Customer Development Strategy

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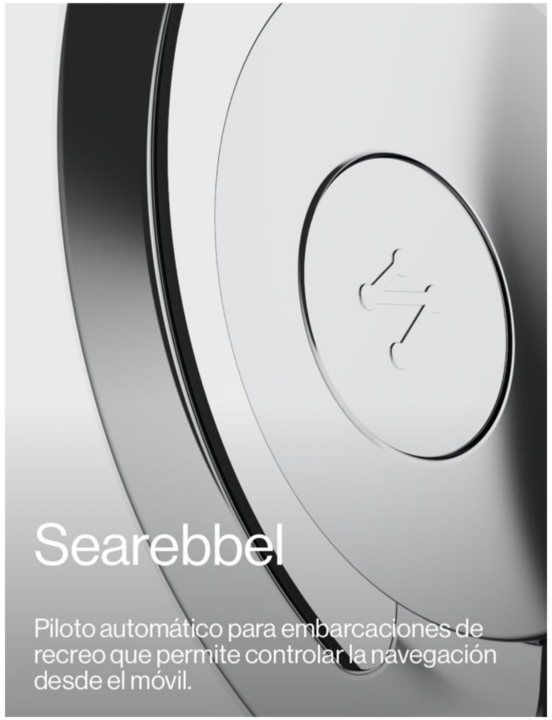
Why do we need Customer Development?

From Industrial Designer to Product-Market Fit Advisor



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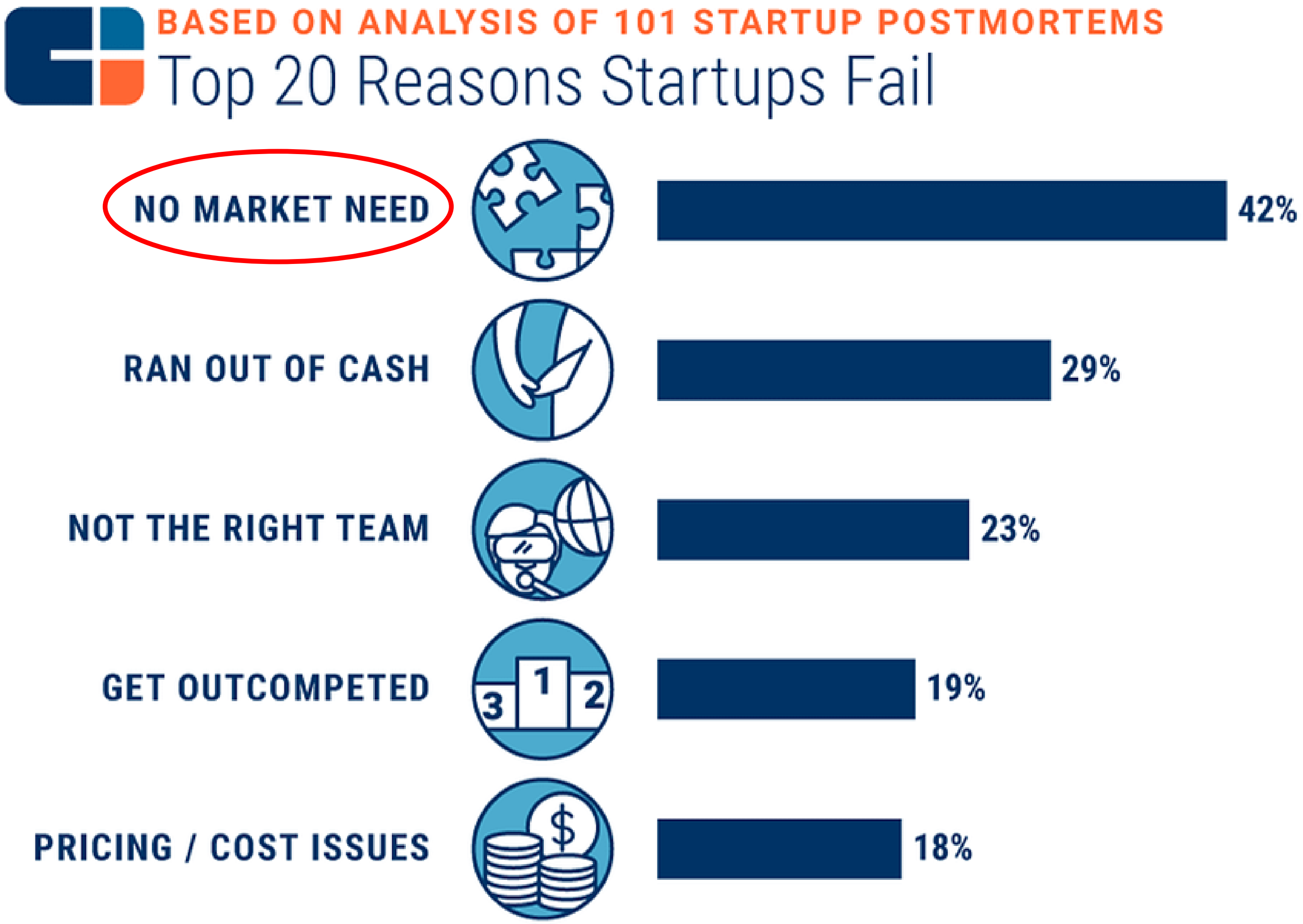
Why do we need Customer Development?



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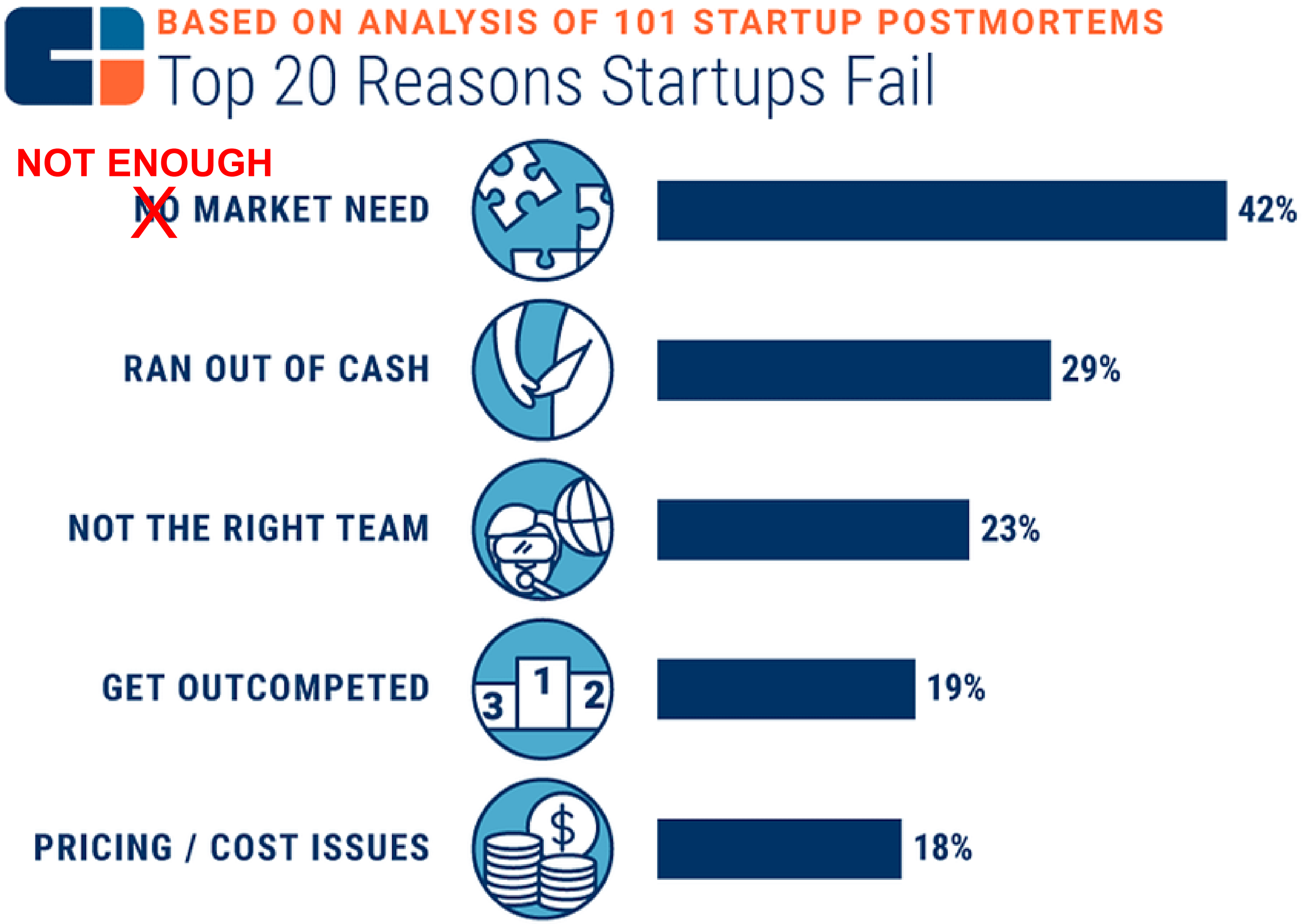

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The root cause of misunderstanding market needs:

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The root cause of misunderstanding market needs: Solution Bias

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The root cause of misunderstanding market needs

- **Solution Bias**
  - It’s very difficult to think about a problem without thinking of a solution.
  - Once we have in a solution in mind, we lose the focus on the problem.
  - Every new market information we receive, we analyze through the lens of the solution instead of the problem.

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The root cause of misunderstanding market needs

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  - Every new market information we receive, we analyze through the lens of the solution instead of the problem.

- **Even worse than Solution Bias: Falling in love with your idea**
  - Love is blind: we unconsciously avoid contrary market signs, user feedback or even Google searches.
  - The fear of hearing “your baby is ugly”.
  - "Fall in love with the problem, not the product“ => near impossible.

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The root cause of misunderstanding market needs

- **So how can you resist Solution Bias?**
  - You can't.

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- **So how can you resist Solution Bias?**
  - You can't.
  - But you can avoid the damage by:
    - Being aware of it.
    - Keeping your interviews *problem*-centered.

      ⇒ Don't mention your solution. *Solution*-testing interviews come later.

      ⇒ No risk of being told your baby is ugly, and you will learn a lot more.

      ⇒ BONUS: Learning to talk about the customer's problem rather than your product is also great for sales.

