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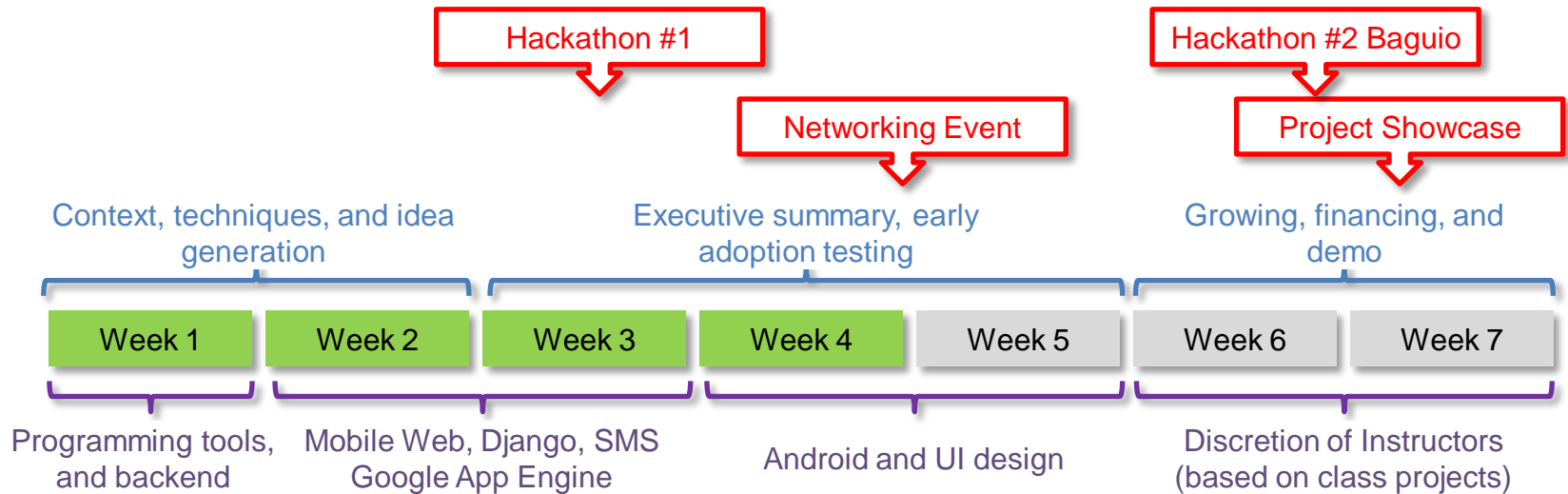
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# Lecture 7

## Value Prop and Competition



# CURRICULUM



# SCHEDULE FOR TODAY

| Time          | Topic                             |
|---------------|-----------------------------------|
| <b>4:10PM</b> | <b>Guest Lecturer: Luis Sison</b> |
| 4:50PM        | Value Prop and Competition        |
| 5:05PM        | Android development               |
| 5:30PM        | Break                             |
| 6h15-9PM      | Lab time                          |

# LUIS SISON



## **DOST-UP Enterprise Center for Technopreneurship**

Program Leader · 2009 to present · Manila,  
Philippines

## **University of Philippines**

Professor · 1990 to Present · Manila,  
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Vice Chancellor for Research and  
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Class of 2008 · Electrical Engg MS/Phd - USA

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# THE 9 BUILDING BLOCKS



CS

## 1 Customer Segments

*An organization serves one or several Customer Segments.*



VP

## 2 Value Propositions

*It seeks to solve customer problems and satisfy customer needs with value propositions.*



CH

## 3 Channels

*Value propositions are delivered to customers through communication, distribution, and sales Channels.*



CR

## 4 Customer Relationships

*Customer relationships are established and maintained with each Customer Segment.*



RS

## 5 Revenue Streams

*Revenue streams result from value propositions successfully offered to customers.*



KR

## 6 Key Resources

*Key resources are the assets required to offer and deliver the previously described elements...*



