Business Solution Development

Thematic Pre-Incubation Program "Energy Charge" in Cooperation with Latvenergo and Sadales Tikls

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Līdzfinansē Eiropas Savienība
2027 Nacionālais attīstības plāns
LATVIJAS UNIVERSITĀTE
LATVIJAS UNIVERSITĀTE INOVĀCIJU GRANTI STUDENTIEM

3 Facts About me

I have visited 52 countries

Has projects in over in 15 industries

→ Deloitte

→ ATEA Sweden

→ SATI- Uzbek Hospitality Group

Lived and work in 4 different countries

→ Sweden

→ United States

→ South of France

→ Last 2.5 years in UAE

The Speed of Change

ChatGPT: 100 million users in 60 days

→ Netflix took 3.5 years to reach the same milestone

→ Facebook took 4.5 years

→ The telephone took 75 years to reach 100 million users

The rules for testing ideas have not changed.

→ The tools have been compressed from months to days.

Key question today: How do you verify business idea before spending at least 100$

Source: OpenAI · Statista · Harvard Business Review (2023)

5% of the Users. More Revenue Than ChatGPT.

CLAUDE

19M

users

$30B annualised revenue

$1,578 revenue / user

CHATGPT

900M

users

$24B annualised revenue

$26 revenue / user

60x

more revenue per user

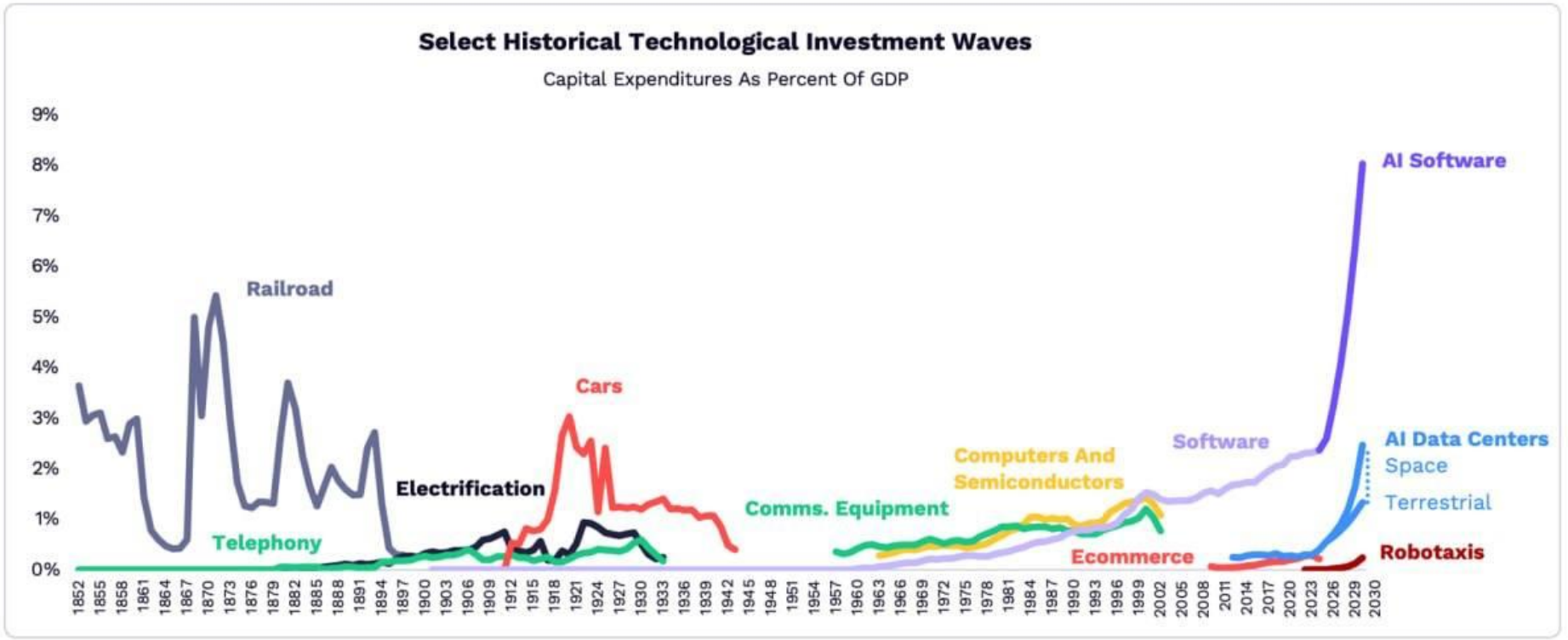
How? Anthropic chose enterprise over consumers.

