

# What do you want the Technology to Accomplish?

Identifying a  
target market, finding and interviewing potential customers to  
learn what they might want from the product!

Susan R. Cornelius

Principal and Founder, Accelerate2Solutions

[scornelius@ssolutions.cc](mailto:scornelius@ssolutions.cc)

619-840-9895



XB-70  
Valkyrie

F-4 Phantom

T-38 Talon

# Start-up? Product? Entrepreneurship?

- ▶ A “Start-Up” is any new venture – profit or not-for-profit.
- ▶ “Product” refers to any new product, service, or idea.
- ▶ Entrepreneurship is about doing, not learning to do.

# Entrepreneurship

- ▶ Let's first define Lean Entrepreneur.
- ▶ A Lean Entrepreneur is someone who navigates change.
- ▶ *Let's assume for now that change goes hand in hand with technology, business model, and market development.*
- ▶ Our role is:
  - ▶ To help you create products people want.
  - ▶ To innovate with new ventures.
  - ▶ To create products that disrupt markets.



# What is Your Value Proposition?



Macintosh 1984



iMac 1998 (Steve Jobs)

# There's value! I just know it!

- ▶ What is your product?  
Service? Technology?
- ▶ Who cares?
- ▶ Why?
- ▶ How do you know?

# Start By Answering a Set of Simple Questions: Apple I-Phone

- ▶ **Therefore What?**
  - ▶ It's a phone, an I-Pod, and an internet device.
- ▶ **Therefore What?**
  - ▶ You don't have to carry around three devices.
- ▶ **Therefore What?**
  - ▶ You don't have to have a keyboard.
  - ▶ We are bringing multi-touch to the market.
- ▶ **Therefore What?**
  - ▶ We are going to call it a Smart Phone.
  - ▶ We are naming it the I-Phone.

# Start By Answering a Set of Simple Questions

## ▶ Therefore What?

- ▶ Software that is at least 5 years ahead of its time.
- ▶ OS-10: It has everything we need. It has security, audio, video, and imagining.
- ▶ We can use desktop applications.
- ▶ We are making our own software.

## ▶ Therefore What?

- ▶ We are making our own I-Phones.

## ▶ Therefore What?

- ▶ All you are going to have to do is sync your I-Phone with these apps.
- ▶ I-Pod© 1 million users who sync their I-Pods to music on the internet.
- ▶ **AND THE REST IS HISTORY!**

# One Minute Introduction

1. Introduce yourself to someone **YOU DO NOT WORK WITH!** You make the first step to meet someone else.
2. Share with that person what your Minimal Valuable Product. Use the **THEREFORE WHAT?** Model to explain it.
3. Ask the person, have I left you wanting to know more? What?



# The True Bottom Line of the Lean Entrepreneur

- ▶ Ultimately, a disproportionate part of your business model is ultimately determined, not by some course you took or command and control dictates from your research, but by the market segment you hope to provide value.
- ▶ Customers have in fact significant control over the destiny of your business.

# Market Analysis

- ▶ You may think you know what your market needs, but do you?
- ▶ All markets are uncertain.
- ▶ What you start off with will not be what you end with.
- ▶ It isn't just about the technology. *It is about the market.*
- ▶ *It is a duality. With out the former there is no opportunity for the later.*
- ▶ True disruptive innovation can only exist in environments where the final product, value proposition, price, marketing, sales channels, and customers are educated guesses and almost completely unknown.

# Market Segments

- ▶ Markets for big innovations are seldom proven. Motorola and Martin Cooper didn't know what the market was for the first portable phone (it wasn't called a cell phone and certainly not a smart phone!).
- ▶ Ask the question: Where is the market leader weak? It's not just a question of what market segment you think applies to your product. You have to go out and search!
  - ▶ Pure Forge and Doug F. Wall: First a technology to create brakes that do not wear down? Individual sales to fleet sales to fleet leases!

