

EMPOWERING SMALL BUSINESS: STRATEGIC CONSIDERATIONS BEFORE BEGINNING YOUR JOURNEY

**PRESENTATION TO THE ILLINOIS SMALL BUSINESS ADVISORY COUNCIL
MAY 17, 2017**



90% OF STARTUPS FAIL

Forbes

JAN 16, 2015 @ 10:00 AM 219,146 VIEWS

90% Of Startups Fail: Here's What You Need To Know About The 10%

MAR 3, 2018 AT 10:08 AM

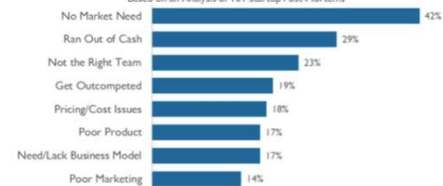
The Next Amazon (Or Apple, Or GE) Is Probably Failing Right Now

By Ben Casselman

Filed under entrepreneur

Top 20 Reasons Startups Fail

Based on an Analysis of 101 Startup Post-Mortems



Companies that scale prematurely are classified as **inconsistent** and companies that scale properly are classified as **consistent**

AVERAGE FUNDING RAISED

\$ 1,100,000

\$ 3,400,000

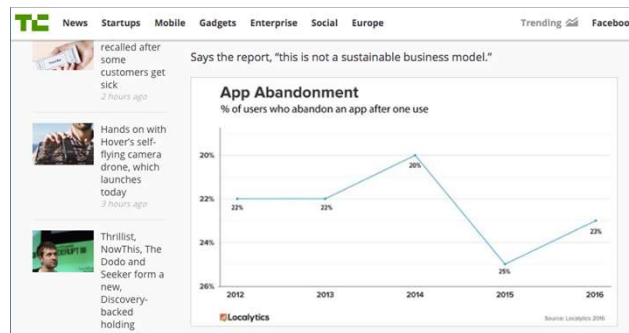


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COMMON DRIVERS OF FAILURE ACROSS INDUSTRIES

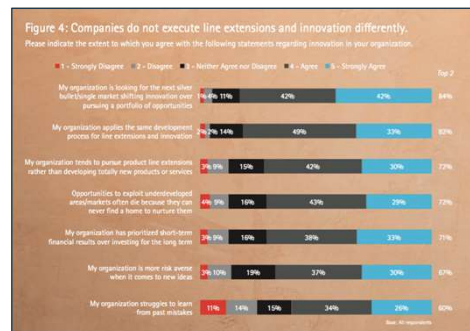
Building things nobody really needs...



...concentrating on incremental change...



...not aligning internally to respond to external opportunities / challenges...



...and, most importantly, maintaining a product rather than business oriented focus...



HOLISTIC OVERVIEW OF STRATEGIC CONSIDERATIONS



HOLISTIC OVERVIEW OF STRATEGIC CONSIDERATIONS

ONE

- Determine what business you're in

TWO

- Determine your customers' needs
- Create

FOUR

- Identify the specific initiatives that will

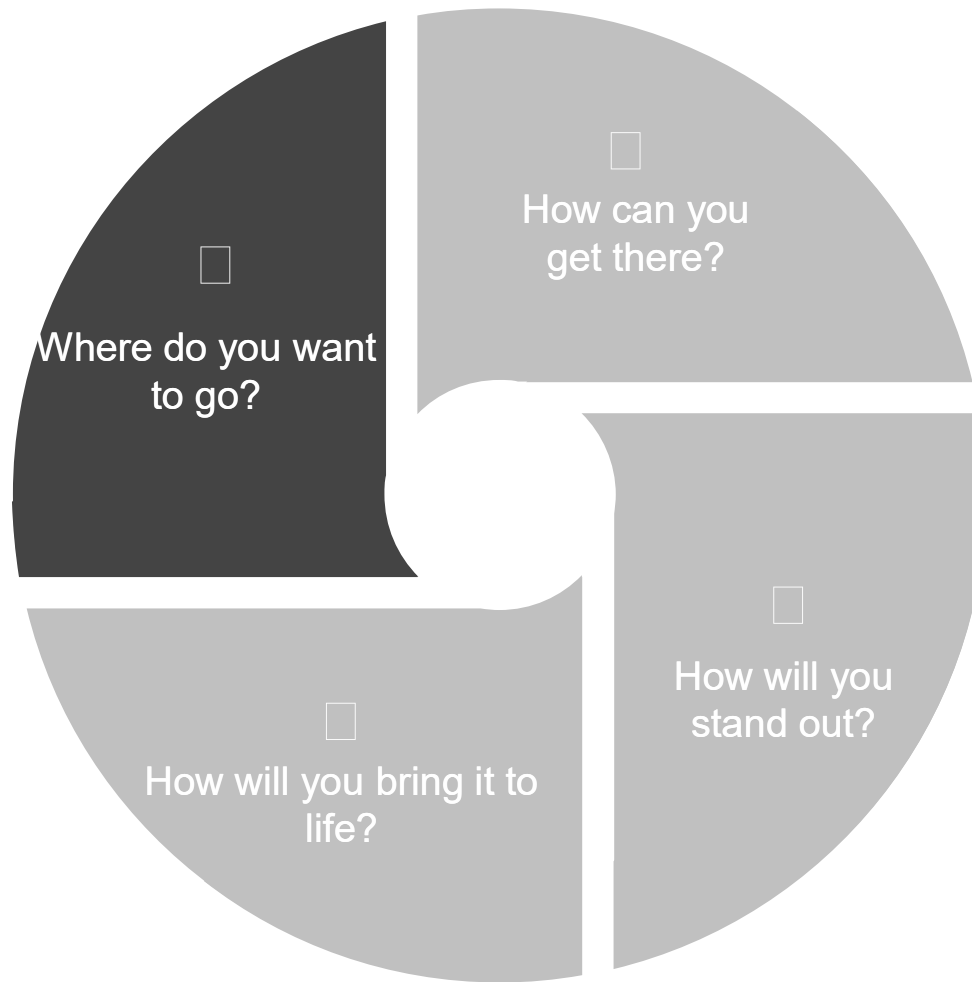
THREE

- Better articulat



DESTINATION SETTING

A HOLISTIC VIEW OF SMB SUCCESS



WHERE DO YOU WANT TO GO?

☐ FIRST, WHAT BUSINESS WILL YOU REALLY BE IN?

☐ SECOND, WHO WILL YOU HELP?

