

THE FIRST

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MEASURE THE STRENGTH OF YOUR IDEA
WITH REAL CUSTOMERS.

BEN LEE

The First 100

Measure the strength of your idea with real customers.

Why 100 Customers?

Because product development is one big science experiment, there's really only one thing that can be guaranteed: the more people who interact with your product, the more feedback you'll receive, and the closer you'll get to building something they actually want.

If you can get 100 people to interact with your product, or even just talk about your idea, you'll be well on your way to validation. And without validation, your science experiment can go horribly awry. You'll use up all of your time, money, resources and mental bandwidth - all of which are in limited supply - only to develop a product that will ultimately fail.

And the reason 90% of startups fail is due to a lack of validation. It was this realization that led us to create Rootstrap, along with Roadmapping - our custom service designed to help our clients validate their idea before a single line of code is written.

Consider this your own personal Roadmapping session. Our goal is to help you fully develop from a mere concept into a strong business, starting with 100 customers to help you validate your idea. Here's how:

Part One: So, You Want to Start a Business?

Gut check time. Let's see what you're made of.

Part Two: Who's Going To Care?

Before we find those 100 customers, let's get an idea of what they look like.

Part Three: What Can You Build For Them Right Now?

All talk and no action make Jack a bad product owner.

Part Four: Can You Prove Your Solution Is Viable?

Time to put a real thing in front of a real person.

Part Five: Building Your Business

Here's how to create a cohesive brand around your idea.

Part Six: Launching That Bad Boy

It's time to start gaining traction. 100 is just the beginning.

Completing this actionable guide will require significant effort on your end, but just remember: validation dollars are infinitely cheaper than development dollars. And you don't have to complete this guide in one sitting, so don't be intimidated. You can take it step-by-step over the course of weeks or months. And once you finish, compile all of your answers into a single document that you can share with teams and refer back to time and time again.

We promise, you're going to be a hell of a lot more confident going into development, and much more prepared to scale or make a multi-million dollar exit.

So, how do we begin? It all starts with you.

Part One

So, You Want To Start a Business?

Gut check time. Let's see what you're made of.

What does it take to become a great Product Owner?

Traits like avoiding perfectionism, adapting quickly to change, accepting uncertainty and embracing the process will all help of course, in due time. But right now, there's something more pressing at hand:

Intention.

Why are you here?

What's the dream at the end of the tunnel?

How honest are you prepared to be with yourself?

We ask because many entrepreneurs have trouble with blind spots. Some underestimate their abilities; others over-inflate their pride or become blinded by hubris. But we're all human (let's hope), and we all suffer from similar biases and errors.

This guide will help you overcome these challenges, but for any of this to work, there must be absolute honesty - starting with yourself. Again, why are you really doing this? Why go through all of the trouble, or all of the ups and downs? What is to be gained?

Zig Ziglar was a genius when it came to questions like these. He always argued that you should know what you're working towards, how you're going to do it, with whom, and why. We couldn't agree more.

Exercise One:

Set Your Intention

Don't Cook in the Squat: Goal Setting Advice from Zig Ziglar

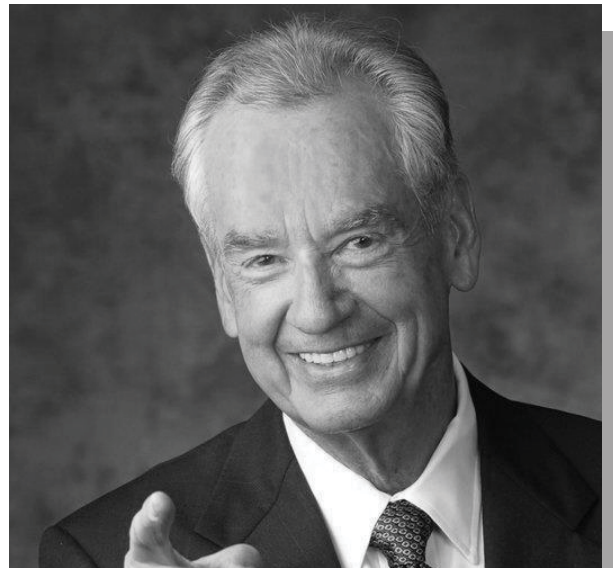
"You'll never make it as a wandering generality. You must become a meaningful specific." - Zig Ziglar

"When you catch a glimpse of your potential, that's when passion is born."

- Zig Ziglar

Zig Ziglar's Seven Steps for Goal-Setting

- 1 • Write it down.
- 2 • Put a date on it.
- 3 • List any and all obstacles you'll need to overcome.
- 4 • Identify the people, groups and organizations you'll need to work with.
- 5 • Spell out a plan of action. (Set that time limit in there.)
- 6 • Identify all of the benefits to you.
- 7 • And do it now.



What's your vision for the future? What's the end game here?

Do you want to scale your idea and sell? Get acquired and exit? Are you in it for the long haul? When's it due?

"Give me a stock clerk with a goal and I will give you a man who will make history.

Give me a man without a goal, and I will give you a stock clerk!" - J.C. Penney

Okay, you've got a goal. A noble start. But what about motivation and passion?

Supposedly, Bill Gates once said, "I choose a lazy person to do a hard job because a lazy person will find an easy way to do it." Well, if your goal is to retire and do nothing, the easiest way to do that is to complete the job quickly. And there's nothing wrong with wanting to secure a financially beneficial exit as quickly as possible. But for others, there may be a deeper motivation at play other than money. Some people are called to do things. Maybe you're being called to start this business. Or perhaps this has been a dream of yours for many years.

Either way, now that you've established what your goals are, it's time to understand the driving force behind them. What will ensure that you achieve your goal? And how will that driving force serve you after you do? Dig deep. What's keeping this fire alive?

Exercise Two:

Find Your Motivation

Let's Talk Passion & Sweat Equity

"Passion is one great force that unleashes creativity, because if you're passionate about something, then you're more willing to take risks." - Yo-Yo Ma

"Sweat equity is the most valuable equity there is. Know your business and industry better than anyone else in the world. Love what you do or don't do it."
- Mark Cuban

"I want to know why you do what you do. What is your motive for action? What is it that drives you in your life today (not ten years ago)? Or are you running the same pattern? Because I believe that the invisible force of internal drive activated is the most important thing in the world...I believe emotion is the force of life...and that decision is the ultimate power."
- Tony Robbins

How about some Maverick motivation?

Only Dead Fish Go with the Flow: How to Be a Maverick

Excerpts from interviews included in *Mavericks at Work* by William C. Taylor & Polly LaBarre

"Most people in an industry are blind in the same way. They're all paying attention to the same things, and not paying attention to the same things."

Gary Hamel

Author/Consultant

"It's not enough for leaders to challenge the prevailing logic of the business; they also have to rethink the logic of their own success."

Chris Albrecht

HBO

"We've always acted as if we're a much bigger company than we really are. We're still a fairly young player in our industry, but we conduct ourselves as if we are a global movement. This isn't a job. It's the pursuit of a dream, to give everyone a chance to shine. It's a big, ethereal goal, but we won't stop until we're convinced that we're making progress against the goal."

Richard Tait

Cranium

"Anybody who's running a business has to figure out the higher calling of that business, its purpose. Purpose is about the difference you're trying to make - in the marketplace, in the world. If everybody is selling the same thing, what's the tiebreaker? It's purpose."

Roy Spence

GSD&M

"Every great company has redefined the business that it's in."

Vernon W. Hill

Commerce Bank

Ask Yourself:

- What idea(s) is your company fighting for?
- What values does your company stand for?
- What purpose does your company serve?
- Are we who we say we are?

Why are you so passionate about this idea?

Is a rigid ideology driving you, or pure love for the work?

"Oh, to be sure, there are the get-rich dreams that float in and out of idle conversation. But there are much heavier rewards closer at hand - the freedom to be your own boss and chart your own course, the chance to explore the leading edge of some new technology, the career-opening opportunity to take on far more responsibility than any established organisation would ever grant.

These are what really drive early market organisations to work such long hours for such modest rewards - the dream of getting rich on equity is only an excuse, something to hold on to your family and friends as a rationale for all this otherwise crazy behavior."

- Geoffrey A. Moore, Crossing the Chasm

Now that we know you're in it for the long haul, the next step is to identify your value proposition. This needs to be both digestible and understandable for people who don't speak tech (or whatever your industry lingo happens to be). For instance, if your goal is to "make the world a better place," how - specifically - will you accomplish this? What slice of the pie is yours, and what steps will you take to own it?

Ultimately, this is a question of value. What is the most valuable component of your idea as it relates to your goals and motivation? What is essential? The more specific your answer, the more valuable it is.

To help you with this next exercise, we've outlined some of the core ideas promoted in The Lean Startup by Eric Ries:

Exercise Two:

Find Your Motivation

A Brief Summary of Principles from The Lean Startup by Eric Ries

"Learn to see every startup in any industry as a grand experiment."

