



ACETECH

BY CEOs FOR CEOs

New Ventures B.C. Presentation

Ralph Turfus

March 11, 2015



“Assessing the Opportunity”

1. Your Go To Market Strategy

- **Explain clearly in business terms what you do!**
- **Explain how and why you will WIN!**

2. Your Market Opportunity

- **Is it realistic?**
- **Is it worthwhile?**

3. You as an Entrepreneur?



Ralph Turfus Background

- Education – BAsC, MASc and MBA
- Ex ROTP and Canadian Air Force Officer – 7 years
- 28 + Years as Founder and CEO
 - Escom (founded 1976) and Class (name change from Escom in 2000)
 - A number of strategy shifts & 4 recessions ; 8 startups & sold 5 companies
 - 100% internally financed – 1 shareholder
- Class status when sold in 2004
 - #1 in the market for Parks & Recreation solutions, Y's, Continuing Ed, University Student Recreation, Government CRM
 - 730 customers in Canada, USA, NZ and Aus
 - 145 employees (25 in India); ~\$20M in Revenue; ~18% EBITDA; 25% per annum growth rate; 1+ office location
- Current Tech Industry Involvement
 - Associations – Premiers Technology Council, AceTech
 - Investor – started investing in 2002: 22 direct and 7 Funds
 - Board – 6 companies; CEO Mentor – 3 companies
- Recognition
 - 2000 – Canadian Recreation Association Person of the Year
 - 2006 – B.C. Technology Industry Person of the Year
 - 2009 – AceTech Fellow – Growth Strategy Program
 - 2013 – Queen's Diamond Jubilee Medal – Technology industry contributions



Investments & Board Positions

Maturity Stage of the 12 remaining Investments.

Idea – 1

Discover Technology Works – 1

Discover Product–Market Fit – 4

Discover Business Model – 1

Growth - 5

6 Boards

1. Klinch Technologies

2. Redlen Technologies

3. Mazza Innovations

4. Rewardstream

5. Navarik Software

6. Endurance Wind Power

Stage

Idea

Technology

Product-Market

Product-Market

Product-Market

Growth

Bitcoin; Financial Services

Specialty Semiconductors

Extracts for Food Products & Drugs

Customer Acquisition using Social
Networks

Big Data for the Oil Industry

Distributed Wind Energy Systems



The Purpose of Business – Dr. Peter Drucker

“If we want to know what a business is, we have to start with its purpose. And the purpose must lie outside the business itself. In fact, it must lie in society, since a business enterprise is an organ of society. There is only one valid definition of **BUSINESS PURPOSE: TO CREATE A CUSTOMER**. The customer is a foundation of a business and keeps it in existence. The customer alone gives employment. And it is to supply the customer that society entrusts wealth-producing resources to the business enterprise”.

Because it is the purpose to create a customer, any business enterprise has two – and only two – basic functions: **MARKETING & INNOVATION**. These are the entrepreneurial functions. **MARKETING** is the distinguishing, the unique function of the business.

Action Point: Find out what needs your customers want fulfilled today. Determine how well your products are meeting the needs of your customers.

THAT IS THE PURPOSE OF BUSINESS!!



The Six T's

Theme – what is the problem that you are going to solve. It's got to be very crisp; no more than a paragraph.

Team – Who's going to lead us into the promised land? Who has the domain experience, ethics, charisma? Do you have an 'unfair advantage'?

Terrain – The lay of the land. Who are the competitors? The dynamic buyers and sellers? Government regulations or pretty open? Lots of noise in the target market?

