RUN InnoBoost

bioeconomy, future industries, and social innovation
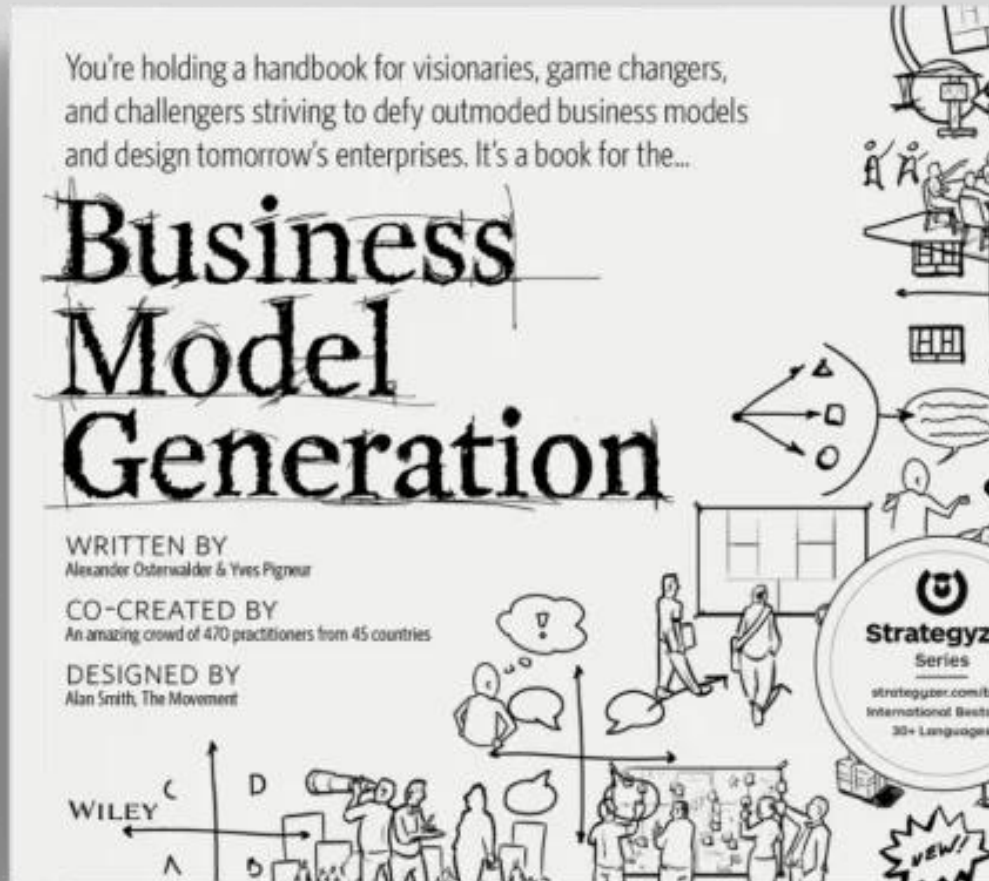
Your guide to

Lean Start Up and Value Proposition

https://innoboost.eu/

Lean Start Up and Value Proposition

You're holding a handbook for visionaries, game changers, and challengers striving to defy outmoded business models and design tomorrow's enterprises. It's a book for the...

Business Model Generation

WRITTEN BY
Alexander Osterwalder & Yves Pigneur

CO-CREATED BY
An amazing crowd of 470 practitioners from 45 countries

DESIGNED BY
Alan Smith, The Movement

WILEY

Strategyzer Series

strategyzer.com/tr
International Bestsel
30+ Languages

✓ Verbal Business Card
✓ Lean Start Up
✓ Business Model Design and Value Proposition

Toolkits for founders to frame their idea, validate fast, and design a value driven business model customers will pay for.

TUS

VARA
INNOVATION SPECIALISTS

bioeconomy, future industries, and social innovation

What we do:

At VARA we provide professional services to small to medium sized enterprises and third level sectors in Ireland and the UK.

Primary support activities focus on

- Innovation Management
- Customer discovery / Commercial Feasibility
- Business Development
- Lean start-up training

bioeconomy, future industries, and social innovation

200 Conversations every year in Customer discovery mode.

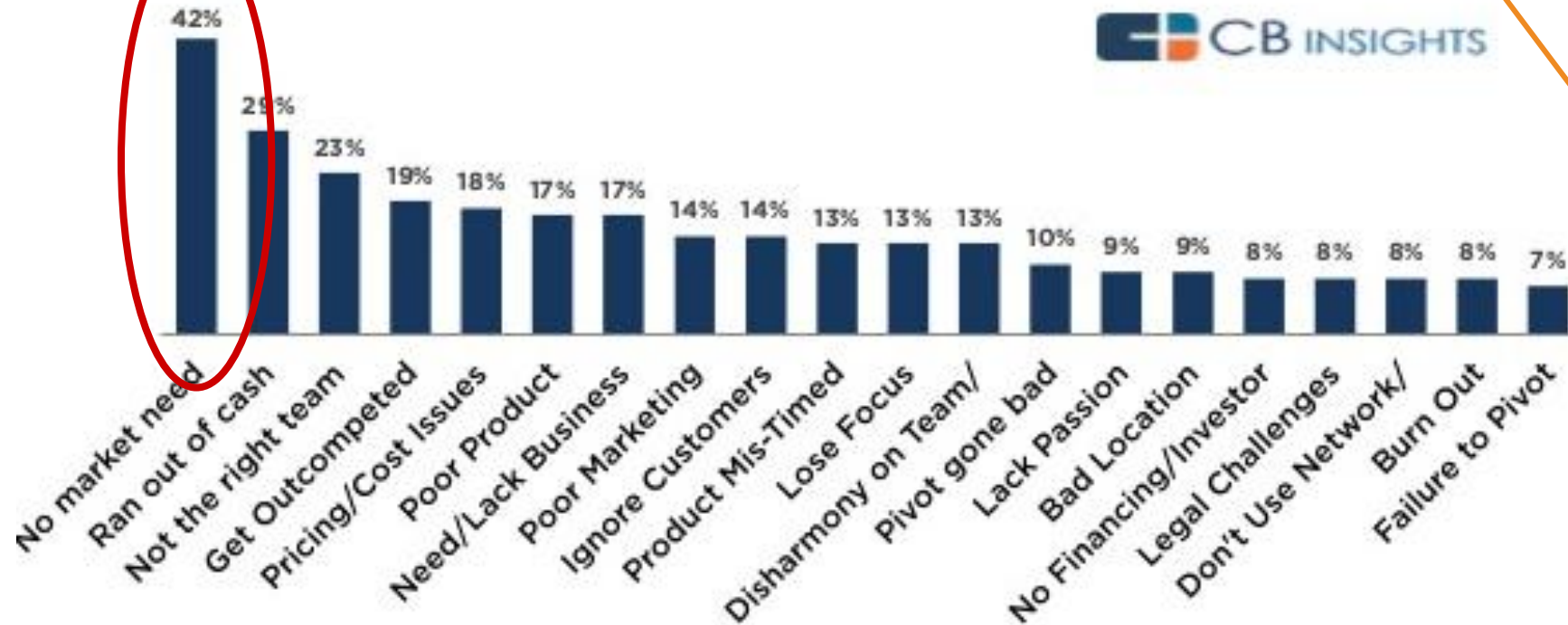**Your #1 job as innovators / entrepreneurs is to challenge and test your business ideas to reduce the risk of failure.**

TUS

VARA
INNOVATION SPECIALISTS

bioeconomy, future industries, and social innovation

Top 20 Reasons Startups Fail

CB INSIGHTS

- No market need — 42%
- Ran out of cash — 29%
- Not the right team — 23%
- Get Outcompeted — 19%
- Pricing/Cost Issues — 18%
- Poor Product — 17%
- Need/Lack Business — 17%
- Poor Marketing — 14%
- Ignore Customers — 14%
- Product Mis-Timed — 13%
- Lose Focus — 13%
- Disharmony on Team/ — 13%
- Pivot gone bad — 10%
- Lack Passion — 9%
- Bad Location — 9%
- No Financing/Investor — 8%
- Legal Challenges — 8%
- Don't Use Network/ — 8%
- Burn Out — 8%
- Failure to Pivot — 7%

bioeconomy, future industries, and social innovation

What is Lean Start-Up?