The root cause of misunderstanding market needs

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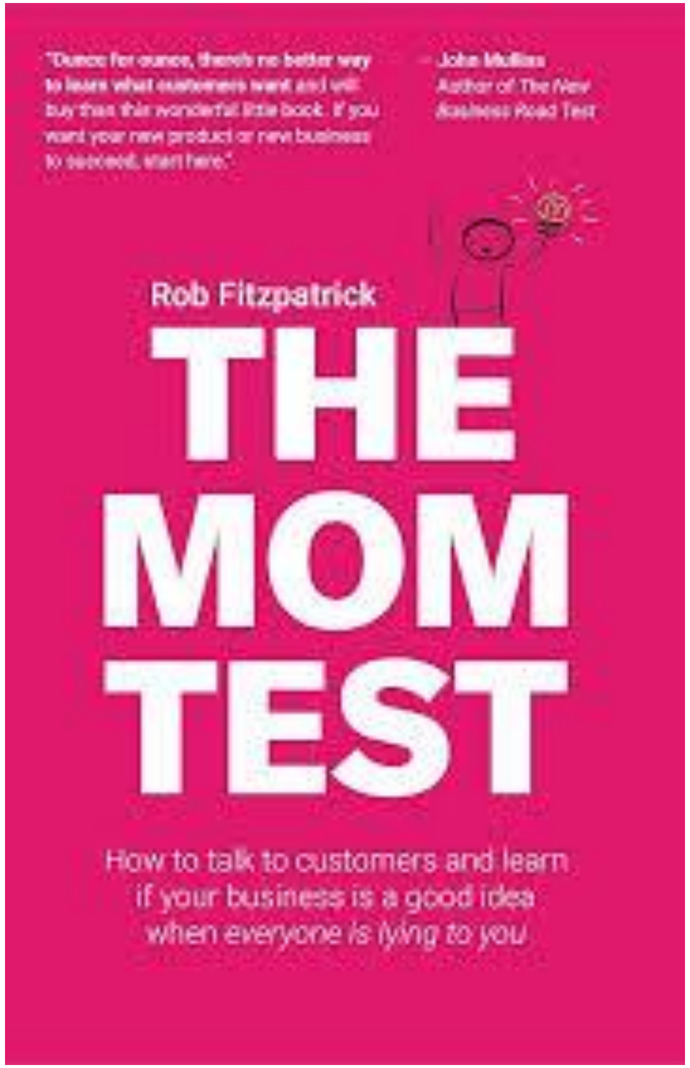
      ⇒ No risk of being told your baby is ugly, and you will learn a lot more.
      ⇒ BONUS: Learning to talk about the customer's problem rather than your product is also great for sales.
    - Using **Customer Development** techniques ***in parallel*** **with your Product Development** to avoid the damage.

The root cause of misunderstanding market needs

- **Book Tip:**
    - "**The Mom Test**“ by Rob Fitzpatrick:
        - Basically the Bible for user interviews
        - Two main rules:
            - Don’t mention your product to avoid biasing the interviewee
            - Interview their memory, not their imagination: Don’t ask them to imagine anything (“would you…” questions), only ask about their experience.



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The Goal of Customer Development

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The Goal of Customer Development is knowing...

1. Who are your **Ideal Customers** (Ideal Use Cases)?

   ⇒ *Early-Adopters* and *Beachhead Segment*

2. What do they really **want/need**, and why?

   ⇒ *Unique Value Proposition*

3. What do they really ***not* want/need**, and why?

   ⇒ *Adoption Barriers*

4. How to **make them realize** they need your product?

   => *Go-To-Market, Marketing Channels & Sales Funnels*

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The 4 Stages of Customer Development

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1. Customer **Discovery**

1. Mapping out Use Cases and Stakeholders
2. Use Case & User Research
   (Walk-Observe-Talk, Surveys, AI VoC)
3. Business Case Research
   (Lean Canvas / Adelantum Canvas)

2. Customer **Validation**

Proof of Demand for a better solution to the problem:

1. Language-Market Fit techniques
2. Minimum Helpful Solution

Proof of Preferred Solution:

1. Minimum Viable Product (MVP)
2. Repeatable and profitable sales process

3. Customer **Creation**

1. Building end-user demand by scaling marketing efforts through channels
2. Building sales funnels

4. **Scaling** (Company Building)

1. Strategy for conquering more than early-adopters
2. Deciding in which order to expand to adjacent use cases and market segments.

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1. Customer Discovery

=> Use Case Discovery

A single product can have multiple Use Cases

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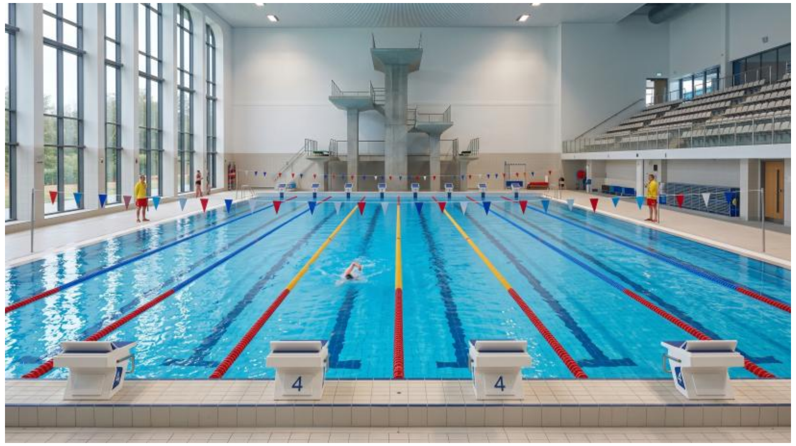

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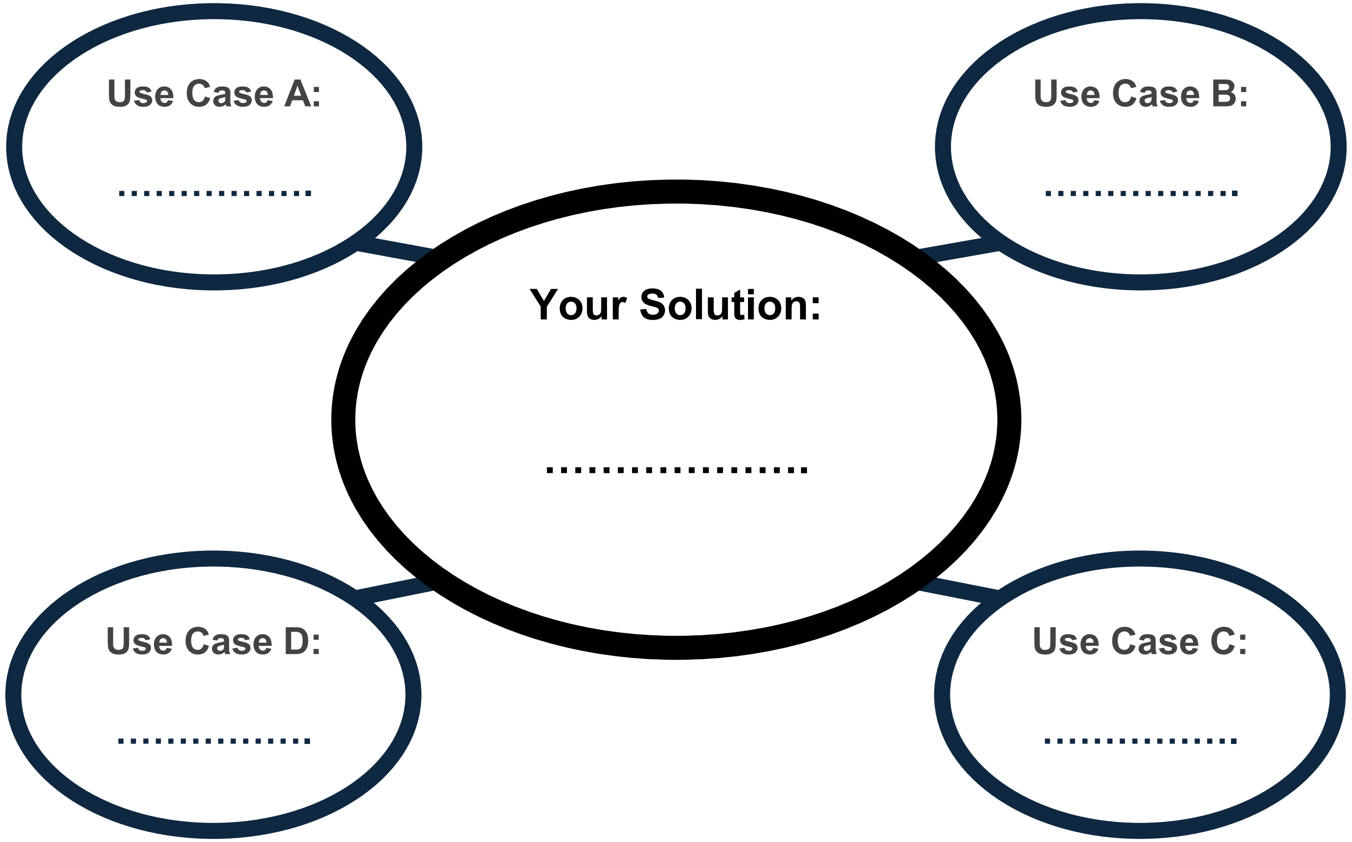
Exercise 1: Use Case Map

Describe all the potential Use Cases for your Tech / Product / Service (“Your Solution”):



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Defining your Use Cases

What defines a Use Case:

Customer	Problem
- Who is the **Decision Maker** (= the real Customer)?	- **Painpoints** = how the customer experiences the problem
- Their **Job-To-Be-Done** (= what they want to achieve)	- **Situation** where those painpoints are felt
- Other **Stakeholders** with influence on the Decision Maker	- Their **current solution** for dealing with those painpoints

Note: if within a same Use Case, a product receives money from 2 sides (e.g. a marketplace), the Use Case is consists of 2 Customer-Problems.

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Exercise 2.a: Use Case Characteristics

For one of your Use Cases, what do you suppose the answers are to these six points:

Customer

- Who is the **Decision Maker** (= the real Customer)?
- Their **Job-To-Be-Done** (= what they want to achieve)
- Other **Stakeholders** with influence on the Decision Maker

Problem

- **Painpoints** = how the customer experiences the problem
- **Situation** where those painpoints are felt
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Defining your Unique Value Proposition (UVP)

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Customer

- Who is the **Decision Maker** (= the real Customer)?
- Their **Job-To-Be-Done** (= what they want to achieve)
- Other **Stakeholders** with influence on the Decision Maker

Problem

- **Pain Points**: how the customer experiences the problem
- **Situation** where those painpoints are felt
- Their **current solution** for dealing with those painpoints

Your **Unique Value Proposition** should:

- remove or relieve an important *Pain Point* (or fulfill an important Need) of the *Decision Maker,*
- in a way that is significantly better or more efficient than their *current solution,*
- without creating a problem for the *other Stakeholders* with influence.

