



CUSTOMER DISCOVERY: THE LEAN APPROACH

OUR CUSTOMERS?

- HOW DO WE IDENTIFY THEM?
- HOW DO WE APPROACH THEM?
- HOW DO THEY BECOME OUR CUSTOMERS?

THIS SEMINAR WILL BE DIVIDED INTO TWO PARTS:

- PART 1: Always need some **theory** first
- PART 2: **Techniques** and tactics to help you out

WHO ARE OUR CUSTOMERS?

**WHO
IS MY
CUSTOMER?**



...the recipient

of a good, service, product or an idea,

obtained via a transaction

(exchange for money

or some other valuable consideration)

WHO ARE OUR CUSTOMERS?

It's a matter of balancing forces:

technology push vs demand pull



“If I had asked people
what they wanted,
they would have said faster horses”

Henry Ford



WHO ARE OUR CUSTOMERS?

Life is too short
to build something nobody wants.

And you get a gold star NOT for following the process, but for achieving results.

A SAD SHORT STORY 1/2



- Designing the device;
- Designing satellites;
- Buying 15 missiles to launch satellites from Russia, Usa and Cina;
- Building 90 satellites;
- Launching and positioning 77 satellites;
- Building an organisation capable to implement the overall project;
- Starting marketing and selling;

A SAD SHORT STORY 2/2



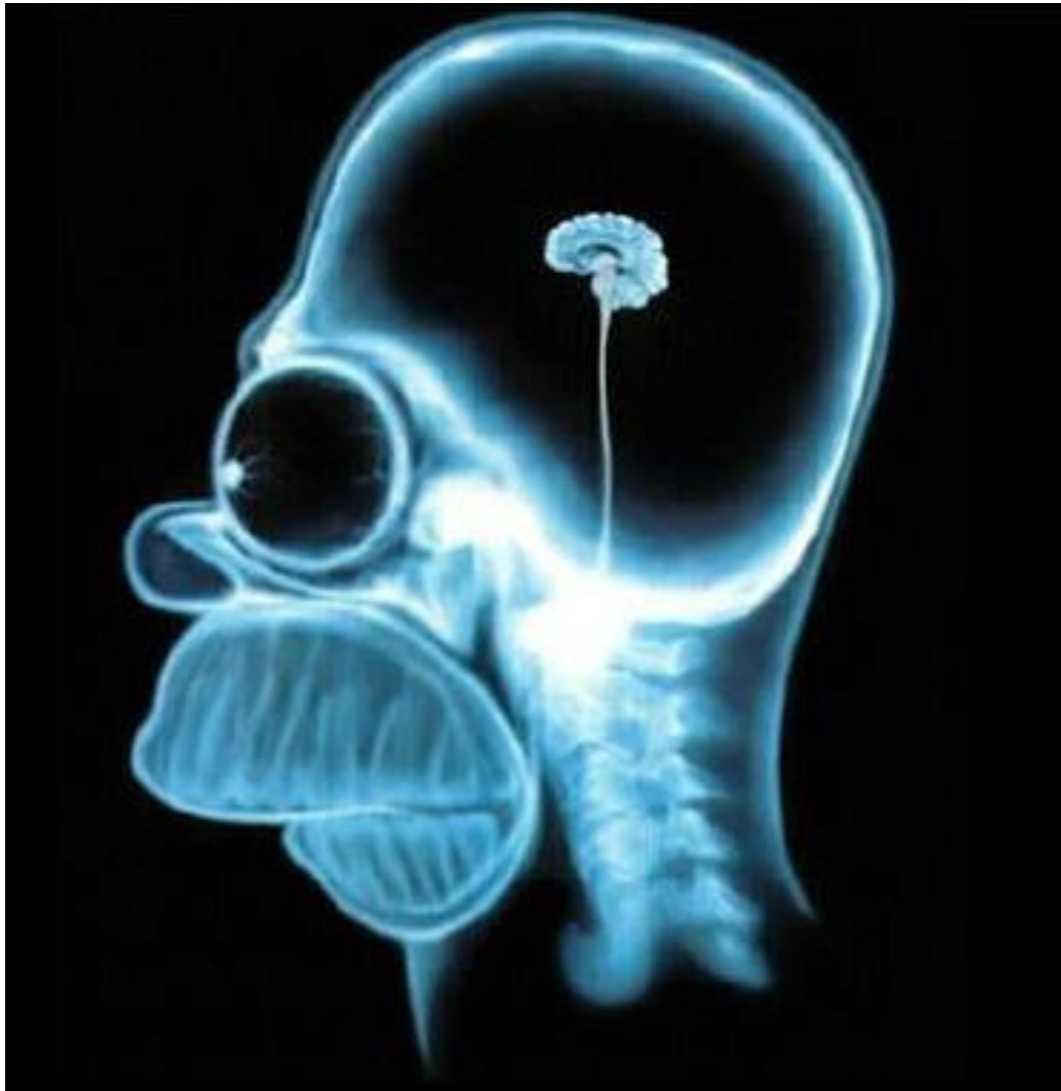
: Foundation;

