

Intrapreneurship In Enterprising Families



Action Guide

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Overview of the Action Guide

Welcome to the Learning Guide for Intrapreneurship in Enterprising Families! This guide contains key information from the course that you may want to refer back to on your intrapreneurial journey. As well, the guide contains instructions and templates to complete the exploration activities.

Introduction

What is an Intrapreneur

An intrapreneur is someone who transforms a dream or idea into a profitable venture through innovation and creativity, within the context of an existing organization.

<i>What is your description of an Intrapreneur?</i>

Section 1 - Setting the Stage

Intrapreneurs vs Entrepreneurs and Managers

Activity	Entrepreneur	Intrapreneur	Manager
Task Management	Is independent and starts new ventures	Is Independent and innovates new ideas	Is supervisory rather than directly involved
Risk	Personally bears all the risks and uncertainty	Personally owns moderate risk	Does not bear any personal risk but manages the company's risk
Rewards	Receives reward that is 100% dependent on the success of the venture	Gets fixed rewards for his/her work and may get extra for innovations	Works for fixed salary (possibly plus bonus)
Innovation	Is very innovative	Is innovative	Focuses on managing and need not be innovative him/herself
Decision-Making	Is involved in all relevant strategic decisions of firm	Has moderate involvement, limited to his/her own work	Implements the decisions of task management

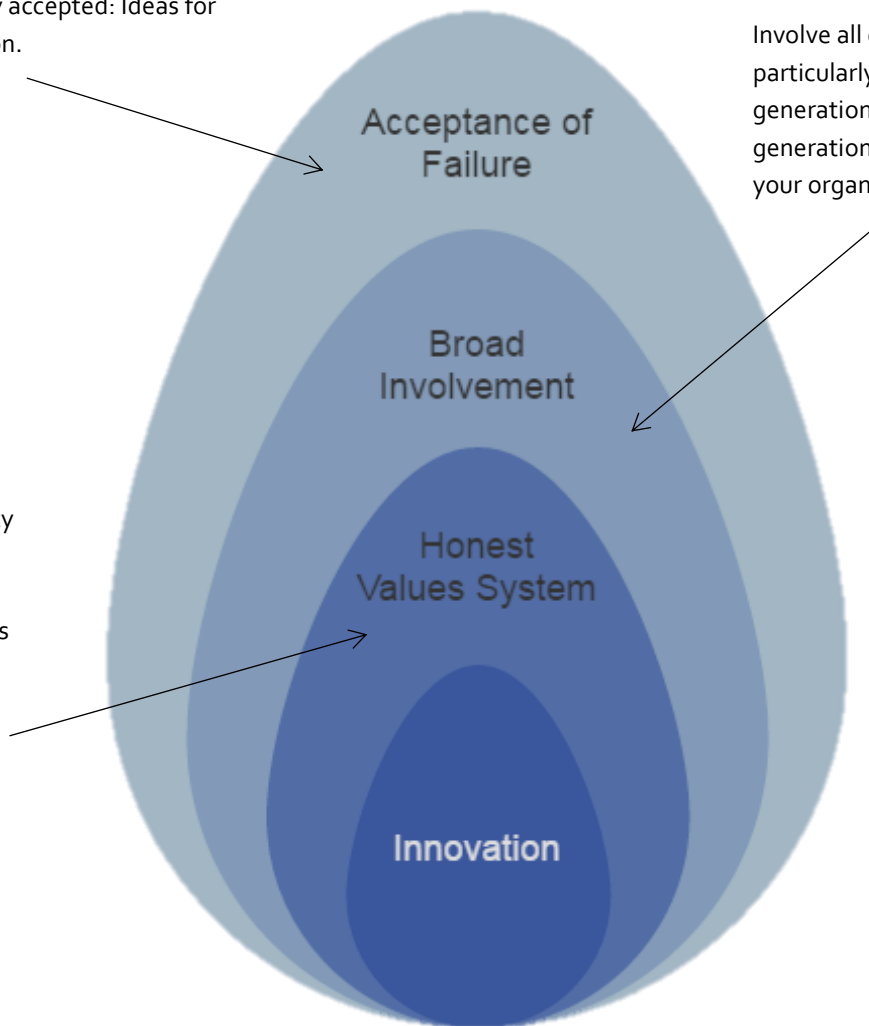
Elements of a Culture of Intrapreneurship

How to Develop an Intrapreneurial Culture

Establish a business culture where failure is broadly accepted: Ideas for your organization.

Involve all employees, particularly the rising generation, in the idea generation process: Ideas for your organization.

Promote and reward the ability to adapt to change and innovation: Ideas for your organization.



