

*PreFlight Digital*

Build, Evaluate, and Optimize Your Business Concept

**Program Access:**

education.ec.co/courses/preflight-digital

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**ABOUT THE COURSE**

**COURSE OVERVIEW:** Welcome to Preflight Digital, the Nashville Entrepreneur Center's virtual entrepreneurship course for early-stage entrepreneurs. In this course, we help entrepreneurs build, evaluate, and optimize their entrepreneurial ideas. By the end of this course, you might discover that your idea is worth pursuing further or you might discover that it isn't the right idea for you right now. In either event, you will know. You will also understand the best system for building, analyzing, and optimizing any entrepreneurial idea, and you will be able to apply that understanding to all of your future entrepreneurial endeavors, whatever their size, shape, or nature.

**COURSE BACKGROUND:** We designed this course based on the centuries of expertise of our advisors and startup educators, and continue to optimize it based on our experience working, every day since July 1st of 2010, with entrepreneurs creating, launching, and growing their businesses. More than 200 startup teams have graduated from previous PreFlight programs, including Possip, Black Business Boom, Triluna Wellness, With The Band and many more awesome companies created by awesome founders. PreFlight is now being offered in a completely digital format for entrepreneurs that are looking for a more accessible or affordable version of the in-person class.

**ABOUT THE EC:** The EC was founded in 2010 to connect entrepreneurs to the critical resources they need to create, launch, and grow businesses. The EC runs a variety of programs for entrepreneurs at different phases in the entrepreneurial process. These programs have served thousands of entrepreneurs across industries. The EC has also graduated hundreds of companies from its most exclusive accelerator programs and seen those companies raise more than $100 million in startup funding. We apply lessons from all of those experiences to optimize PreFlight for early-stage entrepreneurs.

**COURSE FORMAT**

In this course we provide rich online education and support to help entrepreneurs from all backgrounds build, analyze, and optimize their entrepreneurial ideas.

**DIGITAL CURRICULUM:**All of the program’s curriculum is hosted digitally. Entrepreneurs can work through the curriculum at their own pace, but it is recommended to work through one module per week. The digital curriculum (which is made up of video, audio, and text content) builds on each other and assumes a familiarity with prior material.

**ASSIGNMENTS:** A list of assignments is included in this syllabus as well as on the digital platform. Assignments offer entrepreneurs the opportunity to translate the principles learned throughout the course to their particular business.

These assignments are ungraded and can be completed at a basic level in a very short period of time or at a more advanced level by working on them longer. The goal isn't to have the perfect answer, but to begin getting closer to discovering that answer by understanding the process of finding it. Assignments are not mandatory, but are highly encouraged to receive the most benefit from the course.

**ENTREPRENEURIAL COMMUNITY:**Though this is a virtual program, entrepreneurs should still work to leverage the support of fellow entrepreneurs throughout the program. By partaking in the program, you will also be invited to attend EC member events and receive an invitation to our Slack community, where you can network virtually with other members of the community.

**ADVISOR MEETINGS:**As participants in PreFlight Digital, entrepreneurs have access to three Advisor meetings throughout the course of the program. Participants can browse the Advisor Network and book meetings directly with advisors [via the Advisor Platform](https://advising.ec.co/join/preflight-digital). Use all three meetings before the end of the program and looking for more? Let’s talk about getting you upgraded to the [Amplify Membership](https://www.ec.co/membership/).

**ABOUT THE LEAD FACILITATOR**

John Murdock served as the Senior Vice President of Product at the Nashville Entrepreneur Center (EC) until 2022 and in this role developed many of the EC’s program and product offerings. John is still an active entrepreneurship lecturer, advisor, and teacher, having spoken at hundreds of entrepreneurship events to international audiences and designed the EC’s PreFlight program for early-stage entrepreneurs.

John joined the EC in its early startup days after a successful career in the management program at Enterprise Holdings Incorporated, culminating in directly managing the merger of three distinct rental brands and operations at the Piedmont Triad International Airport. John earned his Masters in Business Administration from Vanderbilt University's Owen Graduate School of Management, attending on the Entrepreneur Center scholarship and graduating first in his class. John graduated from Wake Forest University's Calloway School of Business, *magna cum laude,* majoring in general business and double minoring in global trade and commerce studies and Mandarin Chinese. John was also awarded the Silver Medal for Public Speaking from the Buckley School and inducted into both the Wake Forest and Vanderbilt Chapters of the honorary business society, Beta Gamma Sigma. He now serves as Vice President of Strategic Planning at Shore Capital Partners.

