



*Lean for Main*  
**Curriculum & Teaching Guide**

**Eric Hill and Mike Pornovets**  
*(revised curriculum 03/2017)*

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## Lean for Main Program

### OVERVIEW

Every successful business creates value by identifying and filling needs of customers. As an entrepreneur, you're one of those special individuals who have both the vision and passion to see such opportunities. But how sure are you that you've truly identified something unique, something that you know people care about? Confident enough to ask your friends and family for cash? Bet your house on it?

**Lean for Main** is an intensive, six-week training program designed to answer those questions and take prospective entrepreneurs like you from idea to a customer-validated business plan. Specially designed for community small business owners, you will learn how to engage customers in your potential market in order to ensure your business is on the right track before you ever spend a dollar or write one paragraph of a business plan.

The Lean for Main program's objectives are for you to:

- I. Develop a solid picture of customer interest relating to your proposed business*
- II. Gain a firm working knowledge of viable business model concepts and tools*
- III. Assemble an investable, evidence-based business plan.*

Specific training modules are based heavily on curriculum developed for the highly successful National Science Foundation I-Corps, which boasts a nearly 50% business success rate. Additional content was adapted from the Boots2Business program material. This program is supported by the Small Business Administration.

### PROGRAM CHANGES

Our original curriculum was piloted in Columbia, MS during a period from 9/19/2016 – 10/28/2016. As a result of lessons learned during that pilot program, we have implemented the following changes in the curriculum.

- Number of customer interviews reduced from 80 to 50. Number is less important than continued effort.
- Change from two distinct phases of lean methodologies and business planning to a more streamlined and blended program.
- Changed format of course from purely lecture to include hands on group work. Each week the first night is focused on lecture, while night two is focused on hands-on activities.
- Restructured this curriculum guide based on weeks and days instead of content area, which aids instructor understanding.

#### **Note for Instructor:**

- Many participants in the pilot program struggled to get past complex terminology. Even simple standard vernacular in lean startup methodology (such as “customer discovery”, “value proposition”, “iterate business models”) caused some participants to get frustrated, confused, and at worst disengage. Make sure to thoroughly explain these terms as required by your particular audience.

## COURSE STRUCTURE

Lean for Main is **very demanding** and will expect you to receive customer feedback from a minimum of 50 prospective customers. While this is a high expectation, Lean for Main program instructors will ensure you have the tools to achieve this goal.

Within this course, you will select from four available tracks to tailor the experience unique to you. Certain track-specific content will be made available throughout the course:

- **Track 1:** *Retail*
- **Track 2:** *Food Service*
- **Track 3:** *Service*
- **Track 4:** *Manufacturing*

During the six-week program, teams will meet on Monday and Tuesday nights for an hour-and-a-half. Instructors will be available all day on Tuesday for one-on-one meetings/discussions to assist with specifics relating to your business.

Training is comprised of two parallel learning components:

### Part A: SEARCH

Module A is focused on how to build and iterate business models. Sessions on customer development, value propositions, channels, and how to build those relationships will help you gain a fundamental idea of how your business will operate. Module A's core objective is to help you develop skills necessary to build a strong customer feedback loop and understand how it influences a business model. The program will expect you to get out and talk to people. These conversations (sometimes referred to as "customer interviews") will give essential insight into your potential customers and push you to explore other new segments.

### Part B: EXECUTE

The second module is designed to translate elements from your business model into an investable business plan. You will work together with instructors and other participants to create a first draft of a business plan and build a strong set of financial projection models.

### Office Hours

Instructors will be available on Tuesdays for regular office hours. You are strongly encouraged to make use of this knowledge resource to receive individualized responses to your questions and comments.

### Final Presentation

The program will conclude with a presentation to representatives from local financial institutions who will provide feedback and provide opportunities to submit formal loan applications.

## COURSE TOOLS

This course will make use of a variety of common business planning tools for use during the entire program:

- The Business Model Canvas and Value Proposition Canvas
- *Business Model Generation*, Alexander Osterwalder and Yves Pigneur
- *The Lean Startup*, Eric Ries
- PC or Macintosh with Microsoft Office (Word, Excel and PowerPoint)

These tools will be made available for you on loan during the course of the program; however, we strongly encourage you to purchase your own copy for use after completing Lean for Main.

