

YOUR CUSTOMER JOURNEY! Identifying a target audience, finding and interviewing potential customers to learn what they might want from the product!



Susan R. Cornelius

Principal and Founder, Accelerate2Solutions

scornelius@ssolutions.cc

619-840-9895

Welcome Founders!

- ❑ We recognize we are here to help you navigate.
- ❑ Rainforest Innovations continues to collect a library of these presentations at <http://loborainforest.com/nmrainforest/videos/>
- ❑ We have all been through the same period in our country's history together.
- ❑ Today, we intend to pour our energy into what you are dreaming to make it more real.
- ❑ We recognize that the times can be a challenge.
- ❑ AND, ***the principles do not change.***

YOUR JOURNEY: Separate the known from the unknown.

- ❑ At the beginning of your effort, you are very likely not on target about your assumptions.
- ❑ We focus on the elimination of waste in the discovery and creation of new value.
- ❑ Take Action: To understand customers, you must test assumptions, and use that evidence to make decisions about what you are really doing.
- ❑ Write down your assumptions.
- ❑ Conduct interviews with actual customers, not just with technology.

Today's Markets: What's going on?

- ❑ Typical target startups have 1-3 founders, larger appetite, focused on bigger ideas.
- ❑ Series A “Crunch”: Crunch exists but not due to lack of money. (There's lots of money.) More money is going into fewer deals. Right now, VC's are shoring up their existing companies and raising “bridge” funding for those they predict are going succeed.
- ❑ Pre-Series A seed investment more prevalent in 2019 and is sleeping today. Again, Angels are also shoring up their existing investments.
- ❑ We are looking at Winter 2021 to see what changes. We do not know the trends yet..
- ❑ Coupled with the current state of things, *this means your company needs to be in top 5-7% of companies seeking funds.*

Today's Market: What is going on?

- ❑ This has not been a cushy 10 months!
- ❑ Frankly, we are not sure markets will recover to Winter 2020 levels, but we are predicting we will recover most of that by Fall 2021.
- ❑ What we know is that investors have taken big hits to their portfolios.
- ❑ Investors are raising the bar and telling us to redo our valuations of our companies and give them a lower valuation. They are raising the bar on what they expect from you in order to invest in you.
- ❑ Existing companies with investments rounds - Pre-A, A, B, and sometimes C - we have been telling them to talk to their investors, end the fund raising round even if they are short of their goal, take the cash, and end the round.
- ❑ What are we asking in return? More time. When we lower the valuation, we are asking for two years before we give them returns on investment rather than 16 months.
- ❑ And it is actually a good time to invest. Why? Smart companies who have made it are good investments. They have cut expenses including salaries, taken on consulting jobs to pay their bills, and retained their excitement about innovation.

Difficult to Think of Business Models Rather Than Technology and Products!










The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 		Revenue Streams 		

Copyright 2020 Accelerate2Solutions(TM)



This work is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License. To view a copy of this license, visit: <http://creativecommons.org/licenses/by-sa/3.0/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California, 94105, USA.

DESIGNED BY: Strategyzer AG
The makers of Business Model Generation and Strategyzer

 **Strategyzer**
strategyzer.com

What are Your Objectives for the Customer Discovery Interview?

- ❑ Create a relationship. Their minds may or may not be focused on their strategy. BUT, they don't know about you.
- ❑ Research the potential customer. To start: Ask for an informational interview with a potential customer of your product.
- ❑ Share your value proposition and *use*

What is your value proposition?

- ❑ What problem are we solving?
- ❑ For whom? Customer segments?
- ❑ What is the UNIQUE Value prop we deliver to the customer (S)?
- ❑ What bundles of products and services are we offering to each Customer Segment?
- ❑ To repeat: WHAT ARE YOUR VALUE PROPS??? (With an emphasis on the “S”!)
- ❑ NOTE: You will have a Value Prop for each Customer segment.



What is Your Value Proposition?

- Justify this statement: Who is your client?
How do you know?
- What are you asking for - advice, money, space, expertise -
and what you are going to do with it. Be brief.
- How does your business or product make money?
- Who is your competition?