- Eric Ries, Lean Startup

The Lean Startup Basics:

- A scientific method created in 2008 by Eric Ries
- Inspired by Steve Blank's Customer Development Methodology & the lean manufacturing principles used in Japan by Toyota
- Focused on experimentation over elaborate planning with an emphasis on customer feedback
- Encourages "failing fast" in the pursuit of learning what customers actually want
- Results in fewer product failures than traditional methods

The Lean Startup Definitions

Entrepreneur: Anyone depending on innovation for future growth

Startup: Any size organization that creates new products & services under conditions of extreme uncertainty

Product: Anything customers experience from their interactions with a company

Value: Anything benefiting the customer (and if you're not creating value, you're generating waste)

Growth: How your customers will become aware of your offer (measures how you will "cross the chasm")

MVP: A minimum viable product that enables you to test your fundamental business hypotheses while still delivering value to your customers

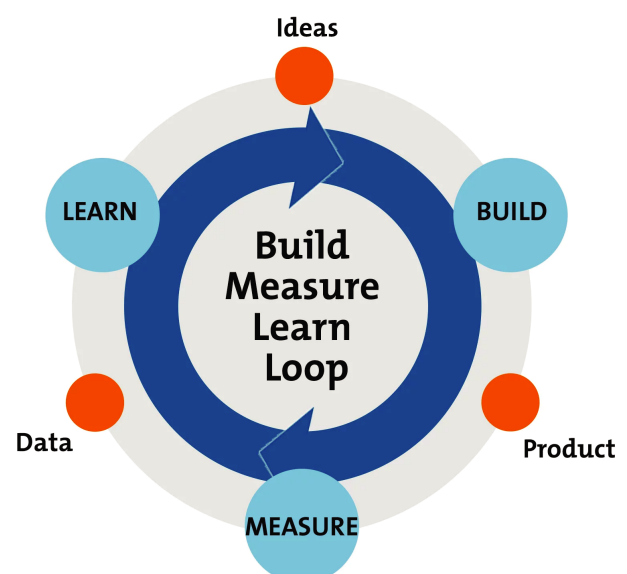
Validated Learning: How you measure growth

Innovation Accounting: How you measure validated learning

The goal of this methodology?

To discover and eliminate waste while de-risking investments through sprints and cycles of product development, outlined through the Build-Measure-Learn Feedback Loop.

The Build-Measure-Learn Feedback Loop



Ask Yourself:

- Should this product be built? Not just, 'Can it be built?'
- Does a market even exist for this business to thrive in?
- Does this product really deliver value to my customer?

Use The Lean Startup Approach to Determine:

- Which customer feedback should be applied to the development process
- Which core features should take priority
- What's essential vs. wasteful
- Which features your customers have an emotional attachment to
- How to make today's customers happy without sacrificing the customers of tomorrow ?

What's the most essential need your product will fulfill?

At a bare bones level, what are you supplying?

"Thoreau wrote, "Simplify! Simplify!" And, indeed, simplification is one mark of real genius."

- **Dan Ariely**, Predictably Irrational

Now that we have your value prop fleshed out, you can begin the transition from a concept into a business, starting with your message. More specifically, your mission statement.

Think of this mission statement as the "drawing board" of your brand moving forward. If and when you want to regroup, always come back to a single, powerful statement that defines who you are and what you do.

Exercise Four:

Create Your Working Mission Statement

Six Elements of a Great Mission Statement:

- Start with an action verb
- Make it short & easy to remember
- Focus on a very specific problem
- Have a big goal in mind (what are you really working towards?)
- Write in plain language (read: no fancy words or tech terms)
- Avoid including the word "help" - be bold & confident

Examples of Action Verbs:

Build, Bring, Coordinate, Create, Document, Eliminate, Enhance, Introduce, Join, Manage, Maximize, Negotiate, Plan, Prepare, Program, Replace, Solve, Train, Unite, etc.

HubSpot:

"To make the world inbound. We want to transform how organizations do marketing."

Zappos:

"To provide the best customer service possible."

Johnson & Johnson:

"Our first responsibility is to the doctors, nurses, and patients, mothers and fathers and all others who use our products and services."

Tony's Chocolonely:

"To make '100% slave-free' the norm in chocolate."

TEDTalks:

"Our mission: Spread Ideas."

Patagonia:

"Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis."

Ash Ambirge (The Middle Finger Project):

"...to help the lost, the confused, the disillusioned and the 'how the hell did I become an administrative assistants?' of the world become more unf*ckwithable in their work - and lives - by learning how to trust themselves unflinchingly and build a unique, modern, gloriously independent career using that great, big, free thing we call the Internet."

Just for Fun: A Madlib Pitch

My idea (**working product name**) is for (**target customer**) who have (**list specific problem**). My product solves this issue by (**explain solution**) because I believe (**list values**).

Example:

My idea, "**artificial honey bee**", is for **farmers suffering from the honey bee crisis** who are having trouble pollinating their crops. My product solves this issue by **providing drone "honey bees" to spread pollen** because I believe **in crop sustainability**.

Or....

Artificial Honey Bee: "To promote crop sustainability and alleviate suffering from the honey bee crisis."

What's your mission statement?

In one or two sentences.

"Outstanding people have one thing in common: an absolute sense of mission." - Zig Ziglar

You've just determined that your idea will produce a product worth having, and that there is a distinct problem it can solve. You have a clear mission statement, and now you're ready to build upon it.

Take "Artificial Honey Bee" for example. Their mission is "to promote crop sustainability and alleviate suffering from the honey bee crisis." The most intriguing aspect of that mission may be the honey bee crisis. Why is that "worthy of remark," or remarkable?

You could argue that without honey bees, there would be no more oranges, lemons, limes, apples, avocados, cucumbers, and other favorite foods. Mentioning this fact might serve as a conversation starter, which will help your idea spread. Sure, people might not always talk about your product on its own (out of context), but they may discuss the problem that your product solves and include you in the conversation.

What do you think would be the equivalent for your business? When it comes to your idea, what might people be shocked to find out?

Exercise Five:

Determine Your "Wow" Factor

Make Something Worth Talking About: Advice from Seth Godin

"The brand of the future is patient, consistent, connected, and trusted. The new brand is based on the truth that only comes from experiencing the product, not just yelling about it. Word of mouth is more important (by a factor of 20) than TV advertising, and the remarkability word of mouth demands comes from what we experience, not from spin or taglines or a campaign slogan."

- Seth Godin

"More than anything else, I think prospects, customers and citizens watch what you do more than they listen to what you say."

- Seth Godin

Seth's Advice On How To Be Remarkable:

- Understand the urgency of the situation.
Half-measures simply won't do. The only way to grow is to abandon your strategy of doing what you did yesterday, but better. Commit.
- Remarkable doesn't mean remarkable to you. It means remarkable to me. Am I going to make a remark about it? If not, then you're average, and average is for losers.
- Being noticed is not the same as being remarkable. Running down the street naked will get you noticed, but it won't accomplish much. It's easy to pull off a stunt, but not useful.
- Extremism in the pursuit of remarkability is no sin. In fact, it's practically a requirement. People in first place, those considered the best in the world, these are the folks that get what they want. Rock stars have groupies because they're stars, not because they're good looking.
- Remarkability lies in the edges. The biggest, fattest, slowest, richest, easiest, most difficult. It doesn't always matter which edge, more that you're at (or beyond) the edge.
- Not everyone appreciates your efforts to be remarkable. In fact, most people don't. So what? Most people are ostriches, heads in the sand, unable to help you anyway. Your goal isn't to please everyone. Your goal is to please those that actually speak up, spread the word, buy new things or hire the talented.
- If it's in a manual, if it's the accepted wisdom, if you can find it in a Dummies book, then guess what? It's boring, not remarkable. Part of what it takes to do something remarkable is to do something first and best. Roger Bannister was remarkable. The next guy, the guy who broke Bannister's record wasn't. He was just faster...but it doesn't matter.
- It's not really as frightening as it seems. They keep the masses in line by threatening them (us) with all manner of horrible outcomes if we dare to step out of line. But who loses their jobs at the mass layoffs? Who has trouble finding a new gig? Not the remarkable minority, that's for sure.
- If you put it on a T-shirt, would people wear it? No use being remarkable at something that people don't care about. Not ALL people, mind you, just a few. A few people insanely focused on what you do is far, far better than thousands of people who might be mildly interested, right?
- What's fashionable soon becomes unfashionable. While you might be remarkable for a time, if you don't reinvest and reinvent, you won't be for long. Instead of resting on your laurels, you must commit to being remarkable again quite soon.

http://sethgodin.typepad.com/seths_blog/2007/01/how_to_be_remar.html

What's the most intriguing aspect of your idea from a word-of-mouth marketing perspective?

What do you think will excite people the most?

"The path to lifetime job security is to be remarkable." - **Seth Godin**, Purple Cow

That's it for Part One. Nice work! Compile your answers and give them a read through. Are you still confident about your idea? We've just taken a hard look at your goals, motivation, value prop, mission statement, and the most intriguing aspect of your idea. If that doesn't get you fired up, we're not sure what will.

Let's keep this momentum going and start talking about your customer. Because if you're going to get people to buy into your idea, you must first determine who they are and what will appeal to them.

Part Two

Who's Going To Care?

Before we find those 100 customers, let's get an idea of what they look like.