Today 1,000+ companies each pay Anthropic more than $1M per year.

Source: Anthropic revenue reports (April 2026) · OpenAI revenue reports (2026) · LinkedIn analysis · Fortune (2026)

AI Is Not a Trend. It Is Infrastructure.

The World Is Entering An Unprecedented Technology Investment Cycle



Note: All Historical lines are US fixed asset annual gross investment as percent of US GDP and derived from the NIPA tables. "Ecommerce" signifies warehouse investments. Data center and Robotaxi are percent of global consensus global GDP derived from the IMF as of 12/31/2025. Space data center opportunity derived from SpaceX public statements. Historical investment cycle investment dollars are sourced from ARK Investment Management LLC, 2026, based on data from Ulmer 1960, International Monetary Fund 2025, and National Bureau of Economic Research 1958. In addition to those sources, certain information presented may be the result of ARK's internal analyses, which draw on various additional sources of information. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular

The Data Collection Machine

Tesla collects more real-world driving data per day than all academic labs combined.

→ xAI / Grok: trained on real-time internet data — not a frozen training set

Pattern: every Musk company is a data collection mechanism first. A product second.

→ Tesla: driving data flywheel → xAI: internet data flywheel → Optimus: physical world data

Whoever controls the data controls the feedback loop.

Whoever controls the feedback loop wins.

Who Is Responsible for what in a company?

Before I answer — what do you think?

CEO Chief Executive Officer

CFO Chief Financial Officer

CTO Chief Technology Officer

COO Chief Operating Officer

CMO Chief Marketing Officer

Different Roles, Different Vision — But One Winning Team

CEO: long-range vision, stakeholder relationships, capital/ resource allocation

CFO: financial integrity, risk management, investor reporting

CTO: technical architecture, product scalability, engineering leadership

COO: operational efficiency, process design, execution velocity

CMO: brand strategy, customer acquisition, market positioning, growth and demand generation

Ichak Adizes, "Corporate Lifecycles" (1988)

The Adizes PAEI test

Producer · Administrator · Entrepreneur · Integrator

→ **Every organisation needs all four functions. The question is who holds which hat — and when.**

Source: Adizes Institute · adizes.com/alis

Why This Matters for You Right Now

You are building something. Today's lecture is about using data to decide before committing.

01	02	03	04	05
Market Research	**Go-to-Market**	**Financial Analysis**	**Result Analysis**	**Decision**
Qualitative · Quantitative · Transaction data	ICP · Channel · Pricing · 30-day test	Unit economics · 3 scenarios · Sensitivity	Quantitative · Qualitative · Pivot criteria	Continue · Pivot · Stop — with evidence

The Chemist Story: Good Idea ≠ Good Business

You invented a liquid that cleans better than Fairy. It works. It is real. It is technically brilliant.

It costs 20× more to produce than Fairy.

Question: Do you have a business?

The goal of every business is to make money

The Cost of Not Testing

35–42% of startups fail because there is no market need — not because the product was bad.

→ The founders of those companies believed in their product. They were not unintelligent.

→ They skipped the verification step.

→ Orocon story: what happened when the hypothesis was not stress-tested before commitment.

Source: CB Insights, Startup Failure Post-Mortem Analysis (2023) — sample of 110+ companies

What Market Research Actually Is

Most people think market research means Googling competitors or reading a few industry reports.

Real market research collects actual evidence for three things:

1. **The problem exists**
2. **Enough people have it (scale)**
3. **People will pay to fix it (willingness to pay)**

One thing people forget: talk to your competitors. Call them. Meet them for coffee. They have already made the mistakes you do not have to make.

