

Customer Development (early stage)

Hambardzum

Canonical product development model

Canonical product development model



Idea

Canonical product development model

Idea

Raise
money

Canonical product development model

Idea

Raise
money

Build

Canonical product development model

Idea

Raise
money

Build

Sell

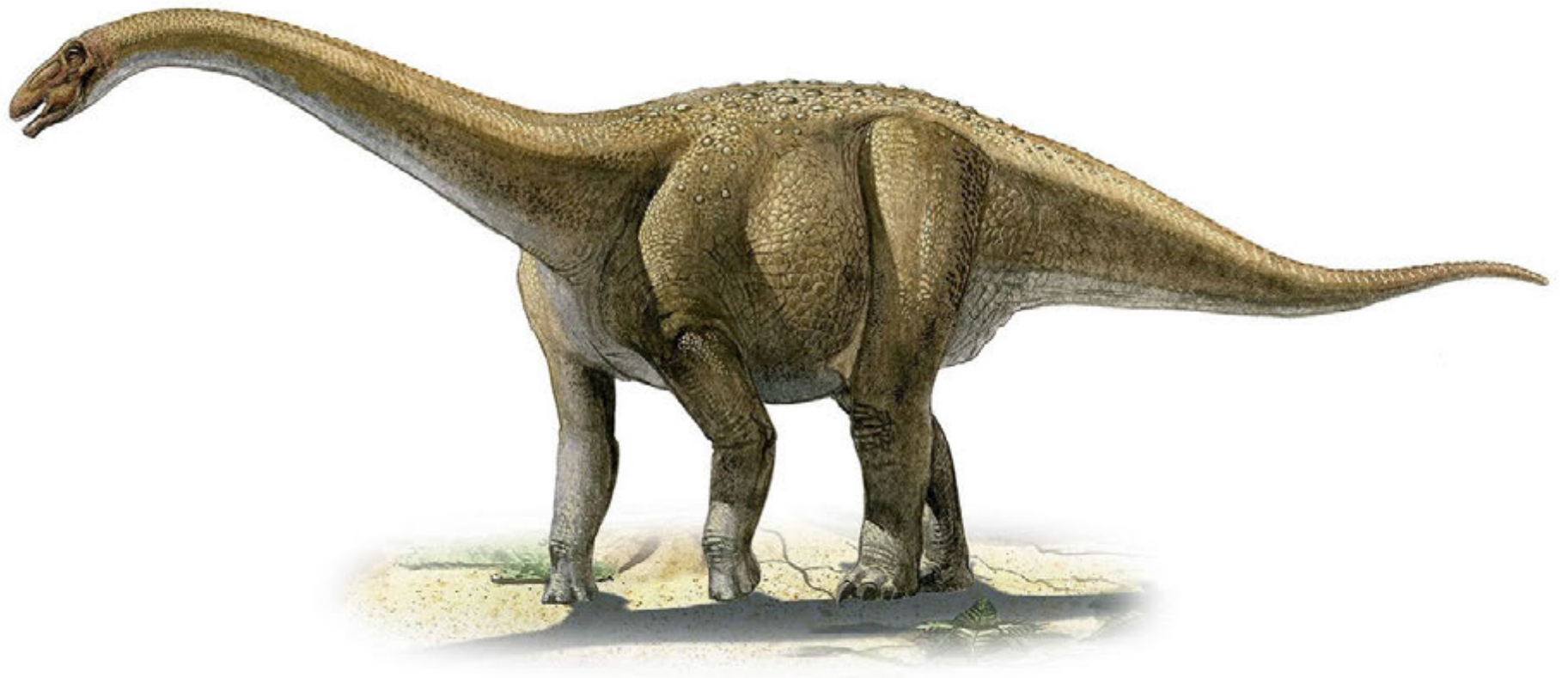
Canonical product development model



Canonical product development model



Whose diagram is this?



Canonical startup path (start)



Idea

Canonical startup path (start)

Idea

MVP

Canonical startup path (start)

Idea

MVP

Traction

Canonical startup path (start)

Idea

MVP

Traction

Raise
money

Canonical startup path

Idea

MVP

Traction

Raise
money

?

Canonical startup path



Whose diagram is this?



Your customer



How to get to her?

How to get to her?

TALK TO HER

Maybe she's not your customer



Business Development

Business Development

Less than 10% fail
because of Engineers

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Less than 10% fail
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About 90% have some
sort of BD, and still
fail

Business Development

Less than 10% fail
because of Engineers

About 90% have some
sort of BD, and still
fail

Didn't **find** market
and customers

Business Development

Too early?

Less than 10% fail
because of Engineers

About 90% have some
sort of BD, and still
fail

Didn't **find** market
and customers

Strategic hypotheses

Value hypothesis

Growth hypothesis

Hypotheses

Problems

Hypotheses

Problems

Customers

Hypotheses

Solution

Problems

Customers

Hypotheses

Solution

Market

Problems

Customers

Hypotheses

Solution

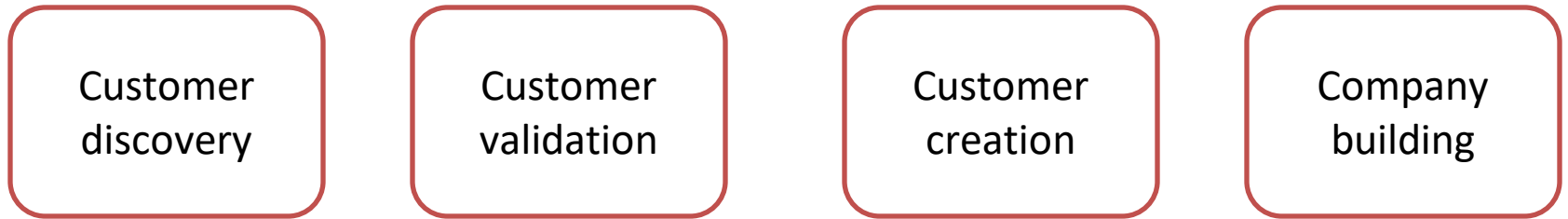
Market

Problems

Customers

Run the exercise in a week

Canonical customer development



Search & Execution

Who is doing customer development?

Who is doing customer development?

FOUNDERS

Speed & Tempo

Hypotheses testing involves _____

Speed & Tempo

Hypotheses testing involves **failure**

Speed & Tempo

Hypotheses testing involves **failure**

A LOT OF FAILURE

Speed & Tempo

Hypotheses testing involves **failure**

A LOT OF FAILURE

Fire the plan, not the people

What is a startup?

A startup is a **knowledge institution** designed to deliver a new product or service under conditions of extreme uncertainty

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EX1: Customer segments



A day in the life

EX2: Customer segments

CUSTOMER PERSONA/ARCHETYPES



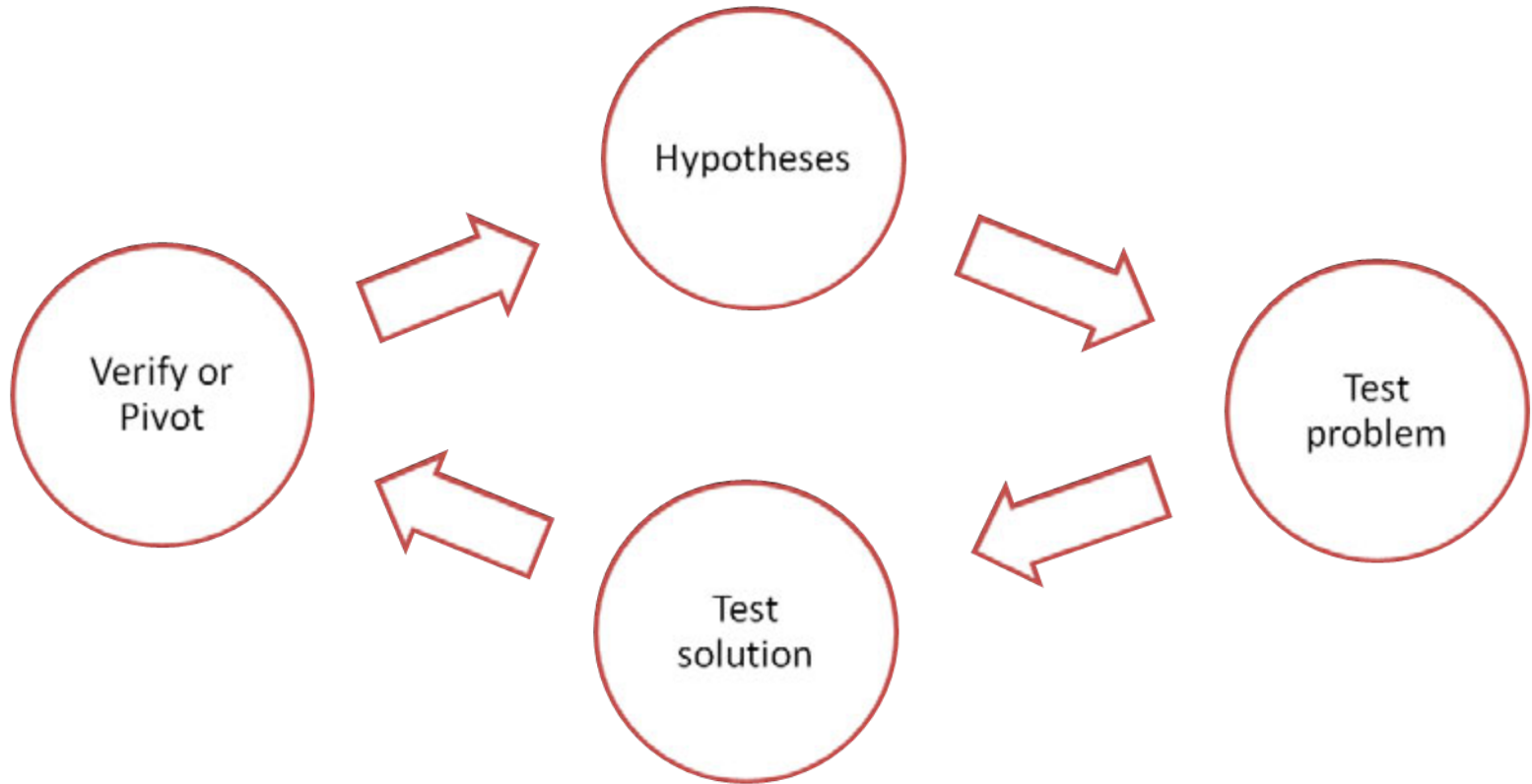
Persona

EX3: Value Proposition

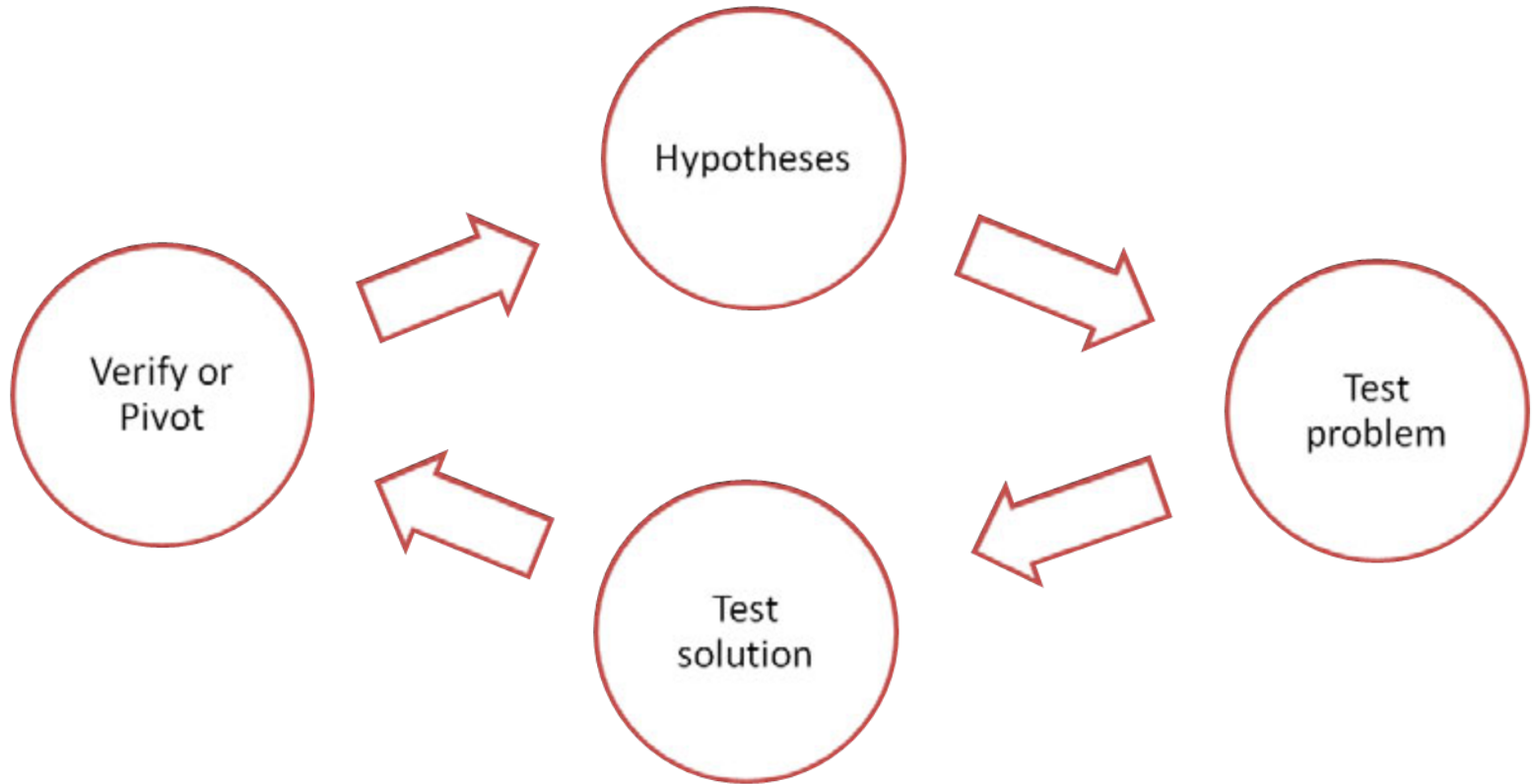
It's not about you!
It's about **customers!**

Pain, Gain and Jobs

Customer discovery



Customer discovery



Searching Holy Grail

Tips

Pre-plan contacts (100 names)

Face-to-Face interviews

Dry runs

“Smartest person”

Pass/Fail Experiments

Being Aggressive

Tips (continued)

Introduce yourself (not selling, informal)

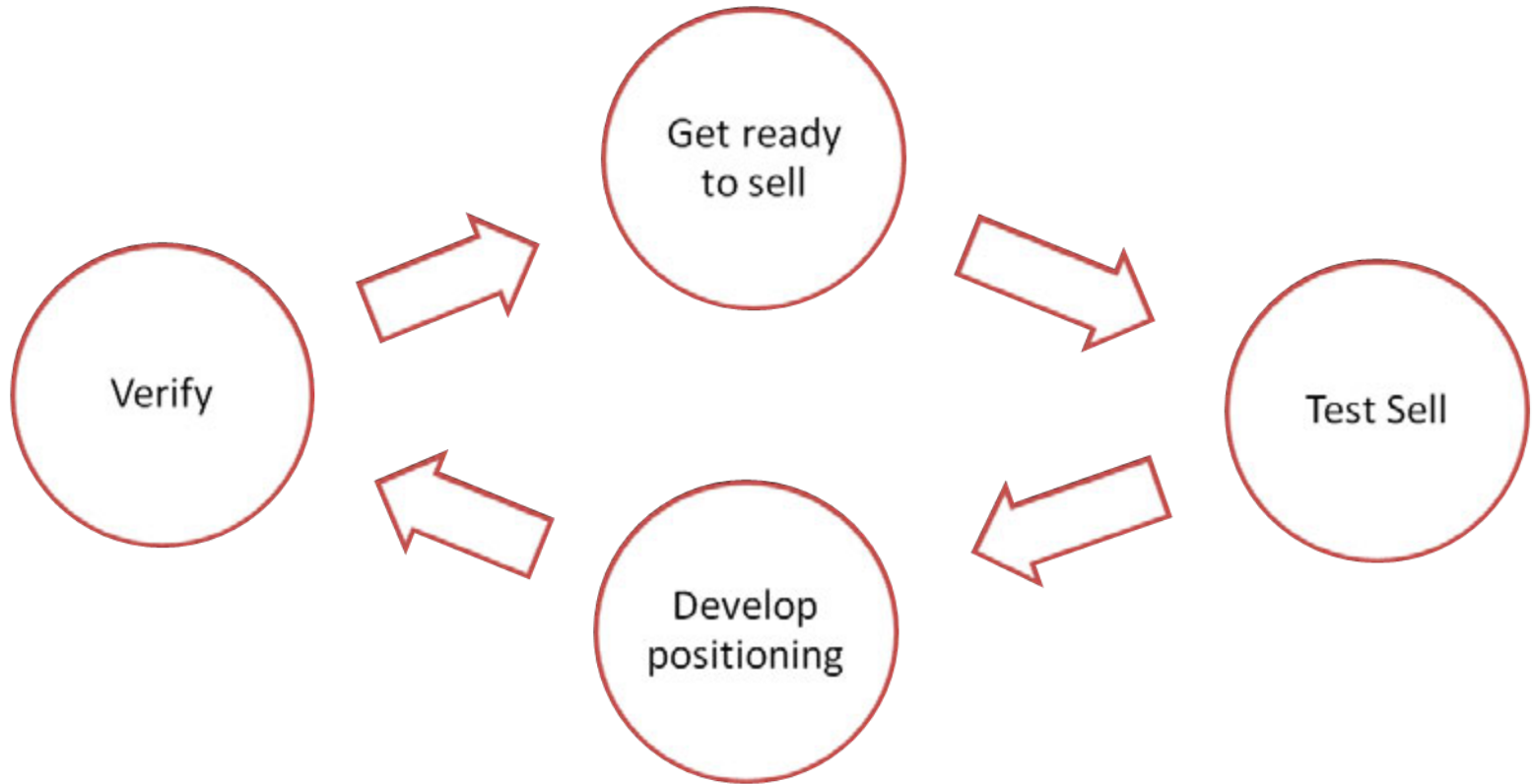
Let conversation flow (listen, 10%)

Find patterns (look for insights)

Find early evangelists (will use MVP with bugs)

Communicate discoveries (data, no conclusions)

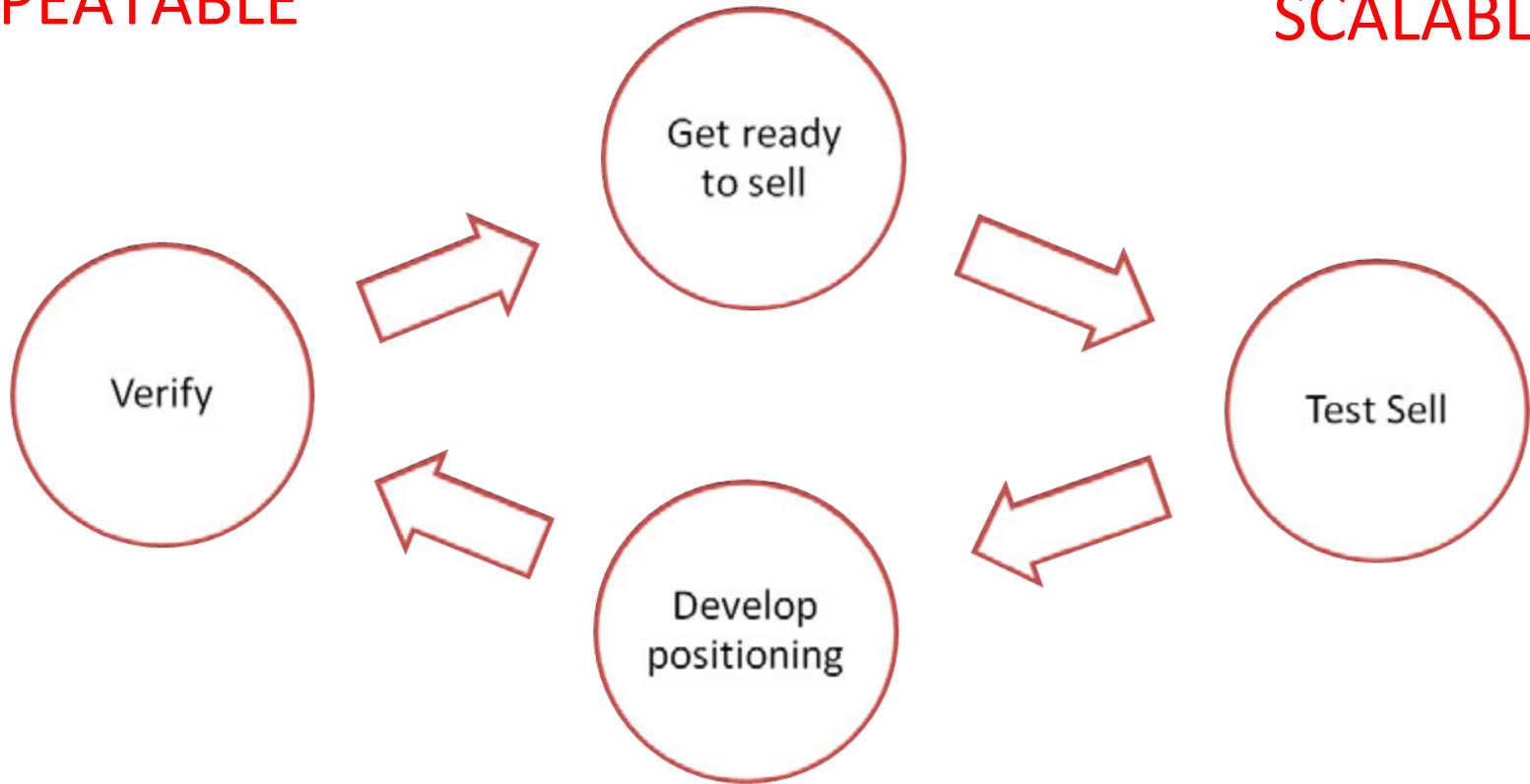
Customer validation



Customer validation

REPEATABLE

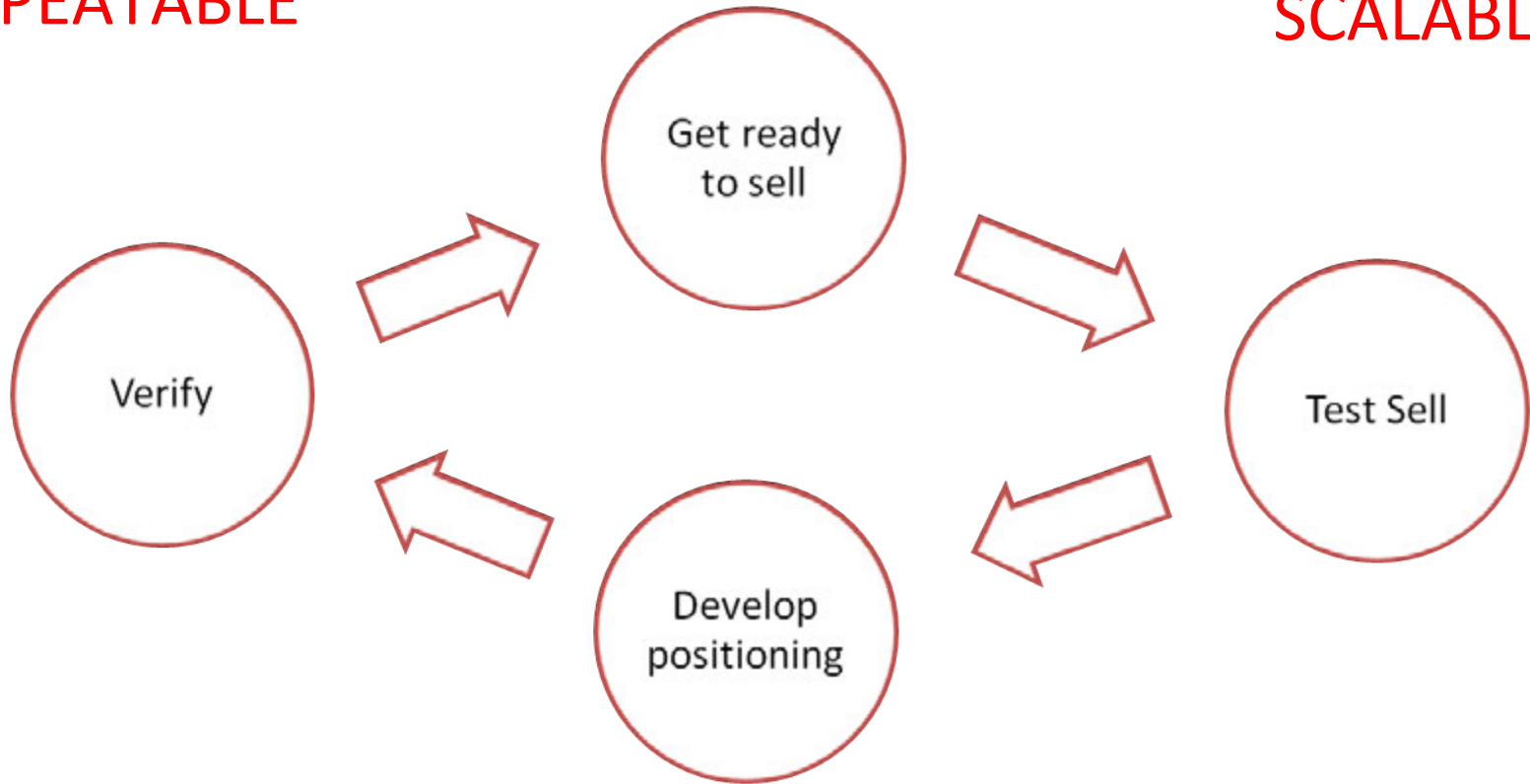
SCALABLE



Customer validation

REPEATABLE

SCALABLE

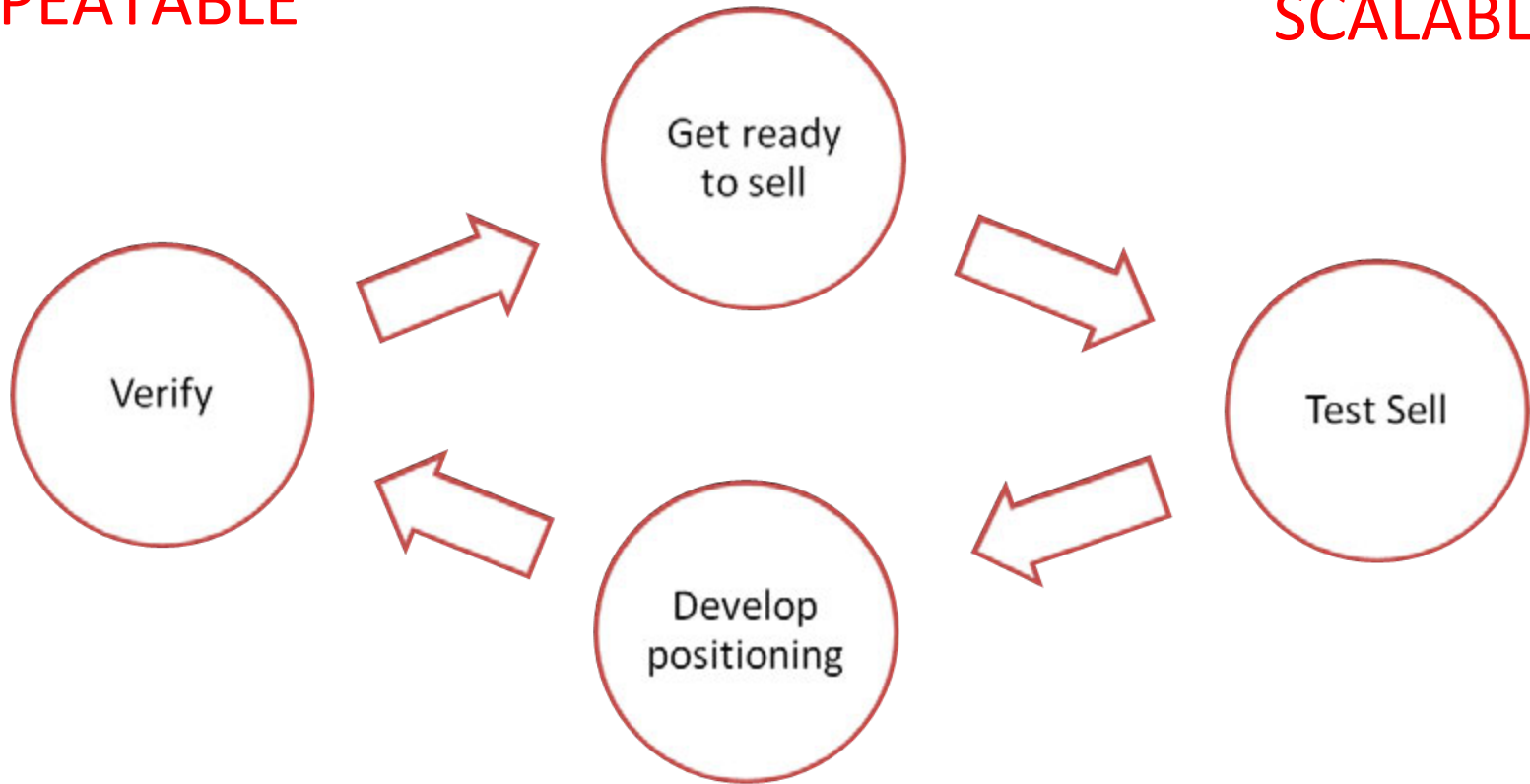


PRODUCT/MARKET
FIT

Customer validation

REPEATABLE

SCALABLE



VISION VS HALUCINATION

VC: Market Due Diligence

Customer Need

Market Size

Competitors

Market Growth
Potential

VC: Market Due Diligence

Customer Need

Market Size

Competitors

Market Growth
Potential

Why Now?

EX4: Pricing

Price on Cost

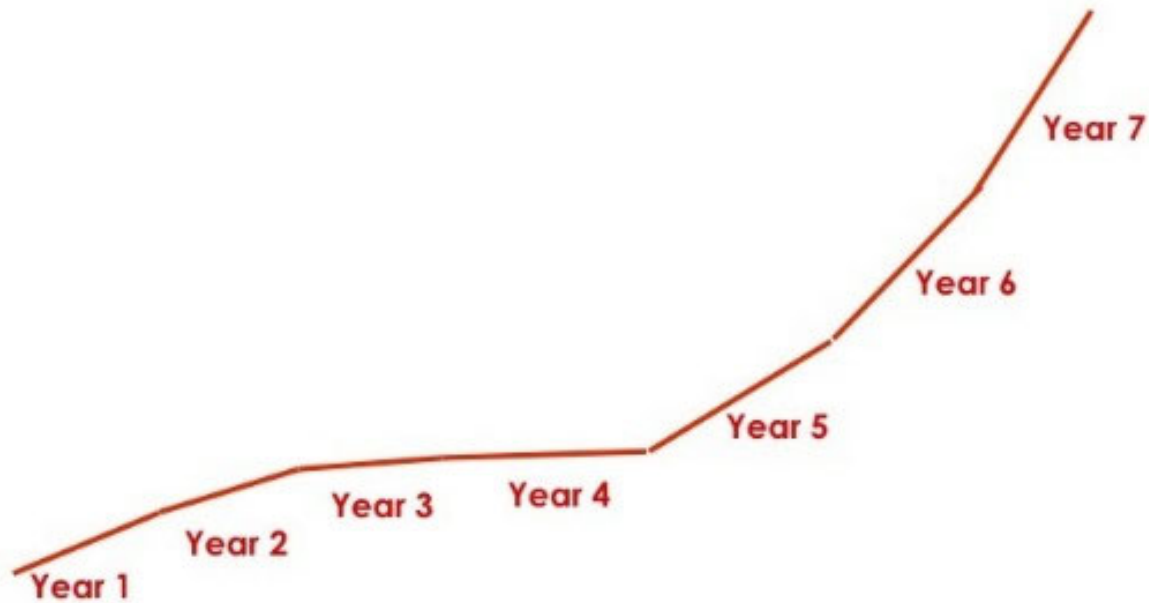
Price on Judgement

\$59
online

\$125
hardcopy

\$125
online &
hardcopy

Resegmented Market Revenue Forecast



Thank you