

NABC: A Method for Describing a Business Idea *Entrepreneur Assembly Startup Incubator*

Summary of the NABC approach

The NABC (Need-Approach-Benefit-Competition) was developed by the Stanford Research Institute as a streamlined approach for evaluating the merit of a business idea. An idea with merit will

- address an important **need**,
- use a unique **approach**,
- provide the buyer with a compelling **benefit**, and
- be significantly better than the **competition**.

Why Construct an NABC Document?

The NABC process helps the entrepreneur identify and characterize the *value proposition* of the business, or the reason why customers will buy the proposed product at a price that allows the business to make money. If the NABC indicates the proposed product has value, then the content of the NABC can be used for an “elevator pitch” and a start on a business plan. The construction of the NABC may lead to the conclusion that the proposed product is not so valuable, so not worth pursuing. In this later case, the brevity of the NABC implies this knowledge has been obtained at a minimal cost, and the entrepreneur can move on to more promising ideas.

Components of the NABC

- **Need**: Describe the need fulfilled by the good or service. The need should be specific and relate to an important and market opportunity. The size of the market size and the end customers should be clearly identified. The analysis should demonstrate that the market is large enough to merit the investment in time and money necessary to develop the business.
- **Approach**: Describe the approach used to meet the specific need. Explain how the approach is especially compelling or unique (e.g. market positioning, cost, staffing, partnering, intellectual property protection). If possible, convey the approach using visuals. The approach should include descriptions of how the product will be manufactured (if it is a good rather than a service), how it will be sold, and how it will be distributed.
- **Benefits**: Describe the benefits of the product to the customer. How does the unique approach yield unique customer benefits? Success requires that the benefits be substantially better, not just different. Clearly indicate why the benefits are substantial.
- **Competition**: Identify the competition and demonstrate the competition is clearly understood. Why are the benefits significantly greater than those provided by the competition? In a short and memorable way, state why the approach used is substantially better than that of the competition.

NABC Requirement for the Entrepreneur Assembly Startup Incubator

- Complete an NABC that is one page in length
 - At the top of the page, provide the name of the business and on the next line the name of the entrepreneur primarily responsible for the success of the business
 - Skip one line and then describe the business using one sentence.
 - Complete the rest of the NABC