1998: everything is ready for the first call; \$5,2 billions already spent;

1998: November 1st, the VicePresident Al Gore makes the first phone call;

1999: August 13th, the company declares bankruptcy;

2001: \$6 billions of machinery and the brand are bought a\$ 25 millions



EXECUTE A PLANNED STRATEGY

VS

SEEK WHAT DOES NOT WORK



WHO ARE OUR CUSTOMERS?

EARLY ADOPTERS,

customers who,

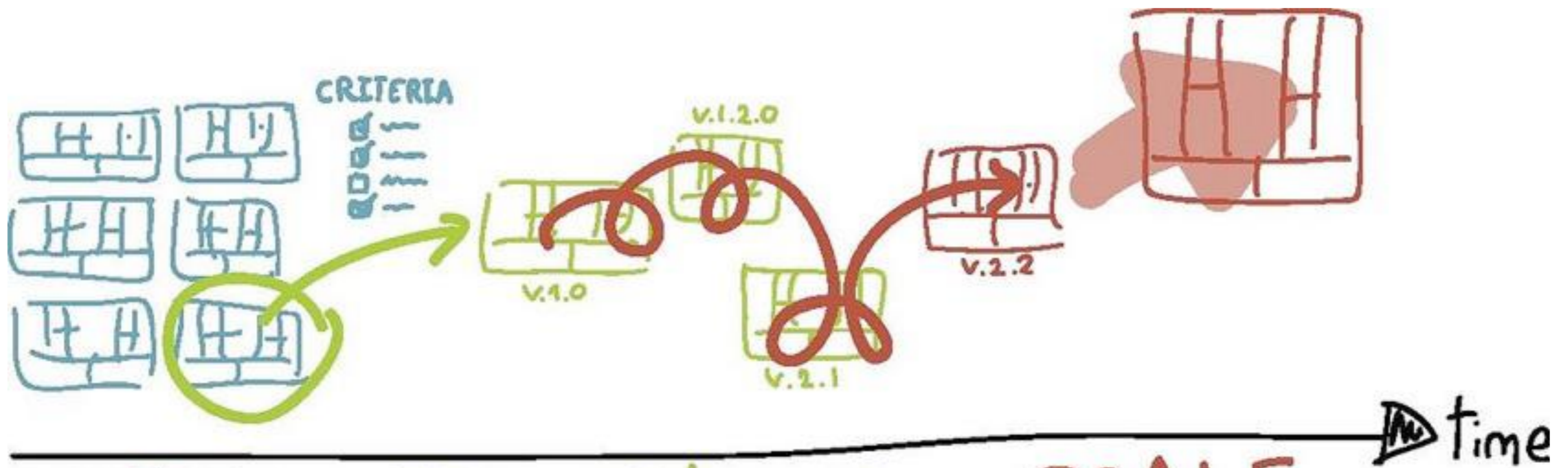
in addition to using the product or technology,
will also provide considerable and candid feedback
to help refining your future solution releases



WHO ARE OUR CUSTOMERS?

