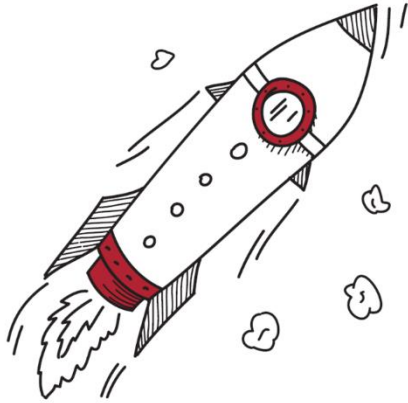Aluflexpack Innovation **challenge #3**
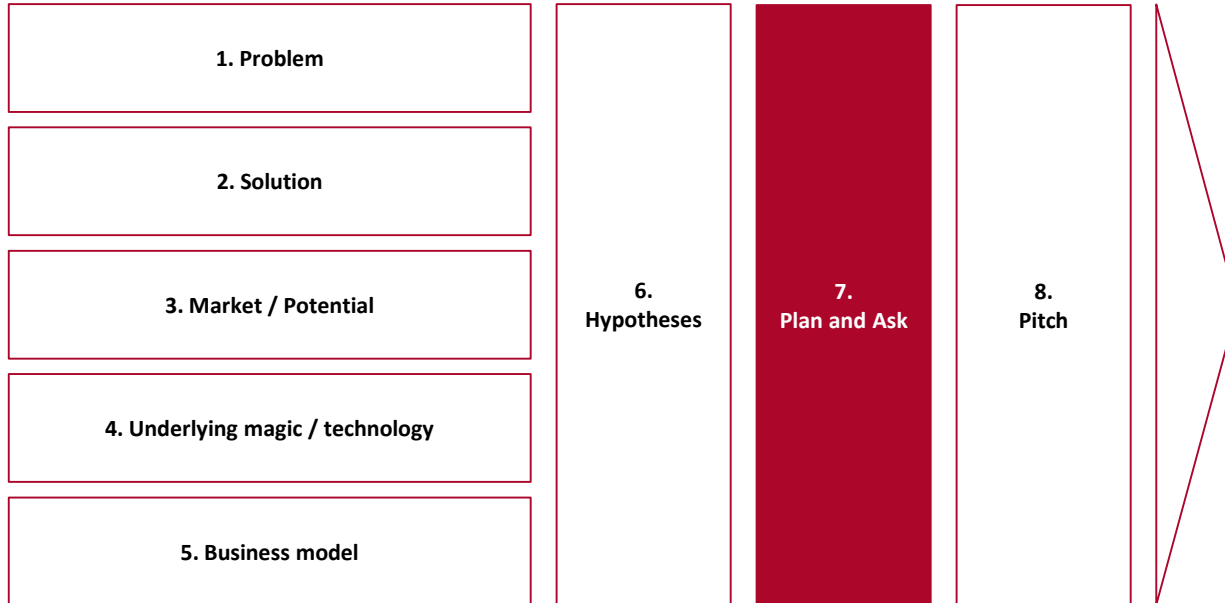
A L U
FLEX
PACK

The Plan and Ask

11 September 2024

"We become the most integrated success maker for a lasting packaging experience!"
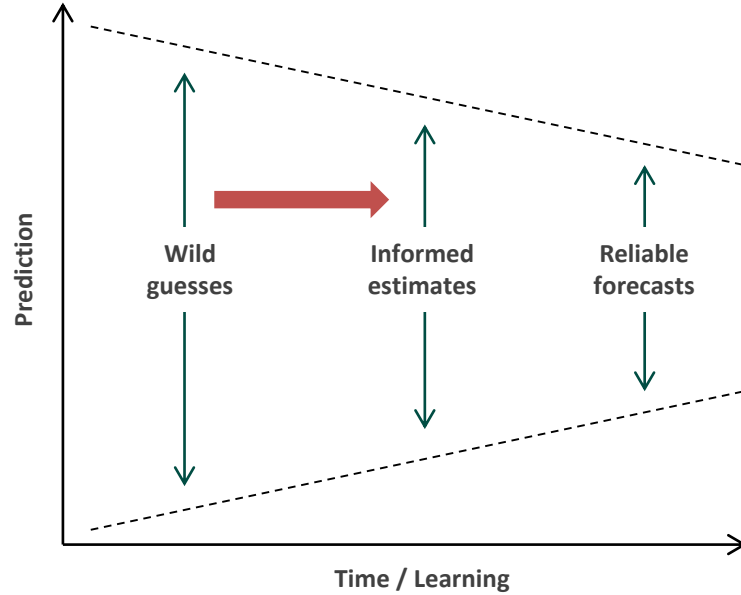
Idea Maturation framework

ALU FLEX PACK

1. Problem

2. Solution

3. Market / Potential

4. Underlying magic / technology

5. Business model

6. Hypotheses

7. Plan and Ask

8. Pitch

A learning loop

	Step	Activity
1.	**Map and prioritize hypotheses**	• Map hypotheses • Identify most critical hypotheses • Prioritize hypotheses
2.	**Design tests and develop test backlog**	• Identify experiments for testing the most critical hypotheses • Develop test cards for each experiment • Prioritize the test cards in terms of criticality of test / learning relative to cost of experiment
3.	**Build plan & ask**	• Make high-level plan • Define detailed masterplan for the first three month • Make the ask
4.	**Conduct tests**	• Book time and resources • Make the sprint plan • Make the tests
5.	**Evaluate learnings and adjust plan**	• Consolidate learnings from tests • Explore how the learnings impact your hypotheses • Determine decisions and actions required for the Master Plan • Plan the next sprint