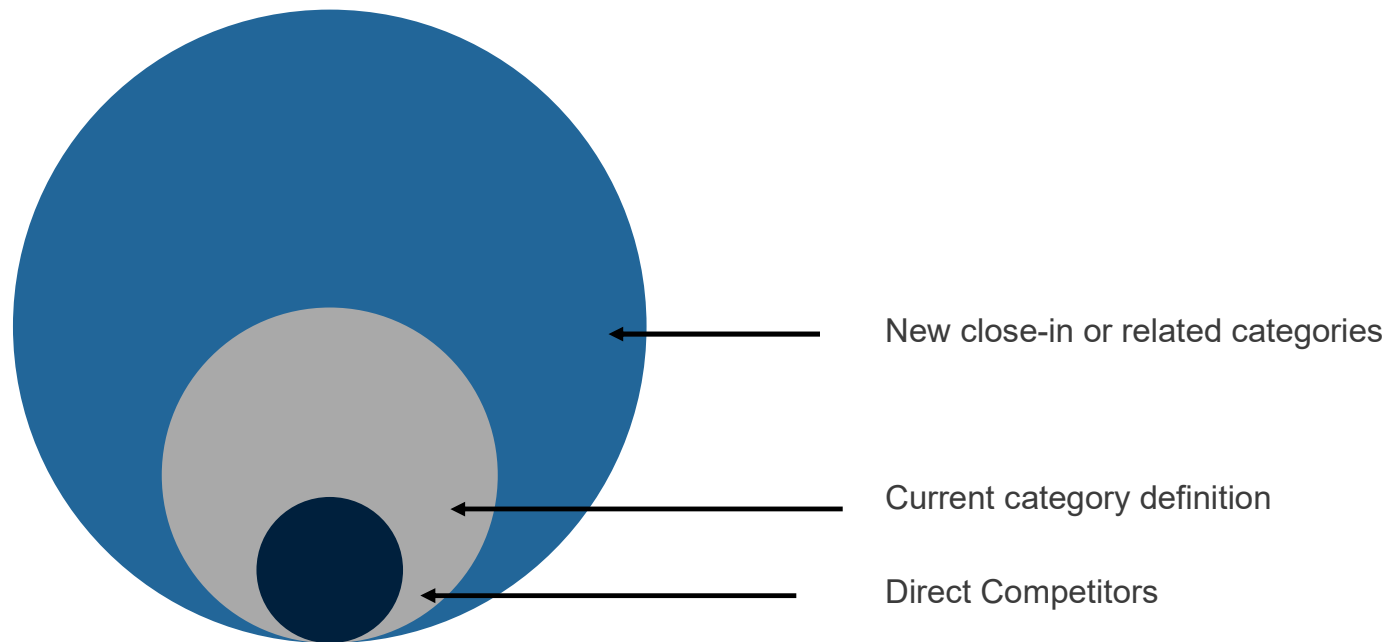
☐ THIRD, HOW

☐ FOURTH, HOW



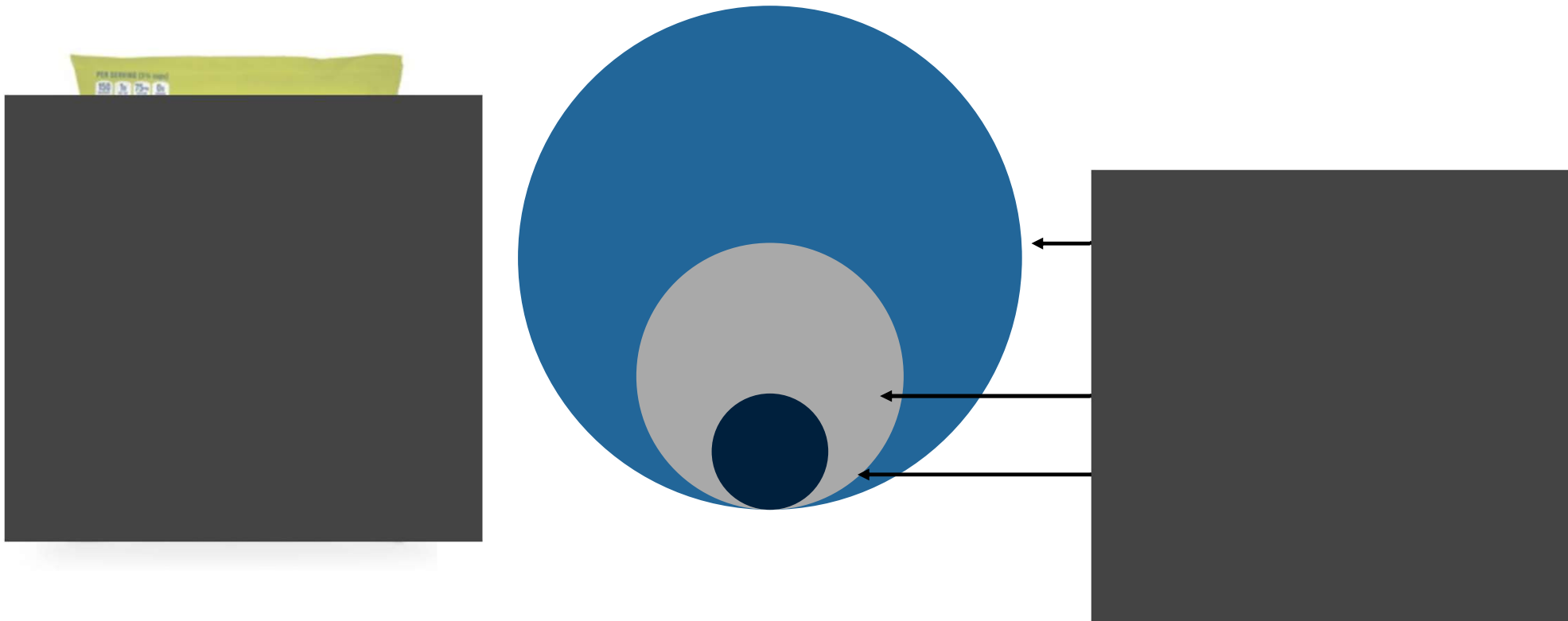
FIRST, WHAT BUSINESS WILL YOU REALLY BE IN?

HOW YOU FRAME YOUR COMPETITION INFORMS EVERY DECISION YOU MAKE



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FIRST, WHAT BUSINESS WILL YOU REALLY BE IN?

