TRANSLATING RESEARCH INTO ACTION CENTER
AMERICAN UNIVERSITY • WASHINGTON, DC

VELORIC CENTER *for* ENTREPRENEURSHIP
AMERICAN UNIVERSITY • WASHINGTON, DC

ENTREPRENEURSHIP WORKSHOP SERIES: Turning Research into Societal & Economic Impact

Workshop II: Building a Business Model

(RECORD)

October 14, 2025

Workshop Series

Entrepreneurial Mindset & The Lean Startup Method

Tuesday, September 16, 2025, from 12:45 pm – 2:00 pm

Building a Business Model

Tuesday, October 14, 2025, from 12:45 pm – 2:00 pm

- Build a cross disciplined team
- Determine key market sizes for a product or service
- Identify a go-to-market strategy for customer engagement
- Determine revenue models
- Build product development and customer engagement traction

Commercialization, Fundraising & IP

Tuesday, November 18, 2025, from 12:45 pm – 2:00 pm

- Investment and financing, pitches, networking
- Operating a business vs. licensing technology
- IP - trademarks and patents

DCSTW Formerly DC Startup Week | DC STARTUP & TECH WEEK

VELORIC CENTER *for* ENTREPRENEURSHIP
AMERICAN UNIVERSITY • WASHINGTON, DC

OCTOBER 20-24, 2025

5 DAYS

7000+ ATTENDEES

300+ SPEAKERS

4 BUSINESS PITCH COMPETITIONS

150+ EVENTS ALL WEEK

6 VENUES ACROSS DC

100 SPONSORS & PARTNERS

75 EXHIBITORS

FREE TICKETS FOR 125 AU STUDENTS!
REGISTER WITH YOUR AU EMAIL ADDRESS
PROMO CODE: AUEagles25

IF YOU REGISTER: ATTEND AT LEAST HALF A DAY, POST ON LINKEDIN AND TAG THE VELORIC CENTER!

bit.ly/dcstw25

https://www.youtube.com/watch?v=-Y8R0Nbj5a8

Building a Business Model

Product-Market Fit
Market Size (Customer Potential)
Traction - Validation
Go-to-Market Strategy
(Marketing/Communication Campaigns)
Founder(s) & Team
How We Make Money

"Founders want to spend 90% of their time talking about their product and 10% on everything else.

Investors want the founder to spend 10% of their time talking about their product and 90% of their time on everything else."

Randy Domolky, Founder
Private Access Networks

Lean Startup Method –
Take Aways Last Session?

Product/Market Fit

What is the **customer pain point or problem** in the marketplace?

What is the product/service solution? What is the **Value Proposition** (Secret Sauce –MOAT)?

What is the existing or potentially new **competitors**?

Getting the right goods or services into the hands of your customers at the right time