Roles of the Senior Generation

1. **Encourage involvement:** Encourage early and ongoing involvement of the rising generation in strategic decision-making for the firm. Clearly, this is core to the “Broad involvement” element of an intrapreneurial culture. Ex. *“Why don’t you talk to manufacturing about your idea? That approach could help solve a difficult problem they’ve run into.”*
2. **Coach and Mentor:** Coach the rising generation on how to accomplish concrete short-term tasks to improve their performance. Mentor them to guide their longer-term development to achieve personal and professional success. Ex. *“I saw you were struggling a bit with the budgeting; let me show you a couple things you can do with these spreadsheets that might help.”*
3. **Share experience:** The rising generation needs to understand where the business is and how it got there. Sharing your valuable practical experiences will help them learn from your own lessons, setting the context for their own ideas and suggestions. Ex. *“At one point in the early stages, we ran into a similar challenge. Let me tell you how we addressed it back then.”*
4. **Offer seed capital:** Offer seed capital in a step-by-step fashion to take new ideas forward. Start by financing smaller projects and initiatives, and build a trusting relationship with the rising generation. You can start by supporting ‘gradually improving the status-quo’ projects to ‘novel and disrupting’ projects. Ex. *“I’ll allocate some funding to get you started on the market research; that would be a good place to start.”*

Roles of the Rising Generation

1. **Identify opportunities:** Identify and advocate for potential business opportunities. Don’t be shy about questioning the status quo but don’t be too critical about things that have been established so far. Ex. *“I understand when the company began it was a different era and there were fewer environmental restrictions, but I believe I have the answer to improve production with even less pollution.”*
2. **Don’t wait:** Take the initiative. Demonstrate your interest and emotional ownership in the business. Be sure to ask for the support and guidance you need from the senior generation. Ex. *“This isn’t really my mandate but I couldn’t help thinking, we might want to adapt our campaign to make sure we reach the 18-24 year-olds.”*
3. **Launch ventures:** Launch innovative ventures that will rejuvenate the business and develop the capital of the family as well as the business. Ex. *“I think a car sharing service would be a great line of business to complement our dealerships.”*
4. **Listen and learn:** Find out everything you can about the business, from how it started through the decisions and actions that have brought it to where it is now. Ex. *“I’m curious. Can you help me understand why we’re using XYZ company for inner city shipments, rather than XYZ?”*

Identify Actions and Obstacles

What actions can you take to promote a culture of intrapreneurship?

Record obstacles that you expect to encounter.

Planning your Next Steps

Preparation (Senior and Rising Gen Separately)

Step 1: The Senior and Rising Gen should each reflect on the actions you can take to promote a culture of intrapreneurship, and note any obstacles you expect to encounter.

Step 2: Take a moment to complete the following Intrapreneurial Assessment.

Exploration (Senior and Rising Gen Together)

Step 1: Compare your action and obstacle reflections and, together, brainstorm strategies to move forward.

Step 2: Review your assessment results – did you get the same results? Compare and discuss.

Actions and Obstacles

What Kind Of Company Do You Have?

For each of the following questions, choose the answer that most closely resembles your organization.

1. How does your organization go about encouraging intrapreneurship?

- a) Management has funds for intrapreneurial projects, which employees can access if they successfully pitch an idea
- b) A specific group (ex. a department) is offered coaching if they want to implement a new process
- c) Management uses both funds and coaching to encourage intrapreneurship
- d) It doesn't – but it's possible for an individual to get approval for a new idea/project if the opportunity arises

2. How is intrapreneurship supported in your organization?

- a) Funding and attention is provided to individuals/groups with new ideas, without a formal structure
- b) Coaching from a 'corporate veteran', along with a very limited budget
- c) Entire departments are devoted to developing intrapreneurial ideas
- d) Any support is provided on an ad hoc basis, depending on the project

3. What are your organization's inputs into intrapreneurship?

- a) Funding, the engagement of the executives, and personnel development
- b) 'Corporate veterans' to act as coaches, along with a small staff group from a business unit
- c) Independent department with leadership, full time staff and independent funding
- d) The time and energy of the individual driving the project

4. What are your organizations outputs from intrapreneurship?

- a) New concepts, within the strategic frame of the company
- b) New processes within the business unit that was involved
- c) New, self-sustaining businesses, possibly completely separate from the original business
- d) The idea/innovation of the person driving it (i.e, one-off outputs)

5. What are they key elements to successful intrapreneurship in your organization?

- a) Flexibility (ex. providing employees time in the work day to work on ideas)
- b) Access to expertise in building businesses, teamwork, and skill in networking (coaching)
- c) A team to implement ideas, personal motivation (ex. Career advancement)
- d) A 'project champion', who will see the idea through from start to finish

6. What are the typical challenges intrapreneurship faces in your organization?

- a) Too many ideas with no follow-through
- b) Finding 'business-builders' who will act as coaches

- c) Integrating successful projects with the core business
- d) A lack of structure and processes for potential intrapreneurs

7. How would you describe the way your company allocates resources for intrapreneurial projects?

- a) There is a fund specifically set aside for intrapreneurial projects
- b) Funding is likely to come from the unit/department that wishes to innovate
- c) There is a fully funded team dedicated to intrapreneurial projects
- d) Resources are ad hoc, depending on the project

8. How does your organization assign ownership of intrapreneurial projects?

- a) Ownership is all over the place, any individual or team can bring a project to the table
- b) Business units own the projects in their own department, with coaches to advocate for them
- c) A dedicated team is responsible for ownership of all projects
- d) Ownership belongs solely to the 'project champion' moving the project forward