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Exercise 2.b: Defining your Unique Value Proposition

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For your chosen Use Case:

1. Which important Pain Point (or Need) of the Decision Maker does your solution remove/relieve (or fulfill)?
2. How does it do it better or more efficiently than the customer's current solution?
3. For which Stakeholders could your solution be *creating* a problem instead of solving one?

Evaluating the Opportunity behind a Use Case

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Customer:

1. Any potential **showstoppers** among the Stakeholders?
2. Do you have direct **access** to the Decision Maker or indirect access via a Champion? How strong is your access?
3. Market size: **TAM/SAM/SOM?**
4. Is it a **growing** market segment?

Problem:

1. The **4 U's**: How **Urgent**, **Underserved**, **Unavoidable** and **Unchanging** is the problem?
2. How **aware** is the customer of the problem?

Unique Value Proposition:

1. Is it a **Painkiller** or a **Vitamin** (= must-have or nice-to-have)
2. Has the target audience shown **willingness to "pay"** for this UVP (with money, time, effort, personal data, referrals…)

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Exercise 3: Evaluating the Opportunity behind a Use Case

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Customer:

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Adoption **Barriers**

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Adoption Barriers

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Adoption Barriers = your customer's reasons for not wanting to adopt you solution.

Typically:

1. **Trust**
2. **Irreversibility**
3. **Investment**
4. **Habit**
5. **Relations**

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Adoption Barriers

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1. TRUST

- Concerns from customers:
  - Legitimacy: “Is this trustworthy or a scam?”
  - Privacy: “What will this company do with my data?”
  - Security: “Will my data be safe from hackers and data breaches?”
  - Compliance: “Could using this get me into trouble?”

=> Possible remedies:

- Social proof (reviews, references, strong presence/community on socials)
- Third-party reviews (e.g. TrustPilot)
- Provide information to allow prospects to do due diligence.

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Adoption Barriers

2. IRREVERSIBILITY

- Concerns from customers:
  - "What happens if the product is not as expected?"
  - "What happens if I depend on the product and it's discontinued?"
  - "Will this startup still exist in 5 years?"

=> Possible remedies:

  - Free trial, money-back guarantee, easy testing (e.g. web app)…
  - Compatibility with the solution the customer was using before, so the customer can always go back to their old ways.

Adoption Barriers

3. INVESTMENT

- Concerns from customers:
  - “How much effort, time, money, training, data sharing… is this going to require?”
  - Sunk-cost in current solution (Sunk-cost fallacy)

=> Possible remedies:

- Adapt your solution to your customer’s workflow, so that it looks intuitive to them, and they feel they could hit the ground running.
- Show how your solution does not have to replace their current solution but can be used alongside it.

Adoption Barriers

4. HABIT

- Most of your clients already have a solution.
- Habit is one of the greatest competitive advantages that incumbent solutions have.
- Concerns from customers:
  - “The way I do it now is not perfect, but good enough. I don’t want to lose what I like.”
  - “I don’t have the time or headspace to start changing things now.”

=> Possible remedies:

- Understand the habits of your customers and adapt your solution so that it’s frictionless to integrate in their current way of doing things.
- Adapt your solution so that it can be used alongside their current solution.

Adoption Barriers

5. RELATIONS

- Objections or dissuasion from unhappy Stakeholders who do not benefit from your solution
- Risk of damage to brand image or to personal reputation within a company
- Concerns from customers or ”champions” in your customer’s organization:
    - “How will it reflect on me if I recommend this solution, and it turns out to be bad?”

=> Possible remedies:

- Tweaking your solution so all Stakeholders benefit
- Anticipating potential objections and arming your “champion” with the right answers
- Decentralized “guerrilla” adoption: individuals within an organization can use your solution without needing their whole organization to adopt it.

Exercise 4: Adoption Barriers

1. What are **3 barriers/objections** your prospects could have to using your solution for this Use Case?
2. How would you **remove** these barriers? => Add this to your UVP (Exercise 2.b)

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Exercise 4: Adoption Barriers

1. What are **3 barriers/objections** your prospects could have to using your solution for this Use Case?
2. How would you **remove** these barriers? => Add this to your UVP (Exercise 2.b)

Updated Unique Value Proposition:

1. Which Pain Points your solution removes (or Needs it fulfills)
2. How it does so better than the customer's Current Solution
3. **How it removes the customer's Adoption Barriers**

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The Goal of Customer Development Strategy

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The Goal of Customer Development **Strategy** is knowing...

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How to SCALE:

- **across the adoption curve of my *Beachhead segment***
- **across the adoption curves of *other market segments***

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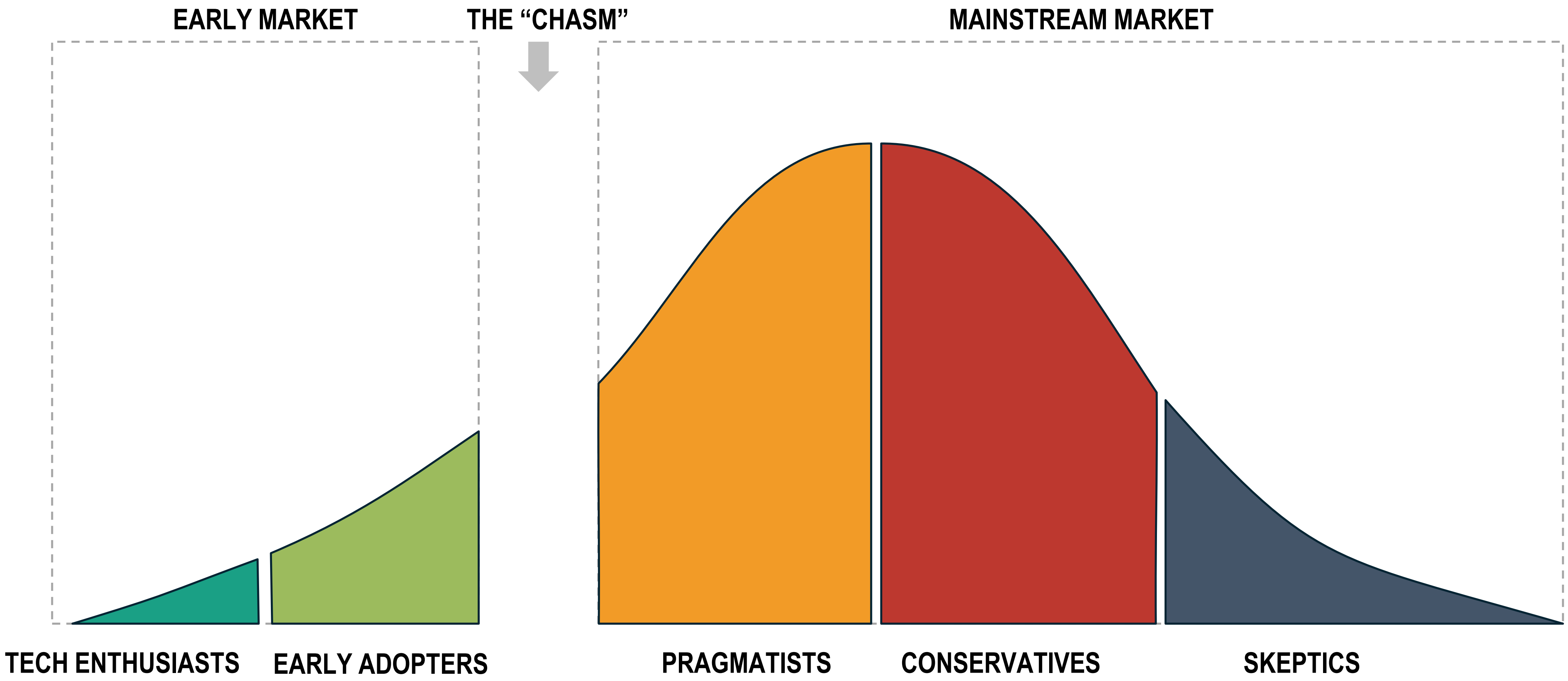
Scaling across the Adoption Curve



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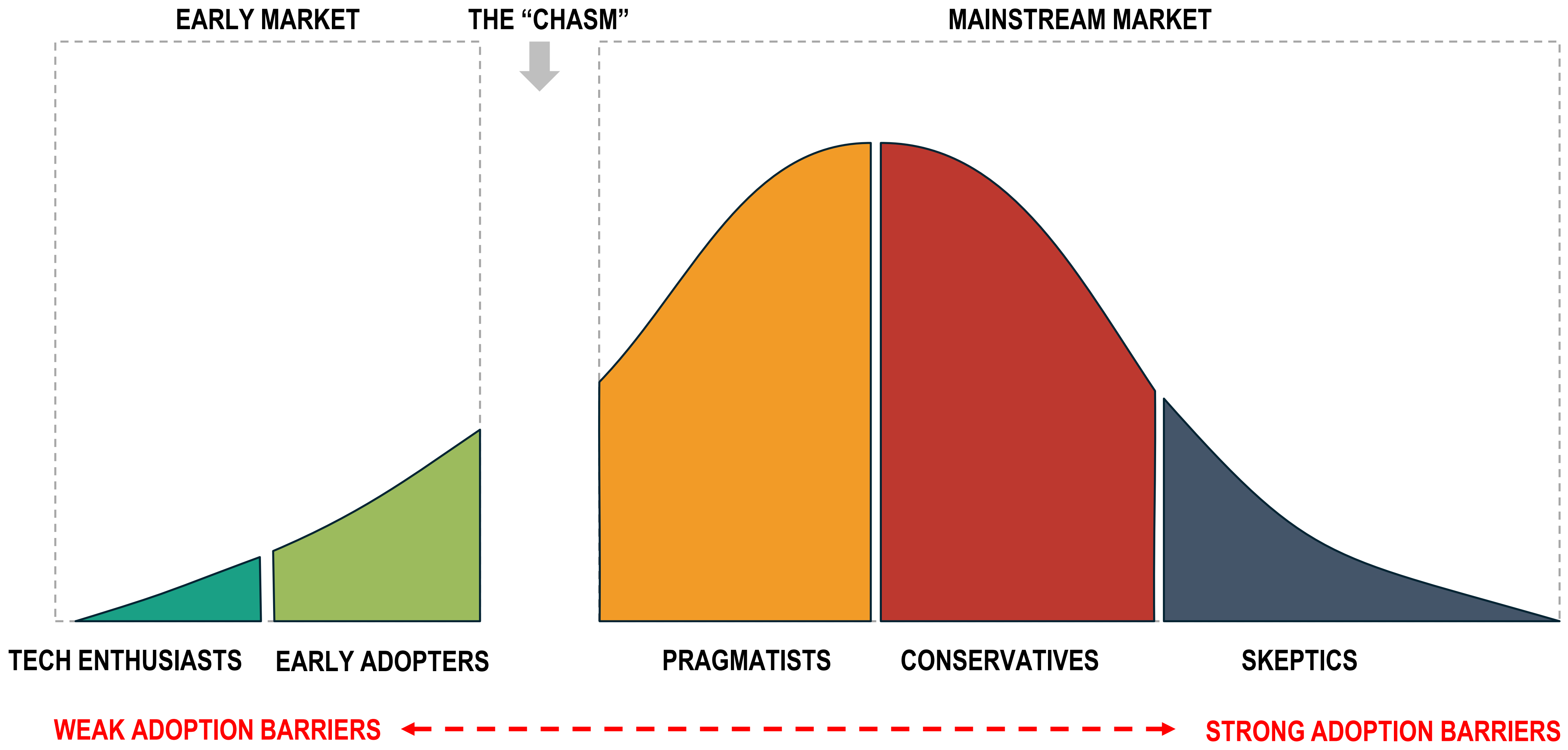