OK - we've explored your concept and have a general idea of what we're walking in with. But no idea can live for long in a bubble - it needs customers to become a reality. So who might your first customers be?

They're called innovators and early adopters. These are the most patient and nurturing customers available, for the sole reason that they're willing to offer honest feedback. And it's through this feedback that you'll be able to determine whether or not your basic product truly meets the needs of your customers, and if you can even establish a "beachhead on the shores."

However, before we can get that valuable feedback, we should have an idea of who we want to talk to. Who is our basic product perfect for, and how can we connect with them? Who will you test your ideas on first? Who will provide the most valuable feedback? Let's turn to Steve Blank and his Customer Development Process to better understand who our early adopter is.

Exercise One:

Your First Customers

A Crash Course in Customer Development

Part One: The Early Adopter

A Process Created by Steve Blank

What's an early adopter?

- A special breed of customer who prefers unfinished products
- Wants to be the first to use or adopt a new product
- Can imagine and articulate what a product is missing
- Eager to provide detailed feedback & play a role in development
- Typically the first to pursue tech for intrinsic benefits
- Interested in solving the problem they are currently experiencing.

Ask Yourself:

- Who would you target first with limited ad spend?
- Who's the person desperately looking for this product?
- Who needs your product?
- Who do they talk to, specifically?
- Who will be the customer who loves your product enough to not only give it a chance but to talk about it or share it with friends?
(That's who we're after.)

The goal with your early adopter?

To establish a "beachhead on the shores." You want to use this single customer segment to learn more about your market, build momentum, and capitalize on their communication networks and structures. (Remember: They have to be able to communicate with each other for your idea to truly spread.)

Who do you think is your early adopter?

Who is experiencing this problem day in and day out, so much so that they're willing to take a chance on a completely new idea?

"The single most important difference between early markets and mainstream markets is that the former are willing to take responsibility for piecing together the whole product (in return for getting a jump on their competition), whereas the latter are not." - **Geoffrey A. Moore**, Crossing the Chasm

Now that you have a vague idea of who your early adopter is, let's drill further down to specifics. For instance, a bad example of an early adopter would be "millennials" or "college students." To connect with your early adopter, and collect actionable feedback, you need to be able to define who they are at the micro level - right on down to their personality.

Let's take HBO's hit series Silicon Valley for example. Would your target customer be:

- 1 • **Richard:** An engineering genius, awkward CEO, and frequent sufferer of panic attacks and nausea
 - 2 • **Gilfoyle:** a confident (if not arrogant) expert on system architecture, networking and security who's also a Satanist who enjoys IPAs and an open relationship with his girlfriend Tara
 - 3 • **Dinesh:** An expert in JavaScript who is unlucky in love, has next to no social life, and has an affinity for gold chains and Solitaire
 - 4 • **Gavin Belson:** A power hungry titan of the tech world with a violent, destructive temper kept mostly under wraps; he's in it to win it, but sees the future going on without him - and he's desperate to hold onto power
 - 5 • **Laurie Bream:** Mother of four, managing partner at a major VC firm, calculated, logical, precise; not exactly a people person
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Exercise Two:

Create a Picture of Your Early Adopter

Building a Realistic Customer Profile

Questions to Consider About Your Target Customer:

- 1 • Where might you have a conversation with your early adopter?
- 2 • How does your product make them better?
- 3 • What does their life look like before your product? After? Where do they work? What's their age and location? Does that matter? How does your product change their routine?
- 4 • What frustrates them? What do they find "merely disappointing?"
- 5 • How do they communicate? What language or jargon do they use? What are they saying?
- 6 • What would make them hesitate about your offer?
- 7 • Where do they spend their time? What activities do they love? What's their lifestyle? What's their family like?
- 8 • What blogs do they read? What technology do they use? What search terms might they use to find you?
- 9 • What do they do on weekends? What do they do for fun? What do they like online? Who do they follow?
- 10 • What else are they buying, and why?

In sum, what does your Early Adopter's lifestyle look like?

For this exercise, you'll want to consider the geographic, demographic, psychographic (values, lifestyle, personality), and behavioral traits of your early adopter. You'll want to combine these answers into a description of your ideal prospect. For example: "30-35 year old women in California earning \$30-40K per year who shop at Trader Joe's, focus on ethical consumption, prefer Chrome over Safari, and use Intuit's QuickBooks Self-Employed at least once per month."

There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else. - **Sam Walton**, Wal-Mart

Now it's time to determine how your product will fit within the lives of your early adopters. As you can see from the stats below, the average American consumer is bombarded with information, offers, and calls-to-action every day. In fact, they're downright overwhelmed by what Barry Schwartz would call the 'paradox of choice.'

So what will make your product worth having? How does it fit into the life of your early adopter? Will it be used as frequently as Richard Hendricks uses his laptop (aka his girlfriend), or as often as Erlich Bachman reaches for his bong? Or will it be used about as much as Dinesh uses his gold chain? Be realistic.

Exercise Three:

Imagine How Your Product Fits Into This Lifestyle

Stats on General Consumption

Americans aged 18 and older spend more than 11 hours each day watching TV & using smartphones and electronic devices.

<https://www.statista.com/chart/1971/electronic-media-use/>

In 2015, the average American spent 132 minutes on their desktop/laptop devices each day.

<https://www.statista.com/statistics/270781/average-daily-media-use-in-the-us/>

As of January 2017, 2.2 million mobile apps were available to download for iOS devices.

<https://www.statista.com/statistics/263795/number-of-available-apps-in-the-apple-app-store/>

Consumers spend over 85% of their time on smartphones, but the majority of that time (84%) is only spent in five non-native apps.

<https://techcrunch.com/2015/06/22/consumers-spend-85-of-time-on-smartphones-in-apps-but-only-5-apps-see-heavy-use/>

Facebook accounts for 13% of all U.S. minutes spent on apps, with Google accounting for 12%.

<https://techcrunch.com/2015/06/22/consumers-spend-85-of-time-on-smartphones-in-apps-but-only-5-apps-see-heavy-use/>

The average American home holds over 300,000 items.

<http://articles.latimes.com/2014/mar/21/health/la-he-keeping-stuff-20140322>

Why Excess Freedom Paralyzes Rather than Empowers: Advice from Barry Schwartz

Excerpts from his Ted Talk: "The Paradox of Choice"

Barry Schwartz: "I want to start with what I call the 'official dogma.' The official dogma of what? The official dogma of all Western industrial societies, which runs like this: 'If we are interested in maximizing the welfare of our citizens, the way to do that is to maximize individual freedom. The reason for this is both that freedom is in and of itself good, valuable, worthwhile, essential to being human and because, if people have freedom, then each of us can act on our own to do the things that will maximize our welfare and no one has to decide on our behalf. The way to maximize freedom is to maximize choice. The more choice people have, the more freedom they have, and the more freedom they have, the more welfare they have. This, I think, is so deeply embedded in the water supply, that it wouldn't occur to anyone to question it. And it's also deeply embedded in our lives. I'll give you some examples of what modern progress has made possible for us.

I want to say just a word about salad dressings. 175 salad dressings in my supermarket, if you don't count the 10 extra virgin olive oils and 12 balsamic vinegars you could buy to make a very large number of your own salad dressings in the off chance that none of the 175 the store has on offer suits you. So this is what the supermarket is like.

In other aspects of life that are much more significant than buying things, the same explosion of choice is true. Healthcare: it is no longer the case in the United States that you go to the doctor and the doctor tells you what to do. Instead, you go to the doctor, and the doctor tells you:

'Well we could do A, or we could do B. A has these benefits, and these risks. B has these benefits, and these risks. What do you want to do?' And you say, 'Doc, what should I do?' And the doctor says, 'A has these benefits and risks, and B has these benefits and risks. What do you want to do?' And you say, 'If you were me, Doc, what would you do?' And the doctor says, 'But I'm not you.' And the result is, we call it 'patient autonomy,' which makes it sound like a good thing; but what it really is is a shifting of the burden and the responsibility for decision making from somebody who knows something, namely the doctor, to somebody who knows nothing and is almost certainly sick, and thus not in the best shape to be making decisions, namely the patient. There's enormous marketing of prescription drugs to people like you and me, which if you think about it, makes no sense at all since we can't buy them. Why do they market to us if we can't buy them? The answer is that they expect us to call our doctors the next morning and ask for our prescriptions to be changed.

Something as dramatic as our identity has now become a matter of choice. We don't inherit an identity, we get to invent it. And we get to reinvent ourselves as often as we like. And that means that every day, when you wake up in the morning, you have to decide what kind of person you want to be. With respect to marriage and family, there was a time when the default assumption that almost everyone had was that you got married as soon as you could, and then you started having kids as soon as you could. The only real choice was 'who?' Not when, and not what you did after. Nowadays, everything is very much up for grabs.