HOW YOU FRAME YOUR COMPETITION INFORMS EVERY DECISION YOU MAKE



WHY THIS MATTERS

Competing against salty snacks

Competing against healthier salty snacks

Competing against healthier salty snacks for women

Distribution Channels?

Packaging?

Advertising and Promotion?

SECOND, WHO WILL YOU HELP?

DEEPLY UNDERSTAND YOUR KEY CUSTOMER – APPEAL OF ACTION STARS

ACTION STAR



ACTION STAR



SECOND, WHO WILL YOU HELP?

DEEPLY UNDERSTAND YOUR KEY CUSTOMER – APPEAL OF ACTION STARS



What
problem am
I trying to
solve?

Who am I
buying
this for?

What else
am I
considering?

How will I
make a
purchase
decision?

How am I
feeling
about
this?

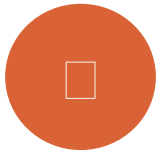
How do I
view myself?

Where do I
learn about
this?

Who do I
listen to
and get
advice
from?

SECOND, WHO WILL YOU HELP?

DEEPLY UNDERSTAND YOUR KEY CUSTOMER



THINKING ABOUT?

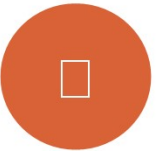
WHAT ARE THEY FEELING?

WHAT ARE THEY DOING?

- Where

SECOND, WHO WILL YOU HELP?

DEEPLY UNDERSTAND YOUR KEY CUSTOMER



- Company size / type of business (B2B)

- How this product/service helps them



DO

As a result, what are they currently doing,
in terms of:

- What they read and listen to
- Who they speak with
- Where they shop/explore/learn
- What actions do they take

- Sense of self

SECOND, WHO WILL YOU HELP?

