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SPACE
INNOVATION

Space for Entrepreneurs

New Space Economy

Raphael Roettgen

Managing Partner, E2MC Ventures

Venture Partner, Space4Impact

École
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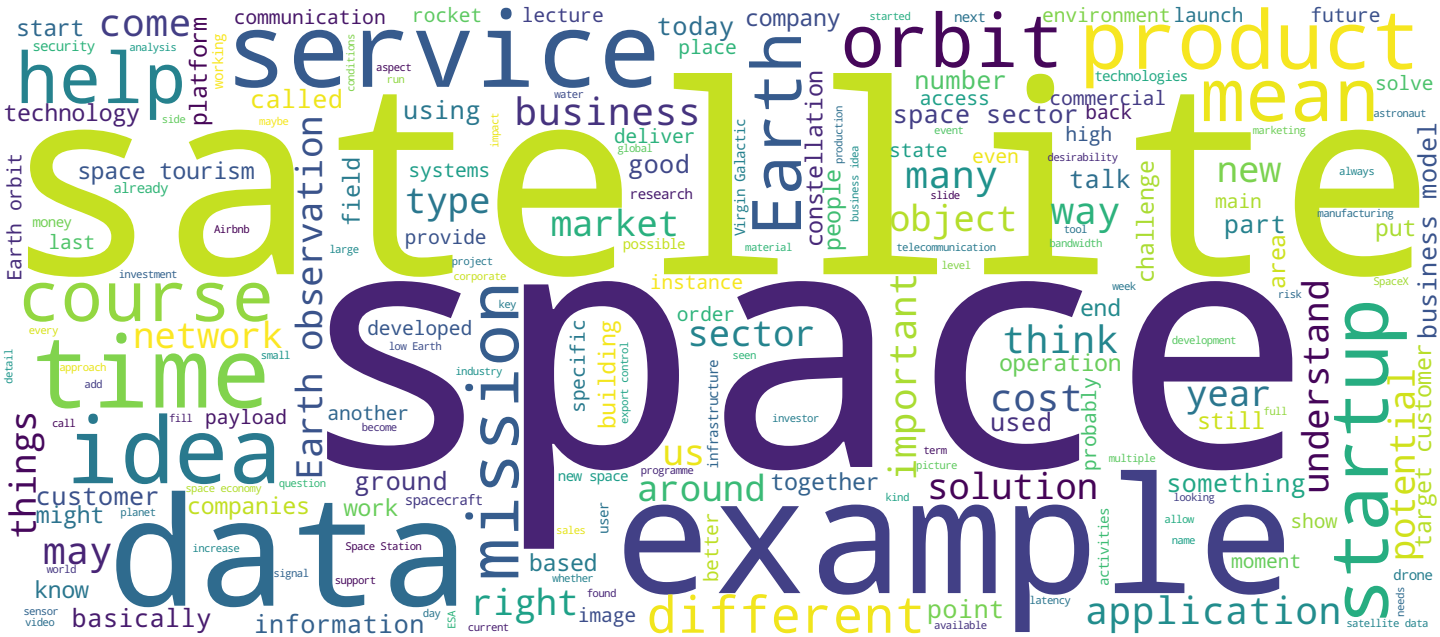
de Lausanne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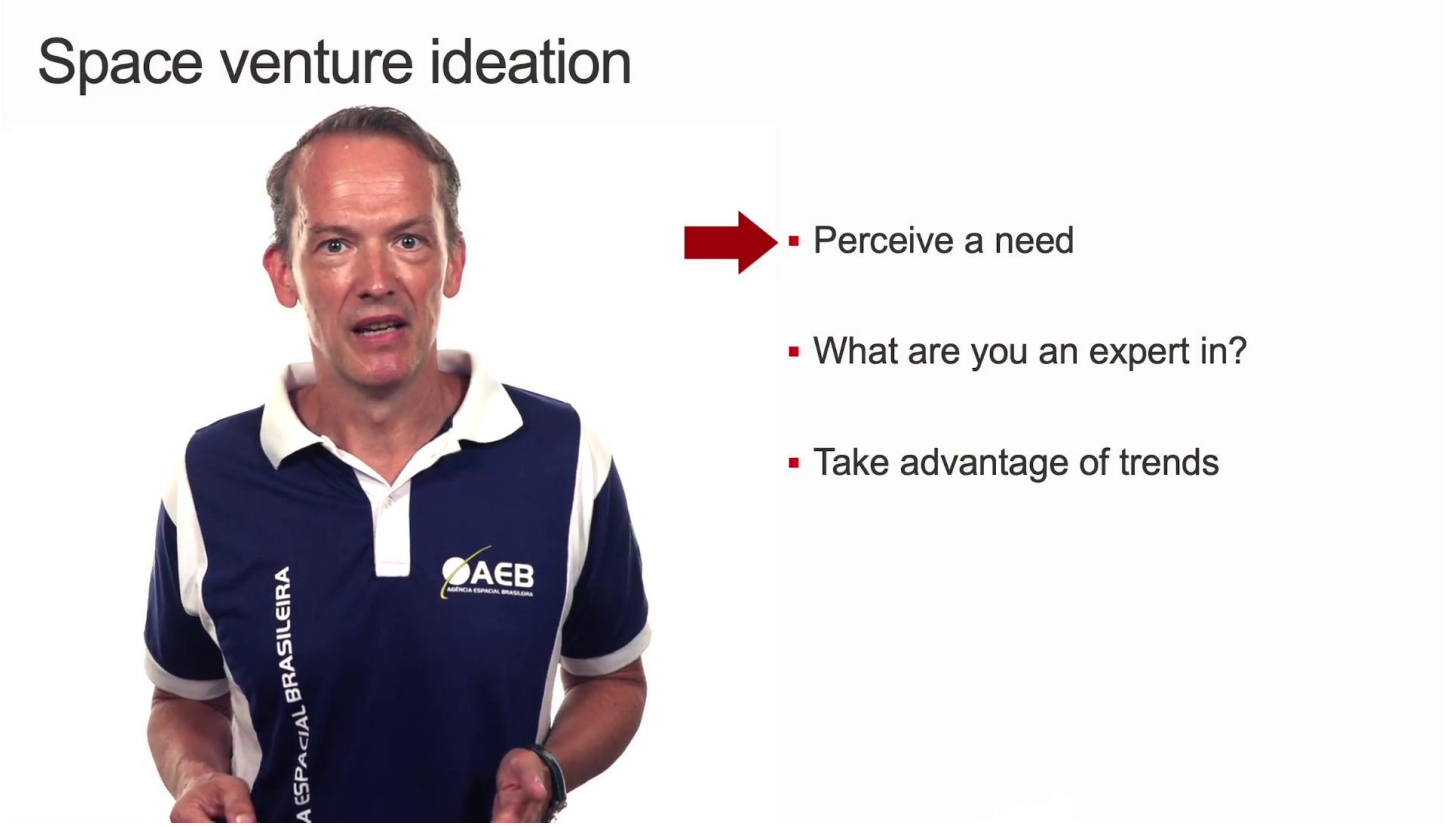