**ABOUT THE PROGRAM MANAGER**

Wes Richardson, the Program Manager for PreFlight and InFlight at the EC, will be walking with you throughout the program. He’ll be your point of contact for program-related questions, advisor meeting requests, and any other EC related need you might have.

Wes joined the EC team in October 2020 after graduating from the University of Southern California with Bachelor’s Degrees in both Business Administration and Political Science. Wes is a Nashville native and is extremely passionate about supporting the growth of our city and its budding entrepreneurs.

**COURSE SYLLABUS**

**MODULE 1: Your Entrepreneurial Mission**
*>>Goal:  In this session, hear first-hand stories from successful entrepreneurs who have been there, done that. You'll work on understanding and communicating the nature of your entrepreneurial journeys and begin identifying what resources you need to increase your chances for success​.*

**MODULE 2:​ Targeting Customer Problems**
*>>Goal: In this session, you'll work on identifying, targeting, and expressing customer problems that your business addresses. ​*

**MODULE 3: Solving Customer Problems**
*>>Goal: In this session, you'll discuss building solutions that best fit the problems you have identified.*

**MODULE 4: Understanding Early Adopters**
*>>Goal: In this session, we'll take a look at how entrepreneurs can more efficiently and effectively find product-market fit. Analyze the common ways entrepreneurs waste scarce resources and how you can use customer validation to make the best use of your scarce resources. ​*

**MODULE 5: Finding Your White Space***>> Goal: In this session, you'll walk through methods to map out your competitive landscape and identify the best position for your business in the market. ​*

**MODULE 6: Your USP**
*>>Goal: In this session, you'll walk through an exercise to build and optimize a Unique Selling Proposition (USP) and how to analyze the sustainability of that USP in the marketplace.*

**MODULE 7: Idea Frame & Business Model**
*>>Goal: In this session, you'll analyze how to build, analyze, and optimize a business model​.*

**MODULE 8: Capturing Value**
*>>Goal: In this session, we'll dive into the critical components of creating, evaluating, and optimizing pricing and transaction strategies.*

**BONUS SESSION: Pitching Your Business***>>Goal: In this bonus session, you'll analyze the components of a great pitch, take a look at successful entrepreneur pitches, and work on developing a final pitch for your business.*

**ASSIGNMENT DETAILS**

**Assignment 1 | Beginning With The End In Mind**

Overview: A wide variety of factors affect the success of any entrepreneurial journey. The goal of this assignment is to help entrepreneurs understand and communicate the nature of their entrepreneurial journeys and begin identifying what resources they need to increase their chances for success.

Deliverable: To complete this assignment, complete a summary of your entrepreneurial mission. Consider using the following template:

**Part 1: Your Entrepreneurial Mission**

Overview: Provide a brief summary of your entrepreneurial mission.

* What experience will you provide customers and how will you create a financially sustainable enterprise around delivering that experience?

Purpose: Explain the purpose of your entrepreneurial mission.

* What is the change your entrepreneurial mission will make in the world?
* How important is this purpose to you? Why?

**Part 2: Your Entrepreneurial Ecosystem**

* Entrepreneurial Talent:
	+ What is your prior experience relevant to the entrepreneurial mission you are working on now?
	+ What other entrepreneurial talent or team members, if any, are you looking to connect to? What steps are you taking to connect to them?
* Knowledge Networks:
	+ What types of knowledge and expertise are you looking for? (for example, healthcare expertise, marketing expertise, etc...) What steps are you taking to connect to them?
* Market Networks:
	+ What industry are you launching your entrepreneurial mission in? Who are your potential customers, consumers, and users (if applicable)? What steps are you taking to connect to them?
* Financing Networks:
	+ Are you trying to raise money?
	+ If you are trying to raise money, how much are you looking for and what type of financing options are you considering?

**Part 3: Your Milestones**

Short and Long-Term Goals

* What are you looking to get from PreFlight? What would make you consider your time in the program successful?
* If you aren’t already committed full-time to your startup concept, what would it take for you to decide to pursue it full-time?
* What would make you consider your entrepreneurial mission a success?

