

Online Product Management – Product development and innovation management

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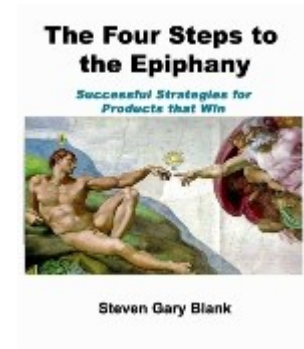
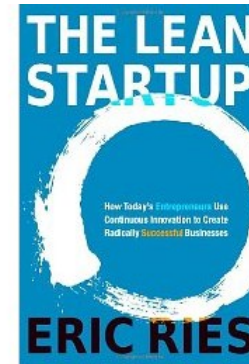
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Facebook: [facebook.com/georg.singer](https://www.facebook.com/georg.singer)

the-innovative-entrepreneur.com

Readings

- „The Lean Startup“ – Eric Ries



- „The four steps to Epiphany“ – Steve Blank
- „Rework“ – Jason Fried, David Heynemeyer
- „Online Produkt Management“ – Christian Maaß (German)

What is a start-up?

- A startup is a *human institution* designed to *deliver a new product or service* under conditions of *extreme uncertainty*.
- Nothing to do with size of company, sector of the economy, or industry
- In order to survive and grow, it needs to find a viable business model (defined business model last time)

Most Startups Fail



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Most Startups Fail



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Adapted for 2009 by Meg Pickard | <http://www.flickr.com/meg/>



Today's model

- Have an interesting idea
- Raise a lot of money very early
- Create a perfect product with best people
- Hire an experienced CEO
- Start the marketing machine
- Fail

Start-ups are...

- Startups aren't small versions of large companies
- They are about learning/discovery, not execution
- Entrepreneurs and their VC's were/are executing on guesses
- But the facts were outside the building



Failure is....due

..to a lack of customers not a product development failure...

Then why do we have:


- Process to manage product development?
- No process to manage customer development?



Why?

- Did not meet customers' needs
- Bad at predicting the future
- Wrong progress measures: Sticking to the plan rather than getting to know the customer

The Lean Startup movement

A photograph of Eric Ries, the author of 'The Lean Startup', speaking on a stage. He is wearing a dark suit jacket over a grey button-down shirt and glasses. He has a small microphone clipped to his shirt and is gesturing with his hands as he speaks. The background is dark with blue lighting accents.

BENEFITS OF THE LEAN STARTUP

**Be more innovative.
Stop wasting people's time.
Be more successful.**

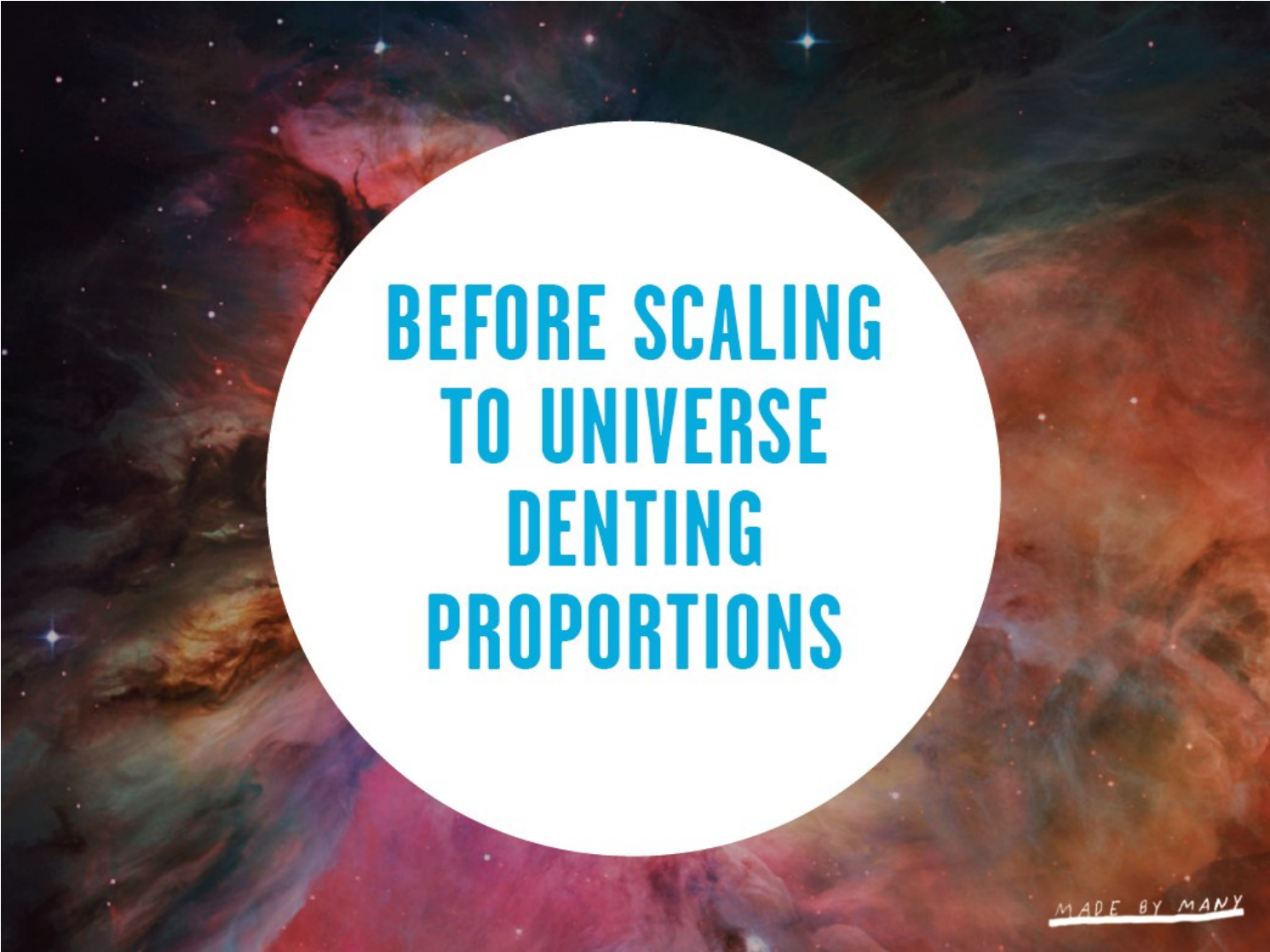
“Lean isn't about being cheap [but is about] being less wasteful and still doing things that are big.”
- Eric Ries

Lean-startup pillars

- Rapid prototyping to test hypotheses
- Minimum Viable Product (MVP)
- Nail it then scale it
- Customer development – get out of the building
- Iterative, metrics-driven & agile
- Learn fast and often, don't fail fast