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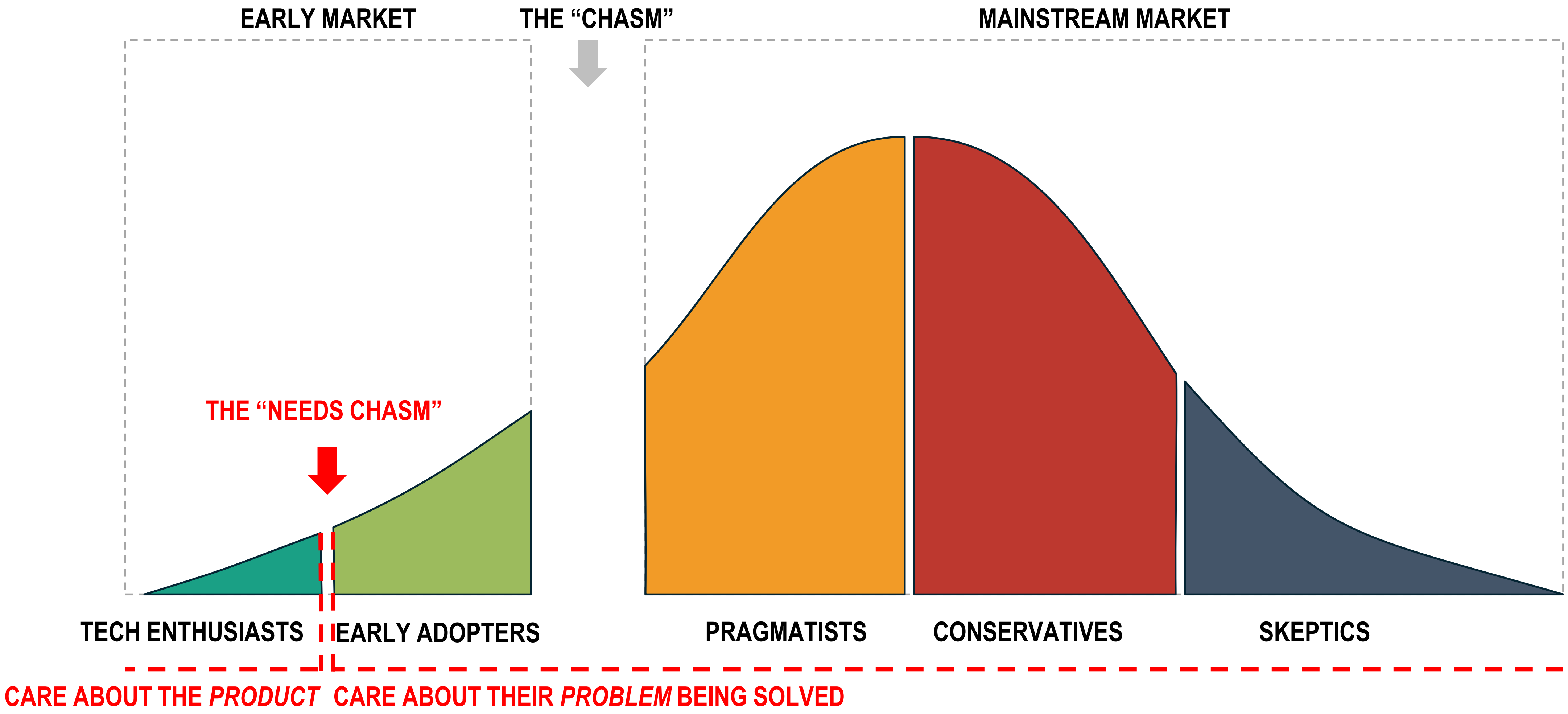

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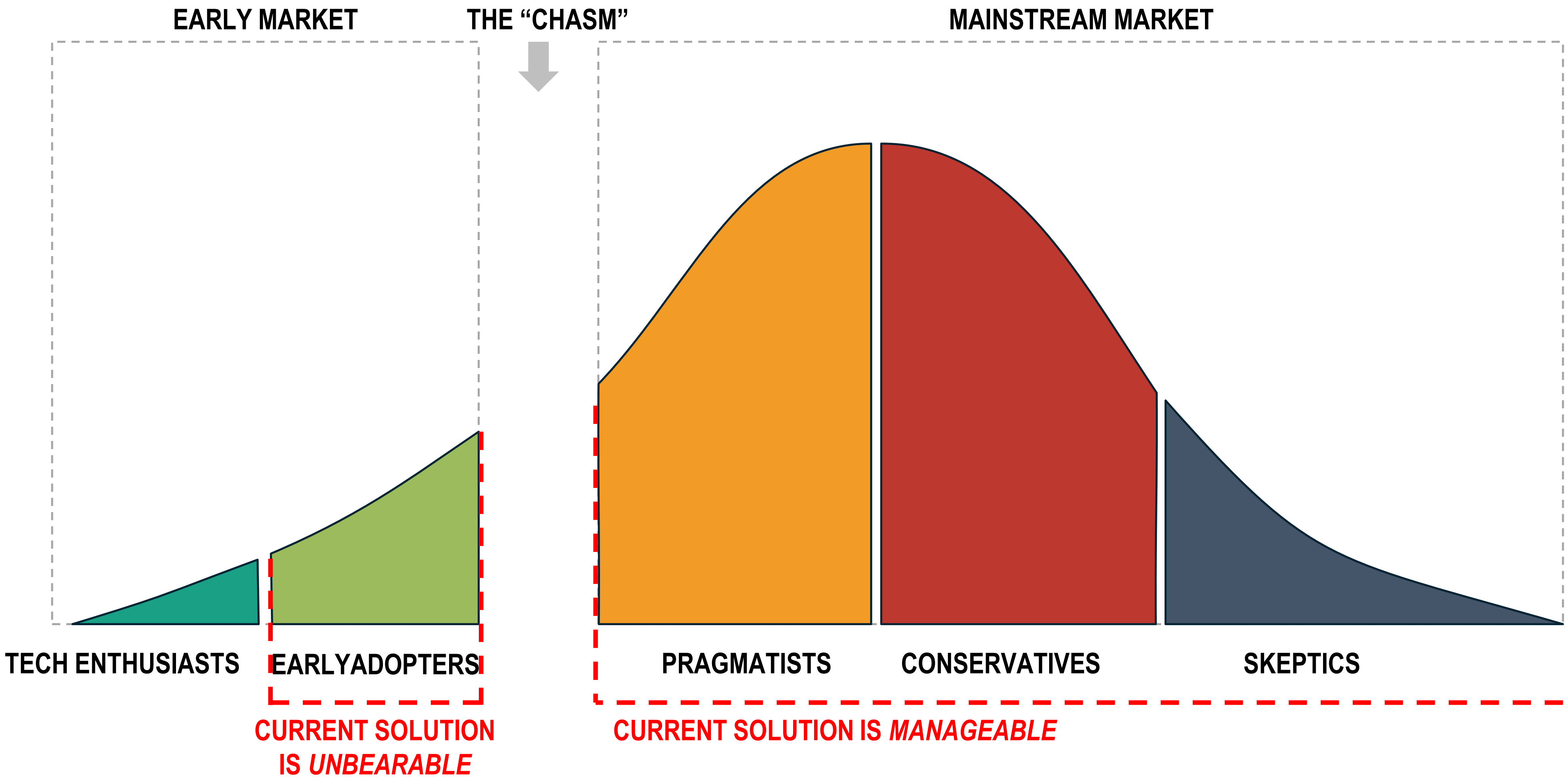

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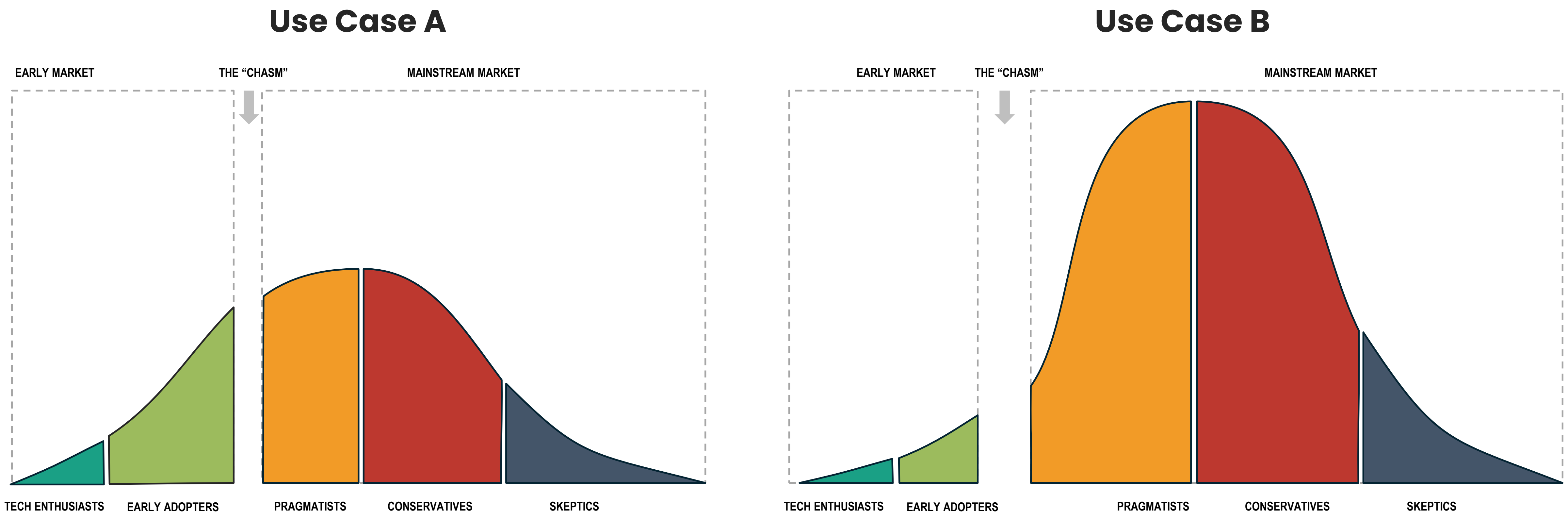
Scaling across the Adoption Curve

