

# CSU

## *Startup Vikes*

2020

*February*

21

22

23

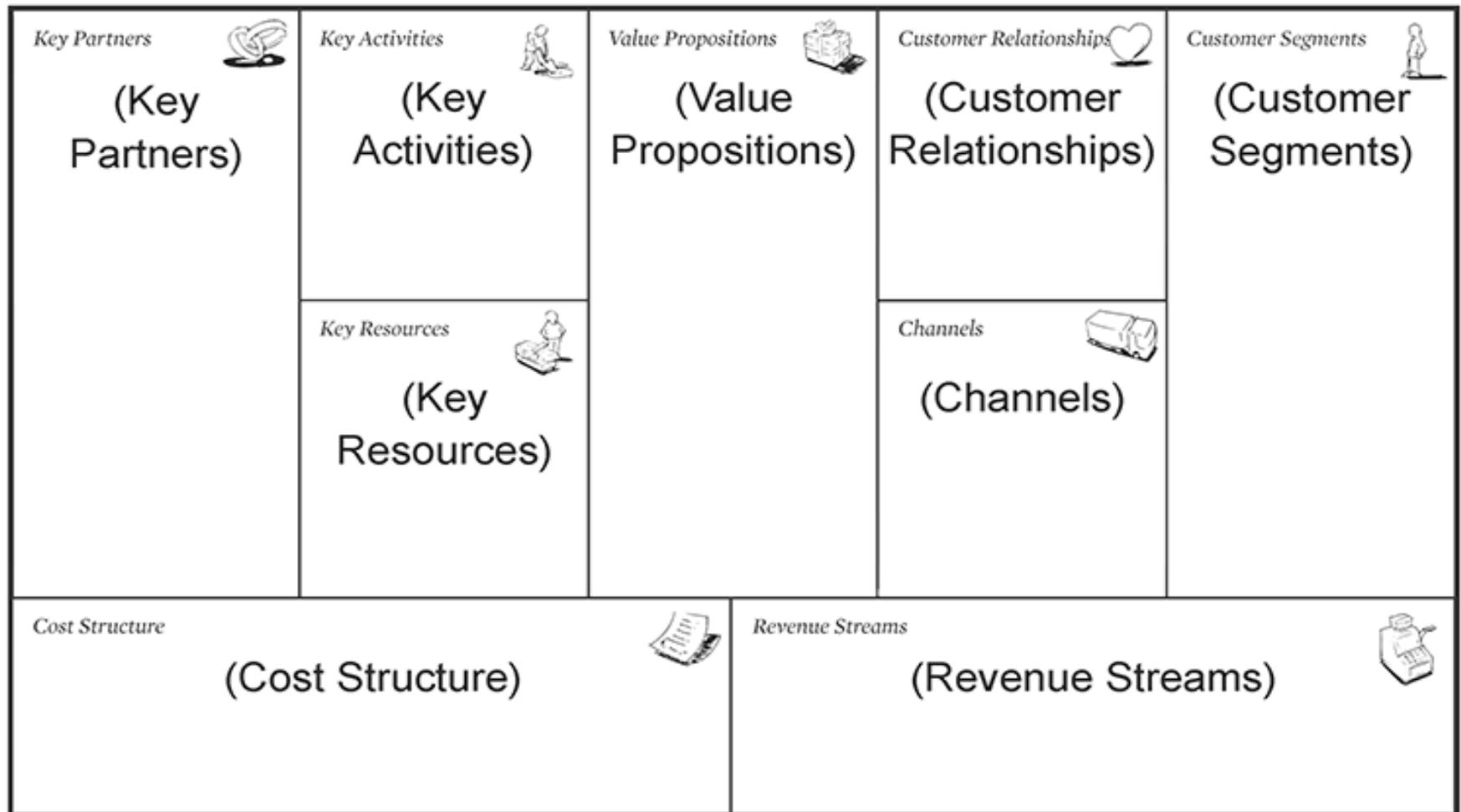


## Workshop 3: Customer