2 Technicalities

"Design is not just what it looks like and feels like. Design is how it works."

- Steve Jobs

Introduction

This module will introduce students to important entrepreneurial terminology. Students will be ready to form their own SEVs.

Objectives

1. Students will be versed in entrepreneurial and design thinking terminologies that will be relevant to their project
2. Students will be prepared to employ design thinking methodologies to start forming their own SEVs
3. Students will be ready to identify a solution for a target audience.
4. Students will be knowledgeable in how to plan out their business using the BMC and by following the Design Thinking 5-Stage Process.

Agenda

1. Design Thinking Terminologies Lecture (15 min)
2. Intro to BML and Design Thinking Process (15 min)
3. Introduction to Business Model Canvas (10 min)
4. Game Show (15 mins)
5. Announcements (5 min)

Lecture Notes
Design Thinking Terminologies Lecture (15 mins)

1. Give a quick rundown of Design Thinking from Module 1
2. Target Audience
   a. A target audience is the demographic of people most likely to be interested in your product or service.[1]
   b. You should be able to get **feedback** from this audience. If it's someone from across the world, you most likely cannot get feedback from them. This is why local is preferred.

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[1] https://www.thebalancesmb.com/what-is-a-target-audience-2295567

3. Case Studies
    a. Webvan
        i. [Source](#)
        ii. Webvan tried to provide a nation-wide service in which regular people could order groceries and have them delivered to their home within thirty minutes. Webvan's **target audience was too broad**. Because they were providing a luxury, they should have targeted people who were price-insensitive and willing to pay more for this luxury. However, they marketed to everyone through their mass-marketing strategies. Because of this, their prices were lower than they should have been, causing them to not make as much profit as they could have.
    b. PlayPump
        i. [Source](#)
        ii. PlayPump was a product that looked similar to a merry-go-round that can be found in childrens' playgrounds. It pumped water as the children turned the machine, and it was meant to provide drinking water to families in South Africa. Although it seemed like a great idea at the time, it was not much help to its target audience at all. The machine was so hard to spin that even adults could not move it at times. When the machine was spun, it only pumped out dirty water, which was not useful to the target audience. As their target audience was the children of South Africa who needed easy access to drinkable water, this product did not suit their needs.
    c. Discussion:
        i. Why is identifying and understanding a target audience important for an SEV?
        ii. How could Webvan determine the needs of their target audience earlier?
        iii. Did PlayPump have a promising idea with bad execution or, rather, did not fully understand their target audience.

4. Pain point Activity (Choose one)
    a. Punch your co to illustrate "finding the pain point behind the pain point"! (Optional)
        i. After punching your co, ask your students: how could we solve this problem?
        ii. They will probably tell your co to ice their arm or take a painkiller.
        iii. Your co can pretend to do that, but then you should just punch your co again.
        iv. Show that the pain coming from the punch isn't an underlying problem, but the *reason* you punched your co is the underlying problem. Then ask for further steps to prevent further punches (e.g., co-therapy, stop coming late to prep, etc)
    b. Flow Chart Activity
        i. Pose this problem to the class: IMSA students don't get sleep
        ii. In groups, have them go to the board and create a flow chart noting things that caused the main problem.
        iii. For example, it may look like this: IMSA students don't sleep → they have too much homework → teachers are giving too much homework → Teachers don't understand the level of work students have → Teachers don't interact with student's residential life enough
5. Prototype
    a. An early version of a product built to test a concept or process. Used during the design thinking process to evaluate the product on the target market.

Intro to BML and Design Thinking Process (15 mins)
1. **What is the Lean Startup?**
    a. Fail fast, fail cheap

   i. The concept is, startups try something, and then they gauge whether they are successful or not fast. If they fail, they fail fast and can quickly change their course of action
  b. Minimize risk and losses
   i. By simply going for it and not investing hours into planning and dollars into design, startups can limit the amount of stuff (time money resources) they put on the line.
  c. Steps
   i. Create a prototype (MVP), test it, measure the results, and learn from it (BML)
   ii. Discuss what the lean startup method is and why it is effective in minimizing risk and reducing uncertainty.

