

Designed for:

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Date:

Version:

# Lean Canvas Business Plan

## Problem

What is the crucial problem faced by your consumers? Capture their central frustration.

## Solution

What is your solution to the problems? What makes it the best solution?

## Unique Value Proposition

Single, clear and compelling message that states why you are different and worth buying.

## Unfair Advantage

How do you stand out from competitors?

## Customer Segments

Target Customers

## Existing Alternatives

Define one clear, direct competitor. Consider the other ways customers can address their problems.

## Key Metrics

How will you track consumer engagement, excitement, and usage of your product?

## High-Level Concept

How does your product fit into the bigger picture; where does it fall in the grand scheme of things?

## Channels

Path to customers

## Early Adopters

List the characteristics of your ideal customers.

## Cost Structure

Customer acquisition costs, distribution costs, hosting, people, etc. Consider each stage of your start-up from creating a website and acquiring users, to hiring employees and producing goods, to marketing products and getting them to consumers.

## Revenue Structure

What monetary sources will fuel your company? How will you generate income? Present a pricing model for your product or service, and then highlight other sources of revenue—ad sales, subscription fees, or asset sales.

# What is this and how do I do it?

The Lean Business Plan is a great starter tool to present the heart of your business idea on a single page.

In 9 compact cells, the lean canvas tool asks you the vital questions to help you form a real business case for your grand vision.

Why do I need it?

1. **From Idea to Business.** Designed for entrepreneurs, the Lean Canvas allows you to map out the key foundations of your startup. It prompts you to analyze and prioritize your goals through the beginning stages of your business. From the problem to key metrics, the Lean Business Model helps you navigate through the uncertainty that comes with starting a new business.
2. **Market Analysis.** The Lean Startup Summary helps you identify your competitive advantage, making it easier to highlight ways to utilize those strengths. It also generates a blueprint for your startup to establish a consumer segment based on your solutions to the presented problem. This will make it easier to build mutually beneficial customer relationships down the road.
3. **Launch and Growth.** Startups revisit their Lean Canvas as their company evolves, pivots and grows. The tool helps you maintain the focus of real-life operations on your unique value proposition and communicate that value with your key partners and stakeholders.

**LETS DO THIS!**

# The Problem

Identify real pain points : Put yourself in your customers' shoes and describe up to 3 problems they face. Try to understand their unique needs and challenges. These problems will lead to working a business model.

Careful! Identifying the wrong problem is a problem. For instance, you might believe your SaaS platform is struggling because your logo and copy aren't engaging, but the real issue might be that users don't understand why they need your product. If you skip this step, you risk wasting time and energy on non-existent problems.

There are several ways you can get a more informed understanding of your problems, including:

- User Interviews
- User Tests
- Surveys and Questionnaires

If certain issues are raised by multiple consumers, you can begin to prioritize solutions. Interact with your platform, product or service yourself, as if you were a customer. Consider each step of your "user" experience and ask yourself what's working and what's not.

Careful! Avoid writing down high-level problems. These tend to be obvious, large-scale, and difficult to achieve. Instead, focus on specific problems that merit concrete, measurable solutions.

What are existing alternatives?

How else can your customers address their problems? What products or services already exist as alternatives to yours? This section is where you identify competition. Who are you up against and where your competitive advantage lies.

Research your competition using multiple methods. Ask target customers about other products or services they've explored or used. Utilize search engines, social media and trade publications to become an authority on your industry.

# YOUR SOLUTION

How is your product solving the problem?

The next step in filling out your Learn canvas is to define the top three features and capabilities your product or service offers to solve your customers' problems.

Careful! You might think you know the best part of your product or service, but completing the previous sections of the Lean Canvas may prove otherwise. Your users will ultimately determine which aspects of your product they're most eager to use and will subsequently find most beneficial.

Brainstorm 10 features and capabilities of your product or service. Consider the strengths and flaws of each and whittle your list down to the top three. You can also use other strategy exercises like completing the brand positioning canvas to help define your solution.

## YOUR METRICS

Measure your progress. What activities drive your product usage and help you build strong customer relationships? Which statistics indicate how well your company is doing? What numbers best underline opportunity for development?

Your Lean Canvas should outline how you will measure success. Key Metrics allow you to track and evaluate the success of a specific business process. A Key Metric could be daily visitors to your site, the number of company emails opened by consumers per hour or the monthly sales of a specific feature. Every sector of a business has specific metrics that should be monitored. Fill in this section of your lean canvas with the metrics that are most critical to the problems you're trying to solve.

Pro Tip: The most useful metrics provide a great deal of insight and spur short-term, low-cost action.

## CUSTOMER SEGMENTS

Determine your user base. Who is your intended audience? What type of person do you anticipate benefiting the most from your product? Is there a group of individuals you anticipate itching to sign up for your service? Before you complete this section, run a more in-depth analysis of your target audience.

Define 3 to 4 specific user personas from your early adopter groups. Hint! Research what customer personas are before you guess.

Who are your early adopters?

Who will be first in line to try your product? Why will this group want first dibs? Early adopters are essential to identify for a few reasons:

1. If you're looking to test a new feature with a small, private group, you can turn to early adopters for feedback. This way you can make necessary revisions before launching to a larger, public audience.
2. If their voices are heard and changes are made that push your product from good to great, early adopters will stand behind your company. They will return as consumers time and time again and encourage others to check out your product.