Development

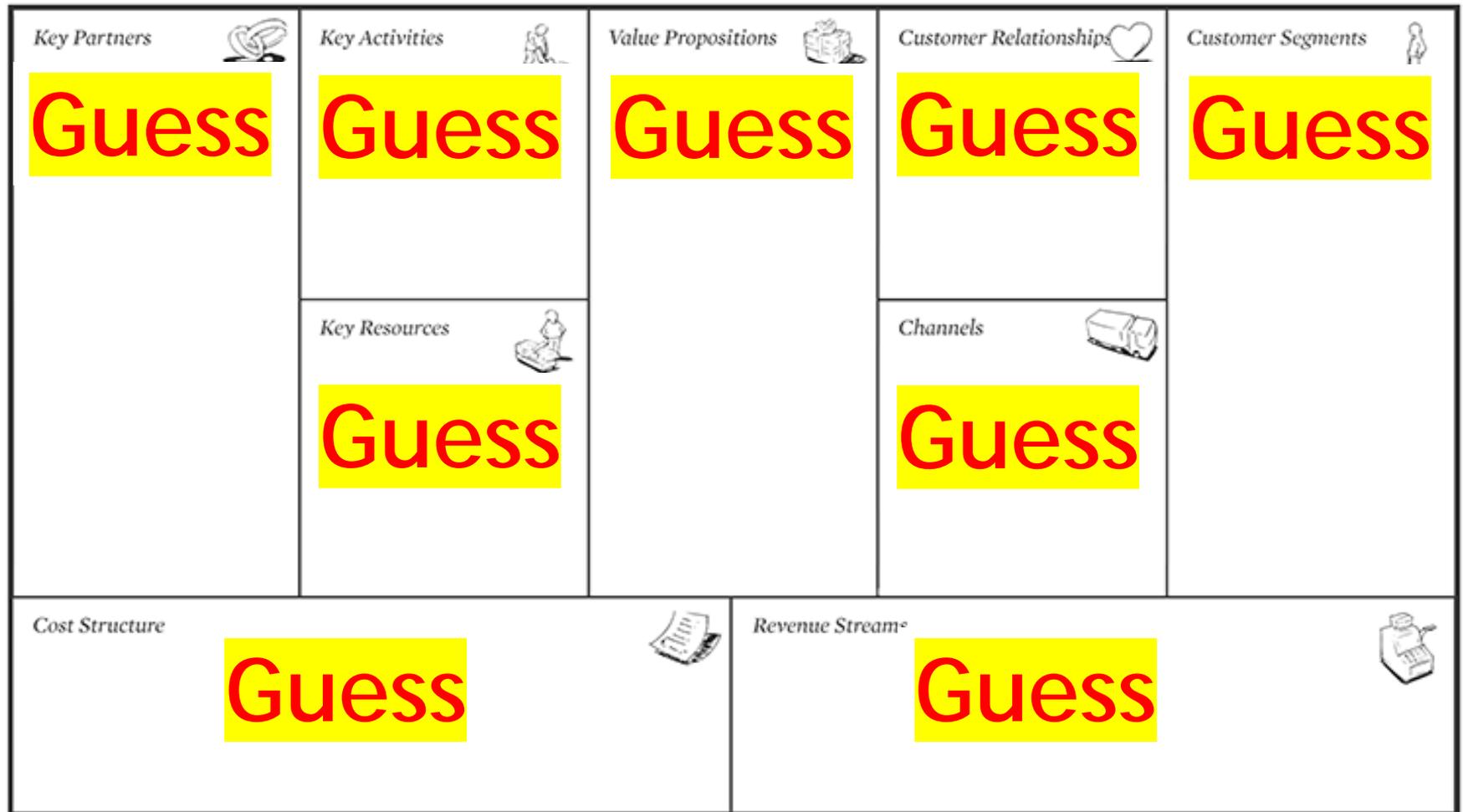
NORTHEAST OHIO  
**STARTUP**  
NETWORK

  
jumpstart

