Love your customer

NOT your idea
Customer Development
First you need a Thesis
What is a Business Thesis:

- My company
- Wants to help our main customer segment
- With a specific problem(s) (Pain/gain points)
- That will provide them with value they seek
- Because why?
Lean Start-up Expectations:
- Articulate your business thesis
- Develop hypotheses about your business model
- Test your hypotheses with interviews
- Update your business model canvas
- Iterate
Testing your Hypothesis:

- Does the customer have a problem? Your problem?
- Is it a big “hair on fire” problem?
- Are there good alternatives?
- Are they able/willing to pay?
- How does a purchase take place?
Evidence-based entrepreneurship
A short story about Customer Discover
So what could they do?
Key to Customer Discovery: It’s not about you!
Confirmation bias:
The tendency to overvalue data that supports a pre-existing belief
Interviewing
How do you find customers?
How many cold calls to get 15 interviews?

- Conversion rate
- Lead time
- Referrals & warm introductions
- Number of customer segments
Preparing for the interview
1. Take two people whenever possible – assign roles!
2. Get out of your comfort zone
3. Research them, be prepared
4. Develop specific falsifiable hypotheses
5. Focus on listening and learning; don’t sell
6. Think about archetypes, talk to the right ones
During the interview
• Ask open-ended questions
  ▫ Not yes/no
  ▫ Not multiple choice
  ▫ Avoid “would,” “should,” “could,” “do you think…”
  ▫ Avoid surveys
Get specific details about:

- Budget
- Archetypes ("we need signoff on that from...")
ALWAYS FINISH WITH...

- “What did I forget to ask?”
- “Is there anyone else you think I should meet?”
After the interview
1. Write your notes up immediately
2. Discuss each interview as a team
3. Collect data, look for patterns
Extract Insights

1. What archetype is this person?
2. What did they tell us we’d never heard before?
3. What hypotheses did they disconfirm?
4. What new customer types did they tell us about?
5. What did they tell us about money in the ecosystem?
Customer Discovery Exercise

INTERVIEWER
You have a new jacket material that is as warm as down but as thin as a wind breaker but has limited variations in which it can be produced, limiting fashion options. It is wind proof, water resistant, but not waterproof.

- What hypotheses will you test?
- How will you test them?
Customer Discovery Exercise

HYPOTHESES TO TEST
Customer Discovery Exercise

HYPOTHESES TO TEST

• Less bulk is very important
• Warmth is #1 concern
• Fashion choices don’t matter, performance does.
• Water resistant is good enough.