- A high number of startups fail; and many of those failures are preventable

- The **Lean Startup** is an approach adopted across the globe, changing the way companies are built and how new products are launched

- The concept applies lean manufacturing practices to startups

THE *NEW YORK TIMES* BESTSELLER

THE LEAN STARTUP

How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses

ERIC RIES

TUS

VARA
INNOVATION SPECIALISTS

bioeconomy, future industries, and social innovation

What is Lean Start-Up?

- Working smarter

"Should this product be built?"

Vs

"Can this product be built?"

- "Is there a viable and sustainable business around this product(s) and/or service(s)?"

- About understanding & addressing real world problems

- Ensuring that the solution is of value to actual customers with real problems

- Reducing risk through validated learning
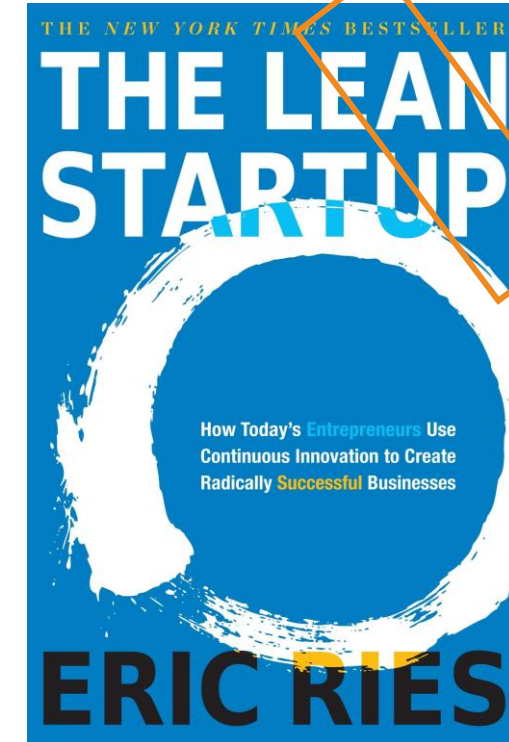
Lean Start-Up

- Lean Start-up emphasises **customer-centricity**, **rapid experimentation**, and **continuous innovation**

- A set of **principles** and **practices** that help create a **product** or **service** that customers want, without wasting time or resources
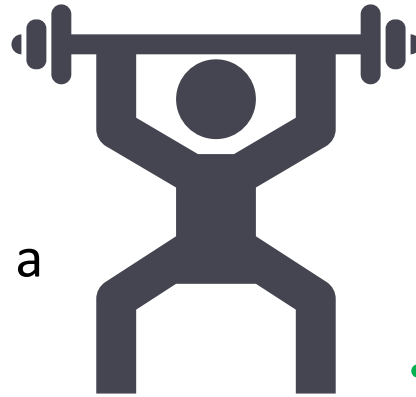
- Goal - to **reduce risk and uncertainty** in the development process by **testing assumptions, validating hypotheses, and iterating quickly**
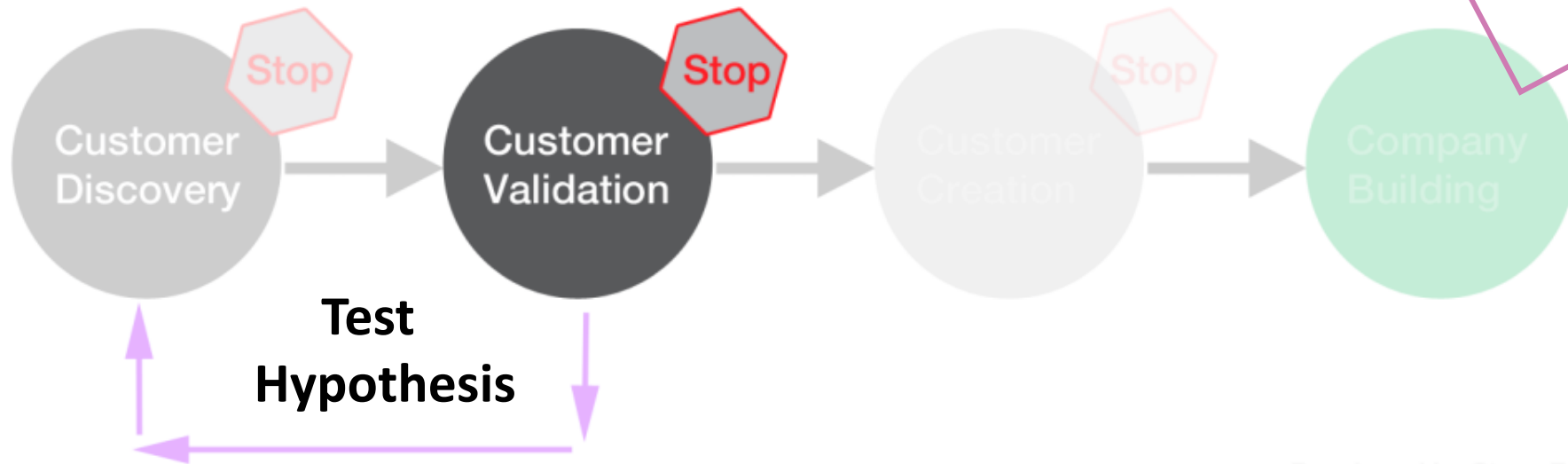
- Based on **Lean manufacturing principles and practices**