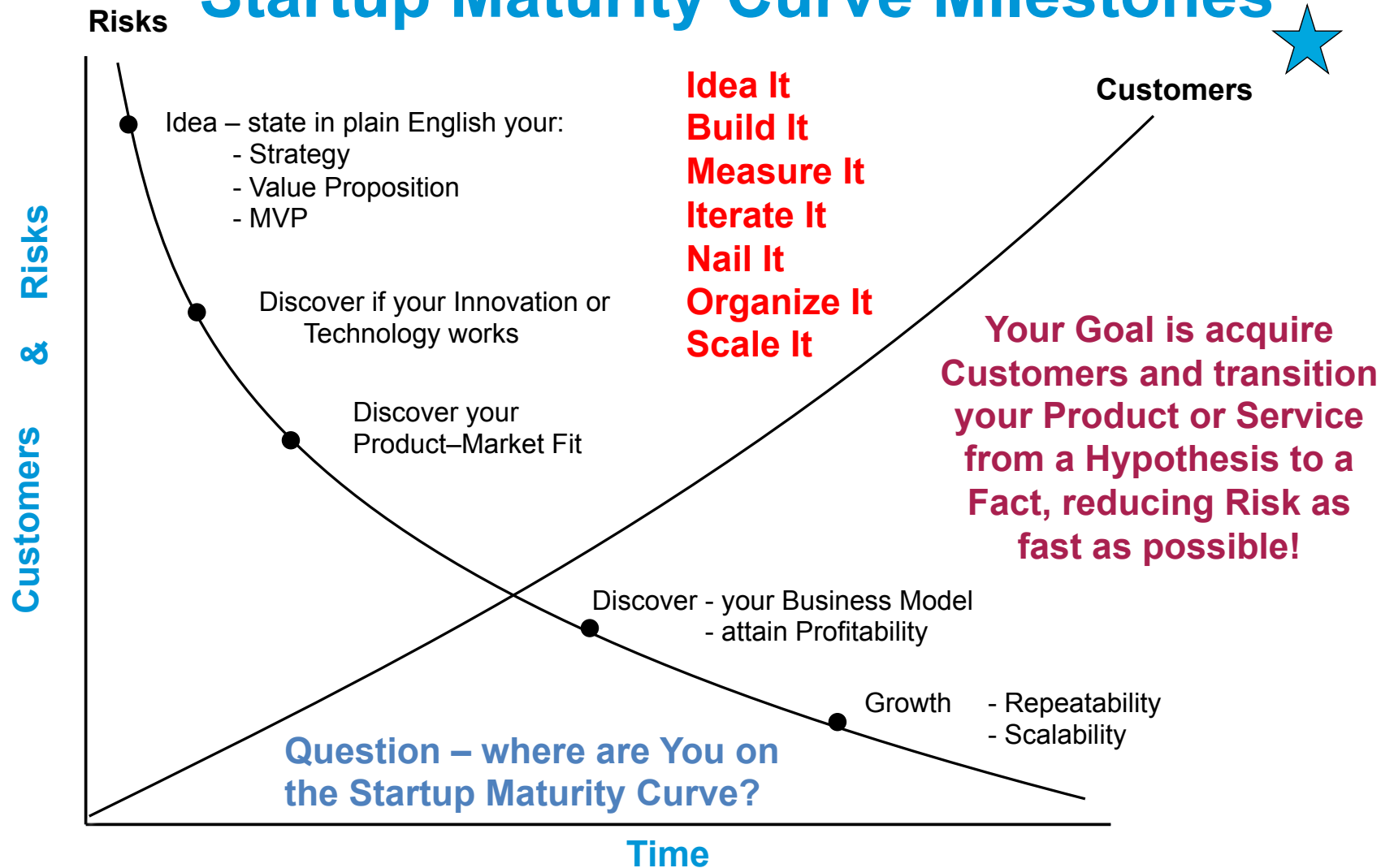
Technology – What property is unique to you? It is usually algorithms or patents or such?

Timing – Why is now the time? How will you go to market?

Terms – How much do you want for the 1st stage? What milestones will you use? How will you spend the funds?



Startup Maturity Curve Milestones





“Assessing the Opportunity”

1. Your Go To Market Strategy:

- Explain clearly in business terms what you do!
- Explain how and why you will WIN!



Key Concepts

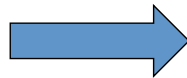
PAIN / NEED: What a motivated Buyer must have in order for the buying process to start

VALUE / BENEFIT: What you must have to cause the Buyer to consider your Solution

DIFFERENTIATION: What the Buyer agrees that you do better than the Competition



1st Precisely define the PAIN / NEED



2nd Deliver the VALUE / BENEFIT to solve the PAIN / NEED



3rd Win with your DIFFERENTIATOR



Elements of a Positioning Statement

1- For

Specific Customer you could sell to in a key segment?

Your sandbox? Ideal Target Customer is?

2- Who need

Needs/Pains/Hurts! Compelling reason to buy!

What Problem is being solved or new opportunity addressed?

3- Product X is

The product Category is?

4- That provides

Key Benefit that addresses the compelling reason to buy?

5- Unlike competition A, B, C

Competitor product categories & leaders?

6- Our product

Key competitive Differentiation?