**BEFORE SCALING
TO UNIVERSE
DENTING
PROPORTIONS**

MADE BY MANY

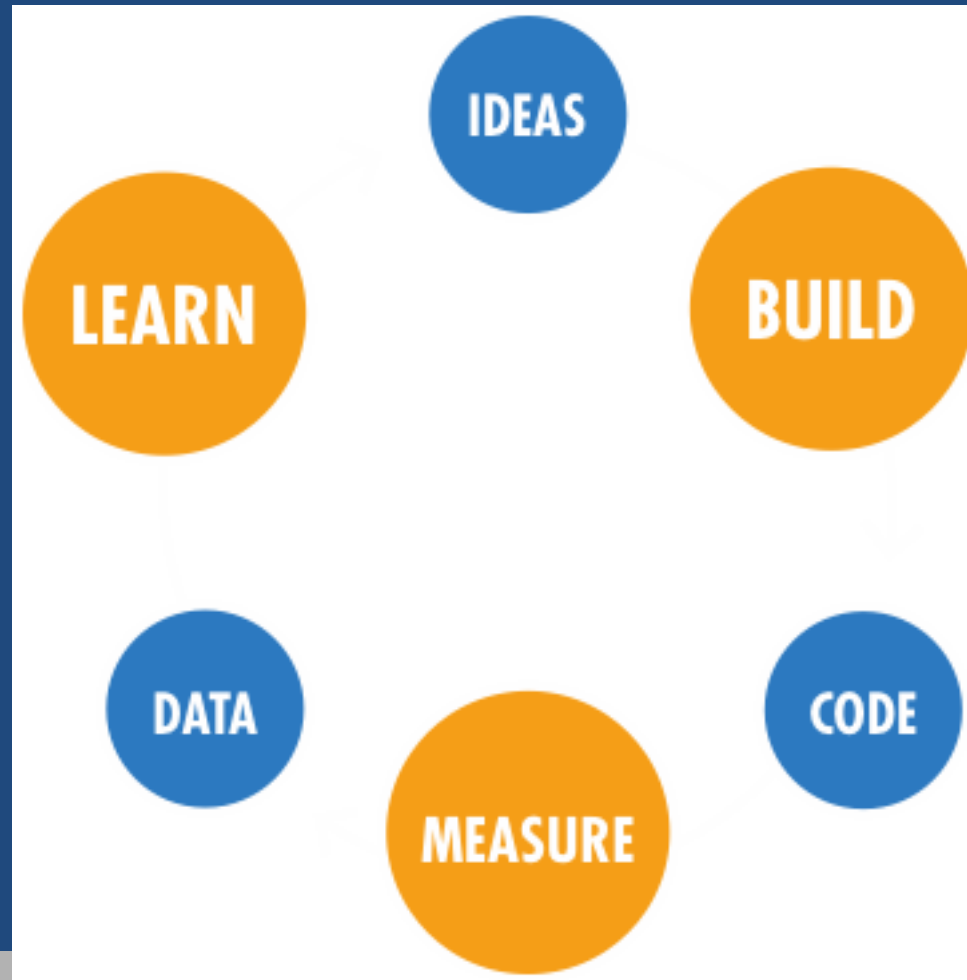
BUILDING AN MVP

The minimum viable product (MVP)

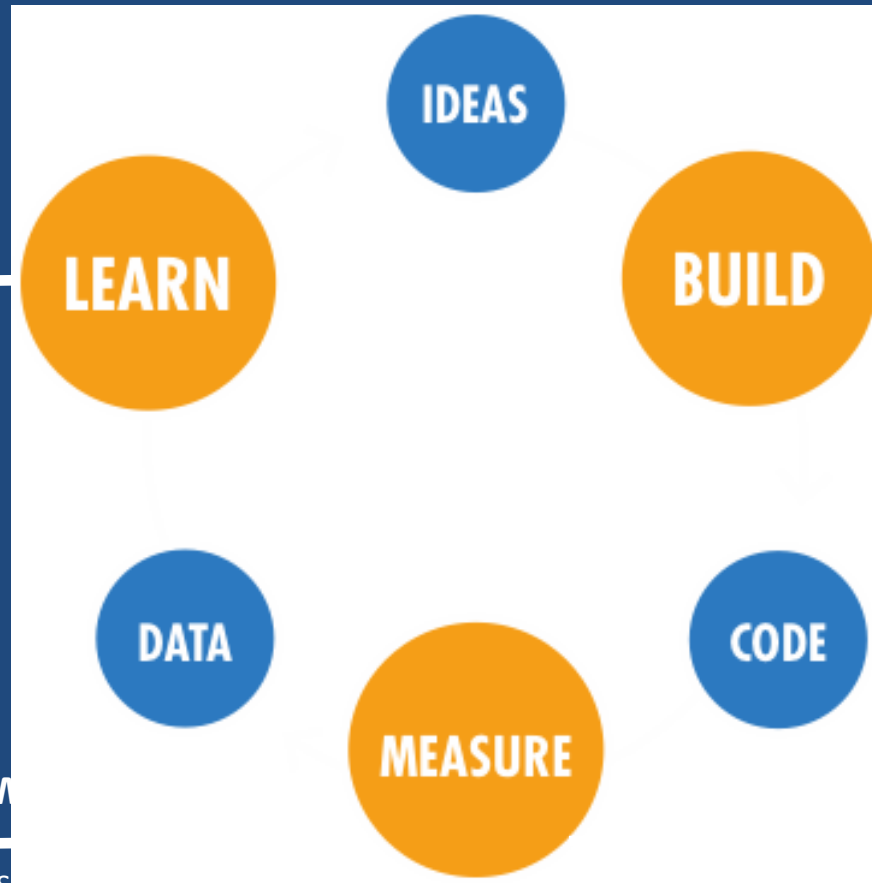
- Minimum set of features that solves the problem and provides value
- Something that can be measured and tuned
- Does not have to have the same form as the final product



Minimize **TOTAL** time through the learning loop



There's much more...



Learn Faster

- Split Tests
- Customer Interviews
- Customer Development
- Five Whys Root Cause Analysis
- Customer Advisory Board
- Falsifiable Hypotheses
- Product Owner
- Accountability
- Customer Archetypes
- Cross-functional Teams
- Semi-autonomous Teams
- Smoke Tests

Build Faster

- Unit Tests
- Usability Tests
- Continuous Integration
- Incremental Deployment
- Free & Open-Source Components
- Cloud Computing
- Cluster Immune System
- Just-in-time Scalability
- Refactoring
- Developer Sandbox
- Minimum Viable Product

