



THE PLACE TO START & GROW YOUR BUSINESS

Customer Discovery: Creating

May 21, 2021

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THE PLACE TO START & GROW YOUR BUSINESS

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- Introduce Yourself
- Tell Us About Your Business
- What Do You Hope to Gain Today?

Session objectives

- Understand WHY customer discovery is the #1 priority of any entrepreneur wishing to start (or grow) a business.
- Learn the four steps of customer discovery.
- Write a customer discovery plan.



Image from Pixabay

2.1 Customer Discovery

What is a market?



Image from Pixabay

2.1 Customer Discovery

“A **market** is any structure that allows buyers and sellers to exchange any type of goods, services and information.” (Wikipedia)

Your “market” is the group of customers who will buy your product.

2.1 Customer Discovery

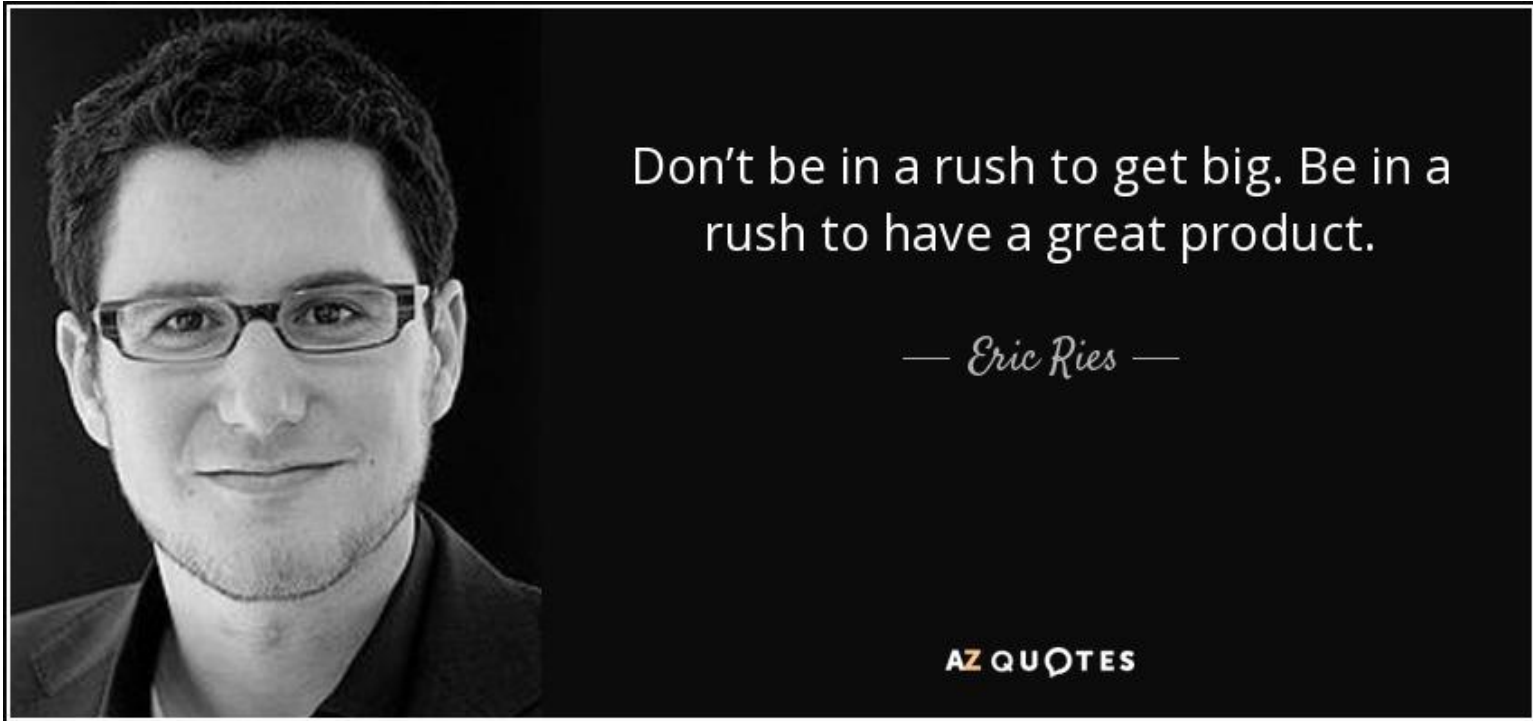
Why should you “get out of the building” and discover who your customers are, and what they want, BEFORE you start (or change) your business?