Principles of the Lean Methodology can be framed in two diagrams:

- 1) The Three Stages Process
- 2) The Feedback Loop



DESIGN

ITERATE/PIVOT

SCALE



continuous customer interaction: "get out of your building"



Design

Goal: Shape your idea into value proposition that create value for your customer

In the 'Design' phase, you should:

- **Work visually.** Don't waste time in long winding conversations. **Sketch out your ideas** and make them tangible (napkin sketches, Canvases, etc.)!
- **Don't fall in love with your first idea.** Explore and compare alternatives before you focus on one option.
- **Seek criticism early!**



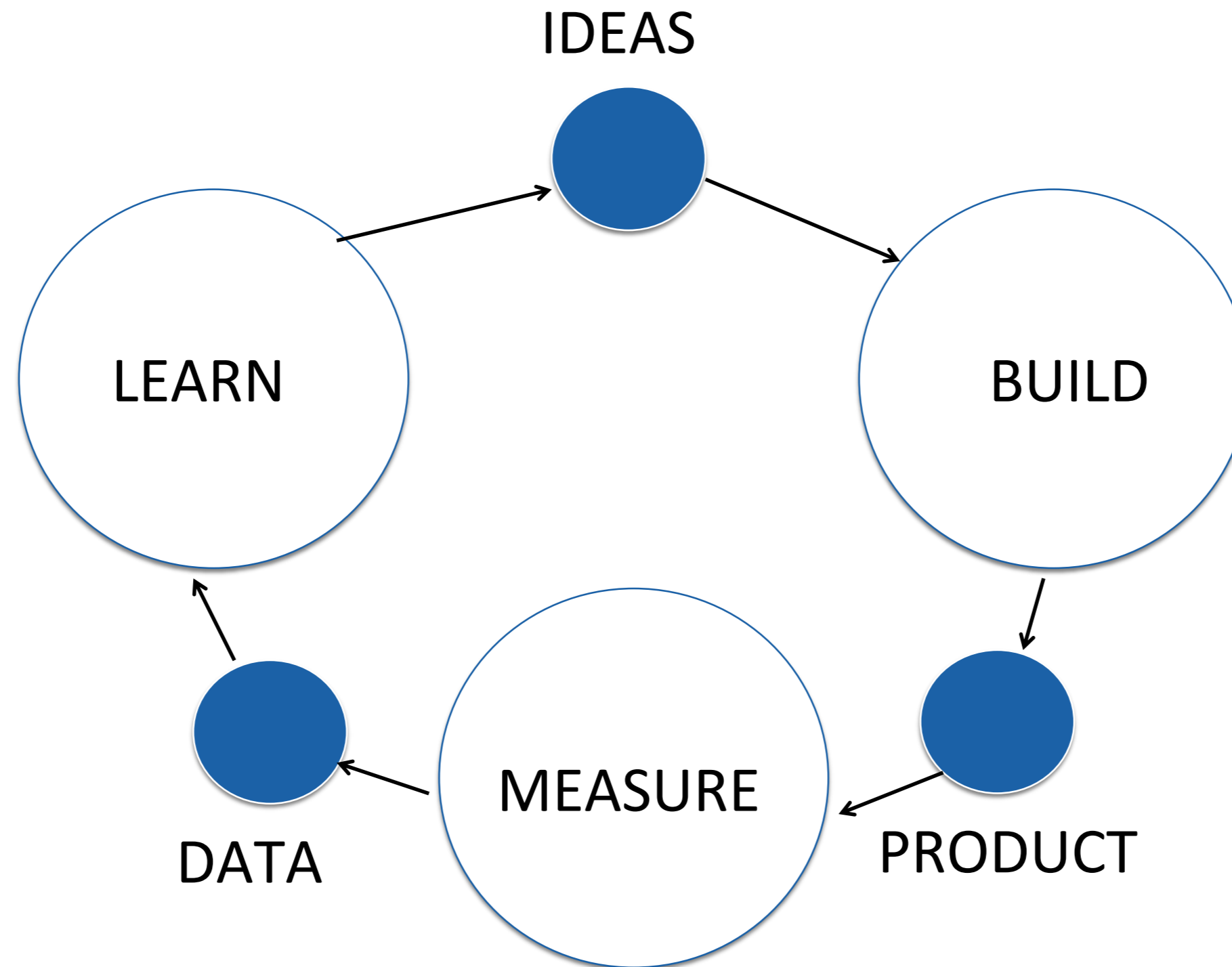
Iterate/Pivot = Test

Goal: Produce evidence that validates or invalidates the assumptions underlying your value proposition

In the 'Iterate/Pivot' phase, you should:

- **Keep the iterations** between Design and Test **short** to produce a maximum amount of learning as quickly as possible
- Conduct experiments that **resemble real world situations**.
- **Make it measurable!** Good tests lead to measurable learning that give you actionable insights.

WHO ARE OUR CUSTOMERS?





How does it work?

Step 1: Plan

Your first task is to **define the idea that you want to test** and **the information that you need to learn**. You do this by developing a *hypothesis* – your prediction of what will happen during the experiment.

Step 2: Build

Your goal here is to **create** the “smallest” (but working) possible solution that allows you to test your hypothesis.

Step 3: Measure

Here, you measure the results that you obtained in Step 2. How does what actually happened compare with your hypothesis? Is there sufficient interest in your idea to continue developing it?

Step 4: Learn

By the time you reach this stage, **you'll be equipped to make sound, evidence-based decisions about what to do next**. Validated Learning.



How does it work?

There are then two ways forward:

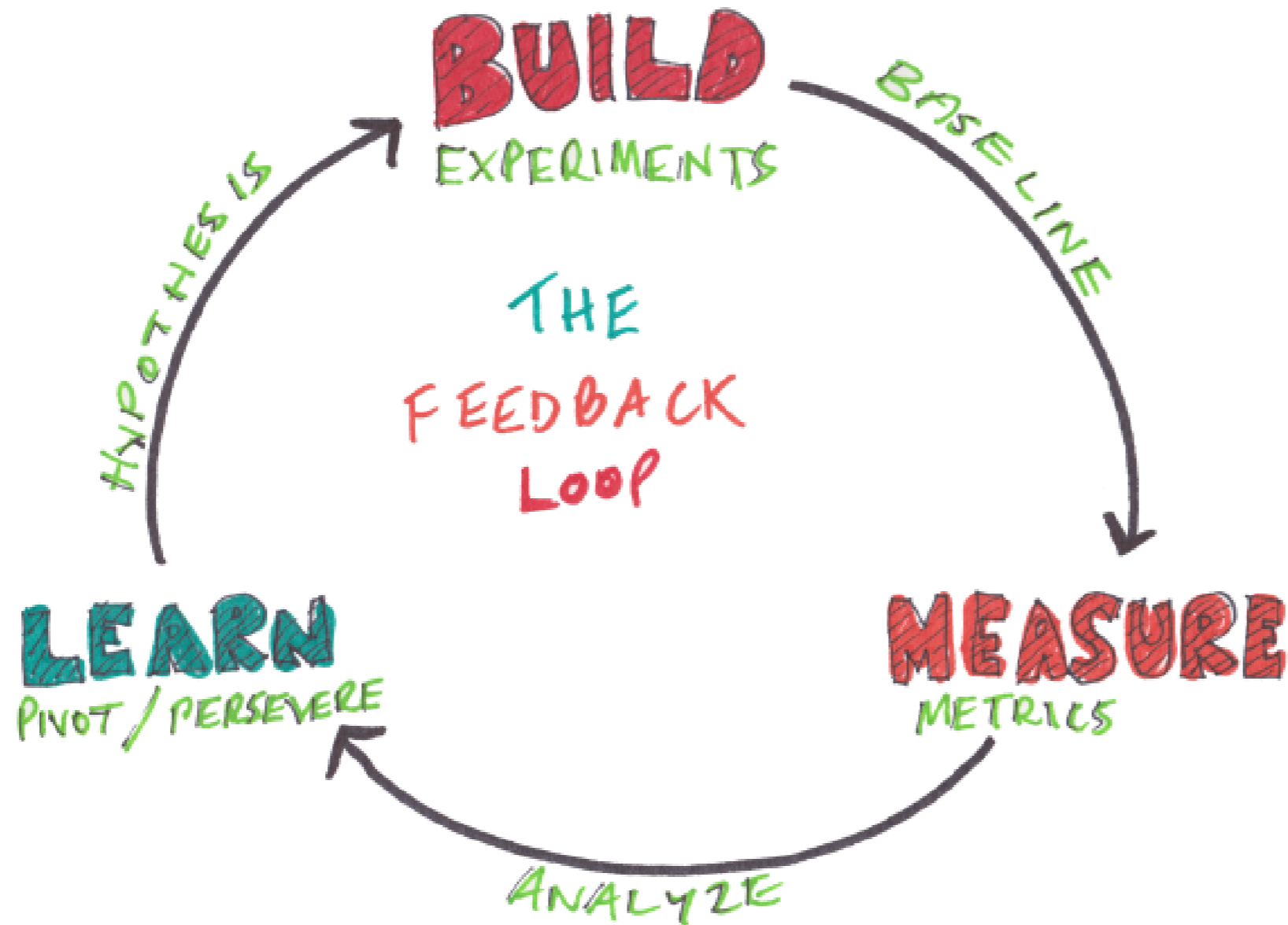
Persevere: Your hypothesis was correct, so you decide to press on with the same goals. You repeat the feedback loop to continuously improve and refine your idea.

Pivot: The experiment has refuted your hypothesis, but you've still gained valuable knowledge about what doesn't work. You can reset, or correct your course and repeat the loop, using what you've learned to test new hypotheses and carry out different experiments.

Be prepared! This model often generates bad news, particularly during early cycles.

You may need to pivot repeatedly before you can persevere.

WHO ARE OUR CUSTOMERS?





HOW DO WE APPROACH THEM?

PROBLEM VS SOLUTION

You must describe the problem clearly, and do it from the customer's point of view.

The problem should be one the customer sees value in solving.

To find out what the really difficult problems are, ask the right questions and listen before acting.

GET OUT OF THE BUILDING!

HOW DO WE APPROACH THEM?

AROUND LEARNING, NOT PITCHING

- BEFORE YOU CAN PITCH THE “RIGHT” SOLUTION, YOU HAVE TO UNDERSTAND THE “RIGHT” CUSTOMER
- DON'T ASK WHAT THEY WANT. OBSERVE AND MEASURE WHAT THEY DO.



HOW DO WE APPROACH THEM?



SCRIPT

- CAST A WIDER NET INITIALLY
- PREFER FACE-TO-FACE
- START WITH PEOPLE YOU KNOW

HOW DO WE APPROACH THEM?

TAKE SOMEONE ALONG → DOCUMENT IMMEDIATELY AFTER





CUSTOMER DISCOVERY: THE LEAN APPROACH PART 2

Solving Problems = Building Client Base

Every customer **has** a problem,
every problem **has** a solution

Not **every** solution **has** a problem
Not **every** problem **has** a customer



APPROACHING CUSTOMERS

Get Prepared!