**EXERCISE:** Complete this sentence: If your startup never existed, the world would be worse off because:

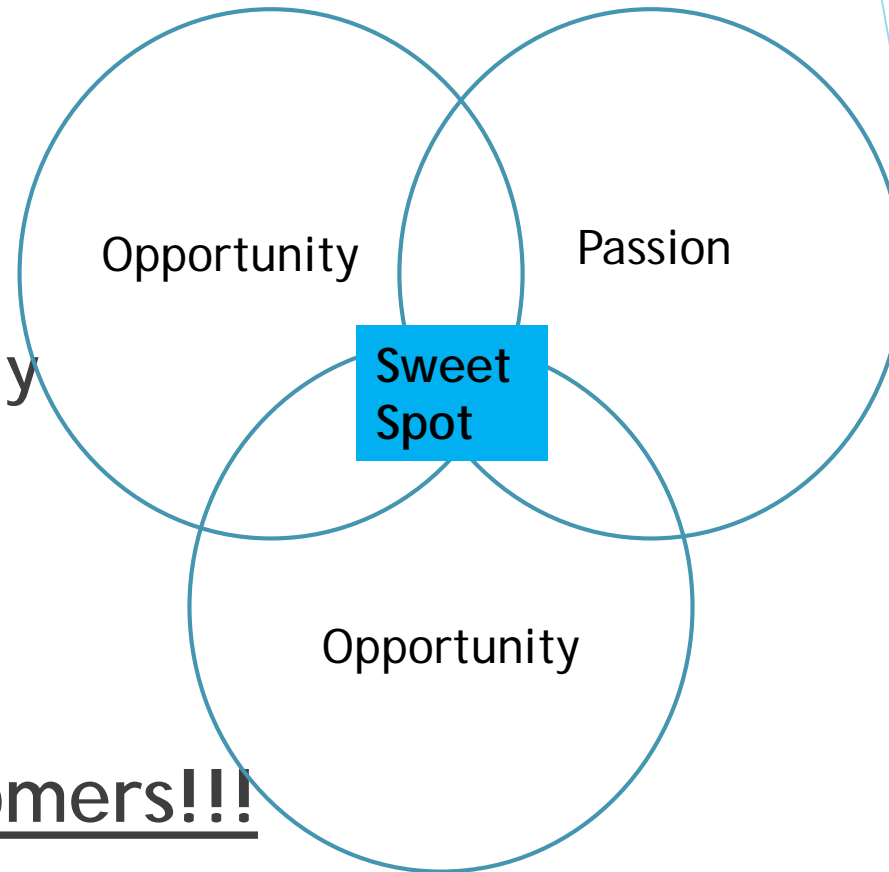
---

# Who is Your Target Customers?

- ▶ What is your product? Service? Or Both?
- ▶ Who are your customers?
- ▶ What are your market segments?
- ▶ Who cares? How do you know?
- ▶ Pick a partner, someone who is NOT on your team.
  - ▶ Interview each other. Find out the answers.
  - ▶ As the listener, you are a SHARK, ask tough questions!

# Market Segments

- ▶ Find your sweet spot!
- ▶ Look for a viable market spot.
- ▶ Target a particular **NICHE!**
- ▶ To begin, companies generally target one or two!
- ▶ Work **HARD** at it.
- ▶ Research and Go DEEP!
- ▶ Get out and talk to customers!!!



# SHOULD I SHARE MY SECRET IDEAS WITH ANYBODY OTHER THAN MY DOG?

▶ Guy Kawasaki says: (*The Art of the Start, 2.1*)

“The only thing worse than a paranoid entrepreneur is a paranoid entrepreneur who talks to her dog!”

“Much more to gain – feedback, connections, sales opportunities – by discussing your idea with many people than there is to lose.”

“Start right away. By doing so, you’ll constantly be mulling over your idea. The more people talk to you, the richer your thoughts will be!”

# The Power of Inquiry to Spark Breakthrough Ideas!

- ▶ Get out and meet customers.
- ▶ Ask for an informational interview with a potential customer of your product.
- ▶ Create a relationship.
- ▶ Find out about the potential customer.
- ▶ Share your value proposition and use cases.