KA

## 7 Key Activities

*...by performing a number of Key Activities.*



KP

## 8 Key Partnerships

*Some activities are outsourced and some resources are acquired outside the enterprise.*



CS

## 9 Cost Structure

*The business model elements result in the cost structure.*

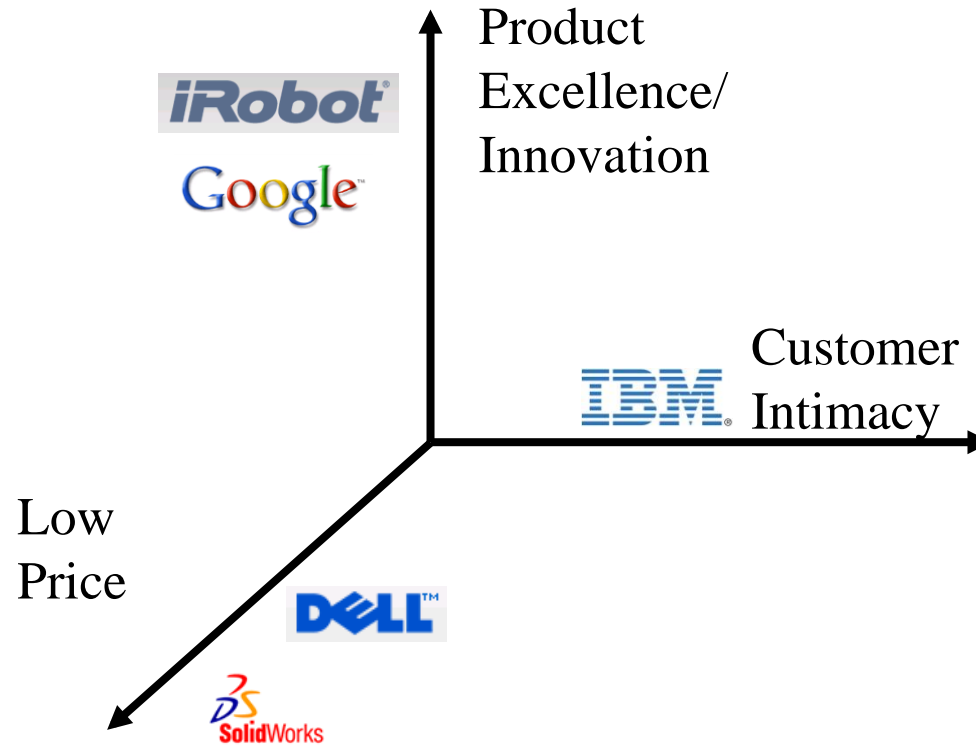
# VALUE PROPOSITION

- Why would my target customer find my product compelling and buy it?
- What kind and how much value does it create for her?

