxdesign.cc/how-to-develop-a-4-quadrant-competitive-business-matrix-cbm-in-ux-research-a5f4eef6380e
Petal Diagram approach
The Petal Diagram drives your business model canvas.

- X/Y competitive graphs are appropriate in an existing market
- Mapping potential competitors in new or resegmented markets requires a different view
- The competitive diagram is how you develop your first hypotheses about who your customers are
Petal Diagram
Petal Diagram: Competitive Landscape

Transportation
Petal Diagram: Competitive Landscape
Passenger Vehicles, Light Duty Luxury Pick Up Trucks
Customer Segment: Weekend Home Renovation Warrior
Value Proposition: “Haul stuff back from Home Depot”
Petal Diagram: Competitive Landscape
Passenger Vehicles, Light Duty Luxury Pick Up Trucks

Value Proposition: “Haul stuff back from Home Depot”
Petal Diagram: Competitive Landscape
Passenger Vehicles, Light Duty Luxury Pick Up Trucks

Value Proposition: “Haul stuff back from Home Depot”
Once you identify the competitive landscape, then you need to define your position...
## SWOT Analysis

<table>
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<tr>
<th>Pros</th>
<th>Cons</th>
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<tr>
<td><strong>Strengths</strong></td>
<td><strong>Weaknesses</strong></td>
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<tr>
<td>things you do well to set</td>
<td>areas in which you need to improve, such</td>
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<td>you apart from competitors,</td>
<td>as lack of funding for promotion</td>
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<td>such as state of the art</td>
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<tr>
<td>technology</td>
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| **Opportunities**             | **Threats**                                |
| factors that can benefit your | factors that can hurt your business, such  |
| business, such as a           | as a competitor entering the market or a   |
| competitor closing or         | price increase from your supplier         |
| favorable regulations         |                                           |

<table>
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<tr>
<th>How Maximize?</th>
<th>How Reduce?</th>
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SWOT Analysis for Amgen

**Strengths**
- Expertise in develop./manuf. of biologic drugs. High margins, limited competition

**Opportunities**
- Expand to new geographies, indications, and formulations

**Weaknesses**
- Inability to discover novel therapeutics to avoid declines in revenue

**Threats**
- Competition from follow-on biologics and pricing pressures
Breakout activity

Build a pedal diagram for Shake Box

Health protein shakes from a vending machine

Targeted at busy students on college campuses with few healthy alternative for a quick meal

Competes with food trucks, fast food restaurants, vending machines, convenience stores, delivery services, food delivery, and subscription food services.
Defining the enterprise
Components of Culture

Building a company culture starts from day 1

• Vision
• Values
• Practices
• People
• Narrative
• Place
Culture – six components

1. Vision

Articulated in mission statement
a. defines purpose
b. orients employee behavior
Life is Good

SPREADING THE POWER OF OPTIMISM

WARBY PARKER eyewear

Warby Parker was founded with a rebellious spirit and a lofty objective: to offer designer eyewear at a revolutionary price, while leading the way for socially-conscious businesses.

AMERICAN EXPRESS

VALUES AND CULTURE

Our Blue Box Values

At American Express®, we have a mission to be the world’s most respected service brand. To do this, we have established a culture that supports our team members, so they can provide exceptional service to our customers.

Patagonia

Patagonia’s Mission Statement

Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

ILLINOIS
Mission Statement

Honest Tea seeks to create and promote great-tasting, healthier, organic beverages. We strive to grow our business with the same honesty and integrity we use to craft our products, with sustainability and great taste for all.

Our vision and business idea

At IKEA our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.
Culture

2. Values

Offers guidelines on behaviors & mindset required to achieve vision

Authenticity > Originality
Culture

3. Practices

The enshrinement of values

If a company says, “people are our greatest asset,” it should be prepared to invest in employees in visible ways.
What employees are saying:
“I truly feel that Wegmans is a company where employees can follow the American Dream. We're given endless opportunities to learn and grow. It's a place where those who seek to build a career for themselves while following their passions can do so.”

15 applicants per job opening
94% employee satisfaction

The booming family-owned grocery chain spends more than $50 million a year on training and development for its massive workforce, and is one of the few grocers to help defray school costs—this year it awarded $5 million in tuition assistance. “It’s nice to work for a company that keeps giving instead of taking away,” says one employee.
Culture

4. People

Must share core values → stringent recruiting
Firms with cultural alignment have 30% less turnover

Fit > Talent
Culture

5. Narrative

A company’s story
...it’s history
...it’s heritage
...it’s roots

Even more powerful as part of a firm’s ongoing culture
Culture

6. Place

Seek congruency

a. Geography – industry clusters, customs
b. Architecture – office layout
c. Aesthetic Design – décor
Getting ready for Week 10

• Week 8 Team Assignment due date moved to Friday
• Week 9 Team Assignment – Create a petal diagram for your TE250 startup
• Week 9 Individual Assignment – Create a petal diagram for the assigned startup
• Should be accumulating interviews and documenting them on the tracker. How are they impacting your vision for a solution?
• Topics still to be covered:
  • Week 10: Market segmentation and sizing with breakout (10pts)
  • Week 11: Venture formation, IP, etc with breakout (10pts)
  • Week 12: Making a pitch with breakout
  • Week 13: Alternate activity – combined with TE360/460 – 1 hr class (10pts)
  • Week 14/15: Pitching