SBA Virtual Conference

Lean for Main Street Training Challenge

Submission Dates: **January 11, 2016 – February 11, 2016**
Winners Announced: **February 29, 2016**

SBA in Partnership with NSF
2016

1 *What is Lean Methodology?*

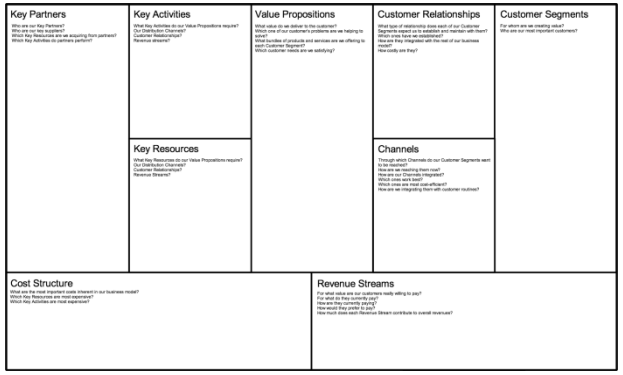
- Does it create value for the customer? If not, it's waste!
- Minimize inventory, maximize productivity

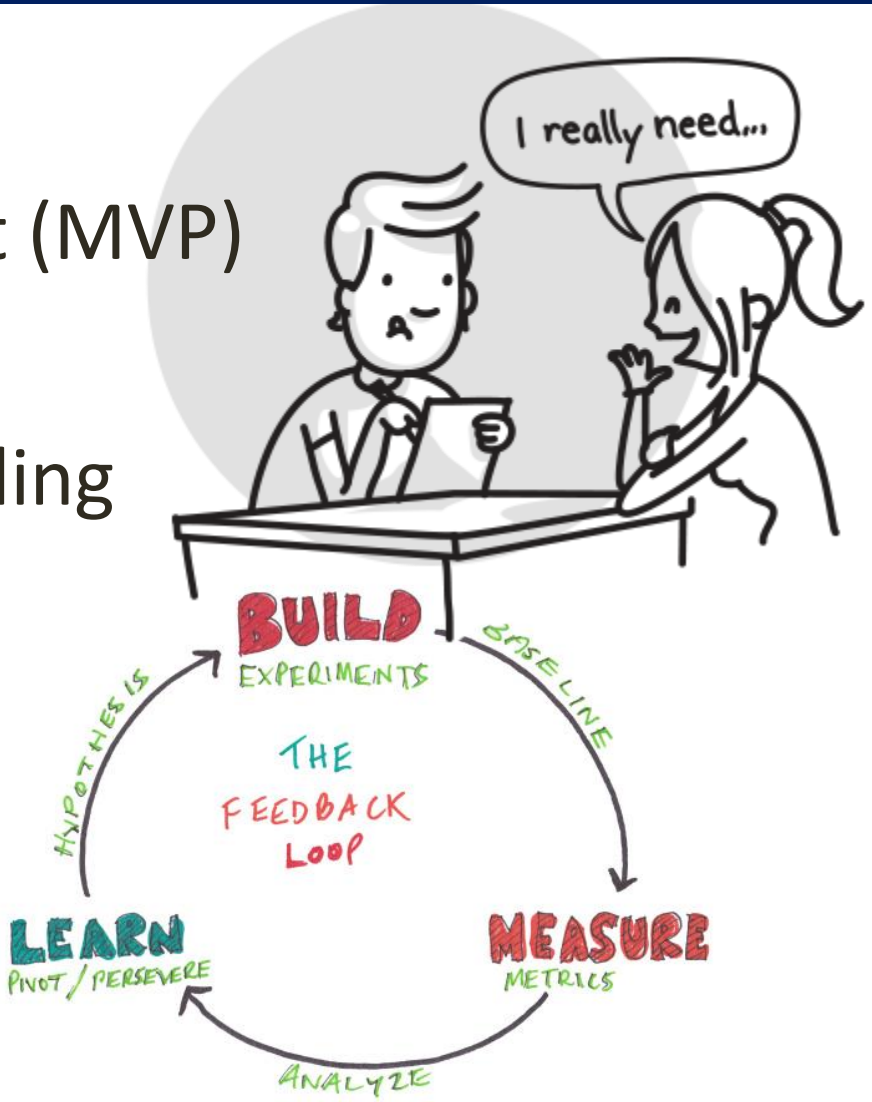
- This lean thing could work for corporate planning/product development
- Why not use it to launch a tech startup?

- If it works for tech startups, why not…?

What are the central tenants of Lean Startup Methodology?