Two Families of Methods: Qualitative vs Quantitative

Qualitative — Depth of Understanding

WHY do people behave this way?

What solution do they use? What problems are they actually solving?

Methods: interviews · observation · expert vision

Risk: insight without scale

Quantitative — Statistical Confidence

How many people? How much will they pay?

How often will they buy? What is the conversion rate?

Methods: surveys · transaction registries · A/B tests

Risk: numbers without meaning — statistically significant, commercially irrelevant

Source: Malhotra, N.K., Marketing Research (2020) · Personal case: Nest Finders, Dubai

Qualitative Method 1: Interviews

Two types of interview. Different timing. Different purpose.

→ Problem interview: before you build anything — confirm the pain exists
→ **Critical rule: never mention your solution during a problem interview**

→ Solution interview: only after the problem is confirmed — test the fit

Minimum 15–30 interviews before any conclusion.
→ Below 15: not constructive. Above 50 on the same question: same returns.

Source: Blank, S., "The Four Steps to the Epiphany" (2005) · Osterwalder, A., "Value Proposition Design" (2014)

Qualitative Method 2: Observation & Expert Interviews

People say one thing. They do another. Observation reveals the truth.

→ Classic: people say they want healthy food. Watch what they order at 7pm.

Expert interviews compress years of market experience into one conversation.

→ Experts see patterns across hundreds of customers — you see one.

Where to find experts:

→ LinkedIn 2nd-degree connections in your target sector

→ Industry conferences · Professional associations · Alumni networks

Personal case: Naviora— investor interviews

Quantitative Method 1: Surveys

Sample size determines what you can actually conclude.

→ 100 responses: directional insight — which way are preferences pointing?
→ 300+: statistical confidence on key questions
→ 1,000+: demographic segmentation at 95% confidence

Test every survey on 5 people before sending to 500.

→ One ambiguous question destroys data quality at scale. Fix it before it multiplies.

Free tools work: Google Forms, Typeform.

Source: Cochran, W.G., Sampling Techniques (1977) · Prolific.ac · SurveyMonkey Industry Benchmarks (2024)

Quantitative Method 2: Transaction Registries & Market Databases

Closed transactions beat listing prices. Always.

→ Listing = what someone hopes to get. Transaction = what someone actually paid.

Every major market has a primary transaction registry. Find it before you model anything.

→ Dubai: Dubai Pulse | UK: HM Registry | Latvia: Statistikas Birojs | USA: county recorders

Your financial model is only as strong as the transaction data underneath it.

Personal experience: Nest Finders — DLD raw transaction data. Atea insights

Source: Dubai Land Department · HM Land Registry · Zemesgrāmata · CoStar Group

RESEARCH EVIDENCE · Harvard Business School · Microsoft (April 2026)

AI Structures the Problem. Humans Validate It.

Harvard Business School + Microsoft tested AI as a substitute for human surveys — April 2026.

- → AI performed well on familiar, well-known product categories
- → AI failed on new products, novel preferences, and demographic differences
- → Different AI models gave conflicting answers to identical questions

Use AI to ask better questions. Use real data to answer them.

The Research Sequence: AI Opens. Humans Close.

Step 1: Use AI to map the problem space and draft your research questions.
→ Fast. Broad. Good for structuring what you do not yet understand.

Step 2: Run real interviews and surveys. Minimum 15 interviews. 300+ survey responses.
→ Human responses are the only reliable source for willingness to pay.

Step 3: Investigate all financial assumptions in primary transaction data — not AI output.
→ Closed transactions. Land registries. Audited accounts.

Skip Steps 2 and 3: your model rests on what AI imagined — not what the market said.