PRODUCT – MARKET FIT

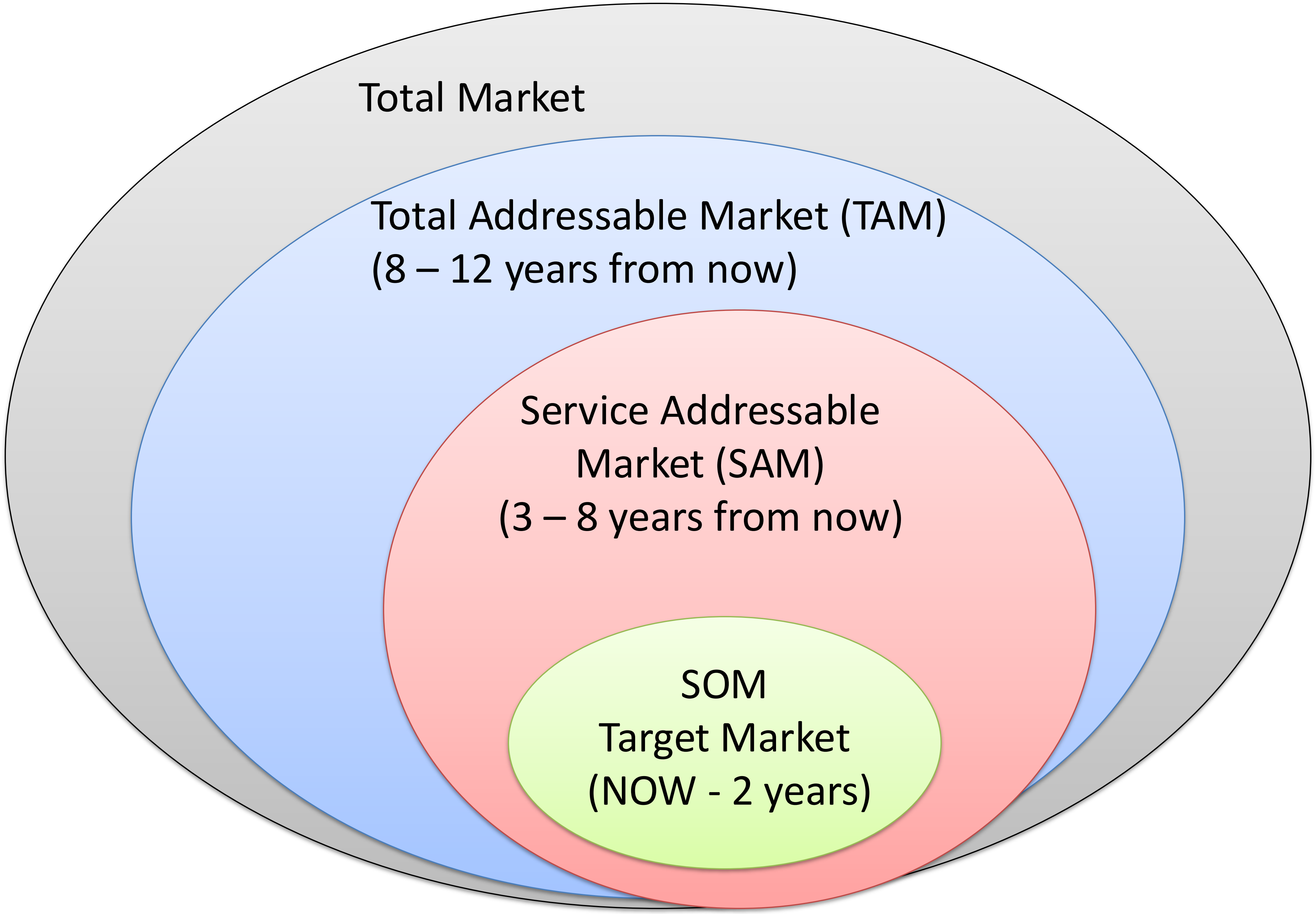
Timing = 42%
Team/Execution = 32%
Idea = 28%
Business Model = 24%
Funding = 14%

Bill Gross, founder of Ideas Lab (survey)

Customer Market Sizes

Is there a big enough market for my product or service?

(aka- are enough people willing to pay for it?)



Total Addressable Market (TAM)

Total addressable market, or total available market, (TAM) refers to the <u>**total market demand**</u> ***for YOUR product or service.***

It's the **maximum amount of revenue or customers YOUR venture** can possibly generate by **selling YOUR** product or service in a specific market. (Erika Granath, 2019)

Example for TAM:

10,000,000 users x $10 sales price = $100 million in Revenue

Find Your Industry Market Data (and perhaps the customer pain point!)

Gen AI PROMPT:

Context: Forecast market data is critical for entrepreneurs to understand the overall market in a particular industry. Finding wicked customer problems to solve is imperative for innovation to continue.

Audience: American University faculty, staff, and post-docs who are building an entrepreneurial mindset and are examining ways to commercialize their scholarly research.

Role: You are an expert with 20 years experience at industry analysis, identifying and analyzing forecast data, and finding wicked customer problems in industries.

Action: Give a nice welcome to the entrepreneur. To proceed, you must first ask the entrepreneur what industry they would like to be analyzed (and for the US or global market). Once you are provided the industry, then identify 3 – 5 data points that forecast the growth of revenue and/or investment. You must cite each data point with an active URL link.