A learning loop

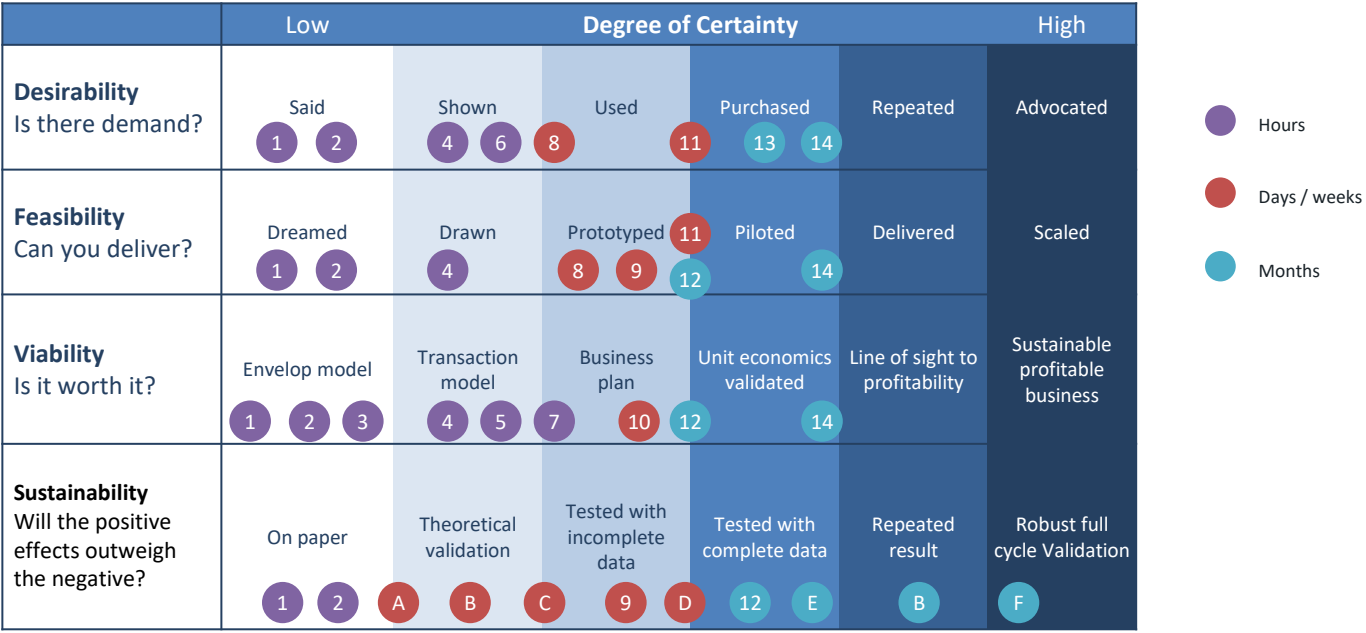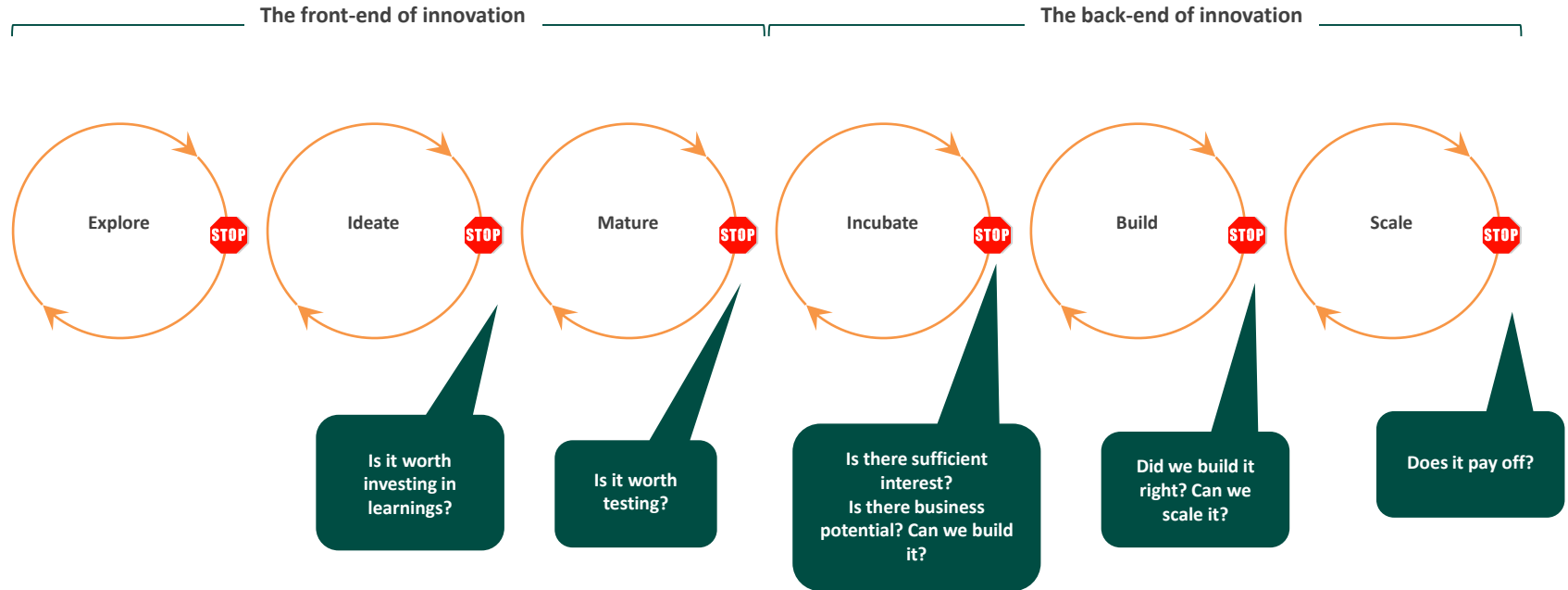|	Step	Activity
1.	Map and prioritize hypotheses	• Map hypotheses • Identify most critical hypotheses • Prioritize hypotheses
2.	Design tests and develop test backlog	• Identify experiments for testing the most critical hypotheses • Develop test cards for each experiment • Prioritize the test cards in terms of criticality of test / learning relative to cost of experiment
3.	Build plan & ask	• Make high-level plan • Define detailed masterplan for the first three month • Make the ask
4.	Conduct tests	• Book time and resources • Make the sprint plan • Make the tests
5.	Evaluate learnings and adjust plan	• Consolidate learnings from tests • Explore how the learnings impact your hypotheses • Determine decisions and actions required for the Master Plan • Plan the next sprint