# CURRICULUM OVERVIEW

	DAY 1 (LECTURE)	DAY 2 (APPLIED)	OUTCOME
<b>WEEK 1</b>	<ul style="list-style-type: none"> <li>▶ <b>Lecture:</b> <ul style="list-style-type: none"> <li>✓ What is Entrepreneurship</li> <li>✓ Business Model Canvas</li> <li>✓ Value Propositions (VP)</li> <li>✓ Customer Segment (CS)</li> </ul> </li> <li>▶ <b>Discuss:</b> <ul style="list-style-type: none"> <li>✓ How to talk to customers</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Draft value propositions and customer segments</li> <li>✓ Talk to 10 customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Review value propositions and customer segments with select participants.</li> <li>✓ Work on elevator pitches</li> <li>✓ Overview of Business Plan</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Continue to refine value propositions and customer segments</li> <li>✓ Talk to 15 more customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ 10 Customer Interviews</li> <li>✓ Draft of value propositions and customer segments</li> <li>✓ Draft of elevator pitch</li> </ul>
<b>WEEK 2</b>	<ul style="list-style-type: none"> <li>▶ <b>Lecture:</b> <ul style="list-style-type: none"> <li>✓ Channels</li> <li>✓ Revenue Streams</li> <li>✓ Key Partners (KP), Activities (KA), Resources (KR), Costs</li> <li>✓ Basic Entrepreneurship Economics</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Draft remaining business model canvas</li> <li>✓ Build three slide update deck (see Day 2)</li> <li>✓ Make list of expenses relevant to your business</li> <li>✓ Be at 25 customer interviews</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Participant Presentations:</b> <ul style="list-style-type: none"> <li>✓ 3 slides: <ul style="list-style-type: none"> <li>✓ Who / elevator pitch</li> <li>✓ Business model canvas</li> <li>✓ What you've learned</li> </ul> </li> </ul> </li> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Discuss presentations details with teams</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Talk to 15 more customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ 25 total customer interviews</li> <li>✓ Refined elevator pitch</li> <li>✓ Refined business model canvas</li> </ul>
<b>WEEK 3</b>	<ul style="list-style-type: none"> <li>▶ <b>Lecture:</b> <ul style="list-style-type: none"> <li>✓ Customer relationships (get/keep/grow)</li> <li>✓ Social media techniques</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Continue to refine business model canvas</li> <li>✓ Experiment with social media</li> <li>✓ Be at 40 customer interviews</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Work through business plan section by section. Push participants to put something down in each section.</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Continue work on bus. plans</li> <li>✓ Talk to 10 more customers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ 40 total customer interviews</li> <li>✓ First-cut at business plan</li> </ul>
<b>WEEK 4</b>	<ul style="list-style-type: none"> <li>▶ <b>Lecture:</b> <ul style="list-style-type: none"> <li>✓ Legal structures</li> <li>✓ Financial projections</li> </ul> </li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Experiment with financial tools</li> <li>✓ Build three slide update (see Day 2)</li> <li>✓ Draft of business plan due tomorrow</li> <li>✓ Be at 50 customer interviews</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Participant Presentations:</b> <ul style="list-style-type: none"> <li>✓ 3 slides: <ul style="list-style-type: none"> <li>✓ Who / elevator pitch</li> <li>✓ What you've learned</li> <li>✓ Where you are struggling</li> </ul> </li> </ul> </li> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Work through financial projection tools together.</li> </ul> </li> <li>▶ <b>Draft of Business Plans Due</b></li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Continue work on financials</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ 50 total customer interviews</li> <li>✓ Draft of business plan</li> <li>✓ First-cut at financials</li> </ul>
<b>WEEK 5</b>	<ul style="list-style-type: none"> <li>▶ <b>Lecture:</b> <ul style="list-style-type: none"> <li>✓ Funding strategies for business</li> <li>✓ Elements of a great business pitch</li> </ul> </li> <li>▶ <b>Return Reviewed Business Plan Drafts</b></li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Attempt to fill content in slide template</li> <li>✓ Draft of financials due tomorrow</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Work through slide decks. Push participants to put something down in each slide.</li> <li>✓ Review</li> </ul> </li> <li>▶ <b>Draft of Financials Projections Due</b></li> <li>▶ <b>Homework:</b> <ul style="list-style-type: none"> <li>✓ Work on business pitch deck</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Reviewed business plan</li> <li>✓ Draft of financials</li> <li>✓ Start of slide decks</li> </ul>
<b>WEEK 6</b>	<ul style="list-style-type: none"> <li>▶ <b>Pitch Deck Review:</b> <ul style="list-style-type: none"> <li>✓ Walk through slides of selected teams</li> </ul> </li> <li>▶ <b>Group Discussion:</b> <ul style="list-style-type: none"> <li>✓ Details for tomorrow final presentations</li> <li>✓ What happens next?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Final Presentations</b></li> <li>▶ <b>Return Reviewed Financials</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Business plan</li> <li>✓ Financials</li> <li>✓ Presentation Deck</li> <li>✓ 50 Interviews Total</li> <li>▶ <b>Ready for Handoff</b></li> </ul>

## PARTICIPANT DETAILS

Lean for Main is comprised of 12 workshops designed to take participants from interest in starting a business to a reviewed, financeable opportunity. The workshops are each approximately two hours long, with opportunities for peer-to-peer feedback and short update presentations to share learning along the way.