# 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 person have?

Write down at least 3 buying or professional practice behaviors you think your customers 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 Beer Industry. Who? By When?

# What are your objectives for the Customer Discovery Interview?

- ▶ Asking for feedback from the customer.
- ▶ Creating awareness. Asking not only if they want to be kept informed about what you are doing and verifying their contact information.
- ▶ Asking for the names of two more relevant individuals with whom you might conduct one of these interviews.
  - ▶ A RELATIONSHIP!

# What is Your 90 Second Customer 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.
- ▶ EXERCISE: Now pitch your partner as if s/he is your potential customer.



# Test Your Assumptions with Your Potential Client (Thank you, Eric Ries!)

## Measure

- ▶ Learn, Ideas, Build Product, Measure, Data
- ▶ Start all over again
- ▶ Lots of uncertainty

Copyright 2018 Accelerate2Solutions

## Look at growth in phases

- ▶ Idea
- ▶ 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.

# 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.
- ▶ Please create a use cases.
- ▶ Share with your partner.
- ▶ Partner, ask questions.

# How to Pitch Investors is Different than Customers!

- ▶ What Problem are you solving?
- ▶ How does your business make money?
- ▶ Who is your competition?
- ▶ What is your unique value proposition in comparison to your competitors?
- ▶ What is the market for your product and potential market share.
- ▶ Justify the statement above: Who is your client? How do you know?
- ▶ What are you asking for and what are you going to do with it? Be brief.



# Make a Mantra! Fun!

- ▶ Mantra: Positive; What you do for customers!
- ▶ Fun family entertainment! (Disney)
- ▶ Authentic athletic performance. (Nike)
- ▶ Rewarding everyday moments! (Starbucks)
- ▶ Empower crafts people. (ETSY)
- ▶ Exercise: Write your start-up's mantra here: \_\_\_\_\_

# THE LEAN JOURNEY: Separate the known from the unknown.

- ▶ Lean Start-up is a mindset. (Many thanks to Brant Cooper.)
- ▶ It focuses on the elimination of waste in the discovery and creation of new value.
- ▶ At the beginning of your effort, you are very likely wrong about your assumptions.
- ▶ What you believe to be true is probably false.
- ▶ Understanding customers, testing assumptions, and using evidence to make decisions all sound very straightforward.
- ▶ Write down your assumptions.
- ▶ Conduct viability not just with technology but with actual potential customers.

# Make a Commitment! They “liked” it is Not Data!

- ❑ Do the Market Analysis.
- ❑ Go deep with your research.
- ❑ Identify your customers.
- ❑ Go out and meet customers.
- ❑ Plan the interview. Get data.
- ❑ Create use cases. Tell stories.
- ❑ Find out what your customers are currently doing.
- ❑ Ask them what they need. Ask them to prioritize.
- ❑ Ask if you can keep in touch.
- ❑ Ask for a referral to two more customers. Warm introductions are great!