9. How can employees get involved in intrapreneurship in your organization?

- a) They are given a percentage of time per day/week/month to work on projects
- b) Within their business unit, they can come up with new processes and innovations
- c) There are structures in place to turn ideas and innovations into self-sustaining units
- d) If someone has an idea, it is up to them to get approval, request funding and move it forward

10. Which of these best describes your organizations attitude about intrapreneurship?

- a) Employees can drive innovation, as long as they are supported by management
- b) With a coach to advocate for them, business units can innovate and design new processes
- c) Innovation is vital, and we need an entire team dedicated to driving it
- d) We'll give approval and funding for new innovation, if someone convinces us that it's a good idea

Add up how many a's, b's, c's and d's you scored on this questionnaire. Then, take a look at the descriptions below to find out which category your organization falls into!

You can learn more about the four models of corporate entrepreneurship by reading Wolcott and Lippitz' article here:

<http://sloanreview.mit.edu/article/the-four-models-of-corporate-entrepreneurship/>

The Enabler (mostly a's)

Your answers indicate that your company uses an 'enabler' model of fostering intrapreneurship. This model works from the principle that employees can drive innovation, if they are supported by the employer. For example, at Google, employees can spend 20% of their work time on intrapreneurial projects – this is an example of what an enabler model could look like. Generally, this model works best when the company has a collaborative culture and shares a common vision. Wolcott and Lippitz explain that “an enabler model depends on establishing and communicating simple, clear processes for selecting projects, allocating funds and tracking progress, all with well-defined executive involvement”. They also warn that personnel development for the employees and executive engagement are critical for successful intrapreneurship in this model.

The Advocate (mostly b's)

Your answers indicate that your company uses an 'advocate' model of fostering intrapreneurship. In this model, as Wolcott and Lippitz explain, “managers must tailor their initiatives to the interests of existing lines of business, and employees have to collaborate intensively throughout the organization”. Employees have ownership over intrapreneurial ideas and innovations within their own areas, but have assistance throughout the entire process. This model is great for companies that want to innovate within established divisions; however, they do require a lot of time and dedication from employees.

The Producer (mostly c's)

Your answers indicate that your company uses a 'producer' model of fostering intrapreneurship. In this model, the goal is to create new businesses, potentially self-sustaining and and/or disruptive, that can easily function outside of the original business. Wolcott and Lippitz explain this model as ideal when “a company seeks to conquer new growth domains, discover breakthrough opportunities or thwart potentially disruptive competition”. They also warn that building credibility and trust in the company is essential to the success of the producer model, because project teams can otherwise be seen as threats to the existing business.

The Opportunist (mostly d's)

Your answers indicate that your company uses an 'opportunist' model of fostering intrapreneurship. Though there is no system in place to drive intrapreneurial ideas, new ideas can be brought forward and followed up on by 'project champions', who work mostly independently to implement the new idea/project. Wolcott and Lippitz explain further, by saying “the opportunist model works well only in trusting corporate cultures that are open to experimentation and have diverse social networks behind the official hierarchy (in other words, places where multiple executives can say 'yes').” Additionally, this model works for an occasional innovation, but if the company is serious about growth, a more structured procedure needs to be put in place.



Section 2 – Developing Opportunities

Key Questions

1. ***What is the current business strategy?***

- Who are our customers?
- Why do they buy our product/service? What differentiates us from others?
- What is our unique selling proposition?

2. ***How has the business evolved?***

- How has the strategy changed since the business was started?
- What were the biggest challenges of the business to date? How were they overcome?
- Have there been changes to the product/service since the business started? If yes, what and why?

3. ***What would you have done differently?***

- If you could build this business from scratch, what would you do differently? Why?
- What would the impact have been? What would be different today?

4. ***What if resources were no issue?***

- If you had full access to resources, what would you like to do with this business?
- Can we achieve elements of this vision, given the resources available?

5. ***What are the greatest challenges and opportunities?***

- Where do you see the greatest challenges for the business in the next five years?
- What opportunities do you see coming?

6. ***Where is the industry going?***

- Is it growing?
- Is it becoming more or less dynamic/competitive?
- Are there major threats from new entrants

The Business Model Canvas

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners



Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS
Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities



What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES
Production
Problem Solving
Platform/Network

Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS
Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

EXAMPLES
Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES
Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES
1. Awareness
How do we raise awareness about our company's products and services?
2. Evaluation
How do we help customers evaluate our organization's Value Proposition?
3. Purchase
How do we allow customers to purchase specific products and services?
4. Delivery
How do we deliver a Value Proposition to customers?
5. After sales
How do we provide post-purchase customer support?