DEEPLY UNDERSTAND YOUR KEY CUSTOMER



Interviews



Desk Research



Ethnography



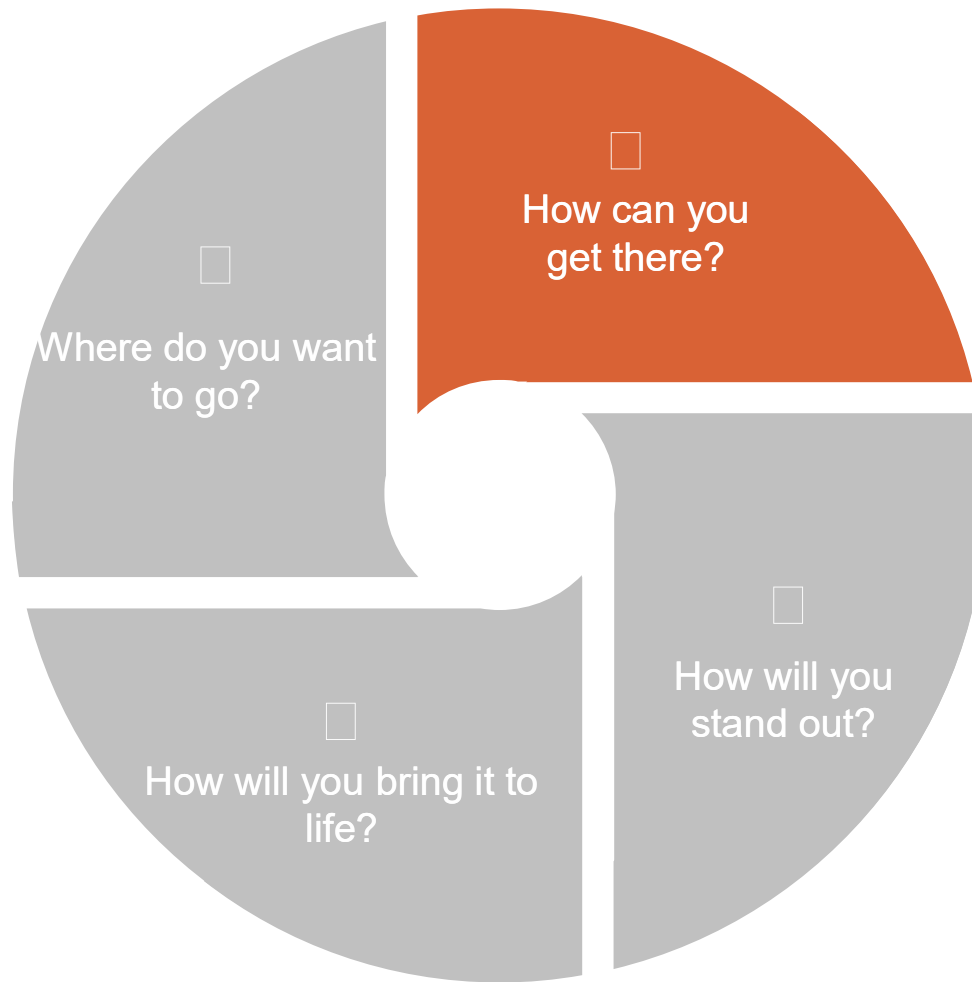
Social Listening



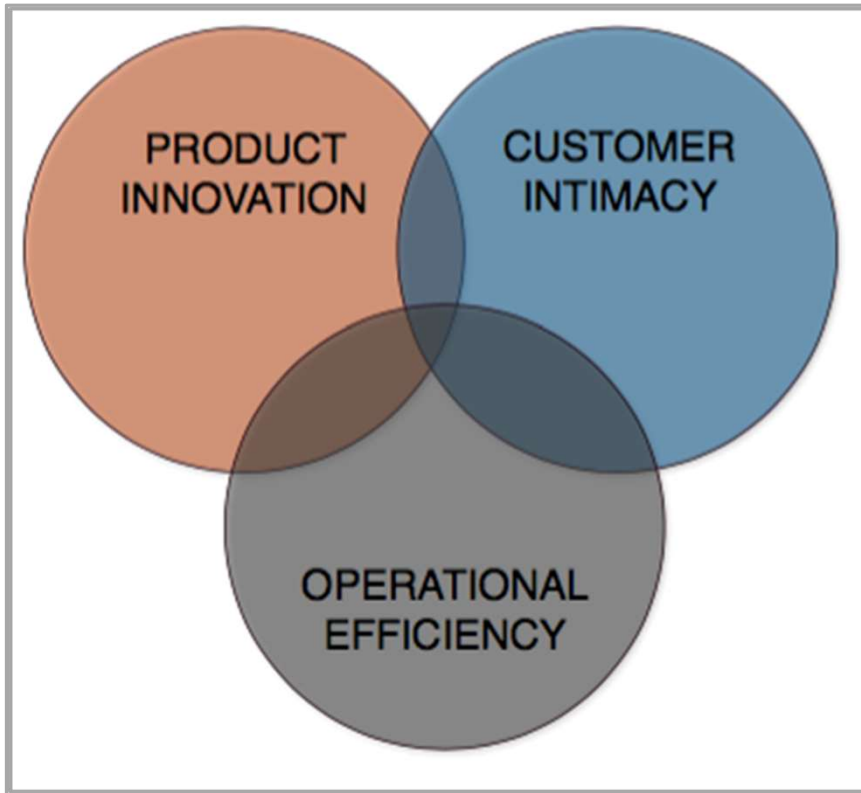
Surveys

BUSINESS FOCUS

A HOLISTIC VIEW OF SMB SUCCESS



FIRST, CLASSIFY YOUR BUSINESS



INN

- P
i

INT

- P
C
C

EFF

- P

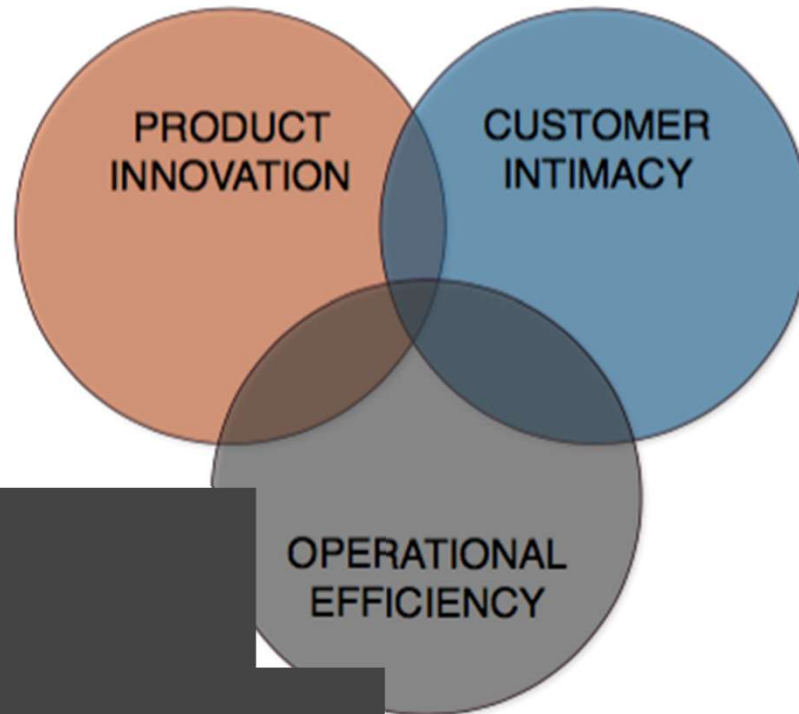
high fixed costs, often focus on high volume

via

FIRST, CLASSIFY YOUR BUSINESS



blends, baked goods



and professionally managed)



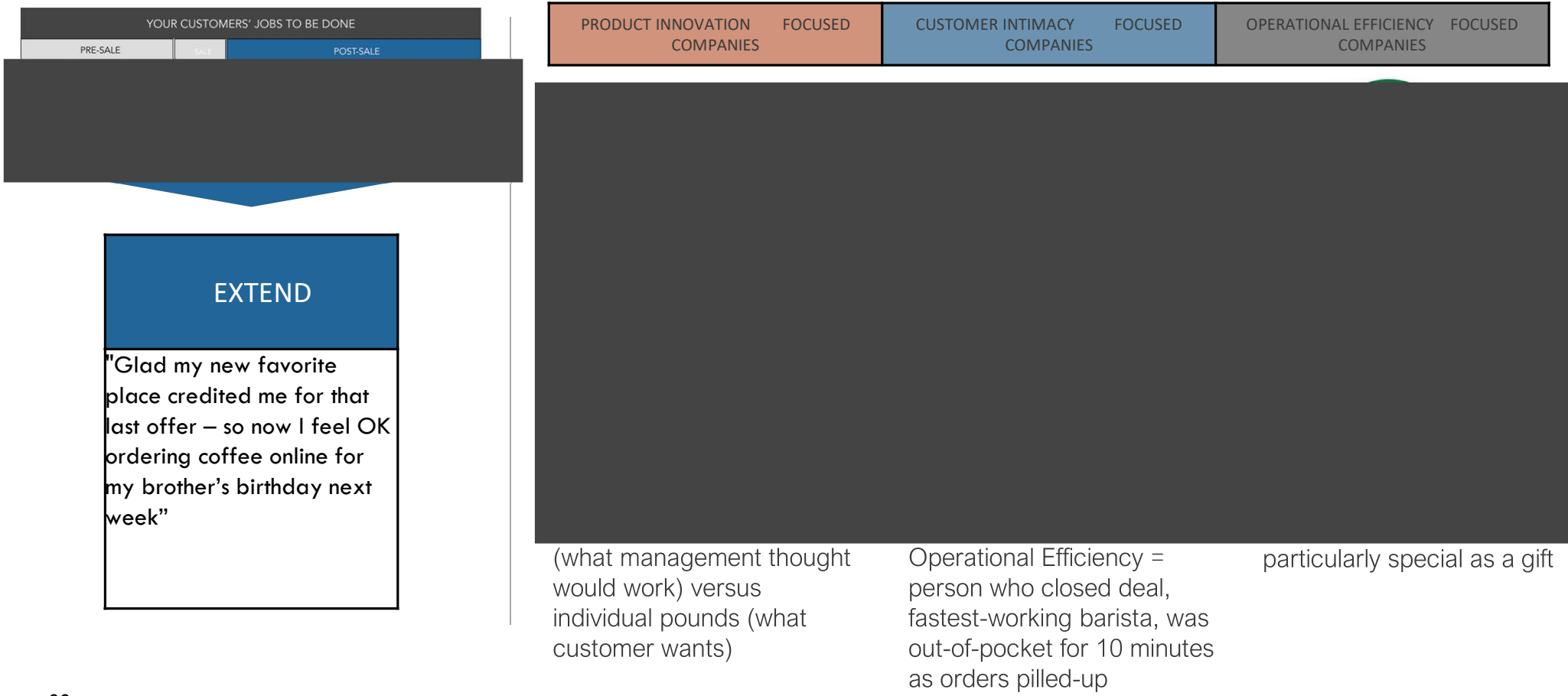
and financial oversight

SECOND, MAP YOUR CUSTOMERS' JOBS

FRAMEWORK								
PRE-SALE			SALE	POST-SALE				
DEFINE	UNDERSTAND	PREPARE	EXECUTE	MONITOR	MODIFY	CONCLUDE	RESOLVE	EXTEND
"I need to decide	"I decided on a	"Not sure if the	"Got there, made it through line, paid (with a credit card!), and decided at last minute to place an order for a box of coffee for the meeting"	"Placed the order	"Darn it – my boss	"Before I forget	"The coffee was	"Glad my new