bioeconomy, future industries, and social innovation
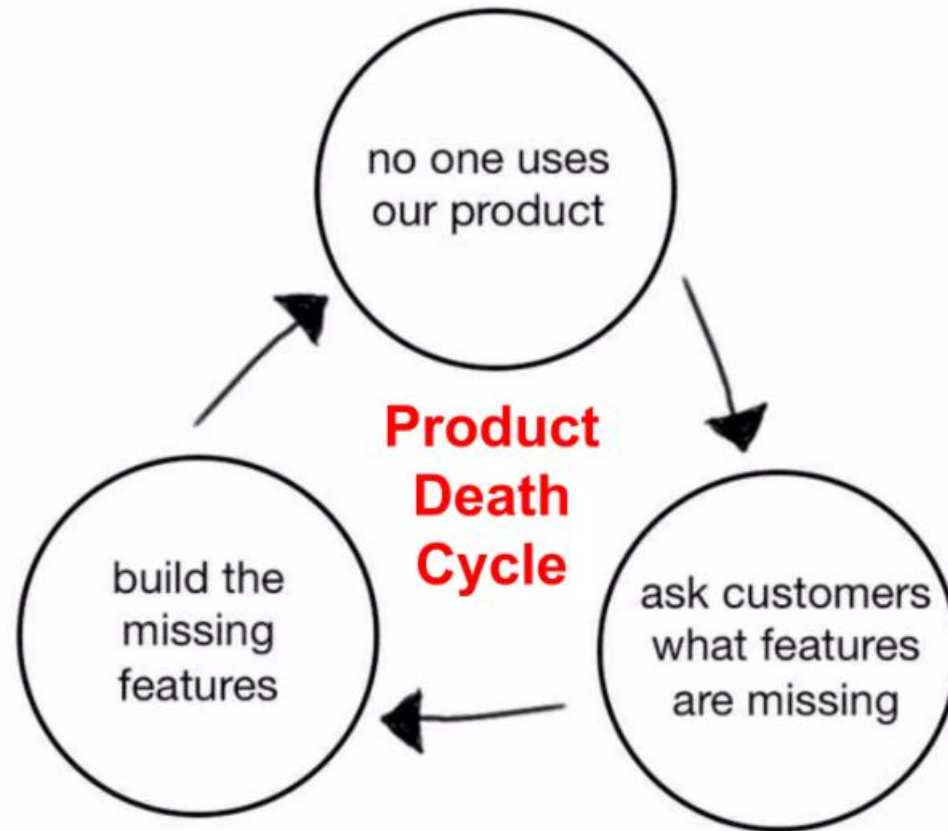
Pre-lean start-up

Lean start-up era

Hypothesise

Test Hypothesis

Validate / invalidate

Starting Point

- Customers DO NOT care about your solutions...

- They only care about their own problems.

- It is the way customers see the problem that is most important and equally, their motivation to solve it.

- You therefore need to understand potential customer's problems and motivations extremely well...

Key challenges for start-ups

- You spend too much time talking (explaining your solution)

- You don't spend enough time trying to understand the problem worth solving.

- You don't know how to engage the market effectively, to ask the right questions to get the information you need to inform the opportunity.

How NOT to communicate your solution

Verbal Business Card

We believe we can solve these types of **Problems** for these types of customers using this << >>

Verbal Business Card - Examples

Example 1

We believe we can recycle polyester from used clothing and turn it into virgin quality material for the textile and recycling industry using **X**

Example 2

We believe we can enhance early detection and intervention for neurodegenerative diseases in older adults for healthcare organisations using **X**

TUS

VARA
INNOVATION SPECIALISTS

Verbal Business Card - Examples

Example 3

We believe we can augment renewable energy asset contribution to the energy mix and lower electricity bills for energy consumers using **X**

Example 4

We believe we can reduce unplanned downtime and extend equipment life for industrial manufacturers using **X.**

TUS

VARA
INNOVATION SPECIALISTS

Verbal Business Card

What is your verbal business card?

(Take 5 Minutes)

Gen AI?

- Become Gen AI literate.
- Embrace AI tools to accelerate ideation and execution.
- Stay agile: AI is a moving target—business models must adapt.
- Balance AI efficiency with human creativity and judgment.

Has application right across:

Ideation, VBC,Value Proposition Design, Business Model Design, Canvases, Customer Discovery, Funding Applications, Pitch Preparation.

Gen AI?

Start with a simple prompt structure:

- **Goal:** Clearly state your main goal with specifics.

- **Return Format:** Specify the exact output structure and required details.

- **Context:** Provide relevant background, preferences, and any relevant docs etc.

- **Warnings:** Highlight potential pitfalls or accuracy considerations.

- **Be careful of IP.**

TUS

VARA
INNOVATION SPECIALISTS

Gen AI?

Example: I'd like to create a verbal business card. It should follow the format of:

*"We believe we can solve these types of **<Problems>** for **<types of customers>** using **(add only letter X here)**"*

- I am a student entrepreneur working on *'Using advanced computer vision models, we detect mould accurately in real-time and seamlessly refer qualified professionals to handle the remediation'*

- Any relevant background, preferences, etc.

- Clarify, challenge, additional problems, other customer considerations etc.

Don't share IP sensitive info. Stick to what – not how.

Introduction to
Business Model Design and
Value Proposition

TUS

VARA INNOVATION SPECIALISTS

Business Model Canvas (BMC)

Business Model Canvas (BMC)

Business Model Canvas

Nespresso changed the **business model** for espresso

The Business Model Canvas (Nespresso example)

BMC and Value Proposition Canvas
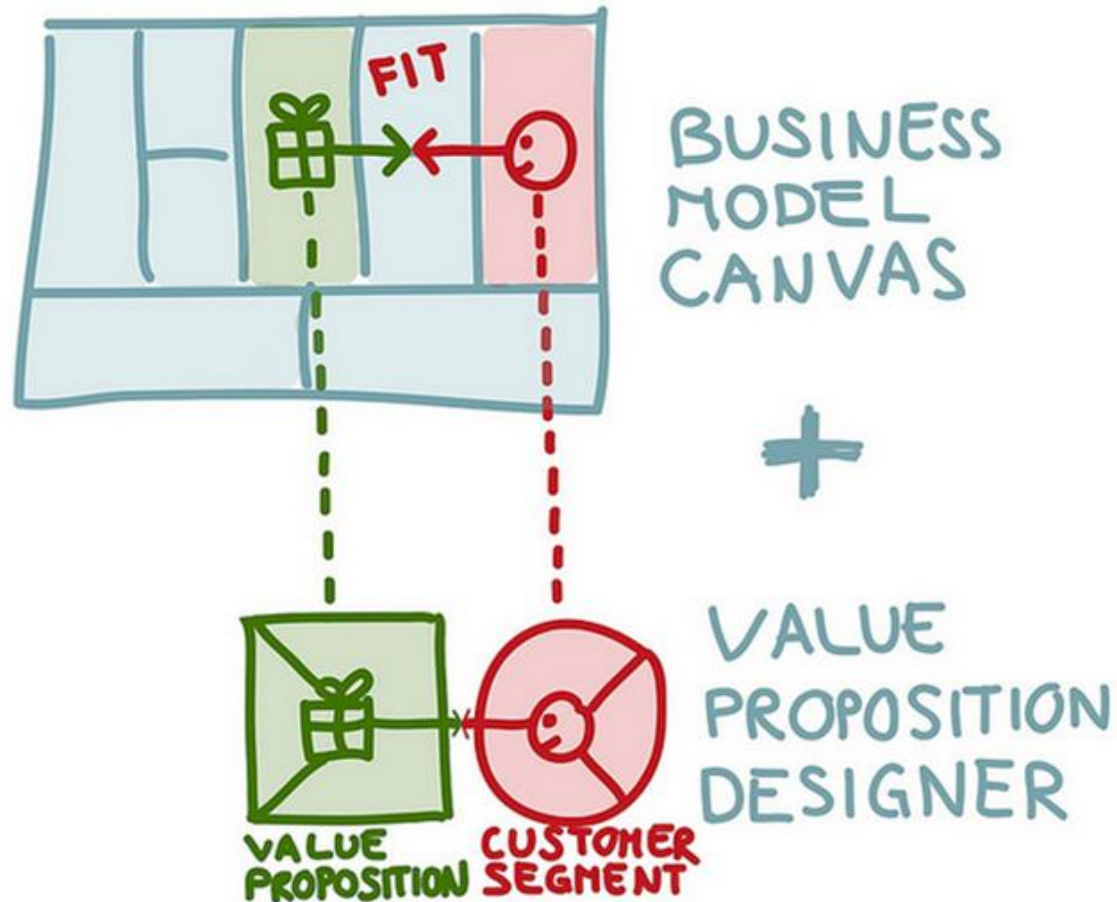
Zoom out

