



Is It an Idea Worth Pursuing?

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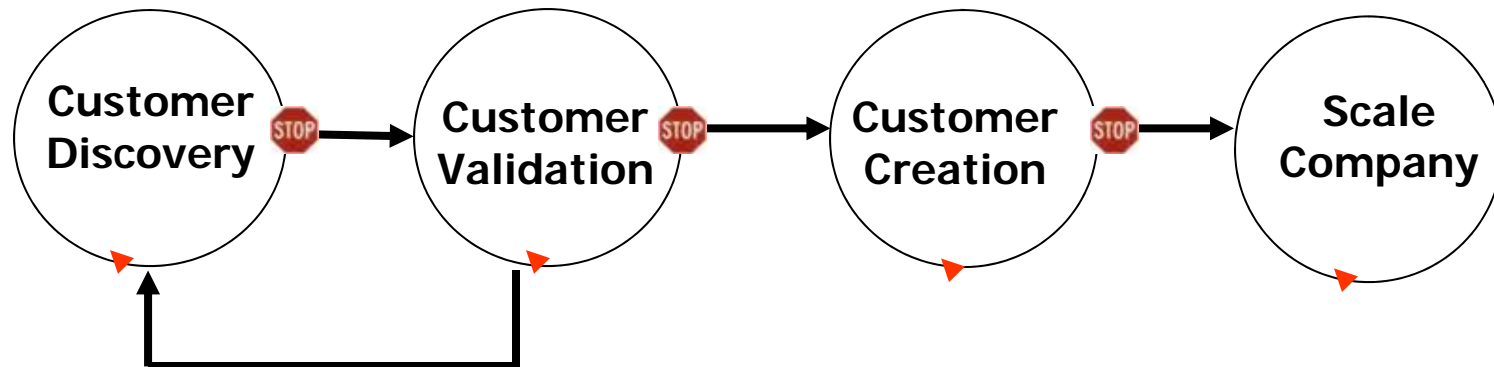


Opportunity Assessment Tool Kit

- Customer Development Model
- Technology Adoption Life Cycle (TALC)
- Category Maturity Life Cycle (CALC)
- Technology Food Chain (Customers Customers)
- Market Diagnosis: TAM, SAM, Target Market
- Reality Test - for Risk Management

Source: Kosnik, Thomas J. (1998-2009) *Global Entrepreneurial Marketing (GEM) Marketing Toolkit*, Stanford University, Stanford, CA; Sources of individual tools are shown on each slide.

Customer Development: Build Trust with Customers as You Iterate Your Product



- To create demand you need to have a deep understanding of customers
- Use the Customer Development methodology to get started

Source: Blank, Steven G. (2006) *The Four Steps to the Epiphany*, Cafepress.com

Listen for what is *below* the surface: The issue, problem or event is the tip of the iceberg