Source: Mak, S. et al., Harvard Business School Working Paper (April 2026)

Where AI Gets It Right — And Where It Fails

✓ AI as Research Scaffolding

- Draft survey questions for human refinement
- Summarise academic literature rapidly
- Generate initial hypotheses to test
- Generate questions you had not thought
- Synthesise findings across multiple data sources

✗ Human Validation Required — NEIF Standard

- Willingness-to-pay for new product categories
- Demographic segmentation by age, income, gender
- Reactions to novel concepts and untested brands
- Culturally specific or emotionally driven decisions
- Confirming what the model without proper research and human input
- **Rule: form your own structure FIRST, then check against AI. Not the reverse.**

Source: Mak, S. et al., Harvard Business School Working Paper (April 2026)

How to Read Academic Papers Efficiently

Two good papers beat 50 marketing presentations or blog posts.

Step 1 → Abstract: start from the MIDDLE, not the beginning.

Step 2 → Results: look at tables, charts, and figures first. Do the numbers look interesting?

Step 3 → Conclusions: read the full conclusions section.

Step 4 → Introduction: read the second half only if results passed your check.

Step 5 → Full paper: read completely only if all four checks passed.

Where to find papers: Google Scholar · SSRN · ResearchGate · PubMed (health) · arXiv (tech)

Use specific keywords. Add year filter. Look for papers that cite each other.

How Much Data Is Enough? The Saturation Principle

Stop collecting when new inputs stop producing new insight.

Interviews: saturation typically occurs around 20–30 conversations for a focused research question.

Quantitative: calculate minimum viable sample size based on the effect size you need to detect.

→ More data does not reduce uncertainty

→ At some point you have to commit to a conclusion.

Rule: set your stopping criteria BEFORE you start collecting. Not after.

Source: Guest, G., Bunce, A. & Johnson, L., Field Methods (2006) — "saturation in 12 interviews"

The Three Traps That Kill Market Research

TRAP 1: Confirmation Bias

→ You design research to find what you already believe. You remember supportive interviews. You forget the ones that challenged you.

TRAP 2: Survivorship Bias

→ You only study the successful companies. The failures are invisible. Learning only from winners teaches the wrong lessons.

TRAP 3: The Loudest Voice Problem

→ The person who complains most loudly is not representative of your market.

→ **The person who pays quietly usually is.**

Source: Kahneman, D., Thinking Fast and Slow (2011) · Taleb, N.N., The Black Swan (2007)

What Go-to-Market Actually Means

GTM is not a marketing plan. It is a hypothesis about how you reach your first paying customer.

NOT: "How do we market to everyone?"

YES: "What is the shortest path from we-built-it to someone-paid-for-it?"

The difference: a marketing plan is about spending money. A GTM hypothesis is about learning cheaply.

Time horizon: GTM is about the first 90 days, not the first year.

→ First 90 days tells if fundamental assumptions are correct.

→ If the fundamental assumptions are wrong, the 12-month plan is irrelevant.

Source: Weinberg, G. & Mares, J., Traction (2015) · Blank, S., Four Steps to the Epiphany (2005)

ICP: Ideal Customer Profile

The more you understand your customer, the narrower your aim — and the better your results.

ICP is not demographics. It is the intersection of:

- → Industry or sector (where is the pain concentrated?)
- → Company size or individual profile (who has budget to solve this?)
- → Pain intensity (how much does the problem cost them today?)
- → Buying authority (who signs the contract?)
- → Timing signal (what triggers the purchase decision?)

A broad ICP is a symptom of unclear positioning.

Narrow your ICP until it feels uncomfortable. Then narrow it one more time.

Channel Selection: Where Is Your Customer Actually?

Where customers actually spend time and make decisions.

Channel options to evaluate:

- → Direct sales (highest margin, slowest to scale, best learning)
- → Broker and agent networks (Real estate agencies: critical for market access, affiliate)
- → Digital advertising: LinkedIn (B2B) · Meta (B2C) · Google Search
- → Fairs / Events (business breakfast, hackathons, events)
- → Referral programs (CAC near zero; highest conversion rate)
- → Community groups and professional associations

Pick one channel for your pilot. Not Six. One.

Source: Weinberg & Mares, Traction (2015) — 19-channel bullseye framework

Minimum Test Period for GTM

One channel. One customer segment. One message. Thirty days.