Measure

Learn

Split tests

Funnel Analysis

Clear Product Owner

Cohort Analysis

Continuous Deployment

Net Promoter Score

Usability Tests

Search Engine Marketing

Real-time Monitoring

Real-Time Alerting

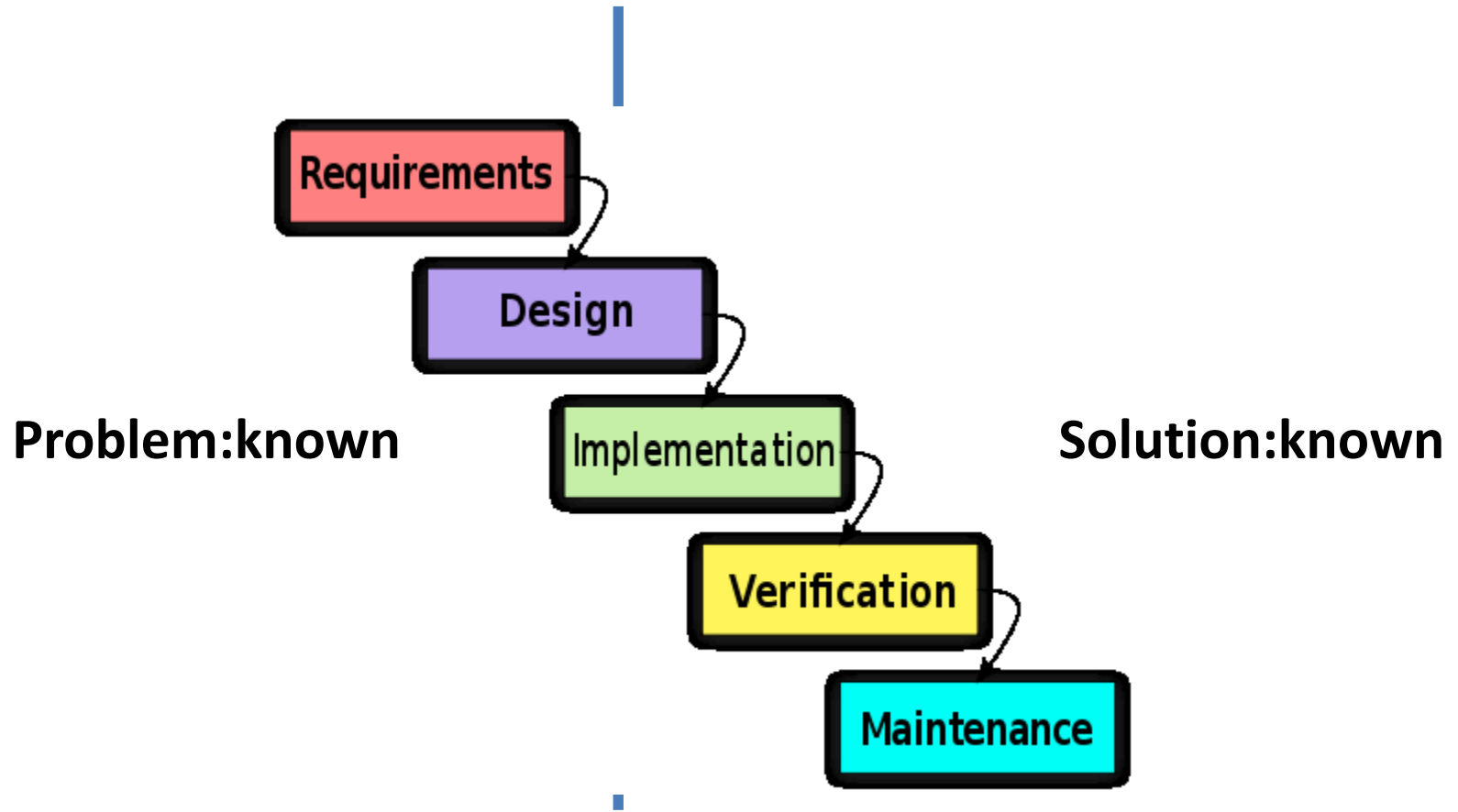
Customer Liaison

Predictive Monitoring



Product development/innovation approaches

Traditional product management Waterfall model

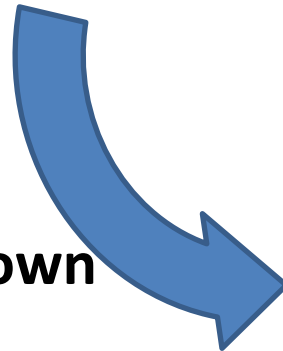


Agile

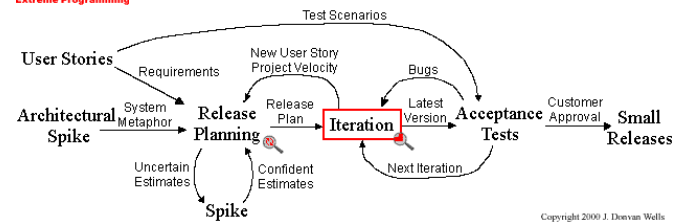
Unit of progress: code

„Product owner“ or in-house customer

Problem:known



Extreme Programming Project



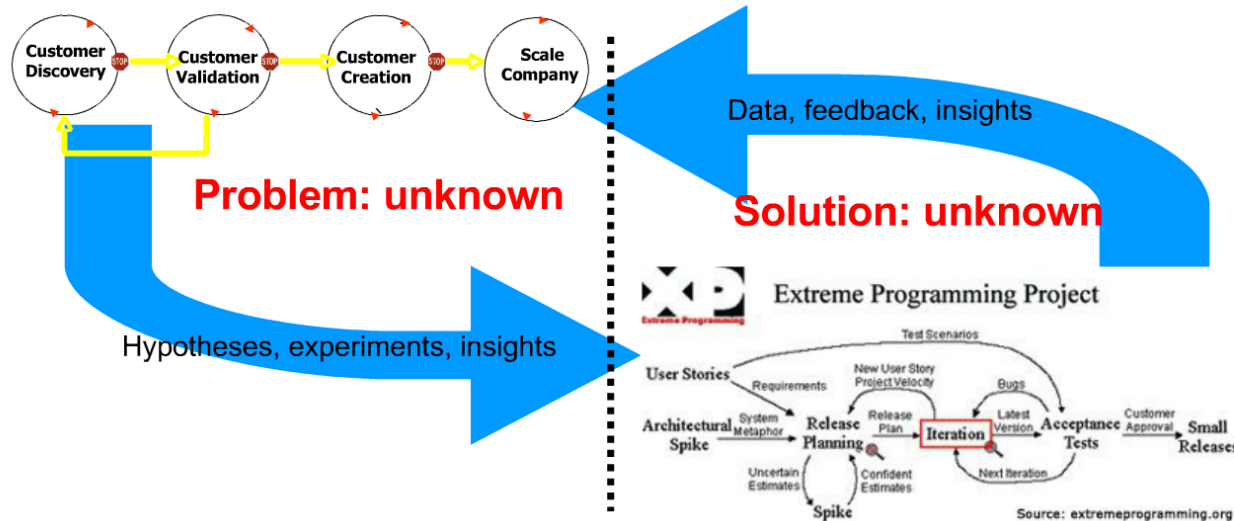
Solution:unknown

Product development at Lean Startup

Unit of progress: Validated Learning about customers

Unit of progress: Learning about Customers

Customer Development Engineering



Customer development


Active approach to engaging with users which tests our assumptions

Builds customer relationship with potential customers



Customer development movement

Home Books/Blogs for Startups Steve Blank Entrepreneurship



STEVE BLANK

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[Epitaph for an Entrepreneur](#)

Posted on **June 18, 2009** by [steveblank](#) | [Edit](#)

Raising our kids and being an entrepreneur wasn't easy. Being in a startup and having a successful relationship and family was *very* hard work. But entrepreneurs *can* be great spouses and parents.

This post is not advice, nor is it recommendation of what you should do, it's simply what my wife and I did to raise our kids in the middle of starting multiple companies. Our circumstances were unique and your mileage will vary. Read the [previous post](#) first for context.

Biological Clocks

After Convergent and now single again, I was a co-founder of my next two startups; MIPS and Ardent. I threw myself into work and worked even more hours a day. And while I had great adventures (stories to come in future posts,) by the time I was in my mid-30's I knew I wanted a family. (My friends noticed that I was picking up other people's babies a lot.) I didn't know if I was ready, but I finally could see myself as a father.


I met my wife on a [blind-date](#) and we discovered that not only did we share the same interests but we were both ready for kids. My wife knew a bit about startups. Out of Stanford Business School she went to work for Apple as an [evangelist](#) and then joined [Ansa Software](#), the developer of Paradox, a Mac-database.

Product Launch

Our first daughter was born about four months after I started at [SuperMac](#). We ended up sleeping in the hospital lounge for 5 days as she ended up in intensive care. Our second daughter followed 446 months later.

The Four Steps to the Epiphany

Successful Strategies for Products that Win




Steven Gary Blank

[Read the reviews.](#)

[To Order Outside of the U.S.](#)

Not All Those Who Wander Are Lost



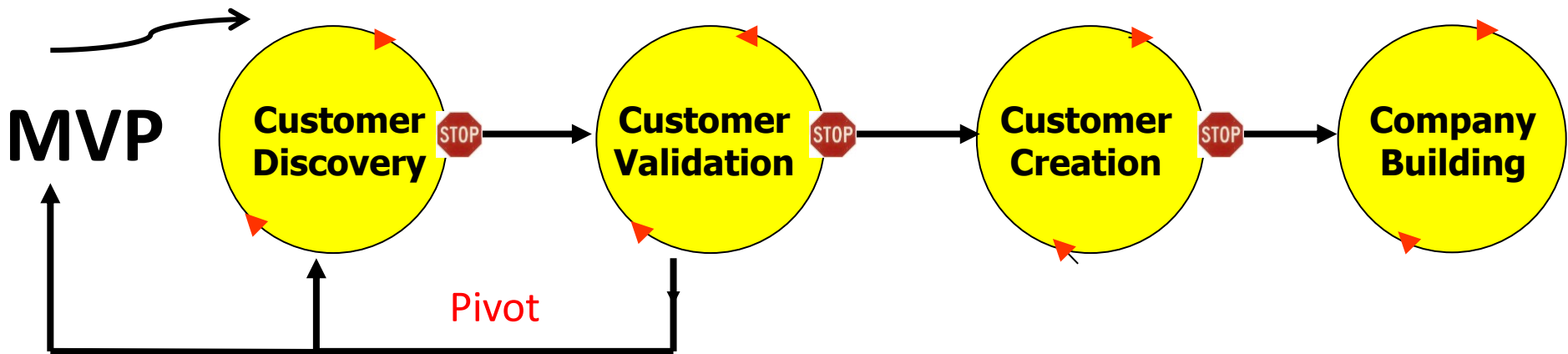
Posts from an Entrepreneurial Career

Steve Blank

[Now in Print! Steve Blank's 30 years of Silicon Valley.](#)

Customer Development

The Search For the Business Model





**GET OUT
OF THE
BUILDING**

Startups need...