Cost Structure



What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE
Cost Driven (lowest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS
Fixed Costs (salaries, rents, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams

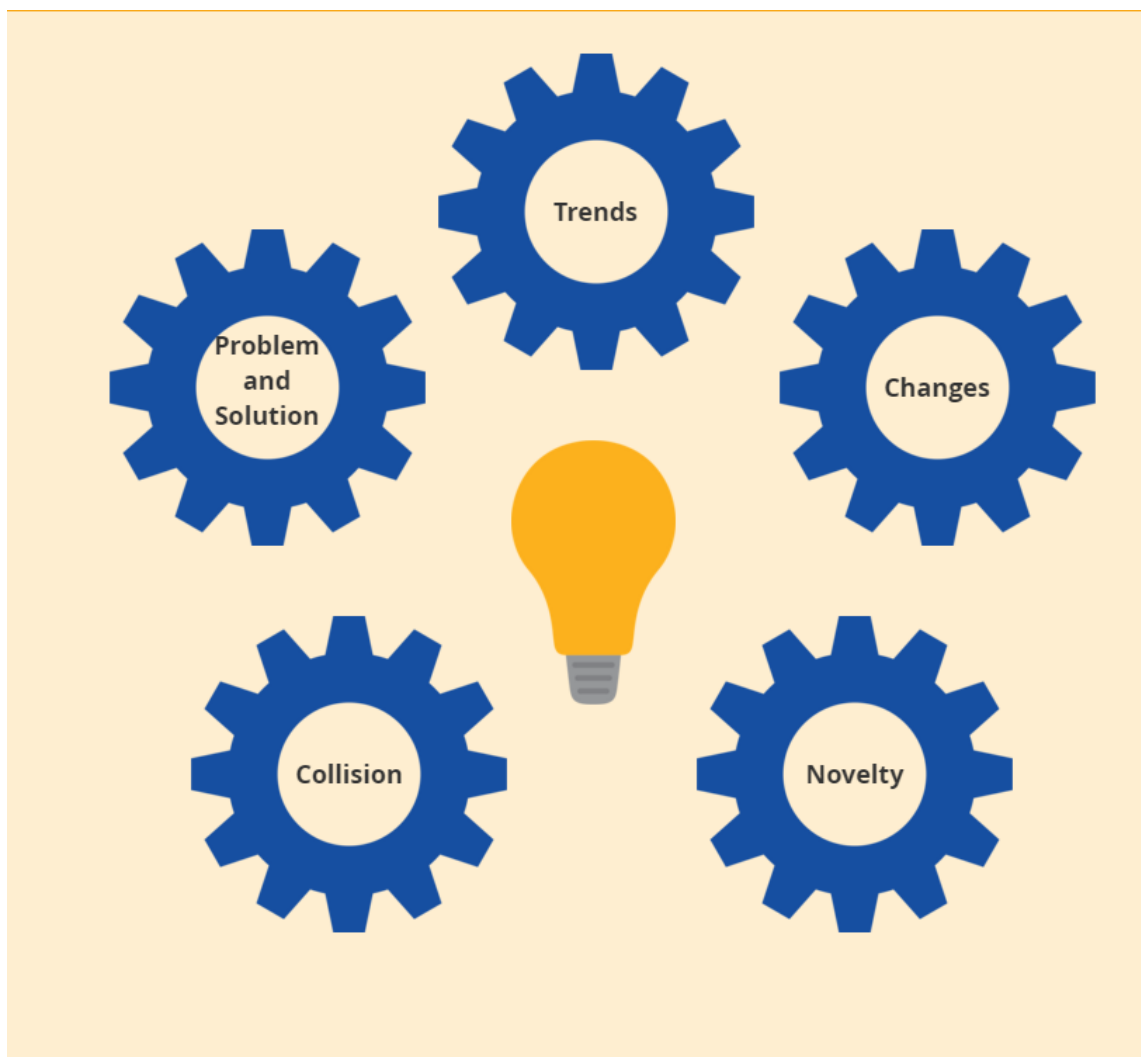


For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES	FIXED PRICING	DYNAMIC PRICING
Asset sale	List Price	Negotiation (bargaining)
Usage fee	Product feature dependent	Yield Management
Subscription Fees	Customer segment dependent	Real-time-Market
Lending/Renting/Leasing	Volume dependent	
Licensing		
Brokerage fees		
Advertising		

Generating Ideas

1. **Trends:** Observations of trends within the industry of the family business or an adjacent industry
2. **Changes:** Regulatory or political changes within the industry of the family business or an adjacent industry
3. **Novelty:** Development of a novel technology or service that can be pushed out into the market
4. **Collision:** Casual conversation with someone, where the collision of ideas forms new ones
5. **Problem and Solution:** Identification of a specific problem and the associated solution, such as problems with the business (e.g inefficient processes) or problems in the marketplace that would allow for the introduction of a new product or service



Which Ideas to Pursue



Industry and Market:

- How many potential customers are there?
- Who are the customers?
- What value is generated for the customer?



Profitability:

- When will break-even be reached?
- What Return on Investment (ROI) can be attained?
- How much capital is needed?



Harvest Issues:

- What is the potential for value increase?
- Are there viable exit strategies?



Competitive Advantage:

- Can the competitive advantage be protected?
- Are there entry barriers? Can they be erected?
- What reaction of competitors is to be expected?



Management Team:

- What is their background? Education? Industry experience?
- Do they have integrity?
- What is the atmosphere within the team?



Personality of the Founder:

- Fit of business goals with character?
- Life-style as entrepreneur really desirable?
- Attitude towards risk?



