



ACETECH

BY CEOs FOR CEOs

New Ventures B.C. Presentation

Ralph Turfus

March 27, 2019



“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 Bio

Background

- Education – BAsC, MASc and MBA
- ex ROTP - Air Force; 3 years in industry prior to starting up Escom

28 + Years as a Founder and CEO – 1976 to 2004

- Escom (founded 1976); 100% internally financed; 1 shareholder over 28 + years
- Launched 8 startups & sold 5 of them – all startups were self funded
- Many strategy changes and endured 4 recessions
- Best known for Class Software - sold in 2004
 - #1 in the world for Parks & Recreation; 730 customers in Canada, USA, Aus
 - 145 employees; ~\$20M in Revenue; ~18% EBITDA; 25% yr./yr. growth rate

Tech Industry Involvement

- Associations – Past - Premiers Technology Council, AceTech & BCTIA
- Investor – started in 2004: made 23 direct investments (now 7) & 8 VC funds
- Boards – Chairman of 2 companies now - ~12 in total; CEO Mentor – 2 people

Recognition

- 2000 – Canadian Recreation Association Person of the Year
- 2006 – B.C. Technology Industry Association Person of the Year
- 2009 – AceTech Fellow – Growth Strategy Program founder
- 2013 – Queen’s Diamond Jubilee Medal – for Technology Industry contributions
- 2015 – BC Angel Investor of the Year



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”.

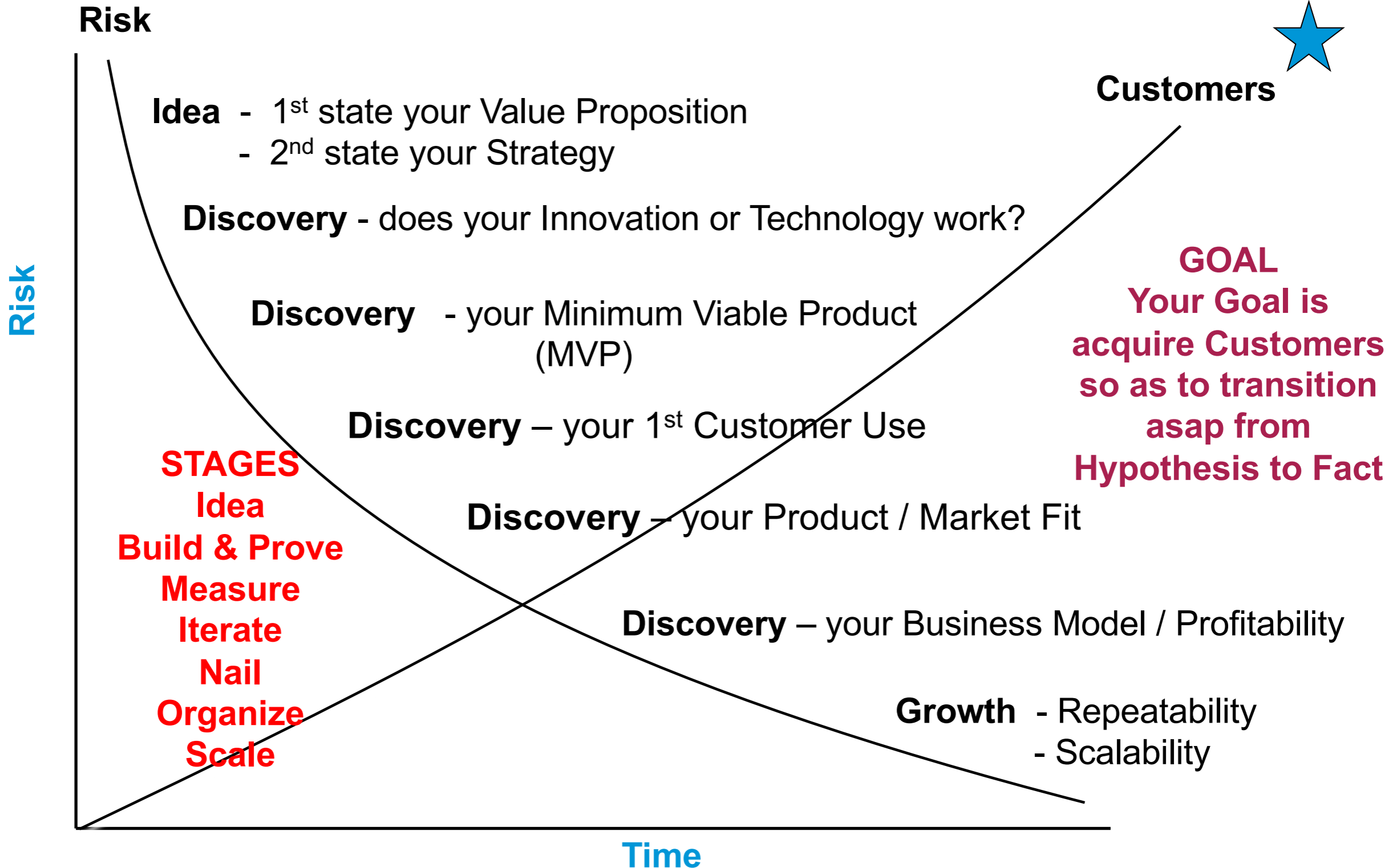
Because it is the purpose to create a Customer, any business enterprise has two – and only two – basic functions: **MARKETING & INNOVATION**. These are the entrepreneurial functions. **MARKETING** is the distinguishing, the unique function of the business.

