Friendly Input

Quick, Upfront Validation

Checking the assumptions that might make or break the idea
Validation *long before there’s Revenue?*

- **Technical Validation**
- **Market Validation**
- **Validation by Comparison (Competition)**
- **Validation by Association**
- **Validation through Public Recognition**
- **Skin-in-the-Game**

- Read stuff
- Look around
- Talk to people!
Idea-Advancement requires **Believing**

(And believing better start objectively with **YOU**)  

This might actually be credible!

- Potential
  - Customers
  - Investors
  - Partners
  - Employees

- Subject Matter Experts
- Similar Founders
  - Failed
  - Successful

mw wilson 2012-18
Friendly Input

Prove the critical theories behind your idea

Conduct exploratory conversations with all types of constituents

These are not sales calls – Do not try to sell. You are there to listen!

Build your network of contacts. Request intros to others
Example

Consider this **Wannabe Tycoon** scenario:

- Career in Medical Devices with larger companies.
- Time to invest in my own business!
  
  *Not too much entrepreneurial experience.*
- Will focus on “Foods, Beverages, Food services.”
  
  *Not too much Food & Bev experience.*
- Has some money to pay Outstanding Opportunity Analysisiologists™ for some help and coaching.

**Today’s Cast of Characters:**

Wannabe Tycoon .......................... Mark W. Wilson
Outstanding Opportunity Analysisiologists ......................... You All
### Idea-o-Meter

**Finding the kinds of ideas that are “right” for us**

<table>
<thead>
<tr>
<th>Product</th>
<th>Importance to us</th>
</tr>
</thead>
<tbody>
<tr>
<td>A♠ What’s the product?</td>
<td></td>
</tr>
<tr>
<td>K♠ How protectable is it?</td>
<td><img src="unique" alt="" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A❤ Is there a problem today?</td>
<td>Can we grow this idea <strong>HUGE</strong>!</td>
</tr>
<tr>
<td>K❤ How many people have this problem?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Team</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A♦ Who’s already committed?</td>
<td></td>
</tr>
<tr>
<td>K♦ Can a full team be assembled?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A♣ Can each unit make a profit?</td>
<td></td>
</tr>
<tr>
<td>K♣ How long will this take?</td>
<td></td>
</tr>
</tbody>
</table>
### Range Calibration

<table>
<thead>
<tr>
<th></th>
<th>No Way</th>
<th>Acceptable</th>
<th>Exceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>K♠  How protectable is it?</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nothing new with menu or trade-dress. Many like this. (Pizza, McD’s, Subway...)</td>
<td>No Way</td>
<td>Acceptable</td>
<td>Exceeds</td>
</tr>
<tr>
<td>Seems a trailing trend that is dying off</td>
<td>No Way</td>
<td>Acceptable</td>
<td>Exceeds</td>
</tr>
<tr>
<td>Minor new menu OR trade-dress. We will be joining a new trend.</td>
<td>No Way</td>
<td>Acceptable</td>
<td>Exceeds</td>
</tr>
<tr>
<td>Completely radically new menu OR trade-dress!</td>
<td>No Way</td>
<td>Acceptable</td>
<td>Exceeds</td>
</tr>
<tr>
<td>Completely radically new menu AND trade-dress! Wow!</td>
<td>No Way</td>
<td>Acceptable</td>
<td>Exceeds</td>
</tr>
</tbody>
</table>

### K♥  How many people have this problem?

<table>
<thead>
<tr>
<th></th>
<th>Hard to see this working across the country (or globe). Too much of a niche</th>
<th>Only works certain places. Maybe 20-50 locations</th>
<th>Me, too. In the pack. 200-500 locations</th>
<th>Top 50. 1,000 locations</th>
<th>Top 20 franchises in 10 years. &gt;2,000 locations</th>
</tr>
</thead>
</table>

### A♣  Can each unit make a profit?  (each location, after 6 months open)

<table>
<thead>
<tr>
<th></th>
<th>Struggle to keep the lights on.  &lt;$1M sales  &lt;$100k profit</th>
<th>Not likely to make us wealthy.  $1 M sales  $100k profits</th>
<th>Not likely to make us wealthy.  $2 M sales  $200k profits</th>
<th>Not bad.  $3-4M sales  $500k profit</th>
<th>Laughing all the way to the bank!  $5M sales  $1M profit</th>
</tr>
</thead>
</table>

(85%) How protectable is it?