Overall Strategy:

- How well do the elements of the venture fit together?
- Is there a 'fatal flaw' in the concept?
- Timing? Window of opportunity?

Roles of the Senior and Rising Generations

Roles of the Senior Generation:

LISTEN

Listen to the other person

QUESTION

Without taking a position, draw out, **question** and ask the other person about goals and interests

SUPPORT

Support without being controlling

SUGGEST

Suggest tasks and metrics to guide them

SET GOALS

Help **set goals** and measure them

DEVELOP

Develop a clear schedule for learning and development

Roles of the Rising Generation:

DEFINE

Define your vision and goals for the future

CREATE

Create a detailed plan to show your coach

PREPARE

Prepare yourself to present your plan

ASK

Ask for feedback and advice

PLAN

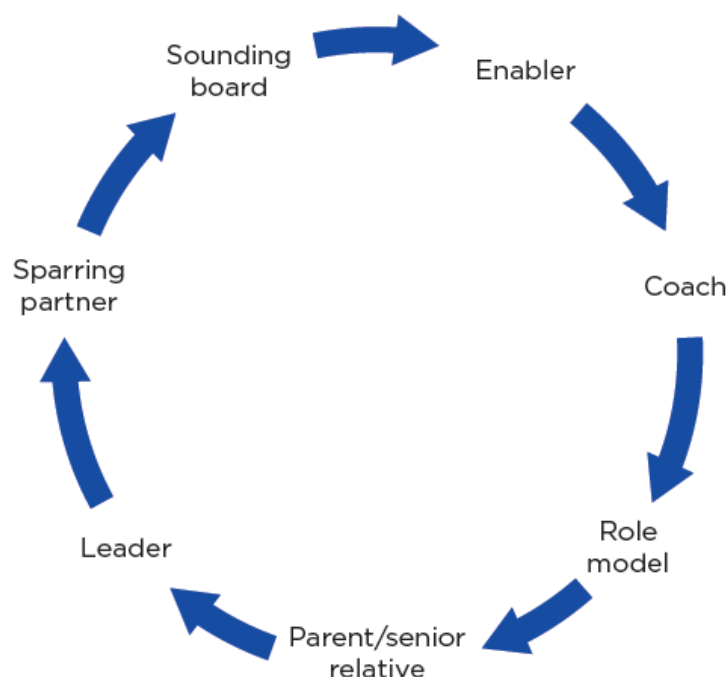
Plan out your next steps together

FOLLOW

Follow your plans and check in regularly with your coach

Providing Constructive Feedback

The senior generation plays a critical role in providing constructive feedback on the business opportunities proposed by the rising generation. It's important to embrace the rising generation's thoughts and work with them constructively. There is hardly ever a right or wrong approach and this is as much about building trust and confidence as it is about generating and developing innovative ventures for the business.



Embrace the rising generation's thoughts: Members of the senior generation – who are often the father or mother of the rising generation – must clearly distinguish the family aspect from the business aspect. Do not confuse the “parent-child” relationship at home with the “boss-employee” relationship at work. Treat your child within the family business context with the same level of respect and professionalism as you would treat any other employee. Ultimately, your role is to empower your child within the family business context.

Treat your child with the same level of respect and professionalism as you would any other employee: Members of the senior generation – who are often the father or mother of the rising generation – must clearly distinguish the family aspect from the business aspect. Do not confuse the “parent-child” relationship at home with the “boss-employee” relationship at work. Treat your child within the family business context with the same level of respect and professionalism as you would treat any other employee. Ultimately, your role is to empower your child within the family business context.

Planning Your Next Steps

Preparation (Senior Gen and Rising Gen Separately)

Step 1: Both the Senior and Rising Gen should fill out a BMC, separately, to the best of their knowledge.

Step 2: Spend a little time coming up with new ideas for intrapreneurial projects. Don't be afraid to suggest wild and unreasonable ideas – this is just to get the ball rolling!

Exploration (Senior Gen and Rising Gen Together)

Step 1: Compare your BMC's. What are the similarities? What are the differences? Discuss, and merge into one BMC.

Step 2: Compare your ideas for intrapreneurial projects. Discuss each other's ideas, and together, come up with list of your top 5 ideas. Next, discuss strategies for getting the family's perspective on these ideas. Who could bring it up? Should it be formal or informal?

The Business Model Canvas

<i>Key Partners</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationships</i>	<i>Customer Segments</i>
	<i>Key Resources</i>		<i>Channels</i>	
<i>Cost Structure</i>		<i>Revenue Streams</i>		

Ideas for Intrapreneurial Projects

Section 3 – Preparing for the Future

Set Up for Success

"Not all new ideas are good and not all good ideas are new"

- John R. Benemann

IDENTIFY

First, you have to identify the idea for the new venture you want to pursue.

PREPARE & RESEARCH

Second, effective preparation and relevant research are critical. Be sure to document your facts carefully and practice your pitch.

PROVE

An additional challenge for members of the rising generation is to prove to the senior generation that they have earned their place in the family business.

LEVERAGE

And finally, you must be sure to leverage all the different sources of capital available.

SUCCESS!