Issues, problems, events



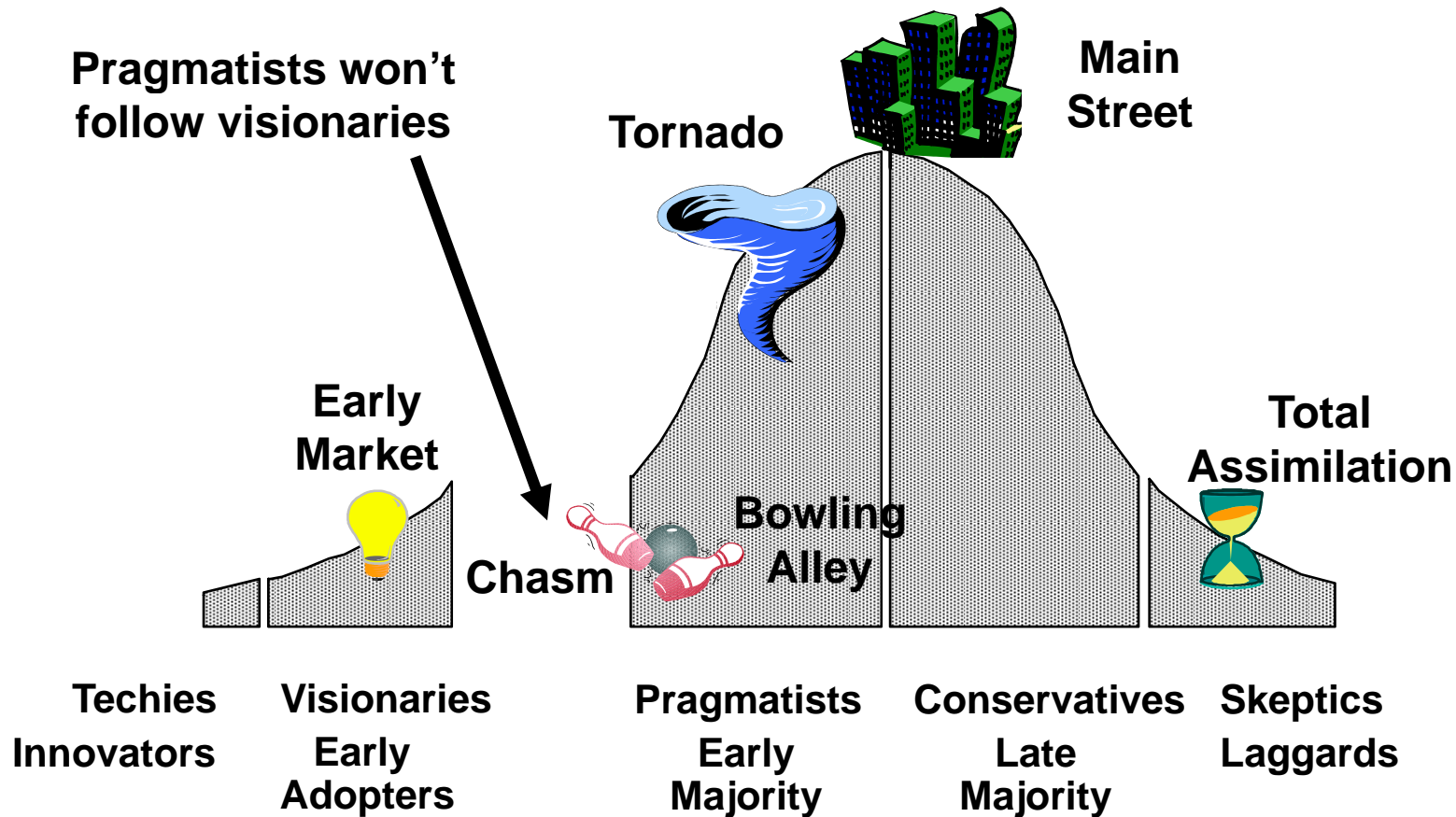
**Recurring patterns
or behaviors**



Mental models, thinking

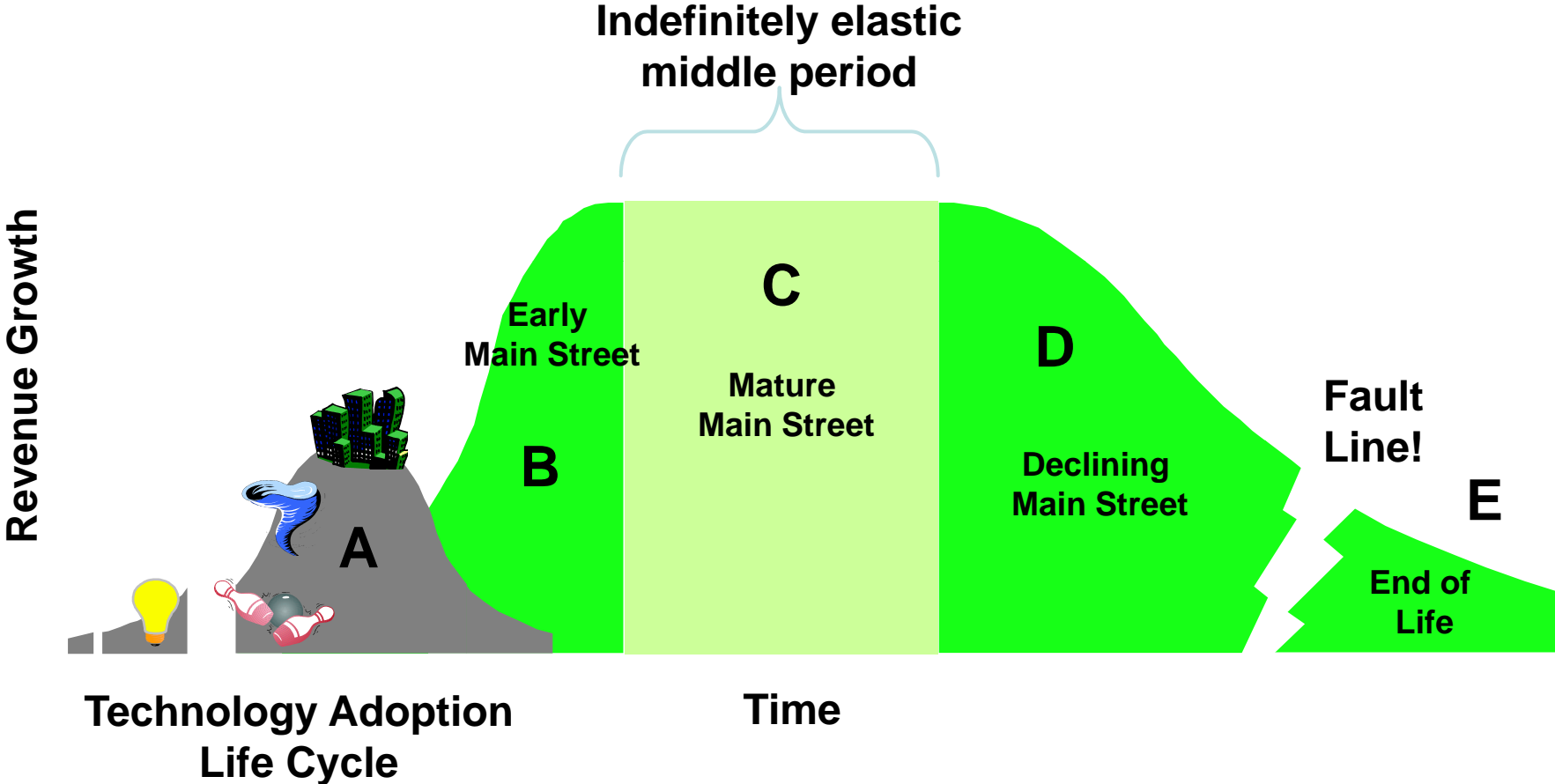
Source: Hargrove, eds. (2003), **Masterful Coaching**, Jossey-Bass/Pfeiffer, San Francisco, CA.

Technology Adoption Life Cycle and Adopters



Adapted from: Moore. Geoffrey, (2002), *Crossing the Chasm*.

Category Maturity Life Cycle (CMLC)