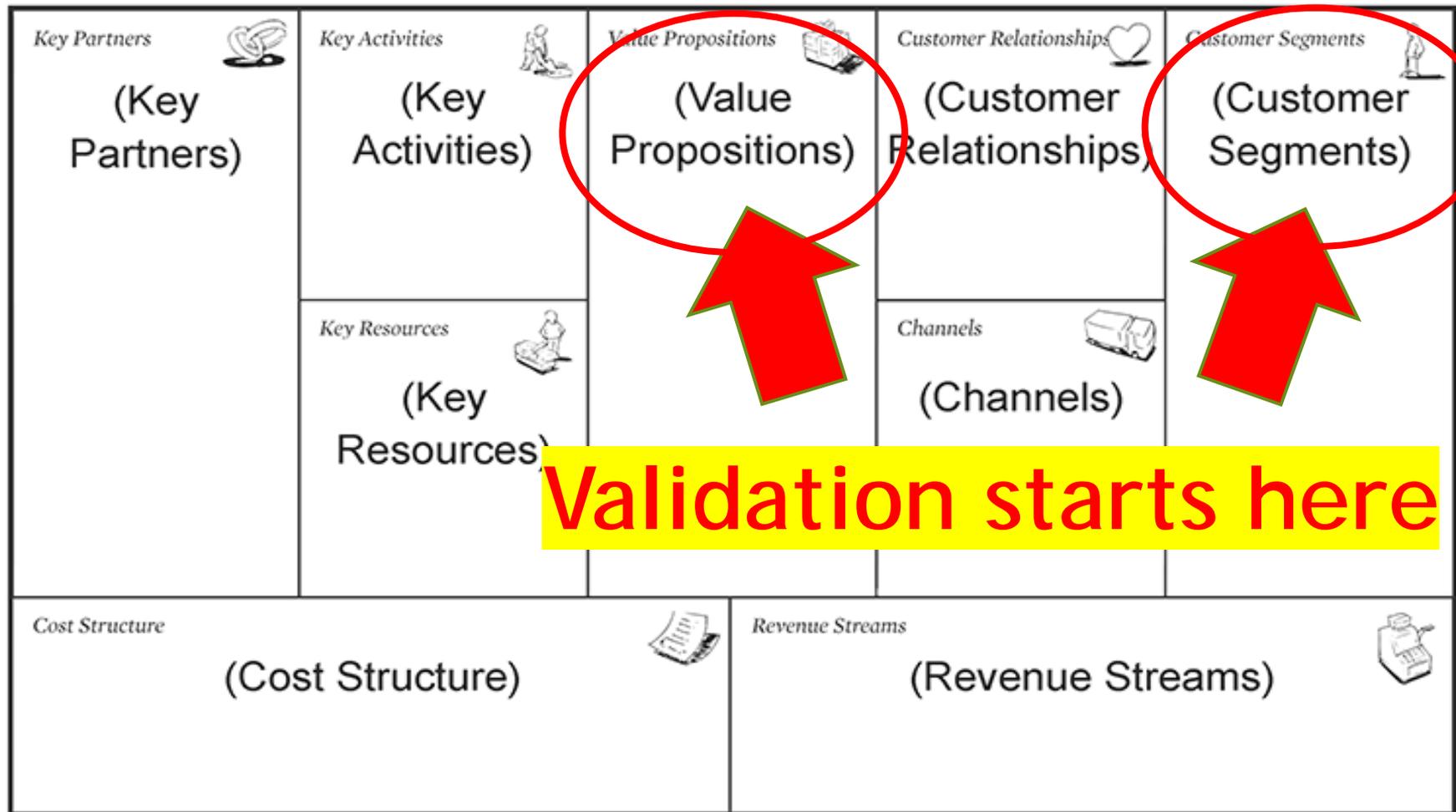
# Have a plan...



# ...but wait!



# Don't get too attached



▶▶▶▶ What is this really about??