## UNFAIR ADVANTAGE

What makes you stand out? This section of the Lean Canvas should clearly underline your competitive advantage. What puts you ahead of your competitors?

What are some assets you possess that can't be easily copied or acquired by other businesses? Here are some examples of Unfair Advantages to get you thinking about what makes you stand out:

**Inside Information:** In-depth knowledge or skills that are critical to the problem domain. Basically, this means being well positioned to understand a problem, create a solution, and continue to innovate faster than others.

**Personal Authority:** If you're a scholar in a specific field, an award-winning builder of a certain product, or an expert on given services, you hold sway over competitors.

**Community:** If you have a vast network of customers and partners at your fingertips, you're in a good position to make big strides.

**Internal Team.** Do you have a dream team? If your office is loaded with unique talent, you're set to compete.

**Reputation.** Have you built up a following, a name that people instantly associate with proven success? A proven and popular brand reputation is a major advantage.

# CHANNELS

Communicate with your customers

How will consumers come into contact with your brand? Where will they first learn about your company? Will it be through social media? If so, which sites? Will it be through advertising? If so, where will these ads exist? And how will you build customer relationships once they've found your product?

You can use the ecosystem mapping template and create a strong content strategy to help you define what channels you'll reach customers at different times. Channels to consumers are also known as "touchpoints" — the points or places where users encounter your brand. Identifying consumer channels is crucial, as you want to ensure potential users are hooked on what you're offering and satisfied with your service through every step of their experience.

There are three time periods when consumers will come into contact with your company; within each of these are a range of ways in which users will encounter your brand:

Before Purchase:

- Social media platforms
- Advertising
- Word of mouth

During Purchase:

- Main website
- Conversations with sales or other team members
- Catalogs

After Purchase:

- Follow-up "Thank you" notes
- Email updates on new products or features
- Customer feedback surveys

Careful! The bullets above are meant to spark your thinking about possible channels. However, when you fill in this section be specific about your consumer touchpoints.

# UNIQUE VALUE PROPOSITION

Describe your product

The main point of completing the Lean Canvas is to discover and define your product's core value. The Unique Value Proposition (UVP) should be a single clear compelling message that captures the essence of your product and the solutions it offers your target audience with respect to the problems you are trying to solve.

A UVP should:

1. Be easy to understand in about five seconds.
2. Communicate the benefit a customer receives from using your products and/or services.
3. Explain how your offering is different from and better than competitors'.

Careful! A UVP is not a slogan. Melts in your mouth not in your hand (M&M), Just Do It (Nike), Belong Anywhere (Airbnb) — these are slogans, not Value Propositions.

Don't be unique for the sake of being unique.

Adding a quirky flaw (a specific colored product, a cookie with every purchase!) to differentiate your company is useless. If you want to stand out in your field, your company must have something notable that sets it apart. Avoid hype (never seen before amazing miracle product!), superlatives (best, most-powerful!) and jargon (value-added interactions and top-notch assets) when writing your UVP.

How does your product fit into the bigger picture?

A High-Level Concept is a one sentence pitch, describing your product in terms of others in existence that are widely known and well-established. Here are examples: "Friendster for dogs." (Dogster) "Flickr for video." (YouTube)

High-Level Concepts are perfect for investors describing your company to key partners, fans spreading the word about what you're up to, and the press covering your business in an article.

Careful! People should be familiar with the companies and or analogies used in your Concept. If you refer to your business as the love child of an obscure corporation and off-brand mythical creature, it will mean nothing to no one.

# COSTS

Map out your expenses

Try to consider all your costs of doing business (ie. customer acquisition, distribution, etc.), and make sure your customer lifetime value exceeds your acquisition cost.

90% of new businesses fail because they do not properly consider the cost of launching and running their businesses.

Tip! To ensure you don't accidentally overlook a cost, consider how each section of your lean canvas might drive business expenses. For example, what is the cost to create, develop and launch services promised in your value proposition? What is the cost to identify target consumers, connect with users, and keep them informed of your brand? When filling in this section, take time to reflect on all possible cost scenarios.

# REVENUE

Identify sources of income

Revenue streams are the lifeblood of companies. What sources of income keep your business churning?

Look at similar products to identify a pricing model that appeals to your customers. Be sure to avoid overcomplicating your pricing model. Here are five potential inlets to get you thinking about your company specific revenue streams, of course, there are plenty more outside of the ones below:

1. Asset Sales: Customers pay to purchase ownership of your product, be it a book, camera or coffee mug.
2. Usage Fees: Payment for the number of uses of your product such as the number of minutes spent on a phone or nights in a hotel room.
3. Subscription Fees: Consumers pay for unlimited usage of a product for a given time period like a monthly gym membership or a yearly newspaper subscription.
4. Delivery or Installation Fees: Consumers pay for the installation and/or delivery of your product or service.
5. Advertising: Companies pay you to advertise their product or service on your site.

# Final Thoughts

The Lean Startup Canvas template is not set in stone. Like other business plans, it should be repurposed, revisited, and revised to suit your specific needs. Many companies revisit Business Plans every time they prepare to release a new feature or tool. This helps internal teams understand and hone in on the central customer problem their updates are resolving. The Lean Startup Summary exercise helps drive organizational focus down to the right feature-set (solution), metrics, and customer segments which in turn aligns sales, marketing, design and development efforts.