- Business Model Canvas
- Minimal Viable Product (MVP)
- The Pivot!
- Getting out of the Building





2 What is the Lean for Main Street Training Challenge?

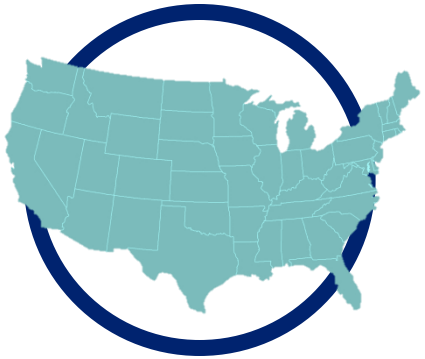
The Lean for Main Street Training Challenge is designed to bring the benefits of Lean Startup Methodology to Main Street businesses across the US with the help of the SBA's Resource Partner Network

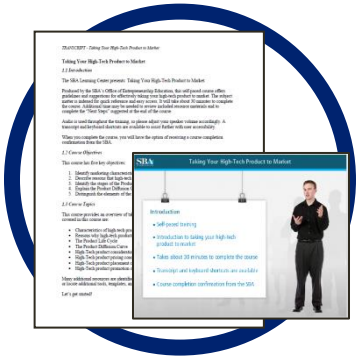
Partnering with NSF to leverage their existing curriculum:

CORPS
NSF Innovation Corps

- Mix of in-person training and web-based coursework
- Builds entrepreneurial capacity using Lean Startup Principles
- Focus on teams of university scientists and researchers
- Led by expert instructors providing one-on-one guidance

The Lean for Main Street Training Challenge





Resource Partners across the US compete for the chance to innovatively adapt the I-Corps Curriculum to the communities in which they work, along with ***$25,000*** in prize money

Up to ***five winning Resource Partners*** send two representatives each to participate in a Train the Trainer Program at the I-Corps Spring Cohort in Washington, DC in March/April 2016

Resource Partners work with I-Corps instructors to ***modify curricula and deploy them in their communities***. The goal is to develop standardized, yet customizable Lean Startup resources to be deployed by SBA partners

Timeline

January 11, 2016 – February 11, 2016	Lean for Main Street Training Challenge open for submissions on challenge.gov
February 29, 2016	Winners announced; Initial payment disbursed
March 29 – April 1, 2016	Winning Representatives begin I-Corps Program in Washington, DC
April 7, 14, 21, 28 and May 5, 2016	I-Corps Virtual Sessions
May 11 – 14, 2016	Final in-person I-Corps training sessions in Washington, DC
6 months from first award	Deadline for submission of curriculum before disbursement of second payment
12 months from first award	Deadline for submission of assessment before disbursement of final payment

Our Winners

Seattle
WASHINGTON
MONTANA
NORTH DAKOTA
MINNESOTA
Ottawa
SOUTH DAKOTA
WISCONSIN
Toronto
MAINE
VT
NH
OREGON
IDAHO
WYOMING
NEW YORK
MA
Boston
CT RI
NEBRASKA
New York
KANSAS
MISSOURI
WEST
DE NJ
CALIFORNIA
Las Vegas
OKLAHOMA
ARKANSAS
Los Angeles
ARIZONA
San Diego
MISSISSIPPI
Gulf of California
FLORIDA
Gulf of Mexico
A
B
C
D
E
University of Pittsburgh SBDC
SBDC
Pittsburgh, PA
Renaissance Entrepreneurship Center
WBC
San Francisco, CA
Community Business Partnership SBDC
SBDC, WBC, VBOC
Fairfax, VA
McLennan SBDC
SBDC
Waco, TX
VBOC@MSU
VBOC
Mississippi State, MS

Planning for Profit$

Michael R. Wholihan, Ed.D.
Management Consultant

SBDC PENNSYLVANIA
Small Business Development Center
University of Pittsburgh
Helping businesses start, grow, and prosper.

Planning for Profit$

Impact Your Business

RECEIVE 8 NEW WAYS TO...

1. **Generate** and Improve Your Cash Flow
2. **Identify** Distribution Channels for New Sales
3. **Design** A Strategic Path & Measureable Goals
4. **Present** Your Value to Attract New Customers
5. **Create** A Comprehensive Business Model Canvas
6. **Review** Reports on Your Website & Social Media
7. **Strategize** to Overcome Barriers and Create Real Growth
8. **Learn** About Your Business Through a Live Focus Group

Serving Businesses in Southwestern Pennsylvania

Making Small Businesses Lean + Prosperous

Program	Sessions
September 8	Business Models, Developing Customers
September 22	Value Propositions
October 6	Customer Segments
October 20	Distribution Channels & Customer Relationships
November 3	Revenue Streams
November 17	Partners & Resources, Activities and Costs
Class Time: 8:00—10:00 am	Location: 338 Fallowfield Ave. 2nd. Fl. Charleroi, PA 15022

KEY PARTNERS

Who are our key partners?

