

# The Opportunity Triage Guide

Essential Information Before Investing in a  
New Digital Product



# Introduction To The Opportunity Triage

An Opportunity Triage is the start to navigating the Analysis & Validation phase, one of the 8-Key Elements of Digital Product Co-Creation.

**Analysis & Validation Phase:** When a new idea is considered for digital product investment, how can your corporation make an informed decision as to whether or not to pursue it?

An Opportunity Triage is a structured, lightweight review to:

- Estimate market size and revenue potential
- Provide indicators of market direction
- Surface killer issues
- Define key internal/external dependencies and relationships
- Point to market entry opportunities
- Outline the operating environment
- Identify direct and indirect competitors



# Opportunity Triage Index

The following slides outline the information Taivara gathers to assess the potential of a new product. In the interest of time and speed, it relies primarily on secondary research with only minimal primary research.

The slides discuss:

- **What's in an Opportunity Triage** (Slides 4-11)

These slides detail the 7 categories within the opportunity triage, and why they help to inform a decision.

- Competitive Landscape
- Market Assessment
- Key Findings
- Customer Segment
- Lean Canvas
- Direction of MVP
- Measures of Success

- **Lean Canvas** (Slides 12-17)

These slides will provide questions to consider in order to create a first-pass business plan and includes a blank template for you to complete the exercise.

- **Research Resources** (Slides 18-21)



# What's in an Opportunity Triage

## Competitive Landscape

- Direct competitors
- Alternatives
- Unmet needs

## Market Assessment

- Overview, environment, trends
- Market size
- Investment trends
- Customer sentiment

## Key Findings & Killer Issues

- Issues & opportunities

## Customer Segments

- Value proposition, pains & gains
- Subject Matter Expert (SME) opinions

## Lean Canvas

- Key activities
- Key partners
- Key channels
- Revenue streams
- Costs

## Direction of MVP

## Measures of Success



# Competitive Landscape

**Doing nothing is the most frequent competitor any new product will face.** No one likes change, and most will avoid it - even to their own detriment (source: Thinking Fast and Slow). Competition is not only the other companies selling a similar product, it's also whatever our prospective customer is doing today. They are dealing with the problem in some way. If that way is good enough, they'll more than likely continue doing it.

When looking at the competitive landscape, find the answers to these questions.

- Who is going after this same opportunity?
  - There is always competition, and if there's truly no one - that's a bad sign.
  - How mature is the competition? If technologies have changed, we may be able to exploit a competitor's technical debt.
- How do they talk about their product and to their target?
  - How many features are common across competitors and what separates each competitor?
  - Can you guess the features you'll need to be considered a viable alternative?
  - What features differentiate the product? Can we sell just this piece? This is the MVP (minimum viable product).
- At what price has the competition anchored your prospect?
  - Reinventing business models can be a differentiator.
- What are the alternatives?
  - Customers are solving the problem today. How?
  - The solution needs to be 10x better to change behavior



# Market Assessment

The market assessment takes a look at the environment in which we will operate. Understanding the broader market will give us better maneuverability when it's needed. We all want Plan A, but that's not what happens usually - that's why most startups have to "pivot."

- Is this market growing or declining?
- Where is pricing going? Is there differentiation where premiums are charged, or is it a race to the bottom?
- Is this a category that would interest investors (\$100s of millions) or a lifestyle business (\$1s of millions)?
  - Are VCs currently investing?
  - What segments of the market are receiving investment, and where is it pulling back?
- Can we tell overall customer sentiment for the market?
  - Speak to SMEs for direct insights.
- Unmet needs
  - What are the recurring complaints with current solutions?
  - Will addressing those create a willingness to change? Remember, no one likes change.



# Key Findings & Killer Issues

A lot of guesswork goes into any vision for a new product, even if it is well-informed guesswork. With the pace of change in the market, it's inevitable that something will be different from what we originally believed. We want to find the items of biggest risk, and then sort by level of effort to prioritize what gets solved first.

Watch out for Killer Issues! A Killer Issue is any assumption so critical to our product's success that if we're wrong, the product is dead. These define the first validation steps to pursue.