Work. We are blessed with the technology that enables us to work every minute of every day from any place on the planet. So what this means, this incredible freedom of choice we have with respect to work, is that we have to make a decision, again and again and again, about whether we should or shouldn't be working. We can go to watch our kid play soccer, and we have our cell phone on one hip, and our Blackberry on our other hip, and our laptop, presumably, on our laps. And even if they're all shut off, every minute that we're watching our kid mutilate a soccer game, we are also asking ourselves, "Should I answer this cell phone call? Should I respond to this email? Should I draft this letter?" And even if the answer to the question is "no," it's certainly going to make the experience of your kid's soccer game very different than it would've been.

So everywhere we look, big things and small things, material things and lifestyle things, life is a matter of choice. And all of this choice has two effects, two negative effects on people. One effect, paradoxically, is that it produces paralysis, rather than liberation. With so many options to choose from, people find it very difficult to choose at all. I'll give you one very dramatic example of this: a study that was done of investments in voluntary retirement plans. A colleague of mine got access to investment records from Vanguard, the gigantic mutual-fund company of about a million employees and about 2,000 different workplaces. And what she found is that for every 10 mutual funds the employer offered, rate of participation went down two percent. You offer 50 funds — 10 percent fewer employees participate than if you only offer five. Why? Because with 50 funds to choose from, it's so damn hard to decide which fund to choose, that you'll just put it off until tomorrow. And then tomorrow, and tomorrow, and tomorrow, and of course tomorrow never comes.

Understand that not only does this mean that people are going to have to eat dog food when they retire because they don't have enough money put away, it also means that making the decision is so hard that they pass up significant matching money from the employer. By not participating, they are passing up as much as 5,000 dollars a year from the employer, who would happily match their contribution. So paralysis is a consequence of having too many choices.

The second effect is that even if we manage to overcome the paralysis and make a choice, we end up less satisfied with the result of the choice than we would be if we had fewer options to choose from. And there are several reasons for this. One of them is that with a lot of different salad dressings to choose from, if you buy one, and it's not perfect — and what salad dressing is? — it's easy to imagine you could have made a different choice that would have been better. And what happens is this imagined alternative induces you to regret the decision you made, and this regret subtracts from the satisfaction you get out of the decision you made, even if it was a good decision. The more options there are, the easier it is to regret anything at all that is disappointing about the option that you chose.

Second, what economists call "opportunity costs." When there are lots of alternatives to consider, it is easy to imagine the attractive features of alternatives that you reject that make you less satisfied with the alternative that you've chosen. Here's an example: Here's this couple in the Hamptons. Very expensive real estate. Gorgeous beach. Beautiful day. They have it all to themselves. What could be better? "Well, damn it," this guy is thinking, "It's August. Everybody in my Manhattan neighborhood is away. I could be parking right in front of my building." And

he spends two weeks nagged by the idea that he is missing the opportunity, day after day, to have a great parking space. Opportunity costs subtract from the satisfaction we get out of what we choose, even when what we choose is terrific. And the more options there are to consider, the more attractive features of these options are going to be reflected by us as opportunity costs. Because whenever you're choosing one thing, you're choosing not to do other things that may have lots of attractive features, and it's going to make what you're doing less attractive.

Third: escalation of expectations. This hit me when I went to replace my jeans. I wear jeans almost all the time. There was a time when jeans came in one flavor, and you bought them, and they fit like crap, they were incredibly uncomfortable. If you wore them and washed them enough times, they started to feel OK. I went to replace my jeans after years of wearing these old ones, and I said, "I want a pair of jeans. Here's my size." And the shopkeeper said, "Do you want slim fit, easy fit, relaxed fit? You want button fly or zipper fly? You want stonewashed or acid-washed? Do you want them distressed? You want boot cut, tapered, blah blah." On and on he went. My jaw dropped. And after I recovered, I said, "I want the kind that used to be the only kind." He had no idea what that was, so I spent an hour trying on all these damn jeans, and I walked out of the store — truth! — with the best-fitting jeans I had ever had. I did better. All this choice made it possible for me to do better. But — I felt worse. Why?

The reason I felt worse is that, with all of these options available, my expectations about how good a pair of jeans should be went up. I had very low expectations when they only came in one flavor. When they came in 100 flavors, damn it, one of them should've been perfect. And what I got was good, but it wasn't perfect. And so I compared

what I got to what I expected, and what I got was disappointing in comparison to what I expected. Adding options to people's lives can't help but increase the expectations people have about how good those options will be. And what that's going to produce is less satisfaction with results, even when they're good results. Nobody in the world of marketing knows this.

The reason that everything was better back when everything was worse is that when everything was worse, it was actually possible for people to have experiences that were a pleasant surprise. Nowadays, the world we live in — we affluent, industrialized citizens, with perfection the expectation — the best you can ever hope for is that stuff is as good as you expect it to be. You will never be pleasantly surprised because your expectations, my expectations, have gone through the roof. The secret to happiness — this is what you all came for — the secret to happiness is low expectations.

Finally — one consequence of buying a bad-fitting pair of jeans when there is only one kind to buy is that when you are dissatisfied, and you ask why, who's responsible, the answer is clear: the world is responsible. What could you do? When there are hundreds of different styles of jeans available, and you buy one that is disappointing, and you ask why, who's responsible? It is equally clear that the answer to the question is "you." You could have done better. With a hundred different kinds of jeans on display, there is no excuse for failure. And so when people make decisions, and even though the results of the decisions are good, they feel disappointed about them; they blame themselves.

Clinical depression has exploded in the industrial world in the last generation. I believe a significant — not the only,

Clinical depression has exploded in the industrial world in the last generation. I believe a significant — not the only, but a significant — contributor to this explosion of depression, and also suicide, is that people have experiences that are disappointing because their standards are so high, and then when they have to explain these experiences to themselves, they think they're at fault. And so the net result is that we do better in general, objectively, and we feel worse. So let me remind you. This is the official dogma, the one that we all take to be true, and it's all false. It is not true. There's no question that some choice is better than none, but it doesn't follow from that that more choice is better than some choice. There's some magical amount. I don't know what it is. I'm pretty confident that we have long since passed the point where options improve our welfare...and what is so frustrating and infuriating is this: these expensive, complicated choices — it's not simply that they don't help. They actually hurt. They actually make us worse off.

If some of what enables people in our societies to make all of the choices we make were shifted to societies in which people have too few options, not only would those people's lives be improved, but ours would be improved also, which is what economists call a "Pareto-improving move." Income redistribution will make everyone better off — not just poor people — because of how all this excess choice plagues us.

So to conclude. [You can be anything you want to be — no limits] You're supposed to read this cartoon, and, being a sophisticated person, say, "Ah! What does this fish know? You know, nothing is possible in this fishbowl." Impoverished imagination, a myopic view of the world — and that's the way I read it at first. The more I thought about it, however, the more I came to the view that this fish knows something. Because the truth of the matter is that if

you shatter the fishbowl so that everything is possible, you don't have freedom. You have paralysis. If you shatter this fishbowl so that everything is possible, you decrease satisfaction. You increase paralysis, and you decrease satisfaction. Everybody needs a fishbowl. This one is almost certainly too limited — perhaps even for the fish, certainly for us. But the absence of some metaphorical fishbowl is a recipe for misery, and, I suspect, disaster."

-Excerpts from his TedTalk:

"The Paradox of Choice"

https://www.ted.com/talks/barry_schwartz_on_the_paradox_of_choice?language=en#t-383727

How can you become the easiest choice?

When will people interact with your product? For how long, and how often? How do you fit into their day-to-day

"We started this company with the philosophy that the world does not need another soda. That forced us to look at things differently: how could we create a connection with customers, let them play with the brand, let them take ownership of it? It's hard for marketing people to let other people play with their brand. For us, it's our whole existence. This is not my brand. It belongs to our customers. Everything at this company is about sharing ownership of the brand with our customers."

- **Peter Van Stolk**, Jones Soda

Alright, now we have a decent picture of who your early customers might be, along with how your product could potentially fit within their lifestyle. So what's next? It's time to start uncovering areas of opportunity.

For instance, to continue with the 'Artificial Honey Bee' faux company from the mission statement example. An area of opportunity for this company might be millennials passionate about their avocado toast.

Why? Because customers aren't hiring "artificial honey bee" to transfer pollen; they're hiring them to make sure avocados stay available at your local grocery store. That's what people really want in this scenario: avocado toast (sad yet true). Clayton Christensen explains it much better:

Exercise Four:

Think About What Your Customers Really Need

Case Study:

You Hired a Milkshake to Do What?

Clayton Christensen: "We actually hire products to do things for us. And understanding what job we have to do in our lives for which we would hire a product is really the key to cracking this problem of motivating customers to buy what we're offering. So I wanted to tell you a story about a product we did for one of the big fast food restaurants. They were trying to goose up the sales of their milkshakes. They had just studied this problem up the gazoo. They brought in customers who fit the profile of the quintessential milkshake consumer, and they'd give them samples and ask: 'Could you tell us how we could improve our milkshakes so you'd buy more of them? Do you want it chocolatey or cheaper, chunky or chewy...' They'd get very clear feedback. They would then improve the milkshake on those dimensions, and it had no impact on sales or profits whatsoever.