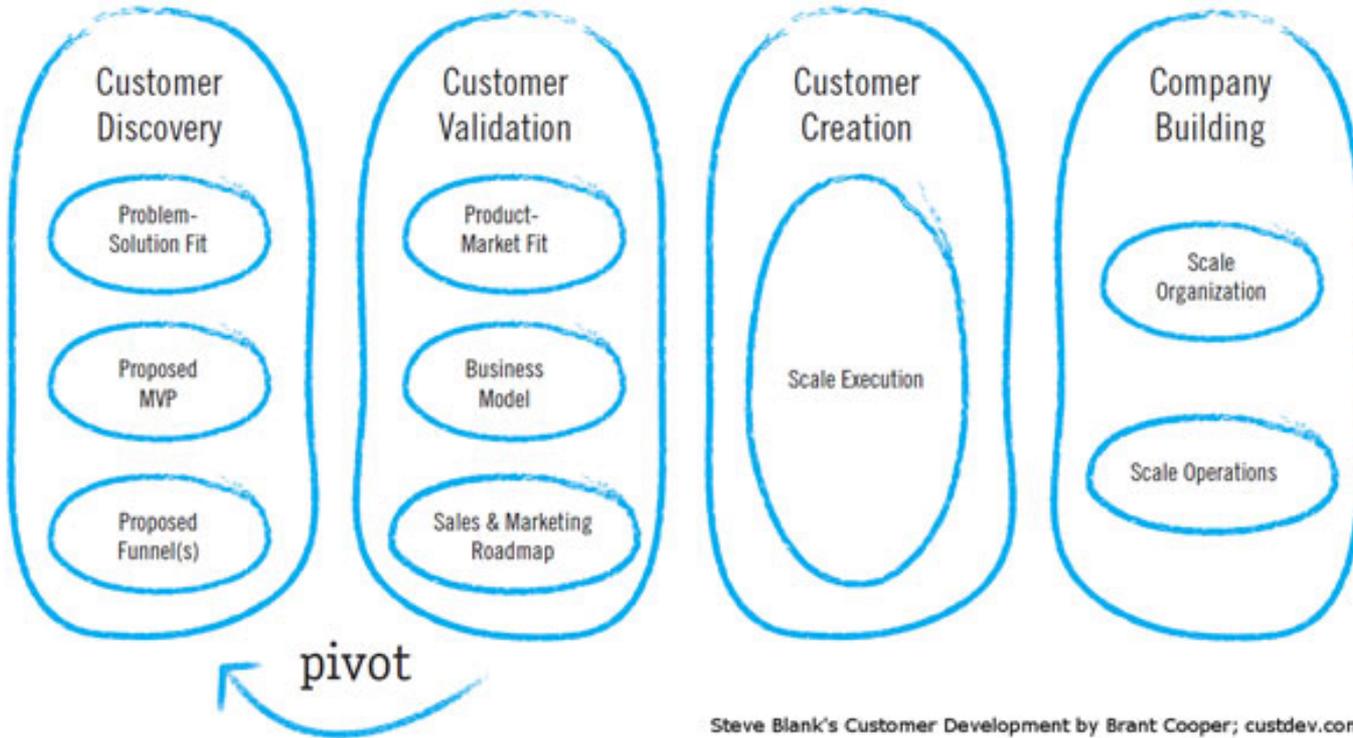


▶▶▶▶ What is this really about??



# ▶▶▶▶ What is this really about??

## Customer Development



Steve Blank's Customer Development by Brant Cooper; [custdev.com](http://custdev.com)

