

RUFORUM

Entrepreneurship Training

Problem Identification

27th July 2020

Setting the scene

The New Entrepreneur

Conventional Business Knowledge	The New Entrepreneur
Follow your passion	Live in the future, build what is missing
Start with a business plan	Talk to users, build product
Sell to as many people as possible	Find 100 people that love your product
Find the best advisors if you are a 1 st time founder	Grow at 10% per week

Types of Entrepreneurs

Factor Driven Entrepreneurs

Drive by survival, characteristic of low cost efficiencies in the production of commodities or low value-added products.

Efficiency-driven Entrepreneurs

Driven by the need to increase efficiency of production processes and increased product quality.

Innovation Drive Entrepreneurs

Driven by scale, pursue global opportunities based on bringing to customers new **innovations** that have a clear competitive advantage and high growth potential.

Module 1: Training Expectations

- understand the problem solving approach to building a business.
- Identify opportunities created by COVID-19
- Learn the basics of design thinking as an approach towards identifying problems and developing solutions
- Building and testing solutions

Business = Hypothesis

If I make product X, the market will buy it.

a proposition made as a basis for reasoning, without any assumption of its truth.

Data Proves a hypothesis.

Profit is the main data point that proves a business hypothesis.

It starts with a problem that you want to solve!

Types of Problems

Social Problems SDGs

Problems listed in the SDGs

Frequent Problems

Mobility
Communication
Dirt

Mandatory Problems

Unemployment

Urgent Problems

Refuges

Regulatory Problems

COVID SOPs

Big Problems

Unemployment

What Problem does your business want to Solve?

The SDGs



<https://sdgs.un.org/goals>

The AUC Agenda 2063 Goals



<https://www.un.org/en/africa/osaa/pdf/au/agenda2063-presentation.pdf>

AFDB Hi 5 Goals



Problems brought by COVID-19

Social Problems SDGs

Unemployment.

Frequent Problems

Limited Mobility.

Mandatory Problems

Need to wear face masks.

Urgent Problems

Death.

Absence of a Vaccine.

Regulatory Problems

SOPs adherence.

Big Problems

Unemployment.

Hunger.

What Businesses do these present?

The Solution

The Unique Idea that solves the problem (Technology, Product, Service etc)

Never start with the Solution.

Key Insight – Why You, What is your unique Advantage?

Founder Ability

- Education.
- Special Skillset and industry experience.

Product – Better than what is existing

- Production breakthrough (Increasing fresh juice shelf life)

The Market – Size, Growth, Access

- New market segment
- Underserved market & unique opportunity

Acquisition strategy

- Unique way to acquire customers (Contract with 100 schools to supply juice)

Case Kazeire

(This drink does not taste good but has grown to a \$3m business)

Problem: Poor health in lower income and informal communities in Uganda.

Solution: Off the shelf herbal drink providing much needed nutrients and other health benefits

Unique Advantage

Founder Ability: University education & unique knowledge on how to produce herbal medicine.

The Market: Growing demand for food supplements and need to fight non communicable diseases. No regulation on health drinks.

Product: First mover targeted at informal & rural market segments

Acquisition strategy: Hospitals, Physical stores, Wholesalers.



Task 1

Problem Identification

Using the link <https://bit.ly/3hyc6N6> to define your business problem

Validating the problem & Creating the Solution

Design Thinking

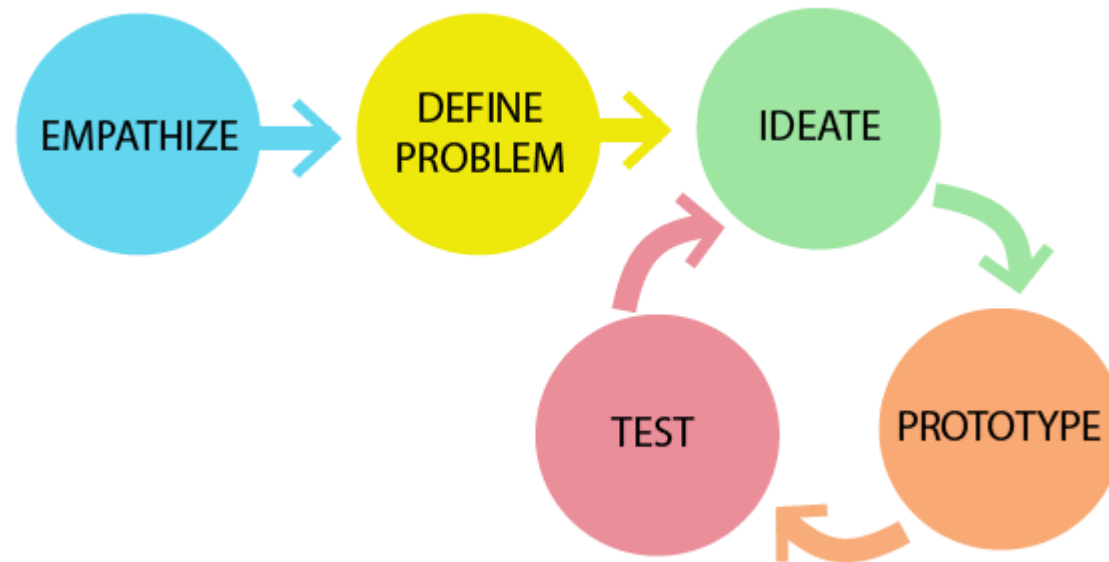
“Design thinking can be described as a discipline that uses the designer’s sensibility and methods to match **people’s needs** with what is **technologically feasible** and what a **viable business** strategy can convert into customer value and market opportunity.”

Tim Brown (Ideo)

Design Thinking Basics

A process that facilitates human centered creative design

Solution/Product Development = Design Process.





EMPATHIZE

Understand


1. Understand your customer
2. What is their need?
3. Who are they?
4. What do they do?



DEFINE PROBLEM

Insights

1. Create personas
2. Define the users needs
3. Define insights



IDEATE

What

1. Create solutions
2. Product/Service ideas



PROTOTYPE

MVP

1. Develop most simplistic product version
 - Blend juice
 - Home made yoghurt
 - Iframes for application



TEST

Validate

1. Test target market reaction to product based on set variables
 - Acceptance
 - Taste
 - Collect feedback

Building a prototype/MVP

Development of the most basic version of a product that can still be released.

1. Should have enough value that people are willing to use it.
2. Provides enough value for early adopters.
1. Provides feedback loop to guide future development



MVP 1



MVP 2



MVP 3



MVP 4

Testing your Prototype

1. Does my solution solve the customers problem?

- You fully understand the customer problem

2. Define testing metrics

- Units sold
- Number of customers engaged.

3. Produce simplified version of your desired product and test against set metrics.



Task 2

Run a design sprint with some of your customers, empathize and understand their problems.

Define the basic prototype/MVP you would like to develop.

How will you test your prototype

Resources to be shared

1. Design Sprint Format.

Recap

1. Business always starts with a problem.
2. Understand your unique advantage as you start.
3. Use design thinking to understand your customer (Empathize), Define their problem, Ideate on solutions, Build prototypes and test to validate. Iterate, iterate until you get it right.
4. Always build a simple MVP and always talk to your customers.