Welcome back. This will be just a short lecture, where we'll start giving you the first tools to help you brainstorm about your own potential space venture. Specifically, we will give you some tools to run some basic evaluation of business business ideas you may already have. Now you're wondering, how can you come up with an idea for a space business in the first place? All right, let's talk briefly about how you might do that. And let's be clear there are entire courses on business ideation, so I won't pretend that we are doing anything but scratching the surface here. One, if not the best source of a business idea is out of a perceived need. That is, you realise you'd want some product or service yourself. You've probably heard of or even used a little Silicon Valley startup called Airbnb. Well, those guys used to be roommates and wanted to find a way to make extra bucks. So they started renting out temporary space in their apartment. And the rest, as they say, is history. Now, the Airbnb story is an example of finding a consumer idea. Frankly, any of us could have probably had something like that. There may be ideas for space businesses that come about like this, but I want to steer your attention towards a slightly different source of idea.

Notes

Summary

0m 04s

Space venture ideation

- Perceive a need
- What are you an expert in?
- Take advantage of trends

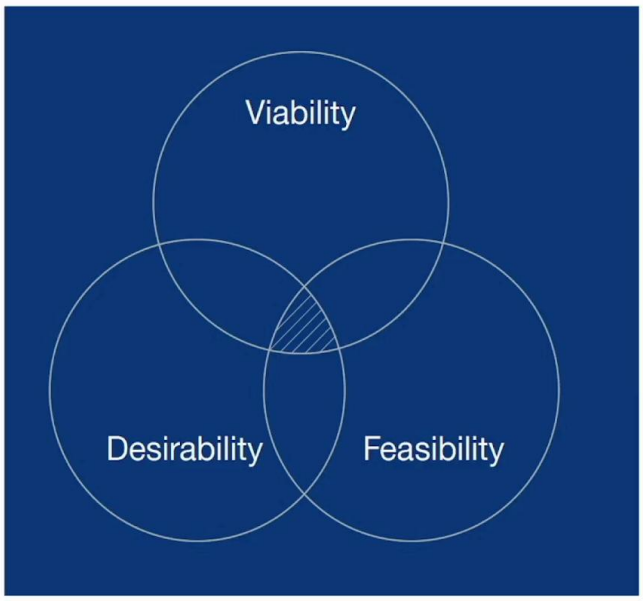
That potential source is that you may already be an expert in some field where you work, and that may have some way of leveraging space technology. And I suspect that this is a big opportunity and a rich source of ideas at the moment. Why? Because, for the most part, people in non-space sectors do not know enough about space to be able to come up with ideas about how space can be leveraged to add value to their sector. And this is also one big reason of why we came up with this course to show the connection between space and many other sectors and how space tag can add value to those sectors. The bulk of the rest of the course is about this. Okay, let's assume you came up with an idea or maybe even several ones. Now let's do some really basic screening. Which basic boxes does your idea need to tick? Here's a really simple framework.

Notes

Summary

1m 18s

3 elementary criteria for a venture



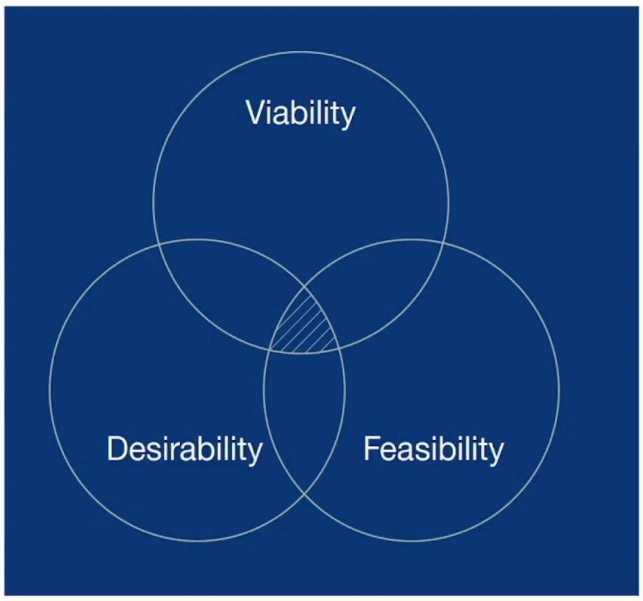
And as you can see here's a Venn diagram of three elementary criteria. The first one is Desirability, and that means that your customers actually want your product or service. And by wanting I mean, they're willing to pay for it in the end. Feasibility, your product is actually feasible I mean, physically feasible. Because maybe we want interstellar travel, but, well, that's not really happening at the moment. Then there is viability. And by that, I mean economic viability. Your product can actually make money at some point in time and provide investors with a return of investment, and it will become a self sustaining business. Given we're talking about the space sector, I cannot help but tell you about one problem. I see time and again with startups in the space sector who pitched to me. They're too focused on the feasibility, the technological feasibility, often because they're space engineers and not focused enough on economic viability or even desirability. If you can avoid that pitfall, you will be far ahead, many of the startups in the sector. Plus, the founders also forget. And in fairness, they probably also don't have enough formal training to do the analysis they should do, for example, some financial modelling.