Five Types of Family Capital



Legacy

Mission, values, core purpose, & shared meaning - the foundation of the family, its approach to wealth and to relationships with each other. This is expressed as:

- Understanding the deeper meaning and purpose of family wealth
- Family mission and values statement
- Telling the family story to the next generation
- Talking together about values and what is really important, including faith-based values
- Developing a long-term perspective and commitment



Financial

Resources to manage and sustain over time for support of a comfortable lifestyle for the family – partnership between the family and the family's wealth management/family office. This is expressed as:

- Choosing and implementing good wealth management, with appropriate oversight and collaboration by the family
- Creating clear and realistic expectations among all family members and generations
- Teaching heirs values, responsibility, and skills for managing wealth
- Generating a sense of responsibility and stewardship
- Creating trusts and financial entities that coordinate with overall long-term wealth management



Relationship

Ability to develop structures to make decisions, manage family capital, maintain connections, compromise, manage conflict, and create caring positive and productive relationships. This is expressed as:

- Creation, maintenance, and ongoing adaptation of family councils, boards, and assemblies
- A written Family Constitution
- Accountability and clear communication to beneficiaries
- Generating respect, caring and trust by regular communication
- Developing family social networks
- Communication training



Human

Fostering development of character, skills and identity of each family member for managing self and wealth, encouraging purpose through paid or unpaid work, guidance for a complex, demanding global environment. This is expressed as:

- Initiating age-appropriate discussions about money with heirs and those entering the family from the outside (e.g., in-laws, stepchildren)
- Building self-esteem and identity independent of having money
- Helping heirs develop a sense of purpose for their lives in and out of the family enterprise
- Developing skills and capability for heirs to make their way independently in the world



Social

Commitment and sense of respect, compassion and connection to the suffering and concerns of others, taking a place of service within one's community, and using resources to support the future of the planet. This is expressed as:

- Expressing individual and collective family values in the community through action and/or investment
- Involving family members in service and philanthropy
- Choices regarding socially-responsive investing, micro-loans, etc.

The Business Model Canvas - New Business

The Business Model Canvas		Team or Company Name: Jill's Electric Car Project	Date: MM/DD/YY	<input checked="" type="checkbox"/> Primary Canvas <input type="checkbox"/> Alternative Canvas
Key Partners <ul style="list-style-type: none"> City council Local energy company Environmental association 	Key Activities <ul style="list-style-type: none"> Engage with suppliers Working with local businesses Customer feedback 	Value Proposition <ul style="list-style-type: none"> Free charging at certain stations Different battery options Sustainability is the new norm 	Customer Relationships <ul style="list-style-type: none"> Social networking 3rd party mobility service providers Local celebrity endorsement Extremely high owner satisfaction 	Customer Segments <ul style="list-style-type: none"> Environmentally conscious affluent Young urbanites (eco-hipsters) Rich early adapters Mid 20's – 40's Middle class working adults
	Key Resources <ul style="list-style-type: none"> Existing family enterprise Human Capital Financial capital 		Channels <ul style="list-style-type: none"> Direct distribution 1 retail store to begin 	
Cost Structure <ul style="list-style-type: none"> Acquisition Advertisement 		Revenue Streams <ul style="list-style-type: none"> Sales of available models Sales of components 		

Source: www.businessmodelgeneration.com

The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners



Who are our Key Partners?
Who are our key suppliers?
Which Key Resources are we acquiring from partners?
Which Key Activities do partners perform?

MOTIVATIONS FOR PARTNERSHIPS

Optimization and economy
Reduction of risk and uncertainty
Acquisition of particular resources and activities

Key Activities



What Key Activities do our Value Propositions require?
Our Distribution Channels?
Customer Relationships?
Revenue streams?

CATEGORIES

Production
Problem Solving
Platform/Network

Value Propositions



What value do we deliver to the customer?
Which one of our customer's problems are we helping to solve?
What bundles of products and services are we offering to each Customer Segment?
Which customer needs are we satisfying?

CHARACTERISTICS

Newness
Performance
Customization
"Getting the Job Done"
Design
Brand/Status
Price
Cost Reduction
Risk Reduction
Accessibility
Convenience/Usability

Customer Relationships



What type of relationship does each of our Customer Segments expect us to establish and maintain with them?
Which ones have we established?
How are they integrated with the rest of our business model?
How costly are they?

EXAMPLES

Personal assistance
Dedicated Personal Assistance
Self-Service
Automated Services
Communities
Co-creation

Customer Segments



For whom are we creating value?
Who are our most important customers?

Mass Market
Niche Market
Segmented
Diversified
Multi-sided Platform

Key Resources



What Key Resources do our Value Propositions require?
Our Distribution Channels? Customer Relationships?
Revenue Streams?

TYPES OF RESOURCES

Physical
Intellectual (brand patents, copyrights, data)
Human
Financial

Channels



Through which Channels do our Customer Segments want to be reached?
How are we reaching them now?
How are our Channels integrated?
Which ones work best?
Which ones are most cost-efficient?
How are we integrating them with customer routines?

