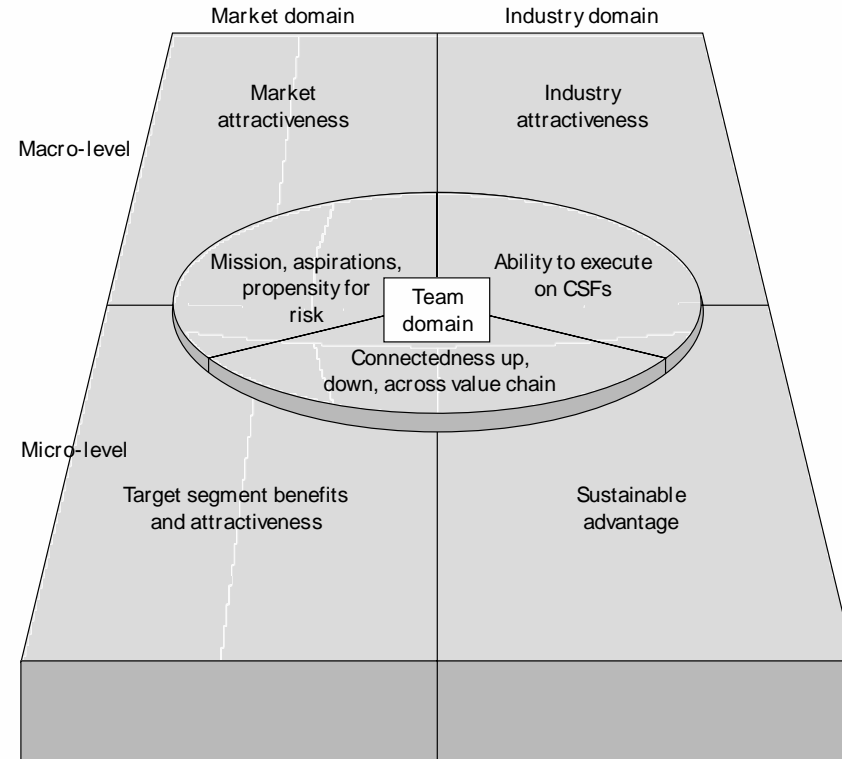


# 7 Domain Model

The “New Business Road Test” by John Mullins

# 7 Domain Model



# Market vs. Industry

Markets = ?

Industry = ?

# Market vs. Industry

Markets = buyers

Industry = sellers

1

# Attractiveness (Market, Macro)

- A Size (e.g., #customers, #sold products, total \$ spent)
- B Growth
- C Trends
- D Dynamics of the overall market

## 2 Target Segment Benefits (Market, Micro)

- A Identify the first customers who will buy and why?
- B Spot 1+ options **for growth** in other market segments

## Attractiveness (Industry, Macro)

A How attractive is the industry? Use Porter's Five Forces:

1. Competitive Rivalry (Existing Competitors)
2. Threat of New Entrants
3. Threat of Substitutes
4. Bargaining Power of Buyers
5. Bargaining Power of Suppliers

B

Can your business survive industry dynamics like strong competitors, high supplier power, etc.?

4

## Sustainable Advantage (Industry, Micro)

A What is your edge? Proprietary tech, brand, network effects?

B

Can your advantage last?



# Team Domains

## 5 Mission, Aspirations, and Propensity for Risk

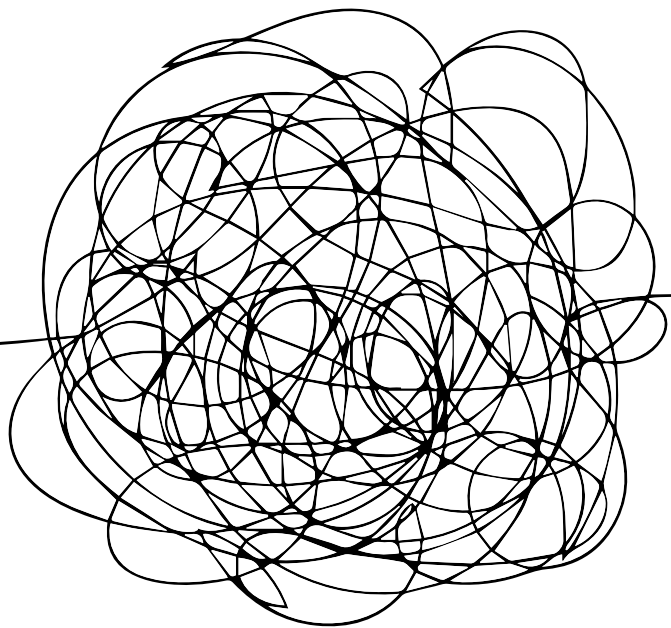
Are the founders and team aligned on vision and risk tolerance?

## 6 Ability to Execute on Critical Success Factors

Does the team have the skills, experience, and connections to succeed?

## 7 Connectedness Up, Down, and Across the Value Chain

Do you have relationships with suppliers, partners, customers, investors?



7 domain model is  
used for ...



... refining your idea.

# What to do

Your feasibility study should be prepared in teams according to the outline in The New Business Road Test in chapter " **Why do most business plans not raise the money?**", section [The customer-driven feasibility study](#).

It should be single-spaced in 11- or 12-point font and not exceed from **3 to 5 pages** A4 pages, including text, exhibits, and references. It should clearly demonstrate why your idea as proposed at the outset of the course or as developed thereafter is or is not feasible. Either outcome is acceptable; however arguing that your idea is feasible when your evidence suggests otherwise will be hazardous.

# The customer-driven feasibility study

## box 10.1

### What's entailed in a customer-driven feasibility study?

- 1 Executive summary that briefly sets what follows (tells the reader(s) – you and your team – what you are going to tell them).
- 2 Micro-level market assessment:
  - target market and its pain identified; compelling benefits of your solution identified, with evidence that those in this segment are willing to pay a price that works;
  - target market segment, size and growth rate;
  - options to grow into other segments.
- 3 Macro-level market assessment:
  - overall market size and growth rate;
  - macro-trends analysis to assess future market growth and attractiveness.
- 4 Macro-level industry assessment:
  - five forces analysis: whether or not the industry is attractive;
  - likely changes therein going forward.
- 5 Micro-level industry assessment:
  - any proprietary elements;
  - any superior organizational processes, capabilities or resources identified that are not easily duplicated or imitated;
  - economic viability of business model established:
    - revenue forecast;
    - customer acquisition and retention costs, and time required to obtain a customer;
    - gross margins;
    - capital investment required;
    - break-even analysis;
    - operating cash cycle characteristics.
- 6 Team assessment:
  - team's mission, aspirations and propensity for risk;
  - team's ability to execute on the CSFs in this industry;
  - team's connectedness up, down and across the value chain.
- 7 Summary and conclusions (tell the reader(s) the key highlights of what you've told them):
  - why this opportunity is – or isn't – attractive and on what one (or, at most, two) domain(s) you rest your case.

Market analysis worksheet

Industry analysis checklist