Ask the entrepreneur to pick one data point. You will then provide 3 – 5 more detailed items that support this data point (provide citations as necessary. Once you have run this, ask the entrepreneur if they would like a list of wicked problems in this deep dive. Once you have run this, ask the entrepreneur to pick one wicked problem, and then you provide a deeper analysis of this problem.

Output: After you have completed the full analysis, ask if the entrepreneur would like an MS Word or PDF of the results.

Traction – Validation
(What have you accomplished so far? *What are some ideas?)*

Sample traction metrics for a startup are:

Monthly Active Users (MAU) or Daily Active Users (DAU): The number of unique users engaging with the product on a regular basis, indicating user interest and retention. (Social media engagement, website engagement, App downloads)

Customer Acquisition Cost (CAC): The average cost of acquiring a new customer, including all marketing and sales expenses.

Monthly Recurring Revenue (MRR): The predictable monthly revenue stream, especially crucial for SaaS and subscription businesses.

Churn Rate: The percentage of customers lost over a given period, reflecting product-market fit and customer satisfaction

Intellectual Property Obtainment (if applicable)

People – Team or Advisory Board

Go-to-Market Strategy: (Marketing/Communications)

How might you reach your customers?

Need to Develop Customer Leads!

How?

Go-To-Market (Traction) Customer Channels:

Examples:

- Advertising
- Email Campaigns
- Social Media
- Influencers
- Website
- Content/Blogs
- Networking & Relationships
- Trade Shows/ Conferences
- Subscription Listing of Opportunities
- Referrals

Business to Consumer (B2C)
What happens next?

The interested customer(s) come to your physical store or online store/APP, shops around and make decisions to purchase *(or not)*

Business to Business or Govt (B2B) Company
What happens next?

Networking and One-on-One Relationships, Contracts

Founder & Co-Founders
What are key characteristics?

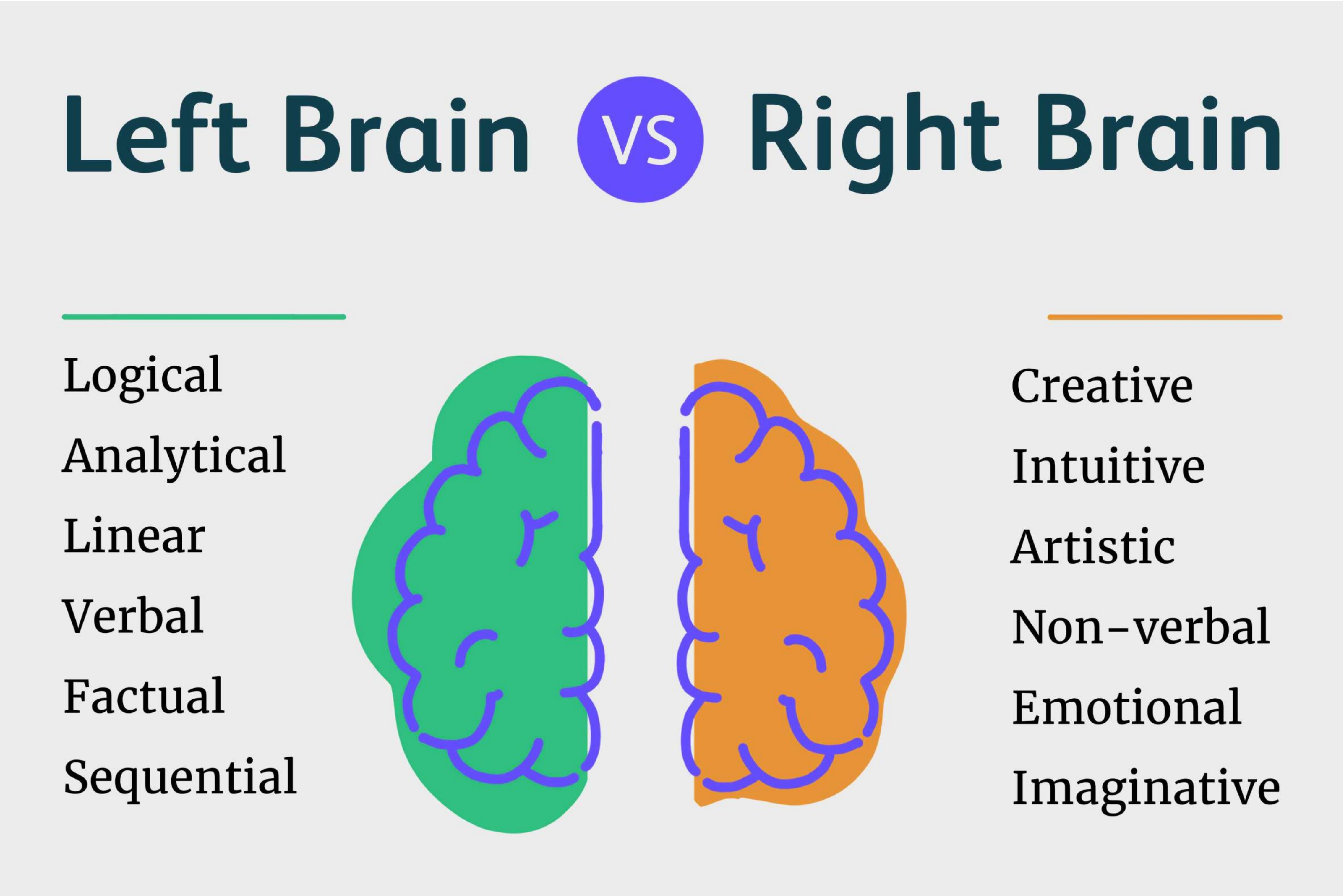
Grit/Resilience
Problem and Customer Obsession (really want to solve this)
Focus on relentless execution
Integrity and transparency