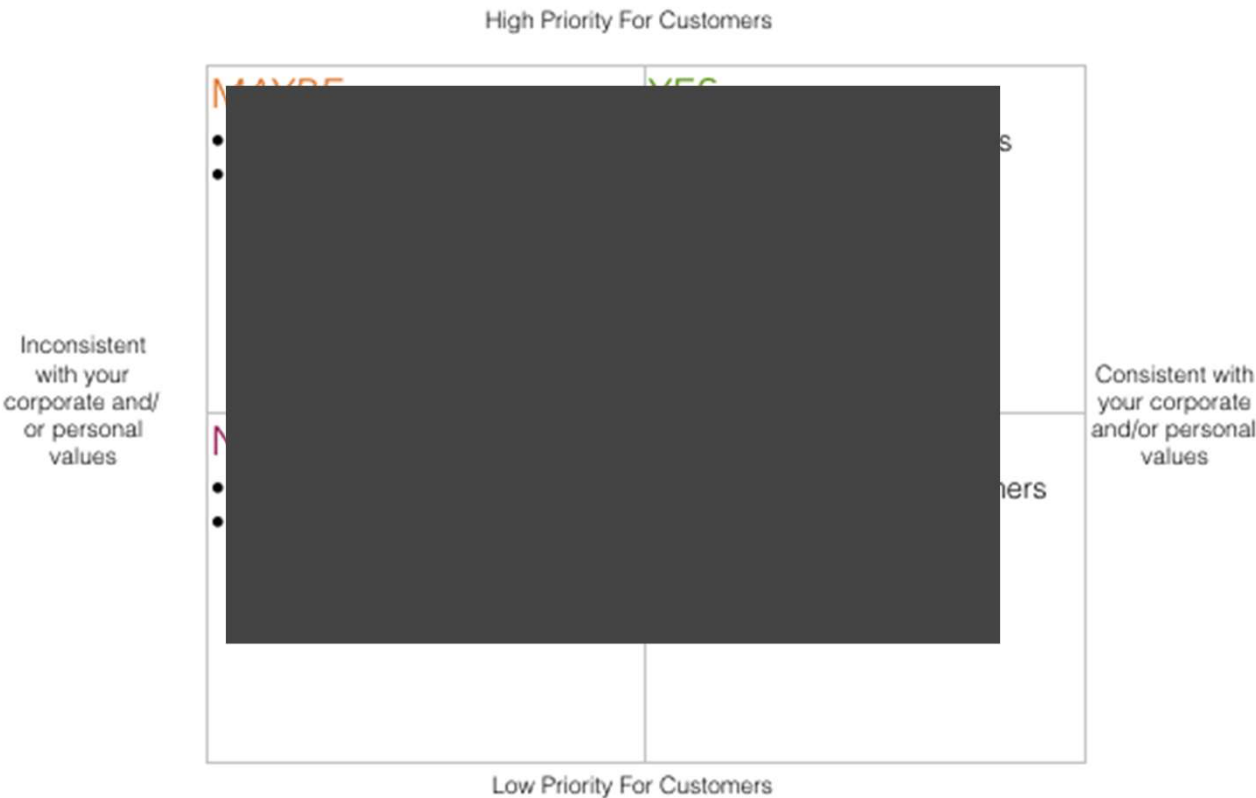
SECOND, MAP YOUR CUSTOMERS' JOBS

DIFFERENT BUSINESS TYPES APPROACH JOBS TO BE DONE DIFFERENTLY



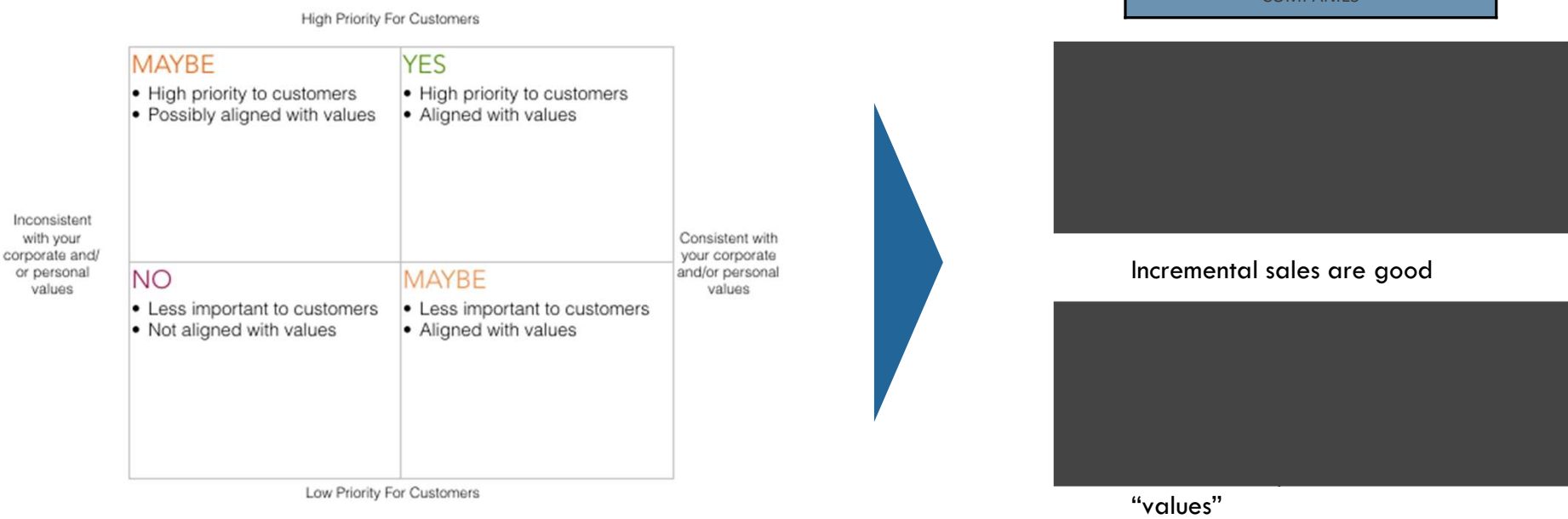
THIRD, PRIORITIZE JOBS

Which jobs are high priority for customers?
Of these jobs, which are consistent with your VALUE PROPOSTION and consistent with your corporate and personal values?