### Customer Interactions

One of the core elements of the Lean for Main program is the requirement for teams to engage potential customers and have conversations with them about the *value provided* by their prospective businesses. We call these “Customer Interactions,” which can be accomplished face-to-face or via video conference, telephone, or social media interaction. Teams are expected to complete **at least 50** customer interactions. Online interactions will count as one-half of an interaction.

### Team Learning Format

While there are some added challenges to having business partners, starting a business alone can significantly impact the chance of long-term success. The Lean for Main program greatly encourages participants to have at least one partner (total of two member team), who will each focus on different roles within the business:

#### 1. The Maker

The consummate entrepreneur and the individual who pours his/her passion into an idea in order to share it with others. This person generally focuses on the production and customer-fulfillment aspects of the business.

#### 2. The Closer

Essential for ensuring profitability, this individual focuses on building long-term customer relationships and business development. This is the essential linkage that separates a business from being a really expensive hobby.

Furthermore, businesses thrive within a community by providing each other both commercial and moral support. This program will reflect that key insight and encourage teams to assist each other with understanding materials and providing introductions to valuable contacts. Throughout the curriculum, you will notice numerous opportunities to receive peer-to-peer feedback on important elements of learning.

### How to Succeed in Lean for Main

Lean for Main forces participants to think very differently about business. It’s about challenging preconceived beliefs of what a community and its residents want, and collecting insight before spending thousands to build something nobody wants.

Thus, participants must embrace certain inconvenient truisms:

1. What you **think** the market wants is not enough.
2. People themselves are more insightful than online research.
3. Reward requires effort; keeping an open mind to the process is essential.
4. The outcome is about boosting confidence in your business’s chance of success **before** it’s started.

## **BEFORE PROGRAM**

Participants should arrive to the first workshop with an idea for a business, but also a willingness to adapt that idea in response to new information.

### ***Expectation of Participants***

Participants should arrive to the first meeting with an idea already formed. While the end objective is for participants to exit the program with a customer-influenced business plan, financials, and pitch deck, ultimate success relies on the participant's motivation. Not all will embrace the deliverables of the program. That's okay, because they will learn from observing other participants who do. The instructor should not convey that message however, and should maintain high standard for the participants.

### ***Instructor Guidance***

The educational or socioeconomic factors of a community can significantly impact the program. Instructors should be prepared to adjust or modify presentations and activities to best match the collective participant background--particularly in week one.

Instructors are highly encouraged to communicate directly with participants prior to the start of the program to build a mental picture of the composition of teams and plan accordingly with printed materials and tools.

For many, the customer discovery component of the program will be painful. It's important to give strong examples that illustrate the importance of why customer dialog is essential to business. Instructors should craft their own relatable story if able, or draw from Lean for Main program material. Many participants will struggle with securing meetings. Instructors should provide adequate *relatable* examples of how to circumvent gate-keepers in order to help participants learn how to achieve meetings.

### ***Suggested Readings***

Participants should at a minimum skim through and become familiar with *Business Model Generation*, by Alexander Osterwalder and Yves Pigneur.

## WEEK 1

The first week of the program aims to orient participants to life as an entrepreneur. A large volume of content is delivered relatively quickly, and the bar is set high to adequately set the tone of the course. The primary objective of week one is for participants to gain an understanding of business models, start the customer discovery process, and to visualize the end goal of the program.

### Day 1: Introduction to Entrepreneurship & Business Models

The first workshop introduces participants to the idea of a business model, establishes the differences of business models vs business plans, and primes participants to understand the roll of customer development.