2. **BML**
  a. Build-Measure-Learn <u>cycle</u>
  b. Build: Create an MVP to "fail fast, fail cheap". The MVP is the "Build" of your very first iteration, and you constantly build your product/service through changes as you measure feedback.
  c. Measure: From the MVP, the results should be observed
  d. Learn: The results should then teach the venture something about their product/ service
  e. How this cycle is central to the Lean Startup process because it is through this cycle that an entrepreneur essentially minimizes risk, which is the whole point of the Lean Startup. By creating an MVP through the first iteration of the BML cycle, making changes to the product/service as entrepreneurs learn from feedback, and pivoting, the BML cycle is integral to the Lean Startup.
  f. **NOTE: Please emphasize that this is a widely used methodology in entrepreneurship however in SocEnt we are focusing on Design Thinking in the creation of their SEVs.**

3. **Design Thinking Process**
  a. 5-step process, with **multiple** iterations and entry points
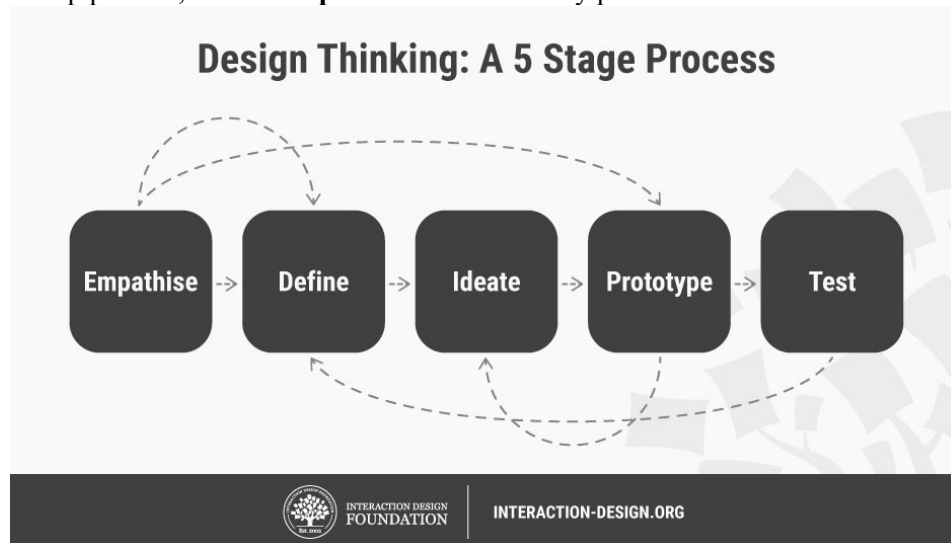
  b.
  c. Emphatise: The starting point for design thinking where you get familiar with your target audience.
  d. Define: You define the problem and make sense of what the pain point is for the audience.
  e. Ideate: After formulating the problem, you come up with ideas/potential solutions.
  f. Prototype: Turn your ideas into tangible products that can be tested or validated.

g. Test: Test your prototypes to come up with improvements based on feedback from the audience.

h. Explain the **difference** between BML and Design Thinking and why we are using Design Thinking instead.

i. Explain the difference between MVP and Prototype.

Introduction to Business Model Canvas (10 mins)

1. The Business Model Canvas is used by entrepreneurs to effectively plan and develop their venture.

Key Partners 🔗	Key Activities ✔	Value Propositions 🎁	Customer Relationships ❤	Customer Segments 😎
	Key Resources 👷		Channels 🚚	
Cost Structure 🏷			Revenue Streams 💰	

2.
3. Key Partners: A list of other external companies/suppliers/parties you may need to achieve your key activities and deliver value to the customer

4. Key Activities: Actions that a business undertakes to achieve value proposition

5. Key Resources: Practical resources needed to achieve the key activities

6. Value Propositions: A promise of value to be delivered or communicated to the target audience

7. Customer Relationships: How a business interacts with its customers

8. Customer Segments: Practice of dividing a customer base into group of individuals that are similar in specific ways such as age and gender

9. Channels: Avenues through which customers come into contact with your business, or how a business reaches its customers through marketing

10. Cost Structure: The monetary cost of operating a business

11. Revenue Streams: Way in which a business converts value proposition into monetary gain

12. Explain how students should use and fill out the BMC to guide development of their SEV. Emphasize that the BMC should not be put into a presentation or explain in the presentation.

Game Show (15 mins)

The SocEnt Jeopardy Showdown will encompass every sophomore group in SocEnt. Teams will participate in their own classes. Scoreboard will be updated virtually (just fill in the information and the ranking will automatically update). This Game Show will test all the concepts and terminologies that have been explained so far.

Announcements

● Reminder: Module 4 will be Quarter. Students should start making their Quarter presentations on

the target audience and pain point.
- Inform students that the next module is going to be SocEnt Networking Fair.
    - Dress Formally.
    - Bring something to take notes with.
    - Be on time!