Zoom in
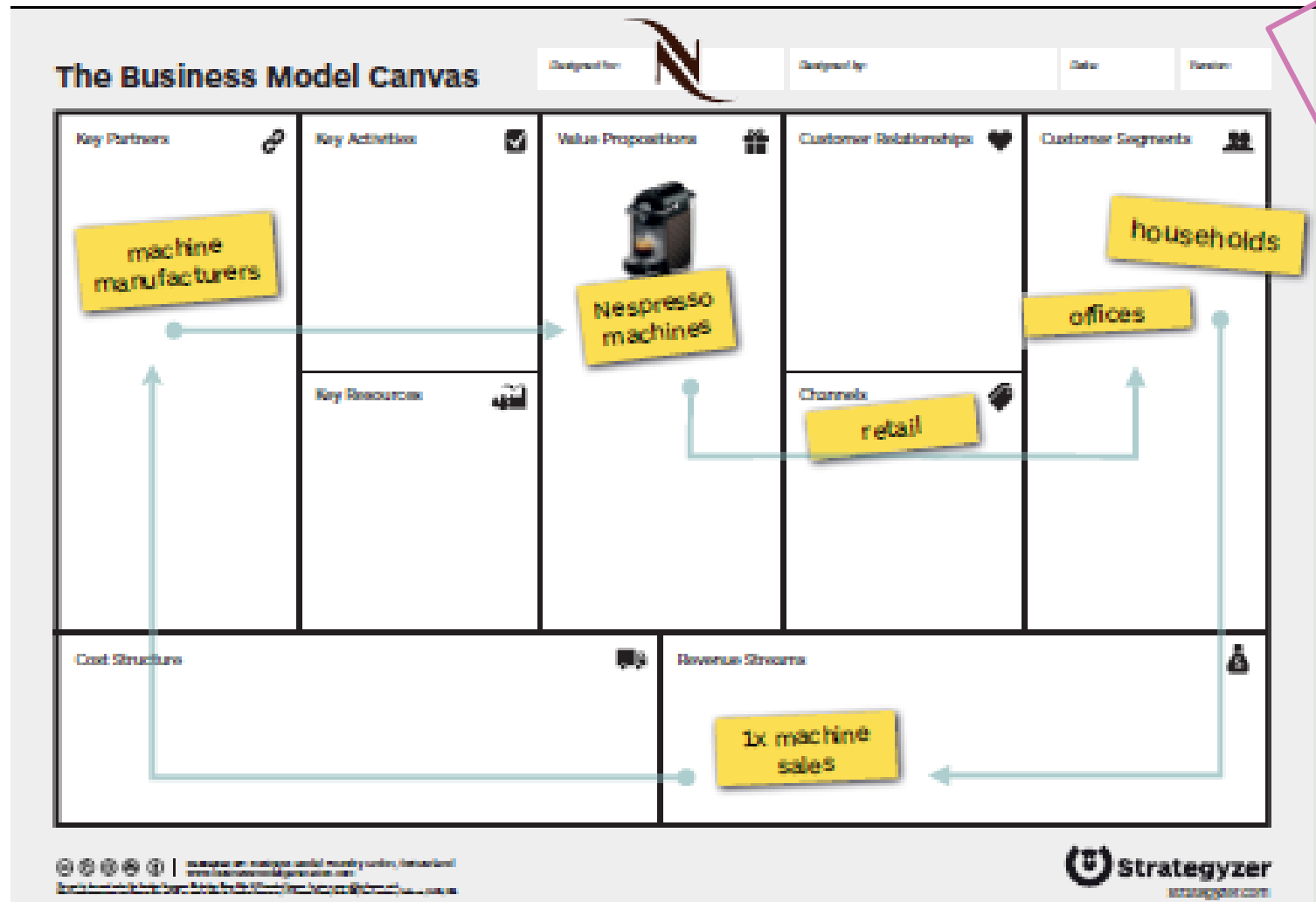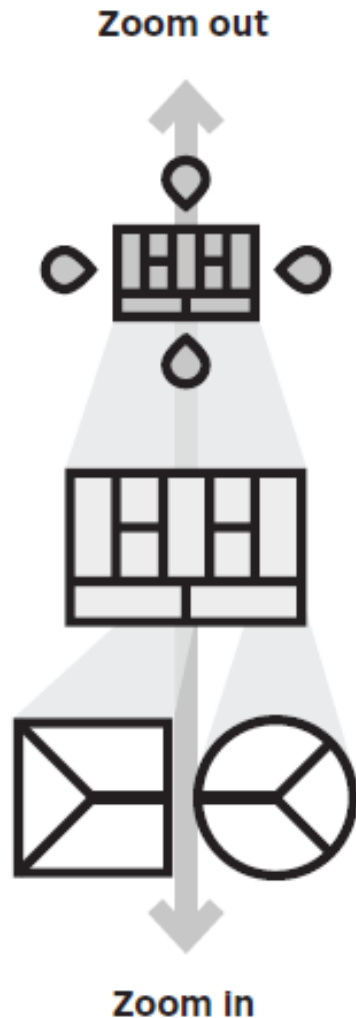
The **Environment Map** helps you *understand the context in which you create.*

