

MODULE

6

MVP Development / Market Competition

"If you're not making mistakes, you're not taking risks, and that means you're not going anywhere. The key is to make mistakes faster than the competition, so you have more chances to learn and win."

- John W. Holt

Introduction

The goal of this module is to emphasize how to develop an MVP through market validation and research. Students will learn concepts regarding market validation that will help them when they are developing their own MVPs. In addition, they will learn how to develop a unique MVP for their niche audience. By the end of the module, students should be able to start ideating and developing their own MVP.

Objectives

1. Students will be able to develop an MVP while maintaining a full understanding of the MVP's purpose.
2. Students will be able to apply concepts regarding market validation while developing their MVPs.
3. Students will be able to understand their target market and apply competitive analysis concepts to differentiate their product/service from others.
4. Students will be able to ideate an MVP for their own project.

Agenda

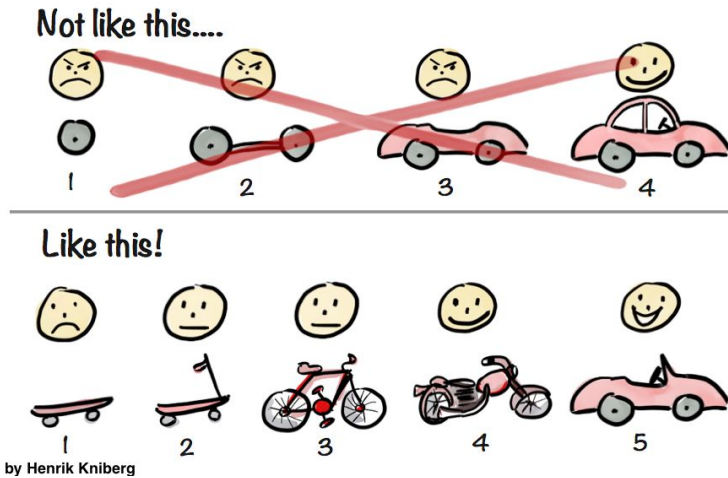
1. MVP (15 min)
 - a. Types of MVP
 - i. Examples of MVP
2. Brief overview of Market Validation (5 min)
3. Market Competition (20 min) *include activity*
4. Ideation Time (20 min)
 - a. Required: Ideate their own

MVP (15 minutes)

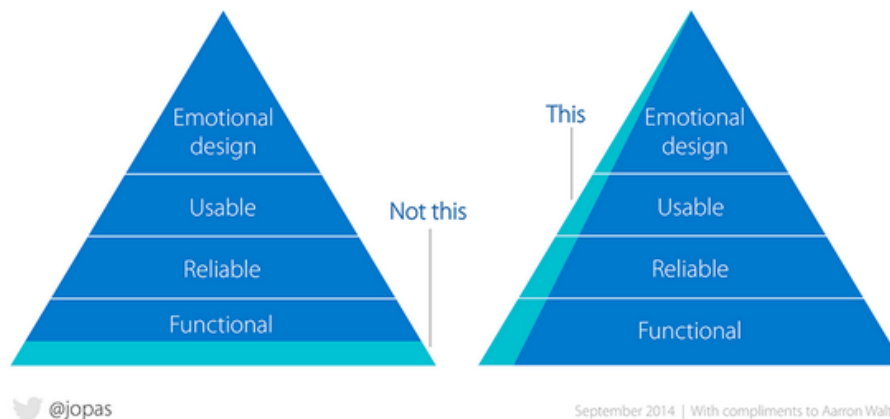
1. What is an MVP?
 - a. **Minimal Viable Product**
 - b. Low-cost, low-effort
 - i. An MVP should not be as grand as the full product/service; rather, it should be a way for a venture to better understand their target audience and their product/service while maintaining low-cost and low-effort..
 - c. Should simulate the functions/outcomes of a startup's product/service
 - i. An MVP cannot merely just be a method for feedback, but it must mimic the same function of a startup's product/service. Hence, minimum viable product, meaning that an MVP should, in simpler terms, be a scaled down version of the true product.
 - d. The build stage of BML aligns with the creation of the MVP
 - i. Although the creation of an MVP can result at other times, a common stage for MVP creation is the build stage of the BML loop.
 - e. From the MVP, ventures measure the results and learn from them thereafter
 - i. Following the build stage, the measure and learn stage are where an MVP is tested and results are received. With the results, a venture is able to decide whether the MVP has been successful or not. Therefore, with such information, the venture is able to change their final product/service in order to better it.
 - f. Without an MVP, the possibility to waste energy, time, and resources is more likely because the role of an MVP is to garner target audience interest in the product/service.
 - i. If ventures did not create MVPs, they would spend a lot of time, energy, and resources in order to create the perfect product/service on their first try. If the product/service fails, then all has gone to waste. As a result, the role of an MVP is largely important to a startups success.
 - g. Types of MVPs