2.1 Customer Discovery

Customer discovery helps you identify:

- What your market looks like right now, if it's in the process of changing, or if it may change in the near future
- The size of your market (and if it's large enough to support the business you're trying to build)
- Why people in your market buy products; what attracts them to a certain product or brand (or repels them)
- How much demand there is for your product or service, and what people are willing to pay

2.1 Customer Discovery



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2.1 Customer Discovery

“The job of entrepreneurs is to find a business model that works before running out of money.”

- Ash Maurya, *Running Lean*

2.1 Customer Discovery

“You can't be smarter than the collective intelligence of your customers.”

- Steven Gary Blank, *Entrepreneur*

2.1 Customer Discovery

Questions?

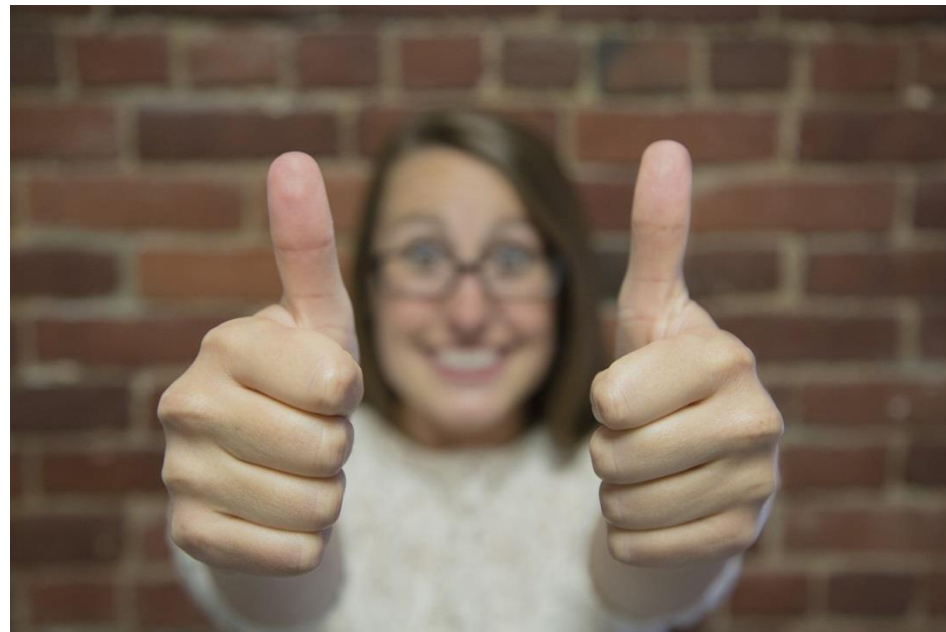
2.2 Common Customer Fallacies

YOU ARE NOT YOUR CUSTOMER!

- Don't assume that because you feel a certain way, your customers do too.
- Don't be offended or dismissive if customers reject something you are really attached to.
- Be willing to pivot to match market demand.

2.2 Common Customer Fallacies

“I don’t have any competition!”



2.2 Common Customer Fallacies

- Everyone has competition
- **EVERYONE HAS COMPETITION**
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COMPETITION**

2.2 Common Customer Fallacies

Questions?