So one of our colleagues went in with a different question on his mind, and that was: 'I wonder what job

arises in people's lives that caused them to come to this restaurant to hire a milkshake?' So we stood in a restaurant for 18 hours one day and just took very careful data: what time did they buy these milkshakes, what were they wearing, were they alone, did they buy other food with it, did they eat it in the restaurant or drive off with it? It turned out that nearly half of the milkshakes were sold before 8 o'clock in the morning. The people who bought them were always alone, it was the only thing they bought, and they all got in the car and drove off with it.

So to figure out what job they were hiring it to do, we came back the next day and stood outside the restaurant so we could confront these folks as they left, milkshake in hand. We essentially asked: 'Excuse me, please, but I've got to sort this puzzle out. What job were you trying to do for yourself that caused you to come here and hire that milkshake?' And they struggled to answer, so we helped them by asking other questions like: 'Well, think about

the last time you were in the same situation, needing to get the same job done, but you didn't come here to hire a milkshake. What did you hire?

'Good question,' they'd say. 'What do I hire when I do this job? You know I'd never framed the question that way before, but last Friday I hired a banana to do the job. Take my word for it: never hire bananas. They're gone in three minutes, you're hungry by 7:30. If you promise not to tell my wife, I probably hire donuts twice a week; but they don't do it well either. They're gone fast, they crumble all over my clothes, they get my fingers gooey. Sometimes I hire bagels, but, as you know, they're so dry and tasteless. Then I have to steer the car with my knees while I'm putting jam on them, and then, if the phone rings, we've got a crisis. I remember I hired a Snickers bar once, but I felt so guilty, I've never hired Snickers again. Let me tell you: when I come here and hire this milkshake, it is so viscous that it easily takes me 20 minutes to suck it up that thin little straw.

Who cares what the ingredients are? I don't! All I know is I'm full all morning, and it fits right here in my cup holder.' Well it turns out that the milkshake does the job better than any of the competitors, which in the customers' minds, are not Burger King milkshakes, but bananas, donuts, bagels, Snickers bars, coffee, and so on. But I hope you can see how, if you understand the job, how to improve the product becomes just obvious."

-From "Understanding the Job" for University of Phoenix

<https://www.youtube.com/watch?v=f84LymEs67Y>

What are people 'hiring' your product to do?

In the example above, people 'hired' milkshakes because they met all the requirements of breakfast on-the-go, which bananas, bagels, and donuts could not. Similarly, you don't 'hire' a drill because you want a drill; you hire the drill because you want a hole. So Craftsman is really selling holes. What are you really selling?

"You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new." - **Steve Jobs**

Now, when someone hires a product to do a specific thing, more often than not, they have to fire something else. In the milkshake example, customers were firing donuts, bagels, and Snickers bars. Those options weren't cutting it, which provided a huge opportunity for the milkshake.

What will your customers have to fire in order to hire you? How will this provide an area of opportunity for your product? We invite you to examine this question through the eyes of the delightful musical conductor Benjamin Zander. It might help you discover new possibilities.

Exercise Five:

Distinguish Between Problem and Opportunity

Case Study:

Two Stories About Possibility

Benjamin Zander: "I want to give you a story: two shoe salesmen were sent from Manchester to Africa in the 1900s to discover if they could sell shoes. One of them wrote a telegram back saying, 'Situation hopeless! They don't wear shoes.' The other one wrote, 'Glorious opportunity! They don't have any shoes yet!' Now, those two telegrams come from different places. 'Situation hopeless! They don't wear shoes.' That goes along with the whole language of it's not possible, it can't be done, others are better, it's the place for competition, for success, for failure, for all those things that we measure in what we call the downward spiral. The other statement lives over here. 'Glorious opportunity! They don't have any shoes yet!' And that goes with a different language, and also a different body language.

Those two worlds are completely distinct worlds. Now, in one world, possibility lives as luck. We might have it, we might not. In the other, possibility is the norm. Spirituality is the norm. They are totally separate, different worlds. And the shoe salesmen, the two of them, have conditions that are identical. The conditions don't matter. What matters are the words that they speak, and the expression that they made. My father used to say, 'There is no such thing as bad weather, only inappropriate clothing.' There is no recession so great that it precludes possibility, and there is no wealth and power and fame that will protect you from falling into the downward spiral. So it's available for everybody.

There's a lot of complaining going on right at the moment, during the financial meltdown, as they call it. I want to tell you a little story about my father who came from Germany in 1937, having lost everything. All his belongings, his mother killed in Auschwitz, fourteen other members of the family killed...he lost everything: his house, his belongings, his money, his profession, everything. And he came to England with four children to support, and a wife. And, incidentally, I never heard him complain, at all. I said, "Aren't you angry?" And he said, "Ah! I discovered a person can't live a life under the shadow of bitterness."

He was interned in a camp for two years, on the Isle of Man. And there, there were many people, 2,000 men living in tents in a state of terrible upset, having lost, like he, everything, in a foreign country, in war, and uncertainty and a different language...horrendous situation. And most of them were in a state of total depression, staring at the barbed wire fence the whole day. And my father said, 'There are a lot of intelligent people here, we should start a university.' And they did. And forty classes met regularly. There were no books, there was no chalk, there was no paper, there was no blackboard, and they had forty classes. Yesterday, at the reception, I met a gentleman who said, 'My father was in that university.'

So, it isn't the circumstances that are crucial. It's what we say about the circumstances that matter. And we can either decide to live here, or over there. This is a matter of leadership.

Leadership in the sense that every time you open your mouth, you are being a leader. You have a choice in leadership, whether you speak over here [in the downward spiral], or speak over there, [with the art of possibility.]”

-From “Mentoring Leadership Through Personal Development” at Davos 2009

<https://www.youtube.com/watch?v=nTavoD3YIN4>

What do you foresee being your biggest area of opportunity?

Where is the white space in the market that you plan to occupy? What do you consider to be a glorious opportunity?

“It’s one of the characteristics of a leader that he not doubt for one moment the capacity of the people he’s leading to realize whatever he’s dreaming. Imagine if Martin Luther King had said, ‘I have a dream. Of course, I’m not sure they’ll be up to it.’” - **Benjamin Zander**

Alright, now we know what we’re up against, who we’re trying to attract, and how. But what if you have more than one type of early adopter? What if your product can appeal to multiple customer segments, even early in the game?

To go back to the Silicon Valley example, is it possible that you have a product that might appeal to more than one character, or perhaps (but unlikely) all of them? Reflect on whether or not your product might solve different problems for different people, and how that might affect your marketing strategies moving forward. But first, let’s take a deeper look at customer segments, and how to use them to your advantage.

Exercise Six:

Your Product Isn’t One-Size-Fits-All

Excerpts from The Entrepreneur’s Guide to Customer Development by Bryant Cooper and Patrick Vlaskovits. They describe their book as a “cheat sheet” to Steve Blank’s groundbreaking book - Four Steps to the Epiphany: Successful Strategies For Startups That Win.

What is segmentation?

It’s the practice of breaking down a larger market into smaller, more identifiable groups of users who share specific needs and who reference (or more bluntly - communicate) with each other.

Why is it important?

Because word of mouth marketing still works best, whether that word spreads in person or online. So if two customers can’t communicate with each other, they belong in different segments. If they can communicate, and thus have “access to each other,” then ideally you can use a common methodology to reach them.

What does segmentation allow you to do?

Initially, it helps you understand product-market fit, and

whether or not there's even a market for your product to begin with. Once you discover different segments, not only can you focus on dominating a particular segment, but you can also look for untapped or "unoccupied" segments, which often have less competition and more areas of opportunity. You can then focus your marketing resources and attempt to line up and knock down segments one by one.

Segmentation Should Include These Six Characteristics

Identifiable: Can you measure characteristics, usage, and behavior?

Substantial: Is each segment you've identified large enough to be profitable?

Accessible: Can you reach each segment via both communication and distribution channels?

Stable: Are the behaviors, hangouts, and lifestyles of your segments going to hold, or do they fluctuate?

Differentiable: How clear are the needs of each segment? What makes each segment unique?

Actionable: Are you positive that each segment truly needs your product? Who needs it more than others?

<https://hbr.org/2014/07/what-you-need-to-know-about-segmentation>

"If you're doing something strategic and you're trying to figure out if you have the right brands, the right value proposition, the right product line, then I would say you should start with needs or attitude segmentation." (Identifying needs.) "But if you think you've got that pretty much under control, and you need to understand how to go to market or target your digital and TV spending, then I would start with behavior." (Identifying buying and Lifestyle patterns.)

- John Forsyth, McKinsey Consulting

List your potential customer segments.

Think less about demographics this round, and more about lines of communication, hangouts, and common needs. While your customer profiles often deal with the 'who, what, when,' customer segments deal mostly with the 'where, why and how'.

"You have two people, we know they're the same age, we know they're British citizens, and we know they're of royal blood. One of them is Prince Charles. The other is Ozzy Osbourne, the Prince of Darkness. They're in the same demographic segment, but I can't imagine marketing to them in the same way."

- John Forsyth, McKinsey Consulting

That's it for Part Two. Are you feeling more confident about the type(s) of people who might use your product? Hope so, because now it's time to build something for them.

Part Three

What Do They Want?

All talk and no action make Jack a bad product owner.