CHANNEL PHASES

1. Awareness
How do we raise awareness about our company's products and services?
2. Evaluation
How do we help customers evaluate our organization's Value Proposition?
3. Purchase
How do we allow customers to purchase specific products and services?
4. Delivery
How do we deliver a Value Proposition to customers?
5. After sales
How do we provide post-purchase customer support?

Cost Structure



What are the most important costs inherent in our business model?
Which Key Resources are most expensive?
Which Key Activities are most expensive?

IS YOUR BUSINESS MORE

Cost Driven (cheapest cost structure, low price value proposition, maximum automation, extensive outsourcing)
Value Driven (focused on value creation, premium value proposition)

SAMPLE CHARACTERISTICS

Fixed Costs (salaries, rents, utilities)
Variable costs
Economies of scale
Economies of scope

Revenue Streams



For what value are our customers really willing to pay?
For what do they currently pay?
How are they currently paying?
How would they prefer to pay?
How much does each Revenue Stream contribute to overall revenues?

TYPES

Asset sale
Usage fee
Subscription Fees
Lending/Renting/Leasing
Licensing
Brokerage fees
Advertising

FIXED PRICING

List Price
Product feature dependent
Customer segment dependent
Volume dependent

DYNAMIC PRICING

Negotiation (Bargaining)
Yield Management
Real-time Market

Why Create a Roadmap?

As Mark Twain said, *"The secret of getting ahead is getting started. The secret of getting started is breaking your complex overwhelming tasks into small manageable tasks, and starting on the first one."*

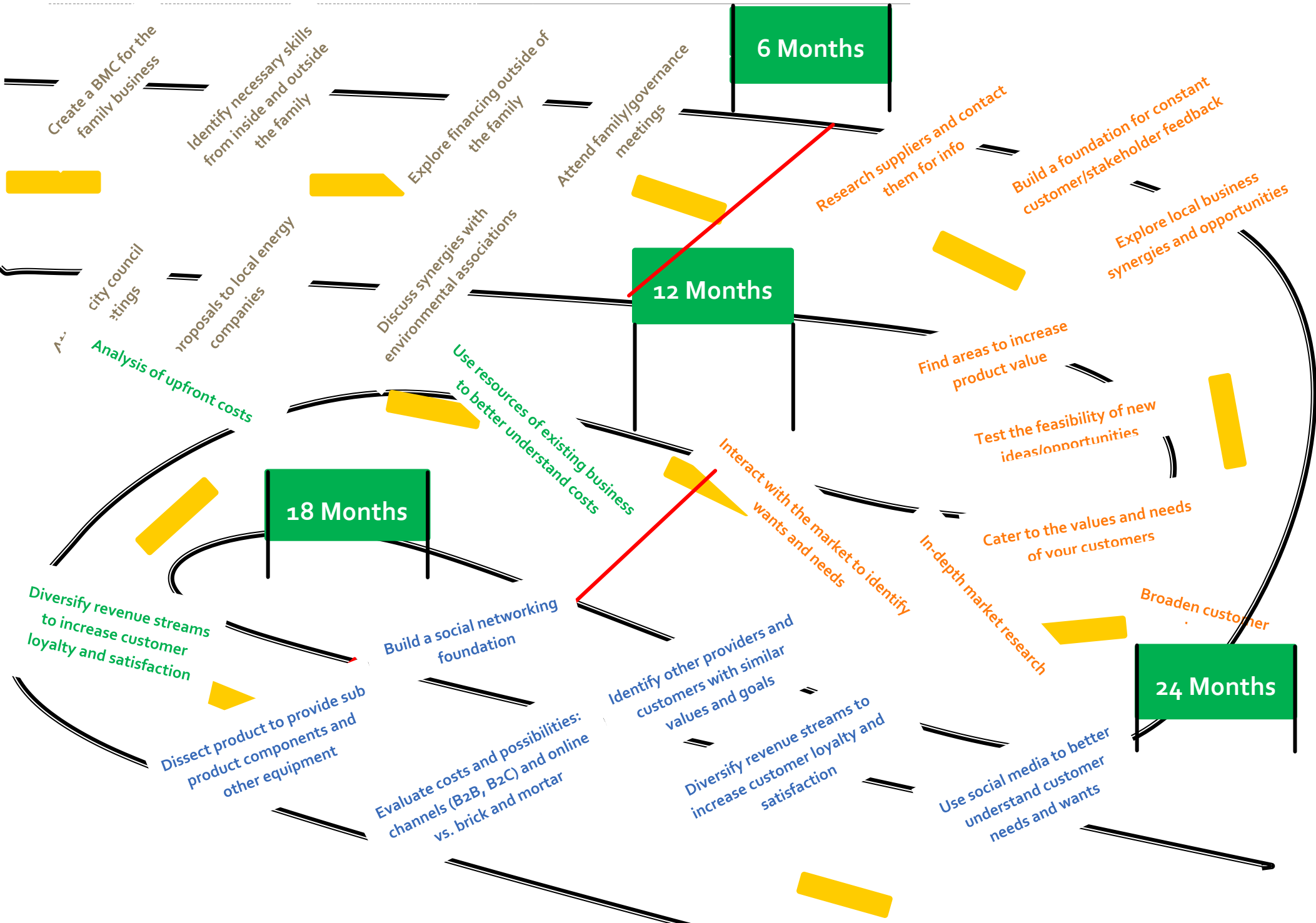
You need to demonstrate that you have a clear and realistic understanding of what needs to be done, by when this needs to be done and what you need to get there. A simple visual representation of your roadmap is vital, and it needs to be based on solid information.

