



ACETECH

BY CEOs FOR CEOs

New Ventures B.C. Presentation

Ralph Turfus

March 25, 2020



“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. Chair of ~12 over the years.

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.

YOUR GOAL IS TO CREATE A CLEAR & COMPELLING MARKETING STATEMENT

- Why would a Customer want your Innovation?
- How you communicate your distinguishing, unique Innovation?
- What is your clear, concise and compelling answer to the question –

What do you do?



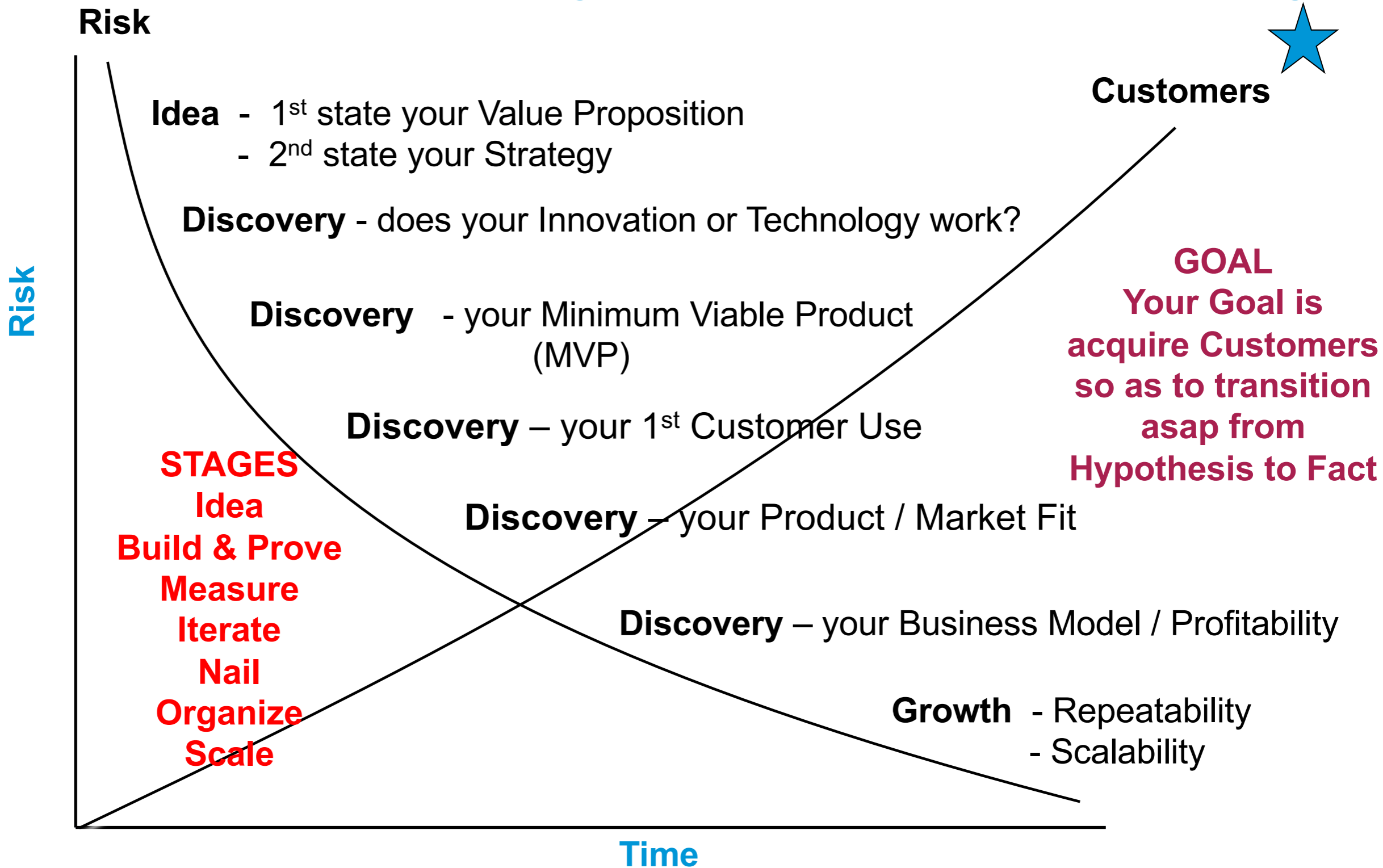
Why Customers are Important!