Before you start — write down:

- → **What does SUCCESS look like? (be specific)**
- → **What does FAILURE look like? (write this first)**

A structured minimal GTM test:

- → 30 outreach contacts
- → Minimum 5 conversations
- → Minimum 1 serious expression of intent (not just "interesting")

Personal case: success selling US books and CV for Dubai market

Failure: Naviora Group

Pricing as a GTM Instrument

Price is not cost plus margin. Price is a communication of value.

If your price is wrong, your positioning is wrong.

Method : Van Westendorp Price Sensitivity Model (4 questions):

→ At what price is this product "too cheap to trust quality?"

→ At what price is it "cheap, but worth considering?"

→ At what price is it "expensive but still worth it?"

→ At what price is it "too expensive to consider?"

Source: Van Westendorp, P., "NSS Price Sensitivity Meter" (1976) · Gabor, A. & Granger, C. (1966)

Competitive Mapping: Three Types

Type 1 — DIRECT: same product, same customer, same problem.

Type 2 — INDIRECT: different product, same customer, same problem.

Type 3 — ALTERNATIVE: what the customer does today if you do not exist.

The third category is the most important and the most overlooked.

→ In Dubai PropTech: the real competition for a data platform was not other software. It was WhatsApp groups and Excel files.

Source: Porter, M.E., Competitive Strategy (1980) · Porter, M.E., HBR "The Five Competitive Forces" (2008)

Defining Success Before Launch

Set kill criteria and continue criteria BEFORE the pilot. Not after.

If you define success after you see the results, you will always find a way to declare victory.

Metrics that matter:

- → Conversion rate at each stage of interacting with client
- → Customer acquisition cost (CAC) vs target
- → Time to close (vs your assumption)
- → Net Promoter Score (would you recommend this?)

Source: Ries, E., The Lean Startup (2011) · Croll, A. & Yoskovitz, B., Lean Analytics (2013)

GTM in Practice: Three Positioning Patterns

Case 1 — The Operator Model (Naviora)

→ We enter as operators with unexclusive assets — not as competitors fighting for share
→ Commission-based structure: the market sells, we share the upside
→ Result: distribution without a direct sales force. Acquisition cost near zero.

Case 2 — The Infrastructure Model (Reely)

→ Built tools for offline project operators — not competing with any existing player
→ Gave all market information directly to participants. Transparency was the product.
→ A better-informed market creates more transactions. Relay earns on volume.

Case 3 — The Lesson: Orocon (A Regulatory Signal Is Not a Market)

→ Found a real gap — a law change created a need. Built the product.
→ **Skipped deep market validation. Assumed the law change meant paying customers and new tech.**

Why Financial Analysis Happens Before Launch

A technically brilliant idea can be financially dead.

Three questions every idea must answer before you commit:

1. **What does it cost to acquire one customer? (CAC)**
2. **What does one customer return over their lifetime? (LTV)**
3. **When do you break even?**

If you cannot answer all three with real numbers, you do not have a business plan. You have a hope.

Source: Deloitte audit methodology · Damodaran, A., Investment Valuation (2012)

Unit Economics: The Foundation

LTV : CAC · Return on Customer Spend

> 3×

For every $ 1 spent acquiring a customer, they must return $3+ . Below this ratio, growth costs money. The model does not work at scale.

Contribution Margin · Does Each Sale Help?

Revenue – Variable Costs

Revenue minus the direct cost of that sale. If negative: every additional unit sold increases your losses. Volume never fixes a negative contribution margin.

Payback Period · When Do You Get Your Money Back?

< 12 months (ideal)

$500/month customer + $3,000 acquisition cost = 6-month payback.

Churn Rate · How Many Customers Leave Each Month?

< 5% monthly

10% monthly churn = half your customers gone in 6 months. No growth rate outpaces that loss. You are filling a bucket with a large hole in it.

Source: Personal application: Sati by Saodat restaurants — P&L and cash flow models for 2 operations

Three Scenarios: Always — Never Build One Model

PESSIMISTIC Scenario

High occupancy risk · Rent 15% below forecast · CAC 2× expected · 20% cost overrun

BASE CASE Scenario

Market consensus assumptions · Verified by comparable transactions · Defensible under cross-examination

OPTIMISTIC Scenario

Favourable exit environment · Rent growth at ceiling · Full occupancy within 18 months

Source: Damodaran, A., Damodaran on Valuation (2006) · Personal methodology: Naviora commercial real estate models

What Investors Care About

Know your audience before you present the numbers. The metric that matters depends on the investor type.