2.3 The 4 Steps of Customer Discovery



Image from Pixabay

2.3 Steps of Customer Discovery

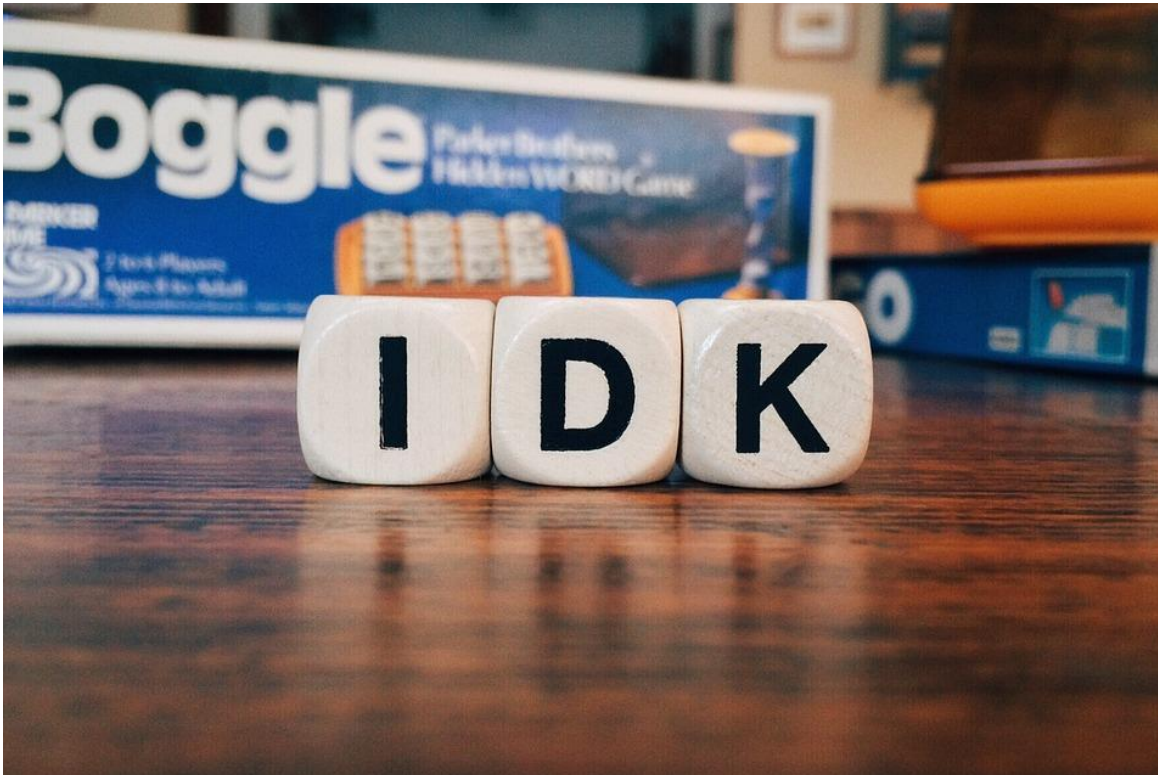
Formulate a hypothesis for your company:

- *My product/service solves <problem> by providing <solution>.*
- *People will use my product or service because <reason>.*
- *People will love my product or service because it offers <benefit>.*

Remember to avoid the customer fallacies we discussed!

2.3 Steps of Customer Discovery

What the heck do I ask people???



2.3 Steps of Customer Discovery

2. Develop a list of questions to ask yourself about your product, and a list of questions to ask customers.

2.3 Steps of Customer Discovery

Create a sample size of at least 10 people, and try to meet them in person for interviews.

Look at the data you have gathered and identify patterns.

Which of your hypotheses were correct? Which were incorrect? What do you need to change about your business model, or your product or service, or your other assumptions?

2.3 The 4 Steps of Customer Discovery

Questionable sources of customer discovery data:

- Your mother or father, stepmother/stepfather
- Your grandma, grandpa, uncle, aunt, cousin
- Your husband/wife, partner, boyfriend/girlfriend, “friend with benefits”
- Your best friend
- Your best friend’s cousin’s uncle’s roommate
- Your online buddies from World of Warcraft
- People you ask at the bar (unless you’re opening a bar)

2.3 The 4 Steps of Customer Discovery

Questions?