- Any big insights that really boost our confidence in the product concept?
- What “leaps of faith” or big assumptions have we made that increase our risk?
  - Can we break this into smaller assumptions or steps we can validate to reduce that risk?
- What assumptions have the biggest risk and therefore should be addressed early?
- What is the level of effort to test these assumptions?
  - Building the product is the most expensive activity, so what tests can we run before starting to build?



# Customer Segments

The connection between our customer, the pain they need resolved, and the benefits of our solution are vitally important. We have to accurately identify, and clearly articulate these connections.

- Who are **all** the customers?
  - The buyer may be different from the user. Each is a customer needing to relate to the problem/solution.
  - A critical channel partner is a customer. You need to sell them before they sell to the end user.
- Value proposition, pains & gains
  - A good description of the value offered, in easy to understand words.
  - What exact words does the customer use? We want to speak the same language.
  - How bad is it not having a solution?
  - Are we offering a vitamin, vaccine or cure?
- Subject Matter Expert opinions
  - Any misalignment from our own perspective?
  - We are listening, not selling.
  - Is the problem as high a priority as we think it is.
  - Insights from SMEs will be directional. The sample size is too small to make firm conclusions.





# Lean Canvas

The Lean Canvas is largely a modern business plan. We want to cover the same ground, but agonize less on the minutiae. Since so much of a new product is guesswork, the lean canvas will focus our thinking on the core relationships and interdependencies that need to hold true for our product to succeed.

**Important note:** Filling out a lean canvas is deceptively simple, however it is the most important category within the Opportunity Triage to determine success. We have included an in-depth overview that breaks this down and a template for you to do your own.

- A one-page business model outline that identifies the essential relationships and conditions necessary for success.
- Identify key dependencies of the product. We are frequently dependent on some assets or actions beyond our control.
- High-level look at cost elements and revenue streams.
- Extract the hypotheses/assumptions that are most critical (killer issues) to prioritize for data gathering, add them to the Key Findings list.



# Direction of MVP

We need to strip away all the things the product could be, and focus on the **one** thing it should be at the start. After all this work, we will have a good idea of the value our product needs to deliver to have a chance at success. Ideally, we've refined our thinking enough to specifically state where we should start. It's exceedingly hard to limit what goes into this first version. It's also critical.

- What's the basic product roadmap?
  - A first version that validates an opening in the market - the smaller the feature set, the better.
  - Don't build an ecosystem. Build one exceptional feature than your customers must have.
- Test and validate this concept with potential customers using the easiest method possible (presentation, clickable mock, prototype).



# Measures of Success

The term Key Performance Indicators (KPIs) are the “must have” metrics that illustrate the health of our product. We need to identify, measure and be able to act upon these metrics in order to ensure the success of our product.

- What customer behaviors are critical to the business success?
- Watch out for metrics that are not meaningful, e.g. downloads of an app.
- Is it clear how to track and report on them?
- KPIs frequently include the following
  - ARPU - Average revenue per user
  - CAC - Customer acquisition cost
  - Engagement, often measured via DAU/MAU, Daily active users/Monthly active users



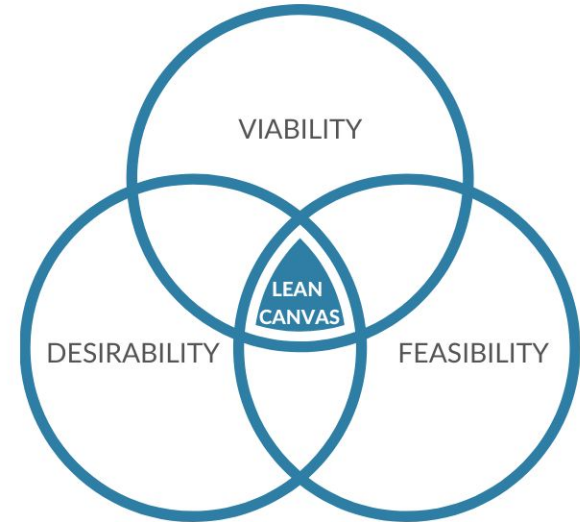
# Understanding the Lean Canvas

The lean canvas is made up of three main categories:

**Desirability:** This portion breaks down who your customer is, what makes your product desirable, and what problems you are solving.