THE GOAL IS TO CREATE A CLEAR & COMPELLING MARKETING STATEMENT

- Why would a Customer want your Innovation?
- How you communicate your distinguishing, unique Innovation?



The Opportunity Development Journey





“Assessing the Opportunity”

Your Positioning Statement:

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

Your Message delivered by you the Messenger



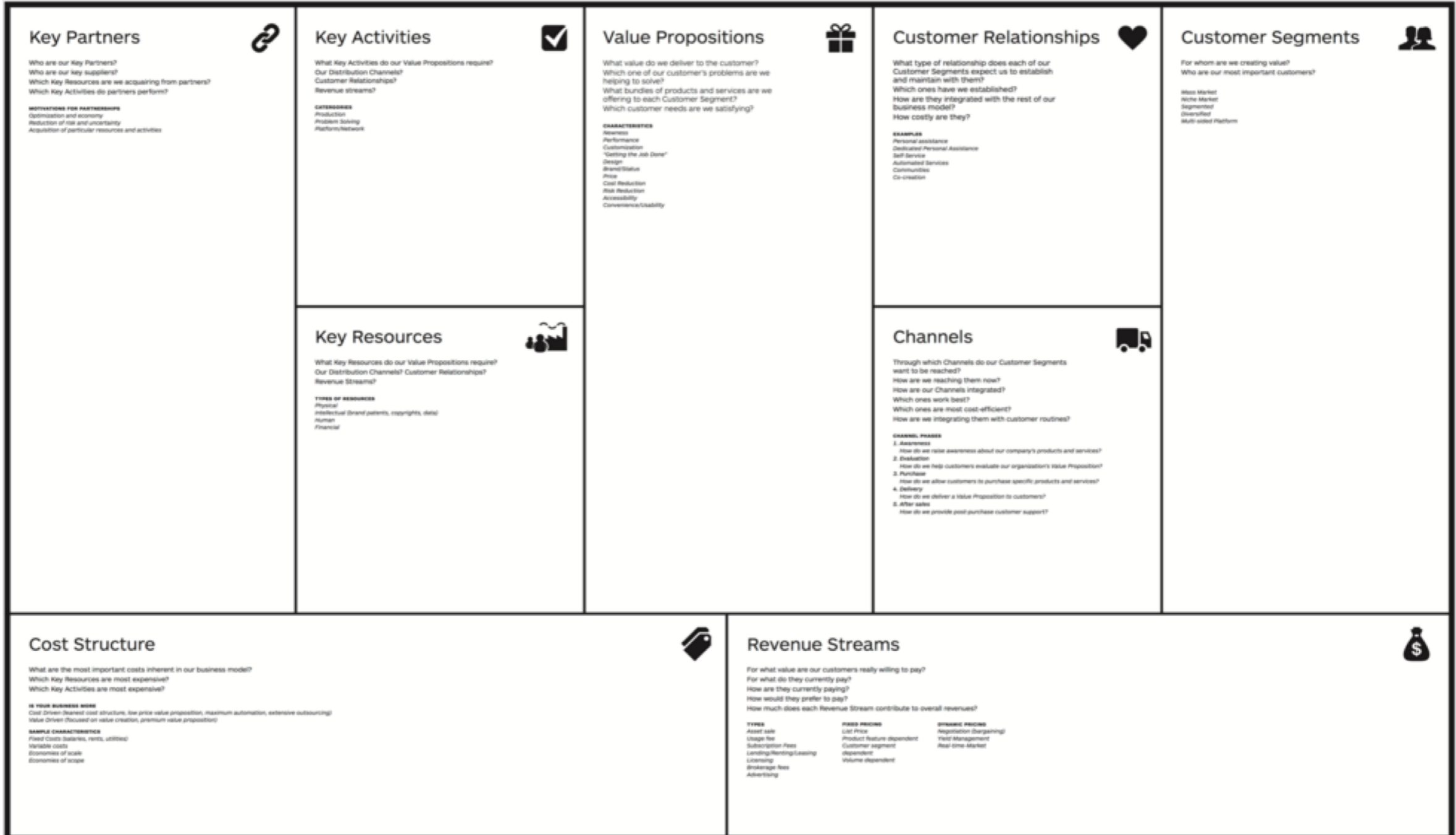
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