**Assignment 2 | Identifying Customer Problems**

Overview: Every entrepreneurial mission must solve a problem for its customers. We define a customer problem as a customer’s previously unmet need or desire. (If the word “problem” seems to get in your way of completing the exercise, you may try replacing the word “problem” with “desire” and we can address the challenge in class).

Identifying the right problem and conveying it effectively to any audience (including potential customers, team members, investors, and partners) are foundational steps for launching and growing a venture. It is also the first part of most startup pitches. The following exercise is designed to walk you through that process.

Deliverable: To complete this assignment, complete a summary of the customer problem your startup addresses and create a single, compelling problem statement. Craft your statement through the following exercise:

**Part 1: Identify**

* **Problem:**Tell the story of the problem(s) your customer experiences that you will solve. Use as much space as you need, and identify as many problems as you need to. Explain the pains that the problems cause.

**Part 2: Summarize**

* **Problem:**Summarize the problem your customer experience in a single sentence, no longer than twenty words. This is your problem statement.

**Part 3: Filter**

* **Problem:** Look at your problem statement. Identify up to 3 distinct components of that summary statement that you wish to emphasize, and describe each in a single sentence (3 additional sentences total for 3 points of emphasis) no longer than 20 words.

**Assignment 3 | Solving Customer Problems**

Overview: Every entrepreneurial mission must solve a problem for its customers. Identifying the right problem, aligning it with the right solution, and conveying it effectively to any audience are the foundational steps for launching a new venture as well as the first two components of a startup pitch.

Deliverable: To complete this assignment, complete a summary of the customer problem that you address and the solution that you provide for it. Please note, in the prior assignment you analyzed only the customer problem that you would address. In this assignment you additionally describe the solution. You may also update your problem description from the prior week based on any progress you have made. Complete the following exercise:

**Part 1: Identify**

* **Problem:**Tell the story of how your customer experiences the problem(s)that you will solve. Use as much space as you need, and identify as many problems as you need to. Explain the pains that the problems cause.
* **Solution:**Continue the story by describing how your product or service will solve the problem(s) you identified and what benefits that will create for your customer.

**Part 2: Summarize**

* **Problem:**Summarize the problem your customer experience in a single sentence, no longer than twenty words. This is your problem statement.
* **Solution:** Summarize the solution you provide in a single sentence, no longer than twenty words. This is your solution statement.

**Part 3: Filter**

* **Problem:** Look at your problem statement. Identify up to 3 distinct components of that summary statement that you wish to emphasize, and describe each in a single sentence (3 sentences total for 3 points of emphasis) no longer than 20 words.
* **Solution:**Look at your solution statement. Identify up to 3 distinct components of that summary statement that you wish to emphasize, and describe each in a single sentence (3 sentences total for 3 points of emphasis) no longer than 20 words.

**Assignment 4 | Your Customer**

**SECTION 1**

Overview: The most successful entrepreneurs are able to identify, find, and communicate with the customers who are most likely to become early adopters of their product or service. Contrarily, the majority of aspiring entrepreneurs struggle because they waste time and money focusing on the wrong customer groups, or on potential customer groups that are so large that they contain too many people who are unlikely to buy in the company’s early days and too few of those who are the early adopters most in need of the solution the company is offering for their problem.

Deliverable: To better understand and communicate your customer’s story, complete the following exercise.

**Part 1: The Story of Who Your Customer Is.**

* Tell the story of who your customer is. Name a single person (hypothetical or real), who is most likely to become your early adopter. Go beyond just the basic demographic characteristics of this person to tell the story of how this customer approaches life. How does this customer think, feel, and act? How does this customer spend his or her spare time? Tell a story that enables the reader to understand what’s most important about your customer.

**Part 2: The Story of How Your Customer Currently Experiences the Problem You Solve.**

* In Part 1, you shared a story that described your customer. In this section, tell the story of how your customer realizes and experiences the problem that your company will solve. As you describe that experience, think about what happens as well as what your customer is thinking and how your customer is feeling as it happens. This story should focus just on the customer’s experience without your solution.