The **Business Model Canvas** helps you *create value for your business.*

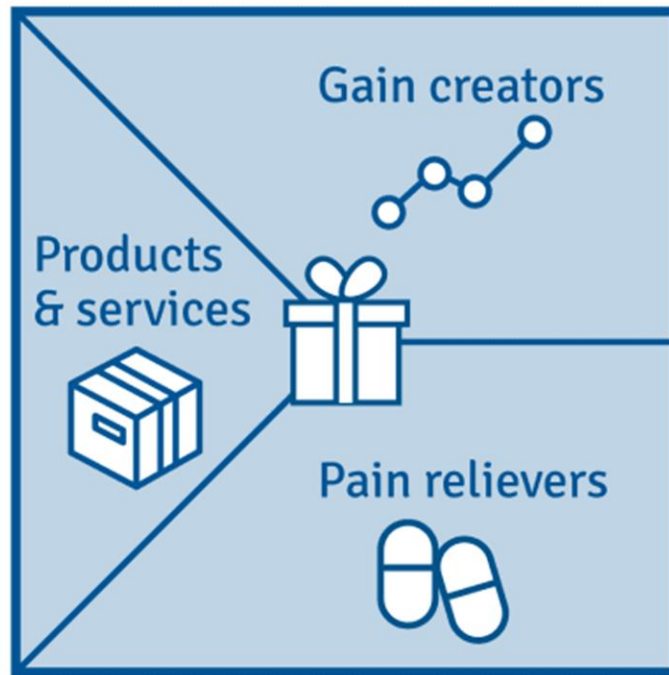The **Value Proposition Canvas** helps you *create value for your customer.*
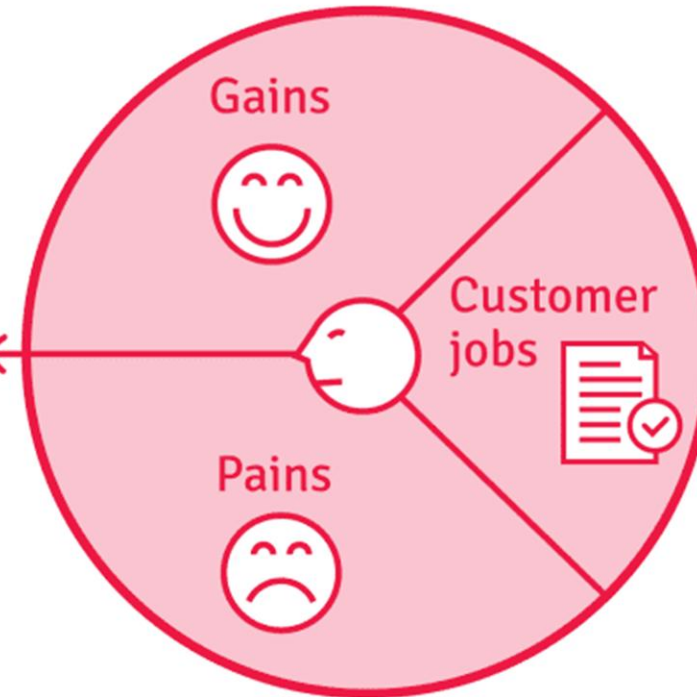
Strategyzer

TUS

VARA
INNOVATION SPECIALISTS

BMC and Value Proposition Canvas

BUSINESS MODEL CANVAS

+

VALUE PROPOSITION DESIGNER

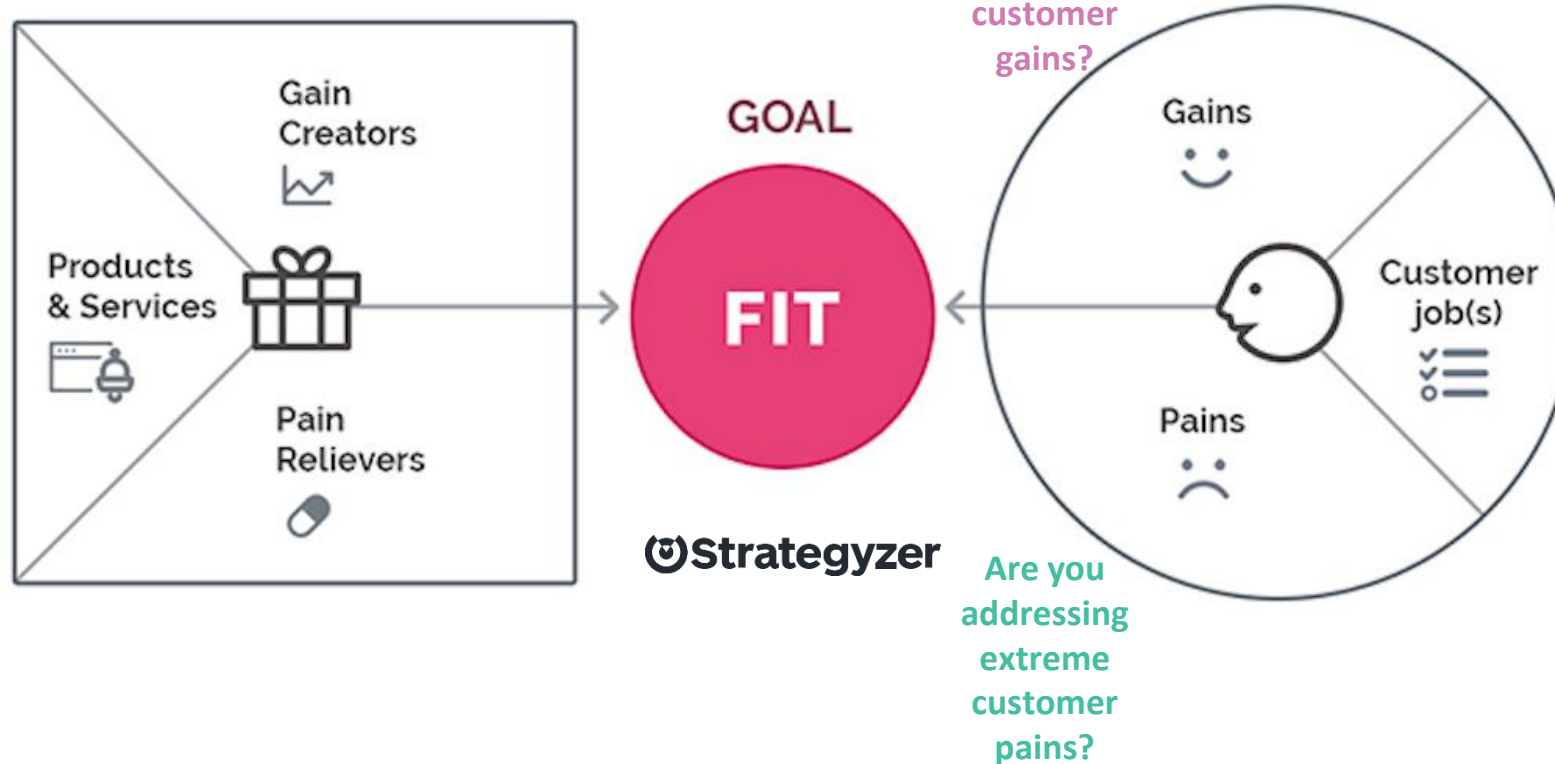# Value Propositions Canvas

Fit is achieved when your value proposition(s) alleviate extreme pains & create essential gains that customers care about.

Are you addressing essential customer gains?

Are you addressing extreme customer pains?

GOAL

FIT

Gain Creators

Products & Services

Pain Relievers

Gains

Customer job(s)