DESIGNED BY: Business Model Foundry AG
The makers of Business Model Generation and Strategyzer

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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 alternative – the one most likely? |
| 6- Our product | Key competitive Differentiation? |
| 7- Company also provides | What else is needed for a Whole Product?
Partners provide? |



Positioning Statement: UBER

FOR: people living in urban areas

WHO NEED: to conveniently book prompt and fairly priced transportation

UBER IS: a taxi service based on a mobile app

THAT: allows people to easily book a taxi at a fixed fee

UNLIKE: traditional taxi services that can be very unpunctual

UBER: provides certainty of your pick up time by showing the car location in real time



ACETECH

TARGET MARKET

ACTIVITIES for doing
LEAD GENERATION



Interested

SUSPECT STAGE

Lines 1,2

Qualified

PROSPECT STAGE

N to 1

Selected

CLOSE STAGE

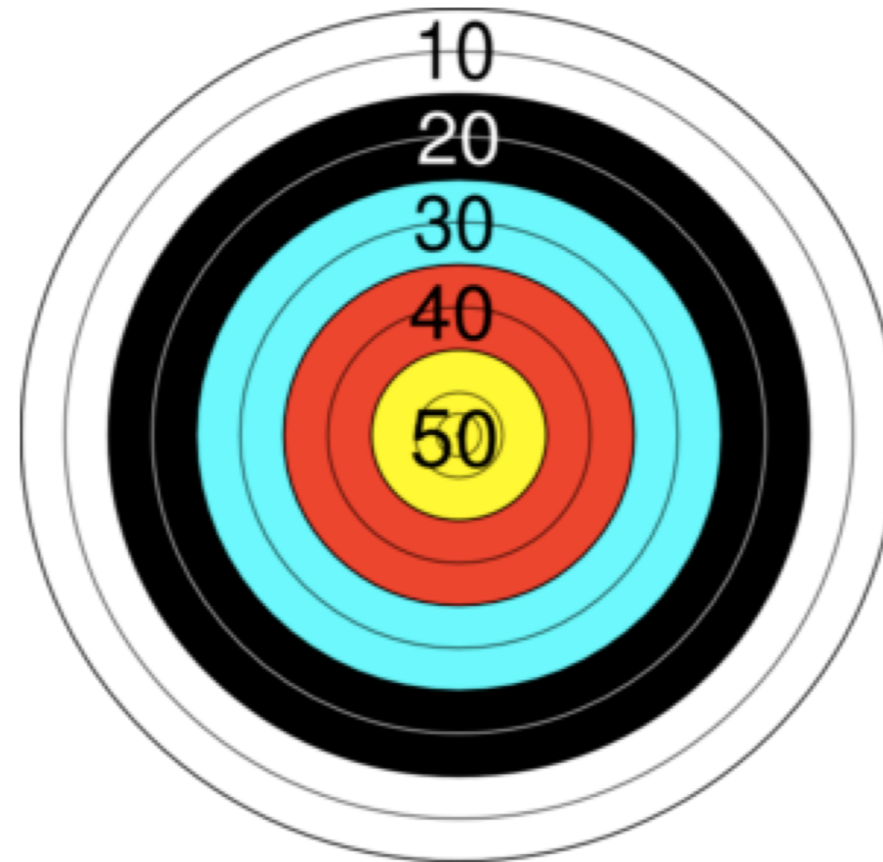
1 to 1

Positioning
Statement

Closed



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**



ACETECH

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

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| 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? |



Exercise

Exercise #1

~ 5 minutes

You create your first version of:

Line 1 - Who is the Target Market / Customer?

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

What Good Looks Like!

Target Market - a clear definition of the typical buyer.

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



TARGET MARKET

**ACTIVITIES for doing
LEAD GENERATION**



Interested

SUSPECT STAGE

Lines 1,2

Qualified

Lines 3

PROSPECT STAGE

N to 1

Line 4

Selected

CLOSE STAGE

1 to 1

**Positioning
Statement**

Closed



Elements of a Positioning Statement

- | | |
|--------------------------------------|------------------------------------------------------------------------------------------------------------|
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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

Key Word Searching – what are the best and fewest key WORDS?