#### *Topic Schedule*

0:00 - 0:15	Team & Participant Introductions
0:15 - 0:30	What is Entrepreneurship?
0:30 - 0:45	Introduction to Business Models
0:45 - 1:15	Value Propositions (VP)
1:15 - 1:45	Customer Segments (CS)
1:45 - 1:55	How to talk to customers
1:55 - 2:00	Discuss homework & questions

#### *Learning Objectives*

- I. Introduction to Business Models
  - a. Understand the difference between a business model and “the old way” of planning
  - b. View business models as constantly changing
  - c. Gain exposure to concept of product-market fit
  - d. Instill confidence to use customer interaction to influence a business model
- II. Value Propositions (VP)
  - a. Rethink technology features and translate them into potential benefits for a customer
  - b. Define a minimum viable product
  - c. Recognize wasteful features that are not easily tested against potential customers
- III. Customer Segments (CS)
  - a. Define customer segments, sub-segments, and types
  - b. Understand and identify the various types of customer archetypes
  - c. Assess and formulate relationships between various players in the customer landscape
- IV. Customer Development
  - a. Understand the goal and purpose of interacting with potential customers
  - b. Plan, secure, conduct, and analyze conversations with customers
  - c. Recognize signals vs. noise

#### *Instructor Guidance*

- This workshop is the most critical of the course, and it is vital to set the appropriate tone, energy, and enthusiasm.
- Instructors should develop and integrate their own personal entrepreneurial story to immediately establish credibility and keep things interesting.

- While most teams should be catching on, instructors should continue to drive home the concept that it's not about the product or service--it's about the business model and perceived value.
- Teams will often ask about Steve Jobs, who was famously quoted for saying the customer doesn't know what they want until you show them. Dispel this. The focus isn't on asking people what they want, it's about identifying what problems they have. For instance, with the iPod it was the famous "carry a 1,000 songs in your pocket." (Certainly doesn't mean Apple didn't listen to their customers!)
- Teams should receive a copy of the value proposition canvas and be shown how to use it alongside the discussion.

### **Content Covered**

- Intro to Business Models
  - "Old way" vs. "New way" – Startups search, companies execute
  - Don't start writing a business plan yet
  - Define Business Model
  - Introduce the Business Model Canvas and nine blocks
- Value Propositions (VP)
  - Define Value Proposition
  - Drive home linkage between value proposition and customer
  - Introduce Customer Archetypes
  - Discuss what it means to "pivot"
  - Pain killers, gain creators, problems/needs and value proposition canvas
    - Examples of rethinking features into value propositions
  - Difference between "pants-on-fire" must-have problems versus nice-to-have
  - Making products no one wants to buy
  - Ranking of feedback
  - Maslow's Hierarchy of Business Needs
  - What is an MVP? Examples
- Customer Segments (CS)
  - What are segments, sub-segments, and types; importance of recognizing sub-segments
  - Product-market fit = VP + CS
  - Define and give examples of each archetype
  - Multiple segments vs multisided markets
  - Different market types
  - Petal diagram
  - Customer workflow diagram
- How To Talk To Customers
  - "Selling" vs. testing a proposed benefit or value.
  - Four parts to process: planning, securing, conducting, & analyzing conversations
  - Role of founders during customer interactions
  - How to scout and find key contacts
  - Tips for getting past gatekeepers
  - Analyzing conversations and looking for signals

### **Homework Assignment**

1. Draft list of value propositions and customer segments for proposed idea.
2. Before next session, get out of the building and talk to at least 10 potential customers.

### **Suggested Reading**

- *The Lean Startup*, Eric Ries. Encourage participants to immerse in paradigm difference.

## Day 2: Crafting Elevator Pitches from Value Propositions

For most participants, the volume of information presented in day 1 will feel overwhelming. Day 2's focus will be to apply the theoretical concepts from day 1 and learn by example. Each participant or team (randomly select a pool if large class) should share their hypothesized value propositions and customer segments.

### **Schedule**

- 0:00 - 1:00 Check-point Presentations for VP and CS
- 1:00 - 1:45 Work as groups on elevator pitches
- 1:45 - 2:00 Overview business plan template

### **Learning Objectives**

- I. Gain deeper understanding of value propositions and customer segments by reviewing and critiquing peer examples.
- II. Develop first-cut elevator pitches and recognize balance of structure and art
- III. Gain exposure to business plan structure

### **Instructor Guidance**

- Sharing VPs and CSs among group:
  - If class size is too large to allow all participants to share their draft value propositions and customer segments, select a random group to share.
  - Use a bit of “shock and awe” in the present/critique teaching method. Presentations should move fast; do not let presenters ramble about their idea.
  - Focus presentation on what they learned.
  - Lean into teams that fall short or appear to not participate. Reiterate that it is their house potentially on the line--isn't that worth a few chats with neighbors?
  - Expect that teams will not all have strong presentation or technology skills and be prepared to assist along. Provide positive encouragement and ensure that the decorum of the room is supportive as well.
  - Pay attention to teams that seem to be “selling” versus experimenting.
- Working on group elevator pitches
  - In person, participants should be paired up in groups of 2-6.
  - Via web, each participant should post their elevator pitch in discussion board. Participants should comment on 2-6 others' elevator pitches.
  - The instructor should select interesting discussion threads and highlight with the group.
- Overview of business plan template.
  - At this stage, showing a business plan and the basic structure is more for exposure than actual understanding. Show a structural template (either from SCORE or other source), and then show a few examples of completed plans.
  - Illustrate how the business model canvas aligns with the business plan.