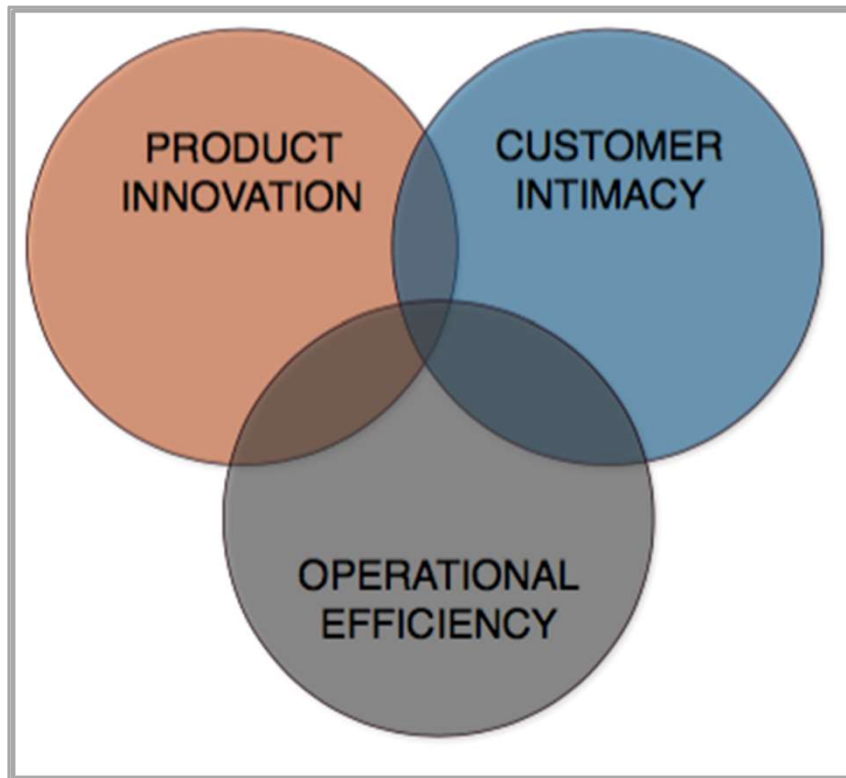
THIRD, PRIORITIZE JOBS

HOW IDENTIFYING KEY JOBS MIGHT IMPACT



FOURTH, RE-CLASSIFY YOUR BUSINESS

DOES THE BUSINESS CLASSIFICATION ALIGN WITH THE PRIORITIZED JOBS?



Do you need to shore-up your primary focus, add a secondary focus, or is there a misalignment?

FOURTH, RE-CLASSIFY YOUR BUSINESS

DOES THE BUSINESS CLASSIFICATION ALIGN WITH THE PRIORITIZED JOBS?

WHY ALIGNMENT MATTERS

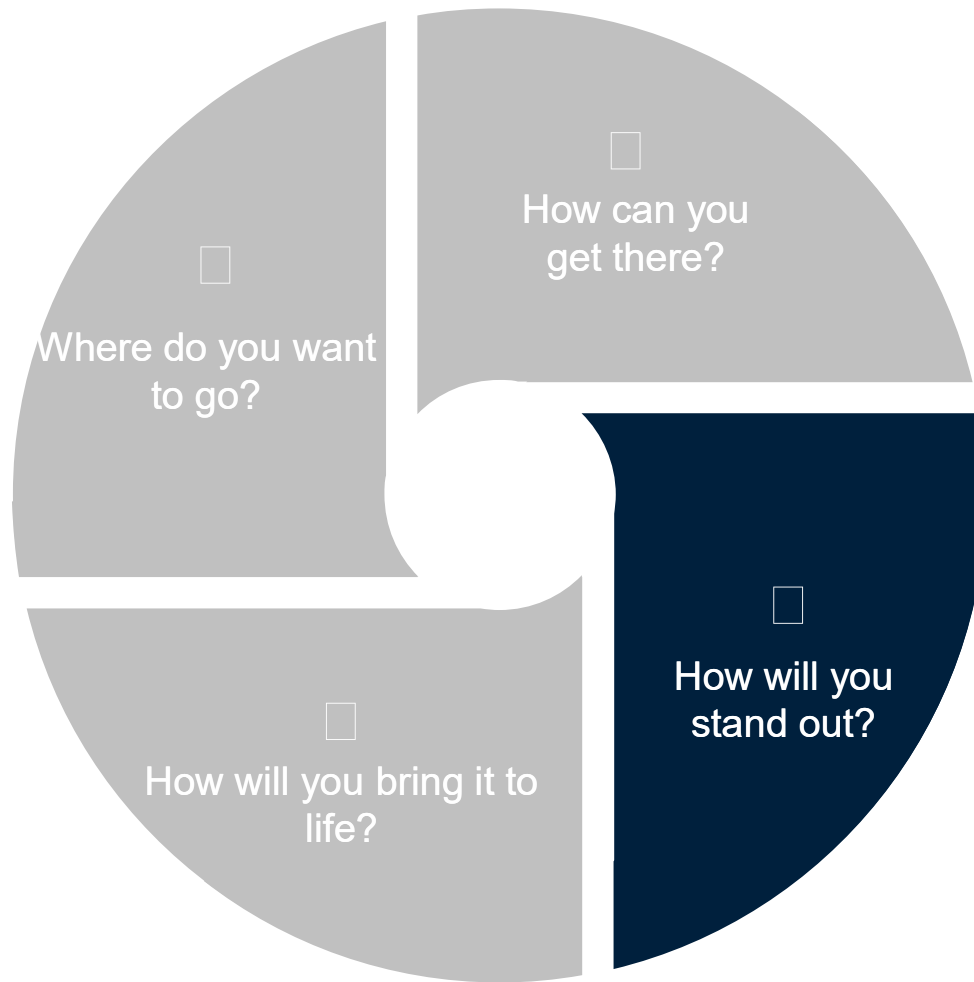


PRODUCT INNOVATION	CUSTOMER INTIMACY	OPERATIONAL EFFICIENCY
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MAYBE:	YES	NO
<ul style="list-style-type: none">Offering online sales is “innovative” but because it would be a secondary	<ul style="list-style-type: none">Maintain high-touch POS activities such as learning people’s names, hanging	<ul style="list-style-type: none">Maintain the tradeoff of occasionally creating a longer line for creating a brand advocate
category		