Income investor → cares about annual yield (cash-on-cash return)

Growth investor → cares about total return and compounding (IRR)

Exit-focused investor → cares about MOIC (Multiple on Invested Capital) and time to exit

Rule: present all three. Let the investor weight them by their mandate.

Psychological comfort: a 2-2.5× MOIC over 5 years = 20% IRR.

Source: NEIF Investment Framework · Damodaran, A., Investment Valuation (2012)

Sensitivity Analysis as a Decision Tool

The heat map: you are not optimising for the best case. You are finding the minimum survivable scenario.

Applied to any business model:

- → How many units must you sell to cover fixed costs?
- → What is enter and exit price?
- → What min number of subscribers are needed to cover costs?

The devil is in the details — and sensitivity analysis is how you find the details that matter.

Source: Naviora Group model methodology · Pratt, S.P., Business Valuation (2008)

Risk Matrix: Quantifying What Can Go Wrong

Probability × Impact = Risk Score. Red ≥ 12 | Amber 6–11 | Green ≤ 5

Risk	Probability	Impact	Score	Level	Mitigation
Market Demand Shortfall	High (4)	High (4)	16	Red	Did not manage to sell planned amount to fit in the plan
Interest Rate Increase	Medium (3)	High (4)	12	Red	Fix financing rate at close.
Construction Cost Overrun	Medium (3)	Medium (3)	9	Amber	Increase of initial price
Regulatory / Permit Delay	Low (2)	High (4)	8	Amber	Loss of time to execute the project
Key Person Dependency	Low (2)	Medium (3)	6	Amber	Document all processes. Cross-train management. Succession plan for Year 2.
FX / $ Peg Risk	Very Low (1)	Low (2)	2	Green	$ pegged to USD since 1997. Monitor CBUAE policy quarterly.

Source: NEIF Risk Matrix methodology · Applied to commercial office deal (active pipeline)

Financial Analysis in Practice: When the Numbers Changed the Decision

Case 1 — Dubai Gym + Fight Training Area

→ Strong demand signal. The concept made sense. The maths did not.
→ Break-even required daily volumes the market could not sustain
→ Unexpected finding: rehabilitation demand — few clients, high price per session, minimal space
→ Model rebuilt around rehab. New unit economics worked.

Case 2 — Holiday Homes: Sublease vs. Operator Model

→ Sublease hypothesis: rent long-term, relist short-term — classic arbitrage
→ When we modelled bad-weather days, seasonal gaps, emergency vacancy: margins collapsed
→ Model switch: operator, no fixed lease. Commission scales 10% → 20% as performance grows.
→ More apartments. Lower risk. The people with fixed leases did not survive the slow season.

Three Types of Results — All Three Are Valuable

TYPE 1

Hypothesis Confirmed

Market exists. Willingness to pay is confirmed. The model holds. Proceed with confidence to the next stage.

TYPE 2

Hypothesis Rejected

The problem does not exist at the scale you assumed, or people will not pay what the model requires. This is not failure — it is money you did not lose.

TYPE 3

Unexpected Finding

The problem is real but your designed solution does not fit. Or the customer is different from who you expected. The most valuable outcome — if you act on it.

The only true failure is not testing the hypothesis at all.

Interpreting Qualitative Results: From 30 Interviews to 5 Patterns

Thematic coding process:

Step 1: Read all transcripts end-to-end without categorising

Step 2: Identify recurring phrases, pain words

Step 3: Group into themes — aim for 4–7 themes maximum

Step 4: Check: are themes connected- our solution can help

Step 5: Mind mapping: write each insight next to theme

→ Tools: Miro, Figma, or a physical wall notes

Source: Braun, V. & Clarke, V., "Using thematic analysis in psychology" (2006) · Applied Qualitative Research (2020)

Interpreting Quantitative Results: The Most Common Error

The Most Common Error: Confusing Correlation with Causation

Business example: Companies with more LinkedIn followers grew faster last year. Conclusion: more followers cause growth. Wrong. Both are caused by a third variable — existing brand strength and investment capital.