### **Homework Assignment**

- Continue to refine value propositions, customer segments, and elevator pitches
- Reach out to 15 additional prospective customers by next week.

## WEEK 2

The second week of the program builds upon the core learning objectives of the previous weeks and completes the introduction of the business model canvas. The primary objective of week two is for participants to increase their understanding of business models, gain exposure to economics of a business, and start practicing pitch skills.

### Day 3: Business Models (cont.) and Economics

The third workshop continues development of a business model, with focus on the left side of the canvas. Additionally, participants are exposed to basic entrepreneurial economic concepts.

#### Topic Schedule

0:00 - 0:30	Channels
0:30 - 0:45	Revenue Streams
0:45 - 1:00	Key Partners
1:00 - 1:30	Key Activities, Key Resources, and Costs
1:30 - 2:00	Basic Entrepreneurship Economics

#### Learning Objectives

- I. Channels
  - a. Identify the various methods of getting products to customers to provide value
  - b. Connect one or more channels with defined customer segments
  - c. Recognize economic trade-offs between the various channels
- II. Revenue Streams
  - a. List the different types of revenue streams
  - b. Discuss the different approaches of collecting money
- III. Key Partners
  - a. Understand the difference between partners and suppliers
  - b. Discuss why partnerships may be valuable
- IV. Key Activities, Key Resources, and Costs
  - a. Identify the four types of resources
  - b. Discuss activities and processes that will be critical to the business model
  - c. Determine economic feasibility based on unit price/cost
- V. Basic Entrepreneurship Economics
  - a. Thoroughly recognize impact of costs of goods sold
  - b. Gain insight into hidden expenses that jeopardize business

#### Instructor Guidance

- Channels
  - Adequately relating how channels work relies on a solid list of examples that participants can recognize. Try to develop relatable examples that apply to participating team businesses.
  - Participants should be able to sell and close the first few orders to prove the channel.
  - Emphasize that channel strategy is almost as important as the value proposition itself. Leverage popular examples to elaborate more:
    - Netflix vs. Blockbuster
    - Mail-order PC business
    - Walmart vs Amazon
    - AirBNB

- Participants should understand at this point they will not have all the answers to these questions, however it is important for them to find time to think through the elements as they apply to their own plans.
- Examples covered in the basic entrepreneurship economics should be tailored to the audience composition.

### ***Content Covered***

- Channels
  - Physical vs. virtual channels
  - Types of channels
  - Channel economics
  - Price stacks of channel participants
  - Compensation of channel elements
- Revenue Streams
  - Types of revenue
    - Direct
    - Indirect
    - Licensing
  - Difference between revenue and pricing
  - Eight types of revenue streams
- Key Partners
  - Partnerships vs suppliers
- Key Activities, Key Resources, and Costs
  - Four types of resources:
    - Financial
    - Physical
    - Intellectual
    - Human Capital
  - Intellectual property protection
  - Manufacturing costs & Supply Chain
    - Fixed vs Variable costs
- Basic Entrepreneurship Economics
  - COGS example
  - Hidden expenses

### ***Homework Assignment***

1. Draft remainder of business model canvas
2. Build a basic 3-slide deck
  - Who are you / Elevator Pitch
  - Business Model Canvas
  - What have you learned from your customers
3. Make a list of expenses applicable to participants' business idea
4. Be at 25 customer interviews

## Day 4: Crafting Elevator Pitches from Value Propositions

The fourth workshop is an opportunity for participants to demonstrate what they have learned. Participants will give an update presentation on their proposed value propositions and customer segments, and then proceed to work on elevator pitches.