7- Company also provides

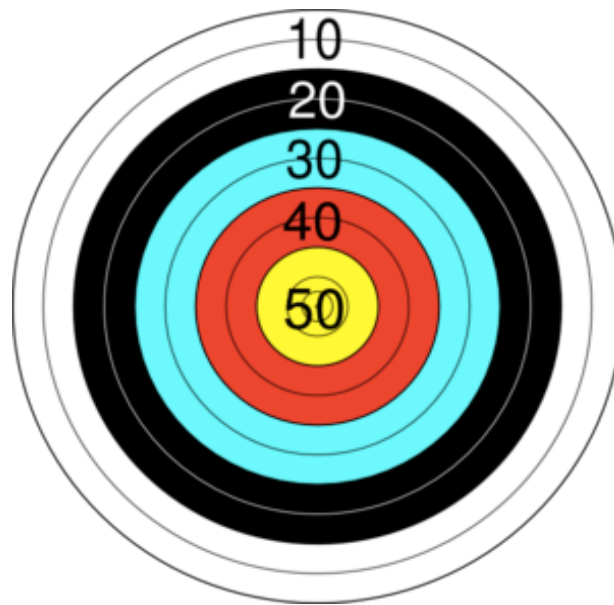
What else is needed for a Whole Product?

Partners provide?



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Positioning Statement: Who need – the PAIN



KEY CONCEPT

For -

Define precisely your **Target Market** BUYER

Who Need -

Define **precisely** the **BUYER PAIN / NEED** you address
intuitively defines the **BUYER Demand**



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Positioning Statement: Neoteric

FOR: blood bank departments in hospitals

WHO NEED: to lower costs by reducing blood wastage & transfusion labour

NEOTERIC IS:

THAT PROVIDES:

UNLIKE COMPETITORS:

OUR PRODUCT:

COMPANY ALSO PROVIDES:



ACETECH

Positioning Statement: FitBrains

FOR: females age 35 to 55 in North America

WHO NEED: to maintain their brain acuity in an effective and efficient way

FITBRAINS IS:

THAT PROVIDES:

UNLIKE COMPETITORS:

OUR PRODUCT:

FITBRAINS ALSO PROVIDES:



Elements of a Positioning Statement

1- For

Specific Customer you could sell to in a key segment?

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Exercise

Exercise #1

~ 10 minutes

You create your first version of:

Line 1 - Who is the Target Customer?

Line 2 - What is the PAIN that the Target Customer wants solved?

What Good Looks Like!

Target Market - a clear definition of the typical buyer.

Pain / Need- a precise statement of the Pain / Gain and why. This should convey a big OUCH!



Sales Primer

KEY CONCEPTS

Discussion of Feature Benefit Value & Your Value

You Win When equation

Examples of Benefits – Logical / Emotional

Roles in the Buying Process

How a Buyer decides

Connecting Features, Benefits, Price, Value in your Minimum Viable Product (MVP)

Differentiation



Your Value

Feature, Benefit and Value Definitions:

Feature - What your product does

Benefit – The gain that the Buyer derives from your Feature
Measurable and/or Tangible – Logical (IQ)
Hard to Measure and/or Intangible – Emotional (EQ)

Value – The Net Benefit, which includes all the costs that the Buyer incurs

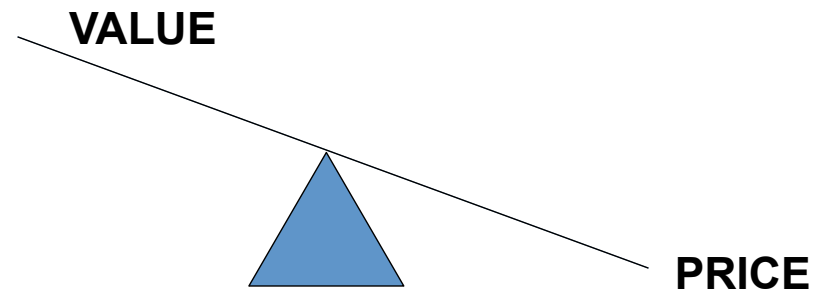
Costs – Includes all Buyer costs including your Price

Benefits

-

Costs

= Your VALUE





You WIN when:

Your Company

Benefits

-

Costs

= Your VALUE

The Competition

Benefits

-

Costs

= Their VALUE

Your Company's VALUE

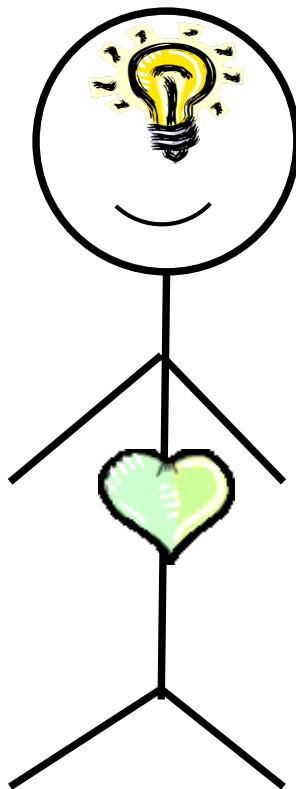
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Competitor's VALUE

AND the Buyer **AGREES**

How a Buyer decides

The Prospective Customer decides that they will **BUY from YOU** because:



Logical /
Data

Your Product's Value outweighs all other choices. The Value is **provable using**:

1. A Return on Investment Calculation (ROI)
2. A Reference (if you have one)

Emotional /
People

You Create Trust & Belief in You and an Emotional connection to your Product:

- You will **deliver** the proposed solution
- Your solution meets the **Buyer's Emotional Needs** the best

Decision Making process by the Buyer – in descending order of strength:

1st, **Best Value + Best Differentiation** – its an easy decision!