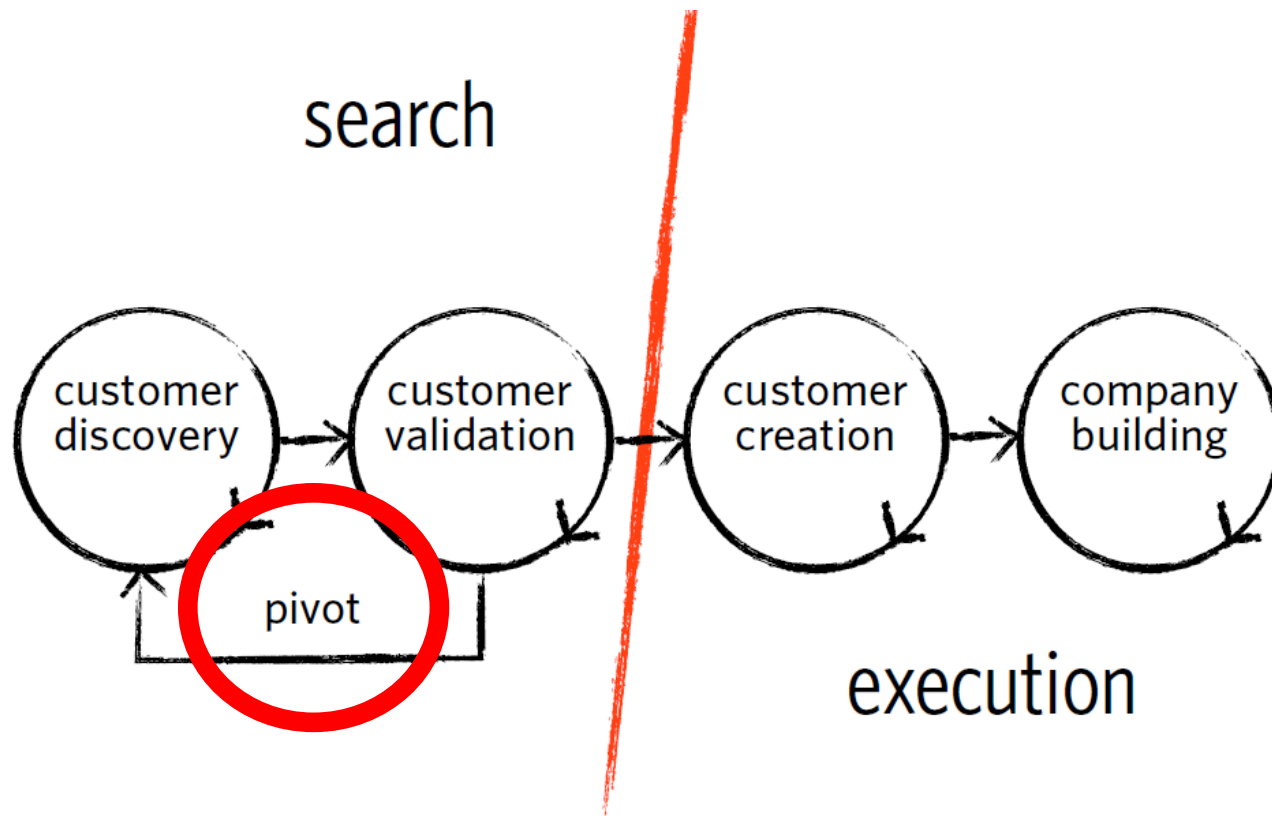
2.4 Using Customer Discovery Data



Image from Pixabay

2.4 Using Customer Discovery Data

How do you use your customer discovery data?



© Steven Gary Blank, 4 Steps to the Epiphany

2.4 Using Customer Discovery Data

What other questions should you answer through the discovery process?

- Who is my customer, really?
- How many potential customers (realistically) are out there?
- Where do they live?
- How do they purchase goods or services?
- What other companies out there are offering products/services similar to mine?
- What are they charging? (Is my price point realistic for my market?)

2.4 Using Customer Discovery Data

How do you use customer discovery data?

- Refine your product/service
- Use it to inform or create your differentiation strategy or positioning
- Figure out the optimal place to locate your business, or the optimal design for your website/web store
- Determine who your competition is, and research them
- Use your research to develop realistic sales projections, which then inform profit and loss/income statement and cash flow

2.4 Using Customer Discovery Data

Questions?

2.5 End of class

Homework:

*Using your questions from class & the interview template, interview **4 potential customers** about your product or service!*



2.5 End of class

- **Please fill out your class evaluation forms**
- **Thank you!**