### **Schedule**

- 0:00 - 1:00 Selected participants share Value Propositions and Customer Segments
- 1:00 - 1:45 Work as groups on elevator pitches
- 1:45 - 2:00 Overview business plan template

### **Learning Objectives**

- I. Gain deeper understanding of value propositions and customer segments by reviewing and critiquing peer examples.
- II. Develop first-cut elevator pitches and recognize balance of structure and art
- III. Gain exposure to business plan structure

### **Instructor Guidance**

- Sharing VPs and CSs among group:
  - If class size is too large to allow all participants to share their draft value propositions and customer segments, select a random group to share.
  - Instructor should provide positive critiques, and then invite the group to weigh in to critique. Conversation may be slow to begin, but be careful not to control the dialog. Instructors should ask the occasional open-ended question to jump-start but move on.
  - If teams are particularly non-engaged, alternative activities such as “speed dating” or similar activities can accelerate progress.
- Working on group elevator pitches
  - In person, participants should be paired up in groups of 2-6.
  - Via web, each participant should post their elevator pitch in discussion board. Participants should comment on 2-6 others’ elevator pitches.
  - The instructor should select interesting discussion threads and highlight with the group.
- Overview of business plan template.
  - At this stage, showing a business plan and the basic structure is more for exposure than actual understanding. Show a structural template (either from SCORE or other source), and then show a few examples of completed plans.
  - Illustrate how the business model canvas aligns with the business plan.

### **Homework Assignment**

- Continue to refine value propositions, customer segments, and elevator pitches
- Reach out to 15 additional prospective customers.

## WEEK 3

The third week of the program closes out the business model development concepts and transitions to business planning. The primary objective of week three is for participants to take a first cut at their business plans, using a hands on approach.

### Day 5: Marketing

This session will focus on additional conversation on specific approaches for main street businesses, specifically on fulfillment and marketing.

#### Topic Schedule

0:00 - 0:45 Customer Relationships (Get/Keep/Grow)

0:45 - 1:30 Tactical Marketing Tools

#### Learning Objectives

- I. Customer Relationships
  - a. Develop ways to get customers into their channels and move through a sales process
  - b. Identify methods to retain customers
  - c. Recognize the importance of growing additional revenue from same customers.
- II. Tactical Marketing Tools
  - a. Establish a social media presence on popular platforms (such as Facebook, Twitter)
  - b. Formulate engaging dialog that will effectively solicit interaction
  - c. Appraise and assess their social media performance

#### Instructor Guidance

- Customer Relationships
  - Get/Keep/Grow strategy should be appropriate and reflective for the participants' customer segment and channel.
  - Give realistic and relatable examples of how to easily determine customer acquisition costs and lifetime value.
- Tactical Marketing Tools
  - Much of the content has thus far been largely theoretical. Hereafter, content will be applied towards specific strategies for crafting marketing plans for these rural main street businesses.

#### Content Covered

- Customer Relationships
  - Sales funnel (awareness > interest > consideration > purchase)
  - Growth ( Referrals > cross sell > unbundle/upsell)
  - Demand creation
  - Customer acquisition costs (CAC)
  - Customer Lifetime Value (LTV)
  - Retention strategies
  - Churn
- Tactical Marketing Tools
  - How to establish various social media accounts.
  - Important things to think about as it relates to branding considerations
  - Techniques to collect feedback from social media and marketing tools available online (e-newsletters, Google Adwords, etc.)
  - Local or regional promotional opportunities

### **Homework Assignment**

1. Continue to refine business model canvas
2. Experiment with social media sites
3. Be at 40 customer interviews

### **Suggested Reading**

- *The Lean Startup*, Eric Ries. Encourage participants to immerse in paradigm difference.

## **Day 6: Business Plan Walk-through**

Shifting focus away from pronounced emphasis on searching and towards planning to execute, the main purpose of this 2-hr block is to drive teams to putting “something” in every section and eliminate the “blank page syndrome.”

### **Schedule**

0:00 - 2:00    Work section by section through business plan

### **Learning Objectives**

- I. Understand the purposes of a business plan and target audience
- II. List the essential elements of a plan
- III. Prepare a draft business plan based on business model canvas

### **Instructor Guidance**

- At this point, teams should have put a good deal of thought into their business models to start work on a business plan. If the overall group seems disengaged, focus on showing examples and drawing out high-performing participants as examples.
- Provide several examples of business plans
- Additional tools and resources should be provided as needed:
  - US Census data or state data sources (ex. Secretary of State, economic development agencies)
  - IBISWorld Reports as applicable
  - Online business planning tools and software
- Give a detailed suggested homework schedule for completing plan

### **Content Covered**

- Sources to analyze industries
- How to estimate market sizes
- The key elements of a business plan
  - Market
  - Product
  - Sales Strategy
  - Marketing Strategy
  - Operations
  - Legal
  - Team
  - Financials
- Art of a good executive summary
- Pitfalls in business plans (clarity, realism, flexibility, consistency)

### **Homework Assignment**

- Continue work on business plan. Participants will submit draft on next week (Day 8)
- Reach out to 10 additional prospective customers.