The different adopter profiles:

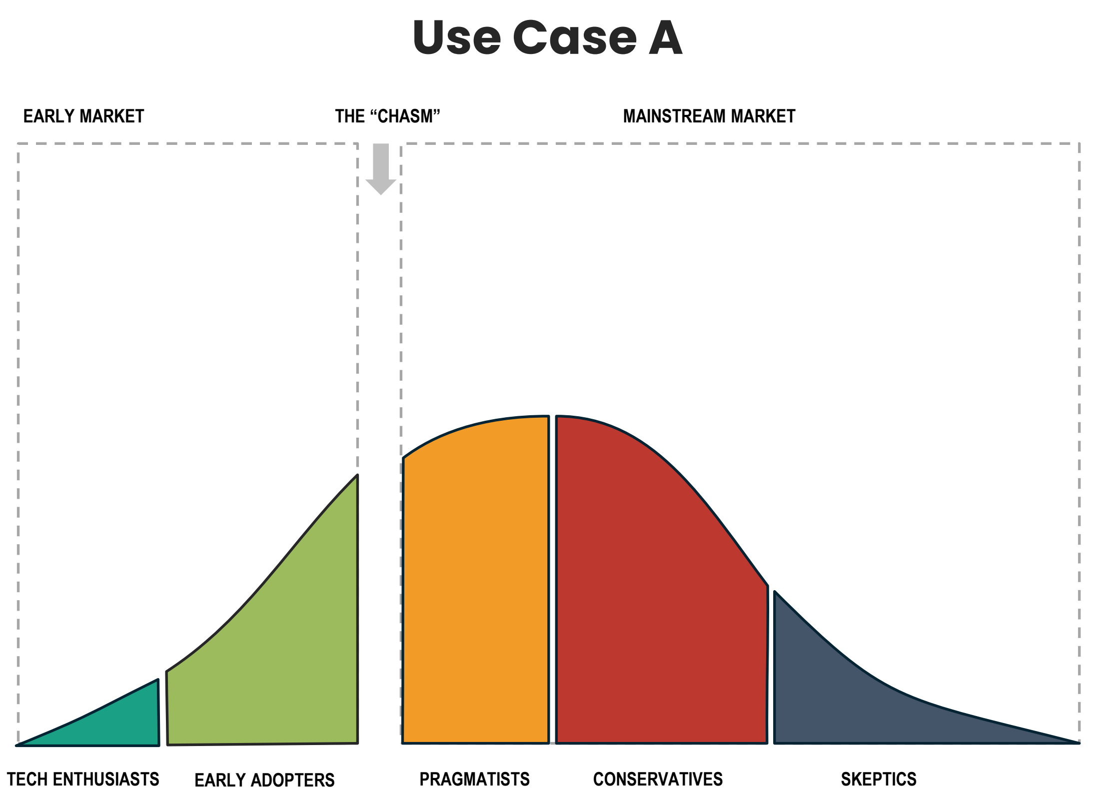
- **Tech Enthusiasts**
  - They are the only ones who care about the product. Everyone else cares about having their problem solved.
  - Their feedback is valuable for resolving product issues, but it's not indicative of the needs of the rest of the market.
- **Early Adopters**
  - Urgent pain and desperate need for a solution.
  - Will accept an inferior product and will be willing to make more effort to adopt it than the Mainstream Market.
- **Mainstream Market (Pragmatists and Conservatives)**
  - They know their current solution is not great, but it's manageable => No urgency to change.
  - They have bigger adoption barriers.
  - Will only consider changing once their adoption barriers have been removed.

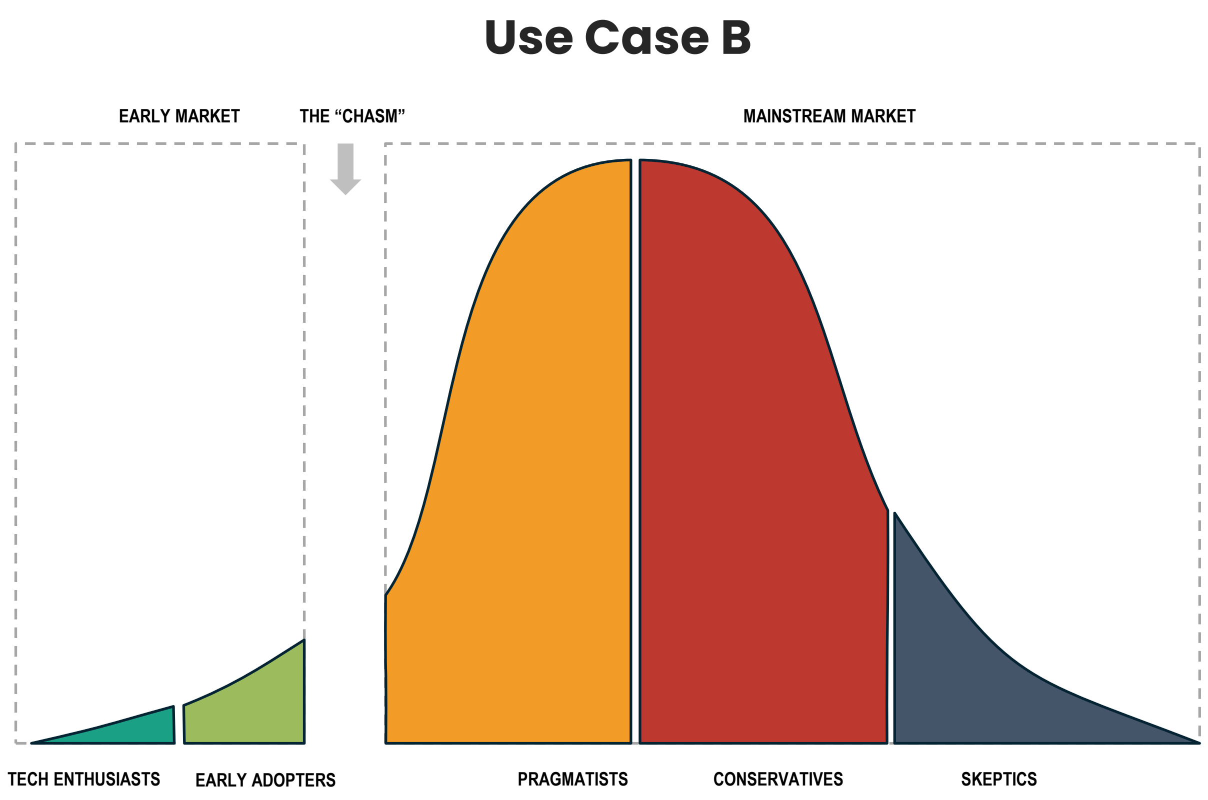
Each Use Case has its own Adoption Curve



➔ **Which Use Case is better to start with (= Beachhead Segment)?**

Each Use Case has its own Adoption Curve





➔ Which Use Case is better to start with (= Beachhead Segment)? ➔ Use Case A

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Customer Discovery Tools

1. Use Case Map

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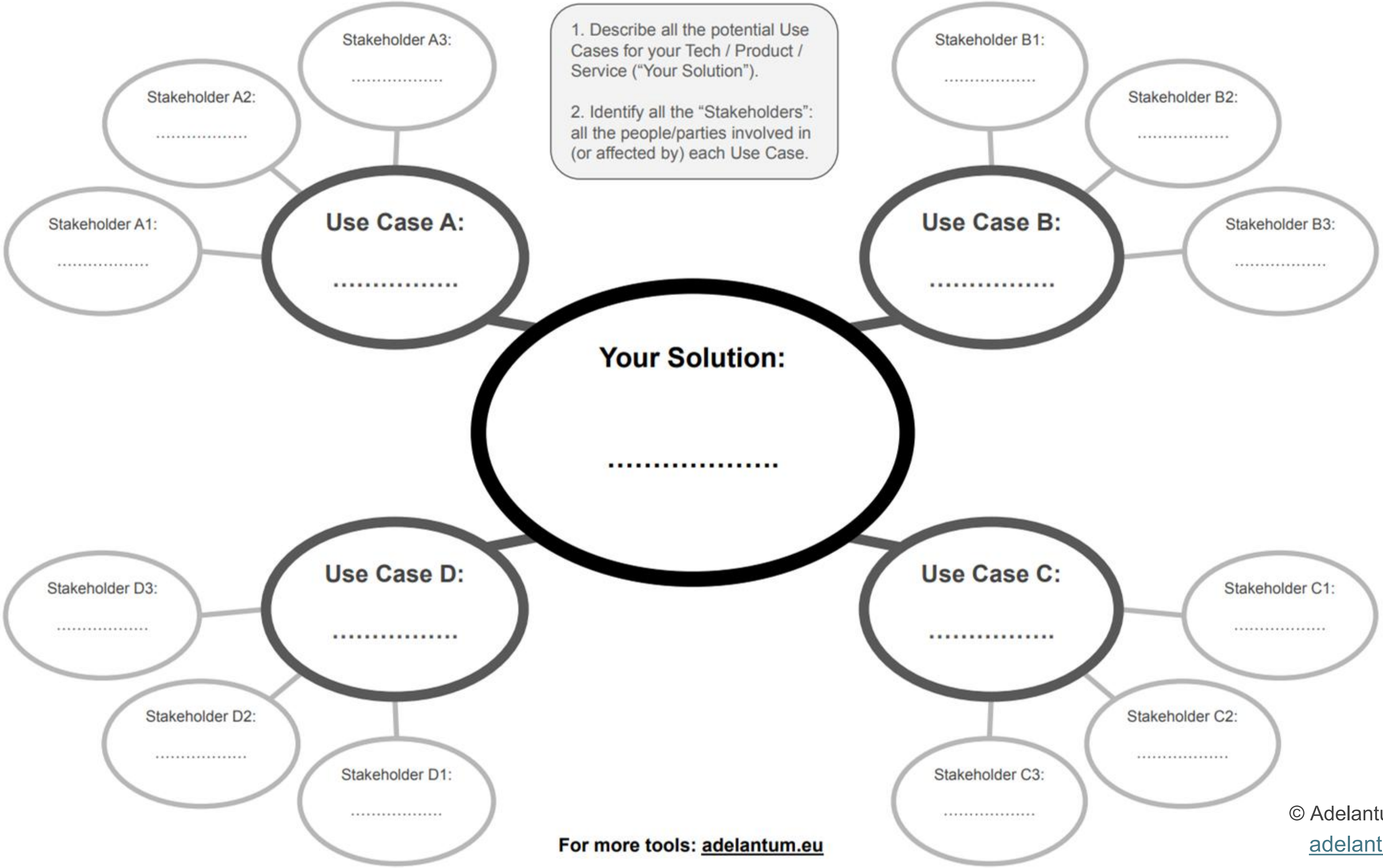
1. Describe all the potential Use Cases for your Tech / Product / Service (“Your Solution”).