Pains

Strategyzer

TUS

VARA
INNOVATION SPECIALISTS

Value Proposition Canvas
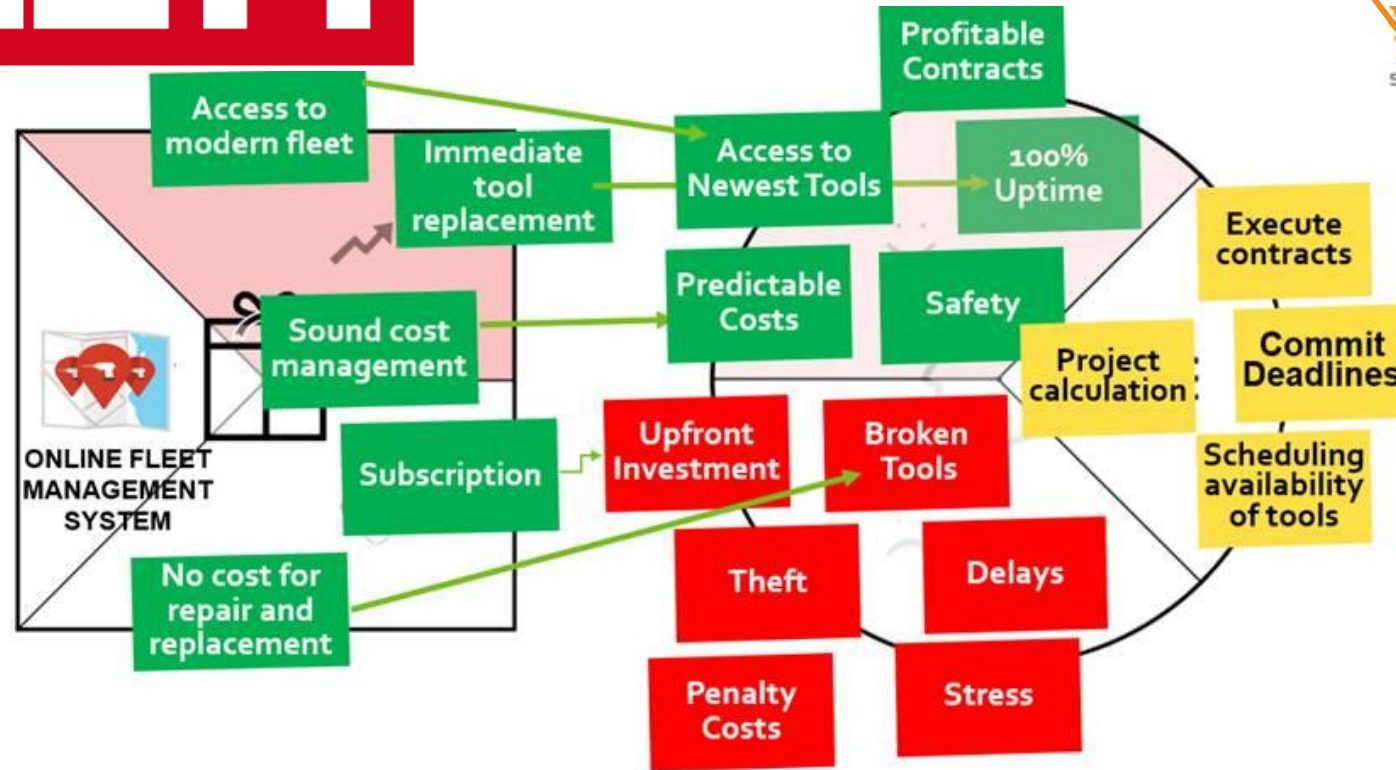
Through Customer Discovery

Adjust & Redesign

What job would a customer hire your product to do?

In the milk shake example…

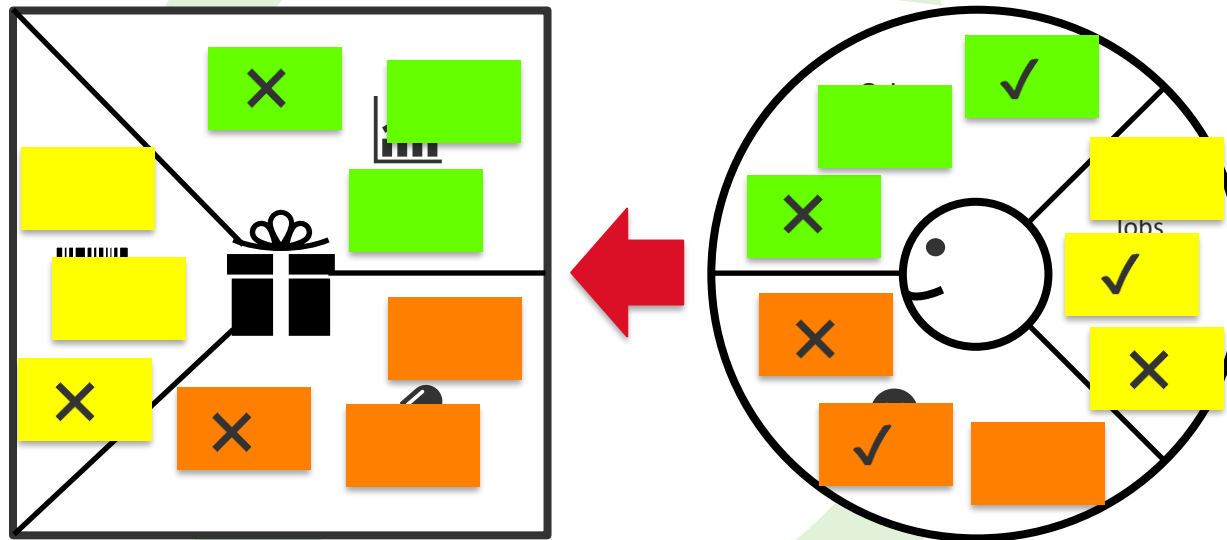**How did they improve the Milkshake to fit the morning "job"?**

1. **Made it even thicker to take longer than x minutes to finish**
2. **Put some tiny chunks of fruit in it ~ to add some extra unpredictability to the morning routine.**
3. **Moved the dispensing machine from behind the counter to the front so the people didn't get caught in a queue.**

According to Clay, sales increased 4x with the better understanding and reaction to the needs of their customers.

However – there were a smaller set of evening purchasers.

"One Size Does NOT Fit ALL"….

Customer Jobs, Pains and Gains

- Job Importance
- Pain Severity
- Gain Relevance
- Value Map – 'Fit'
- Important enough to pay for a solution?
- Determined by a process of customer discovery.
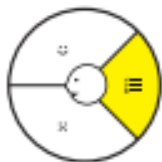
Job importance
Rank jobs according to their importance to customers.

Pain severity
Rank pains according to how extreme they are in the customers' eyes.

Gain relevance
Rank gains according to how essential they are in the customers' eyes.

Value Proposition

This should be your light bulb moment.

Describe your solution NOT as a technology BUT as benefits / value customers can expect from a solution.

What problem are YOU solving?

Value Proposition Good and Bad Examples.

❌ **Not a Value Proposition (poor example)**
Our system uses nanomaterial-infused polymer membranes for precision humidity modulation.
✗ Describes a feature/technology, not the customer outcome.
✗ No clear link to a job, pain, or gain.
✗ No indication of why this matters to the user or buyer.

✅ **Clear Value Proposition (good example)**
We believe we can reduce post-harvest spoilage losses for fresh produce exporters by improving humidity and ethylene control in storage and transit.
✓ Addresses a specific job: preserving product quality.
✓ Reduces a pain: spoilage-related revenue loss.
✓ Offers a tangible gain: higher saleable yield and shelf life.

Value Proposition Good and Bad Examples.

❌ **Not a Value Proposition (poor example)**
Our solution uses predictive analytics, edge computing, and industrial IoT integration to monitor asset health.
✗ This is a feature stack, not a statement of value.
✗ No indication of why it matters or to whom.
✗ No connection to outcomes or solving real-world problems.

✅ **Clear Value Proposition (good example)**
We believe we can reduce unplanned maintenance costs and downtime for manufacturing firms by predicting equipment failures before they occur using sensor-driven machine learning models.
✓ Job: Keeping operations running efficiently.
✓ Pain: Unexpected equipment breakdowns and repair expenses.
✓ Gain: Improved reliability, lower costs, and better scheduling.

TUS

VARA
INNOVATION SPECIALISTS

5 Minute Exercise using Gen AI

Value Proposition Assumptions

"I'm developing a solution that [describe what it does].

