

# Startup Entrepreneur Competency Model

We believe passionate entrepreneurs can accelerate their startup journey by acquiring a “minimum viable” set of competencies at key moments in their entrepreneurship development. District 3 has created this Startup Entrepreneur Competency Model to help you understand and evaluate your readiness to lead your startup with intention, at each stage of your startup journey.

## PHASE 1: Validate your startup idea



## PHASE 2: Grow your startup



### Identify your customer and market

- Explore research-market fit
- Prioritize customer segments
- Prioritize the people in the customer segment
- Define your value proposition
- Interview effectively
- Define your positioning
- Analyze market risk and opportunity



### Design your minimum viable product

- Build a product roadmap
- Develop a prototype
- Conduct usability testing



### Guide your startup

- Define your startup purpose
- Set objectives and key results
- Develop a business model
- Tell a strong startup story
- Track objectives and key results



### Build a strong team

- Develop team culture and norms
- Hire talent
- Manage talent
- Manage partnerships
- Manage an advisory board



### Grow revenue

- Sales: Generate leads
- Sales: Manage a sales lead pipeline
- Sales: Manage customer success
- Sales: Scale the sales organization
- Marketing: Build your brand
- Marketing: Build a conversion website
- Marketing: Generate online leads



### Manage finance & legal

- Build basic financial models
- Track financial KPIs
- Manage basic bookkeeping
- Manage basic legal
- Manage intellectual property



### Raise funds

- Build a funding strategy
- Secure grant financing
- Secure debt financing
- Secure equity financing

# PHASE 1: Validate your startup idea

Competency	Level 0: Unknowledgeable	Level 1: Knowledgeable (KNOWLEDGE acquisition)	Level 2: Skilled (SKILL acquisition)	Level 3: Experienced (ATTITUDE acquisition)
<b>Identify your customer and market</b>				
1.1 Explore research-market fit	No knowledge.	I can describe how a unique innovation can be applied to solving problems for customers in different market segments.	I can define the uniqueness of my innovation - my startup "super powers", or how I do what I do differently. I can describe multiple potential market segments where my innovation could help to solve problems.	I regularly evaluate the potential to leverage my innovation into new markets.
1.2 Prioritize customer segments	No knowledge.	I can differentiate between a customer segment and a single customer. I can describe the difference between an initial market and total market.	Using data from primary and secondary research, I can specify the characteristics and potential of different customer segments for my startup.	I regularly update and refine my understanding of my prioritized customer segments, to support my short term and longer term operational decisions.
1.3 Prioritize the people in the customer segment	No knowledge.	I can describe the difference between a 'decision maker' and an 'influencer' in my customer segment. I can describe what a customer persona is.	I can identify the key characteristics of and the relative importance of the 'decision makers' and 'influencers' in my customer segment.	I regularly update and refine my understanding of the people in my prioritized customer segment, to support better decision making around sales and marketing activities and product iterations.
1.4 Define your value proposition	No knowledge.	I can describe the 2 key elements in a value proposition - the key benefits (not features!) and the "vehicle" through which we deliver value (hardware? software? services? other?).	I can define and quantify the value proposition for my target customer segment - this helps me identify the key features of my startup and product.	I regularly review and update my value proposition. My decisions around changes to the 'features' of my business model, operations or product/service offering are made in the context of how those changes enhance or diminish the value proposition.
1.5 Interview effectively	No knowledge.	I can explain the difference between a customer discovery interview and a sales pitch.	I plan and run effective customer discovery interviews. I can extract actionable insights from my interviews.	I regularly conduct customer discovery interviews. I use customer interviews as a key input to help me make better, more informed decisions around all elements of my startup strategy.
1.6 Define your positioning	No knowledge.	I can describe the types of features that help to differentiate one company or solution from their competition.	By analyzing how my offering compares to my most significant competitors, I can position the uniqueness of my solution in the context of my competition. I can identify the key features in my business model and solution that deliver my value proposition.	I regularly review my unique value add in the context of my competition and adjust my messaging to highlight my key differentiators.
1.7 Analyze market risk and opportunity	No knowledge.	I can describe the 3 external drivers (macro-economic trends, customer behaviours, competitor behaviours) that create both risks and opportunities for my startup idea.	I can identify the most important external drivers that impact the design of my business model, and specify both the significance and potential impact on my business success (positive and negative) in terms of the market size, the ability to capture market share, and the profitability potential in an industry.	I systematically and regularly scan the market to analyze changes to the external drivers that might affect the success of my startup. I use this information to drive decisions in my business model.