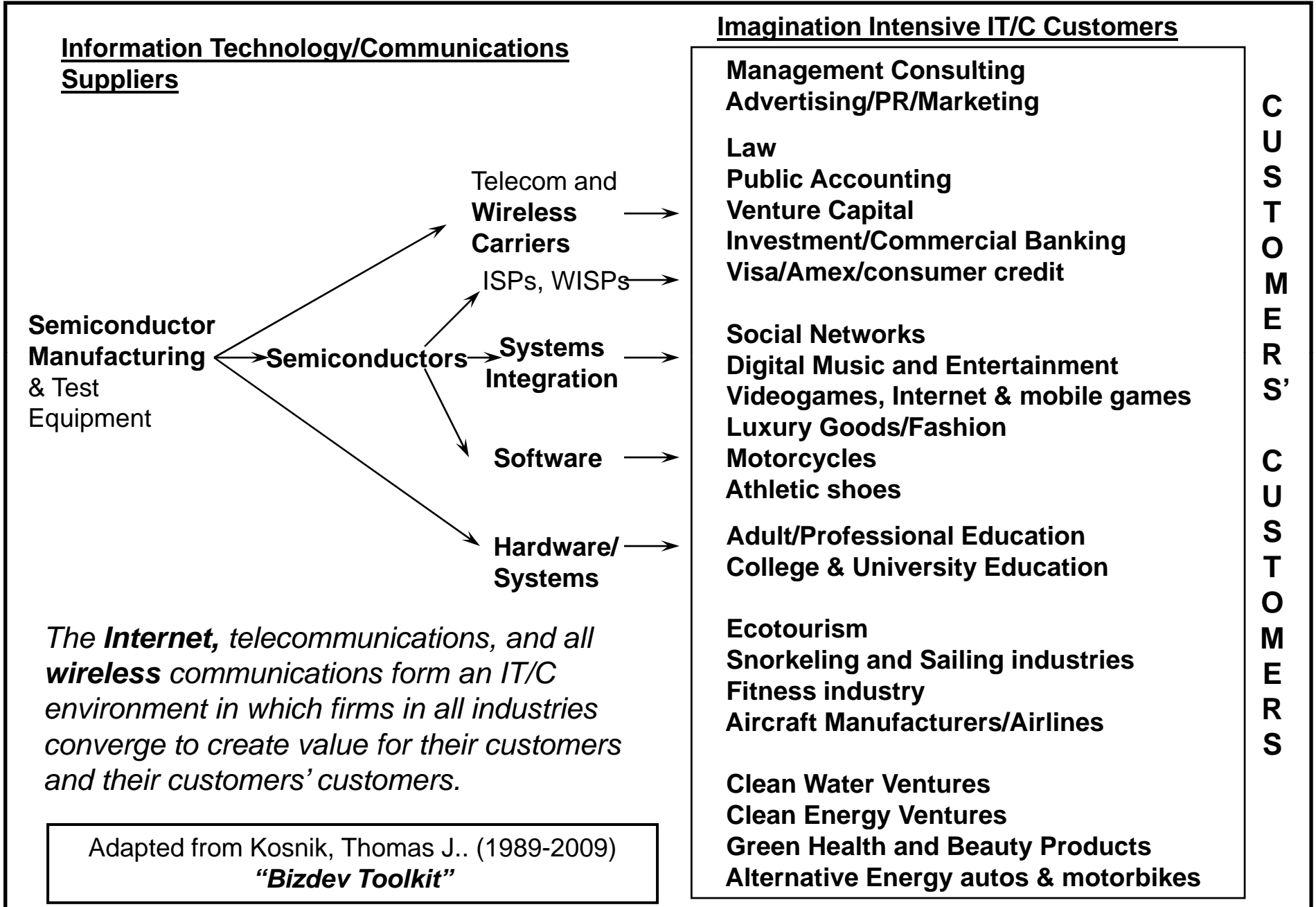


Source: Moore, Geoffrey A. (2005) *Dealing with Darwin*

Exercise

- Form Teams of 3 or 4
- Pick a product from one of your companies
- Where is that product's category on the Technology Adoption Life Cycle (TALC)?
- Where is the category your product is replacing on its Category Adoption Life Cycle (CALC)?

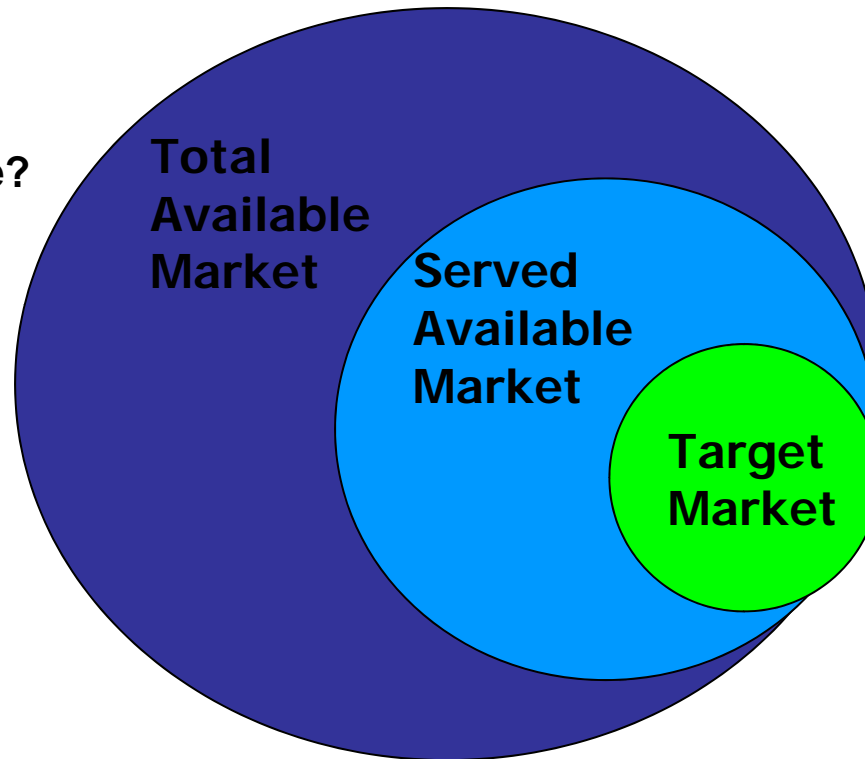
The Technology Food Chain – Interact with your Customers’ Customers



Market Diagnosis: Total Available Market, Served Available Market, Target Market

TAM = how big is the universe?