**Feasibility:** This category will dive into how product delivery will be executed and confirm all required components are available or solvable.

**Viability:** The final section is focused on discovering how your product will become a sustainable business.





# Elements of the Lean Canvas

The three main categories of the lean canvas breaks down into nine elements:

## **Desirability:**

1. Customer/User Segments
2. Problems
3. Unique Value Prop/Use Cases

## **Feasibility:**

4. Solutions/Pilot
5. Channels
6. Key Resources
7. Unfair Advantages/Vision Roadmap

## **Viability**

8. Cost Structure/Investment Needs
9. Revenue Model/ROI



# The Lean Canvas Template

Customer/ User Segments <b>1</b>	Problems <b>2</b>	Unique Value Prop <b>3</b>	Solutions/Pilot <b>4</b>	Channels <b>5</b>
			Key Resources <b>6</b>	Unfair Advantages <b>7</b>
Cost Structure/Investment Needs <b>8</b>			Revenue Model/ROI/Validation <b>9</b>	

Project Name:

Version

Customer Segment

Date



# Desirability

<b>1.) Customer/ User Segments</b>  Who are we selling to? Internal or External?  Who are the early evangelists? <i>i.e. Will buy or champion early versions</i>  Purchase Decisions ( <i>Who is involved in making a purchase decision? Identify each person as a user, influencer, recommender, economic buyer, or decision maker.</i> )  Budget <i>How are funds allocated for this type of purchase?</i>  Current Customer/Future Customer Workflow	<b>2.) Problems</b>  What are the top 3 problems we are solving? <i>What problem or pain does the product solve?</i>  How serious are these problems? <i>What is the scope and cost of this problem? Does it affect a single person, or a whole company?</i>  Does management know they have this problem? <i>Are they ready to pay for it?</i>  How do customers solve the problem currently?	<b>3.) Unique Value Prop</b>  A single, clear compelling message that states why this project is worth doing.  What benefit do we provide?  Are we increasing revenue or decreasing cost?  What does each customer segment care the most about?  How will they know they are getting the value they want?	Solutions/Pilot	Channels
			Key Resources	Unfair Advantages
Cost Structure/Investment Needs			Revenue Model/ROI/Validation	

Project Name:

Version

Customer Segment

Date



# Feasibility

Customer/User Segments	Problems	Unique Value Prop	<b>4.) Solutions/Pilot</b> What essential features solve the problem(s)? What's the smallest set of features customers will pay for? What needs to occur to deliver on the value proposition?(i.e.: Connections, Outputs, Actions, Interdependencies)	<b>5.) Channels</b> Will this change procurement or sales processes?  How is the product distributed and who is involved?  Does this change with customer types? Are sales partners required?
			<b>6.) Key Resources</b> What key activities of the company creates value? What key suppliers do we need? What analysis needs to be performed? What assets are required to offer and deliver the value proposition?	<b>7.) Unfair Advantages</b> What defensible strength does this product provide that competitors can't copy or buy? What does an ideal version of the entire product look like? What's the most important first step toward that vision?
Cost Structure/Investment Needs			Revenue Model/ROI/Validation	

Project Name:

Version

Customer Segment

Date





# Viability

Customer/User Segments	Problems	Unique Value Prop	Solutions/Pilot	Channels
			Key Resources	Unfair Advantages
<b>8.) Cost Structure/Investment Needs</b> What are the most important costs inherent in the product? Which Key Resources are most expensive? Which Key Activities are most expensive?			<b>9.) Revenue Model/ROI/Validation</b> What key performance indicators are used to measure success? What are current revenues or costs? What is the Lifetime Value of the product? What is the return on investment justification? <i>How much money/time/etc will product save, or earn for, a customer? Ideally, the return a customer gets will be greater than their total cost of ownership.</i>	

Project Name:

Version

Customer Segment

Date



# Research Resources

The following slides provide links to online resources that are often helpful. They are all operational at time of this publication, apologies if they have since been retired.