1. PROBLEM

- Brainstorm and identify the problem(s)
- Define a common definition of the problem(s)
- Write the problem(s) down

2. CUSTOMER

- **Identify** one or more customers. If you refer to a multi-player market, start from the most challenging one: which customer segment is less likely to have a problem it wants solved?

Write them down, being as more specific as possible

3. ASSUMPTION

- **Define one or more assumptions** for your customer/problem hypothesis that must hold true
- Remember: **assumptions are what supports the belief that your customer has that problem**
- **The riskiest is the one that is core to the viability of the problem.** If it is not true, your customer/problem hypothesis is invalidated
- **Be sure your riskiest assumption can be proven wrong:** avoid using subjective words!



APPROACHING CUSTOMERS

Get Prepared!

4. TESTING

- **Define** the customer/problem **hypothesis** to test for the first experiment and the riskiest assumption
- **Define the success criterion** e.g. 70% or “7 out of 10”
 - validation = persevere
 - invalidation = pivot
- **If you pivoted, you can change the problem or the customer or both**
- You may come back with many different learnings on many different aspects of your idea
Focus only on the KEY INSIGHTS that helps you to design your next experiment

Dry-wallet Concierge Interview



APPROACHING CUSTOMERS

The Experiment Techniques

Deploy a simulated “purchase now”
experience

e.g. Letter of Intent, Landing Pages,
Crowdfunding, etc.



APPROACHING CUSTOMERS

The Experiment Techniques

Manually perform tasks related to delivering the value
of your product or service

*e.g. Customized manual service
(that customers do not see)*



APPROACHING CUSTOMERS

The Experiment Techniques

The Problem Interview

The **main goal** is

to learn about our customers' environment and the problem you want to solve.



APPROACHING CUSTOMERS

The Experiment Techniques

The Problem Interview

To Learn vs to Convince

Ask a set of “**demographic questions**” (at the end of the interview),
by focusing on those variables that will be **useful for re-segmenting**

E.g.: age, job, where he/she is living, etc.

Ask at the very end:

“Could you suggest **3 other people I should contact next for an interview?**”

This will help you to find names and surnames of people to be contacted next



APPROACHING CUSTOMERS

The Experiment Techniques

The Problem Interview

Through it, you must reply the following questions:

- *Is the problem real?*
- *Is it important?*
- *Is it recurring?*
- *Does it affect a large number of people?*
- *How is your customer solving it?*
- *What alternatives are available?*
- *What problems do these alternatives have?*
- *What is the ideal solution for your customer?*



APPROACHING CUSTOMERS

The Empathy Map...step into your Customer Shoes!

This tool allows you **to create a profile of the customer** in a very simple and easy way.

It helps **realize what we don't know about our customer**. In the Lean language, it allows us to identify some key hypotheses relating to our customer.