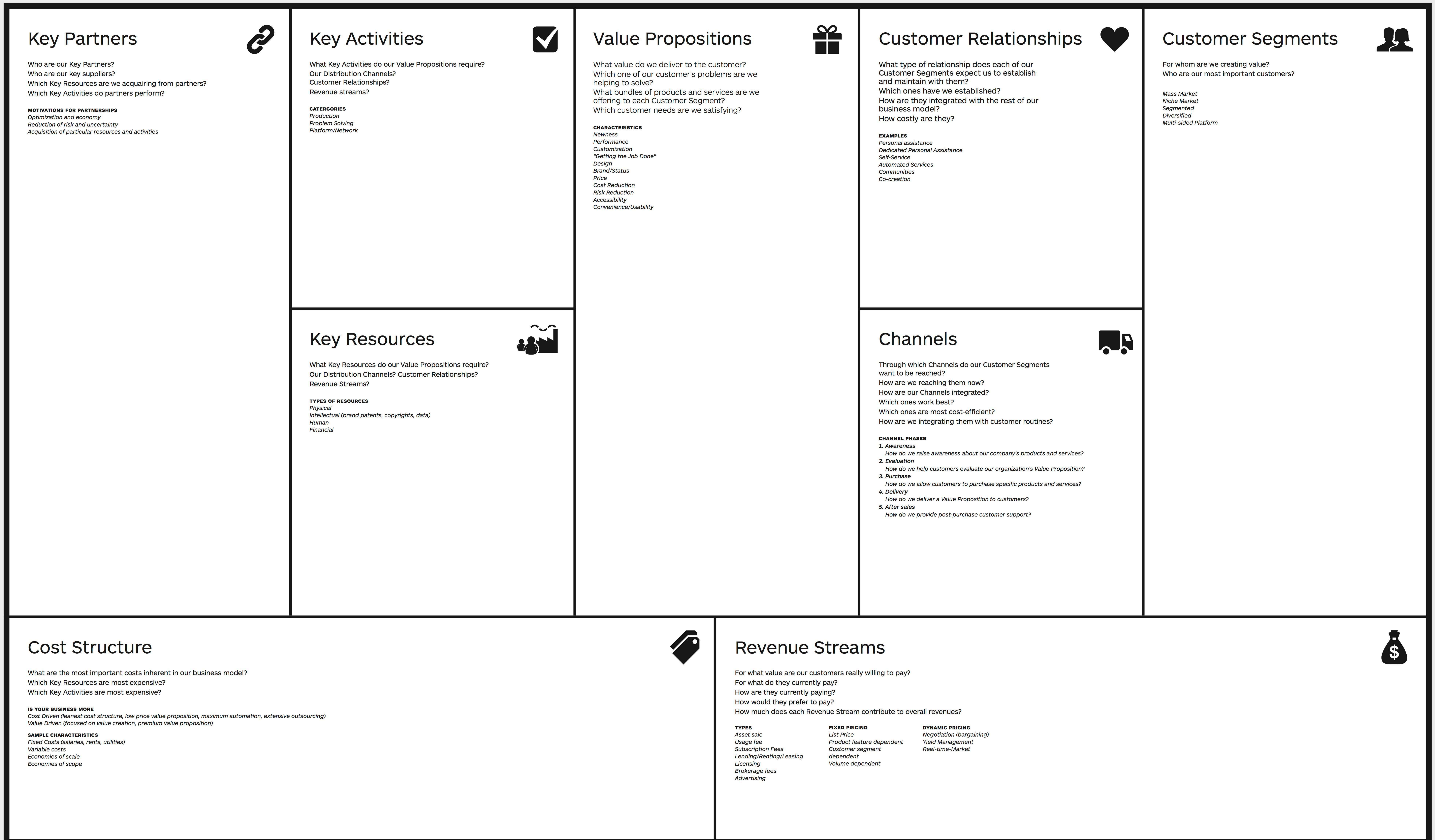
# The Business Model Canvas

*Designed for:*

*Designed by:*

Date:

*Version:*





# CUSTOMER DISCOVERY AND THE CUSTOMER RELATIONSHIP©

The Four Square

## Abstract

Ever wondered what to include in a Customer Discovery Interview? The tools and discussion today will help you focus on productive Customer Discovery Interviews. You may even find yourself thinking, “Oh yeah, now why didn’t I think of that one!” And we are going to have some fun working together.

Susan R. Cornelius  
Accelerate2Solutions®  
scornelius@ssolutions.cc

# **CUSTOMER DISCOVERY AND THE CUSTOMER RELATIONSHIP: The 4 Squares**

## **Creating a Relationship When You Are Getting Started**

*Get Out of Your Comfort Zone and Go Do It!*

**What are Your Objectives for the Customer Discover Interview?**

1. Asking for an informational interview with a potential customer of your product.
2. Finding out about the potential customer.
3. Sharing your value proposition.
4. Asking for feedback from the customer.
5. Creating awareness. Asking not only if they want to be kept informed on what you are doing and verifying their contact information.
6. Asking for the names of two more relevant individuals with whom you might conduct one of these interviews.