Especially in the Beginning!

1. Cash
2. Feedback on your
 - Product
 - Services
 - Selling approach –Value Proposition
3. Happy Customer- a Reference
4. Confidence – someone bought your Solution!
5. Other!?



The Opportunity Development Journey





Strategy Choices

There are 3 choices for Strategy and they are:

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

Your Strategy evolution will likely be:

Product Innovation



Customer Intimacy



“Assessing the Opportunity”

Your Positioning Statement:

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

It is about You the Messenger delivering your Message in a very compellingly way!



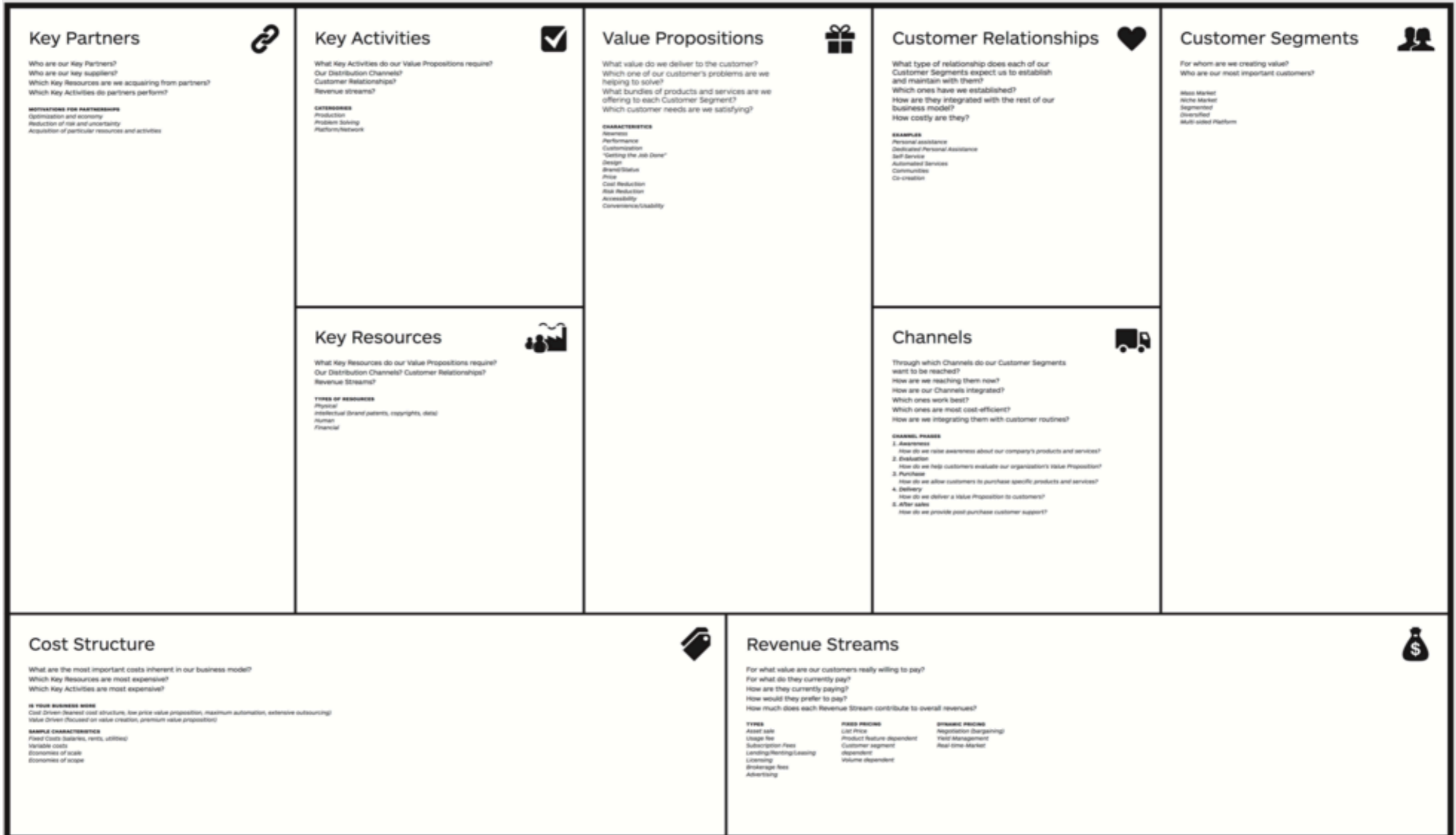
The Business Model Canvas

Designed for:

Designed by:

Date:

Version:





Elements of a Positioning Statement

- | | |
|--------------------------------------|--|
| 1- For | Specific Customer you could sell to in a key segment?
Ideal Target Customer is? |
| 2- Who need | Need/Pain/Problem! Compelling reason to buy!
What Problem is being solved or new opportunity addressed? |
| 3- Product X is | Your sandbox? 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 in congested urban areas

WHO NEED: more quality and convenient transportation choices than taxis

UBER IS: a transportation service using an app to connect the two parties in real time

THAT: allows people to easily book transportation for 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



Why the Positioning Statement is Important to You!

Perspectives

Investors – feel confident in you; supportive of what you are doing

Staff – feel involved; empowered; aligned; enthused

Risk Mitigation – you have done enough ‘thinking 1st, then do’ to minimize mistakes; feel confident that you are doing the right things

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

And Especially

New Ventures BC competition!



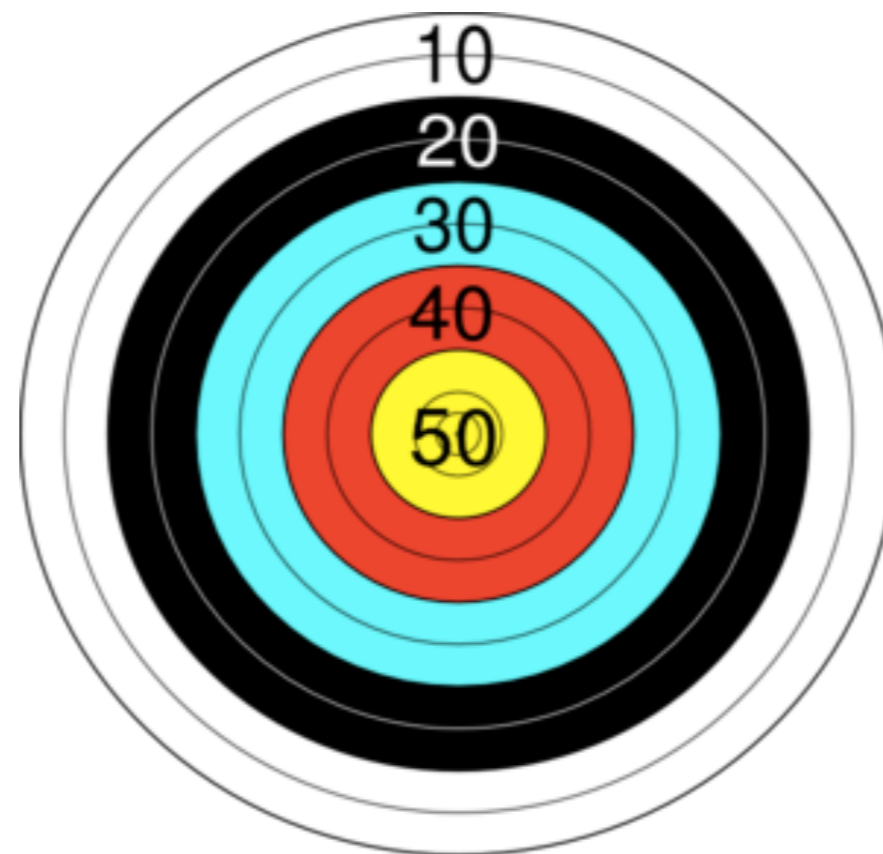
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Positioning Statement: Who need – the PROBLEM

KEY CONCEPT – Define the Problem precisely



For -
Who Need -

Define your **Target Market & Buyer**
Define **precisely** the **BUYER PAIN / PROBLEM / NEED**



Positioning Statement: Who need – the PROBLEM KEY CONCEPT – Make a BIG Impact

Motivation

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

Magic Box Paradigm – Ezra Roizen



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:



Positioning Statement: FitBrains

FOR: females age 35 to 55 in North America

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

FITBRAINS IS:

THAT PROVIDES:

UNLIKE COMPETITORS:

OUR PRODUCT:

FITBRAINS ALSO PROVIDES:



Elements of a Positioning Statement

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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 Ideal Customer.

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



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Positioning Statement: Product X is – category

KEY CONCEPT – Positioning & Connecting



Search criteria that describes how Customers find YOU

Product X is

Define your **'sandbox'**

Make it is easy for a potential Customer to **find** you and **understand** what you do
Your Objective from a Google search – be on the 1st page

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



ACETECH

Positioning Statement: That provides – your Solution
KEY CONCEPT – Benefits & Value Win the deal

Your RESCUE for the PROBLEM of the CUSTOMER



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



Terminology - Your Value

KEY CONCEPT – you Win by having the most Value

Key Definitions:

Feature - What your product does

Benefit – The gain that the Customer derives from your Feature

- Measurable and/or Tangible – Logical (IQ)
- Hard to Measure and/or Intangible – Emotional (EQ)

Costs – All Customer costs including your Solution Price

Your VALUE = Benefits (less) All Costs



You WIN by being best Value:

Your Company

Benefits

-

Costs



= Your VALUE

The Competition

Benefits

-

Costs

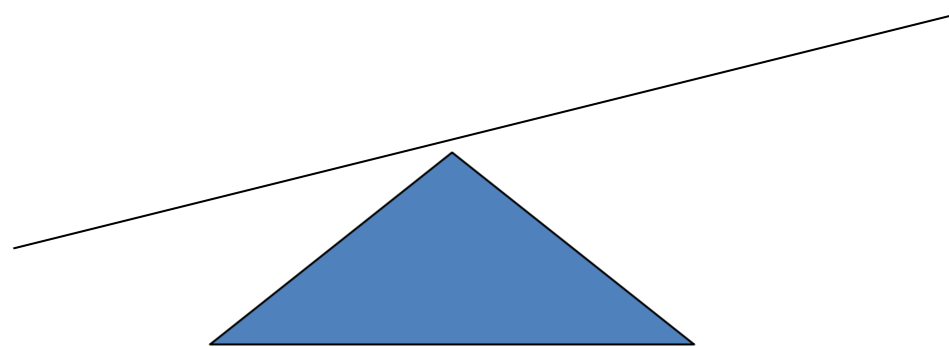


= Their VALUE

Your Company's VALUE

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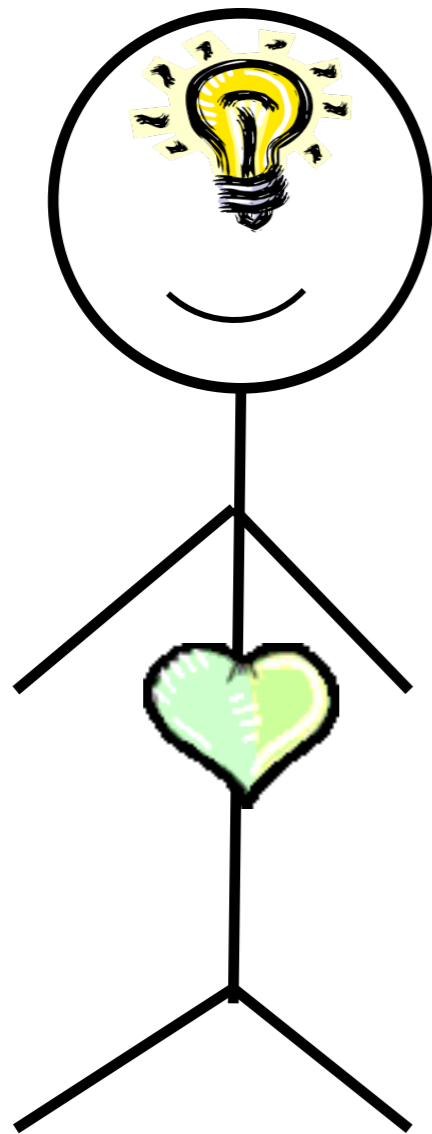
Competitor's VALUE



AND the Customer AGREES !!



How a Customer decides



Logical /
Data



Emotional /
People

The Prospective Customer decides that **Your Solution's Value outweighs** other choices.

QUANTATIVE – Your Value is **provable**:

- Your Solution fits like a glove
- A Return on Investment Measure - (ROI)
- Reference(s). Risk reduction

QUALITATIVE - **You create Trust & Belief in Yourself and therefore your Solution**:

- Trusted Advisor - you will **deliver** the proposed solution
- You and your solution meets the **Customer's Emotional Needs** the best



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



'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 Customer
- Concerned about the feature content and fit – will it really solve the PAIN the best?
- Do they Trust you to deliver on your Value Proposition?
- You must find a **Champion** for your Solution in this group

Technical Buyer – can only say No

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

Economic Buyer – the Decision Maker - FINAL say for Yes or No

- Concerned about best Value / ROI
- The Role that decides you **WIN**



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 convenient 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:

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Exercise

Exercise #2

~ 10 minutes

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 their need and your Product fits that need. And they find you

Value – a clear statement of what the Value is that the customer is receiving.



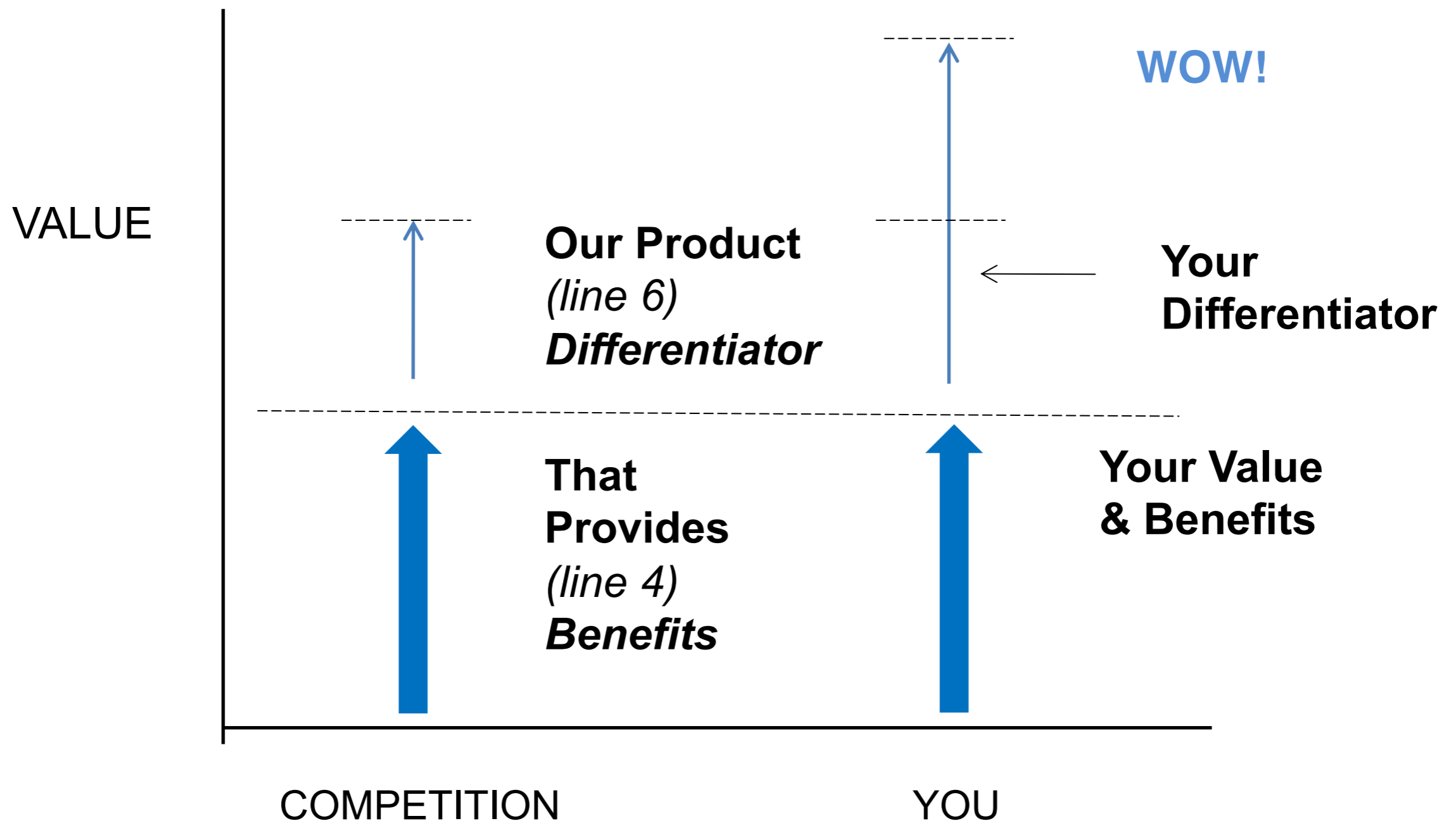
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Positioning Statement: Our product - differentiator

KEY CONCEPT – the extra that closes the deal





ACETECH

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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

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WHO NEED: to maintain their brain acuity in an effective and convenient 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 and weaknesses

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



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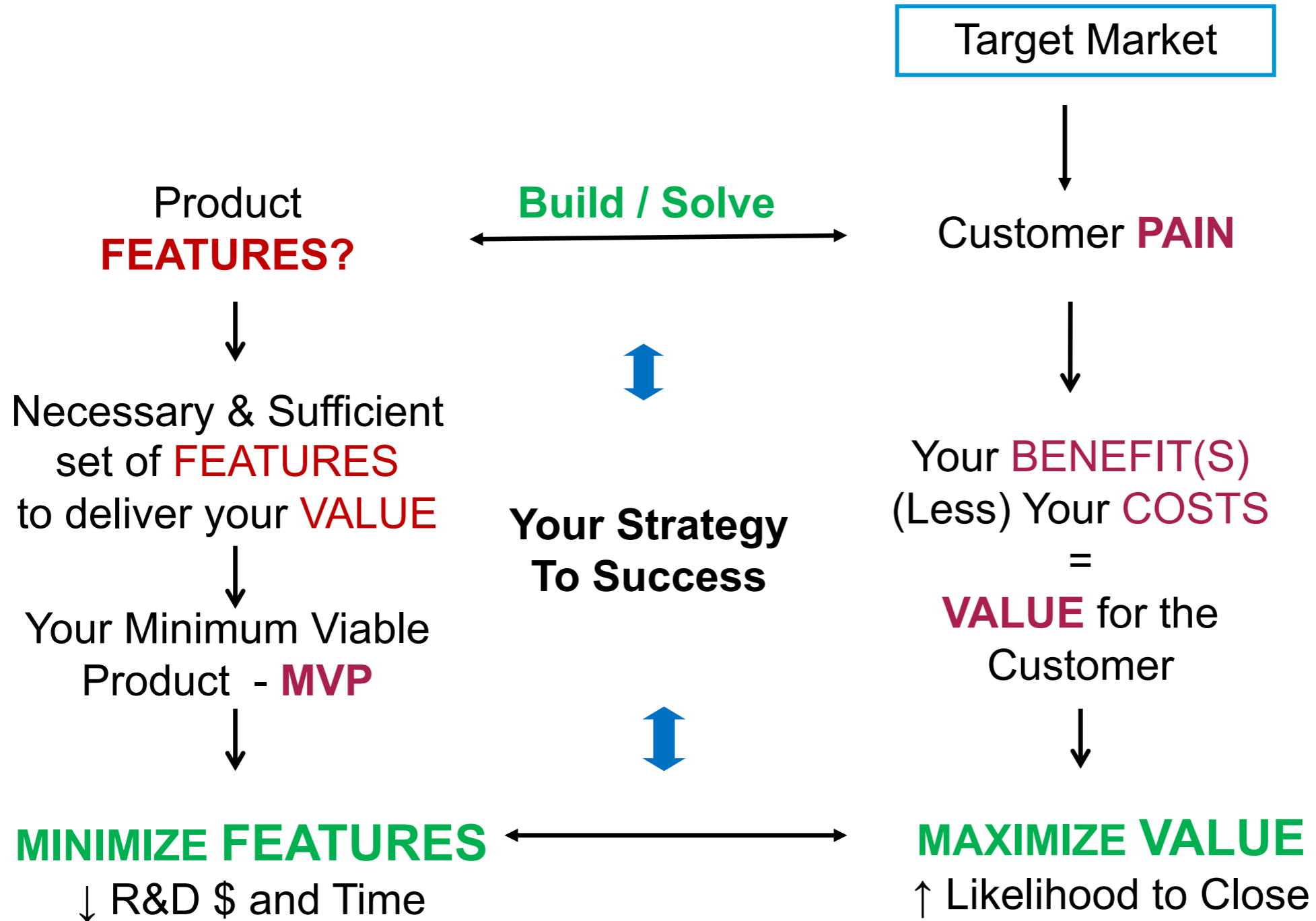
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Connecting Features & Value – your GOAL!





Why the Positioning Statement is Important!

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 retrys

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!**



Summary

Walk in the shoes of a Customer, always! Think VALUE!

Find clear and big PAIN, 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

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

John Chambers – CEO, Cisco





“Assessing the Opportunity”

2. Your Market Opportunity

- Is it realistic?
- Is it worthwhile?



Is this a Worthwhile Opportunity?

KEY CONCEPTS

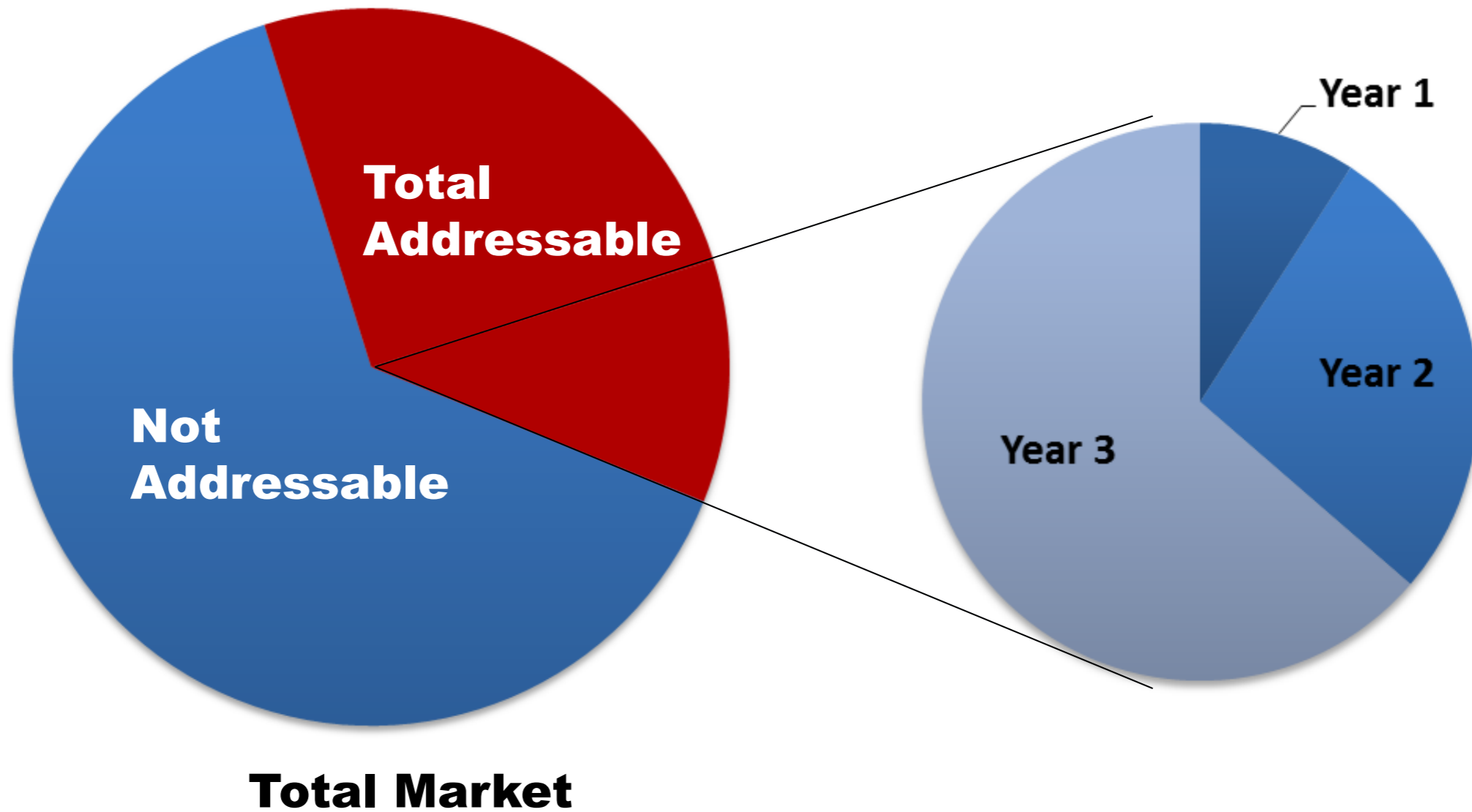
How **Big** can this Opportunity become?

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!

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