RELEVANT DIFFERENTIATION

A HOLISTIC VIEW OF SMB SUCCESS



CREATING LONG-TERM RELEVANT DIFFERENTIATION KEY TO SUCCESS

BUILD A BRAND AS BIG AS YOUR AMBITIONS



A Logo



A Symbol



An Ad



A Product



A Jingle

imagination at work

A Slogan



A Name



A Spokesperson

A BRAND IS A PROMISE THAT CREATES A PREFERENCE.

CREATING LONG-TERM RELEVANT DIFFERENTIATION KEY TO SUCCESS

BUILD A BRAND AS BIG AS YOUR AMBITIONS

RELEVANTLY DIFFERENTIATED

CONSISTENT ACROSS TOUCHPOINTS AND
OPERATIONS

LONG-TERM

EMOTIONAL CONNECTIVITY

CREATING LONG-TERM RELEVANT DIFFERENTIATION KEY TO SUCCESS

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RELEVANTLY DIFFERENTIATED

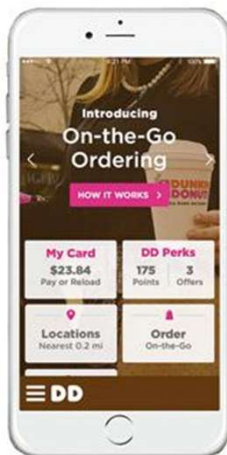


CREATING LONG-TERM RELEVANT DIFFERENTIATION KEY TO SUCCESS

BUILD A BRAND AS BIG AS YOUR AMBITIONS



Make and serve the freshest, most delicious coffee and donuts quickly and courteously in modern, well-merchandised stores



SPECIAL REPORT | October 2016 | By Sam Oches

Inside Dunkin' Donuts' Drive-Thru Strategy

Sales volume skyrockets—nearly 25 percent—at locations with a drive thru.

CREATING LONG-TERM RELEVANT DIFFERENTIATION KEY TO SUCCESS

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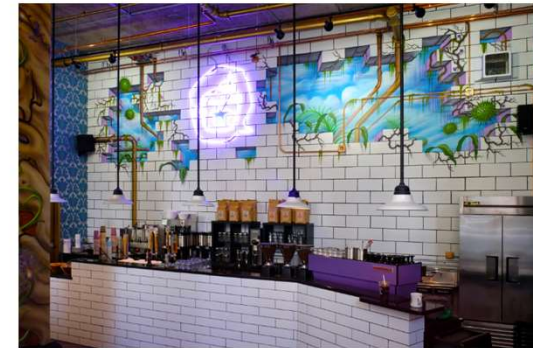
To deliver the most intellectually honest and unexpected coffee experience



Dark Matter Debuts Bourbon Barrel Aged Coffee To Kick Off Their Boozy Buzzing Experiment

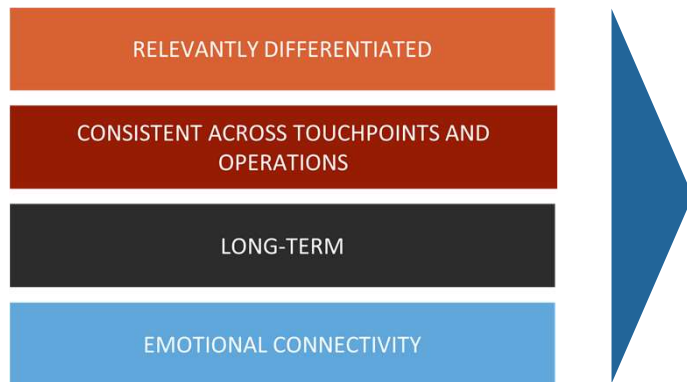


Dark Matter Opens 'Psychedelegant' Meddle Bar in Chicago's West Loop



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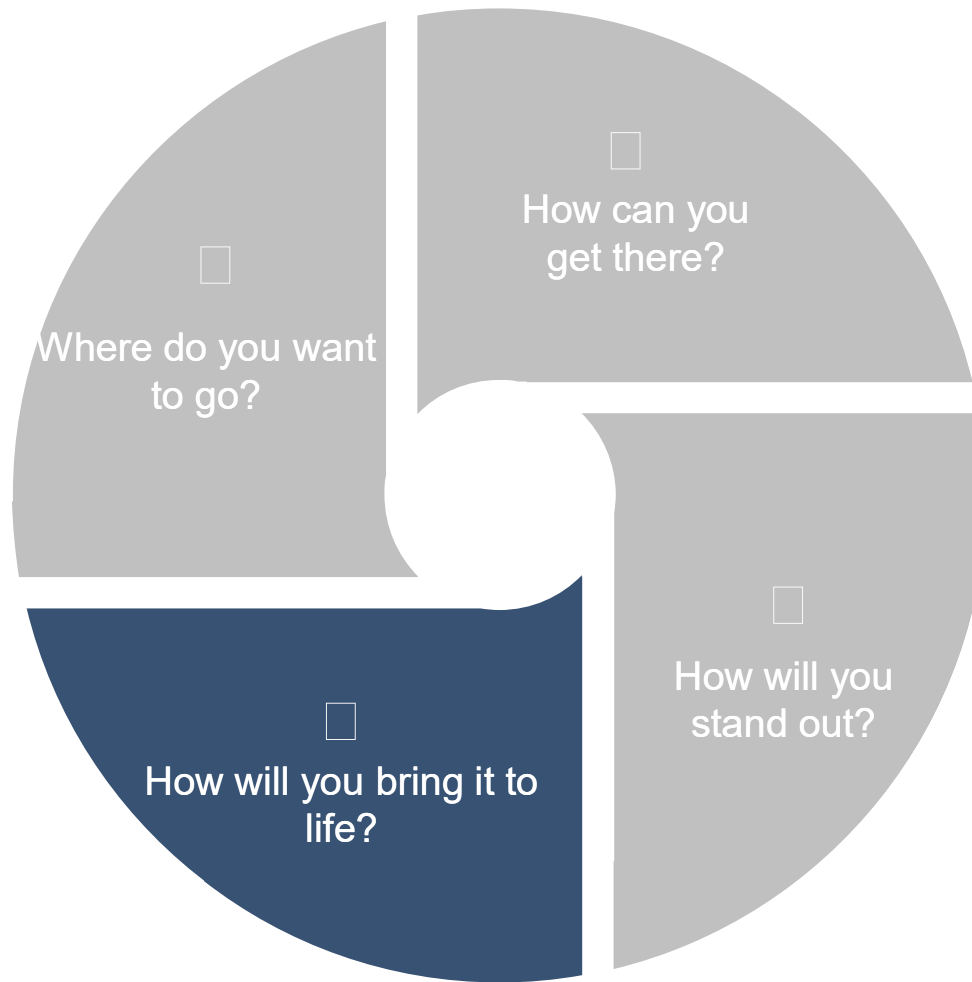