2nd, Lowest Price then 3rd, Lowest Risk



Examples of Benefits for a Customer - Logical

LOGICAL / TANGIBLE

1. Financial Changes
 - Increase Revenues
 - Increase Profits
 - Decrease Cost
2. Operational Efficiency
 - Productivity increase
3. Risk Management - think “insurance”
 - Reduction/Mitigation
 - Safety
 - Reputation



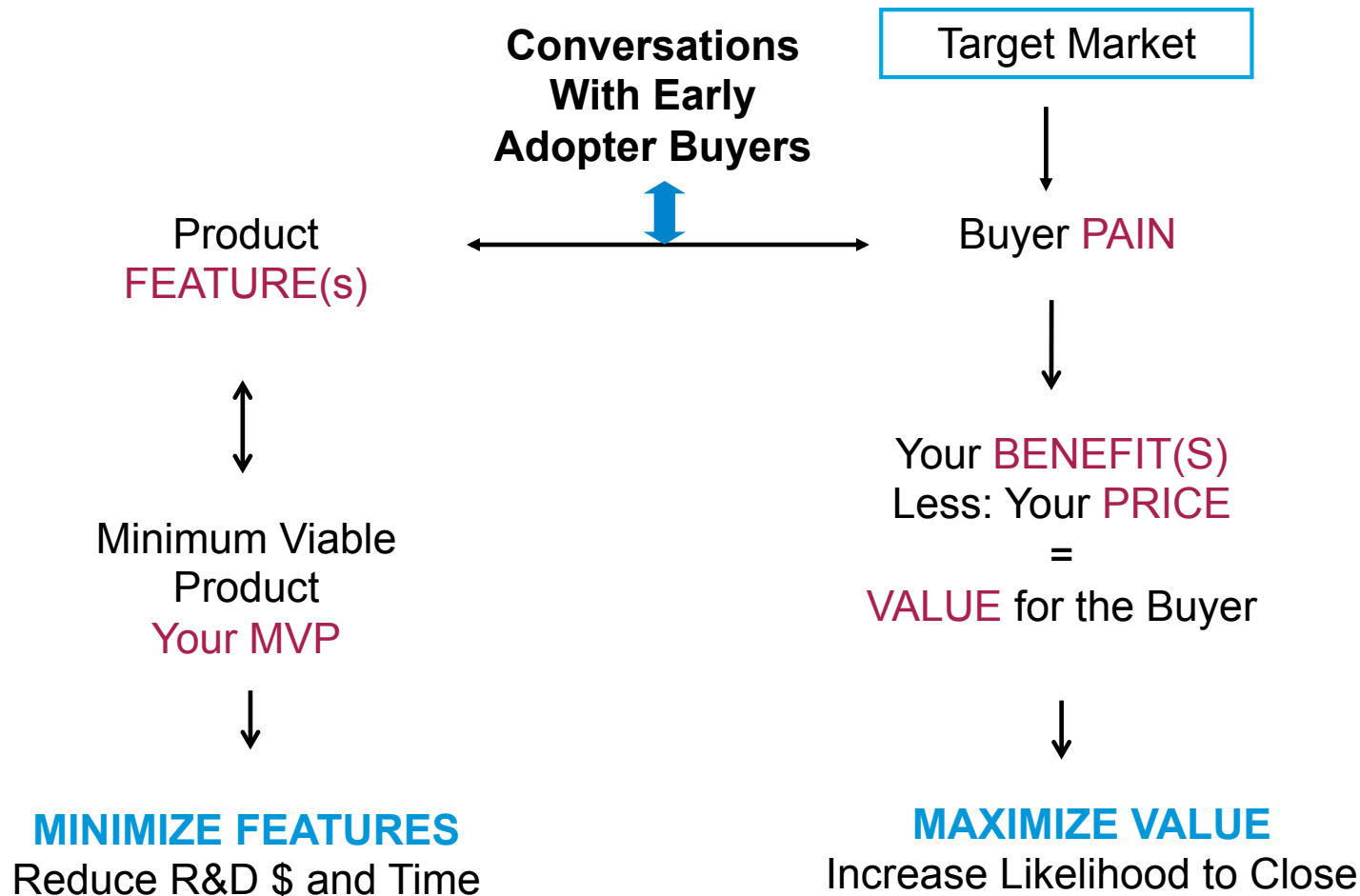
Examples of Benefits for a Customer - Emotional