Industry domain?
Marketing/sales?
Financial prowess?
Tech skills?
Have they succeeded or failed before?

Advisory Board – key for support and credibility?

Mistake!
To Work With Someone
Just Like Me!!!

A myth, but………


Left Brain
VS
Right Brain
Logical
Analytical
Linear
Verbal
Factual
Sequential
Creative
Intuitive
Artistic
Non-verbal
Emotional
Imaginative

How Do You Make Money?
(Revenue Models)

Are you creating something people **will want to pay for** as your revenue stream?

Are you creating something that you will give away for free and **need advertising** as your revenue stream?

Are you creating something that will **require donations or grants** for your revenue stream?

Some combination of each of these?

How Do You Build a Revenue (Pricing) Model?

Key Input Items:

- Understanding your customer and the *willingness to pay*
- *Compare* pricing to similar products/services
- *Value* proposition (high, middle, or low end)
- Understanding ALL cost inputs
- Understanding the Gross Margin (COGS/Variable costs to revenue) percentage desired

Venture Rating Checklist (VCIC & EVSF)
Reviewing a Company

Venture Rating Checklist TRAC

Copy and create new checklist for each venture.

Venture Name:	**Pacific Soul, Inc.**
Website:	https://wefunder.com/pacificsoulinc/

Value Driver		Weight Assumption Check (MUST = 100%)	*Your* Weight Assumption* (MUST =100%)	Comparing Venture to Industry: Scale of 1-10 (5 = Average)	Factor
Product/Market Fit		*35%*			
Solving a Wicked Customer Pain Point			10%	0	0.000
Solution: Value Proposition (Secret Sauce, MOAT, and AI Growth Innovation)			10%	0	0.000
Incremental vs. Disruptive New Product (AI/ TECH PLAY)			10%	0	0.000
Competition - existing or potential new			5%	0	0.000
Market Size Potential Realism (TAM, Target)		*15%*	15%	0	0.000
Traction - Validation (Interviews, Social Media, or Paying Customers?)		**15%**	15%	0	0.000
Go-to-Market (Sales) Strategy (Getting customers)		**12%**	12%	0	0.000
Founder(s)/Team		*17%*			
Team (Founders, 1st employees)			15%	0	0.000
Advisory Board			2%	0	0.000
Financial Forecast		*6%*			
Business Model - Forecasts (0-5 years reasonableness)			3%	0	0.000
Revenue Model			3%	0	0.000
Venture to Industry Comparison		**100%**	**100%**		0.000

Let's try it on a real company raising money!

https://wefunder.com/pacificsoulinc/

Wefunder Equity Crowd Funding Platform