1st page in a Google search is the goal

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



ACETECH

Positioning Statement: That provides

Your RESCUE for the HURT/PAIN of the CUSTOMER



**The Quantity, Quality and Timing of your VALUE
gained by the Target Market/Customer**



Terminology - 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)

Costs – Includes all Buyer costs including your Price

Value – The Net Benefit - includes all the Costs that the Buyer incurs

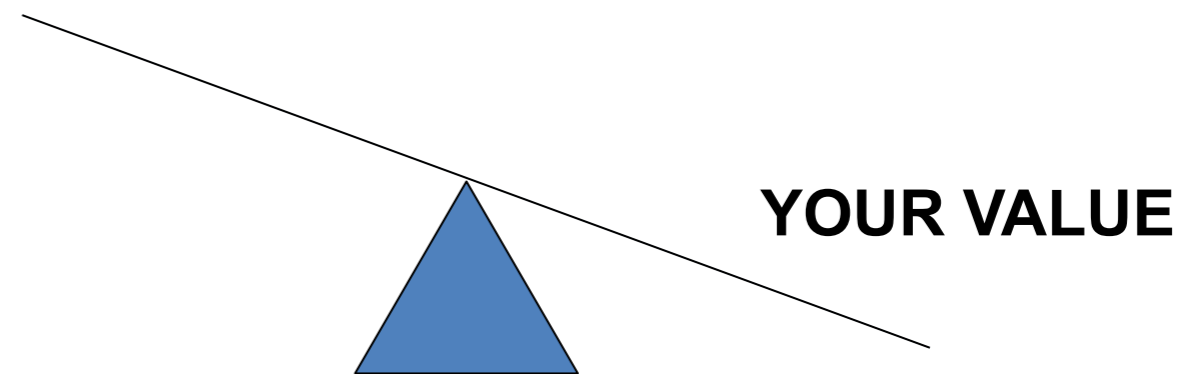
Benefits

-

Costs

PRICE

= Your VALUE





You WIN when:

Your Company

Benefits

-

Costs

= Your VALUE

The Competition

Benefits

-

Costs

= Their VALUE

Your Company's VALUE

>>

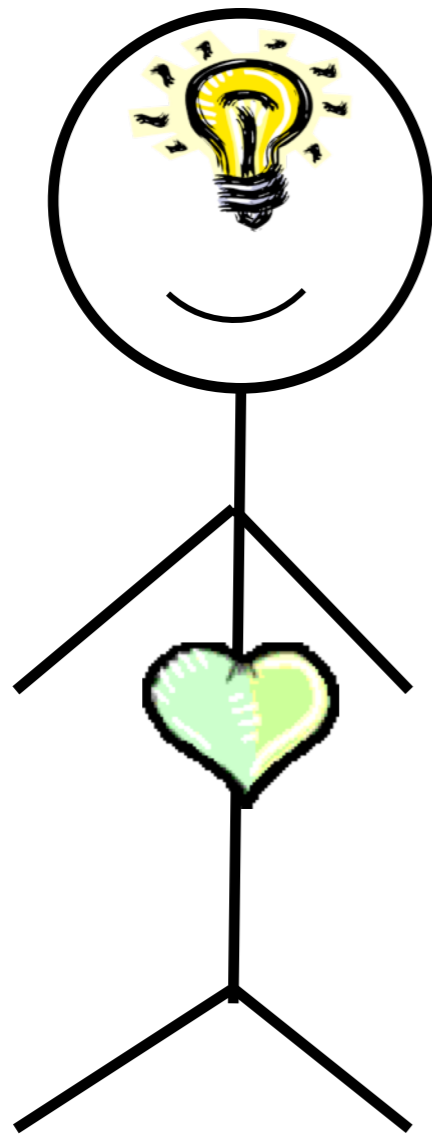
Competitor's VALUE

AND the Buyer **AGREES** with your conclusion



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:**

- A Return on Investment Calculation (ROI)
- A Reference (if you have one)

QUANTITATIVE



**Emotional /
People**

You Create Trust & Belief in You and therefore your Product:

- Trust that you will **deliver** the proposed solution
- Your and your solution meets the **Buyer's Emotional Needs** the best

QUALITATIVE



Examples of Benefits for a Customer - Logical

LOGICAL / TANGIBLE / QUANTITATIVE

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



Examples of Benefits for a Customer - Emotional

EMOTIONAL / INTANGIBLE / QUALITATIVE

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



ACETECH

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:



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 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!