MVP Explained

[MVP Sources](#)



Minimum Viable Product



<https://www.interaction-design.org/literature/article/a-simple-introduction-to-lean-ux>

SocEnt Crash Course (SCC):

The Minimum Viable Product is a startup's way of gathering information about their vision and their way of developing it. It is a low-cost, low-effort attempt to simulate the functions/outcomes of a startup's product/service. It also creates a way for companies and entrepreneurs to measure their impact on the community and prevent them from making uninformed decisions. SocEnt students will use the principle of the MVP to create a product/service that addresses the pain point that they have studied.

An important distinction to remember is the difference between the creation of the MVP and the beginning stages of the design thinking process. The feedback step of the design thinking process is about gathering data about your target audience in order to make an informed decision when it comes to creating iterations of your product/service; this may come in forms of surveys, etc. When creating an MVP, sending out a survey to your target audience is merely gathering feedback, so you need to have a version of your product that uses the least amount of time and resources and

that is an actual MVP. An MVP enables users to experience the same purpose or goal that you are trying to accomplish with the complete product, and a survey does not accomplish that.

Note: Up to facilitator discretion. If students understand that there are different types of MVPs and can provide examples, then types of MVPs do not need to be touched on. If coverage is needed, don't just list off these MVPs--use a couple of them to illustrate the point of an MVP.

Market Validation Recap and MVP Connection (5 minutes)

Lecture Notes:

1. MVP Application of Market Validation
 - a. An MVP is designed to provide feedback from the target audience to the entrepreneur which is the idea behind market validation.
 - b. Market validation is a series of interviews used to test a concept or product against a target market.
 - c. In this case, market validation is directed to verify the positioning and value statements and their appeal to the target audience.
 - d. Essentially, the goal is to get feedback through different methods of interviews and data collection from a target audience and should be done multiple times for the benefit of the end result which is what will happen when implementing this method to the MVP.
 - i. Feedback Methods
 1. Survey
 2. Interview
 3. Focus groups
 - ii. Building a Question Set
 1. You will need to construct questions that allow you to try out your MVP, product positioning and target market.
 - a. Are you familiar with [MVP/service/organization]?
 - b. Do you see value in this [MVP/service/organization]?
*make sure to explain beforehand
 - c. Would you plan to invest in this [MVP/service/organization]?

Market Competition (20 minutes)

<https://photos.app.goo.gl/oIn4A53ckhENwN999>

Lecture Notes:

1. Value propositions <https://www.investopedia.com/terms/v/valueproposition.asp>
 - a. These are easy-to-understand phrases that communicate *why* a target audience would find value in an organization's product or service. They should convince a potential customer or user that the service beats out any competing services. Essentially, it's a promise by the company to the user, explaining how that company solves a pain point-- and it can be understood in less within **five seconds**.
 - i. Ex: **SLACK!** -- "Where Work Happens" <https://slack.com/features> 9

1. Slack makes “working lives simpler, more pleasant, and more productive”
2. Its main value points include integrated file sharing, organized conversations, and keeping company data secure

2. Comparison charts

- a. To come up with a value proposition, you need to outline how your company is better than other companies who aim to solve the same pain point. This is often done through competition charts (picture on next page):

Communication				
	eko	slack	WhatsApp	Workplace
1:1 / Group chats	✓	✓	✓	✓
User limits in group chat	100 000	<10 000	256	150
Threaded chats	✓	✓	✗	✗
1:1 voice/video calling	✓	✓	✓	✓
Group voice/video calling	✓ Free plan Video up to 5 members, voice up to 50	✗ Free plan Paid plans: up to 15 members	✗	✓
Voice messages	✓	✗	✓	✓
Broadcasts	✓	✗	✓	✓
Message acknowledgement	✓	✓	✗	✓
Files	✓	✓	✓	✓
Files storage limit	✓ Unlimited for all plans	✓ Only 5 GB on free plan	✗ Files are stored only on your device	✓ Unlimited
Photo editing	✓	✗	✓	✓
Convert messages to tasks	✓	✗	✗	✗
Search	✓ Unlimited	✓ 10k searchable on free plan	✓ Only for messages stored on your device	✓
Custom stickers	✓	✗	✗	✗
Thumbs up	✓	✗	✗	✗
Polls	Coming soon	✓	✗	✓
Message visibility limit	✓ Unlimited for all plans	✓ Only 10k messages on free plan	✓ Only messages stored on your device	✓ Unlimited
Chat history	✓	✓	✗ Messages are not stored on server (you have to do backup)	✓

b.