To talk to real people

Test their assumptions

Gather real customer feedback

Learn what creates value and what not



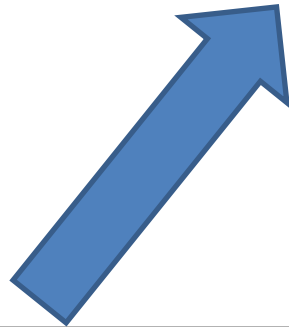
EXAMPLE



Pivot Example


On-line Social Buying Platform in search for a business model

Talked to 250 Customers in 8 weeks



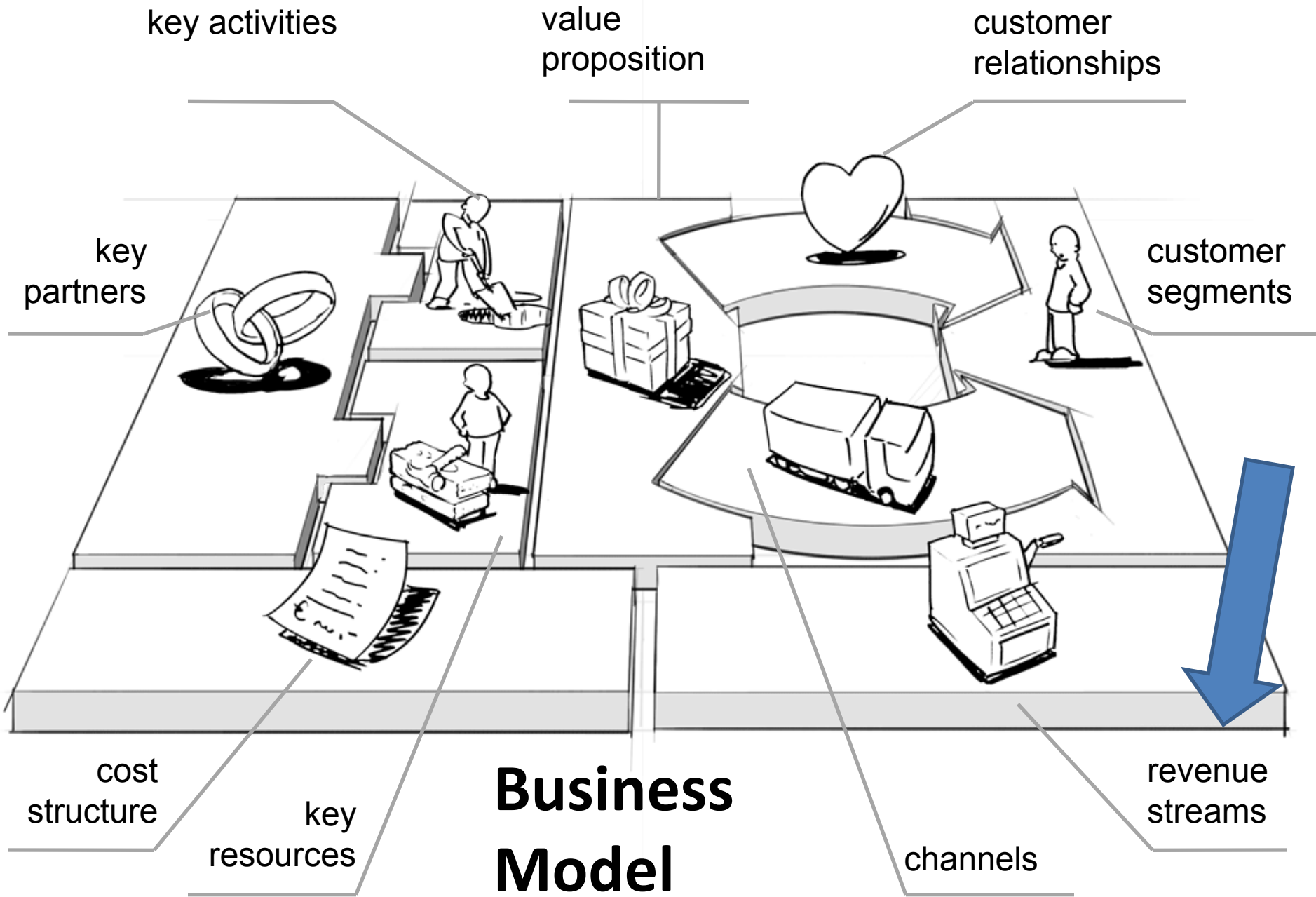


OURCRAVE

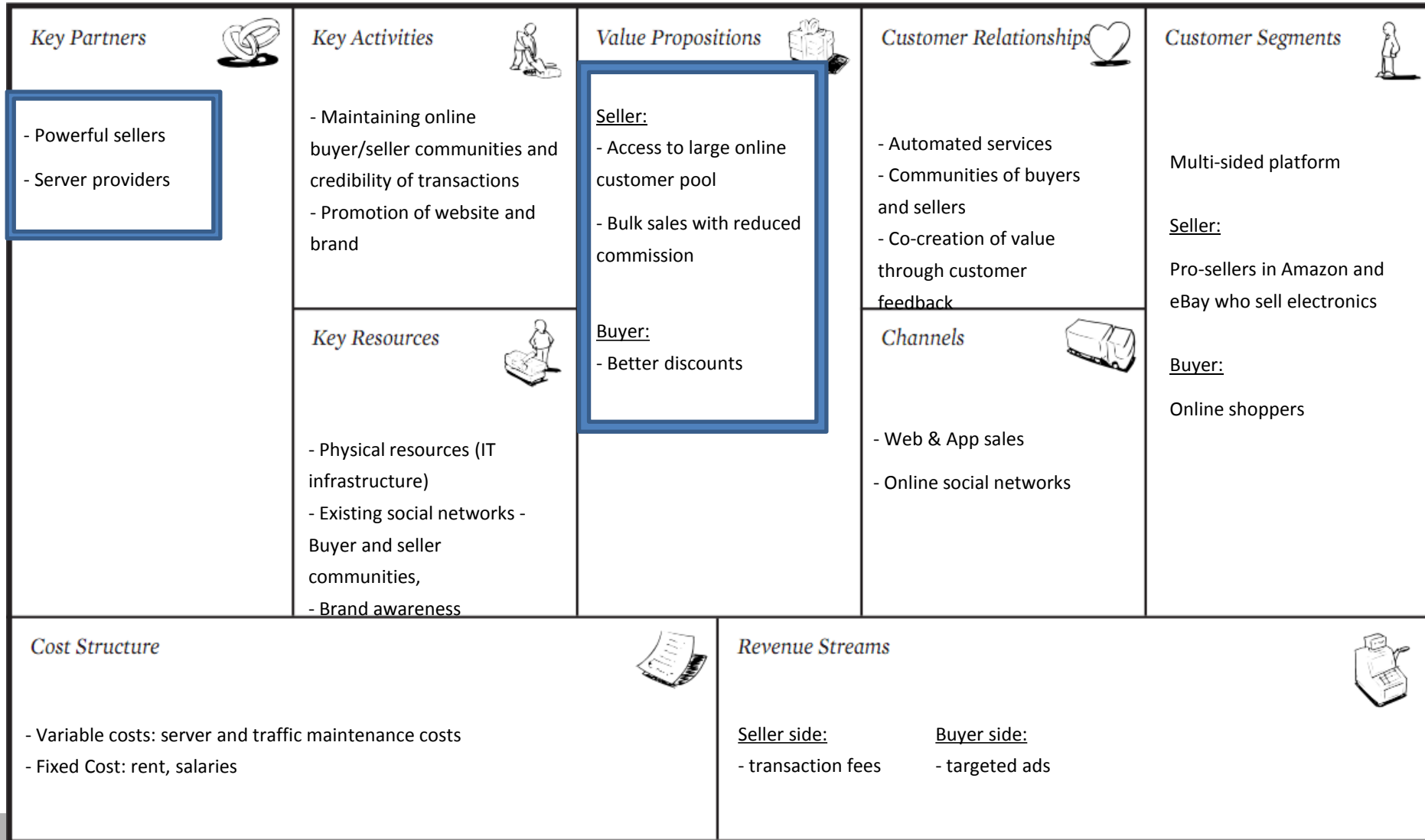


The more people crave,
the cheaper the price.