# Secondary Research

## Competition

- Search <https://angel.co/> or <https://www.crunchbase.com/> for categories of competitors to explore and review <http://www.producthunt.com/collections>, <http://cbinsights.com> for VC investment trends and startups
- Look for Gartner Magic Quadrant, Forrester Wave, or similar reports, for category leaders [http://www.gartner.com/technology/research/methodologies/research\\_mq.jsp](http://www.gartner.com/technology/research/methodologies/research_mq.jsp) or <https://go.forrester.com/policies/forrester-wave-methodology/>
- Find discussion forums and category relevant questions. Review responses for consistent and apparently unaddressed user complaints. Reddit can be useful <http://reddit.com/> if somebody on the site has raised the subject of interest.
- Find company recommendations for your identified problem and/or solution on sites like , <http://www.quora.com>, <http://stackoverflow.com/> and find information about them at <http://www.similarsites.com/>
- Find out how your competitors are ranking for search keywords of interest, and the estimated marketing value of their SEO efforts. <http://www.spyfu.com/>
- Patent Searches <https://www.uspto.gov/>
- Pricing, for software, is sometimes listed on broker/review sites like <https://www.capterra.com/>, <https://financesonline.com/>, <https://www.g2crowd.com/>, and <https://www.softwareadvice.com/>.
- For other pricing information, search for “company name” and “pricing” to see what is returned, then add “PDF” to the search. Governments (federal/state/local) will publish their purchases and this type of searching can surface those files.



# Secondary Research

## Market and Industry

- [Cbinsights.com/industry-analytics](https://www.cbinsights.com/industry-analytics) - a great site for industry trends, investment activity and key startups. A 30-day free trial will open up some of their information, and their newsletter regularly sends valuable and free information.
- [Forrester.com](https://www.forrester.com) and [Gartner.com](https://www.gartner.com) are two of the leading industry analyst sites. Paid engagements will give you direct access to the analysts, but you can often find their industry reports distributed for free and/or find older versions of their reports online, that may be good enough for your initial research purposes
- [Hoovers.com](https://www.hoovers.com) - a standard provider of high-level information across a number of industries.
- [Ibisworld.com](https://www.ibisworld.com) a simple tool to gather industry research statistics related to a company's space providing estimated revenue, number of employees, growth rate and companies in the category.
- [Marketsandmarkets.com](https://www.marketsandmarkets.com) and [Intel.com](https://www.mintel.com) - paid reports across a wide range of industries but often offer at-a-glance numbers of how big a market is and in different geographies.
- Search trends to identify growth/decline/seasonality <http://www.google.com/trends> Google Trends shows how often a search-term is entered relative to the total search-volume across various regions of the world, and in various languages.
- Industry Trends <https://www2.deloitte.com/us/en/pages/outlooks/industry-outlooks.html>. Deloitte explores the trends that will impact a market to prepare companies to navigate the year ahead. These free industry outlook papers provide high-level insights into the business conditions. You can also search for "your industry," "trends" and then use each of the big consultancies (McKinsey, BCG, Accenture, Deloitte) to find their published reports.



# Primary Research

## Structuring Tests

- Testing Business Ideas (<https://www.strategyzer.com/books/testing-business-ideas-david-j-bland>) an easy to read book, and free 88-page download, on how to structure and run your tests.
- A one-hour discussion about the book with its author is available at <https://theinnovationshow.io/episode/testing-business-ideas-a-field-guide-for-rapid-experimentation-with-alex-osterwalder/>

## Finding People to Test

- Identify subject matter experts and potential customers in your area of interest, and use [LinkedIn](#) to ask your network for referrals to them
- Ask Your Target Market (<http://aytm.com>) is a cost-effective market research resource for companies of all sizes
- Gut Check (<https://www.gutcheckit.com>) will tailor to the size of your need. Provides 30-minute one-on-one online video interviews with 3.5 million member research panel.
- VirtuaTell (<https://virtuatell.com>) is best for medium to large businesses.
- If you have a prototype or mockup, you can also get direct feedback on UserTesting.com (<https://www.usertesting.com/>)

# Contact Us

Taivara has the analysis & validation expertise recommended in this document.

We're offering a **Free One-On-One Opportunity Triage Review** for your Digital Products.

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