Inconsistent with your corporate and/or personal values



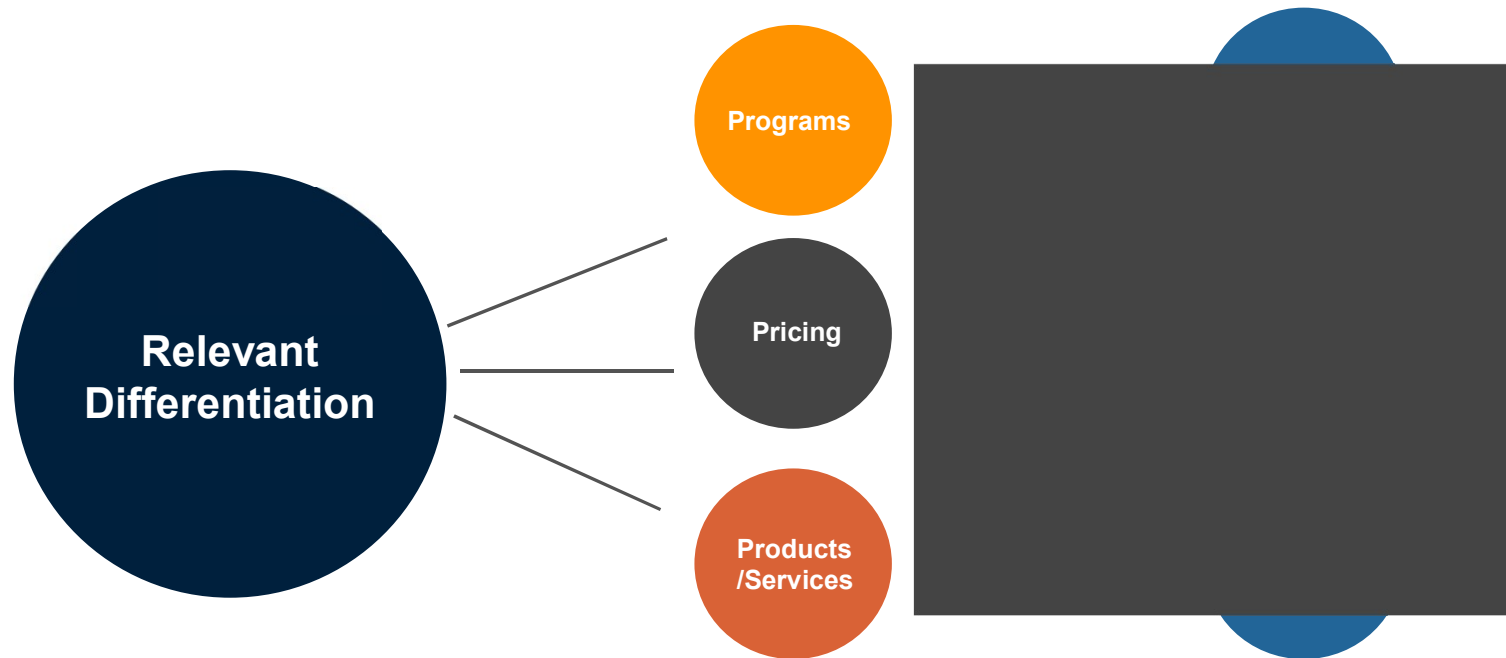
STRATEGIC GUIDELINES

A HOLISTIC VIEW OF SMB SUCCESS



HOW WILL YOU BRING YOUR PLANS TO LIFE?

DRIVING DIFFERENTIATION AND CONSISTENCY ACROSS TOUCHPOINTS AND OPERATIONS



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DRIVING DIFFERENTIATION AND CONSISTENCY ACROSS TOUCHPOINTS AND OPERATIONS

PRODUCT INNOVATION COMPANIES	FOCUSED	CUSTOMER INTIMACY COMPANIES	FOCUSED	OPERATIONAL EFFICIENCY COMPANIES	FOCUSED
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*DIFFERENT BUSINESS
TYPES APPROACH
GROWTH
DIFFERENTLY*



Intimacy – gift boxes only (what management thought would work) versus individual pounds (what customer wants)	Less of a focus on Operational Efficiency = person who closed deal, fastest-working barista, was out-of-pocket for 10 minutes as orders piled-up	Same as store, not particularly special as a gift
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HOW WILL YOU BRING YOUR PLANS TO LIFE?

DRIVING DIFFERENTIATION AND CONSISTENCY ACROSS TOUCHPOINTS AND OPERATIONS

ALTHOUGH SMB'S FACE SIMILAR DYNAMICS, CLASSIFICATION DRIVES TYPE OF RESPONSE

PRODUCT INNOVATION FOCUSED COMPANIES	CUSTOMER INTIMACY FOCUSED COMPANIES	OPERATIONAL EFFICIENCY FOCUSED COMPANIES
Better leverage aspects of business that are hard to replicate?	Cross-sell?	Benefit from any economies of scale?
part of larger ecosystem?		

REMEMBER

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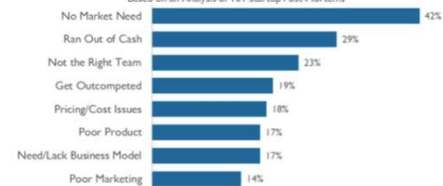
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MONTH 16
BUILD WELL. DO GOOD.

THANK YOU.