## WEEK 4

By week four of the program, participants should be firmly in business plan development. This week builds on business plan elements, as well as introduces financial projection concepts and tools to build out pro forma statements. The primary objective of week is to give hands on exposure to financial planning and legal structures.

### Day 7: Legal and Finances

#### *Topic Schedule*

- 0:00 - 0:45    Legal structures of business
- 0:45 - 2:00    Financial statements and pro formas

#### *Learning Objectives*

- I. Legal Structures
  - a. List the types of legal business structures
  - b. Understand the various pros/cons of structures
  - c. Recognize common legal “gotchas” that many entrepreneurs hit
- II. Small Business Financial Tools
  - a. Interpret the three major financial statements and draw conclusions from
    - i. Balance Sheet
    - ii. P&L (Income) Statement
    - iii. Statement of Cash Flows
  - b. Evaluate potential cash flow challenges

#### *Instructor Guidance*

- It is critical for the instructor to manage expectations. These sections are not designed to create lawyers or accountants, but give entrepreneurs working familiarity with these important concepts to know when they need to call a professional and to understand the language.
- Most people are very intimidated by looking at financial statements, and as such the instructor work to keep examples simple.
- This content by nature is dry to many participants. Instructors should exercise creative license to ensure participants stay engaged.

#### *Content Covered*

- Legal Structures
  -
- Small Business Financial Tools
  - Debits and credits
  - Assets, liabilities, equity, retained earnings, etc
  - Balance Sheet
  - Costs of goods, SG&A
  - Income statement
  - Statement of Cash Flows.

#### *Homework Assignment*

1. Experiment with various financial planning tools in MS Excel
2. Prepare basic 3-slide deck updating on progress
  - Who are you / Elevator Pitch
  - What have you learned from your customers
  - Where you are struggling
3. Reminder that drafts of business plans are due tomorrow
4. Be at 50 total customer interviews

## **Day 8: Hands-on with Financial Tools / Check Point Presentations**

Almost 2/3rds through the program, half of Day 8 is used as a check point to evaluate progress of participants. Instructors should take careful notes during presentations on collective points of confusion, and address in available time in Week 5.

### ***Schedule***

- 0:00 - 1:00     Check-point presentations with participants
- 1:00 - 2:00     Hands-on walk through of various financial software tools.

### ***Learning Objectives***

- I. Check-point Presentations
  - a. Evaluate comprehension of participants
- II. Hands-on with Financial Tools
  - a. Interact with financial spreadsheets
  - b. Operate PC/web-based bookkeeping packages
  - c. Build basic financial models based on template spreadsheets

### ***Instructor Guidance***

- Check-point Presentations
  - Instructors should pay close attention to presentation issues and diagnose problems.
  - Pressure teams to stay on track with development. In two weeks they will be presenting to bankers or financiers.
- Hands-on with Financial Tools
  - This session is designed to be hands on. Participants will work through several sample transactions in QuickBooks and see how they impact the three financial statements.
  - The activity can prove somewhat challenging to older individuals who are (in general) less familiar with operating a computer. Provide extra guidance to these participants.
  - Remind participants that the goal is not to learn how to become a bookkeeper or an accountant, but to thoroughly understand how to interpret statements.
  - Negate the “white-page” syndrome--encourage teams to put something down on paper and understand that in a lot of cases they may feel like they’re guessing.
  - Show teams a couple methods of working from assumptions in order to estimate uncertainty.

### ***Content Covered***

- QuickBooks Online
- 3-5 year cash flow projections
- 3-5 year projected P/L
- Breakeven Analysis

### ***Homework Assignment***

- Continue to work on financials
- Collect draft of business plan from participants

## **WEEK 5**

While providing some new content, this week is designed to be flexible and allow time for instructors to address any areas participants are struggling with or additional customized content. Additionally, time this week must be spent preparing participants for presentations during the final week.

### **Day 9: Funding Strategies & Pitching a Business**

#### ***Topic Schedule***

- 0:00 - 0:45     Funding strategies for business
- 0:45 - 2:00     Elements of a great pitch

#### ***Learning Objectives***

- I. Funding Strategies
  - a. Discuss the various sources and expectations of financing
  - b. Prioritize funding opportunities and evaluate tradeoffs
  - c. Assemble a financing plan for their own business over the projection horizon
- II. Elements of a Great Pitch
  - a. Understand the goal of a solid pitch deck
  - b. Recognize the difference between a pitch and plan

#### ***Instructor Guidance***

- Participants should understand they need skin in the game.
- Teams may feel fatigued by this point. Instruction team needs to work to maintain positive energetic environment.
- Before returning reviewed business plans, manage expectations that mark-ups are not critiques but trying to make plans stronger. Also make note that because of the quick turn-around, many comments may be unfiltered.