Context / Problem	The First But	Product Intro
What is the problem, we think we are solving?	What does the customer think the problem is?	This is our product, this is how our product works...
Magic Solution	And Then	User Benefit
Our product does this to alleviate their problem...	Who interacts with our product?	What does success look like from the user perspective?

PRODUCT STORY BOARD

Do it once and then do it again!

Thinking about the product from the standpoint of the user experience helps the product designers design a better experience.

What is your 90 second pitch?



- ▶ What are you telling your potential customer about what you are doing?
- ▶ What to avoid! Asking for a couple of minutes of someone else and taking more than a couple of minutes.
- ▶ Handout
- ▶ Now pitch your partner as if s/he is your potential customer.

Pitch Components

- ❑ What problem are you solving?
- ❑ How does your business make money?
- ❑ Who is your competition?
- ❑ What is your unique value proposition in comparison to competition?
- ❑ What is the market for your product and potential market share? Be prepared to justify your statements.



What is your value proposition?

- ❑ What problem are we solving?
- ❑ For whom? Customer segments?
- ❑ What is the UNIQUE Value prop we deliver to the customer (S)?
- ❑ What bundles of products and services are we offering to each Customer Segment?
- ❑ To repeat: WHAT ARE YOUR VALUE PROPS??? (With an emphasis on the “S”!)
- ❑ NOTE: You will have a Value Prop for each Customer segment.



What are your objectives for the Customer Discovery Interview?

- ❑ Creating awareness. Asking not only if they want to be kept informed on what you are doing and verifying their contact information.
- ❑ Asking for feedback from the customer. Will they use it? What do they like? What is missing?
- ❑ Asking for the names of two more relevant individuals with whom you might conduct one of these interviews.

HOW???

- ❑ Focus on the Problem. The first thing to understand: You are not selling anything. Chances are you don't have anything to sell yet, so focus on the problem the customer is trying to solve.
- ❑ Define customer archetypes. Understand to whom you need to talk. Take your time when you define the customer. How does the customer behave? Make a list of companies and organizations where these people work? Understand their role. Select names.
- ❑ Listen and learn. Remember you are not selling anything. Your goal is to gather as much valuable information as possible. ASK to record customer interviews - with permission - so you can stay full engaged in the conversation while ensuring you capture all of the information during interviews.
- ❑ Develop a consistent system for analyzing your interview results. Before beginning interviews, define the metrics and demographics that are important to you. Evaluate interview responses for recurring needs, ideas, and pain points.

Who are Your Potential Customers?

Prioritize based on their role in advancing investments, your product development, prototype testing, and end user.

To make better decisions and move fast, zoom in on a specific person, not a persona. If you were stuck on a desert island with the person most likely to buy or use your product, who would that be?

What three attributes does that Company or non-profit exhibit?

Write down at least 3 buying or professional practice behaviors you think can be observed in your customer.

Narrow down to 3 specific persons with whom you want to meet. I.e. You want to meet with someone in the NM Medical Insurance Industry. Who?

Copyright 2018 Accelerate2Solutions

Professional Organizations

National Conferences

Websites

LinkedIn

Facebook Business

Four Square TOOL: Planning Potential/Customer/Channel

C. PITCH

- Summarize what you heard from the potential customer or channel.
- Did I miss anything?
- State your 90 second pitch.
- Anything else you would add to this pitch or change?
- I am wondering if you have two additional potential customer or channels whom I can contact?

B. QUESTIONS;

- What are your goals to grow your business.
- This is our product, can you tell me how you might use our product? How might it help you grow your business?
- What are you using right now?
- Competitors?
- What features do you like?
- What features would you like?
- How much would you be willing to pay?
- Which markets should I address?

D. CLOSE

- Summarize your goals.
- This is your timeline.
- May I send you updates?
- Again, thank you.

A. INTRODUCTION:

- Thank you for taking the interview.
- What are you/Founder creating?
- Solving?
- Here's the story of what I am doing. These are its features. Introduce

How to increase numbers of interviews.