OURCRAVE is an **online social shopping platform** where customers can make their own deals on products or services of their choosing with sellers who can offer them in bulk at a discounted price.



Business Canvas #1

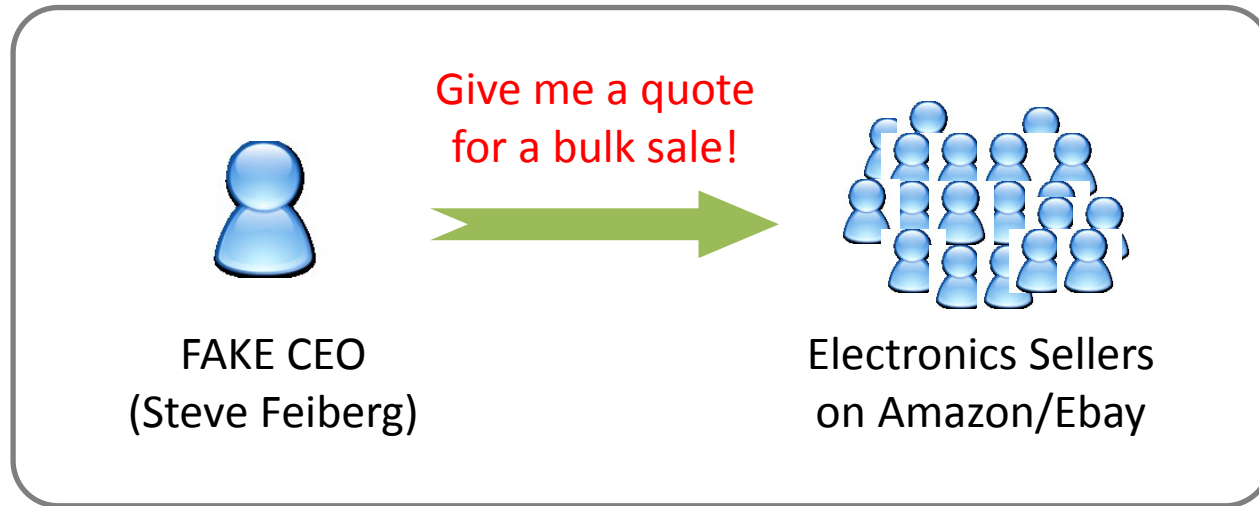


Key Question for Business Canvas #1

Are buyers and seller interested in such a service? What is important for them?



Seller Side Test with a fake E-MAIL to sellers



57%

showed interest

90%

sell products
on Amazon

- 56% paid 10~20% transaction fee
- 22% paid 5~10% transaction fee
- 78% agreed it was too much
- 33% actually provided discount proportional to group size

Seller Side

Interview with Industry Specialist (LG Electronics)



Bestbuy

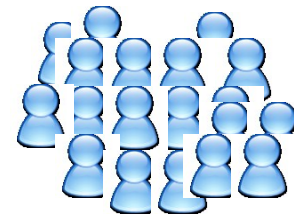
25%



Target,
Walmart

25%

Main Target



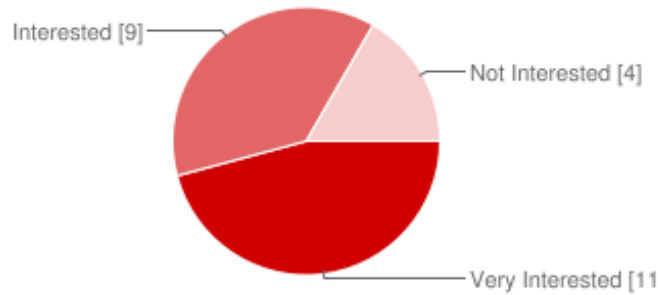
Associations of
Regional Big Sellers

40%

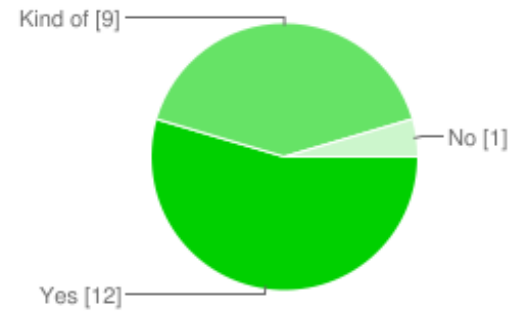
User Side

: Online User Survey

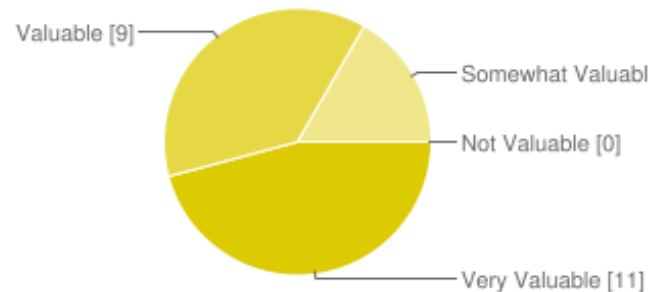
Discount on products



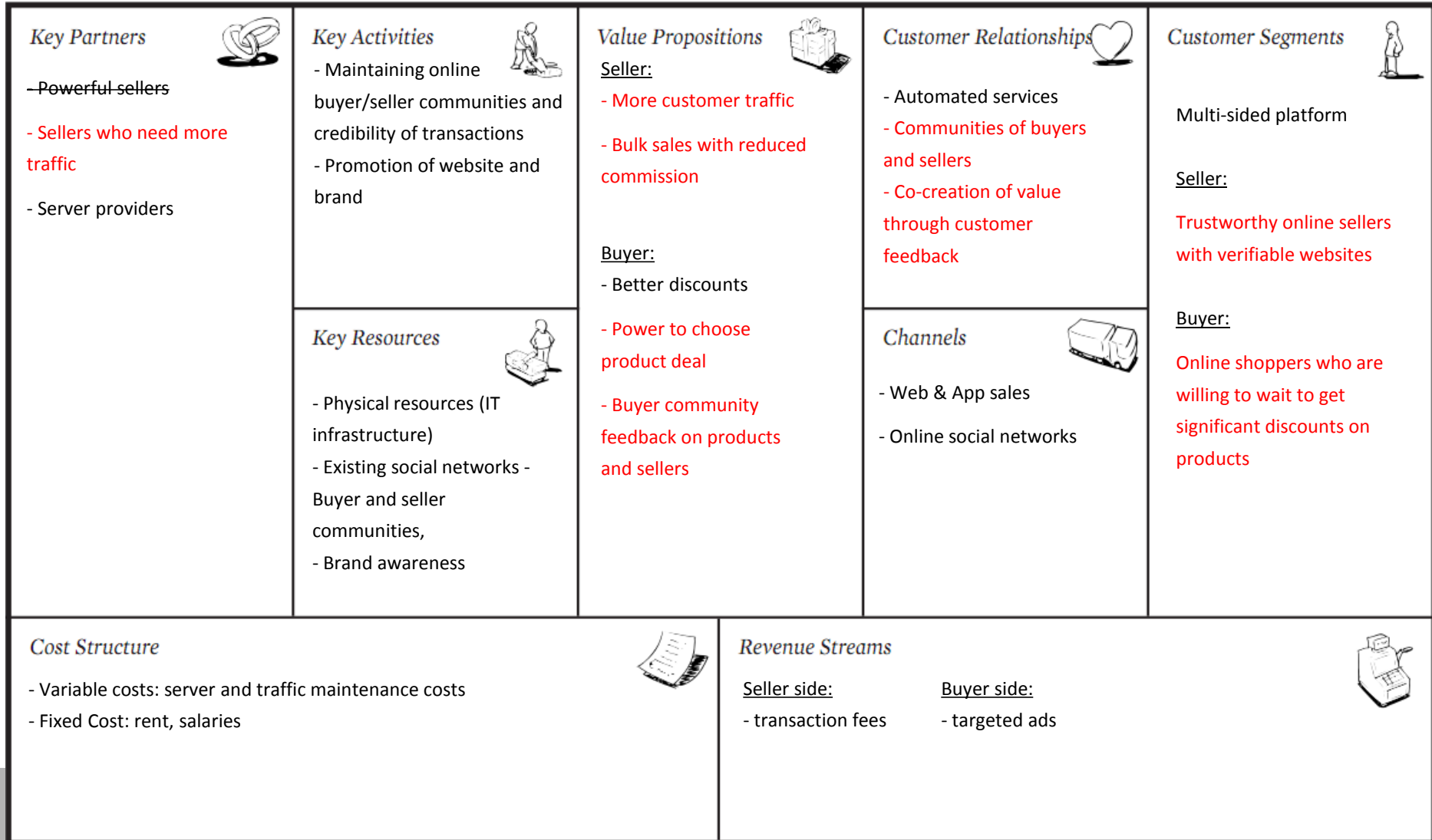
Power to choose products



Buyer community feedback



Business Canvas #2



Key Question for Business Canvas #2

HOW CAN WE ATTRACT BUYERS?