**Part 3: The Story of How the Customer Will Experience Your Solution.**

Tell the story of how the customer experiences your solution. As you describe that experience, think about what happens as well as what your customer is thinking and how your customer is feeling as it happens, and what this will show to other people viewing the experience.

**SECTION 2**

Overview: Customer feedback is the flame that sharpens an entrepreneur’s mission. Collecting, analyzing, and acting on customer feedback is an ongoing process that will always be part of an entrepreneurial journey. This assignment is designed to help entrepreneurs begin approaching customer discovery and collecting customer feedback in a more systematic way. As with all the assignments, this assignment could be completed quickly by touching the surface of the identified topics, or could be sharpened over years of thought and evaluation. We expect the entrepreneurs to go only as far as they are able in the time allowed for this assignment.

Deliverable: Complete a plan and analysis for your early customer discovery efforts. Consider the following elements:

1) Identify the product, market, and customer hypotheses you want to test in customer interviews.

2) Write a potential script (remember you will deviate from it in the interview but it’s a powerful tool to be prepared) of the questions you wish to ask in your customer interview. Remember the stages of the interview process:

1. Welcome (Hi, this is what we’re doing here)
2. Collect Demographics & Psychographics (Tell me about yourself)
3. Tell A Story (Here’s an example of what we’ve seen that we’re trying to address, does this resonate with you?)
4. Problem Ranking (here’s a list of problems we’ve identified-how would you rank them?)
5. Customer Worldview (How do you deal with this problem today?)
6. Wrap Up (Can I come back to you when we’ve made a solution?).

3) Interview potential customers and collect findings on what you learned, what went well, and what didn’t go as well.

**Assignment 5 | Finding Your White Space**

Overview: Entrepreneurs must have a strong understanding of their competitive landscape. In class, we discuss different tools and approaches to identify, evaluate, and communicate a startup’s competitive position. In this assignment we want entrepreneurs to utilize the approaches that work best for them to complete and communicate that analysis for their startups.

Deliverable: Complete the following analysis of your competitive landscape:

1. Describe your current or potential product or service.

2. Identify at least 3 potential competitors.

3. Describe the strengths and weaknesses of each competitor.

4. Describe how your business compares to each competitor (in what ways is your product or service better, worse, similar to, and otherwise different from each competitor)?

**Assignment 6 | Your USP**

Overview: A Unique Selling Proposition, or USP, is a statement of what your entrepreneurial mission provides that is both unique and valuable to your target customers.

Deliverable: To analyze your potential USP, answer the following questions:

1. What are the features of your current or potential product or service?

2. What are the features of your competitors' product or service?

3. What are the benefits to customers of each of the features you identified in questions 1 and 2?

4. Why will customers love your product or service more than any of your competitors' products or services?

5. How will you be able to sustain an advantage over your competitors that will create unique value to your customers over the next 3-5 years?

**Assignment 7 | The Idea Frame & Your Business Model**

**Part 1**

Overview: Every entrepreneurial journey must create, deliver, and capture value to be able to sustain itself and reach the financial goals of the founders. At this point in the program, with a better understanding of what the startup will do and what the market opportunity is, entrepreneurs should perform a deeper analysis of how their startup will make money. Our next step in approaching that process is to collectively analyze all of the critical components that will affect how the startup uses and generates money.

Deliverable: Complete the Idea Frame. We also recommend writing a brief summary description to share with an advisor for feedback.

**Part 2**

Overview: During this module, and those coming up, the entrepreneur should strive for a deeper financial understanding of the startup and an effective strategy for communicating it.

Deliverable: Building on the understanding you worked on in prior modules, work through the following steps:

1. First, describe an average use case you can achieve within the first eighteen months of business. In that description, we recommend identifying a single metric that most directly correlates to increases in revenue. For example, every product you sell, every subscription you sell, every business you sign up, or every store you open. Once you have identified that metric, tell the story of what costs you incur to provide your product or service in that manner, the revenue you receive, and the resulting profit. Try to focus on significant costs and remember that you have a limited amount of time to convey this information.
2. Second, describe an average use case you can achieve within the first five years of business. Ideally, this description should give the audience an idea of how your business scales. Scalable businesses generally not only generate more total profit as they grow, but also become more profitable, meaning their profit per X (which you identified in the first section) actually increases.
3. Identify the critical assumptions that you have made for both your cost and revenue projections and explain why you have made the assumptions that you have.