Innovation and uncertainty

Prediction

Wild
guesses

Informed
estimates

Reliable
forecasts

Time / Learning

Source: The Other Side of Innovation (Vijay Govindarajan & Chris Trimble, 2010)

Innovation and uncertainty

	Low			Degree of Certainty		High
Desirability Is there demand?	Said ①②	Shown ④⑥⑧	Used ⑪⑬⑭	Purchased ⑬⑭	Repeated	Advocated
Feasibility Can you deliver?	Dreamed ①②	Drawn ④	Prototyped ⑪⑧⑨⑫	Piloted ⑭	Delivered	Scaled
Viability Is it worth it?	Envelop model ①②③	Transaction model ④⑤⑦	Business plan ⑩⑫	Unit economics validated ⑭	Line of sight to profitability	Sustainable profitable business
Sustainability Will the positive effects outweigh the negative?	On paper ①②	Theoretical validation A B	Tested with incomplete data C ⑨	Tested with complete data D ⑫ E	Repeated result B	Robust full cycle Validation F

Legend: Hours (purple), Days / weeks (red), Months (teal)

Source: The First Mile (Scott Anthony, 2014) & NOSCO, Third Party Material, Fair Use and NOSCO

1. Conduct desk research
2. Run a thought experiment
3. Build a back-of the envelope 4P model
4. Make a phone call
5. Walk through a transaction
6. Talk to potential customers
7. Build a reverse income statement
8. Pretotype your idea
9. Run a focused feasibility test
10. Build a detailed financial model
11. Prototype the purchase / user experience
12. Prototype the business model
13. Run a small base usage test
14. Conduct an operational pilot

A. Talk to a sustainability responsible
B. Use the inhouse Excel sheet model
C. Life Cycle Quick-scan
D. Regulatory Compliance Check
E. Comprehensive Life Cycle Assessment
F. Obtain Sustainability Certifications

The Innovation Journey

The front-end of innovation

The back-end of innovation

Explore | STOP

Ideate | STOP

Mature | STOP

Incubate | STOP

Build | STOP

Scale | STOP

Is it worth investing in learnings?

Is it worth testing?

Is there sufficient interest? Is there business potential? Can we build it?

Did we build it right? Can we scale it?

Does it pay off?

Outlining hypotheses in learning loops

A L U
FLEX
PACK

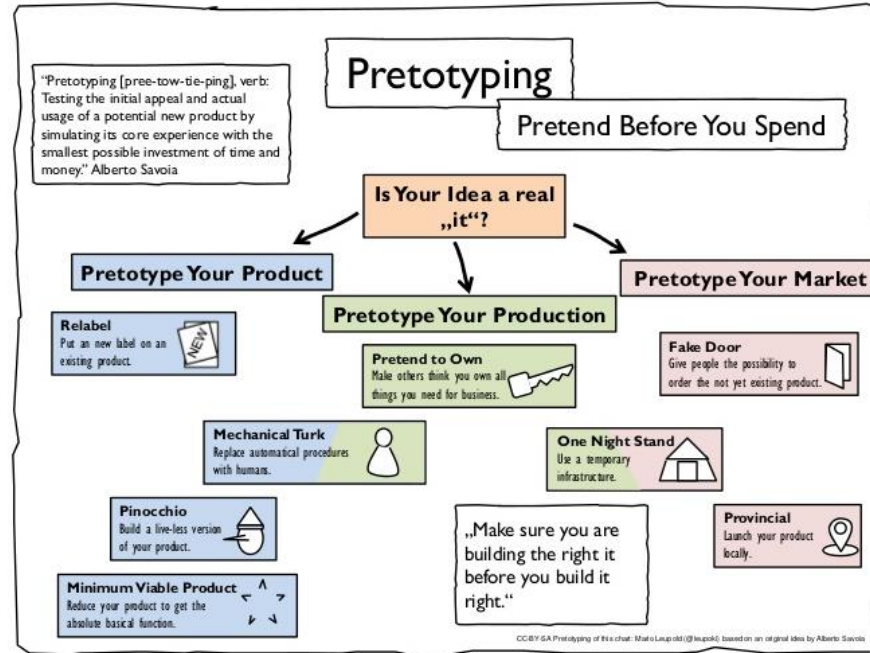|	Learning loop -1 (Until now) STOP	Learning loop 0 (The Bootcamp) STOP	Learning loop 1 (~ 3 months) STOP	Learning loop 2 (~ 3 months) STOP	Learning loop 3 (~ 3 months) STOP
Market	Hypothesis	Hypothesis	Hypothesis	Hypothesis	
Technology	Hypothesis	Hypothesis		Hypothesis	Hypothesis Hypothesis
Business Model		Hypothesis	Hypothesis	Hypothesis	
Resources		Hypothesis			Hypothesis