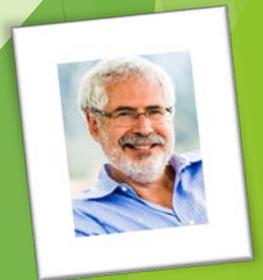
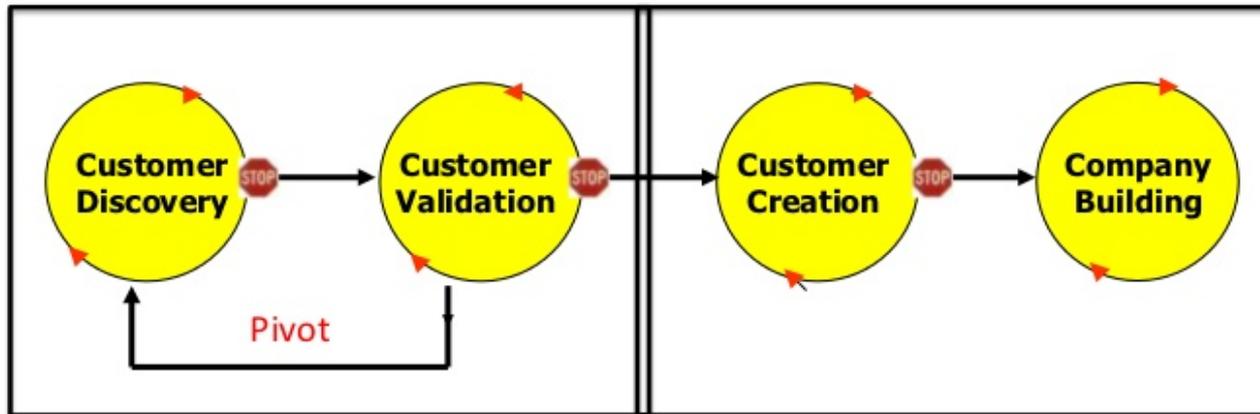


