

THE 1-PAGE BUSINESS MODEL

THE SIX FACTORS FOR A SUCCESSFUL BUSINESS MODEL

F1 - Job To Be Done

There has to exist a Job To Be Done (see a need, fill a need).

Write down here all the Jobs To Be Done that you have identified.

Choose the most important job to work on.

F2 - A Complete Solution

You need to develop a complete Solution (a product, service, and experience bundle) for that Job To Be Done.

Develop and describe here a complete solution for the chosen job.

F3 - Prospective Customers Agree

Prospective customers need to recognise that they have a Job To Be Done and agree that your Solution is the best alternative that they are aware of (doing nothing is an alternative).

Ask your target customers if they accept that the job you have identified is important to them and whether your solution satisfies that need.

What percentage of the total customer segment agree?

F4 - Prospective Customers Are Prepared To Pay

Prospective customers must be prepared to pay the price that you need to both ensure your business's success and to achieve your goals (sell price greater than costs, and then some). You have a Business Model viability issue if you get to this point having satisfied all the above only to find that prospective customers don't value your solution enough to want to pay for it.

Try to sell your Minimum Viable Solution (or complete solution).

How many sales did you get?

F5 - Prospective Customers Exist

Prospective customers must exist in enough numbers (if you need 100 per week but in all likelihood will only ever have 50 during a good week, you have a Business Model sustainability issue). Have you determined the number with a Break-even Analysis?

With F3 and F4 you are likely working with a sample of the target customer segment population. The number of customers who agree in F3 is going to be less than the population and in F4 the number is going to reduce again.

Are there enough customers left?

F6 - Customers Advocate

Customers must be so pleased with your Solution, that they are prepared to advocate on your behalf, to in effect, sell your Solution for you – satisfied customers are not necessarily loyal and nor are they sufficient, you need advocates. This is all about once having made initial sales (gained traction), you maintain and grow that traction with word-of-mouth evangelism.

This is a longer-term goal, but the foundations for achieving it must be laid when developing the solution.

Do your customers advocate?

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HANDBOOK

INTRODUCTION

There are 100s if not 1000s of things to get right to build and then run a successful business, but before we get overwhelmed by the enormity of the task ahead, we can start by looking first at the *Six Factors For Success* we need to understand to develop a successful Business Model.

The Six Factors For Success appeared in the book *Starting a Business - With Facts, Not Faith*, Glyn Davies, July 2019. For more information on Business Model development and starting a business, please refer to that book.

To use the 1-Page Business Model, print it out as large as you can. Then either, write directly onto it, or preferably use Post-it®-type sticky notes to make your entries. Even though the 1-Page Business Model looks and is conceptually simple, it is unlikely that you will be able to complete it in *one go* sitting behind your desk in your office - you're going to have to get out of the office to test and prove your hypotheses (guesses).

The remainder of this handbook discusses the Six Factors For Success in more detail.

TERMINOLOGY

Term	Definitions
Customer	Someone who pays to use your solution .
Experience	"An event or occurrence which leaves an impression on someone." en.oxforddictionaries.com .
Jobs To Be Done (JTBD)	See explanation below.
Problem	I consistently refer instead to Jobs To Be Done, whereas some authors write about a <i>problem</i> or <i>challenge</i> to be solved.
Product	Tangible results such as <i>things made for you</i> . In addition, where some authors use the term <i>product</i> , I have chosen to use the term <i>solution</i> . Please also refer to <i>services</i> below.
Risk	"The possibility that something unpleasant or unwelcome will happen." en.oxforddictionaries.com .
Services	Intangible results such as <i>things done for you</i> . In addition, where some authors use the term <i>service</i> , I have chosen to use the term <i>solution</i> . Please also refer to <i>products</i> above.
Solution	A solution is a bundle of ((Products and/or Services) and Experiences).
User	Someone who uses your solution without paying.

Notes:

- Throughout this handbook, selected terms are hyperlinks to more detailed definitions or explanations.
- On the website DontThinkCheck.co.nz, you can search for terms. Glossary items and posts will provide more detail.

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F1 - JOB TO BE DONE

“See a need, fill a need!” Bigweld, Robots movie, 20th Century Fox.

Clayton Christensen explains Jobs To Be Done in this [video](#) and provides this definition:

A job is defined as the progress that a customer desires to make in a particular circumstance.

The Theory of Jobs to Be Done requires that we:

- Focus on deeply understanding the customers’ *struggle for progress, in specific contexts*.
- Understand the trade-offs the customers’ are willing to make, the set of competing solutions that must be beaten, and the anxieties that must be overcome.
- Create the right solution system with an attendant set of experiences, that satisfies the customers’ functional, social, and emotional requirements, that solves the customers’ jobs well, every time.

It is not about products [or services] as such. *Competing Against Luck*, Clayton Christensen.

So how do you go about finding jobs that need doing? Well, that’s an integral component of being an entrepreneur. Entrepreneurs will:

- Be observant and notice that people are trying to make progress in certain circumstances.
- They may see jobs that are not being done.
- They may struggle themselves in trying to make progress but are frustrated by the lack of tools or facilities to achieve that progress easily or at all.
- They may *dream up* a solution for a job that no one thought could be improved on, where the job is so accepted that it has become *invisible* to our everyday consciousness.

Whatever the genesis of the job that needs doing, whether the job is implicit or explicit, and whether people are consciously aware of the job’s existence or not, a job (need) must first exist.

Again, my often-repeated quote:

“Build it and they will buy is not a strategy, it is a prayer,” “you cannot create a market or customer demand where there isn’t customer interest.” *The Four Steps to the Epiphany*, Steve Blank.

F2 - A COMPLETE SOLUTION

You need to provide a complete solution to customers’ Jobs To Be Done. Incomplete solutions or poorly delivered complete solutions will not be acceptable.

As an integral component of your solution, you need a Unique Value Proposition (UVP). A UVP, also known as a Unique Selling Proposition/Point (USP), is a solution that is to some degree unique to you and what you alone can provide. It is the *set of customer benefits (value)*, that makes your solution different from and better than the competitors’. The value provided could be qualitative, such as design attributes or customer experiences, or quantitative, such as price, weight, and speed.

In the past, your UVP might have been that your solution was the only one in the market. These days, even if your solution is the only one *currently* in the market, it isn’t likely to be so for long. So, assuming that your solution isn’t alone in the market, how are you going to answer the questions “why you?” and “why your solution?”

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If any aspect of your solution or UVP can be copied by your competitors, it probably will be. However, your UVP need not be a single benefit, it could be a *bundle* of benefits, such as, ease of solution discovery, ease of solution evaluation, ease of solution procurement, ease of solution use (fit for purpose and expectations), excellence in solution servicing and maintenance, and ease of disposal after use. There are many examples, such as Southwest Airlines, where everything that they do, such as on-time departure and friendly staff, can be copied by its competitors, but what its competitors find difficult to consistently emulate is *the whole bundle* of benefits that they provide.

On the path to providing the full solution, it is common to provide a Minimum Viable Solution (MVS). The MVS is a minimum bundle of benefits worth paying for, which customers buy, and from whom you gain valuable feedback. The MVS is a low-risk mechanism to get customer feedback compared to the high-risk approach of waiting until the solution is complete before unleashing it on customers; only to find it is not what they wanted. The MVS is a mechanism to validate the JTBD and Solution hypothesis. As much as the MVS is a partial solution, but still a bundle of benefits worth paying for, it must within its *minimal* functional scope be complete, working, well delivered, and serviced. You can't simply *throw an MVS over the fence and hope for the best*, and neither should you give the MVS away, as the price is an important component of the solution.

F3 - PROSPECTIVE CUSTOMERS AGREE

Prospective customers need to recognise that they have a Job To Be Done and agree that your Solution is the best alternative that they are aware of (doing nothing is an alternative).

It's one thing to identify a Job To Be Done, or at least a job that *you* think needs doing, it's quite another to have prospective customers agree with you. Having gotten prospective customers to agree that they indeed have a job that needs doing, they then need to be convinced that your solution is the best alternative.

The business environment is very competitive, so your solution bundle must as a whole, be more attractive than the competitors'; see the previous section about your UVP.

F4 - PROSPECTIVE CUSTOMERS ARE PREPARED TO PAY

Prospective customers must be prepared to pay the price that you need to both ensure your business's success and to achieve your goals (sell price greater than *all* costs, and then some). You have a Business Model viability issue if you get to this point having satisfied all the above only to find that prospective customers don't value your solution enough to want to pay what you want for it.

People sometimes forget about the full cost of providing solutions. It's easy to go to the shops and view competitors' offerings and then match them on price. But sale price is only part of the question, the other is, what are all the costs, both fixed and variable, that you incur when making, supplying, and servicing your solution? The sale price is irrelevant if you don't know what your costs are and are selling your solutions for less than what they cost to make. Insanity!

I had a client ask me, "my engineering workshop's standard hourly charge out rate is \$75 per hour, do you think it is enough? I know other workshops are charging the same." I answered, "well I don't know, what are your costs?" The reply was, "I don't know, but do you think \$75 is enough?"

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F5 - PROSPECTIVE CUSTOMERS EXIST

Prospective customers must exist in enough numbers (if you need 100 per week but in all likelihood will only ever have 50 during a good week, you have a Business Model sustainability issue).

You might have identified an important Job To Be Done, and made it to this stage of your analysis, but a big question is, are there enough prospective customers, both first-time and repeat customers (depending on the solution), to sustain your Business Model? Of the total population of prospective customers in the market segment, how many can you realistically capture?

To estimate how many units you will need to sell, and therefore how many customers you will need, you can perform a [Break-even](#) Analysis. You *break even* when your level of sales just covers your costs. See [this post](#) for a discussion of Break-even Analysis, a worked example, and links to a couple of Break-even Calculators.

If you are making newborn baby products for instance and your break-even analysis suggests that you need to sell 60,000 units every year, then you may have a challenge, as in 2017 there were only 59,610 live births in New Zealand, [stats.govt.nz](#). And what is the probability that you can capture and then retain the whole market?

F6 - CUSTOMERS ADVOCATE

Customers must be so pleased with your Solution, that they are prepared to advocate on your behalf, to in effect, sell your Solution for you – satisfied customers are not necessarily loyal and nor are they sufficient, you need advocates. This is all about once having made initial sales (gained traction), you maintain and grow that traction with word-of-mouth evangelism.

Every aspect of the product, service, and experience bundle that goes into making your solution should be deliberately designed to achieve the best impression on customers as possible.

People are not impressed if you supposedly exceed expectations but fail to provide the basics.

Exceeding expectations is a fraught concept because with regular customers, based on this concept, they will have escalating expectations with no end in sight. The intent behind the concept is fine but one has to be careful as to what is implied or what the result could be.

How many businesses treat their customers as if they were honoured guests into their house? Why are customers not treated like you would those guests? Do you cheerfully greet your customers as the important people who put *bread on your plate for you and your family*? How differently would you treat people if their custom was literally the difference between you and your family eating or not?