**FINAL DELIVERABLE | The PreFlight Launch Plan**

**Part 1: Company Summary (100 Words or Less)**

Open with a brief summary of your company. You will have the opportunity to provide more information throughout the rest of the launch plan. This section is just an opportunity to frame for the reader what to expect so that the reader will get the most from the rest of your launch plan.

**Part 2: The Product or Service**

**1. Your Customer’s Problem:** Describe the problem your potential customers experience that you solve.

**2. Your Solution:** Describe the solution you provide to your customer’s problem.

**3. Product or Service Description:** Describe the product or service you provide in more detail. What does it look like? How does it work? What does it do?

**Part 3: The Early Adopter Profile**

**1. Demographic and Psychographic Profile:** Provide a demographic and psychographic profile of your target early adopter.

**2. Customer Intimacy:** Describe how, when, and why your target customer falls in love with your product or service.

**Part 4: The Value Model**

**1. Value Creation:** Describe the value creation process for your entrepreneurial mission by answering the following questions:

a. How will you create or provide your product or service?

b. What critical resources, processes, and partners will you need to create value?

c. What are the key cost drivers in this process?

d. What is the essential recipe of your entrepreneurial mission?

e. How much will it cost for you to create this value?

**2. Value Distribution:** Describe the value distribution process for your entrepreneurial mission by answering the following questions:

a. How will you distribute your product or service to customers?

b. What additional costs will this distribution process cause you?

c. How many potential customers can this distribution process access?

d. What is the critical driver that impacts the number of customers you can access? (for example, number of stores, salespeople, etc…)

**3. Value Capture:** Describe the value capture process for your entrepreneurial mission by answering the following questions:

a. How will you capture value for providing your product or service?

b. How will customers pay you? If there are different customer groups, explain each.

c. How much will customers pay?

d. What is the resulting profit or margin you will generate from each transaction?

**Part 5: The Larger Opportunity**

**1. Market Size:** Describe the potential for your entrepreneurial mission to capture value:

a. What is the total market size of this opportunity?

b. What market segments are you targeting? How large are they?

**2. Competitive Landscape:** Describe your competitive landscape:

a. How do potential customers currently cope with the problem you solve?

b. Describe the strengths and weaknesses of at least three competing solutions.

c. How does your product or service compare to the competitors mentioned above?

d. What is your unique selling proposition to customers? What evidence do you have that it is valuable to customers?

**3. Why Now:** Address the timing or your entrepreneurial mission.

a. What’s been happening in the market?

b. What is happening in the market?

c. What will happen in the market in the next 3-10 years? What evidence do you have for your conclusions? What will drive change in your market?

d. What customers are giving you early buying signals now?

e. Why is now the right time to launch your mission?

**Part 6: Financials**

Forecast your potential revenue, costs, and resulting profit or loss for the next three years.

**Part 7: Momentum**

How will you create, harness, and increase momentum from here?

**1. Past Accomplishments:** What progress have you made thus far? Describe key milestones and accomplishments.

**2. Next Steps:** What is your plan for the next 100 days? Identify the next key milestone for your entrepreneurial mission and how you will accomplish it.

**3. Potential Roadblocks:** What are the potential threats to your success? How can you minimize the risk of those threats?

**4. Team:** Who are your current team members? What team members do you need to add? What is your plan to add those team members?

**5. Early Adopter Milestone:** How will you get your first 1000 users or $10,000 in revenue?

**BONUS ASSIGNMENT | PreFlight Pitch**

The beginning stages of an entrepreneurial mission require a fundamental understanding of the core idea you are building the mission around and the value model that you will use to generate value from that idea. In the PreFlight pitch, you have five minutes to convince the audience of the merit of your idea. In those minutes, we recommend covering the topics listed below. To help you structure your pitch, we’ve also provided recommended time frames for each topic in parentheses (Minutes:Seconds):