EMOTIONAL / INTANGIBLE

1. Corporate - Satisfaction **Increase**
 - Customer
 - Employee
2. Personal Satisfaction **Increase**
 - Ability to save Time
 - Immediacy - now; faster and better
 - Convenience - it is easy
 - Comfort - e.g. have a choice of ads in or out
 - Desirability due to scarcity
 - Belonging – exclusivity; special club
 - Connecting - creating & maintaining relationships
 - Health and well being
 - Success & status
 - Entertainment - fun
 - Creative learning



MVP - Connecting Feature(s), Benefit(s), Price & Value





‘Roles’ in the Buying Process

Economic Buyer - can say Yes or No

- The Role that causes funds to transfer to you
- Concerned about Price and best Value / ROI
- Generally the final Decision Maker

User Buyer – can say Yes or No

- The Role that represents the use of your Solution and how well it will meet the Needs of the Users
- Concerned about the feature content and fit – will it really solve the PAIN the best?

Technical Buyer – can only say No

- Support Roles for the decision maker(s) – Legal, Purchasing, Finance, IT



Elements of a Positioning Statement

1- For

Specific Customer you could sell to in a key segment?

Your sandbox? Target customer is?

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What else is needed for a Whole Product?

Partners provide?



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Positioning Statement: Product X is

CATEGORY & POSITIONING



Words that define how Customers will find YOU

KEY CONCEPT - Product X is

Define your 'sandbox'; connect the BUYER to YOU

Make it is easy for a potential Buyer to **find** you and understand what you do
1st page in a Google search is the objective

Another Positioning approach – 'we are like ABC Product only different and better because....'



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Positioning Statement: That provides

Your RESCUE for the HURT/PAIN of the CUSTOMER



**The Quantity, Quality and Timing of VALUE Gained by the
Target Market/Customer from YOU**



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Positioning Statement: Neoteric

FOR: blood bank departments in hospitals

WHO NEED: to lower costs by reducing blood wastage & transfusion

NEOTERIC IS: a blood transfusion management hardware and software solution

THAT PROVIDES: controlled access storage so that unused blood allocated to operations can be returned to the central storage, eliminating wastage

UNLIKE COMPETITORS:

OUR PRODUCT:

COMPANY ALSO PROVIDES:



ACETECH

Positioning Statement: FitBrains

FOR: females age 35 to 55 in North America

WHO NEED: to maintain their brain acuity in an effective and efficient way

FITBRAINS IS: a scientifically proven brain training system delivered using both SaaS and Mobile platforms

THAT PROVIDES: a suite of challenging casual games that exercise all five main areas of the brain helping to provide a healthy life style

UNLIKE COMPETITORS:

OUR PRODUCT:

FITBRAINS ALSO PROVIDES:



Elements of a Positioning Statement

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Exercise

Exercise #2

~ 10 minutes

You create the first version of:

Line 3 - What is the Category that your product fits into?

Line 4 - What is the Value (Benefits) that you provide?

What Good Looks Like!

Category – the customer can use a Google search criteria to describe your Product and then find you