(My generic Idea Filter)
The specific idea I’m falling in love with! I need your help to do some validation:

Greenhouse-Organic-Traveling Famous Chefs Franchise

<table>
<thead>
<tr>
<th>Uniqueness</th>
<th>Offerings</th>
<th>Scale</th>
<th>Industries</th>
<th>Locations</th>
<th>Niches</th>
<th>Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upscale</td>
<td>Sit-down restaurant</td>
<td>One location</td>
<td>Retail</td>
<td>Little Falls, NY</td>
<td>Ridge Road</td>
<td>We do it all</td>
</tr>
<tr>
<td>Touring</td>
<td>Catering</td>
<td>Several in local area</td>
<td>Wholesale</td>
<td>Rochester, NY</td>
<td>Jefferson Road</td>
<td>With one-off hotel</td>
</tr>
<tr>
<td>famous chefs</td>
<td>Delivery</td>
<td>Selected national locations</td>
<td></td>
<td>Portland, OR</td>
<td>East End</td>
<td>With hotel chain</td>
</tr>
<tr>
<td>Famous chefs</td>
<td>Street cart</td>
<td>Invent a new national franchise</td>
<td></td>
<td>Honolulu, HI</td>
<td>USA</td>
<td>We Manufacture only</td>
</tr>
<tr>
<td>Locally-grown</td>
<td>Food truck</td>
<td>Be a franchisee (of something</td>
<td></td>
<td>Tokyo, Japan</td>
<td>Global</td>
<td>We distribute only</td>
</tr>
<tr>
<td>foods</td>
<td></td>
<td>very similar)</td>
<td></td>
<td></td>
<td></td>
<td>(other people’s branded products)</td>
</tr>
<tr>
<td>Organic foods</td>
<td>Branded foods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R&amp;D: organic</td>
</tr>
<tr>
<td>Greenhouse</td>
<td>Food truck</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Consult</td>
</tr>
<tr>
<td>seating</td>
<td>Branded foods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Formal critical partnerships</td>
</tr>
<tr>
<td>Vegetable,</td>
<td>Greenhouse coop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>herbs grown</td>
<td>Restaurant consulting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>on-site</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Specific Idea:
Greenhouse-Orgnic-Traveling Famous Chefs Franchise

Uniqueness
- Touring famous chefs
- Locally-grown foods
- Organic foods
- Greenhouse seating
- Vegetable, herbs grown on-site

Offerings
- Sit-down restaurant

Scale
- Invent a new national franchise

Industries
- Retail

Locations
- USA

Niches
- Very specific locale analysis algorithm

Integration
- We do it all
- Formal critical partnerships
Getting ready to go pitch to a VC Group that specializes in Hospitality Industry, Entertainment, Hotels, Restaurants, Foods, Branded food products...

You all are my friendly-experts.

-- WRITE DOWN what I should “validate” --
### The Specific Idea:

**Greenhouse-Organic-Traveling Famous Chefs Franchise**

#### K♦ How protectable is it? unique

| Nothing new with menu or trade-dress. Many like this. (Pizza, McD’s, Subway...) | Seems a trailing trend that is dying off | Minor new menu OR trade-dress. We will be joining a new trend. | Completely radically new menu OR trade-dress! | Completely radically new menu AND trade-dress! Wow! |

#### K♥ How many people have this problem?

| Hard to see this working across the country (or globe). Too much of a niche | Only works certain places. Maybe 20-50 locations | Me, too. In the pack. 200-500 locations | Top 50. 1,000 locations | Top 20 franchises in 10 years. >2,000 locations |

#### A♣ Can each unit make a profit? (each location, after 6 months open)

| Struggle to keep the lights on. <$1M sales <$100k profit | Not likely to make us wealthy. $1 M sales $100k profits | Not likely to make us wealthy. $2 M sales $200k profits | Not bad. $3-4M sales $500k profit | Laughing all the way to the bank! $5M sales $1M profit |
The Specific Idea:

Greenhouse-Organic-Traveling Famous Chefs Franchise

Invent a new national franchise
Sit-down restaurant
A bit upscale
Touring famous chefs
Locally-grown foods
Organic foods
Greenhouse seating
Vegetable, herbs grown on-site

Retail
USA
Very specific locale analysis algorithm
We do it all
Formal critical partnerships

Completely radically new menu AND trade-dress! Wow!
Top 50.
1,000 locations
Not bad.
$3-4M sales
$500k profit

Unique!
Huge!
Profitable!
Things I better Validate

People to whom I otta’ Listen
How it should **not** go

Would you like to buy something from me?

It might be a product… but perhaps I actually offer a consulting service. It’s related to your computer—we have H-wave optical processors and Kinibbler MEMS that actually write their own processing chips right inside your computer! Or maybe we sell it as an external add-on machine; we’re not quite sure yet. We may even simply license all our technology to some large research institute or to Dell or Apple or someone.

Oh, and our devices don’t exactly hook up to the web in the same way today’s computer’s do. But we have a special portal that all our users go to… which will create this hugely popular social networking site. Plus we’ll probably have an upfront training package and some form of monthly service agreement.

All in all, it will cost you, probably, somewhere around a thousand dollars to get started, or maybe a hundred with some kind of monthly service fees. We’re not sure yet.

So would you be interested?