# HOW TO VALUE YOUR PRODUCT?

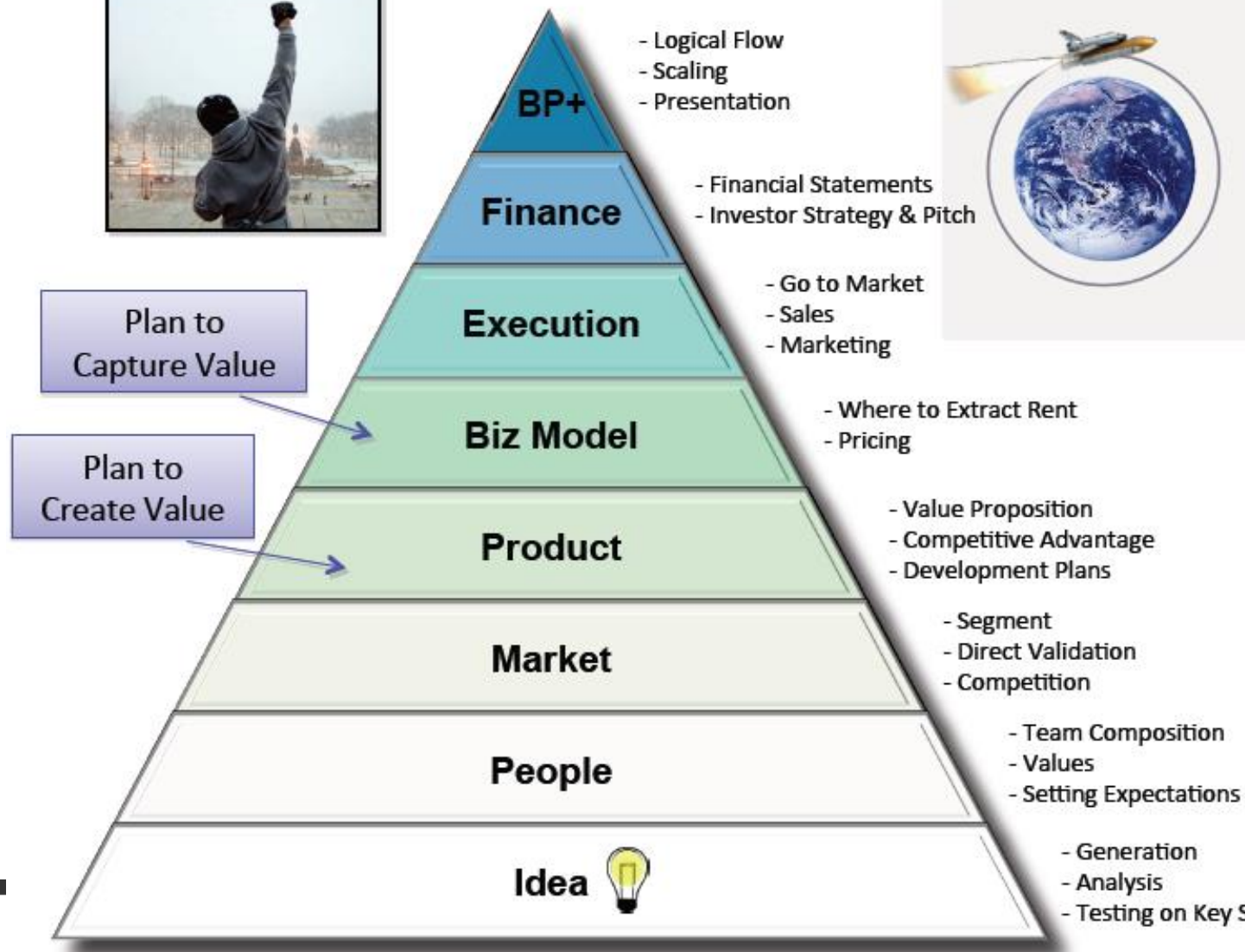
1. Define the target customer (see Lecture 6)
  - Figure out their decision making process (DMP)
2. Have a clearly defined product/service
3. Understand who can provide the money
4. Quantify what the person with the money cares about, i.e. the benefits that your product provides

# HOW WILL YOU COMPETE?





# STEPS TO LAUNCHING YOUR BUSINESS



# CHOOSING YOUR COMPETITION

- Who do you want to compete with?
- Why? How are they strong? Weak?
- How is your product/service more appealing to customers? Why would they choose you?

# COMMON MISTAKES

- Customers do not change easily
- Competitor have many advantages
- Existing customer base, and have tested the product
- Financial resources and revenue streams
- Existing infrastructure

## BUT YOU HAVE

- Clean slate
- Get closer to the customer and can see problems that exist with establish products
- Can see from a new innovative perspective

# PERSONAL EXERCISE

1. List a group of your top competitors. If you cannot find one within the Philippines, find a similar international company.
  - If you say you have NO competition – then there is NO market!
2. How do you group them (i.e. geographic, size, focus, vulnerable vs. weak)?
3. If you were YOUR competitor, how would you compete with you? List 5 weakness of your own business model, or places of improvement.
4. What creates value for your target customers? What is your major criteria to make your product better? Price? Quality? Reputation? Service?
  - Best way to start is looking at customer/market – NOT competitors