Organising tests in learning loops
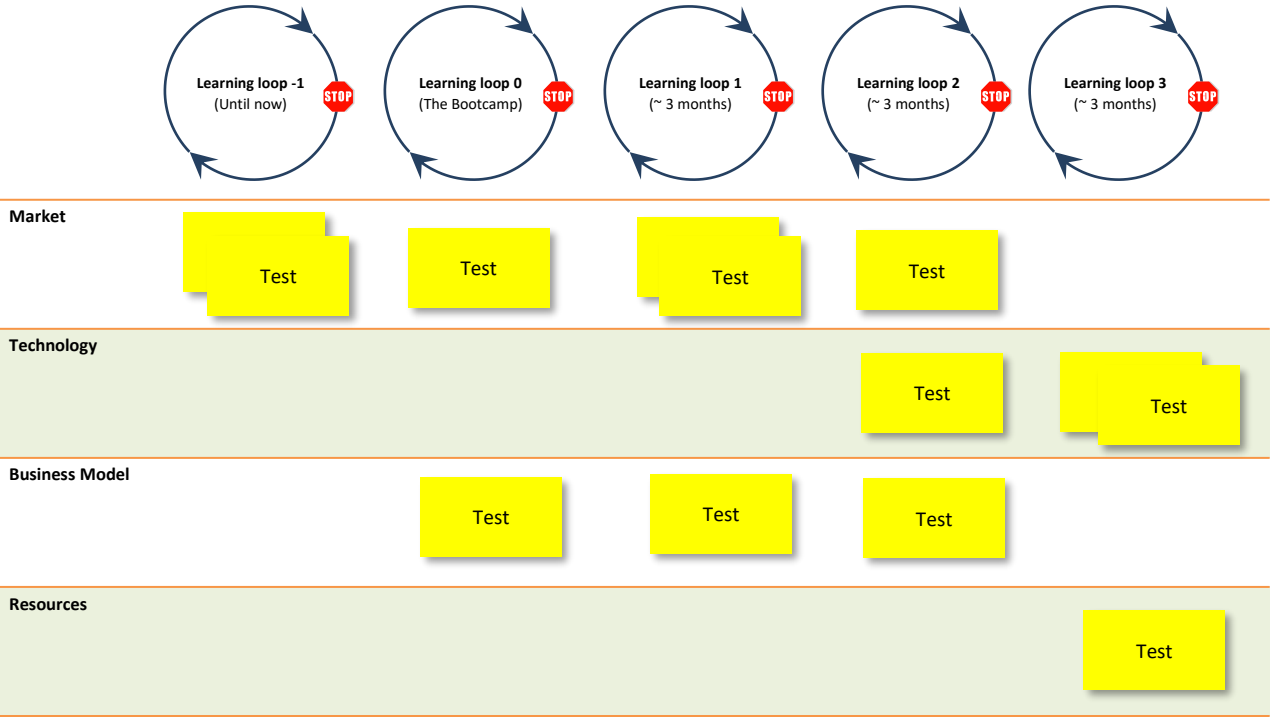
Assessing tests

Type of test: The users understand how to use our solution	Hypothesis	Strengths of evidence	Number of data points	Confidence	Learnings
Observations	"We have understood the problem right"	1 - 2 - 3 - 4 - 5	5 customer observations	Strong	
Survey	"The customers want our solution"	1 - 2 - 3 - 4 - 5	50 customer respondents	Weak	
Use case mock-up	"The customers understand our solution"	1 - 2 - 3 - 4 - 5	10 customer interviews	Moderate	
Explainer video	"The customers want and understand our solution"	1 - 2 - 3 - 4 - 5	5 customer interactions	Strong	

A L U
FLEX
PACK

Make sure you build the right *it*,
before you build *it* right

Source: Pretotype It (Alberto Savoia, 2012)

Principles

innovators beat ideas
pretotypes beat productypes
building beats talking
simplicity beats features
now beats later
commitment beats committees
data beats opinions

Source: Pretotype It (Alberto Savoia, 2012)

Forms of Pretotyping

"Pretotyping [pree-tow-tie-ping], verb: Testing the initial appeal and actual usage of a potential new product by simulating its core experience with the smallest possible investment of time and money." Alberto Savoia

Pretotyping
Pretend Before You Spend

Is Your Idea a real „it"?

Pretotype Your Product

Pretotype Your Production

Pretotype Your Market

Relabel
Put an new label on an existing product.

Pretend to Own
Make others think you own all things you need for business.

Fake Door
Give people the possibility to order the not yet existing product.

Mechanical Turk
Replace automatical procedures with humans.

One Night Stand
Use a temporary infrastructure.

Pinocchio
Build a live-less version of your product.

„Make sure you are building the right it before you build it right."

Provincial
Launch your product locally.

Minimum Viable Product
Reduce your product to get the absolute basical function.