**What is your 90 second pitch?**

**What is Your Value Proposition? (From Your Business Model Canvas)**

## CUSTOMER DISCOVERY AND THE CUSTOMER RELATIONSHIP: The 4 Squares

Who are Your Potential Customers? Prioritize based on their role in advancing investments, your product development, prototype testing, and end user. (From Your Business Model Canvas)

### CUSTOMER ZOOM TOOL (apologies to Brant Cooper!)

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?

#### Unique Attributes

Write down what you think are the three most unique attributes of your customer.

--	--	--

#### Behaviors

Write down at least 3 behaviors you think your customers can be observed in your customer.

--	--	--

#### ZOOM

Narrow down to a real person

--	--	--

What Kind of Relationship Do You Want to Have With Each of Your Potential Customers? (From Your Business Model Canvas)

## CUSTOMER DISCOVERY AND THE CUSTOMER RELATIONSHIP: The 4 Squares

<p><b>3. Our Value Proposition:</b></p> <ul style="list-style-type: none"> <li>• Repeat your value prop. We create value for our customers by –please see the Business Model Canvas. What do you think of what we are developing?</li> <li>• How would you use this?</li> <li>• Are there any features you would like to have?</li> <li>• What are your priorities for the features we presented?</li> <li>• How do you make decisions to buy something like we described?</li> <li>• What barriers to adoption do you think might exist?</li> <li>• Are there any software applications that you are currently using that would need to interact with our product?</li> <li>• What does it currently cost you in time, money, level of effort, training to do this?</li> <li>• How would what we are doing change what you are doing?</li> <li>• If appropriate ask if they would want service available, data collection and interpretation, training, or software that allows them to do the data interpretation.</li> <li>• Overall, you will be satisfied with our product if...</li> </ul>	<p><b>2. Focus on the Customer: These are the pains and problems from your customers point of view.</b></p> <p>Please describe what you/the interviewer are doing at an upper level, minimizing technical content. Use your Value Proposition. We create value for our customers by....For example, we are creating a sensing system that provides data on hydration of plant crops that takes the guessing out of determining stress thereby increasing flavor, yield, etc.</p> <p>Then ask the potential customer to describe how they are currently sensing hydration of their crops.</p> <p>Ask what are the three most important problems regarding hydration, quality, and yields that they are trying to address.</p> <p>Currently, what do you think it is costing you to make this assessment?</p>
<p><b>4. Your Ask:</b></p> <ul style="list-style-type: none"> <li>• We would like to keep in touch as we develop our product and bring it to Market.</li> <li>• We appreciate everything you have shared with us.</li> <li>• I want to ensure that I have your contact information correctly.</li> <li>• Would you be willing to be a beta site when our prototype is ready?</li> <li>• Are there two others whom you think would be willing to participate in an interview and learn about what we are doing?</li> <li>• Thank you! (Note: it is appropriate to always send a Thank You note.)</li> </ul>	<p><b>1. What are the Objectives of Your Customer Discovery Interview?</b></p> <ul style="list-style-type: none"> <li>• Gain data on your business model from your customer's perspective.</li> <li>• Create awareness that your product exists or is going to exist soon and when.</li> <li>• Intrigue your customer with the utility of the promise you are making.</li> <li>• Develop trust, a belief that you and your company are worthy of having a relationship with them.</li> <li>• Convince your customer that your product is a good fit for the problem that needs to be resolved.</li> <li>• Minimally meet your potential customer's expectations.</li> <li>• Customer expresses that their expectations for this interview have been met or exceeded and that you have listened.</li> </ul>

## **CUSTOMER DISCOVERY AND THE CUSTOMER RELATIONSHIP: The 4 Squares**

NOTES: