Build a Profitable Business Workshop
Tell us about you and your business

1) Your name
2) Business name
3) Business stage (idea, early, growth, late)
4) What product (do/will) you offer customers

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DERICK THOMPSON is a serial entrepreneur and founder of StartupRunner which inspires, educates and equips entrepreneurs to build profitable businesses. He is the author of Build a Profitable Business and the catalyst for Build a Profitable Business groups around the USA.

He has founded a number of businesses including DailyDigital and BizHive.com, where he served as chief growth / product officer. He has advised on business, marketing and product strategy for startups, venture capital firms, and large companies, including Sprint. Derick actively invests with the Central Texas Angel Network, and he is venture fund manager at StartupRunner Capital.

Derick lives in Austin, TX with his wife and dog
10 steps you can take to build a profitable business

1. Figure out where your passions intersect with a customer’s need.
2. Commit to being a customer focused entrepreneur.
3. Learn how to listen to your customers.
4. Define the value you want your business to create for customers.
5. Discover the value customers want your business to create.
6. Pick a primary value proposition for your business.
7. Identify a beachhead market of customers.
8. Focus on your beachhead market of customers.
9. Create a repeatable business model.
10. Stop building a business that won’t be profitable.
Steps 1-3 are about you the entrepreneur

1. Figure out where your passions intersect with a customer’s need.
2. Commit to being a customer focused entrepreneur.
3. Learn how to listen to your customers.
Steps 4-7 are about your customers

4) Define the value you want your business to create for customers.

5) Discover the value customers want your business to create.

6) Pick a primary value proposition for your business.

7) Identify a beachhead market of customers.
Define the value you want your business to create for customers.
Value proposition formula

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

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What job can you help customers get done

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

Ex: prepare annual tax returns (functional)
Ex: appear trustworthy (social)
Ex: feel peace of mind about an IRS audit (emotional)
Identify customer segment trying to get job done

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

Ex: Millennial small business owners (name)
Ex: Live in Austin, TX, likes coffee, is health conscious, married, makes $100K+, owns a small business (demographics, psychographics, geographic)

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Identify obstacle to getting job done

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

Ex: embarrassment about an IRS audit (emotional pain)
Ex: confusion about what the IRS is asking on tax forms (functional barrier)
Ex: being shunned by friends because of an IRS audit (social consequence)

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Identify outcome customers want to experience

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

Ex: IRS accepts tax return (required)
Ex: IRS doesn’t perform an audit (expected)
Ex: Tax refund received (desired)
Ex: Large unexpected tax refund received (unexpected)
Then define your product to deliver the value

Our [product] helps [customer segment] complete a [job to be done] relieving [pain] creating [gain].

Ex: Tax Prep
Ex: $299 Flat Rate Tax Prep
Step 5 to build a profitable business

Discover the value customers want your business to create.
Step 6 to build a profitable business

Pick a primary value proposition for your business.

EX: Our [Tax Prep] helps [millennial small business owners] complete a [prepare annual tax returns] relieving [confusion about what the IRS is asking on tax forms] creating [large unexpected tax refund received].
Step 7 to build a profitable business

Identify a beachhead market of customers.
Map primary value proposition to $150M beachhead market constricted by customer segment characteristics

Three key characteristics

1. The customers within the market all buy similar products.
2. The customers within the market have a similar sales cycle and expect products to provide value in similar ways.
3. Word of mouth communication exists between customers in the market.
Verify you have enough customers in your beachhead

$150,000,000 = \text{number of beachhead customers}

total revenue per customer per year
Focus on your beachhead market of customers.
Create a repeatable business model.
Step 10 to build a profitable business

Stop building a business that won’t be profitable.

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