2. Identify all the “Stakeholders”: all the people/parties involved in (or affected by) each Use Case.



For more tools: adelantum.eu

adelantum.eu/resources

2. Stakeholder-Problem Map

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Though your solution aims to *solve* problems, it might inadvertently also *create* problems for some of the people/parties ("Stakeholders") involved in a Use Case.
If it creates a problem for a *User* or *Customer* Stakeholder, that will become a barrier for adoption for them.
If it creates a problem for a *Non-User* Stakeholder, they will try to prevent others from adopting it.

NEXT STEP: For each "Problem solved", fill out a **Customer-Problem Fit Evaluation** (adelantum.eu) to further explore the Use Case from that Stakeholder's perspective.

Stakeholder A1: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder A2: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder A3: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder B1: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder B2: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder B3: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder C1: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder C2: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder C3: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder D1: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder D2: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

Stakeholder D3: ....

Problem **solved** by your product: ....

Problem **created** by your product: ....

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Potential

Customer-Problem Fit Evaluation

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Calculating Consistency:
For each *Input from Interviews*, indicate the highest percentage of interviewees who gave the same answer. …%

For example, if 60% give an answer A and 20% an answer B, the Consistency for that input is is 60% 60%

If the Consistency % of 1 of the 3 bold circles is low, **narrow down** the definition of your Target Customer.

How many interviewed:

Use Case

Customer Profile: (For B2C:demographics and psychographics. For B2B: vertical, company size, revenue, image, values…)

Their **Problem/Need** (in their own words): (What is the **Situation** that is frustrating them and how do they describe their **Pain Points**?)

My **Early Adopters** are: (Within this Customer Segment, what is the sub-segment that expressed the **most urgent** need?)

Who I can **find here**: (What are the **Touchpoints** where can I meet/reach these Early Adopters?)

Input from Interviews on Problem

To them, this is **important because**: (What is their "**Job To Be Done**": their underlying motivation/reason, or goal that is blocked by the problem.) …%

Others affected by this are: (Who else cares about the outcome? These are the other **Stakeholders** involved in the problem, whose Use Case must be considered.) …%

For this they **currently use**: (How are they solving this problem without your solution?) …%

How much **are they paying?** …%

How much **have they invested already?** (Money/Time/Effort/Training/Data…) …%

What do they **like** about it? …%

What do they **dislike** about it? …%

How do they **deal with** the parts they don't like? (How do they work around the shortcomings?) …%

What **other solutions** have they tried/considered before that? How were these solutions? (What didn't they like about it?) …%

Have they **actively searched** for a better solution? **Where?** (Google, Reddit, contacts…) …%

What **event triggered** them to start searching? (What was going on that made them start looking?) …%

What did they find,and **how didn't it meet their needs?** (What stopped them from buying it?) …%

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Potential Customer Questionnaire

by adelantum services

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Use these questions, or variants of them, to fill out the sections of the Customer-Problem Fit Evaluation Form.
You don't need to follow these questions strictly. It might be that the interviewee already answered in another question.
Most important is to keep the natural flow of the conversation going.

Hi, I'm curious about this [process/activity/job], could you tell me about how you do it?
(This is a general opener to get them talking, but it might provide input for various sections of the Customer-Problem Fit Evaluation Form already.)

Sounds like parts of that can be annoying / hard to do?
(Still asking about their process/activity/job, not about what product they use for it.
Pick up on a mention of a pain point and dive in, or ask generally. This provides input for **problem/need**.)

What do you use for this? Can you talk me through it?
(Now you can shift the conversation to products. This provides input for **currently use**.)

Is it expensive?
(Only ask about the price/cost if it's information you cannot look up. If it doesn't feel natural to ask at this point, leave it for later in the conversation. This provides input for **paid**.)

What did you use or try before this?
(Can be natural to ask at this point or leave it for second last. This provides input for **other solutions**.)

What was the moment you decided to change? What was going on in your work/life?
(This provides input for **trigger event**.)

Is what you use now any good?
(This provides input for **like** and **dislike**.)

If there are parts they dislike: ***How do you deal with it/work around the shortcomings?***
(This provides input for **deal with**.)

Did you look if there's a better solution to solve those shortcomings?
(This provides input for **actively searched**.)
If they searched: ***Where did you look? Did you find anything?*** / If they didn't: ***Why not?***

Why do you bother with this [process/product] despite the difficulties?
Why is this important to you or those around you?
(This provides input for **important because** and **others affected**.)

Who would you recommend this for? And who not?
(This is a great closer, especially if the interviewee hasn't shared much information. They might feel more comfortable sharing what they imagine others would feel or think, but you know it's really about their own experience.)

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Recent Customer Questionnaire

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For customers who have recently purchased your product/service, or that of a competitor. Their answers will help you understand their reasons for purchasing, so you can improve your product, your choice of customer segment, and/or your marketing copy.

*Name of the **product** they purchased:*
(This provides input for **currently use**.)

1 ***What made you think of getting a product like this? What was the occasion, or what were you trying to do? What was going on in your work/life?***
(This provides input for **problem/need** and **trigger event**.)

2 ***What were you using before? What made you want to change?***
(This provides input for **other solutions**.)

3 ***What will it allow you to achieve, and how/why is that important to you?***
(This provides input for **important because**)

4 ***Did someone else need to agree on making this change/purchase?***
Will you be using it yourself? Who else cares about this outcome?
(This provides input for **others affected**.)

5 ***Where did you look for information to help you choose?***
(This provides input for **Where did they look**.)

6 ***Which other options did you consider?***
(This provides further input for **other solutions**.)

7 ***What did you like and dislike about the other options? Why did you end up choosing this one?***
(This provides input for **not meet their needs**.)

8 ***How have you been using this product so far?***
(This provides input for **problem/need** and on **deal with**.)

9 ***Which are the features of this product that you find most important? And that you like best? Why?***
(This provides input for **like**.)

10 ***If there was anything you could change/add to this product, what would it be, and how would this help you? Any shortcomings that you've had to work around?***
(This provides input for **dislike** and **deal with**.)

11 ***Have you recommended this product to anyone? If so, to whom, and why them?***
(If they have, they might be your **Earlyvangelists**. If they recommended it to people who have a **different customer profile and/or need**, consider exploring that segment too.)

For more tools: adelantum.eu/resources

adelantum Expanded Lean Canvas

Adapted by Bob De Wilde - adelantum.eu

Customer segment
Demographics and psychographics of your target customer. If your customer is not your end user, make the distinction.

Validated ☐

Their Job To Be Done
Which goal are your customers trying to achieve?

Validated ☐

Problem
How is your customer experiencing the problem? Describe their pain point(s) and frustration(s) in their own words.

Validated ☐

Symptoms
If your customer is not aware of their problem, what are the symptoms the problem they could recognize?

Validated ☐

Unique Value Prop.
From your customers' point of view, what is the benefit that they would need/want from your solution, that they are not getting from existing solutions?

Validated ☐

Solution
How will you deliver that value proposition?

Validated ☐

Adoption Barriers
What are the reasons why customers (or anyone in your customer's organization) would *not* want to buy/use your product?

- Privacy/security concerns
- Changes to workflows or habits
- Sunk costs
- Irreversibility
- Risk of overreliance on a startup that might fail or pivot…)
- …

Validated ☐

Resources required
- Team/skills
- Time of development
- Technology
- Hardware
- Infrastructure
- Raw materials
- Data
- Licenses
- …

Validated ☐

Revenue model
Subscription, Metered, Fees, Advertising, Direct sales, Razor and blades, Combined…

KPIs
What are they KPIs to track for this model?

Validated ☐

Assessment

TAM:

Validated ☐

SAM:

Validated ☐

SOM:

Validated ☐

Growing market?

Validated ☐

Is the problem:

- Urgent?

Validated ☐

- Unavoidable?

Validated ☐

- Underserved?

Validated ☐

- Unchanging (Lasting)?

Validated ☐

Painkiller or Vitamin?
Is this Benefit a "*Need-to-have*" or a "*Nice-to-have*"?

Validated ☐

Willingness to Pay?

- Currency for a *Minimum Helpful Solution*: Time, Effort, Personal Data, Referrals…
- Currency for an *Minimum Viable Product*: Money.

Validated ☐

Gains vs Pains to adopt
From your customers' POV, how big are the benefits of the solution compared to the pains of integrating a new solution in the way things are currently done?

Validated ☐

What is needed to remove the adoption barriers?

Validated ☐

Availability / Accessibility
Which of these resources do you already have? How easily can you acquire the others?

Validated ☐

Budget required
Forecasted budgets for the next 6 and 12 months?

Validated ☐

In this market, how big is:
- transaction value?
- margin?
- transaction volume?

Validated ☐

Recurring revenue model?

Validated ☐

Model changes with scale?

Validated ☐

Early adopters
Who in your target customer segment is most desperate for your UVP, and would find your Minimum Helpful Solution or Minimum Viable Product most useful?
This will also help define your *Minimum Viable Segment* and *Launch Addressable Market.*

Validated ☐

Existing solutions
Not just your competitors, but any method your target customers are currently using to deal with the problem, including their in-house AI solutions ("DIY AI").