- ❑ Research online the professional organizations, national associations, websites for your target market.
- ❑ *Use LinkedIn Business and Facebook Business.*
- ❑ Use a variety of research apps:
- ❑ Crunchbase offers information on a wide variety of companies. <https://www.crunchbase.com/>
- ❑ Professional organization websites! Relevant to your product!
- ❑ mTurk offered by AMAZON allows you to get help with what you need such as research. <https://www.mturk.com/>
- ❑ Google Voice, at \$10/month helps you manage telephone calls to potential customers and even records and provides a transcript. <https://voice.google.com/about>



USE CASES:

- ❑ How will your product be used? Our hypothesis is:
- ❑ If we use this approach...this what can be expected, this is what we plan to do, this is our customer, this is how and when they will use it, this is the training we will include, this is how much it will cost, these are the expected outcomes.
- ❑ This is how our customer will react, this is how we will validate those outcomes. This is what we think will be our success metric.
- ❑ Now, please create a use case.
- ❑ Share with someone else. Ask them for feedback. In fact, talk to a lot of 'Someones'!!!

Let's Create Some Customer Interview Questions!

- ▶ Please take five minutes to create some customer interview questions.
- ▶ Follow the model on the previous slide.
- ▶ Then, ask those questions to someone you trust. And ask for feedback. What did you learn?



Brainstorm Use Cases

- ▶ Our Hypothesis is: If we use this approach to treatment of Alzheimers, this is what can be expected, this is what we plan to do, this is our customer, this is how and when they will use it, this is the training we will include, this is how much it will cost, these are the expected outcomes, This is how our client will react, this is how we will validate those outcomes. This is what we think will be our success metric.
- ▶ Now, please create a use case.
- ▶ Share with your partner.
- ▶ Partner, ask questions.

IT's Best to Avoid the Following:

- ❑ **What do you think about our breakthrough disruptive technology?** Avoid talking about your technology and solution in the initial conversation.
- ❑ **Do you think our product is too expensive?** Never go there. You're not ready to discuss pricing. Focus on the customer's costs, budget, operations, efficiency, etc. Probably best to ask them the questions on an industry level.
- ❑ **Would you be willing to sign an NDA (non disclosure agreement)?** AVOID for two reasons. 1) an NDA or similar will just predispose people to narrow the conversation rather than widening it, and 2) you want to focus on the problem their pain point, not talking about the technology or solution.
- ❑ **Would you mind answering these survey questions?** Avoid asking close-ended questions that lead people to predefined answers. Instead ask general questions and encourage people to explain their pain points in greater detail.



WARNING!!!:

- ▶ **Death by Powerpoint.** Don't use interviews to pitch or present your venture; customers interviews are opportunities to talk to your potential customers.
- ▶ **Death by Demo.** More or less the same as above. Avoid demonstrating your product! Your focus is to learn as much as you can about the customer and their perspective on your industry. More than anything a demo or product prototype is a distraction. Save it for the next interview!!!
- ▶ **Death by Blindness:** Customer interviews may lead to unanticipated discoveries about your product or field. Be open-minded to go where each conversation takes you, and use this new information to refine your venture.
- ▶ **Death by Idea/Solutions Bias:** The interviews are only useful if you analyze them honestly. Report finding as they are, not what you want the findings to say about your product/idea.

Copyright 2018 AccelerateZSolutions



Evaluating Your Interviews

- ❑ Why are all the customers saying X?
- ❑ What opportunities did I discover?
- ❑ What assumptions of mine were incorrect?
- ❑ Was my hypothesis correct?
- ❑ How can these insights change my future course of action?
- ❑ What other data can I use to confirm these results?
- ❑ What is the root of the problem I am solving.

CHALLENGE YOUR ASSUMPTIONS: Potential Client Interview Impacts Product

Evaluate and redo...

- ❑ What did you learn?
- ❑ What ideas did you have during the interview?
- ❑ What did you learn about building your product in versions?
- ❑ Next interview, start all over again.
- ❑ There will be lots of uncertainty

While you are doing interviews, Look at growth in phases:

- ❑ Idea
- ❑ Redescribe Minimal Viable Product
- ❑ Beta Test with One Client
- ❑ New Idea
- ❑ New Viable Product
- ❑ Beta Test with Several Clients
- ❑ Now you know that numerous clients like it.
- ❑ Seal a deal.