Three tests before claiming causation:

1. Temporal order — did A really effect B, or do they simply move together?
2. Confounding variables — what third factor could explain both A and B simultaneously?
3. Mechanism — can you explain exactly how A produces B?

Source: Field, A., Discovering Statistics Using SPSS (2013) · Pearl, J., The Book of Why (2018) · Cohen, J., Statistical Power Analysis (1988)

Pivot or Continue: The Hardest Decision

Set kill criteria BEFORE you start. Not after.

Suggested thresholds:

→ **7 out 10 interviewed customers will not pay your target price → pricing or customer segment is wrong**

→ **What you spend to acquire a customer is 3× what you expected → change channel or model**

→ **Time to first revenue is 2× your original estimate → find the root cause before spending more**

When choosing what to test next, score each option:

→ How many people does it reach? | What is the potential impact? | How confident are you? |

→ **Do not adjust the model until the numbers look acceptable. That turns a small problem into a large one.**

Source: RICE framework: Intercom product methodology (2018) · Ries, E., The Lean Startup (2011)

The Iteration Cycle

Each cycle should be cheaper and faster than the last — because you know more entering it.

TEST

Run the minimum viable experiment. One variable. One channel. Thirty days.

LEARN

Interpret results honestly. Separate signal from noise. Document findings.

ADJUST

Change ONE thing at a time. If you change three things, you learn nothing.

REPEAT

Re-enter the cycle with a tighter hypothesis and lower cost per learning.

↺ The cycle runs continuously through the life of the business.

The Full System on One Page

IDEA	MARKET RESEARCH	GO-TO-MARKET	FINANCIAL MODEL	TEST	RESULTS	DECISION
State the hypothesis precisely. What do you believe? Who for? At what price?	Qualitative (20–30 interviews) + Quantitative (300+ survey) + Transaction data (primary source)	ICP → One channel → One message → 30-day pilot → Kill criteria defined in advance	Unit economics + Three scenarios + Sensitivity heat map + Risk matrix	Minimum set criteria. Define success/ failure before you started.	Quantitative (statistical) + Qualitative (thematic coding) → Honest interpretation	Continue · Pivot · Stop — with written evidence.

Five Principles I Actually Use

These are not theoretical frameworks. Every one of these came from a mistake.

1. **Data beats intuition — but intuition asks the questions that data can support.**
2. **Disprove first, confirm second. Design your research to challenge, not validate.**
3. Real transactions beat live listings beat other people's opinions. Always go to the most primary source available.
4. **Build three scenarios before any financial decision. The pessimistic one is usually closest to reality.**
5. **Define kill criteria before you start. Not after you see the results.**

Team Efficiency: Systems That Actually Work

Many businesses fail not because the idea was wrong or approach —the wrong leadership & people ran the wrong processes.

In a startup: you will do everything. But doing everything is not the same as doing everything well.

When you grow: you need certified systems to scale execution without losing quality.

Kaizen: continuous improvement — eliminate waste at every step

Scrum: sprint-based delivery — 2-week cycles, daily standups, retrospectives

Agile: iterative development with customer feedback at every stage

Lean: maximum value with minimum resource consumption

Kanban: visual workflow management — nothing moves without a signal

Source: Imai, M., Kaizen (1986) · Schwaber, K. & Sutherland, J., Scrum Guide (2020) · Womack, J., Lean Thinking (1996)

The Serial Failure Who Won

Oskar Hartman: built and invested in 148 companies.

42 of them went bankrupt.

He is one of the most successful entrepreneurs in the world- hunter for unicorns- 14 .

Imagine if he had quit after failure number five.

"Every business that exists today started as a hypothesis that someone decided to test"

Failure is not the opposite of success in entrepreneurship. It is the method.

THANK YOU

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"Build the environment that makes leaving unnecessary."