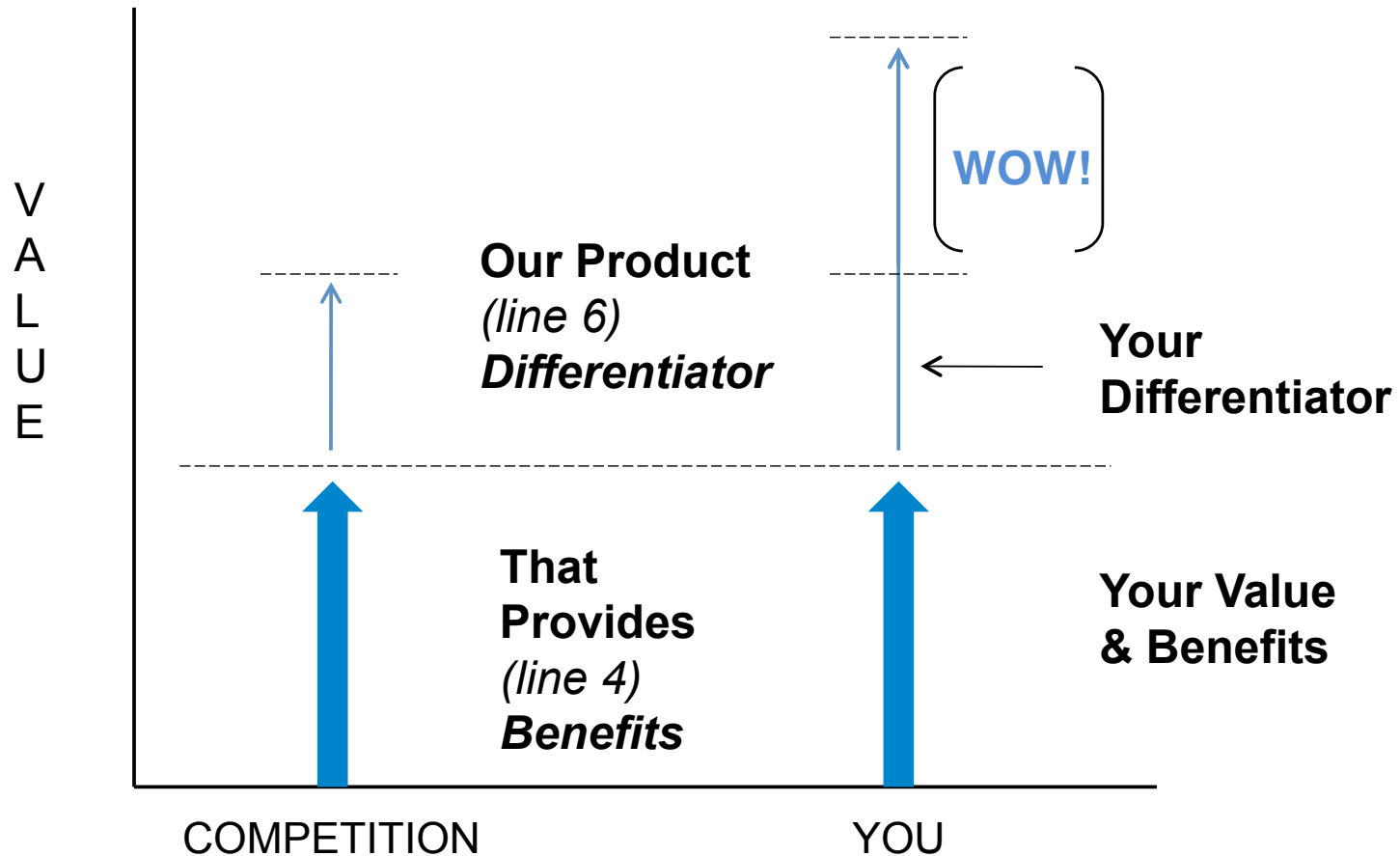
Benefit – a clear statement of what the Benefit is that the Buyer is receiving. This Benefit statement ties directly to solving the PAIN!



Elements of a Positioning Statement

- | | |
|-------------------------------|--|
| 1- For | Specific Customer you could sell to in a key segment?
Your sandbox? Ideal Target Customer is? |
| 2- Who need | Needs/Pains/Hurts! Compelling reason to buy!
What Problem is being solved or new opportunity addressed? |
| 3- Product X is | The product Category is? |
| 4- That provides | Key Benefit that addresses the compelling reason to buy? |
| 5- Unlike competition A, B, C | Competitor product categories & leaders? |
| 6- Our product | Key competitive Differentiation? |
| 7- Company also provides | What else is needed for a Whole Product?
Partners provide? |

You Win using Differentiation!





How you WIN using Differentiation!!

KEY CONCEPT

Our Product

Your **Differentiation** provides the Buyer the extra **VALUE**
& **Wow** that causes you to WIN

Two types of Differentiation

Me too only better!

Only me (exclusive)!!

WHAT GOOD LOOKS LIKE for the BUYER

Unlike Competition – You understand your key **Competitors selling strategies**

Our Product – Your Differentiators are the **BEST** and needed by the BUYER



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Smartphone Positioning Statement

1- For **People who are mobile**

2- Who need **To stay constantly connected**

3- Product X is **An All in 1 device for email, phone, internet access and apps**

4- That provides **Real time access to the World**

5- Unlike competition A, B, C **RIM, Apple and Google (Android)**

6- Our product is

RIM – secure data communication

Apple – highly useable and ‘cool’

Google – ubiquitous (available ‘everywhere’)