TARGET MARKET

**ACTIVITIES for doing
LEAD GENERATION**



Interested

SUSPECT STAGE

Lines 1,2

Line 3

PROSPECT STAGE

Qualified

Line 4

N to 1

Lines 5,6,7

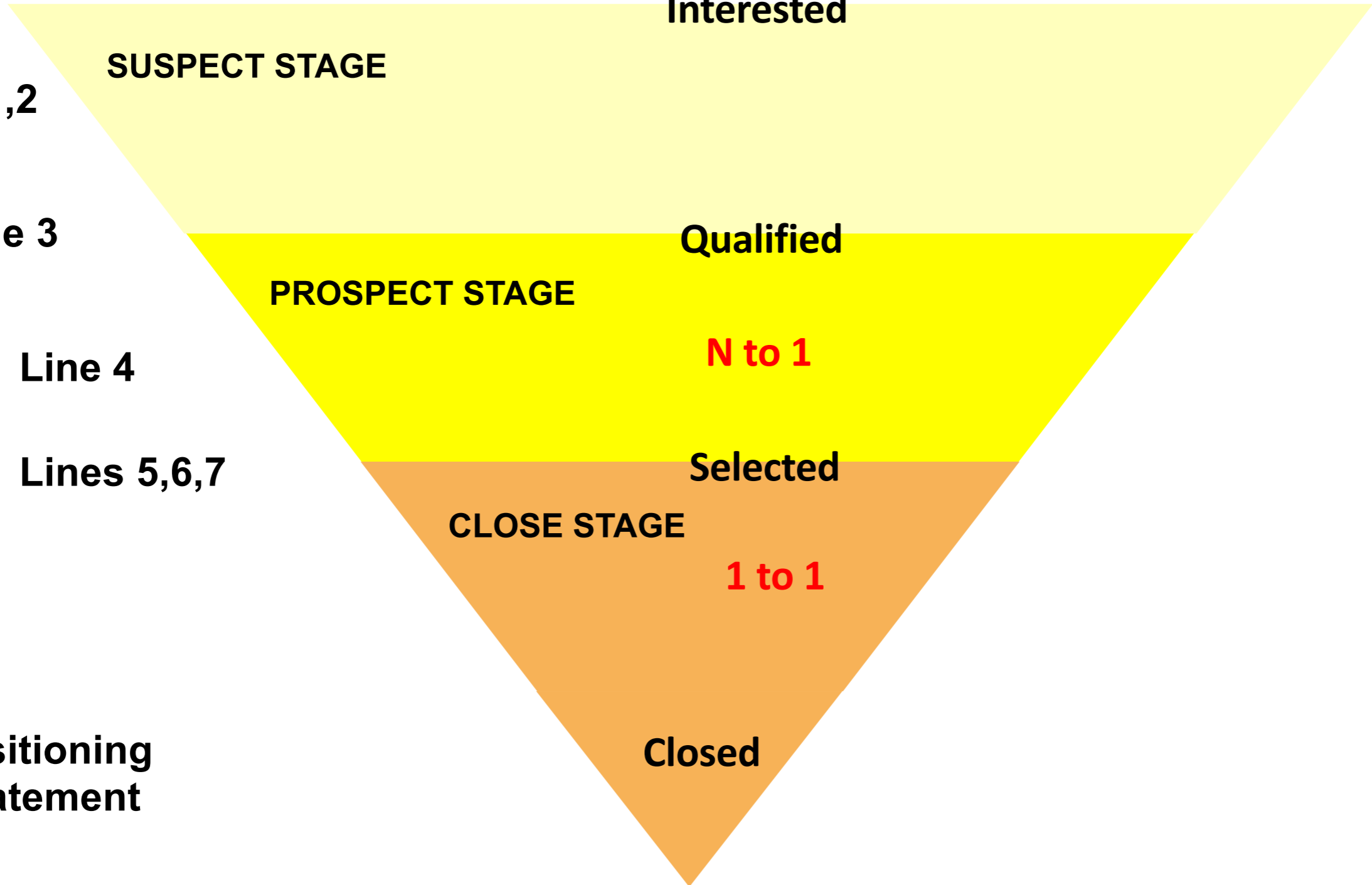
CLOSE STAGE

Selected

1 to 1

**Positioning
Statement**

Closed



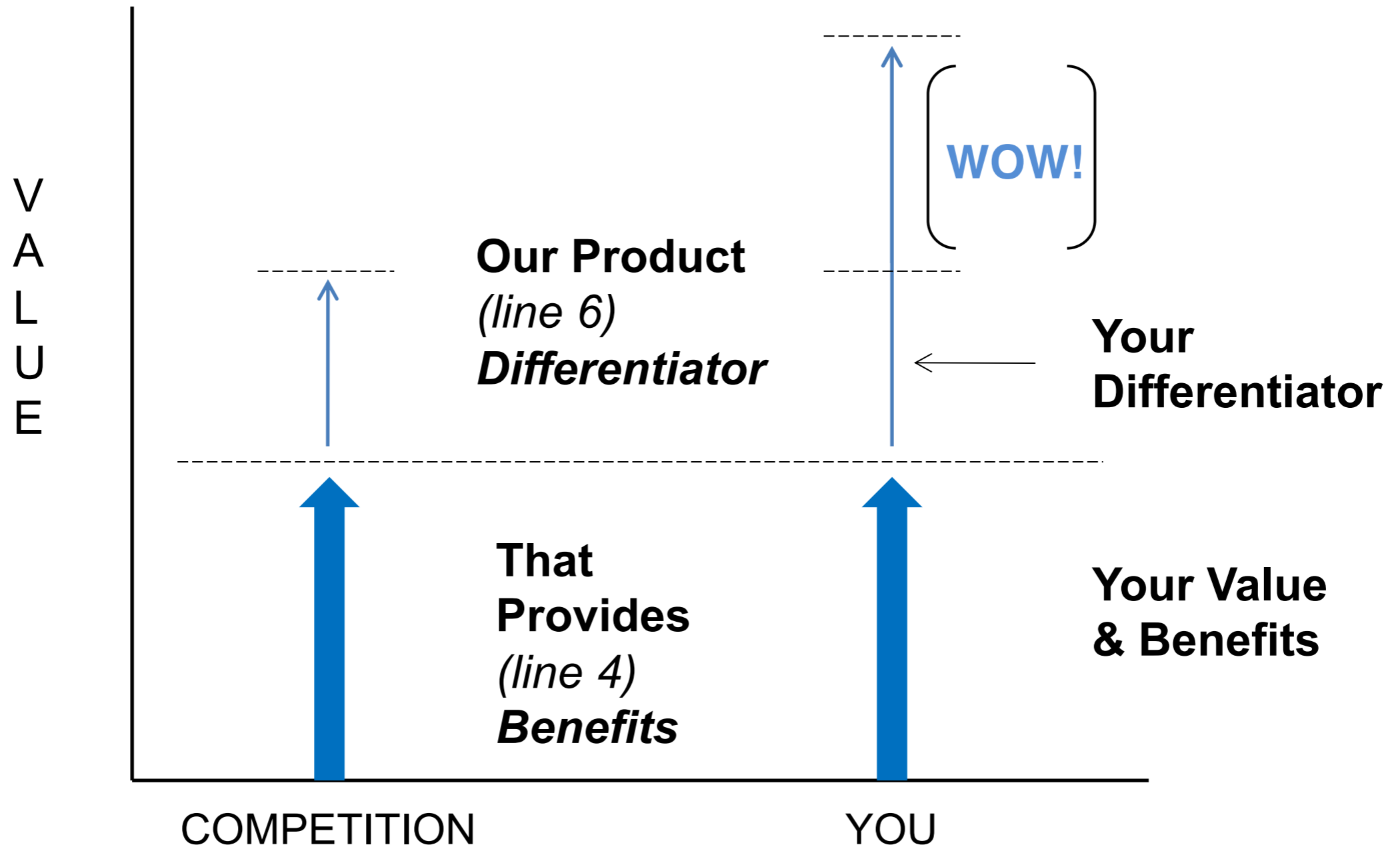


Elements of a Positioning Statement

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You Win using Differentiation!





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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



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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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 and you know their strengths

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



Positioning Statement: Neoteric

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'Roles' in the Buying Process

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

Economic Buyer – the FINAL say for Yes or No

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



Smartphone Positioning Statement - FOCUS

1- For **People who are mobile**

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

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

4- That provides **24/7 connection to the World for all standard access methods**