CUSTOMER ACQUISITION COST?



Buyer Demand Test

Best Marketing Channel for having buyers is Facebook Wall
: 144 Unique Visits, 10 e-mail subscriptions for 3 days



Facebook Wall

(CTR) **5%**

(COST) **\$0**



Google Adwords

0.08%

\$7.52



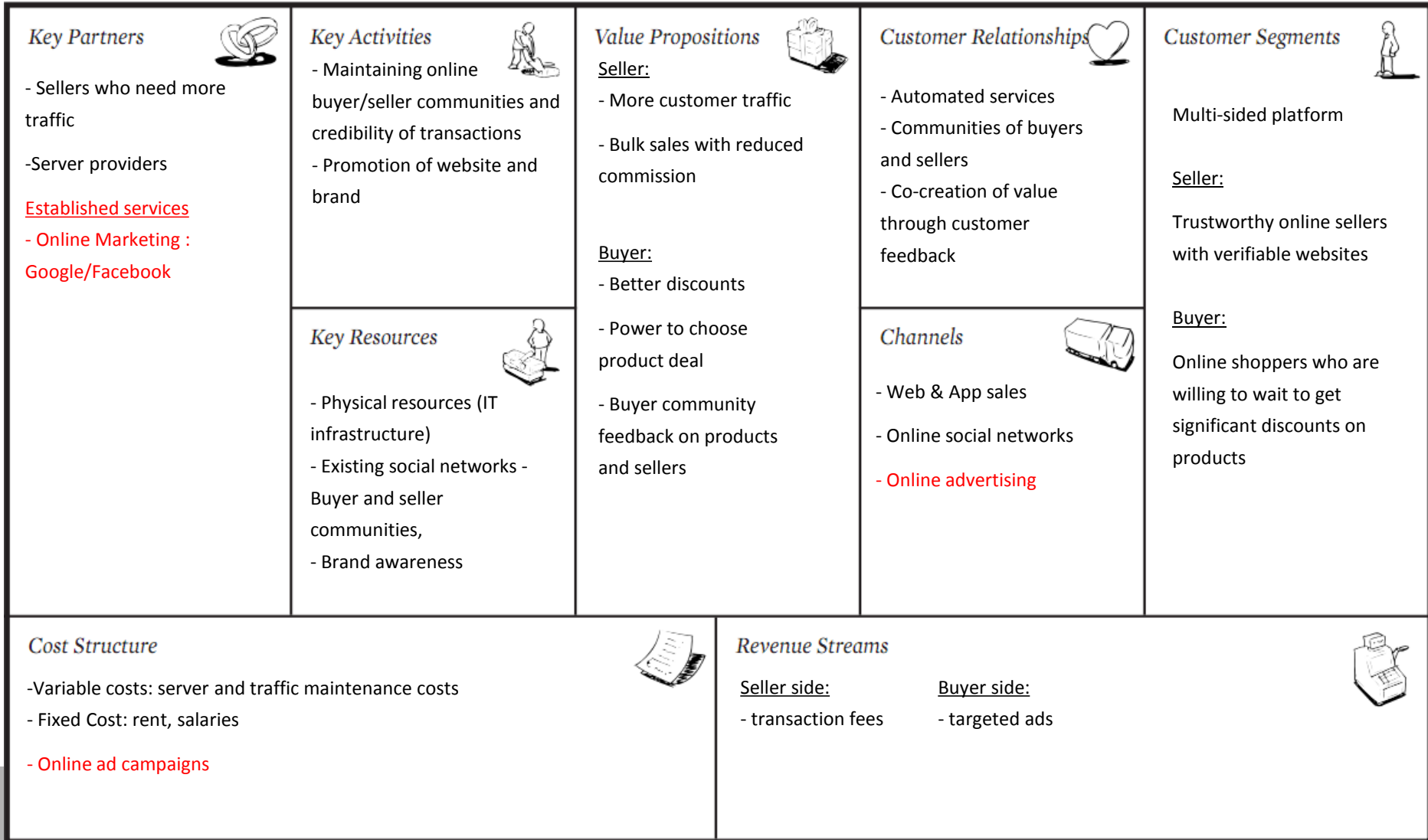
Facebook Ads

0.005%

\$4.88



Business Canvas #3



Key Question for Business Canvass #3

HOW CAN WE ATTRACT SELLERS?

COOPERATION WITH SELLERS?



Seller Contact

Deal with sellers failed because no group pricing or discount too low to be interesting for buyers

Organize Real Group Deal

- Contact popular online sellers
- 3 products: HD camera, protein drink, videogame
- Videogame was for pre-order

Result

- Most sellers: no group discounts
- Discounts offered $< 10\%$
- With shipping and tax still \geq Amazon price
- David vs. Goliath problem



To Pivot or Not to Pivot?

Although dismayed at seller response, we did not give up.

What do do?

- Deal with sellers disappointing
- Seller problem intractable?
- Teaching staff: Pivot or else...

Beaten, but not defeated

- Lost one battle, but not the war!
- Only contacted larger sellers
- Sellers need more value
- Show them a real website



Filter advice and stay determined!



No Pivot Yet

Solution 1 : Rapid Implementation

Implement seller & buyer side features to give sellers fuller experience.

Site Upgrade Frenzy

- Improved site design
- Buyer facebook login
- Online social networking integration
- Seller login and registration
- Seller bidding
- Seller group deal creation page



Solution 1 : Rapid Implementation

Humble beginnings

JointBuy

THE MORE PEOPLE CRAVE, THE CHEAPER THE PRICE

We are just about to launch our service!
Get a special coupon by registering early with us!

JointBuy is an online social shopping platform where customers can make their own deals on products or services of their choosing with sellers who can offer them in bulk at a discounted price.

A BUYER



A buyer can suggest a group-buying deal.

BUYER GROUP



People spread the idea through SNS.

SELLERS



Sellers bid to offer the best discount for the group deal.

BUYERS



Buyers get the product at the cheapest price anywhere!

© 2011 JointBuy

contactus@jointbuy.com

Solution 1 : Rapid Implementation

The Real Deal

Buyer | Seller

OURCRAVE

The more people crave,
the cheaper the price.

I crave

at the cheapest price.

Search

Make a new cravebag!

Want to buy something at the cheapest price on the planet? Make a new cravebag and spread the word to form your buyer group. The more people crave, the cheaper the price!

Hot deals on OURCRAVE

All Categories



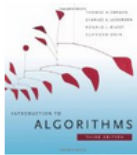
Crave together to make the biggest discount

Hottest

< Previous | Next >

Introduction to Algorithms, Third Edition

(Expected shipping date: Mar 10, 2011)



148
craved

CRAVE

~~\$87~~ (Original price)



\$1

(Possible price [?] on OURCRAVE)

Time left to crave:

5 days 12 hours 54 minutes 1 seconds



Get the biggest discount you can find on the planet

Latest

< Previous | Next >

Ray Ban 'New Wayfarer' Sunglasses 213...

(Expected shipping date: Mar 8, 2011)

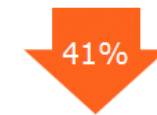
Spread the word!



0
bought

BUY

~~\$169~~ (Original price)



\$99

(Price [?] on OURCRAVE)

Time left to buy:

6 days 12 hours 54 minutes 1 seconds

We need 20 MORE to achieve this deal!