#### ***Content Covered***

- Funding Strategies
  - Personal funds
  - Traditional debt
  - SBA Loan programs
  - Crowdfunding
  - Micro loans
  - Angel investors
- Making a Great Pitch
  - Flow of business pitches
  - General guidelines for presentations
  - Story-telling

#### ***Homework Assignment***

1. Attempt to fill in content in the slide templates
2. Remind participants that drafts of financials are due tomorrow.
3. Return reviewed business plan drafts

## Day 10: Building Slide Decks

Similar to with elevator pitches, participants will break into groups and try to eliminate “blank slide syndrome” by putting some content in every slide.

### *Schedule*

0:00 - 2:00 Hands-on walk through of various financial software tools.

### *Learning Objectives*

- I. Build a Pitch Deck

### *Instructor Guidance*

- Encourage teams to rely on their previous work in their business model canvas and business plans to build the slide decks – their answers are already on paper
- Reinforce the purpose of pitch decks
  - Reducing skepticism
  - Demonstrating reward for investor
- How the instructor wants to break down the session is at their discretion; however, we have found it works best to take about 10 minutes to work a slide, then share some examples from the groups and move forward.

### *Homework Assignment*

- Work on business pitch deck
- Collect draft of financials from participants for review

## WEEK 6

### Day 11: Review and What's Next

Before teams present and disperse, participants should be given a snapshot of what the next steps look like and how to continue momentum built during the six-week period.

### *Topic Schedule*

0:00 - 1:30 Review business pitch decks

1:30 - 2:00 What happens next?

### *Instructor Guidance*

- Use the past wins over the six-week journey to boost confidence. Recap the journey that teams have taken. Remind them that the process of talking with customers, iterating the business model, and testing hypotheses never stops:
  - Refer to the Dewalt example. Established business, new opportunities.
- Manage expectations that tomorrow will likely not end in a big check and storefront opening in a week.
- Give a preview of what the common process of securing financing will look like.
- Encourage comradery in launching the businesses together as a community. If after the six-week period things don't look rosy, consider working with another participant to work on his/her business.
- Share statewide ecosystem and resource partners who will continue to provide long-term support to entrepreneurs.

### *Assignment*

- Exchange contact information with other participants.

## **Day 12: Final Presentations**

The final piece of the program will have participants present to bankers and investors to share the business opportunity. The goal of this session is to gain feedback from an external perspective and, in a best-case scenario, spark the discussion of possible investment.

### ***Schedule***

0:00 - 2:00 Final Presentations to Local Bankers & Investors

### ***Learning Objectives***

- I. Effectively communicate a business opportunity to potential investors
- II. Relate influence of customer feedback on key assumptions
- III. Competently handle questions on investor presentation

### ***Instructor Guidance***

- Before presentations begin, it is critical for instructors to build the energy and highlight the rapid progress and level of effort that participants have placed into the program. The personal time investment of participants should be adequately conveyed.
- Expectations should be appropriately managed, however, that business plans will not be perfect and may require additional work.
- Instruction team should largely be in the background for most of the session and simply facilitate flow.
- At the end of the presentations, encourage participants to stick around and network.

***Return reviewed financials to teams \****

## APPENDIX:

### Pre-Course Assessment

#### Lean for Main Street – Participant Pre-Course Assessment

Full Name: \_\_\_\_\_

Date: \_\_\_\_\_

Track:       Retail     Service     Manufacturing

**On a scale of 1 to 5, to what extent do you agree with the following?**

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree Nor Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
1. I have identified my core customer segments.	1	2	3	4	5
2. I know what problem my product solves for customers.	1	2	3	4	5
3. I know how to conduct customer development interviews.	1	2	3	4	5
4. I have a clear understanding of who my potential customers are and how they will purchase	1	2	3	4	5
5. It is important to talk to customers before investing in my business	1	2	3	4	5
6. My customers don't know what they want until I show them what they need	1	2	3	4	5
7. Areas of my business are unclear to me	1	2	3	4	5

**On a scale of 1 to 5, how confident are you with the following?**

	<b>Not at all confident</b>	<b>Not confident</b>	<b>Neutral</b>	<b>Confident</b>	<b>Very confident</b>
1. Talking to and learning from customers	1	2	3	4	5
2. Developing a quantifiable and compelling statement why customers should buy my product/service	1	2	3	4	5
3. Recognizing the key parts of a profitable business model	1	2	3	4	5
4. My proposed business's chance of success	1	2	3	4	5