

BIGGEST RESULTS ACHIEVED:

Adoption → being able to use it and get value out of it

With KISSmetrics, our early adopters were not our best customer. Needed to find product managers, marketers.

6 - 9 months difference

More of a slow-burn

OUTLINE:

FIRST COME UP WITH A PROFILE AND A TARGET

BASED ON BUSINESS GOALS, THE VALUE YOUR BUSINESS OFFERS

1. What are you offering that is unique and differentiated and defensible?
 - a. scalable metrics
 - b. what's your differentiator: technology (99% probably wrong)
 - c. What size of market do you want to attract?
 - i. niche
 - ii. broader
 - iii. how much does it cost to run biz
 - iv. a vague sense is good
 1. ballpark it
2. Who will benefit from using it?
3. How will we make their life better?
 - a. good way to get specific
4. For your target customer you want to make their life 75% or 100% better.
5. Map out what the potential users look like
 - a. find immediate analogs
 - i. for early beta users
 - b. Guy like John (CTO)
 - c. Product managers (kind of technical)
 - d. Marketers (nontechnical)
6. Functional and company concepts
 - a. People need to be ABLE and WILLING to pay you
 - i. value needs to be so high they give you value (\$) back
 - ii. Demonstrate the value you need to drive
7. How able is someone to use it?
8. Are they ready for it?
 - a. think about small biz owners like dry cleaners, etc.
 - i. too much education
 - ii. don't recognize value
9. ID ppl who can get value
10. do you or do you not educate or focus on ppl who require education
11. WRITE THIS DOWN
 - a. also, write down things that users may not use, or be skeptical of

- i. for example: CTOs won't do due diligence like case studies, blah blah. they want to talk to others who had success
 - ii. Product managers → look for what is process, what is cost, let me see real hard numbers, metrics, ROI
 - iii. Marketers → white papers, videos, etc.
- b. how does your target approach the decision to buy or not, and then you set the stage for them accordingly

SECOND, TESTING YOUR PROFILE / HYPOTHESIS

1. Chicken and egg problem
 - a. find earliest people experiencing the worst pain
 - b. The people who have to
 - i. How?
 - ii. for tech biz
 1. twitter
 2. quora
 3. linkedin
 - c. go find those people, make sure they fit your archetype, and then talk to them
 - i. make sure you're actually testing the hypothesis
 - ii. you don't want to talk → you need to listen
 - iii. ask without selling
 - iv. make them the expert. make them feel important so they want to
 - d. initially pitching them
 - i. sample email
 - e. what kinds of questions to ask
 - i. be sure not to "lead the witness"
 - f. #1 question: figure out what your area is, take a step back, and say, "tell me about how you do X."
 - g. then SHUT UP. just listen.
 - h. responses will reveal all sorts of interesting insight
 - i. Once they talk it out, you can dig deeper
 - j. SURVEYS ARE NO GOOD.
 - i. you want to hear emotion.
 - ii. pissed off, frustrated, ashamed, embarrassment
 1. this allows you to speak their language
 2. if they show emotion, that's a problem they are willing to invest in to solve. they are clearly motivated.
 - iii. "poke on the bruise" → really milk that emotion
 - k. What are survey's good for?
 - i. when you know the questions
 - ii. and you know the possible answers.
 - iii. THAT'S IT.
 - l. In the beginning, you don't even know what the questions are.

- m. How to know what questions are good.
 - i. if you get yes/no
- n. with survey's you get percentages, but no emotion. the interesting stuff is the emotion
- o. how many do you need to do?
 - i. no # is the #
 - 1. when you hear the same thing over and over again.
 - a. when you are no longer surprised
 - b. when you can look at hypothesis and validate / invalidate them
 - c. 10 - 30 for each customer type
 - ii. THIS IS INCREDIBLY IMPORTANT B/C YOU'RE BUILDING YOUR COMPANY ON THIS
 - 1. it seems hard because of invisible assumptions / fear

THIRD, MANAGING THE RESPONSES

1. how to apply what you're learning.
2. put your assumptions, hypotheses on one side and then the actual results on the other
3. validations
4. things that were surprising
5. in what ways were our assumptions incorrect?
6. WE THOUGHT xyz, BUT ACTUALLY abc
7. at the end of it, do you have a better target?
8. "is there someone else in your organization who has this problem? do you know anyone?"
9. once you have your validations
10. for the surprises, what was strongest, what was most vehement
 - a. look for patterns
11. sometimes it wont work at all
 - a. worst case is STILL EXCELLENT B/C YOU DIDN'T WASTE YOUR TIME AND MONEY!!!!
12. then pivot

just ask questions. DON'T TELL THEM what you're going to do.

SECOND-LEVEL VALIDATION

→ once you have it defined to the point where you can tell a narrative,

COMMON MISTAKES:

→ starting your first-level validation with second-level tactics

- like being a new parent and not talking about your baby when talking to other parents (showing baby pictures)
- leading the witness, confusing customer development vs. validation
- IGNORING THINGS THAT CONTRADICT YOUR HYPOTHESES (very tempting, easy to dismiss)
 - if someone says something that really invalidates, run it by another customer
 - JUST SAY IT AND PAUSE.
- Not poking your own bruise
- relying on surveys