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

6- Our product is

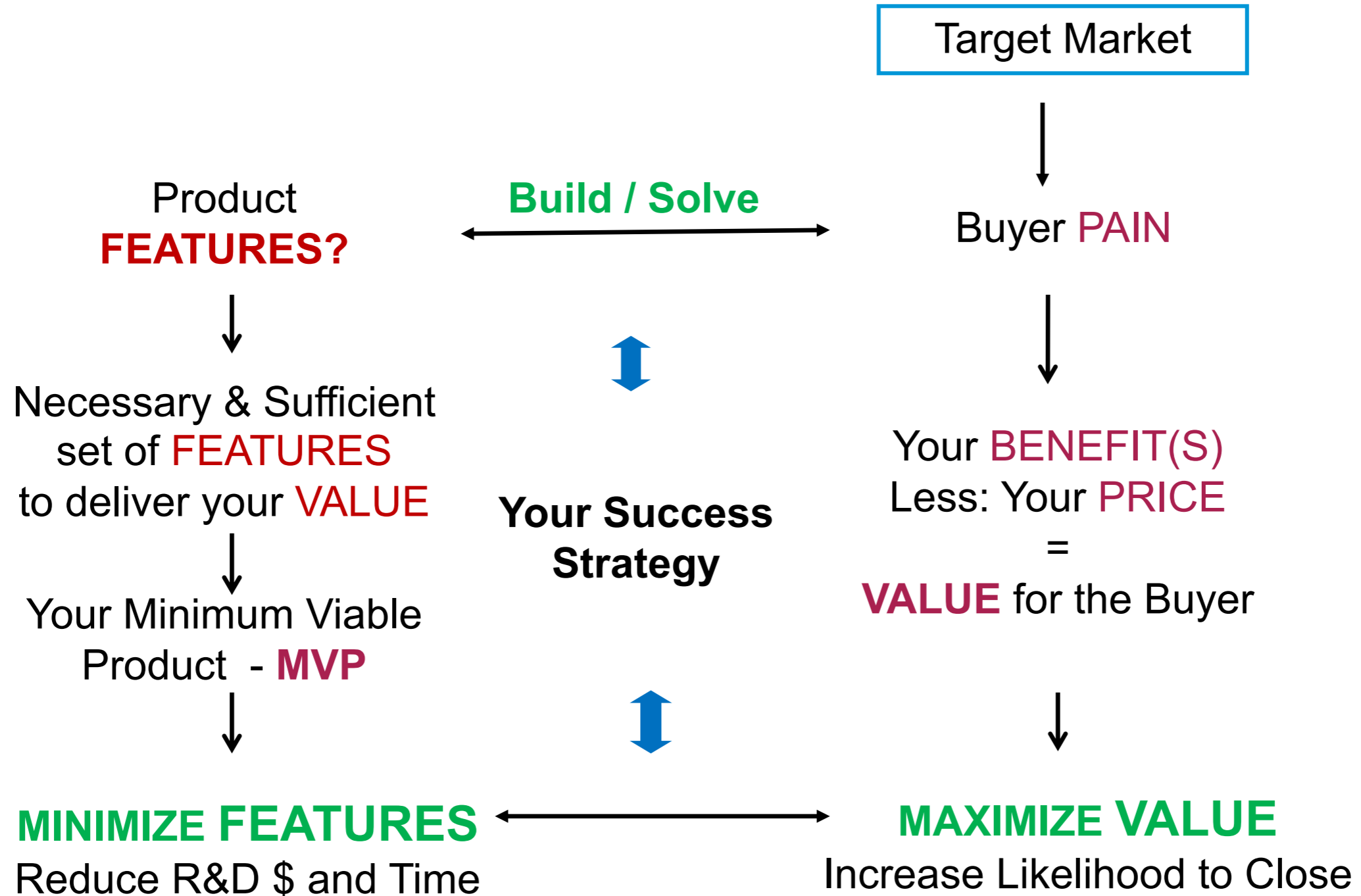
RIM – secure data communication

Apple – highly useable and ‘cool’

Google – ubiquitous (available ‘everywhere’)



Connecting Features & Value – your GOAL!





Why the Positioning Statement is Important!

Value Perspectives

Staff – feel involved; empowered; aligned

Investors – feel confident; supportive of what you are doing

Customers – feel committed; they want your product to be the best

Risk Mitigation – you have done enough ‘thinking 1st, then do’ to minimize retries

You – feel focused; confident about doing the right things, right; WINNING!!

Your Next Steps

You now have a **Hypotheses for a Positioning Statement**

Get out of the Building!!

Talk to participants **in the Target Market. Leverage all the Intellectual Capital you can!! Learn and Iterate!**



Strategy Concepts & Choices

There are 3 choices for a Strategy and they are:

1. **Product Innovation – Technology & Business Model**
2. **Customer Intimacy – ‘Solution fits like a glove for the Customer’**
3. **Operational Excellence – Low Price**

In the Technology Industry, your Strategy evolution will likely be:

Product Innovation



Customer Intimacy



Acquisition Drivers

Motivation

**I
m
p
a
c
t**

	Consolidation	Scarcity	Scale
Metamorphic			Powerful market position
Transformational		New Technology and expertise	
Incremental	Product overlap and synergies		

Magic Box Paradigm – Ezra Roizen



ACETECH

Wrap Up Thought

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

John Chambers – CEO, Cisco





“Assessing the Opportunity”

Wishing you much Success!!