CC/BY-SA Pretotyping of this chat: Mario Leupold (@leupold) based on an original idea by Alberto Savoia

Source: Pretotype It (Alberto Savoia, 2012)

Mechanical turk: Husqvarna

The Hot Dog Slot Machine

Mechanical turk: RENOLIT

Predictive maintenance

Pinnochio: Palm Pilot

COURTESY PALM

Mechanical Turk: Vivino

Minimum viable product: Zappos

Fake Door: website and sign-up

"Going to a conference"

Dealer interviews

We believe that dealers think the market for used spare parts is an interesting business opportunity

To verify that, we will have interviews with dealers in selected regions

We know we are right when

- 2 of 3 dealers have more than 30 obsolete spare parts in stock that they are willing to sell

- 2 out 3 dealers say they trust the marketplace enough to use it

- 3 out of 3 dealers say that their customers are willing to buy products repaired with used parts

Email experiment

We believe that dealers think the market for used spare parts is an interesting business opportunity

To verify that, we will send an email, asking the dealers to visit the platform and sign up to use the marketplace

We know we are right when

- 87 of 290 (30%) dealers click on the link

- 29 of 290 (10%) dealers sign up to the platform
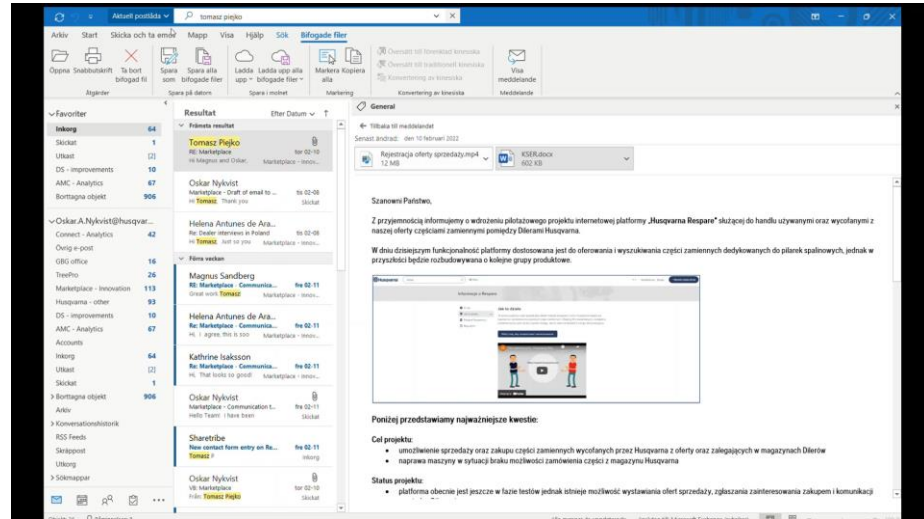
Get out of the office

AUTOMATIC SERVICE BOOKING
IN REPAIR SHOPS
BY A ROBOTIC LAWN MOWER

A learning loop

	Step	Activity
1.	Map and prioritize hypotheses	• Map hypotheses • Identify most critical hypotheses • Prioritize hypotheses
2.	Design tests and develop test backlog	• Identify experiments for testing the most critical hypotheses • Develop test cards for each experiment • Prioritize the test cards in terms of criticality of test / learning relative to cost of experiment
3.	Build plan & ask	• Make high-level plan • Define detailed masterplan for the first three month • Make the ask
4.	Conduct tests	• Book time and resources • Make the sprint plan • Make the tests
5.	Evaluate learnings and adjust plan	• Consolidate learnings from tests • Explore how the learnings impact your hypotheses • Determine decisions and actions required for the Master Plan • Plan the next sprint

Test name:

Hypotheses – We believe that …

Test – To verify that we will

Metric – And measure …

Criteria – We are right if …

Key activities

Team

Cost (EUR)

Duration/ hours

ALU
FLEX
PACK

Hypotheses – We believe that …

- People are interested in a cloud based service for storing and sharing files

Test – To verify that we will …

- Develop an email campaign and explainer video and measure initial level of interest

Metric – And measure …

- The click-through rate (%)
- The share of user that sign up for the beta (%)

Criteria – We are right if …

- At least 2% click-through rate (number of clicks divided by total impressions)
- At least 10% share of click-throughs sign up for the beta

| Hypotheses – We believe that … |
| Test – To verify that we will |
| Metric – And measure … |
| Criteria – We are right if … |

Key activities	Team
Cost [EUR]	
Duration/ hours	

Key activities

- Define target group for campaign
- Define key use cases / USPs of cloud based file sharing
- Develop company identify / logo
- Develop story board for explainer video
- Develop explainer video
- Add speak to explainer video
- Run campaign
- Measure