# ▶▶▶▶ Acknowledge the unknown

Customer Development is  
*how you search* for the model

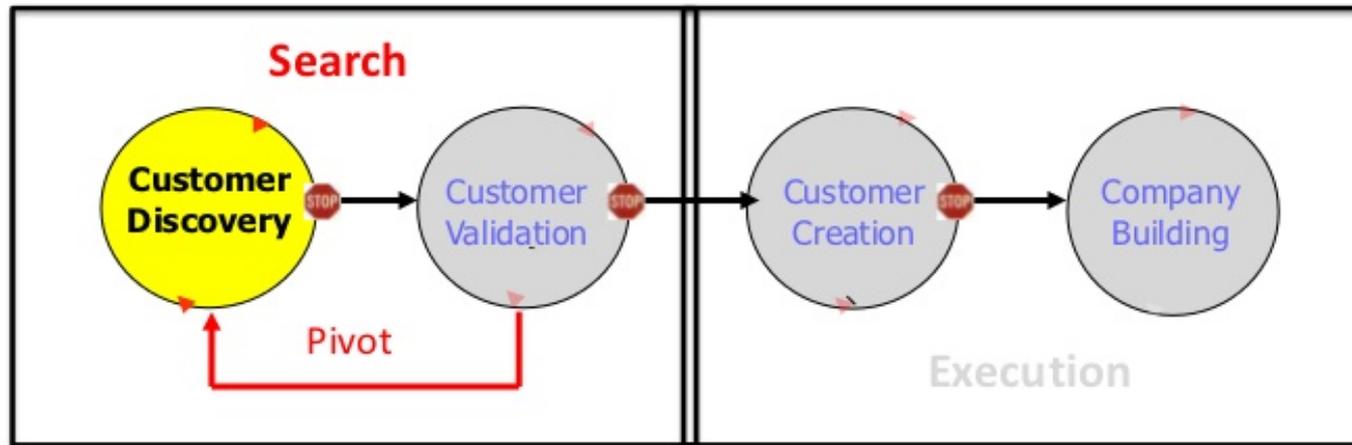
Search

Execution



# ▶▶▶▶ Map out possible paths

## Customer **Discovery**

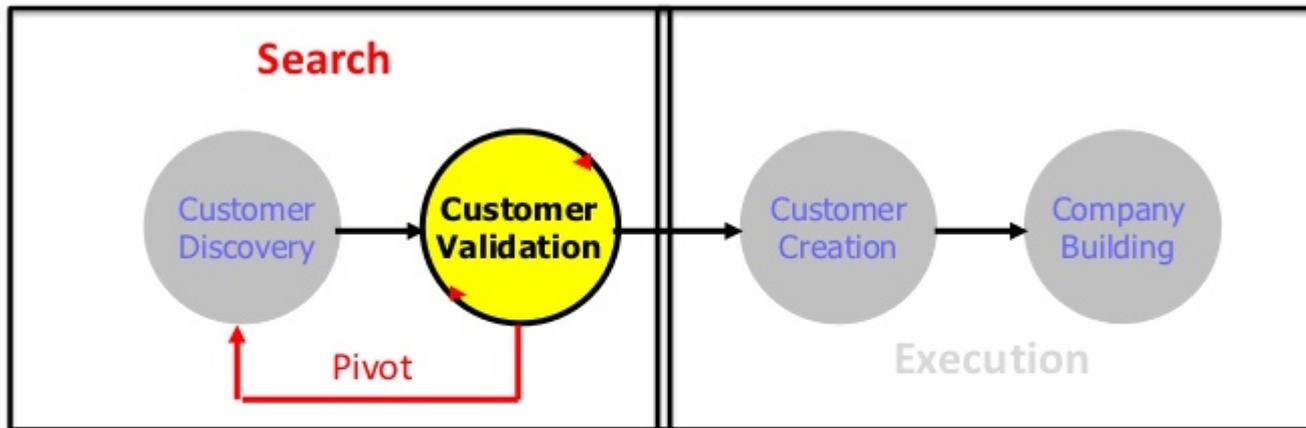


- ▶ Articulate **your** guess
- ▶ Design experiments, start listening
- ▶ Continuous discovery
- ▶ Done by founders



▶▶▶▶ Choose one path to start

## Customer Validation

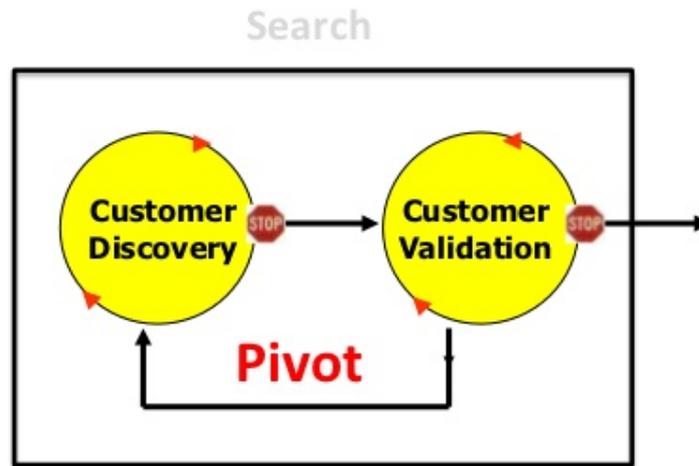


- ▶ Repeatable and scalable business model?
- ▶ Passionate earlyvangelists?
- ▶ Pivot back to discovery if no customers