Who are our key suppliers?

Which key resources are we acquiring from our partners?

Which key activities do partners perform?

KEY ACTIVITIES

What key activities do our value propositions require?

Our distribution channels?

Customer relationships?

Revenue streams?

KEY RESOURCES

What key resources do our value propositions require?

Our distribution channels?

Customer relationships?

Revenue streams?

VALUE PROPOSITIONS

What value do we deliver to the customer?

Which one of our customers' problems are we helping to solve?

What bundles of products and services are we offering to each segment?

Which customer needs are we satisfying?

What is the minimum viable product?

CUSTOMER RELATIONSHIPS

How do we get, keep, and grow customers?

Which customer relationships have we established?

How are they integrated with the rest of our business model?

How costly are they?

CHANNELS

Through which channels do our customer segments want to be reached?

How do other companies reach them now?

Which ones work best?

Which ones are most cost-efficient?

How are we integrating them with customer routines?

CUSTOMER SEGMENTS

For whom are we creating value?

Who are our most important customers?

What are the customer archetypes?

COST STRUCTURE

What are the most important costs inherent to our business model?

Which key resources are most expensive?

Which key activities are most expensive?

REVENUE STREAMS

For what value are our customers really willing to pay?

For what do they currently pay?

What is the revenue model?

What are the pricing tactics?

1. Gained valuable direct feedback and insight on their business practice from existing clients, new clients, potential clients, suppliers and key relationship stakeholders.

2. Applied the 9 small business principles to building an industry specific business model canvas.

3. Composed a business model canvas that provides a comprehensive and customizable guide as it relates to their overall business, marketing , financial plan.

4. Received constructed critique of their website and analysis for recommended improvements.

5. Enhanced improvement to presenting their value proposition and sales pitch to clientele.

6. Designed strategic position layout and outlined solutions to overcome future barriers for growth.

7. Identifying customer trends and aligned marketing materials to recruit, promote and attract targeted consumers.

8. Established a manageable scorecard that accurately measures their company's goals.

	Data Elements
1.	**Consulting Output**
4.	Counseling Hours
5.	**Pre-Venture Impact**
6.	Started a Business
7.	Bought a Business
8.	Total Pre-Venture Impact
9.	**Other Metrics**
11.	Capital Formation
13.	Domestic Sales Increase
14.	Exports Increase
15.	**Jobs Impacted**
16.	Jobs Saved
17.	Jobs Created (Change in Staff, FT+PT plus Jobs Created)
18.	Jobs Outsourced
19.	Total Jobs Impacted (excl Outsourcing)

MISSISSIPPI STATE UNIVERSITY

SBA
U.S. Small Business Administration

START

Lean for MAIN

MSU Recap

Columbia, Mississippi

Columbia, MS

$19,644 avg. income

2,497 households

MISSISSIPPI STATE UNIVERSITY

SBA U.S. Small Business Administration

Columbia, MS

2005 Hurricane Katrina
2014 EF3 Tornado

MISSISSIPPI STATE UNIVERSITY

SBA U.S. Small Business Administration

Our Pilot Design

- Primary Goal: Entrepreneurs will exit program with customer-validated business plan.
- Secondary Goal: Move the needle by instilling value of customer feedback loop.
- 6-week program, 2 phases
  - 1st phase: BMC & Customer Discovery Training
  - 2nd phase: Translate into business plans

Preliminary Outcome

- 19 people attended at least 1 of 12 classes
- 7 people completed course
- 1 startup had done $3k revenue within first month after program
  - (~2x mo. median household income)
- "Profound effect on rejuvenating the local business community and **participants' energy has been infectious** across entire town"

Positive Observations

- Participant confidence grew (know vs. think)
- Enormous intangible impact of customer discovery in small community (i.e. hope)
- Signs of virility – participants recruited during program.
- Most participants left with plan or direction
- Rural entrepreneurs hungry for new tools

Improvement Opportunities

- Simplification of terminology and examples
  - Too “academic”, participants checked out.
- Need much more hand-holding with customer interviews process
- More relatable examples
- Individualize goals for entrepreneurs for 6-wks
- Blend phases. Cramming business plan into 3-wks only was too much.
- Less lecturing, more hands on exercises
- Work on value proposition of program

Questions?

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Coming Soon….

Lean for Main Street Training Challenge 2017