The next step towards getting 100 paying customers is to establish a testable unit. What does this mean? It means that you DO NOT need to have a finished product to begin testing. You don't even need a semi-finished product.

In fact, creating a "finished" product before testing increases your chances of failure. We can't tell you how many clients have come to us after spending thousands - even hundreds of thousands of dollars - to produce a product that no one wants, at least not in its current form. We want to help you prevent this.

A few things to consider about your testable unit:

There are endless ways to create it

- It doesn't have to scale
- It doesn't have to function
- You can and should get crafty
- It only has to demonstrate to the customer what they'll be getting
- This could mean a photo rendering, a PowerPoint, a PDF, and in-person demo, a landing page, or a number of other things

So before you start building, or even think about spending money on professional development, ask yourself a simple question: **"Do people really want this?"**

Remember: anywhere from 75-90% of all products fail, but yours doesn't have to. That's why Part Three is all about reducing that risk of failure and helping you think like a successful product owner. Let's get started.

Exercise One:

Understanding the MVP

Fail Fast in Pursuit of Learning:

Advice from Eric Ries of The Lean Startup

"Entrepreneurship in a lean startup is really a series of MVP's." – **Eric Ries**

The Goal of the Lean Startup Methodology?

To discover and eliminate waste while de-risking investments through sprints and cycles of product development.

What's the Goal of an MVP?

To test your fundamental business hypotheses while still delivering value to your customers.

Defining an MVP:

- A simple creation rather than a highly polished, finished product
- Meant to be just enough to test your assumptions without creating waste
- Think of it as the bare minimum version of your product needed to test your theories
- Used to gather actionable feedback from users, rather than accomplish a huge launch
- Results are measured in validated learning, which uses milestones to determine what's working and what's not

"The minimum viable product is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort." - **Eric Ries**

MVP Examples:

- A short video (Dropbox)
- A simple landing page (Buffer)
- A Wordpress Blog (Groupon)
- Your Apartment (Airbnb)
- Email Capture (Yipit)
- A simple website with ecommerce (Zappos)
- Single offer (Virgin Air)
- Most things on Kickstarter

"The only way to win is to learn faster than anyone else."
- **Eric Ries**

Questions Your MVP Helps You Answer:

- Should this product even be built?
- Does a market exist for my product to thrive in?
- Which customer opinions really matter?
- Which core features take priority?
- What's essential?
- Does this product really deliver value to my customers?
- What's the right price point for this product?

What's the most basic model of your product that customers would pay for?

List your top three features.

"The first step in exceeding your customer's expectations is to know those expectations." - **Roy H. Williams**

Looking at your basic product, what are you working towards some day? What else might be nice to offer your customers? Think big picture. What's your long game? Dream big without biting off more than you can chew

Exercise Two:

Avoiding Feature Creep

"You know, you can please some of the people, some of the time. One of the hardest things, when you're trying to effect change, is that people - like this gentleman - are right, in some areas. I'm sure there are some things Open Doc does, probably even more that I'm not familiar with, that nothing else out there does. And I'm sure that you can make some demos, maybe a small commercial app, that demonstrates those things. The hardest thing is, how does that fit into a cohesive, larger vision that's gonna allow you to sell \$8 billion, \$10 billion of product a year?

In a perfect world, what other features or capabilities would your product eventually need? Are you sure?

Just have a little fun here and dream big. This exercise is about exploring possibilities for down the road.

"Any product that needs a manual to work is broken."

- Elon Musk

Now that you have an idea of what your MVP could look like, you might be feeling a bit anxious about showing customers something that isn't finished. Just remember the wise words of Reid Hoffman: "If you're not embarrassed by the first version of your product, you've released too late." And keep in mind, constraints can be beautiful things.

Exercise Three:

Working Within Your Means

When Life Gives You Lemons: Advice from Adam Morgan & Mark Barden from A Beautiful Constraint

Types of Constraints:

- Foundation (e.g., opening a shoe store online, meaning customers cannot try on shoes before purchase)
- Resources (e.g., an airline having a four-plane route, but only having three planes)
- Time (e.g., limited amount of bandwidth)
- Method (e.g., making a hospital apply the systems of serving fast food to eye surgery)

How can a constraint become beautiful?

By seeing it as an opportunity, rather than a restriction; or by using it as a stimulus to discover a new or even better way of achieving something. In other words, by capitalizing on constraint-driven inventiveness.

How Can We Make This Constraint Beautiful?

1. Victim, Neutralizer & Transformer.

People tend to respond differently to constraints. Here are three types of responses:

- Victims: Lower their ambitions.
- Neutralizers: Find a different way to deliver.
- Transformers: Use the constraint as an opportunity to increase their ambition.

Moving from victim to transformer requires only a shift in mindset, method and motivation.

- Do we believe this is possible?
- Do we know how to start doing this?
- How much does this matter to us?

Professional problem-solvers have a different relationship with constraints from the rest of us. To them, constraints are:

- Inherently beneficial
- Provide clear problem definitions
- Enhance focus
- And provide boundaries to push against

2. Break Path Dependence

Ask yourself:

- How does success today blind me to what could create success tomorrow?
- How does my language lock me into ways of thinking and behaving that will limit my ability to see new possibilities?
- What can I do to move away from unhelpful paths on which I've become dependent in order to reveal newer, more productive paths?

Path Dependence can:

- Lock you into assumptions that are no longer relevant, appropriate or best for the future.
- Close you off to new possibilities.
- Blind you to new kinds of information, or to the inefficiency of your current path.
- Lead you to follow approaches that won't help you solve the problem.

The most disabling constraints we face may be those inside our heads and our culture.

3. Ask Propelling Questions

People tend to respond differently to constraints.

Here are three types of responses:

- A propelling question is one that has both a both ambition and a significant constraint linked together.

The discomfort of propelling questions makes us think differently; they break path dependence and propel us toward new solutions. If we don't ask propelling questions of ourselves, someone is going to ask them of us, and by that time we will be behind the curve.

- A propelling question is most powerful when it has specificity, legitimacy, and authority.

• Examples:

- i • How do we win the race with a car that is no faster than anyone else's?
- ii • How do we build a well-designed, durable table for five dollars?
- iii • How do we establish a stronger relationship with this buyer than the market leader, without a communications budget?
- iv • How do we grow more and better quality barley using less water?

4. Can-If

Can-if thinking can include:

- i • Thinking of assets in a fundamentally different way
- ii • Finding new ways to resource shortages
- iii • Adapting existing assets to fit new purposes
- iv • Combining different innovations to arrive at a unified solution

Start your sentences with, "We can if..."

- We think of it as...
- We use other people to...
- We remove x to allow us to y...
- We access the knowledge of...
- We introduce a...
- We substitute x for y...
- We fund it by...
- We mix together...
- We resource it by...

5. Creating Abundance

Ask yourself:

- i • In what ways can we gain access to other people's resources to help us overcome our own scarcities and meet our ambitions?
- ii • What prevents us from seeing and accessing these resources today?
- iii • How can we find new value in what we have, so we have more to trade and more power to create shared agendas?

List Your Assets:

- i • What do we have in abundance? What can we trade?

Then counter your assets with the list reframed.

- i • How can we reframe these assets to give them more relevance and value to others?

6. Activating Emotions

- Identify the activating emotions able to fuel more creative tenacity.
- Personalize your emotions to capture a full range: fear, greed, frustration, excitement, love, and desire.
- Find the tug of both the positive and negative.

Without activating the right emotions, it will be too easy to regress to the victim mindset - which gets you nowhere.

Don't think constraints work?

After the success of *Cat in the Hat* in 1957, the head of Random House Publishing bet Theodor Geisel (aka Dr. Seuss) \$50 that he couldn't write a book using only 50 words. Geisel responded with *Green Eggs and Ham*, which uses 49 words of one syllable and the word anywhere. It became the best selling Dr. Seuss book of all time.

Now, what can you build today?

What constraints are you facing, and how do you plan to work around them, or with them? .

"The more constraints one imposes, the more one frees one's self. And the arbitrariness of the constraint serves only to obtain precision of execution." - **Igor Stravinsky**

After learning what your customer truly needs, compare what you would like to build to what you can build right now. Of course, our goal is to help the customer solve whatever problem they're currently facing; but it also helps to consider unforeseen problems or challenges that your solution might inevitably cause.

What are some of the risks of your product - specifically, your ideal technology and scope of features? Have you considered the learning curve for product adoption? What does your customer not know? And what will you need to teach them?

Exercise Four:

Your Technology and Educating Your Customers

To Complicate or Simplify? Excerpts on Tech and Machinery from James P. Carse's *Finite and Infinite Games*

Note: This book was written in 1986, and Carse probably couldn't have imagined the giant leaps technology would make over the next 30 years. Perhaps this allows for a more objective view of how technology fits into our existence as flawed, human creatures. As you read, keep in mind that the word 'machine' would have most likely been replaced with the word 'technology' had this been written today. Food for thought.

Who's Really In Control?