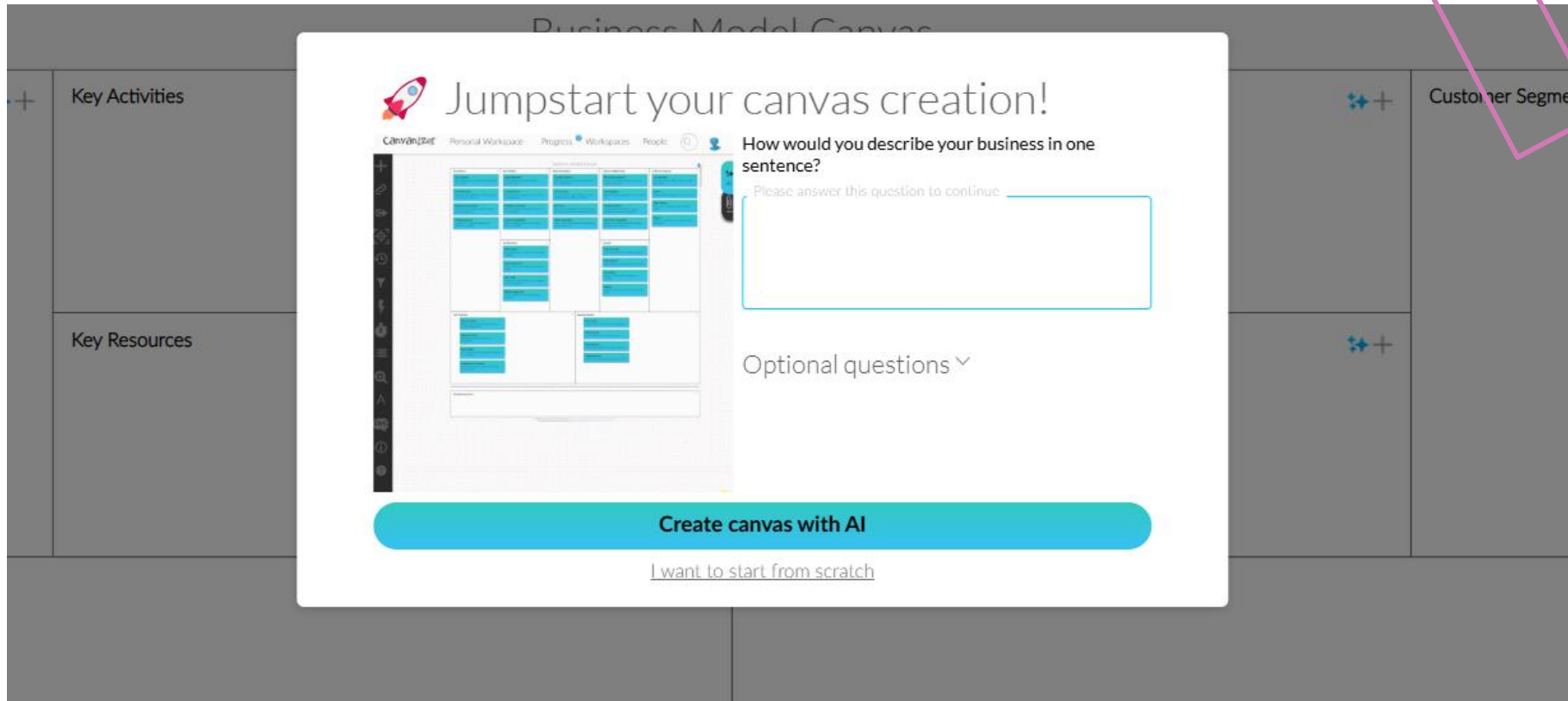Please give me 5–7 value proposition assumptions in the format:

'We believe we can [achieve outcome] for [who].'

Avoid technical or feature-focused answers. Focus on results and impact.

If you have any queries before answering, please ask"

Canvaniser (AI)

You won't be building anything without talking to people.
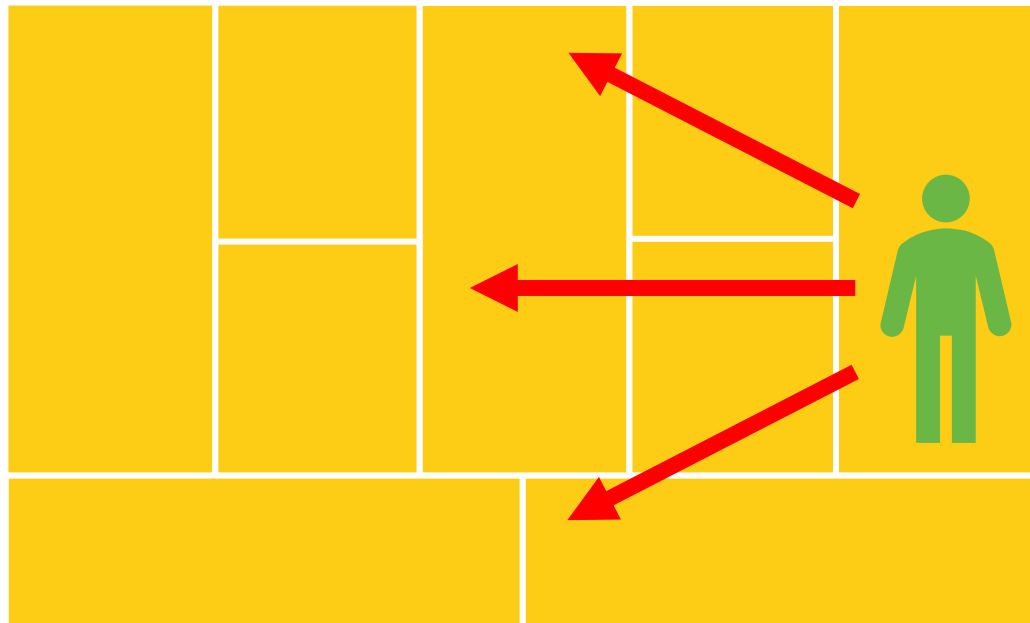
Business model will always be built on customer insights

- *Adopting the customer perspective is the guiding principle for the entire business model design process.*

- *Customer perspectives should inform choices regarding Value Propositions, Distribution Channels, Customer Relationships and Revenue Streams.*

And...

A lot of the own generated AND AI generated assumptions will be wrong.