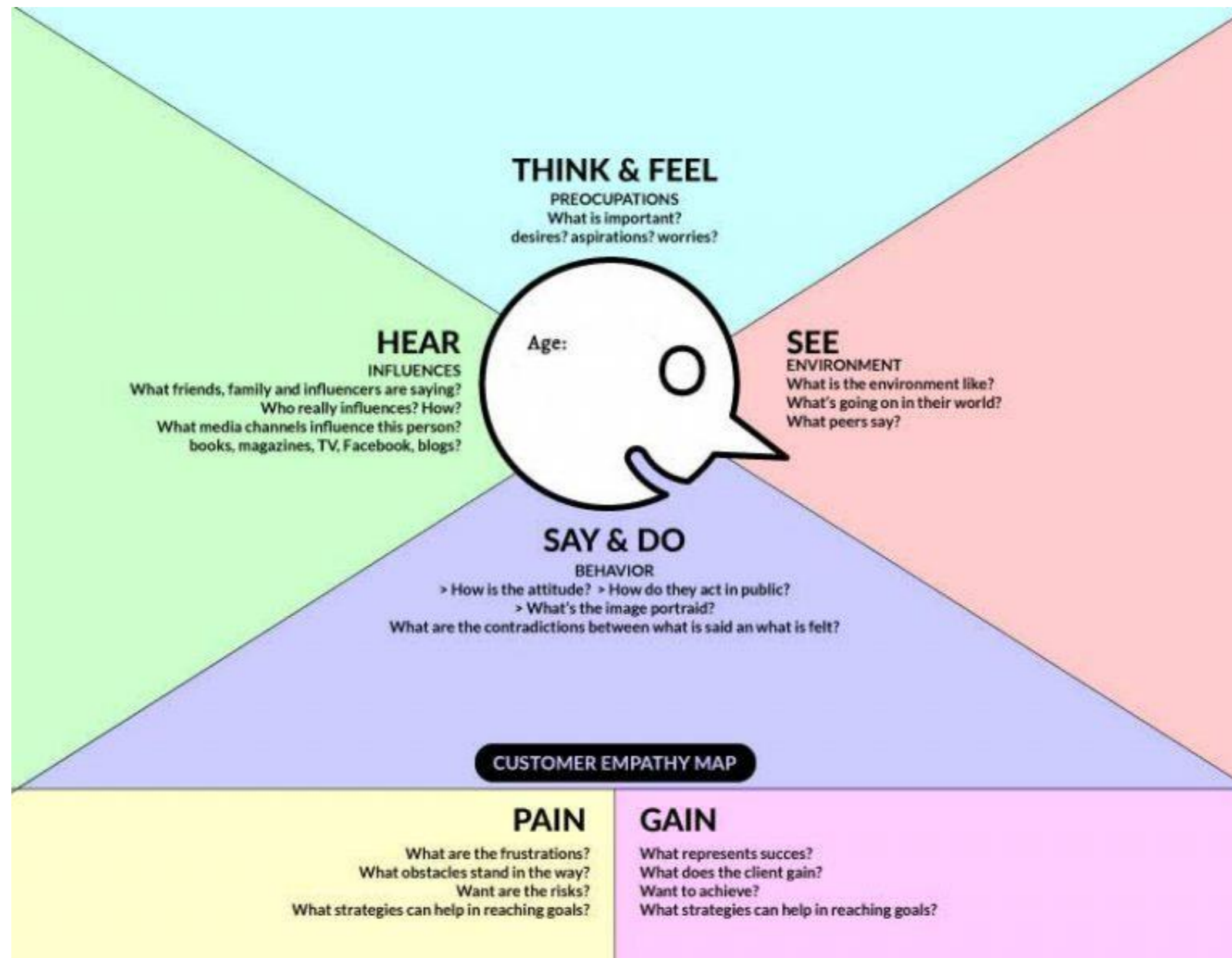
Why use Empathy Maps?

Customers often tell us what they think we want to hear

and not what they actually think!

APPROACHING CUSTOMERS

The Empathy Map...step into your Customer Shoes!





APPROACHING CUSTOMERS

The Experiment Techniques

Interview

1. DO NOT TELL, LISTEN
2. Neutral and pleasant place
3. 30 minutes
4. Ask the same questions every time
5. Write everything down
6. Minimum 6 interviews per hypothesis

Interview

- Never talk about the solution!
- Never ask about what they would do or buy, how much they would spend
- Ask about the **behaviour they had in the past**

Interview Structure

- *Have you ever had this problem?* (If they answer “No”, end the interview and count it as invalidated)
- *Tell me about the last time you had this problem/how have you solved this problem in the past?* (→ You will find your competitors!)
- *Have you been satisfied by the solution you found? ONLY IF they did not found a solution you can ask how they would solve the problem*



APPROACHING CUSTOMERS
The Experiment Techniques

An example By Grace

https://www.youtube.com/watch?v=-_MH8TENpwc



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