We make use of machines to increase our control over natural phenomena. By nothing more than fingertip controls, a team of workers can cut a six-lane highway through mountains, or fill in wetlands to build shopping malls. While a machine greatly aids the operator in such tasks, it also disciplines its operator. As the machine might be considered the extended arms and legs of the worker, the worker might be considered an extension of the machine.

To use the machine for control is to be controlled by the machine. To operate a machine one must operate like a machine. Using a machine to do what we cannot do, we find we must do what the machine does.

Machines do not, of course, make us into machines when we operate them; we make ourselves into machinery in order to operate them. Machinery does not steal our spontaneity from us; we set it aside ourselves. We deny our originality. Because we make use of machinery in the belief we can increase the range of our freedom - but in fact only decrease it - we use machines against ourselves.

What Do We Really Want From Our Technology?

Machinery is contradictory in another way. Just as we use machinery against ourselves, we also use machinery against itself. A machine is not a way of doing something; it stands in the way of doing something. The goal of technology is therefore to eliminate itself, to become silent, invisible, carefree.

We do not purchase an automobile, for example, merely to own some machinery. Indeed, it is not machinery we are buying at all, but what we can have by way of it: a means of rapidly carrying us from one location to another. Neither do we watch a movie screen, nor look at television.

We look at what is on television, or in the movie, and become annoyed when the equipment intrudes - when the film is unfocused or the picture tube malfunctions.

When machinery functions perfectly it ceases to be there - but so do we. Radios and films allow us to be where we are not, and not be where we are. Moreover, machinery is veiling. It is a way of hiding our interaction from ourselves under what appear to be actions of great effectiveness.

When most effective, the technology of communication allows us to bring the histories and the experiences of others into our home, but without changing our home. When most effective, the technology of travel allows us to pass through histories of other persons with the "comforts of home," but without changing those histories.

When it is most effective, machinery will have no effect at all.

Can Technology Go Too Far?

In still another way is machinery contradictory. Using it against itself and against ourselves, we also use machinery against each other. I cannot use machinery without using it with another. I do not talk on the telephone; I talk with someone on the telephone. I listen to someone on the radio, drive to visit a friend, compute business transactions. To the degree that my association with you depends on such machinery, the connecting medium makes each of us an extension of itself. If your business activities cannot translate into data recognizable by my computer, I can have no business with you. If you do not live where I can drive to see you, I will find another friend. In each case your relationship with me does not depend on my needs but on the needs of my machinery.

If to operate a machine is to operate like a machine, then

we not only operate with each other like machines, we operate each other like machines.

When the use of machinery springs from our attempt to respond to the indifference of nature with an indifference of our own to nature, we have begun to acquire the very indifference to persons that has led to the century's grandest crimes by its most civilized nation.

Does your technology represent a risk?

Or better yet, what is the core dependency your tech is based on? At this early stage, is your technology just for show, or is it actually helping you learn something about your customers? What's the learning curve for customers?

"Finite players play within boundaries; infinite players play with boundaries." - **James P. Carse**

Now that we've considered risks, features, and needs, let's talk about how your product will fit within the minds of your customers. What will make your offer memorable or unique? How can you position your offer within the marketplace so that you stand out among the competition? If you're not first to market, how can you still gain traction?

Let's examine the work of Ries & Trout to learn more.

Exercise Five:

Positioning Your Product

The Battle for Your Mind: Advice from Al Ries & Jack Trout on Product Positioning

What is Product Positioning?

A communication tool used to reach target customers in a crowded marketplace by positioning that product within the mind of the customer.

The Problem: Information Overload

Customers are flooded with advertisements on a daily basis. As a result, they only respond to those products or

basis. As a result, they only respond to those products or brands that are consistent with their past experiences or knowledge. This can lead to oversimplification, or even shutting out information that is inconsistent with their beliefs. Unsurprisingly, it's very difficult to change a customer's mind once an impression has been formed.

How to Break Through the Noise?

Present a simplified message focused on the perceptions of the customer rather than the reality of the product, being sure to stay consistent with what the customer already believes.

How Can You Get Into the Mind of the Customer?

Customers rank brands in their minds, giving those who are first in a market, or the first to claim a unique position, a huge advantage over their competition. In order to overcome this perception issue, it's best to relate your product to the leading brand in some way. Pretending that the leading brand doesn't exist is a losing strategy, so instead, you should compete based on your current position in the marketplace. For example: Avis was competing with Hertz (a market leader), and for years, pretended that Hertz simply didn't exist. Avis finally became profitable after using the line: "Avis is only No. 2 in rent-a-cars, so why go with us? We try harder."

What If You Are The Leader?

According to Ries and Trout, the top three brands in a product category occupy market share in a ratio of 4:2:1 not because of a high level of marketing acumen, but because the number one brand simply arrived on the scene first. They argue that the power of a company comes from its brand - not from its marketing campaigns. But if that's the case, how do you maintain your leadership position? Boasting about being number one is sure to fail, as customers tend to believe that brands that follow this strategy are insecure. Instead, brands should imply that all other products that follow it are merely imitations, as Coca-Cola did with their campaign: "the real thing." Ries and Trout also believe that it's easier and cheaper to simply create a new brand than to change the position of an existing one, which is why they argue for introducing

multiple brands rather than change an existing one just to stay competitive. This strategy can also help established businesses adapt to new technologies, which may threaten existing markets. Ries and Trout suggest that to maintain a leadership role in the marketplace, companies should create new brands that are able to enter a new market first. A broader product or business name can serve as an umbrella for this kind of adaptation

What If You're a Follower?

If you're not first in a product market, then you must find an unoccupied position in which your product can be first. For example, Volkswagen introduced the Beetle with the slogan "Think small." They weren't the first small car to go on the market, but they were the first to claim that position in the mind of the customer. Areas in which you can compete include age, price, gender, time of day, place of distribution, quantity, etc. But Ries and Trout warn against trying to appeal to everyone - that's a sure fire way to appeal to no one.

What About Repositioning the Competition?

If there are no unique positions to carve out for yourself, then you can try to convince customers to view the competitor in a different way. For instance, DuckDuckGo repositioned Google by declaring that their product would not track you, as Google does. Another example: vodka. Most vodka brands sold in the U.S. have Russian names, but are actually made in the U.S. This gave Stolichnaya Russian vodka an advantage by exposing the brands being made in America and highlighting that theirs was made in Leningrad, Russia. By making customers aware of the flaws with a competing brand, you can gain market share at their expense. And as Ries and Trout point out, once a brand had lost favor due to a bad image, it's very difficult to bounce back. It's better to introduce an entirely new brand, rather than salvage the old one.

The Power of a Name

One of the most important factors affecting brand perception is the brand's name. And in today's crowded marketplace, it's wise to have a memorable brand name that conjures up the position of your product. Descriptive names are preferred by Ries and Trout, such as Head & Shoulders and People, rather than Kodak or Xerox. They also advise against using names that might be confused with another brand name. For instance, Goodrich vs. Goodyear can be confusing for customers. Be sure to differentiate, and stay away from abbreviations. Those only work after a brand has become famous - not before.

<http://www.quickmba.com/marketing/ries-trout/positioning/>

Vice Versa: Examples of Opposites

Apple vs. Microsoft

Everlane vs. Banana Republic

Jones Soda vs. Coca Cola

Green vs. Pink

Picasso vs. DaVinci

Hugo Boss vs. Roberto Cavalli

Wal-Mart vs. Etsy

Independent Bookstore vs. Amazon

Facebook vs. Twitter

Google vs. DuckDuckGo

Case Study:

Starbucks vs. Dunkin' Donuts

Dan Ariely: "When Howard Schultz created Starbucks, he was as intuitive a businessman as Salvador Assael. He worked diligently to separate Starbucks from other coffee shops, not through price but through ambience. Accordingly, he designed Starbucks from the very beginning to feel like a continental coffeehouse. The early shops were fragrant with the smell of roasted beans (and better-quality roasted beans than those at Dunkin' Donuts). They sold fancy French coffee presses. The showcases presented alluring snacks—almond croissants, biscotti, raspberry custard pastries, and others. Whereas Dunkin' Donuts had small, medium, and large coffees, Starbucks offered Short, Tall, Grande, and Venti, as well as drinks with high-pedigree names like Caffè Americano, Caffè Misto, Macchiato, and Frappuccino. Starbucks did everything in its power, in other words, to make the experience feel different—so different that we would not use the prices at Dunkin' Donuts as an anchor, but instead would be open to the new anchor that Starbucks was preparing for us. And that, to a great extent, is how Starbucks succeeded."

-From Predictably Irrational: The Hidden Forces That Shape Our Decisions

How will you position your product as being different or unique?

And how can you keep your customers front of mind?

"Positioning is the single largest influence on the buying decision." - **Geoffrey A. Moore, Crossing the Chasm**

That marks the end of Part Three. Nice work! Let's do a quick recap of what material you should have so far:

- A gut check assessment of your goals, motivation, value prop, mission and defining characteristics that make your offer unique and remarkable
- Strong, clearly defined assumptions about who your customers are, what their lifestyle is like, and how your product might fit into their day-to-day
- A deeper look into what you're really selling, and what your customers might truly need
- A breakdown of Lean Startup principles, including the framework for building your MVP
- And thoughts on how you're going to position your product and frame the value proposition to innovators and early adopters

Got all that? Sweet.