Team

- Head of product (10%)
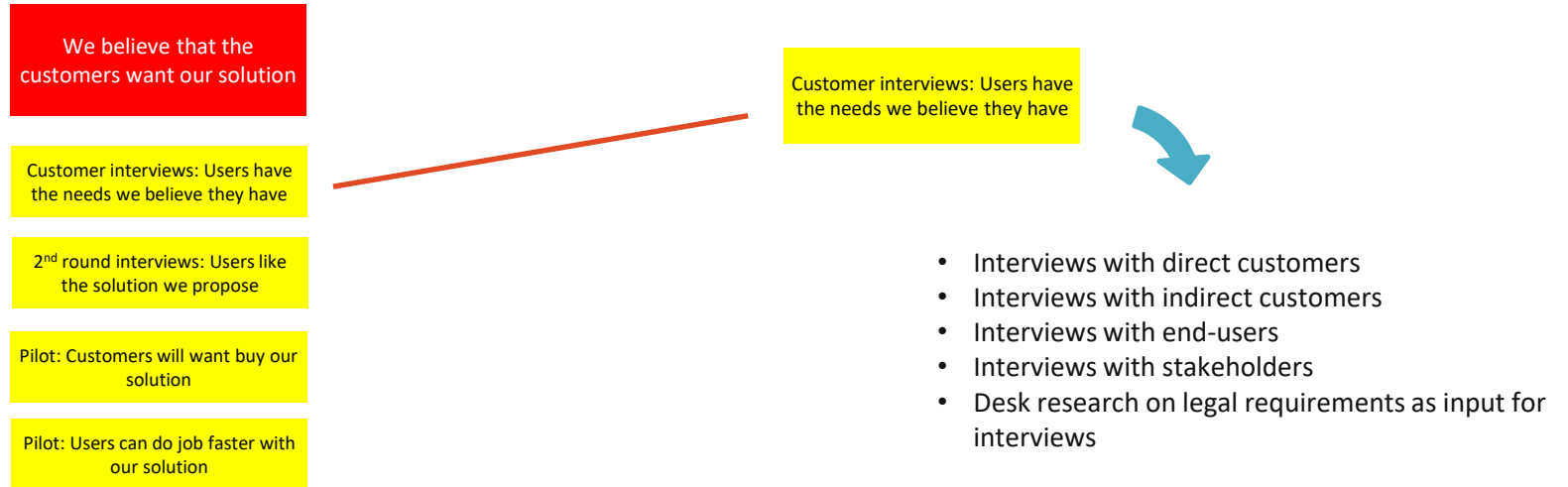- Head of marketing (10%)

Cost (EUR)

- Logo production: 100
- Video production: 100-500
- Google analytics: TBD

Duration

- 2-3 months

Breaking down hypotheses into tests

We believe that the customers want our solution

Customer interviews: Users have the needs we believe they have

2nd round interviews: Users like the solution we propose

Pilot: Customers will want buy our solution

Pilot: Users can do job faster with our solution

Customer interviews: Users have the needs we believe they have

- Interviews with direct customers
- Interviews with indirect customers
- Interviews with end-users
- Interviews with stakeholders
- Desk research on legal requirements as input for interviews

A learning loop

|	Step	Activity
1.	**Map and prioritize hypotheses**	• Map hypotheses • Identify most critical hypotheses • Prioritize hypotheses
2.	**Design tests and develop test backlog**	• Identify experiments for testing the most critical hypotheses • Develop test cards for each experiment • Prioritize the test cards in terms of criticality of test / learning relative to cost of experiment
3.	**Build plan & ask**	• Make high-level plan • Define detailed masterplan for the first three month • Make the ask
4.	**Conduct tests**	• Book time and resources • Make the sprint plan • Make the tests
5.	**Evaluate learnings and adjust plan**	• Consolidate learnings from tests • Explore how the learnings impact your hypotheses • Determine decisions and actions required for the Master Plan • Plan the next sprint

Organising tests in learning loops (The Plan
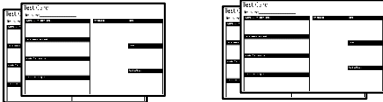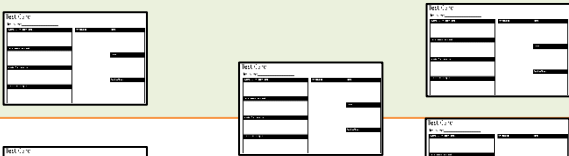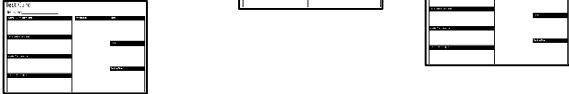
THE PLAN (Example)

Pitch 1

25.03.2023

01.05.2023

Start incubation 1

1) Test Hypotheses:
- Identify potential customers
- Run interviews
- Test interest online

2) Sketch basis version (MVP)

3) Pain & Gain analysis

THE PLAN (Example)

Pitch 1

25.03.2023

01.05.2023

Start incubation 1

1) Test Hypothese
- Identify potential customers
- Run interviews
- Test interest online

2) Sketch basis version (MVP)

3) Pain & Gain analysis

Hypothese:

1. There is a market for xxx:
    - XXX want to buy XXX
    - XXX is favored compared to YYY
    - The Service xxx is perceived valuable
2. POC is possible in 3 to 6 months
3. Our offering solves a ‚Hair on Fire' problem

THE PLAN (Example)