▶▶▶▶ Embrace pivots if when needed

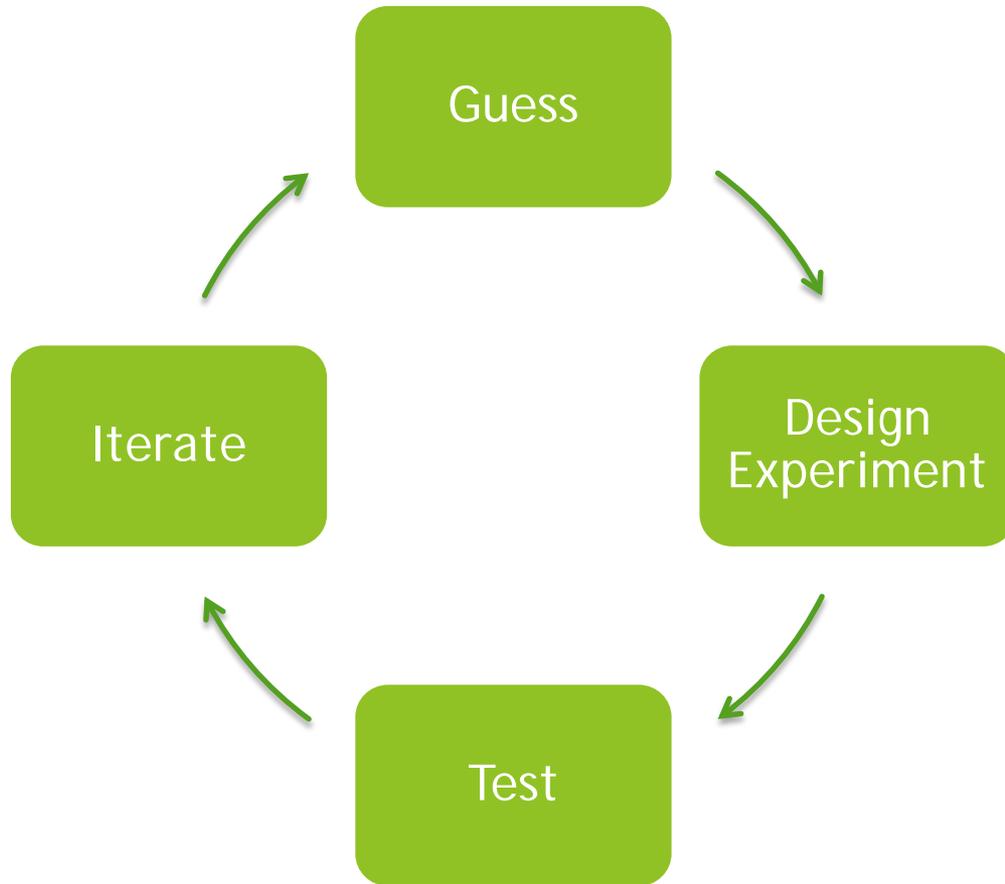
## The Pivot



- ▶ The ❤️ of customer development
- ▶ Iteration without crisis
- ▶ Fast, agile and opportunistic



▶▶▶▶ Always think in this cycle



## ▶▶▶▶ Decisions, Decisions...

- ▶ 1. Which assumptions will you test?
- ▶ 2. Who will you talk with?
- ▶ 3. Where will you find them?
- ▶ 4. What will you ask?
- ▶ 5. How will you measure success?



# Which assumptions will you test?



<p>Key Partners </p> <p><b>Guess</b></p>	<p>Key Activities </p> <p><b>Guess</b></p>	<p>Value Propositions </p> <p><b>Guess</b></p>	<p>Customer Relationships </p> <p><b>Guess</b></p>	<p>Customer Segments </p> <p><b>Guess</b></p>
	<p>Key Resources </p> <p><b>Guess</b></p>		<p>Channels </p> <p><b>Guess</b></p>	
<p>Cost Structure </p> <p><b>Guess</b></p>		<p>Revenue Streams </p> <p><b>Guess</b></p>		

# ▶▶▶▶ Which assumptions will you test?

## Priority assumptions

- ▶ Who is your customer?
  - ▶ ...What is their problem/need?
- ▶ What is the product/service?
  - ▶ ...Does it solve the customer's problem?
- ▶ How big is the market?
- ▶ How do you create demand?
- ▶ How do you deliver the product?
- ▶ How do you make money?



## ▶▶▶▶ First step? Let's play mad-libs!

For a who is b, [your solution] is a c that offers d by/through/because e.

- a) your target customer
- b) experiencing this problem or need
- c) category (physical item? service? app? platform? store? event? experience? community?)
- d) distinct value (benefit-oriented)
- e) how or why you offer this distinct value



# ▶▶▶▶ Test for benefits, not features

## Feature:

For doctors prescribing medication to patients, CoverMyMeds offers software that **automates the prescription-writing process** by allowing doctors to electronically ask insurance companies whether a patient's medication is covered.

## Benefit:

For doctors prescribing medication to patients, CoverMyMeds offers software that **decreases prescription abandonment and reduces administrative waste** by allowing doctors to electronically ask insurance companies whether a patient's medication is covered.



