VALUE LAB | A THEORY FOR YOUR FIRM

FIGURE 1

THEORY ACTIONS

Beliefs Common Contrarian or Uncommon	Core Problem Subproblems	Run Experiments
	Causal Logic (expressed as if-then statements or hypotheses)	Shop for Investments
	IF THEN	Search for Solutions

FIGURE 2

THEORY ACTIONS

Beliefs

Common

What are the deeply held orthodoxies and beliefs in the industry about technology, consumer tastes, production, distribution, governance and so forth?

Contrarian or Uncommon

What do you believe that others don't? Can you imagine beliefs that are contrarian to the industries common beliefs? How might you think differently about how to organize, the future of technology, consumer demand?

Core Problem

What core problem prevents the realization of your uncommon belief?

Subproblems

What three to five key subproblems must be solved to solve your core problem?

Causal Logic

(expressed as if-then statements or hypotheses)

IF Attempt to capture your central hypothesis in an if-then statement of the following

THEN form: if we solve these

form: if we solve these subproblems, then we solve this core problem that enables us to introduce the following value.

Run Experiments

What experiments would test the central tenets of the theory? What must we prove to be true?

Shop for Investments

What assets, technologies, and skill sets does the theory reveal as currently undervalued?

Search for Solutions

Where can we search for solutions to subproblems? Who has solved closely related problems already (perhaps in a different industry)?

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FIGURE 3

THEORY

Beliefs

Common

- Consolidation in the hotel industry will persist
- Established hotel brands are hard to compete with
- People value a consistent, "clinical" and professional accommodation experience
- Startups don't fare well in the hotel industry

Contrarian or Uncommon

- There is vast idle "hotel capacity" (people's homes) in any city
- People are willing to rent from and to) strangers when traveling
- B&B and couch surfing-type homesharing could be done on a large scale
- Many people want a varied, more human and flexible hotel (or accommodation) experience with a local, artisanal flavor
- People could use the extra income from renting their homes

Core Problem

How can we broker safe, easy and reliable access to idle "hotel capacity," offering a lower cost, local accommodation experience for customers?

Subproblems

- How can we efficiently match idle capacity to demand?
- How can we facilitate secure payment between strangers?
- How do we develop trust between strangers?
- How do we facilitate efficient and professional property listing?

Causal Logic

(expressed as if-then statements or hypotheses)

IF we can efficiently match providers and seekers, facilitate secure payment, and generate a mechanisms that facilitates trust

THEN

we can introduce a robust new service that provides customers with safe and reliable provision of lower cost accommodations with a local flavor

ACTIONS

Run Experiments

- Experiment with locations with big events like South by Southwest, political party conventions
- Start in New York City

Shop for Investments

- Hire photographers to professionalize listings
- Solicit funding
- Get into Y Combinator

Search for Solutions

- Examine the trust, payment, customer and other solutions of eBay, Craigslist and other Internet platforms
- Explore demand via social media