FEEDBACK



Solution 1 : Rapid Implementation

Main page

OUR**CRAVE** The more people crave, the cheaper the price. Buyer Seller

I crave at the cheapest price.

Make a new cravebag!

Want to buy something at the cheapest price in the whole world? Make a new cravebag and spread the word to form your buyer group. The more people crave, the cheaper the price!

Hot deals on OURCRAVE All Categories

Crave together to make the biggest discount

Latest

Get the biggest discount you can find on the planet

Time remaining

Samsung Data Cable
(Expected Delivery date: March 4, 2011)

5 cravers

\$0.01 (The lowest price on Amazon)

0% (The maximum price on OURCRAVE)

\$0.01

Time left to crave: 14 days 18 hours 36 minutes 0 seconds

Apple MacBook MCS16LL/A 13.3-Inch Lap...
(Expected Delivery date: March 2, 2011)

12 bought

\$999.99 (The lowest price on Amazon)

0% (Price on OURCRAVE)

\$999.99

Time left to buy: 14 days 18 hours 36 minutes 0 seconds

We need 8 MORE to achieve this deal!

Facebook connect

OUR**CRAVE** The more people crave, the cheaper the price.

I crave at the cheapest price.

Make a new cravebag!

Want to buy something at the cheapest price in the whole world? Make a new cravebag and spread the word to form your buyer group. The more people crave, the cheaper the price!

Apple MacBook Pro 15-inch

Request for Permission

Ourcrave is requesting permission to do the following:

- Access my basic information**
Includes name, profile picture, gender, networks, user ID, list of friends, and any other information I've shared with everyone.
- Send me email**
Ourcrave may email me directly at mjipeo@gmail.com - Change
- Post to my Wall**
Ourcrave may post status messages, notes, photos, and videos to my Wall
- Access my profile information**
Current City

Report App

Logged in as Minjong Chung (Not You?)

The new MacBook Pro 15-inch models set all-new benchmarks for Mac notebooks. The 15-inch MacBook Pro feature Intel Core i5 processors, which boost performance up to 50 percent(1) and reach Turbo Boost speeds up to 3.33GHz. Next-generation NVIDIA graphics bring high performance to everything from 3D games to photos and videos. And the built-in battery lasts up to 10 hours (8 to 9 hours on the 15-inch models).(2) (1) Up to 50 percent faster compared with previous generation MacBook Pro. (2) Testing conducted by Apple in March 2010 using preproduction 2.66GHz Intel Core 2 Duo-based 13-inch MacBook Pro, 2.66GHz Intel Core i7-based 15-inch MacBook Pro, and 2.33GHz Intel Core i5-based 17-inch MacBook Pro. Battery life depends on configuration and use. See www.apple.com/batteries for more information. The wireless productivity test measures battery life by wirelessly browsing various websites and editing text in a word

Deal creation by sellers

Bottled in Fiji

3. Price (the cheapest price in the world except OURCRAVE)

\$ 22.52

Step 2. Provide your discount information for this product.

If people buy this product from me before ,

I can provide each product at dollars.

The shipping rate is

The total price with shipping for each buyer is \$22.

The zipcode where products are shipped from is

I promise that I will ship the product to each buyer in a timely manner if the deal is completed.

You must provide a quantity more than or equal to 20

Offer a new group deal!

Bidding dialog

Hi, mjipeo (logout)

OUR**CRAVE** The more people crave, the cheaper the price.

I crave at the cheapest price.

Make a new cravebag!

Grab a chance to sell your products in quantity!

Provide the quantity of product and price you can offer cravers

Quantity

Price

Shipping Rate

Total \$ 17.99

Zipcode

Zipcode where products are shipped from

I promise that I will ship the product to each buyer before **Mar 10, 2011**

Your price plus shipping rate must be at least \$1 less than the Amazon price, i.e. no greater than \$8.99

122 craved

Solution 2 : More seller value & spamming

Add value for sellers based on mentor and industry expert interviews

Add Seller Value

- Low transaction fees (they are outrageous at Ebay and Amazon)
- Customer contact information
- Cross-selling products
- Ad banners
- Power to create group deal

The Art of Spam

- Massive seller e-mail campaign (16,000 in total)
- Stanford takes notice and issues warning (oops)
- Enumerate value propositions
- Show live website
- Hand out registration codes



Seller Invitation Result

of sellers who signed up

180 sellers

of deals made by sellers

80 deals
(below Amazon price)

Ray Ban 'New Wayfarer' Sunglasses 2132 ...
(Expected shipping date: Mar 8, 2011) Spread the word!



~~\$169~~ (Original price)
\$99
(Price ? on OURCRAVE)

0 bought
BUY

Time left to buy:
11 days 2 hours 18 minutes 33 seconds

0 20
We need **20 MORE** to achieve this deal!

Seller Invitation Result

of sellers who replied to our email

200 sellers





of sellers who made suggestions on OURCRAVE


50 sellers

 **2,186 Visits**

 **49.27% Bounce Rate**








 **13,103 Pageviews**

 **00:05:46 Avg. Time on Site**

 **5.99 Pages/Visit**

 **66.06% % New Visits**

Business Canvas #4

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic - Server providers <p><u>Established services</u></p> <ul style="list-style-type: none"> - Online Marketing : Google/Facebook - Payment Gateway : Paypal <p>- Customer Service (Front side webservice) : Self</p> <p>- Customer Service (Product side) : Sellers</p> <p>- Delivery : Sellers</p>	<p>Key Activities </p> <ul style="list-style-type: none"> - Maintaining online buyer/seller communities and credibility of transactions - Promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller:</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales with reduced commission - Access to customer contact information - Cross-sell their products. - Site advertising - Power to create deals 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller:</u></p> <p>Trustworthy online sellers with verifiable websites</p> <p><u>Buyer:</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed Cost: rent, salaries - Online ad campaigns 		<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 		

Key Question for Business Canvass #4

Key Activities for Next Stage

Can we make enough money?



Key Activity - Seller Management

We should manage main feedbacks from sellers by making basic function,

1. Convenient System

- Auto Sales Tax Calculator
- Bulk List Uploading Function
- Notification to Sellers for relevant cravebags



2. Building credibility

- FAQ List for Sellers
- Share buyer information
- F2F meeting with big sellers



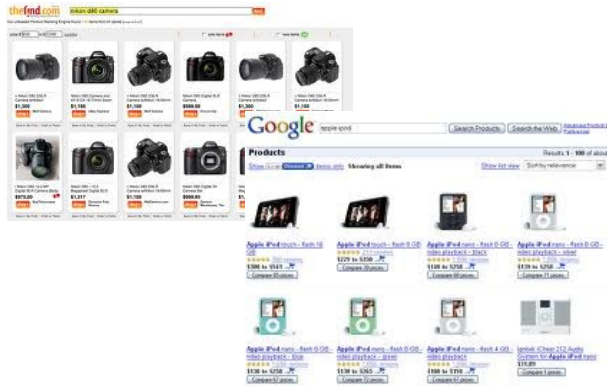
3. More Incentives

- Cross selling Option
- Seller Advertisement Feature



Key Activity – Initial Advertisement

By price comparison site and online ads, test our early service model. Then, Crazy deals needed for jumping

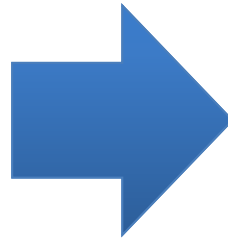


1st Passive : Online Ads

- Google / Facebook / Yahoo Ads
- Price Comparison Site (very important)

2nd Active : Crazy Deals

- 20~30 % sales for Promotion Deals
- Very very very famous products



Key Activity – Encouraging Buyer’s Viral

We will implement incentive system for sharing deals and help buyers communicate with each other in our service

Incentive for sharing

22%

People who willing to share deals in FB*

14%

People who shared deals In FB*

- OurCrave Point
- Extra Discount
- Free shipping or tax Coupon

Buyer Community



- Live comment on cravebags
- Weekly Best cravebag vote
- Youtube Ads Competition



* OurCrave User Survey in 2/3 weeks

Revenue / Cost Source

Revenue

Product Ads



15% of transaction

Transaction Fee (Main)



3~5% (paypal)

Float Money



20%/60days*

Cost

Site Maintenance



Server/Traffic
/Mobie Apps

Marketing (Main)



Ads for buyer
Seller Management








Customer Support












Outsourcing

- Google/Groupon's rule, we are asking sellers about this rule.