A L U
FLEX
PACK

Pitch 1

25.03.2023

End incubation phase 1
Pitch 2
Presentation

01.08.2023

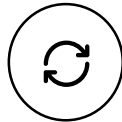**End incubation phase 1**
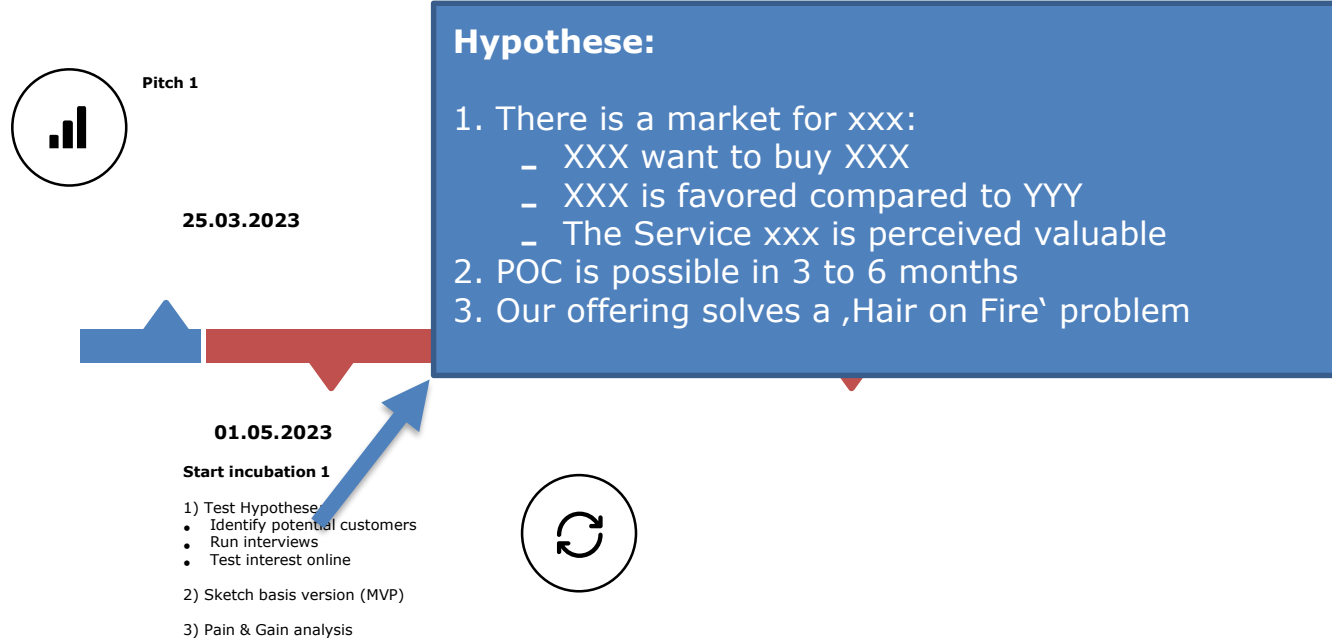**Pitch 3**
Presentation
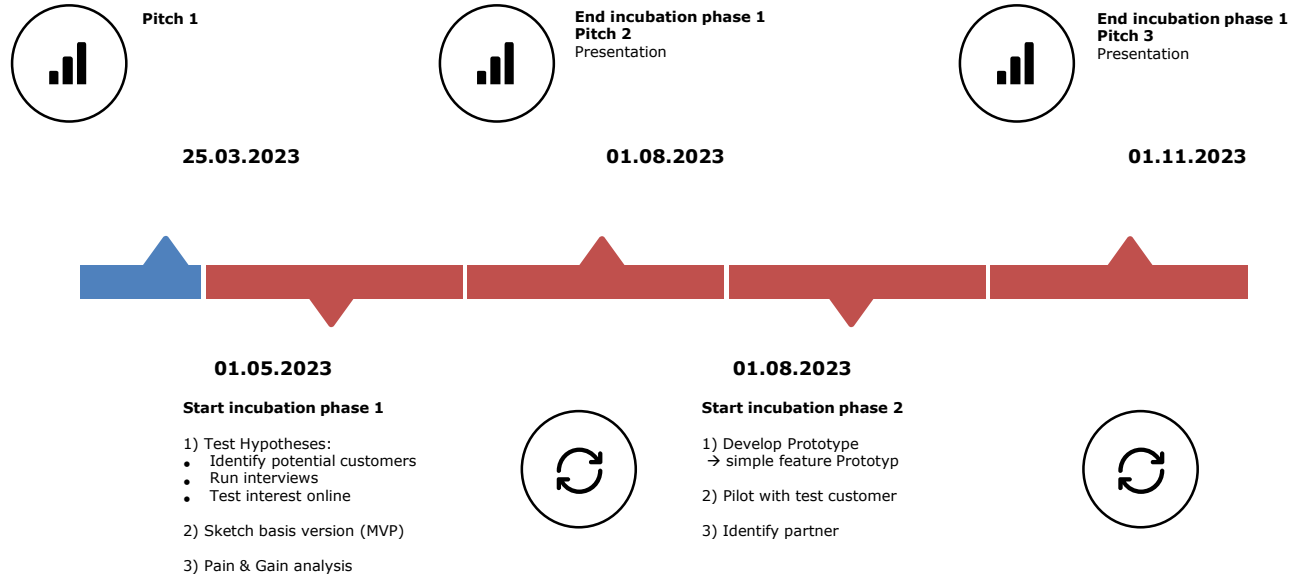
01.11.2023

01.05.2023

Start incubation phase 1

1) Test Hypotheses:
- Identify potential customers
- Run interviews
- Test interest online

2) Sketch basis version (MVP)

3) Pain & Gain analysis

01.08.2023

Start incubation phase 2

1) Develop Prototype
→ simple feature Prototyp

2) Pilot with test customer

3) Identify partner

THE PLAN (Example)

ALU FLEX PACK

Pitch 1

End incubation phase 1
Pitch 2
Presentation

End incubation phase 1
Pitch 3
Presentation

25.03.2023

01.08.2023

01.11.2023

Launch & Revenue hypotheses

01.05.2023

Start incubation phase 1

1) Test Hypotheses:
- Identify potential customers
- Run interviews
- Test interest online

2) Sketch basis version (MVP)