Notes

Summary

2m 14s

3 elementary criteria for a venture



Let's assume you found an idea that seems to have passed this basic filter, and I will now give you a couple of easy frameworks to draft and flesh out your ideas. Again, you can find entire courses on this online.

Notes

Summary

3m 29s

Value proposition template - example

Our — online accommodation platform
(WHAT – start-up / business model)

helps — travelers
(WHO – target customers / market)

to — find accommodation
(WHY – problem to be solved, value added)

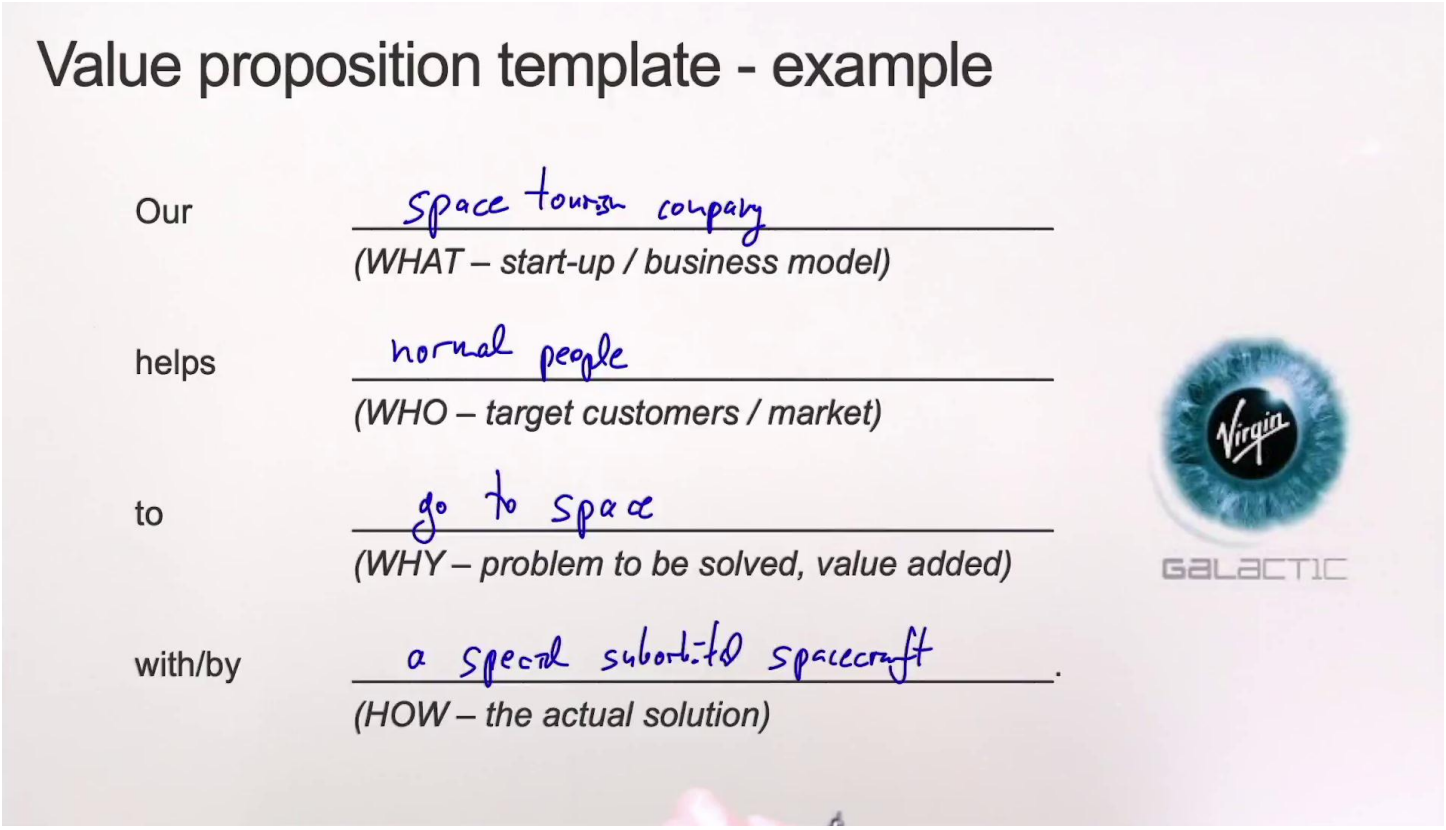
with/by — ~~custom~~ connecting them to hosts ...
(HOW – the actual solution)