# 2

## Guide your startup

Competency	Level 0: Unknowledgeable	Level 1: Knowledgeable (KNOWLEDGE acquisition)	Level 2: Skilled (SKILL acquisition)	Level 3: Experienced (ATTITUDE acquisition)
2.1 <b>Define your startup purpose</b>	No knowledge.	I can explain the purpose and value of the vision statement and the mission statement of my startup.	I can write a 1 sentence vision statement (capturing the startup's larger purpose), and a 1 sentence mission statement (capturing what we actually do, for whom, to deliver on the vision) that characterize my startup's purpose.	I ensure my vision and mission statements reflect my up-to-date startup purpose. I craft and share with my team and other stakeholders. These statements help with focus and alignment across our startup.
2.2 <b>Set objectives and key results</b>	No knowledge.	I can differentiate between objectives and key results (OKRs) and I can explain the importance of having focus and clear measures of success for my startup.	I can articulate my high-level objectives - where I need to go - this doesn't contain a number; and associated key results - how do I know if I am getting there - this is always quantifiable.	I have solid OKRs that I review, update and share with my team every 90 days. These OKRs help keep our startup activities focused on both our short and longer term change ambitions, to deliver on my startup purpose.
2.3 <b>Develop a business model</b>	No knowledge.	I can describe the different elements in a business model, and can describe how the business model connects to my vision and mission statements.	I can build a solid business model based on validated hypotheses, that tells the story of desirability, feasibility and viability of my startup.	My business model is my startup's strategy map. I always use the business model with my team as a framework for thinking about any proposed change to any element of my business strategy.
2.4 <b>Tell a strong startup story</b>	No knowledge.	I can describe the approach required to craft and pitch a story that will make any listener care about the problem I want to solve, and believe that I have what it takes to solve it.	I can craft and pitch a good story about my startup idea that any listener could easily understand -- whether I have 30 seconds, 3 minutes or 30 minutes.	I refine my startup story regularly. I use storytelling and pitching with intent to give the people I meet the words they need to spread my story -- so I can get outside support -- from investors, advisors or talent.
2.5 <b>Track objectives and key results</b>	No knowledge.	I can describe the different elements in a strategic plan. I can describe the governance structure that connects a managed list of short and longer term initiatives to the successful achievement of my objectives and key results (OKRs).	I can easily create a strategic plan defining key initiatives over time, linked to both short and longer term OKRs. I can set up to operationally execute on that plan.	I run my startup with my team according to a regular planning and review cycle, with regularly updated tracking documents.

# 3

## Design your minimum viable product

3.1 <b>Build a product roadmap</b>	No knowledge.	I can explain the purpose and value of a product roadmap. I can describe the difference between a prototype, a minimum viable product (MVP), and future versions of a more robust product.	I can create a timeline of my product/solution evolution from prototype, to MVP to important future versions. I can describe the logic behind that proposed evolution.	I refine my product/solution roadmap regularly to reflect my short and longer term business objectives.
3.2 <b>Develop a prototype</b>	No knowledge.	I can describe the different types of prototypes that can be used along the journey from the initial idea to the first viable product.	I have the skills to create a prototype to help me with usability testing on my product/service. I can identify the key questions that my prototype will help me answer - around my product's design, usability and functionality.	I have the reflex to use a prototype to test a product idea to save time and money.
3.3 <b>Conduct usability testing</b>	No knowledge.	I can explain the purpose and value of a usability test compared to a demo.	I can let a user interact with a prototype or product and extract actionable insights for the product design, through observation and some careful discovery questioning.	I always test ideas for product design changes with real 'users' before implementing those ideas.