Challenging assumptions through Customer Discovery is the path to the truth
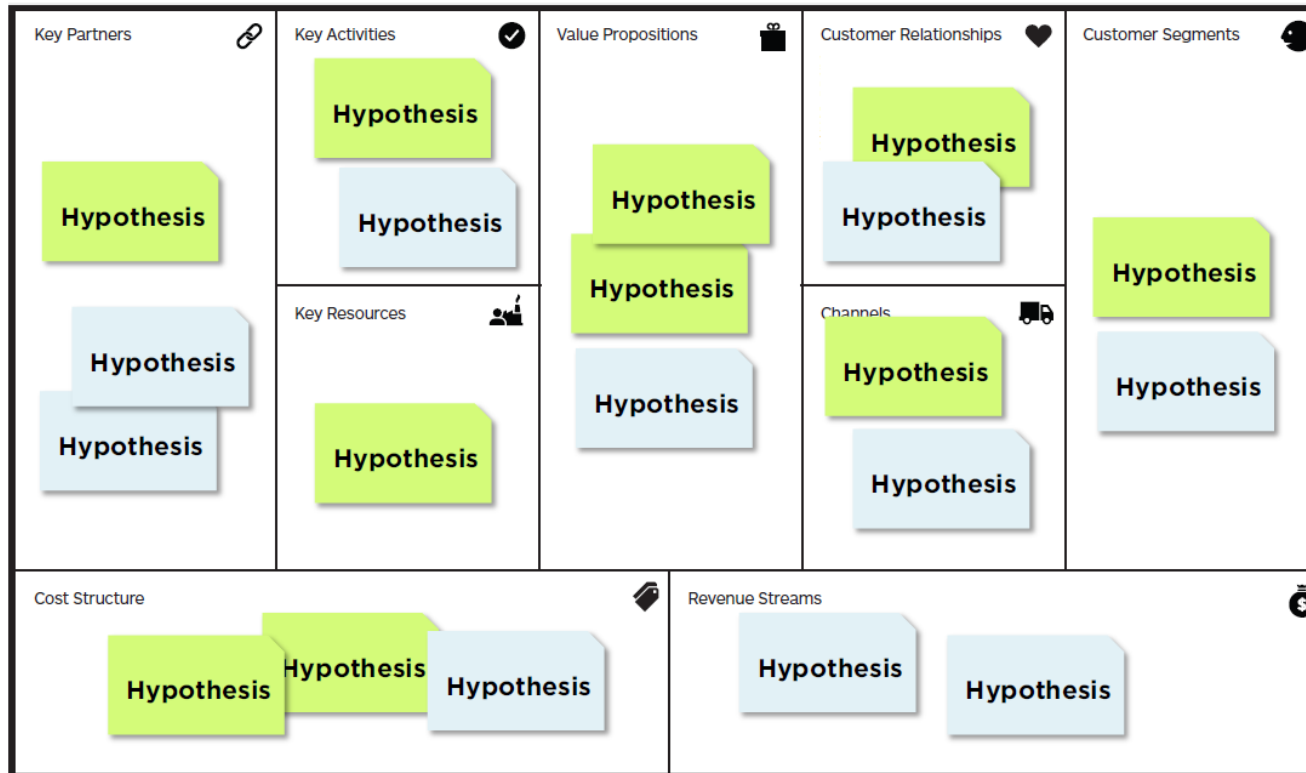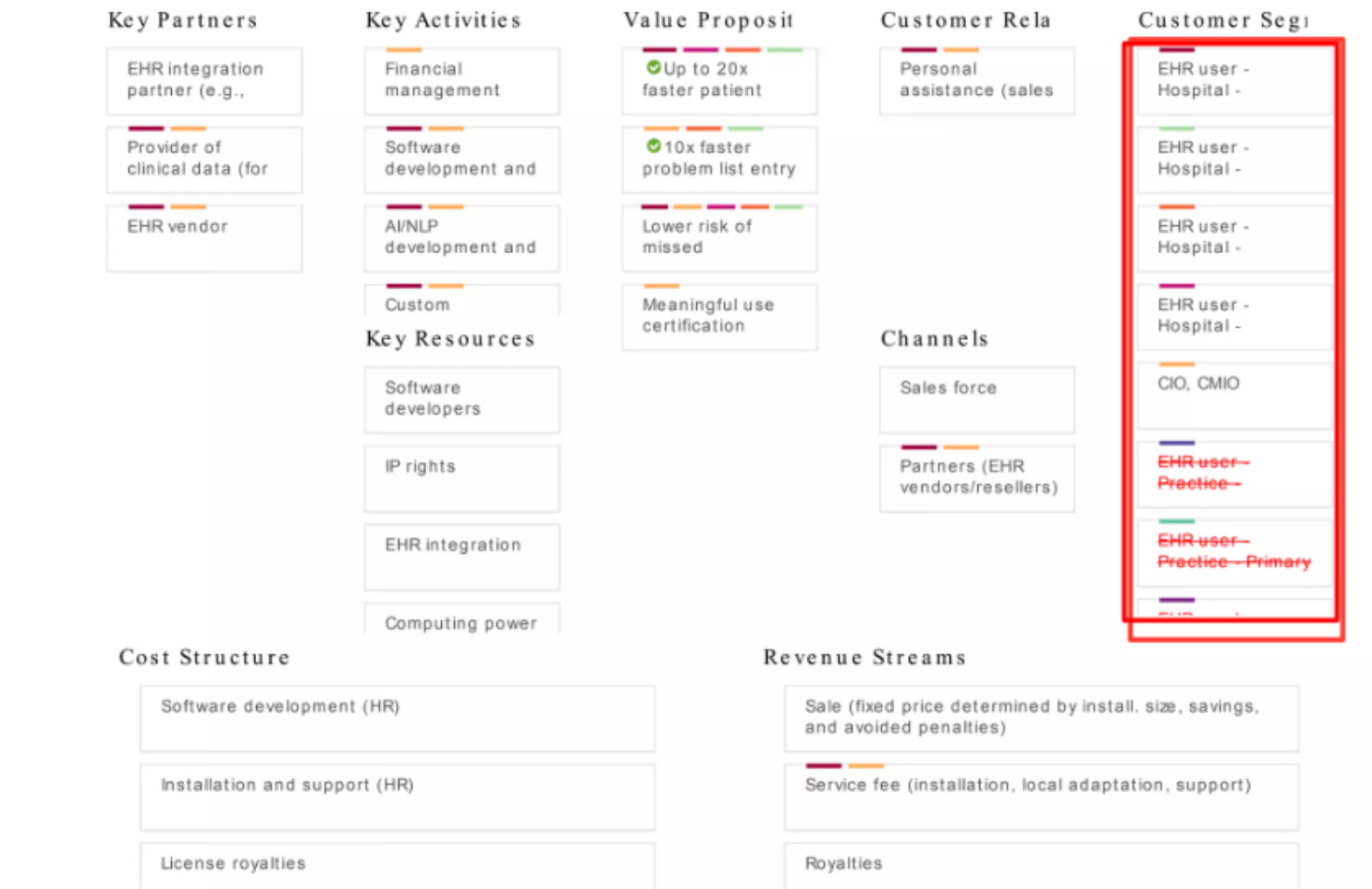
Business Model Canvas Evolution - 8

Key Partners
- EHR integration partner (e.g.,
- Provider of clinical data (for
- EHR vendor

Key Activities
- Financial management
- Software development and
- AI/NLP development and
- Custom

Key Resources
- Software developers
- IP rights
- EHR integration
- Computing power

Value Proposit
- ✅ Up to 20x faster patient
- ✅ 10x faster problem list entry
- Lower risk of missed
- Meaningful use certification

Customer Rela
- Personal assistance (sales

Channels
- Sales force
- Partners (EHR vendors/resellers)

Customer Seg
- EHR user - Hospital -
- EHR user - Hospital -
- EHR user - Hospital -
- EHR user - Hospital -
- CIO, CMIO
- ~~EHR user - Practice -~~
- ~~EHR user - Practice - Primary~~

Cost Structure
- Software development (HR)
- Installation and support (HR)
- License royalties

Revenue Streams
- Sale (fixed price determined by install. size, savings, and avoided penalties)
- Service fee (installation, local adaptation, support)
- Royalties

Follow our Journey

Supported by

https://innoboost.eu/