Validated ☐

Defensibility / Moat
What would prevent competitors from taking your market share?

- IP
- Exclusivity/License deals
- Long-term contract
- Location
- Access to data/resources/network
- Knowhow
- Customer loyalty/Brand recognition
- Community
- …

Validated ☐

External Factors: Obstacles and Dependencies
Any regulatory obstacles?
Is your solution, and the demand for your solution, dependent on 3rd party technology, or vulnerable to developments in: Market/Society (Trends), Technology, Legislation…

Validated ☐

Partnerships
Who do you need to partner with to make this happen?
What value are your partners getting from partnering with you?
Why would they partner with you?
Why would they not partner with you, or why would they stop?

Validated ☐

Channels/Touchpoints
Through which channels or touchpoints can you reach your customers, and funnel leads into sales? Communities, social media, pitch meetings, Google searches, LLM RAG, AI-agents…?

Validated ☐

Assessment

Early Traction / Revenue / Recurring cust./ Retention?
What traction are you getting from these early adopters? LOI? Some revenue? Are they recurring customers?
If not, consider if your Early Adopters might be elsewhere.

Validated ☐

Prevalence of competitors?
How ubiquitous / dominant / common are the existing solutions? Market dominated by big players? Red/Blue ocean?

Validated ☐

Price of the most prevalent solutions?
How much are your target customers currently willing to pay to solve this problem?

Validated ☐

Strength of competitive advantage?
How sustainable is your competitive advantage, short-term and long-term? What are its vulnerabilities?

Validated ☐

Risk (Impact x Likelihood)?
How *likely* is it that those factors would change, and what would the *consequence* of that change be for your business?

Validated ☐

Dependency on partners?
If a partnership does not work out, how difficult would it be to find an equivalent alternative?

Validated ☐

Repeatable sales process?
Have you found the marketing and sales process through which you can predictably generate leads and turn them into recurring sales?

Validated ☐

Tasks

For the PDFs of these templates, go to adelantum.eu/resources.

1. Fill out the **Use Case Map.**
2. Fill out the **Stakeholder-Problem Map.**
3. Choose two Use Cases and fill out a **Customer-Problem Fit Evaluation** for each, based on your assumptions.
4. Choose the most promising use case and assess its potential as a business case by filling out the **Expanded Canvas**.

=> Send me your answers (in a DOCX, PPTX or XLSX file) before the next session.

Thank you!

Impuls Agritech

Generalitat de Catalunya
Departament d'Empresa i Treball

Cofinançat per la Unió Europea

Subvencionat pel Departament d'Empresa (**Programa Primer)** i amb el cofinançament del Fons Social Europeu Plus

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Tasks

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2. Fill out the **Stakeholder-Problem Map.**
3. Choose two Use Cases and fill out a **Customer-Problem Fit Evaluation** for each, based on your assumptions.
4. Choose the most promising use case and assess its potential as a business case by filling out the **Expanded Canvas**.
5. Formulate **3 taglines** ("Now you can…") for that chosen use case.
6. Test those 3 taglines with a **brochure test** on 2 people.
7. Think of what would be a **Minimum Viable *Solution*** for your Unique Value Proposition (= the simplest and fastest way you can deliver some value to your target audience)?

=> Send me your answers (in a DOC or XLS file) at least 1 day before our 15 min follow-up meeting.

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Customer Validation

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Two stages of validation

1. Validation of the Problem = Proof of Demand (for a better solution to the problem):

    1. User Research:

        - Walk-Observe-Talk
        - Interviews and surveys (must be problem-centered, no mention of your product)
        - AI Voice of Customer Research

    2. Language-Market Fit testing = techniques to see how your UVP resonates

    - Test “Now you can…” taglines (in-person or over video call):

        - 1 tagline at a time, shown for 5 seconds, then removed without warning.
        - Ask what they remember and what they think it means in their own words.

    - Brochure Testing (in-person or over video call):

    1. A/B testing of taglines with ads on social media
    2. Landing page heat mapping and analytics

1. Proof Of Demand

adelantum
Services

The ways to **validate** Proof Of Demand:

- **User Research:**
  - Goal is finding Customer-Problem Fit
  - Walk-Observe-Talk
  - Interviews and surveys must be *problem-centered* (no mention of your product)
  - How much are they paying for their current solution?

- **UVP Testing:**
  - Can you get your customer to “pay” for your Unique Value Proposition?
  - Currencies: Time, effort, personal data, reputation, money
  - Paid pre-orders are the best early validation.

2. Proof Of (Preferred) Solution

- Don’t just prove that customers want your solution, prove that they prefer it over other solutions.

- Can be tested at product level or at feature level.

- Always test on **equal footing** with alternative solutions
    - A/B testing: Not in-person, so no more than 2 options.
    - Brochure testing: In-person, include 3-4 options.
    - Landing page heat maps and analytics.
    - Prototype testing only if on equal footing with other options.

Reasons why your customers **don’t understand**

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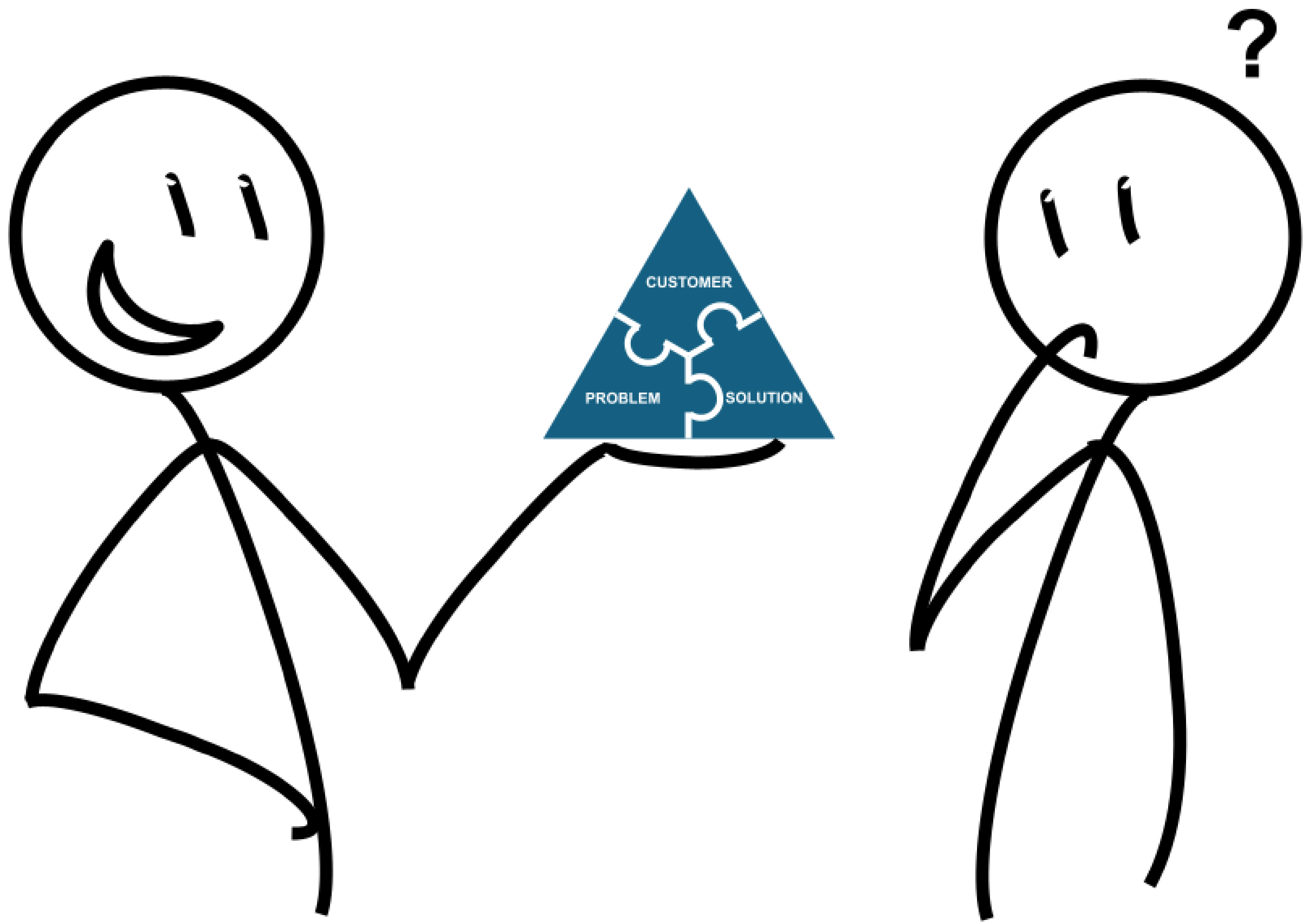
Reasons why customers don't understand…



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Where would you get your morning coffee?

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Reasons why customers don't understand...

Impuls Agritech

1) Unclear UVP, due to solving many different problems for many different customers

- **Coffee bar (only serves coffee) vs Café (serves other drinks too)**:

  Where do you go for your morning coffee?

  ⇒ To the coffee bar, as 100% of what they offer matches what you need.

  ⇒ Startups typically start as a coffee bar, and then grow into a café.

  ⇒ Solution for the café: putting a *"Best coffee here"* sign in the morning.