# ▶▶▶▶ Who will you talk with?

- ▶ End User - teenage driver
- ▶ Influencer - car magazine
- ▶ Influencer - family friend
- ▶ Influencer - car salesperson
- ▶ Decision Maker - mom
- ▶ Economic Buyer - grandmother
- ▶ Saboteur - sibling



# ▶▶▶▶ Where will you find them?



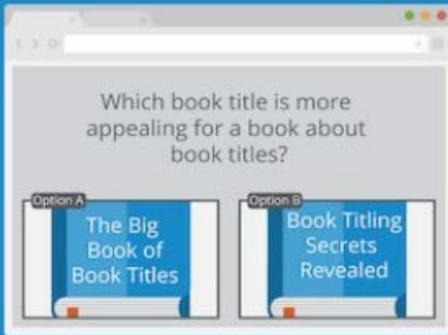
But also...

- ▶ Get out of the building!
- ▶ Being told NO is not scary
- ▶ Use your networks for warm contacts
- ▶ Find the watering holes
- ▶ Social media is your friend (in this case...)

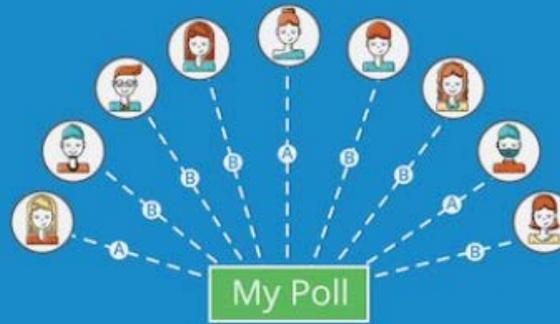




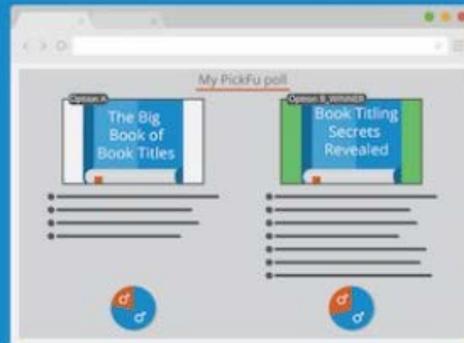
1 You ask a question.



2 PickFu finds responders to pick an option and explain why.



3 You instantly get crowdsourced insight, complete with explanations & demographic info!



# ▶▶▶▶ What will you ask?

TOP 5:

- ▶ How do you do this today? *Why?*
- ▶ What other options for solving this problem have you explored? *Why?*
- ▶ What do you like about your current method? *Why?*
- ▶ What could be improved with the current method? *Why?*
- ▶ What has held you back from changing to something else? *Why?*



# ▶▶▶▶ Question Wording Example 1

## IDENTIFY THE PROBLEM:

### ▶ Bad:

Would you like to spend less time doing x?

### ▶ Better:

How much time does it take you to do x?

### ▶ Best:

How do you do x?



## ▶▶▶▶ Question Wording Example 2

IDENTIFY ROOM FOR IMPROVEMENT:

### ▶ Bad:

Does your boss get mad when x is not done?

### ▶ Better:

How mad does your boss get when x is not done?

### ▶ Best:

What happens when x is not done?



## ▶▶▶▶ Question Wording Example 3

### IDENTIFY CURRENT SOLUTIONS:

#### ▶ Bad:

Do you use XYZ software to solve this problem?

#### ▶ Better:

What software do you use to solve this problem?

#### ▶ Best:

How do you currently solve this problem?



# ▶▶▶▶ How will you measure success?

REMEMBER WHAT THE JUDGES ARE LOOKING FOR:

- ▶ Does your business have a good understanding of customers and their needs?
- ▶ How many interviews did your team conduct?
- ▶ Did you target the correct people to interview?
- ▶ What did you learn from your customer interviews?
- ▶ What does your MVP look like, and how did these learnings influence that?



▶▶▶▶ Have fun!!