<https://www.ekoapp.com/wp-content/uploads/2017/11/Comparison-Chart-Eko-Slack-WA-Workplace.pdf>

- c. The comparison chart breaks up features that a company finds valuable relative to its service, and it compares those features to its competitors.
 - i. E.g., a productivity service like Slack will value communication features, so this comparison chart examines features like message visibility limits, voice messages, and voice/video calling
 - ii. Eko is another productivity service who boasts “mobile-first” internal communication, as opposed to Slack’s interface which is optimized for desktop use, so Eko’s emphasizes that in their value prop:
 1. “Mobile-first communication for teams with distributed operations and staff who are on-the-go”
- d. Using the comparison chart, a company will be able to outline the ideas it wants to incorporate into its value proposition; this will be a guideline for what ideas the company wants to get across.

3. Competition research

- a. Three types of competitors
 - i. Direct competition: businesses offer the same product or services to the same clients to the same niche audience
 - ii. Secondary/indirect competition: businesses that offer slightly different products and services or target different clients within a part of the market
 - iii. Substitute competition: businesses that offer different products and services to the same clients in the same part of the market

- b. Gather information about competitors
 - i. Products and services: evaluate their products and services and compare them to your own by purchasing them or trying them out
 - ii. Pricing: How are their products and services priced? Do their prices vary for channel partners and customers? Can you estimate their cost structure?
 - iii. Positioning and branding: Analyze your competitors' websites, product documents, brochures, and catalogs. Follow them on social media and visit them at trade shows. What are their target markets? What is their unique selling proposition?
 - iv. Market reputation: Talk to customers, suppliers, and distributors to get their views. What do they know about your competitors? What are their opinions about their products, sales and marketing strategies and customer service?
- c. Analyze the competition's strengths and weaknesses
 - i. List your competitors and write out their respective strengths and weaknesses
- d. Talk to your competitors directly
 - i. Talking to your competitors can help develop a relationship beneficial for both sides that can help you differentiate your business in the market
- e. Identify your competitive advantage
 - i. Identify strategies when analyzing the competitive landscape to take advantage of a weakness in the competition
 - ii. Rely on your key differentiators to create your branding
- 4. Strategies
 - a. Idea must be simple and visible as possible so that it can be repeated on the media
 - b. Have a deep understanding of your competitors and their place in the market
 - c. Make sure your product idea is understandable, oversimplify your message
 - d. Make projects more steady to build heritage differentiation
 - i. Heritage differentiation focuses on what makes you different based on how long you've been around. Case studies have been found that show those companies who are around longer are usually found to be more reliable or memorable. General Electric was the second most mentioned blender company in a study measuring recalled blender memory even though they hadn't made a blender in twenty years.
 - e. Don't ignore unique traits/qualities
 - f. Repositioning: hanging a negative on your competitor as a way to set up your positive

Value Props and Comparison Charts: A BATTLE!

Purpose:

Students will apply value propositions and comparison charts to the solutions they came up with earlier.

Directions:

1. Explain to students that they'll be creating a comparison chart for their company vs. the other companies that were presented. They'll do this on their own.
2. Groups will then use that comparison chart to come up with a catchy value proposition, which they'll use in their final pitch.
3. Each group will give a final pitch, referring to their comparison chart & value proposition,

explaining why their company is WAY better than all the other companies in the room.

- a. If you want to be memey, you can tell them their pitch is basically a roast session for why their company is so much better
4. If you want, you can incentivize it like a competition and give a prize to the best/most organize roasts/pitches!

Ideation Time (20 minutes)

Give students time to start ideating their own MVPs. Answer questions they have and answer any confusions to make sure that all groups are able to create a proper MVP for their project.

Facilitator Homework

Student Homework

Students turn in a well thought out MVP online by Module 7.