- **Exception**: the "One-Stop Shop" is a valid Value Proposition for customers who do need several things. (Supermarket, wedding planner…)

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Reasons why customers don’t understand…

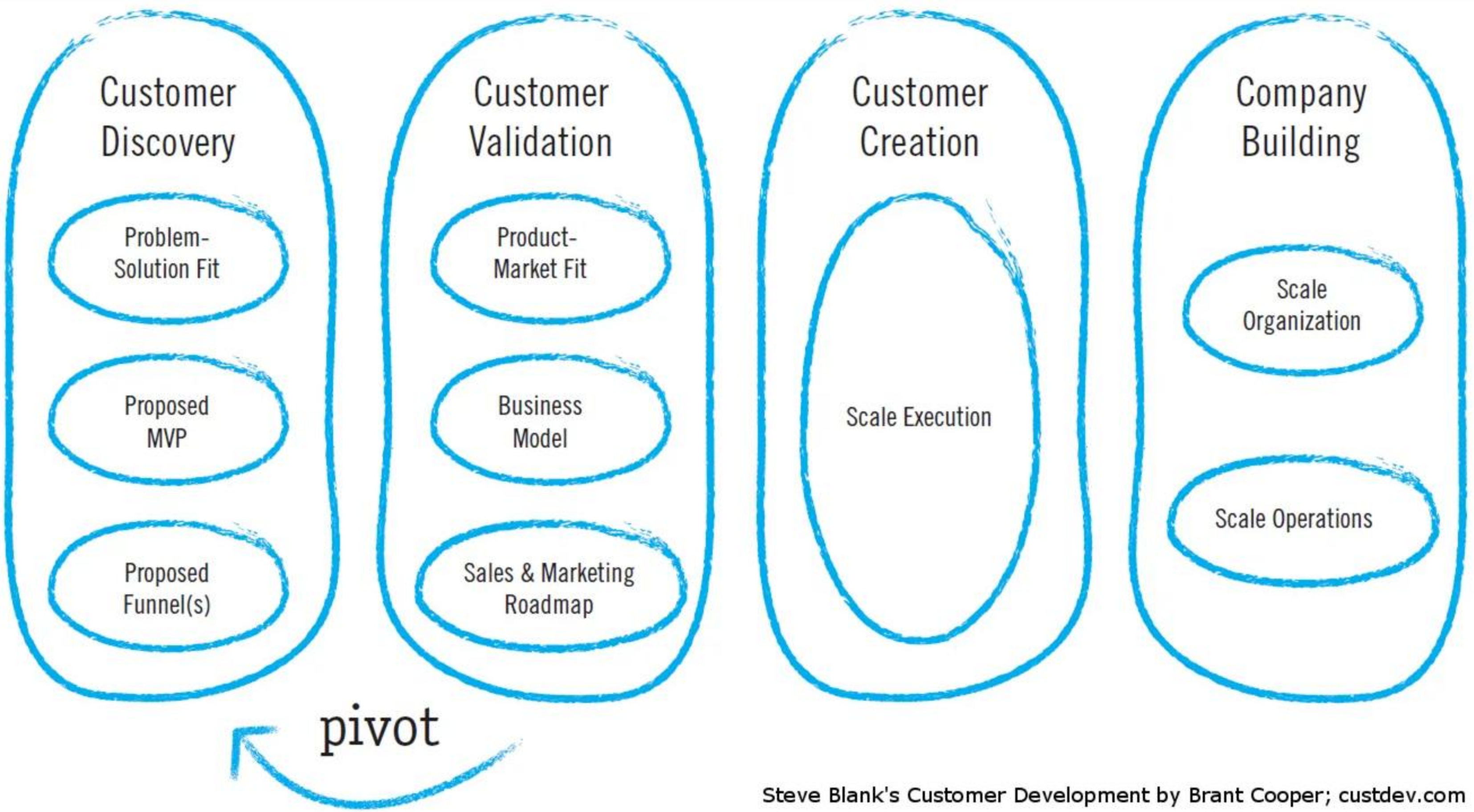
2) Expecting customers to know which solution they need

Levels of problem awareness:

1) Aware of needed **solution**
2) Aware of **problem**, but not of needed solution
3) Aware of **symptoms**, but not of problem

Note: Showing customers that you understand their problem can have a bigger impact than showing them your features.

The Origin of Customer Development:
The Four Steps to the Epiphany (Steve Blank)



Steve Blank's Customer Development by Brant Cooper; custdev.com

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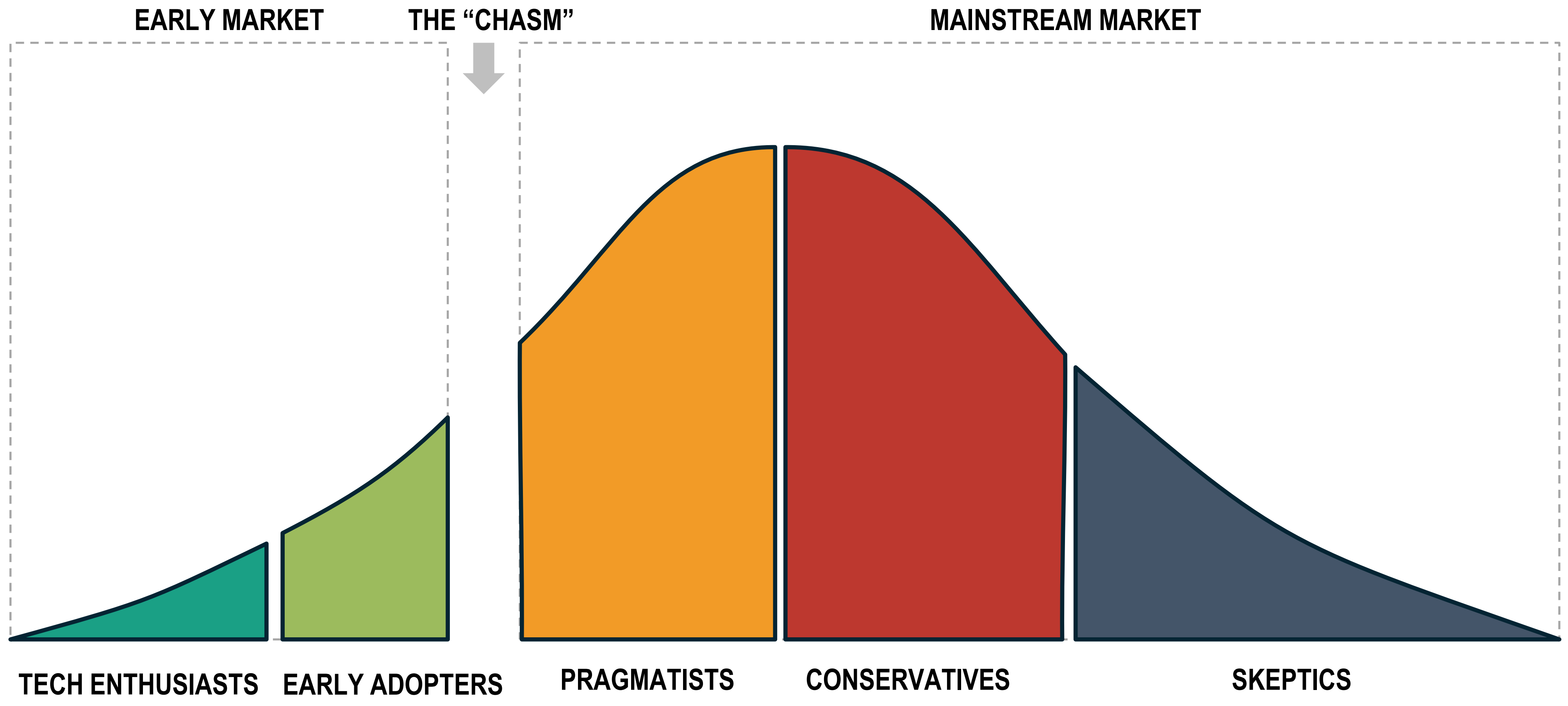
The Adoption Curve



Reasons for Not Enough Market Need

Impuls Agritech

1. Addressing the **wrong Customer-Problem** (= **“Use Case”**)

1. Offering the **wrong Solution**
    - competition is a better fit (features, UX, price, size…)
    - too many barriers to adopt (too many habits to change or problems created for other stakeholders)

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1. **Wrong Communication.** Customers don’t realize they need your product because:
   - They are not aware of their problem, or that it can be solved.
   - They don’t understand why they need your solution.

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Impuls Agritech

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1. **Wrong Communication.** Customers don’t realize they need your product because:
    - They are not aware of their problem, or that it can be solved.
    - They don’t understand why they need your solution.

1. **Wrong Business Model**
    - Solution is not financially viable (small market, not scalable, weak moat, too dependent on other factors, …)

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1. Reasons for wrong Customer-Problem Fit

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1. Reasons for wrong Customer-Problem Fit

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- **Ignoring the needs of other Stakeholders:**
  - Other Stakeholders are people who are not the Customer or the User, but who are also involved/affected by the Use Case, and who have an influence on it.
  - Needs of Customer ≠ User ≠ Other Stakeholders.
  - Though your solution aims to solve problems, it might inadvertently also create problems for some Stakeholders, which might create barriers for the adoption of your solution.

=> Identify all the Stakeholders involved in your Use Case, and consider how they will be affected by your solution.

2. Reasons for wrong Solution Fit

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2. Reasons for wrong Solution Fit

- **Misunderstanding Lean Methodology:**
  - It's not about building and launching a Minimum Viable Product (MVP) asap.
  - The moment you start building a solution, you've picked a direction.
  - Instead, find your direction by testing value propositions first, with the help of **Language-Market Fit techniques**:
    - A/B Testing of "Now you can…" taglines
    - Brochure Testing

    => Proof of Demand

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Brochure Test

Impuls Agritech

UVP Tagline

Benefits

- …
- …
- …

Feature description 1

…

Feature description 2

…

Feature description 3

…

UVP Tagline

Benefits

- …
- …
- …

Feature description 1

…

Feature description 2

…

Feature description 3

…

UVP Tagline

Benefits

- …
- …
- …

Feature description 1

…

Feature description 2

…

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…

2. Reasons for wrong Solution Fit

Impuls Agritech

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    - The moment you start building a solution, you've picked a direction.
    - Instead, find your direction by testing value propositions first, with the help of **Language-Market Fit techniques**:
        - A/B Testing of "Now you can…" taglines
        - Brochure Testing

        => Proof of Demand

    - Instead of building a Minimum Viable *Product,* build a **Minimum Viable *Solution***
        - What is the simplest and fastest way you can deliver some value to your target audience? (E.g. valuable content in social media posts)

        => Proof of Value

2. Reasons for wrong Solution Fit

- **Presenting only your one solution when testing on users:**
  - When testing your solution with users, make sure to always present it:
    - Together with other solutions so the user can tell you how they compare
    - On **equal-footing** with the other solutions, so the test user doesn't know which of the presented options is yours.

  => Proof of (Preferred) Solution

- **Not understanding who your real competition is**
  - Your real competition is whichever solution your customers are currently using to solve their problem.
  - E.g. for a high-tech door mat, a major competitor is the practice of taking off the shoes when entering a home.

4. Reasons for wrong Business Model

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4. Reasons for wrong Business Model

- **Conflating Use Cases**
  - If you can help different target audiences with different needs, don't combine them in your Business Model Canvas!

    => Use one canvas per Use Case to evaluate if that Use Case is supported by a strong Business Case and is worth pursuing.

    => Helps you find your ideal Use Case and choose your Niche/Beachhead.

- **Using the Business Model Canvas to convince investors**
  - A canvas is a live tool that must be continuously revisited throughout the project.
  - It's not a pitch deck for investors. Don't embellish the numbers in your canvas (e.g. TAM/SAM/SOM), you will only fool yourself.

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