# PHASE 2: Grow your startup

Competency	Level 0: Unknowledgeable	Level 1: Knowledgeable (KNOWLEDGE acquisition)	Level 2: Skilled (SKILL acquisition)	Level 3: Experienced (ATTITUDE acquisition)
<b>4 Build a strong team</b>				
4.1 <b>Develop team culture and norms</b>	No knowledge.	I can describe the key drivers of 'team culture and norms' but don't know how to begin implementing.	I set standards (like how we run meetings, take minute notes, or how we give feedback or brainstorm, etc.) to make it easy for my team to work well together.	I actively reinforce team culture and norms that drive efficiency and effectiveness in our time-strapped high-pressure environment.
4.2 <b>Hire talent</b>	No knowledge.	I can list in broad terms the steps to find, vet and onboard a new full-time, part-time or freelance employee.	I can write job descriptions, conduct interviews, select and onboard new freelance, part-time and/or full-time employees.	I have a clear recruitment strategy that is consistent with my growth strategy and assumes realistic timelines for search, screening and onboarding.
4.3 <b>Manage talent</b>	No knowledge.	I can describe what it takes to manage employees - providing them with the information, tools, and support they need to perform at their best.	I can write and manage a scope of work, evaluate work-product, and understand its value. I can prioritize activities for my talent to work on.	I have a system for managing talent.
4.4 <b>Manage partnerships</b>	No knowledge.	I can define a 'partner' in the context of my startup. I can explain how networking supports building relevant partnerships.	I can identify the gaps in my business model and seek and onboard key partners to help fill those gaps.	I have a system for developing right-sized partnerships that help me to optimize my startup strategy.
4.5 <b>Manage an advisory board</b>	No knowledge.	I can explain the purpose and value of an advisory board.	I can build and run an advisory board.	I interact regularly with my advisory board for feedback on decisions around both pressing strategic and operational activities. My advisory board provides me with a pool of potential executive hires.
<b>5 Manage finance &amp; legal</b>				
5.1 <b>Build basic financial models</b>	No knowledge.	I can explain the purpose and value of a basic financial model for my startup.	I can build a financial model that lets me forecast profitability (P&L forecast) and cashflow, and helps me identify the best possible sources of funding (balance sheet).	I regularly review my up-to-date financial models to make decisions about my startup. I use financial projections with my investors, market analysts, and creditors to tell the story of my startup's financial health and earnings potential.
5.2 <b>Track financial KPIs</b>	No knowledge.	I can explain the purpose and value of the financial KPIs for my startup.	I can identify and calculate the most important performance measures for my startup, including but not limited to gross profit, gross margin, EBITDA, net margin, CAC/LTV, burn rate and cash runway.	I review my financial KPIs on a regular basis and use the information to help me make decisions about my startup activities.
5.3 <b>Manage basic bookkeeping</b>	No knowledge.	I can describe financial transactions that are needed for book-keeping. I am generally aware of tax filing obligations (sales tax, payroll tax, corporate tax) that are filed based on bookkeeping.	I can do my bookkeeping for my startup using excel or a another software program to record my start-up's transactions	I produce financial reports from my bookkeeping and use these reports to make informed decisions for my startup. As well, I file the basic tax filing obligations or produce the reports required for such filings.
5.4 <b>Manage basic legal</b>	No knowledge.	I can describe the basic legal support I need to launch my startup.	I can identify and manage the development of the legal documents and structures needed at each stage of my startup including corporate structure documents, shareholder agreements, basic contracts, NDAs etc.	I comfortably review key legal documents such as corporate structure documents, shareholder agreements, basic contracts and NDAs and can bring in legal support in the right moments to protect my startup.
5.5 <b>Manage intellectual property</b>	No knowledge.	I can describe the basic intellection property (IP) concepts/ steps including declaration of invention, patenting, copywriting, trade secrets, trademarks, etc.	I can identify when and how I need to protect the IP of my startup.	I manage my IP strategically to create a competitive advantage in my startup.

