

## Worksheet: First Description of the Solution Concept

### Content and Purpose

#### Author

Dr. Stefan Werner Knoll; Transfer- und Gründerzentrum (TUGZ) Project TUGZ Founders, Otto-von-Guericke University Magdeburg

#### Target Audience

This worksheet is intended for founders in the initial phase, who in addition to a startup idea, have some assumptions about a possible *target market* and their related *customer needs*.

#### Objectives

The objectives of this worksheet are:

- The founders think about the core functionalities of an offered product or service.
- The founders know how to define a *solution concept* and think about the resulting customer values.

#### Results

The result of this worksheet is a description of a *solution concept* that satisfies possible *customer needs* of an intended *target market*. This description forms the basis to think about the *business model* and the *problem-solution-fit*.

To achieve an optimal result, it is recommended to work together with a startup advisor.

doi: 10.24352/UB.OVGU-2017-029 (15/05/17)

#### Founders Playbook

This worksheet belongs to chapter *1.3 Solution Concept* of the **Founders Playbook** ([www.founders-playbook.de](http://www.founders-playbook.de)). Participants should use the worksheets of the Chapters *1.1 Customer Need* and *1.2 Target Market* before using this worksheet.

#### Motivation

With the description of the *solution concept* a startup answers the questions:

- What functionalities does a product or service need to provide to satisfy the *customer needs* of an intended *target market*?
- What *values* are generated by the product or service for the intended *target market*?

The answer to these questions are existential, since the most frequent reason for the failure of a startup is the development of an offer which provides no or only a minimal added value for the *target market*. The best chances of success exist if the *solution concept* efficiently meets a strong *customer need* of a *target market*.

## Potential Solution Concepts

Consider the identified *customer needs* (worksheet 1.1 *Customer Needs*) and think about possible attributes of our product or service:

- How do you intend to satisfy the possible *customer needs* of the *target market*?

The description of the resulting *solution concepts* should name the *target market* and the *customer needs*.



Collect a list of potential *solution concepts*.

## Customer Values of a Potential Solution Concept

One way to identify a *customer value* is to use a guided brainstorming process using specific types of customer values as a stimulus. Such stimuli can be summarised by the acronym **PERFECT**:

- **P**roblem: The *solution concept* solves a problem of the *target market*. Resulting *customer values* may be related to legal, financial, organisational, technical, logistical, qualitative and personal problems.
- **E**nvironment: The *solution concept* improves the environment of the *target market*. Resulting *customer values* may improve connectivity, environmental friendliness or the compatibility of processes and objects.
- **R**isk: The *solution concept* minimises a risk for the *target market*. Resulting *customer values* may be related to legal, financial, physical, health, emotional or social risks.

doi: 10.24352/UB.OVGU-2017-029 (15/05/17)

- **F**eeling: The *solution concept* creates a positive feeling for the *target market*. Resulting *customer values* may be related to emotions such as pride, joy, fun, respect, or security.
- **E**fficiency: The *solution concept* increases the productivity of the *target market*. Resulting *customer values* may be related to the reduction of needed resources such as time, material or workforce of existing processes.
- **C**onvenience: The *solution concept* improves the comfort for the *target market*. Resulting *customer values* may improve ergonomics, accessibility or simplicity of existing processes and objects.
- **T**otal Costs: The *solution concept* reduces the cost of the target market. Resulting *customer values* can be related to money, attention or the required space for a machine.

Use the **PERFECT** list as stimuli to describe possible *customer values* that result from a possible *solution concept*. Try to answer the following question:

- What is the benefit of the described *solution concept* for the *targeted market*?

The description of the resulting *customer value* should name the *target market* and the *solution concept*.



Collect a list of possible customer values for each of the potential *solution concepts*.

## Quality Check

Questions to check the quality of your *solution concepts*:

- Is your *solution concept* **understandable**?
  - Does a child understand why your *solution concept* satisfies the *customer need* of the *target market*?
- Is your *solution concept* **efficient**?
  - Does your *solution concept* describes a simple way to satisfy the *customer needs* of the *target market*?
- Is your *solution concept* **universal**?
  - Does your *solution concept* describes an approach that can also be used to satisfy different *customer needs* at the same time?
- Is your *solution concept* **valuable**?
  - Does our *solution concept* generates a value for the *target market*?