3) Pain & Gain analysis

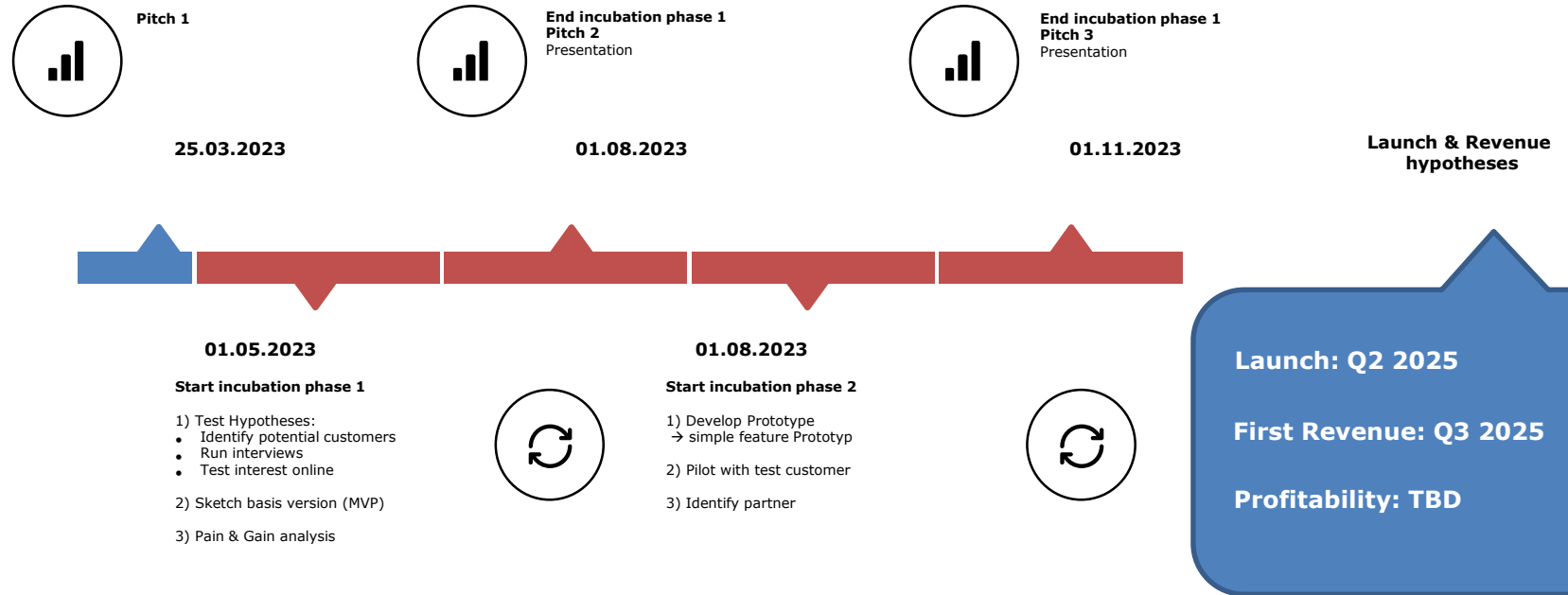**01.08.2023**

Start incubation phase 2

1) Develop Prototype
→ simple feature Prototyp

2) Pilot with test customer

3) Identify partner

Launch: Q2 2025

First Revenue: Q3 2025

Profitability: TBD

The Ask (Example)

Time and personal resources

Matthias: ~60% (24h per week)
Project coordination
Technical aspects

Désirée : ~60% (24h per week)
Legal
Minutes of meetings

Andrea: ~50% (20h per week)
Linking to business
Networkng

Jane: ~30% (18h per week)
Take care of team
Customer contact

10.000 EUR Budget:

- 5.000 EUR for Basis version of landing page / basic version
- 4.000 EUR for External legal advice
- 1.000 EUR for Analysing web results
- "License to Interview"

First Three Months

Source: The Other Side of Innovation (Vijay Govindarajan & Chris Trimble, 2010)

Instructions

If this is to be moved forward…

1: Alignment and contribution

a) Personal Alignment: Do you see your interests, skills, and career aspirations aligning with the project's objectives? How can this project facilitate your growth, both academically and professionally?

b) Contribution Method: Consider the mode of your contribution Method: Consider how your start-up can collaborate with Aluflexpack. Will it involve securing acquisition opportunities, leveraging AFP sales channels, co-financing projects, discounted use-case project or other forms of partnership? Identify the approach that best aligns with your start-up's strengths and objectives.

c) Next step: What actions will you take and what would you need from us?

2: Aligning Team and Contributions

a) Team Composition: Define the ideal team. Evaluate your current team's composition and identify any lacking expertise. Determine if someone is ready to lead.

3: Projecting the Future

a) Milestones: Outline key deliverables and a timeline from now until launch.
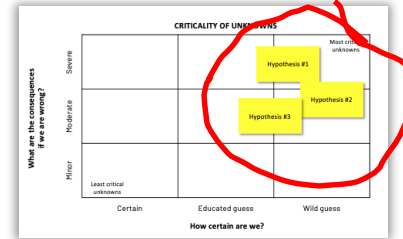
b) Coming Quarter: Detail essential actions for the next three months.

c) Resources: Assess needs regarding personnel and budget from you and Aluflexpack.

Instructions

A: Choose your hypotheses (upper right-hand corner)

- Choose the most critical hypotheses to test out in the next Learning Loop (~ 3 months)

B: Define you first tests

- Define the tests you need to validate your hypotheses
- Develop test cards for each of the tests

C: Draw up your plan (and your ask)

- Make the plan and the ask
  - When do you expect this could launch?
  - What are the high-level milestones?
  - What will you specifically do the next there months?
  - What contribution model do you see yourself in?
  - What team, time allocation and budget is required?