Four Square TOOL: Planning Potential/Customer/Channel

C. PITCH

- Summarize what you heard from the potential customer or channel.
- Did I miss anything?
- State your 90 second pitch.
- Anything else you would add to this pitch or change?
- I am wondering if you have two additional potential customer or channels whom I can contact?

B. QUESTIONS;

- What are your goals to grow your business.
- This is our product, can you tell me how you might use our product? How might it help you grow your business?
- What are you using right now?
- Competitors?
- What features do you like?
- What features would you like?
- How much would you be willing to pay?
- Which markets should I address?

D. CLOSE

- Summarize your goals.
- This is your timeline.
- May I send you updates?
- Again, thank you.

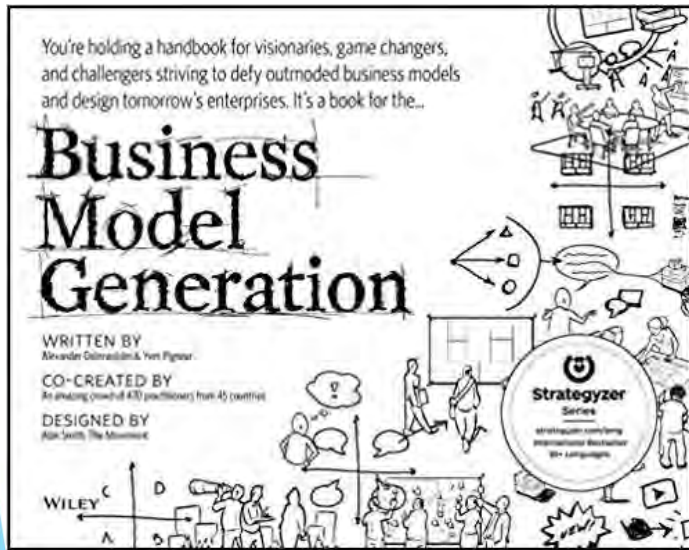
A. INTRODUCTION:

- Thank you for taking the interview.
- What are you/Founder creating?
- Solving?
- Here's the story of what I am doing. These are its features. Introduce

TIPS FOR ZOOM, MICROSOFT TEAM, GOOGLE GROUP, ETC.

- ❑ Use the mute button.
- ❑ Look into the camera while speaking.
- ❑ Choose a professional background.
- ❑ Use a brightly lit area with light in front of you.
- ❑ Pick a quiet space.
- ❑ Silence your phone.
- ❑ Maintain your focus.
- ❑ Turn off notifications.
- ❑ Use a laptop or computer.
- ❑ **Charge your laptop.**
- ❑ Find a good internet connection.
- ❑ Communicate with your household or colleagues.
- ❑ Wear professional attire.
- ❑ Keep your screen clear.
- ❑ Practice using ZOOM, Microsoft Team, Google Group, etc.
- ❑ Use appropriate body language.

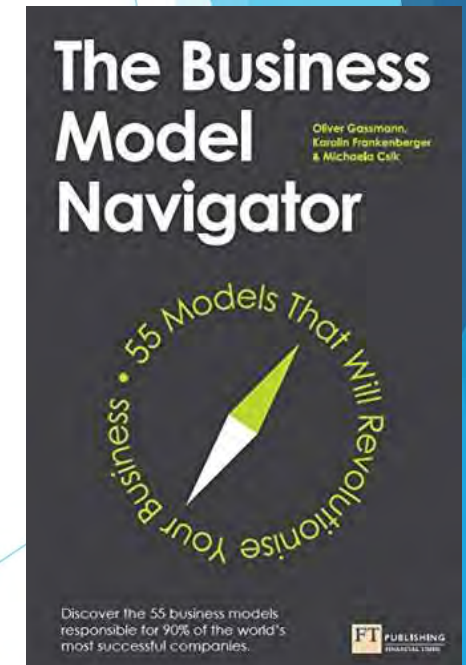
RESOURCES available on Amazon.com



Alexander Osterwalder,
Strategizer



Guy Kawasaki



Oliver, Gassman,
Frankenberger