SAM = how many can I reach with my sales channel?



Target Market (for a startup) =
Who are the buyers we will target
for the next 12 months?

Exercise

- Stay in your Teams of 3 or 4
- Continue with a product from one of your companies
- Who are your customers' customers in the technology food chain?
- How can you work with them to discover ways that your customers (using your solutions) can better meet their needs?
- Give a rough estimate of the TAM, TAD and Target Market for the product.

Reality Test: What are the risks? How will you manage them?

Risk	Mitigation Strategy	Contingency Plan

Adapted from Kosnik, Thomas J.. (1990-2009) *“Marketing Toolkit”*

Global Entrepreneurial Marketing Class at Stanford

Thank You

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Appendix

These slides will probably not be shown but can be distributed in digital form as part of the slide deck.

Types of Adopters

- Each adoption type describes individuals...
- With different risk orientations toward technological innovation...
- Who are make decisions about whether and when to adopt the innovation...
- On behalf of:
 - Themselves
 - The organization where they work
 - Their family
 - Their community

Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics.*

Innovators - Technology Enthusiasts



- Primary Motivation
 - Learn about new technologies for their own sake
- Key Characteristics
 - Strong aptitude for technical information
 - Like to alpha test new products
 - Can ignore the missing elements
 - Do whatever they can to help
- Challenges
 - Want unrestricted access to top technical people
 - Want no-profit pricing (preferably free)

Text Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics*. Pictures of cats are photos in public domain circulated on the internet

Early Adopters - The Visionaries



- Primary Motivation
 - Gain dramatic competitive advantage via *revolutionary* breakthrough
- Key Characteristics
 - Great imaginations for strategic applications
 - Attracted by high-risk, high-reward propositions
 - Will commit to supply the missing elements
 - Focused on gains - so not price-sensitive
- Challenges
 - Want rapid time-to-market
 - Demand high degree of customization and support

Text Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, **TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics***. Pictures of cats are photos in public domain circulated on the internet

Early Majority - Pragmatists



- Primary Motivation
 - Gain productivity improvements via *evolutionary* change
- Key Characteristics
 - Manage mission-critical applications
 - Understand real-world issues
 - Focus on proven applications
 - Like to go with the market leader
- Challenges
 - Insist on good references from trusted colleagues
 - Want to see the solution in production at the reference site

Text Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics*. Pictures of cats are photos in public domain circulated on the internet

Late Majority - Conservatives



- Primary Motivation
 - Just stay even with the competition
- Key Characteristics
 - Better with people than technology
 - Risk averse
 - Price-sensitive
 - Reliant on a single, trusted advisor
- Challenges
 - Need pre-assembled solutions
 - Would benefit from value-added services. Do not want to pay for them

Text Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics*. Pictures of cats are photos in public domain circulated on the internet

Laggards - Skeptics



- Primary Motivation
 - Maintain status quo
- Key Characteristics
 - Good at debunking marketing hype
 - Disbelieve productivity-improvement arguments
 - Believe in *the law of unintended consequences*
 - Seek to block purchases of new technology
- Challenges
 - Not a customer
 - Can be formidable opposition to early adoption

Text Source: Moore, Geoffrey A., Philip Lay, and Lo-Ping Yeh, TCG Advisors. (2004), *Life-Cycle Based Market Development Strategy and Go-to-Market Programs; Section I – Prologue & Principles of High-Tech Market Dynamics*. Pictures of cats are photos in public domain circulated on the internet

Exercise: What kind of adopter are *YOU* for each of the innovations below?

	Technology Enthusiast	Visionary	Pragmatist	Conservative	Skeptic
Smartphone/ Wireless email					
Instant Messaging					
Skype					
Blogging (your own web log)					