ACETECH

Positioning Statement: Neoteric

FOR: blood bank departments in hospitals

WHO NEED: to lower costs by reducing blood wastage & transfusion labour

NEOTERIC IS: a blood transfusion management hardware and software solution

THAT PROVIDES: controlled access blood storage so that unused blood allocated to operations can be returned to the central storage, eliminating wastage

UNLIKE COMPETITORS: such as paper based systems and manual methods

OUR PRODUCT: eliminates deaths from blood mismatching using barcode confirmation

COMPANY ALSO PROVIDES: full implementation and support services; solution updates; customer conferences



ACETECH

Positioning Statement: FitBrains

FOR: females age 35 to 55 in North America

WHO NEED: to maintain their brain acuity in an effective way

FITBRAINS IS: a scientifically proven brain training technique using SaaS and Mobile platforms

THAT PROVIDES: a suite of online casual games that exercise all five main areas of the brain helping to provide a healthy life style

UNLIKE COMPETITORS: such as Lumous Labs

OUR PRODUCT: is mobile, fun, social and as competitive as you wish, motivating users to keep coming back

FITBRAINS ALSO PROVIDES: a range of research papers on brain fitness, constant product innovation through new product updates



Elements of a Positioning Statement

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What else is needed for a Whole Product?

Partners provide?



Exercise

Exercise #3

~ 10 minutes

You create the first version of:

Line 5 - Who are the top 1 or 2 Competitors?

Line 6 - What is your Differentiator for each Competitor?

What Good Looks Like!

Competitors – the top 1 or 2 are identified

Differentiator – compare to each competitor, what is the WOW factor that you provide. BEST = the overall VALUE increases to Win!



Why the Positioning Statement is Important!

Various Perspectives

Staff – involved; empowered; aligned

Investors – confidence; committed

Customers – involved; they want your product to be the best

Risk Mitigation – enough of ‘think 1st, then do’; minimize retries

You – focused; confident about doing the right things, right; Winning



Summary

You now have a **Hypotheses for a Positioning Statement** and are ready to **determine the FACTS** by talking to representatives **in the Target Market!!**

Doing the Positioning Statement sets you up for Success by requiring you to think about and decide
how and why you are going to WIN and making the BEST CHOICES!

You now have a **17 Second Pitch** to tell others concisely what you do!

Doing the Positioning Statement provides you and those around you
CONFIDENCE that you are **doing the Right thing, RIGHT.**



“Assessing the Opportunity”

2. Your Market Opportunity

- **Is it realistic?**
- **Is it worthwhile?**



Is this a Worthwhile Opportunity?

KEY CONCEPTS

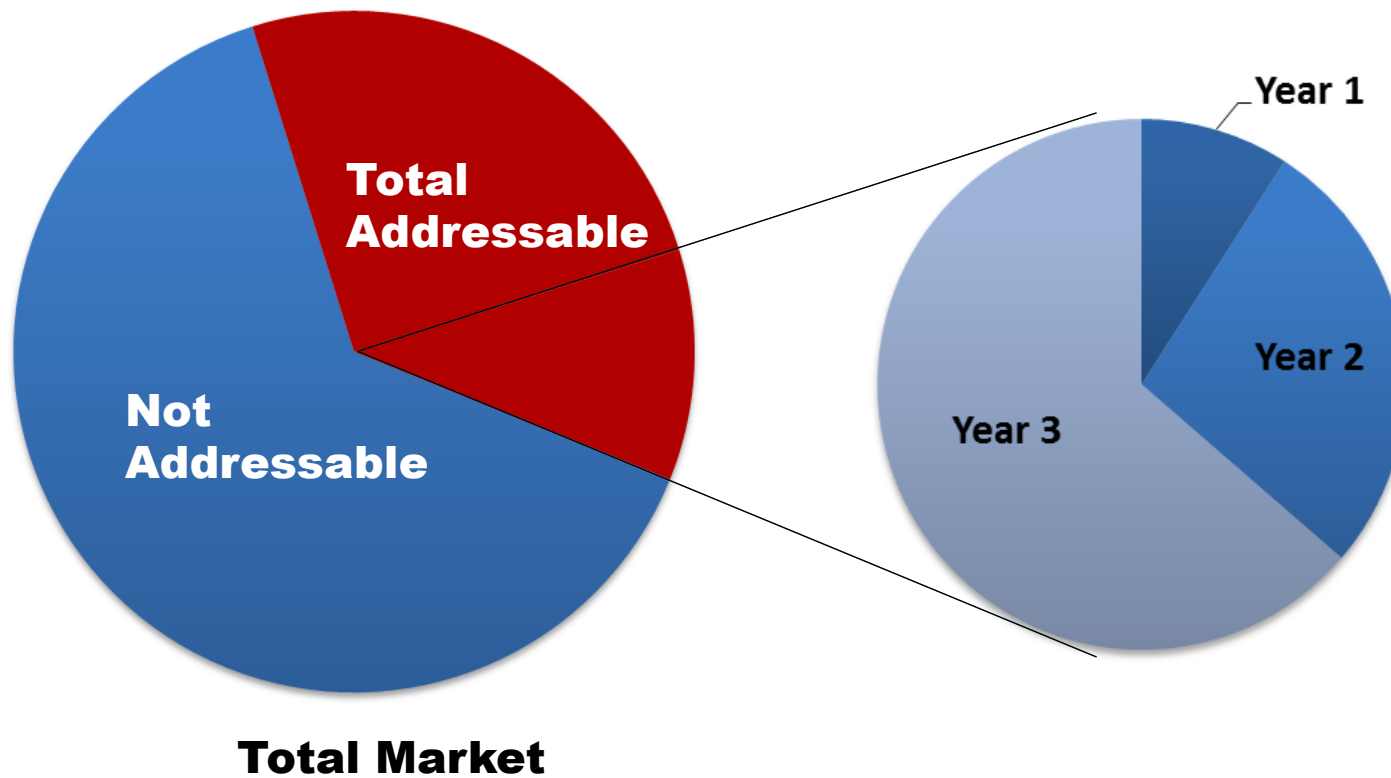
How **Big** can this Opportunity become?