# 6

Competency	Level 0: Unknowledgeable	Level 1: Knowledgeable (KNOWLEDGE acquisition)	Level 2: Skilled (SKILL acquisition)	Level 3: Experienced (ATTITUDE acquisition)
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## Grow Revenue

6.1 <b>Sales: Generate leads</b>	No knowledge.	I can explain the purpose and value of the different activities that allow me to generate sales leads.	I can generate leads by creating an 'ideal client' (company) profile, building strong call lists, and creating a strong product sales pitch (problem, benefits, features) – this differs from my investor pitch.	I actively drive focused lead generation activities that capture and generate sales leads.
6.2 <b>Sales: Manage a sales lead pipeline</b>	No knowledge.	I can explain the purpose and value of sales pipeline management. I can describe the key stages and meeting types in a typical sales pipeline.	I can define the key stages in my sales pipeline aligned with my selling process. I can define the conversion objectives for each stage including time spent in stage, probability of success, dollar value per lead, etc. I can prepare for and effectively run any type of sales meeting in my pipeline.	I actively manage my sales pipeline to help me and my team focus on converting strong leads into sales.
6.3 <b>Sales: Manage customer success</b>	No knowledge.	I can explain the purpose and value of managing post-sale customer success activities. I can describe the key activities that will support customer satisfaction post sale.	I can onboard and train new customers; create a customer success report card; develop a customer feedback system including surveys and other feedback; define appropriate support documentation; and share feedback with the rest of my team.	My customer success organization is a key unit in my startup that provides up-to-date 'voice of customer' data to help steer future business decisions.
6.4 <b>Sales: Scale the sales organization</b>	No knowledge.	I can describe the different sales subcontracting structures that can support the local or international scaling of my sales efforts like distributors, resellers, agents etc.	I can engineer my sales organization to add new sales resources – including more sales staff, distributors, resellers or agents – to generate and close leads in an existing or new geographic market.	I leverage my successes within my core sales and marketing team to manage a distributed sales organization including sales staff, distributors, resellers and sales agents.
6.5 <b>Marketing: Build your brand</b>	No knowledge.	I can explain the purpose and value of a strong brand. I can describe the key brand assets that help create a strong brand.	I can lead my team through a brand building exercise to come up with my visual brand assets such as a logo, fonts or colours, as well as the written brand assets such as the company slogan, one-liner, etc. (with graphic/copywriting support if needed)	I actively use my brand assets across all communications channels, as do all members on my team, to help create momentum around our messaging in the market.
6.6 <b>Marketing: Build a conversion website</b>	No knowledge.	I can describe the basic elements of a website that will help to turn it into a lead conversion engine.	I can build a website that will help me to convert visitors to customers.	I use analytics to track the conversions on my website. Using the analytics data, I regularly optimize my website to improve conversion performance aligned with my startup objectives.
6.7 <b>Marketing: Generate online leads</b>	No knowledge.	I can explain the purpose and value of online lead generation. I can describe the most important types of online lead generation tactics.	I can build and manage online lead generation campaigns such as email marketing, content marketing, LinkedIn mining and search engine marketing to generate leads for my startup.	I actively use online marketing tactics to drive strong marketing leads (MQLs) to my startup.

## Raise Funds

7.1 <b>Build a funding strategy</b>	No knowledge.	I can explain the purpose and value of a funding strategy for my startup. I can list and describe the different funding options available for a startup.	Using my financial models, I can define my funding requirements for the next 12-18 months and identify the best possible sources of funding for my startup.	I regularly review my funding requirements and options. I am intentional about the kind of funding I accept to help me grow my startup.
7.2 <b>Secure grant financing</b>	No knowledge.	I can explain the purpose, value and potential risk associated with grant financing for my startup.	I can find interesting grant opportunities to support the funding of my startup. I can write strong grant applications.	I am up-to-date on grant funding opportunities for my startup. I actively integrate grant financing as an important part of my funding strategy.
7.3 <b>Secure debt financing</b>	No knowledge.	I can explain the purpose, value and potential risk associated with debt (loan) financing for my startup.	I can create a business plan that the bank will use to evaluate the loan application. I can calculate specific important ratios that banks care about, such as my debt-to-equity ratio or my current ratio (current assets over current liabilities).	I actively integrate debt financing as an important part of my funding strategy.
7.4 <b>Secure equity financing</b>	No knowledge.	I can explain the purpose, value and potential risk associated with equity financing for my startup. I can describe how valuation is established, and the dilution impact of equity financing.	I can identify and manage an investor pipeline, build investor decks with a strong story about my startup, and close an equity financing. I can calculate my startup valuation and the cost to me of this form of funding.	I actively integrate equity financing as an important part of my funding strategy.