**1. Your Company Name** (0:00-0:05)

**2. Your Potential Customer’s Problem** (0:05-0:55)

**3. Your Entrepreneurial Solution** (0:55-1:40)

**4. Your Target Early Adopter** (1:40-2:10)

**5. The Value Model** (2:10-2:50)

**6. The Market Opportunity and Your Path To Market** (2:50-3:30)

**7. The Competition** (3:30-4:00)

**8. Why Now** (4:00-4:20)

**9. Team** (4:20-4:40)

**10. Ask** (4:40-5:00)

**PreFlight Pitch Details**

The PreFlight Pitch is a brief pitch meant to gain the listener’s interest in your idea. It is not intended to convey the full beauty of your entrepreneurial mission or to gain investor funding. At best, the PreFlight Pitch convinces the listener to want to know more, whether that is by reading your PreFlight Launch Plan or sitting down and talking with you about your entrepreneurial mission. Of course, the PreFlight Pitch also helps you better understand and communicate your own concept, regardless of what your external goals might be.

**Step 1: Your Company Name** (0:00-0:05)

To open your pitch, begin by briefly introducing yourself, your concept’s name, and a tagline or purpose statement for your business (if applicable).

**Step 2: Your Potential Customer’s Problem** (0:05-0:55)

In this portion of your pitch, describe the problem your ideal customer experiences that your entrepreneurial mission solves. You should be able to summarize your problem statement in a single sentence, and briefly detail the critical components of the problem that you will solve.

**Step 3: Your Entrepreneurial Solution** (0:55-1:40)

In this portion of your pitch, state how you will solve the problem that you have described. Your description of your solution should perfectly align with your description of the problem that you solve. The single statement in your problem should align with the single statement in your solution, and if you discuss detailed components of your solution, make sure you talk about them in the same order as the problem components you discussed in the prior step of your Preflight Pitch.

**Step 4: Your Target Early Adopter** (1:40-2:10)

Describe the demographic and psychographic profile of your target early adopter. Your early adopter is the first customer who is willing to try your unproven product and service. In this portion of the pitch you should give your audience a very clear picture of a person or business that would buy your product or service.

**Step 5: The Value Model** (2:10-2:50)

Describe how your entrepreneurial mission will create, distribute, and capture value. This section of the pitch is usually the portion that gives entrepreneurs the most trouble and separates the better pitches from the rest of the pitches. Make sure to answer the following questions:

* How will you create your product or service? How much will that cost you?
* How will you distribute your product or service to customers? How much will that cost you? How will you acquire customers?
* What will be your pricing and transaction strategies? How much profit does that mean you will make on each customer purchase?

**Step 6: The Market Opportunity** **and Your Path to Market** (2:50-3:30)

Once you’ve described your target early adopter and your value model, explain what opportunity there is for your value model to generate value. In this portion of your pitch, identify the total market your entrepreneurial mission will work in, what segments of that market you are targeting, why you chose to target those segments, and how will penetrate those market segments.

**Step 7: The Competition** (3:30-4:00)

Discuss the competitive landscape for your product or service. However customers have survived without you thus far is a competitor for you, so don’t say that there is no competition. Identify a few competitors or types of competitors and explain how what they do compares to what you do in a way that shows that some customers will want to buy from you.

**Step 8: Why Now** (4:00-4:20)

At this point in the pitch, you’ve described an entrepreneurial opportunity. Now identify what trends in the market indicate that this is the right time for you, or someone like you, to exploit that opportunity. Consider three questions:

* What’s been happening in the market?
* What’s happening now?
* What will happen?

**Step 9: Team** (4:20-4:40)

Why are you and your current team members the right team to launch this entrepreneurial mission? We realize that it is difficult to identify what team members you will need and to lure them onboard before you’ve evaluated the entrepreneurial opportunity and the value model you will need to execute. Thus, many entrepreneurs at the end of this program are just at the point where they are confident they need to find certain team members. If that’s you, you can still quickly mention why you are the right person to make this mission succeed.

**Step 10: The Ask** (4:40-5:00)

What do you need right now to take the next step toward being successful? For most entrepreneurs with high-growth startup dreams, pitches are delivered with the goal of gaining investment. However, that may not be the case for your company. Do you need a co-founder with a specific skillset? Do you need a manufacturer, distributor, or other partner? Do you need an advisor or mentor? Or are you simply trying to reach your first customers? This step shapes the entire pitch. Once you’ve thought about your ask, go back and make sure that the rest of the pitch sets up your ask directly and cohesively.