How much of this Opportunity do you think you can **WIN** in the next few years?

You will spend 5 to 10 years of your life pursuing this Opportunity should you decide to commit to it – is this Opportunity **Worthwhile** enough to make this commitment?



What is your Market Size?





Your Opportunity – How big is it?

How **BIG** can this **Opportunity** get?

Total Market – if ALL Buyers bought at your Target Price

- Revenue = Your Target Price X ALL Units

Total Addressable Market – the Market that you can realistically sell into?

- Revenue = Likely Price X Likely # of Units

Year 1, 2, 3 – Expected Market Results for the first 3 years?

- Revenue = Year 1, 2, 3 – Price Expected X # of Units per Year

Is this a **Worthwhile Opportunity** for you?



Your Opportunity

Measure	# of Units	X	Price per Unit	=	Total Revenue
Total Market	_____		_____		_____
Total Addressable Market (TAM)	_____		_____		_____
Year 1 Revenue	_____		_____		_____
Year 2 Revenue	_____		_____		_____
Year 3 Revenue	_____		_____		_____



Exercise

Exercise #4

~ 10 minutes

You create the first version of:

- Your Opportunity Expectations in \$\$
- Your Total Addressable Market
- Your Years 1,2,3 Revenue expectations

What Good Looks Like!

- **Opportunity Expectations** – good market size; beachhead strategy defined; large room to expand
- **Unfair Advantage** – you have leverage to get you started such as domain experience



“Assessing the Opportunity”

3. You as an Entrepreneur?



You as an Entrepreneur

Ralph's Personal Experience & Thoughts – “control of my destiny”

Boss Choices - there wasn't a boss I thought I could work for and learn lots. I was not employable long term. Instant set up for disaster to work for anyone.

Risk Taker & Like Challenges – athletics, tough university education courses. Did not look for the easy way. Deep end of the pool; sink or swim. Good dose of personal confidence, but not arrogance.

Financial Rewards – Financial rewards came but they were not the primary focus.

Like Creating & Seeing Customers smile – enjoy creating something new and seeing the satisfaction that customers derive AND telling you.

Unfair Advantage - MBA helped for business fundamentals and savvy. Technical education helped a lot – tough to BS.



You as an Entrepreneur

Ralph's Investor Criteria – its all about the people!

PASSION - About being an Entrepreneur & for the Opportunity!!

ADAPTABILITY – Pivoting will happen!!

JUDGMENT – Separating Facts from Noise; Decision Making; Focusing

EXPERIENCE - Experience in the domain and / or in business helps a lot!!

GETS RESULTS – Consistently delivers more than expected with limited resources!



Summary

Walk in the shoes of a Customer, always! Think HURT & RESCUE!

Find clear and big PAIN / GAIN, deliver Value and Win with your Differentiator!

Ensure that your Opportunity is worthwhile pursuing!

Decide if you want to be an entrepreneur – a typical opportunity will take 5 to 10 years of your life!

It is an absolute BLAST for the right type of person!!

BEST of LUCK!!



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Wrap Up Thought

**“WITHOUT EXCEPTION, ALL OF MY BIGGEST MISTAKES
OCCURRED BECAUSE I MOVED TOO SLOWLY”**

John Chambers – CEO, Cisco