Business Canvas Final

<p><i>Key Partners</i> </p> <ul style="list-style-type: none"> - Sellers who need more traffic - Server providers <p><u>Established services</u></p> <ul style="list-style-type: none"> - Online Marketing : Google/Facebook <p>- Payment Gateway : Paypal</p> <ul style="list-style-type: none"> - Customer Service (Front side webservice) : Self - Customer Service (Product side) : Sellers - Delivery : Sellers 	<p><i>Key Activities</i> </p> <ul style="list-style-type: none"> - Growing and maintaining online buyer/seller communities and credibility of transactions - Promotion of website and brand - Establishing credibility 	<p><i>Value Propositions</i> </p> <p><u>Seller:</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales with reduced commission - Access to customer contact information - Cross-sell their products. - Site advertising - Power to create deals <p><u>Buyer:</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p><i>Customer Relationships</i> </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p><i>Customer Segments</i> </p> <p>Multi-sided platform</p> <p><u>Seller:</u></p> <p>Trustworthy online sellers with verifiable websites</p> <p><u>Buyer:</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p><i>Cost Structure</i> </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed Cost: rent, salaries - Online ad campaigns 		<p><i>Revenue Streams</i> </p> <p><u>Seller side:</u></p> <ul style="list-style-type: none"> - transaction fees <p><u>Buyer side:</u></p> <ul style="list-style-type: none"> - targeted ads - float money 		








Business Canvas – Week 1

<p>Key Partners </p> <ul style="list-style-type: none"> - Powerful sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u> pro-sellers on Amazon and eBay</p> <p><u>Buyer :</u> Online shoppers</p>
	<p>Key Resources </p> <ul style="list-style-type: none"> - Physical resources (IT infrastructure) - Existing social networks - Buyer and seller communities, - Brand awareness 		<p>Channels </p> <ul style="list-style-type: none"> - Web & App sales - Online social networks 	
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries 		<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 		










Business Canvas – Week 2

<p>Key Partners </p> <ul style="list-style-type: none"> - Powerful sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Brand name marketing <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u> pro-sellers on Amazon and eBay</p> <p><u>Buyer :</u> Online shoppers</p>
<p>Key Resources </p> <ul style="list-style-type: none"> - Physical resources (IT infrastructure) - Existing social networks - Buyer and seller communities, - Brand awareness 		<p>Channels </p> <ul style="list-style-type: none"> - Web & App sales - Online social networks 		
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries 			<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 	








Business Canvas – Week 3

<p>Key Partners </p> <ul style="list-style-type: none"> - Powerful sellers - Regional sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Brand name marketing <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal <p>- Buyer community feedback on products and sellers</p>	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u></p> <p>Sellers on Amazon and eBay</p> <p><u>Buyer :</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries 		<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 		










Business Canvas – Week 4

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic - Regional sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Brand name marketing <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u></p> <p>Sellers on Amazon and eBay</p> <p><u>Buyer :</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>	
<p>Key Resources </p> <ul style="list-style-type: none"> - Physical resources (IT infrastructure) - Existing social networks - Buyer and seller communities, - Brand awareness 				<p>Channels </p> <ul style="list-style-type: none"> - Web & App sales - Online social networks - Online advertising 	
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries 			<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 		








Business Canvas – Week 5

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic - Regional sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Brand name marketing - Access to customer contact information - Ability to cross-sell products - Site advertising <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u></p> <p>Sellers on Amazon and eBay</p> <p><u>Buyer :</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries - Online ads 		<p>Revenue Streams </p> <p><u>Seller side:</u> <u>Buyer side:</u></p> <ul style="list-style-type: none"> - transaction fees - targeted ads 		








Business Canvas – Week 6

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic - Regional sellers - Server providers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Access to customer contact information - Cross-sell their products. - Site advertising - Power to create deals 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u></p> <p>Sellers on Amazon and eBay</p>
	<p>Key Resources </p> <ul style="list-style-type: none"> - Physical resources (IT infrastructure) - Existing social networks - Buyer and seller communities, - Brand awareness 	<p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p>Channels </p> <ul style="list-style-type: none"> - Web & App sales - Online social networks - Online advertising 	<p><u>Buyer :</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries - Online ads 		<p>Revenue Streams </p> <p><u>Seller side:</u></p> <ul style="list-style-type: none"> - transaction fees <p><u>Buyer side:</u></p> <ul style="list-style-type: none"> - targeted ads - float money 		

Business Canvas – Week 7

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic - <u>Regional_sellers</u> - <u>Server providers</u> <u>Established services</u> - Online Marketing : Google/Facebook - Payment Gateway : Paypal - Customer Service (Front side webservice) : Self - Customer Service (Product side) : Sellers - Delivery : Sellers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining online buyer/seller communities and credibility) - Promotion of website and brand 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Access to customer contact information - Cross-sell their products. - Site advertising - Power to create deals <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller :</u> Sellers on Amazon and eBay</p> <p><u>Seller:</u> Trustworthy sellers with verifiable websites.</p> <p><u>Buyer :</u> Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries - Online ads 		<p>Revenue Streams </p> <p><u>Seller side:</u> - transaction fees</p> <p><u>Buyer side:</u> - targeted ads</p> <p>- float money</p>		

Business Canvas – Week 8

<p>Key Partners </p> <ul style="list-style-type: none"> - Sellers who need more traffic <p><u>Established services</u></p> <ul style="list-style-type: none"> - Online Marketing : Google/Facebook - Payment Gateway : Paypal <ul style="list-style-type: none"> - Customer Service (Front side webservice) : Self - Customer Service (Product side) : Sellers - Delivery : Sellers 	<p>Key Activities </p> <ul style="list-style-type: none"> - Platform/Network management (maintaining and growing online buyer/seller communities and credibility) - Promotion of website and brand - Establishing credibility 	<p>Value Propositions </p> <p><u>Seller :</u></p> <ul style="list-style-type: none"> - More customer traffic - Bulk sales - Lower transaction fees - Access to customer contact information - Cross-sell their products. - Site advertising - Power to create deals <p><u>Buyer :</u></p> <ul style="list-style-type: none"> - Better discounts - Power to choose product deal - Buyer community feedback on products and sellers 	<p>Customer Relationships </p> <ul style="list-style-type: none"> - Automated services - Communities of buyers and sellers - Co-creation of value through customer feedback 	<p>Customer Segments </p> <p>Multi-sided platform</p> <p><u>Seller:</u></p> <p>Trustworthy sellers with verifiable websites.</p> <p><u>Buyer :</u></p> <p>Online shoppers who are willing to wait to get significant discounts on products</p>
<p>Cost Structure </p> <ul style="list-style-type: none"> - Variable costs: server and traffic maintenance costs - Fixed costs: rent, salaries - Online ads 		<p>Revenue Streams </p> <p><u>Seller side:</u></p> <ul style="list-style-type: none"> - transaction fees <p><u>Buyer side:</u></p> <ul style="list-style-type: none"> - targeted ads - float money 		

Case study – Aardvark – in Groups (30 mins)

- What is the product class?
- How did the team test the market interest prior to building a product?
- What were their product design principles?
- What did they do to gather user feedback during the whole process?
- How did they act in case of difficult to build user interfaces or back end systems?
- What is a „Wizard of Oz“? What did they use it for?
- How did they use their blog to nail down the product-market fit?
- What was their MVP?
- How did they implement customer development in their company?
- How did they gather feedback for finetuning the product after the official launch? Did they ever stop gathering feedback on new features?
- What business/revenue model did they want to apply?
- How was their growth plan for 2009-2012? In terms of users and revenue?
 - Was it a realistic plan?
- What challenge did they face trying to achieve that growth?
- What did they try to accerlate growth? How well did it work?
- What was the risk in starting to sell the service to companies?
- What happened to Aardvark?

Q&A

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