Okay. First, the value proposition template. It's very simple, you see, there's just four fields to fill in here. Our, this is where you would put in what you actually do. Helps, here you put in your target customer group. To, this is how you actually solve a problem and which problem you solve for your target customers. By and here you would specify the solution you use to solve that problem the customers have. So this is probably best illustrated with an example, since I just mentioned Airbnb, let's use Airbnb and fill out what the value proposition might look like for Airbnb. So our online accommodation platform helps, where do you target customers here. Well, it's basically all travelers who need accommodation. To find accommodation, and whether that is cheap accommodation or some type of differentiated accommodation, I mean, that's all possible on Airbnb, right? For those who've already used it. And how does Airbnb do that? Well, they have basically a custom online platform. Well, we should put actually a sentence here. So with by connecting the travelers, so connecting them to hosts who have spare rooms or apartments to rent out. And I won't write all of this out because we should actually do an example in the space sector I think.

Notes

Summary

3m 42s

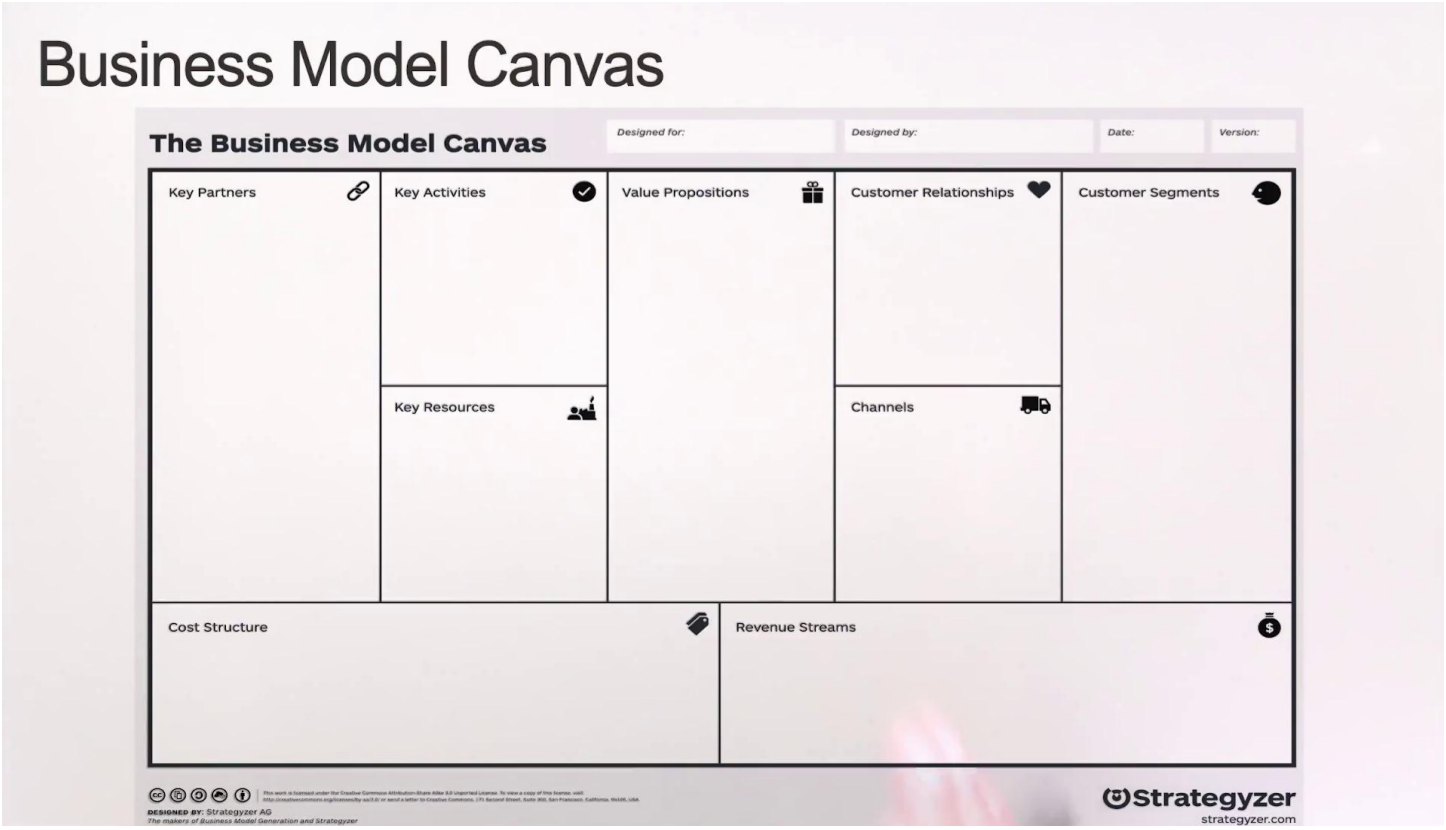


So why don't we look at Virgin Galactic? Many of you probably know this is a space tourism company that offers suborbital flights for space tourism. We have an entire lecture on space tourism. So for Virgin Galactic, it would be something like, our, space tourism company, because that's what it is and what's the target market. I would argue something like it helps normal people, just to drive, point to home that it's not astronauts we're targeting here. It's really normal people who want to go to Space. To, well, fulfil their dream of going to space. And how does Virgin Galactic do it? Well, they have developed a special platform and a suborbital spacecraft to do that. And this is basically their technological solution. So there