On the next page, you can see a visual representation of Jill's roadmap. Here's a quick recap of how we got Jill would have created this document:

- Fill out the BMC for the new venture
- Decide on concrete steps that need to be taken, based on the BMC
- Brainstorm any other tasks, not included in your BMC, using the key questions found on page 32.
- Create a rough time frame for all of the tasks that must be completed. Jill's roadmap divided the 2 year time frame into 6 month increments for clarity.
- Put each of the steps into a visual aid to show the progression.



Jill's Road Map



Description: What is it that you want to describe with your roadmap, whether it's Business Development, Technology Development or a Product Release?

Need: Why do you need the roadmap? How does it represent a change from the status quo?

Audience: Who is the audience and what do they need to know?

Milestones: When do the key milestones take place and are they SMART (Specific, Measurable, Attainable, Relevant and Time-bound)?

Activities: What activities do you need to describe?

Accuracy: How accurate is your information? Is the level of detail appropriate? Is uncertainty accurately represented?

Key Questions for Your Roadmap

Product or Service Development



What is the status quo?

What needs to be done before you have a minimum viable product/service that can be showcased?

By when do you expect to have the minimum viable product?

By when do you expect to be able to bring this new product/service to the market, assuming you have the necessary resources?

Customers and Market



Once you have defined your customer segment, you need to reach out to your potential clients to assess their interest in the product/service, their willingness to pay for it, their price sensitivity.

You need to decide on how you are planning to enter the market. What is your specific market entry strategy?

Funding Strategy



How much money do you need in order to successfully take your new product/service to the market?

Take the amount you assume you'll need and multiply it by 1.5, in order to account for contingencies. That way you can avoid disappointment from the family or the financiers because you ran out of cash and have to ask for more...

By when do you need this money?

Which types of funding sources have you identified? Have you considered internal (family) versus external funding; or potentially a combination of both?

What other types of capital will you leverage, other than financial?

Sanity Check

- How can you move forward to test or develop a pilot for this idea with minimal cost, risk and time?
- What can be done to prove the concept or try this idea out to demonstrate its utility and learn about it?
- What initial resources do you need from the family to move forward to this pilot stage?

The steps of the Sanity Check:

Is it appropriate? The idea is something that is needed, builds on what the family is capable of and has resources for, and is within the realm of areas the family is or might be engaged.

Is it a challenge? The idea is not something that has been done before, pushes the boundaries of possibility for the family, and maybe entails a moderate amount of risk. Therefore it is a good idea but not guaranteed of success.

Is it the best opportunity? The idea should be timely, and have a timeline for structure.

Are you competent? This has to do with the proposer: what are your own qualifications and abilities that you can use to make this idea successful? What do you know and what do you need to learn to develop the idea?

Are others engaged? Who else in the family and around you are allies, supporters, partners who offer skills and capabilities that might help you develop the idea?

Have you done your homework? Have you studied how this idea has been done elsewhere, or what others have done in this area? Is your idea grounded in reality, and have you done your homework in looking at the existing learning about this idea? Are you trying to do something that others have done better, or reinventing something that is already there? What makes your idea unique? How is your idea contributive and something that people need/want?

Strategies for Success

In order to move your idea forward, you will need to get buy-in from the senior generation, and from non-family management, by presenting your business idea in a way that is simple, engaging and of course, convincing.



Come prepared!



Account for contingencies



Learn and adapt



Be enthusiastic



Tell a convincing story



Brief the core decision-makers



Ensure buy-in

Core Components of the Pitch

Your presentation is key to the success of your new idea. Before you deliver it, be sure to include these core components:



A title, including a short description of your business idea,



A problem you're addressing



A solution you're offering



The magic sauce behind it



The market



Your competitive positioning



A business model



A roadmap



A team that will be executing your idea



The finances needed and the sources of funding you've identified, both internally and externally

Planning Your Next Steps

Preparation (Rising Gen)

Step 1: Complete a BMC and a roadmap for your intrapreneurial project. If you need a reminder of how to do the BMC, look back to page 22 for instructions. You can also refer to page 29 for examples of completed roadmaps.

Step 2: Prepare to pitch your idea. Once you have written your pitch, refer to the core components on page 28, and make sure your pitch includes all of them. Then, prepare your presentation, using the Strategies for Success, found on page 34, as a guideline.

Exploration (Senior and Rising Gen Together)

Step 1: Review the BMC and roadmap for the intrapreneurial project, and make any changes based on your discussion.

Step 2: Rising Gen, present the pitch you have planned. Go through it exactly as you plan to when it is being presented to the board. Senior Gen, watch the presentation and take notes. Do not interrupt, or ask questions until it is complete. Provide your feedback (using the tips provided on page 19) and, together, make any changes or improvements to the pitch.