Ralph Turfus



“Assessing the Opportunity”

2. Your Market Opportunity

- Is it realistic?
- Is it worthwhile?



Is this a Worthwhile Opportunity?

KEY CONCEPTS

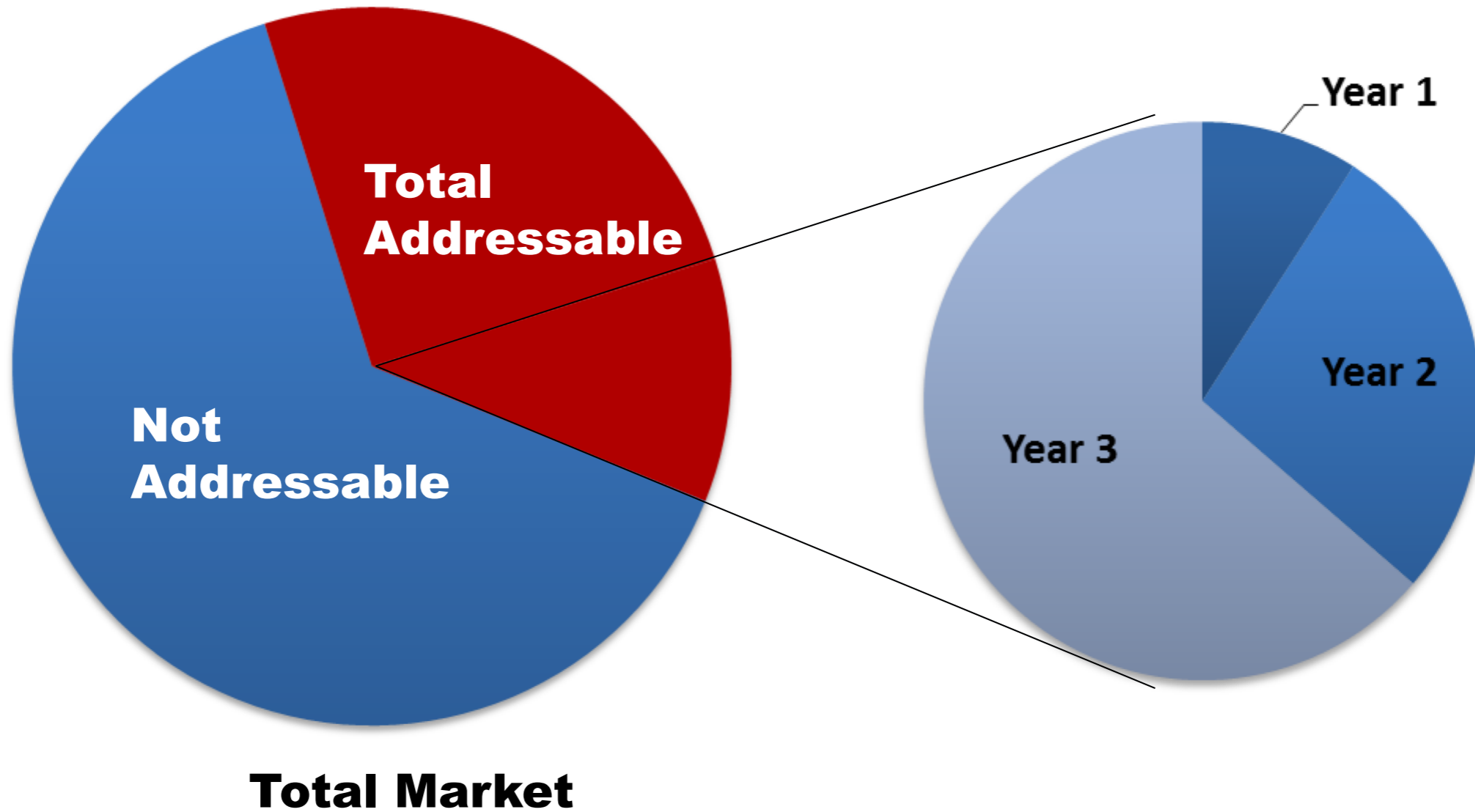
How **Big** can this Opportunity become?

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!!



Wrap Up Thought

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