you have it. It's relatively simple. I think you already noticed some things here. This is really very basic. It helps you think about desirability because we have the target customers and the problem or desire in here. It also helps you think about feasibility to some extent, as the last part of the sentence forces you to specify the solution you're using, and it doesn't talk about viability at all. And in general, you probably are not able to pack in as much detail here as you would like about your idea, even basic details.

Notes

Summary

5m 16s



Therefore, I will give you another wellknown framework that is more detailed, and that is the business model canvas, which was developed by Alexander Osavalder, a Swiss business theorist. And you can tell this looks pretty structured. There are nine boxes here and you are forced to think about all three aspects of the Venn diagram, we discussed, the desirability, the feasibility and the viability. Notice the cost and revenue stream boxes at the bottom. The finance person in me is still not satisfied as I'm missing a box here that is explicitly labelled required investments, but it's somewhat implicit in the resources box I suppose. I will encourage you to experiment with the business model canvas and the other simpler template as part of the assignments.

Notes

Summary

6m 36s

Closing thought

- Beware:
  good idea ≠ good execution

One closing thought for this lecture. Once you've found an idea also, don't get too excited. Ideas, sometimes, we say, are dimedors executing on the idea and building a real business that's what's hard. Okay, let me turn this around and also phrase the same thing in a positive way. You fault an idea, you do some research and you find there's another, maybe several other startups working on the same idea already. Don't despair, unless that other startup or the other startups have built [inaudible 00:07:45] advantage already, you can catch up. The history of startups is full of stories where the first mover did not end up winning.

Notes

Summary

7m 14s