Now that we've covered how you're going to position your product in the eyes of the customer, it's time to do just that: get eyeballs on your product.

Part Four

Can You Prove Your Idea Is Viable?

Time to put a real thing in front of a real person.

Steve Blank and Eric Ries call this stage of the process "Get Out of the Building." But, that's often easier said than done. Get out and do what? Talk to whom? Ask what? In this next section, we'll break this process down a bit more so you can gain a better understanding of where to look for feedback, how to ask the right questions, and what to do with the information you collect. First, we'll look at how to find the right people, then we'll branch out by discussing how to make the ask, start the conversation, and move forward from there. It all starts with who you know.

Remember: anywhere from 75-90% of all products fail, but yours doesn't have to. That's why Part Three is all about reducing that risk of failure and helping you think like a successful product owner. Let's get started.

Exercise One:

Accessing Your Network

Advice from Kelly Hoey, Author of Build Your Dream Network: Forging Powerful Relationships in a Hyper-Connected World

"Networking is every human interaction. We've got to step out of the mindset that networking involves walking into a cocktail party or having an informational coffee date with somebody. Networking is your email signature line. It's your profile on Twitter. It's your business card. If you start looking at the micro-actions you undertake on a daily basis as networking, you can realize you have a far bigger chance of making an impact that will improve your career

than if you worry about that one big cocktail reception or that one big party and whether or not you're going to collect a bunch of business cards and transform your career."

Her tips for networking in the digital age:

1 Stop committing random acts of networking.

"Everything for me comes back to a goal. So much networking advice starts with: You should attend a meet-up, you should be on this platform, you should have your elevator pitch when you walk into a room, you should have your business cards in your right pocket. But if you don't know why you're in the room in the first place, then it's random."

2 Think of social media platforms as physical spaces.

"I think of social media networking platforms as physical spaces. How do you behave and how do you engage with someone in a particular physical space? LinkedIn for me is the office or the industry conference, Facebook is friends and family, and Twitter is the cocktail party. So, are you the good guest that someone wants to talk to? LinkedIn for me is my past life as a lawyer. It's a suit and a briefcase. I want point of view, I want it cold, I want it dry. I do not want to know what anyone had for lunch."

3 Assume the mindset of the host.

"If you're uncomfortable, in a room of 100 people, I can promise you: Other than the bartender, everybody else is uncomfortable. Everyone has an anxiety. If you start worrying about how other people feel, and think 'let me make them comfortable,' you can take away your own discomfort."

4 Combine your online and offline pursuits.

"This is not an era in which you can just network online or just network offline. You need to be amphibious; you need to be able to work both. I've had a lot of cold introductions and direct messages because we engaged on Twitter around shared interests. It may take you sending this person an email, reposting something they put on Facebook, retweeting or mentioning something they did on Twitter. It may take multiple touchpoints for you to get assurance."

5 Say no to 911 networking.

"You never want to be a 911 networker. I think a lot of us have been fatigued since 2009 with people coming up at the last minute. If you emailed me and said there's been a restructuring at my start-up, they've let all of us go in the marketing function, I've been managing their social media accounts and taking care of their digital strategy for the past 15 months. I'm looking for a new role that's going to enable me to do this, and I'm currently looking at these three other start-ups, or I'm thinking of going to a midsize company, and I see you're connected to X. Now I can help you because you've given me a target."

Source: https://jkellyhoey.co/writing_blog/little-tricks-big-job-the-new-ways-to-network/

What's the best way to reach out to (or build) your network?

What's your game plan for not only making connections but building relationships?

"Technology is a compulsive and addictive way to live. Verbal communication cannot be lost because of a lack of skill. The ability to listen and learn is key to mastering the art of communication. If you don't use your verbal skills and networking, it will disappear rapidly. Use technology wisely." - **Rick Pitino**, Basketball Coach

Now that you have your sights set on specific people to ask for feedback, it's time to make the ask. In most cases, you should follow your gut on how to approach certain people. If it's your friend since grade school, a text or phone call might suffice. If it's your boss or co-worker, a brief conversation at the coffee machine might work.

But if you're looking for a more formal ask, or prefer to use email, these sample pitches may inspire you. Feel free to rewrite, edit, or reframe these templates in order to make them your own.

Exercise Two:

The Big Ask

Different People = Different Proposals

Here are a few rough suggestions to get you started:

Asking An Acquaintance or Old Friend

Subj: A Quick Favor

"Hey _____!

I've been working on my [project] for a while, but I think it's finally time to share it with someone I trust. I'm looking for brutal honesty here, so naturally, I thought of you. It's a just simple MVP at the moment, nothing more than [MVP type], but theoretically, it should give you an idea of what I'm working towards, and if it's capable of solving the problem we've been discussing. You're great when it comes to this kind of stuff, and I really value your opinion, so what do you say? Meet up for coffee or drinks sometime this week or next? My treat.

[Signature]

Asking Someone Referred by a Friend or Colleague

Subj: Friend of a Friend

"Hey [name],

Our mutual friend, [name], recommended that I contact you regarding my latest project, [name of product]. It's designed to [solve this particular problem], which I've heard is something troubling [you, your organization, your customers]. I'd love to show you my basic build to see if this is a potential solution, and maybe get some feedback from you in the process. I'd be happy to meet you for coffee or cocktails at your convenience. We can discuss the problem you're facing, and if there's any way I can help. But don't worry - this isn't a sales pitch. I really just want your expert opinion on this matter, if you can spare the time. I believe it would be mutually beneficial.

How's [e.g., Wednesday at six outside your office] sound? My treat.

{Signature}

Asking a Complete Stranger You Found On LinkedIn (or Wherever)

Subj: Shot in the dark

"Hey [name],

I recently came across your profile on [social media platform or other source] and discovered that you're trying to [solve this particular problem]. Turns out, I'm currently working on a solution right now. I'd love to show you what I'm building to get your feedback. My goal is merely to solve the problem as best I can, so I won't try to sell you on it. I just want to know if you think, in your expert opinion, that it will work. I'm looking for brutal honesty here, and since we don't really know each other, I figured you'd give it to me straight. I'm happy to send you a link, or set up a call. If you're in the area, we could even meetup for coffee or drinks. Let me know what would be most convenient for you. I think you're really going to be intrigued by what I'm cooking up.

Talk soon,

{Signature}

What's your pitch to get them to agree?

How will you talk to different people in different ways? How much information does each person need specifically to get them intrigued?

"Leaders cannot work in a vacuum. They may take on larger, seemingly more important roles in an organization, but this does not exclude them from asking for and using feedback. In fact, a leader arguably needs feedback more so than anyone else. It's what helps a leader respond appropriately to events in pursuit of successful outcomes." - **Jack Canfield, The Success Principles**

They've said 'yes!' Congratulations! The meeting is on the books, you've got your MVP at the ready, and now you're heading to meet them for feedback. Then, it suddenly dawns on you that you'll have to actually lead this conversation and set yourself up for success. So,

here's a breakdown on how to do just that, so that your friend or acquaintance feels comfortable judging your project, as well as confiding in you about their problem.

Exercise Three:

Starting a Conversation

Excerpts from Thanks for the Feedback
by Douglas Stone & Sheila Heen

The Arc of the Conversation: Open, Body, Close

Opening: Don't just dive right into talking about your product. Set up expectations and clarify your purpose. What specifically are you trying to learn, and why? What core dependencies are you testing?

Body: Stone & Heen break down the four skills you'll need to manage the conversation:

1 Listening: Acknowledge what they're saying, ask deeper questions to clarify, even paraphrase.

2 Asserting: Share any data or knowledge relevant to their feedback, reasons why you agree, disagree, are surprised, etc. Not about being being combative - it's about engaging.

3 Process Moves: Hinges or forks in the conversation that begin to move it into a more productive direction. Think sequencing, logic, stream of consciousness, etc. Get creative here and allow for discovery.

4 Problem Solving: Based on their feedback, what potential solutions could arise? What do they really want? What are they willing to do to get it? What new possibilities can be created?

Closing: Close with commitment. Let them know what you're going to do next, and how you plan on keeping them updated along the way. Recap the conversation to cement the takeaways.

"Regardless of context or the company you keep, you are the most important person in your own learning."

Five Ways to Take Action

- 1 Name One Thing:** In other words, keep it simple, focused, light-hearted. Look for themes or patterns. Be blunt, and ask about what truly matters to them.
- 2 Try Small Experiments:** You'll be receiving feedback on your product from an array of different people, both online and in person. Try to learn from each session, and tweak things like your approach, your questions, your presentation, etc. to see if different things resonate. Take chances and allow yourself to be surprised.
- 3 Ride Out the 'J' Curve:** Change can be uncomfortable and frustrating. So whenever you ask a customer to change their routine, things will most likely get worse before they get better. How will your product get a new customer through the inevitable uneasiness, and make changing more appealing than not changing?
- 4 Coach Your Coach:** The coach is anyone giving you feedback on your MVP. Find ways to collaborate and minimize interference. Tell them how you prefer to receive feedback, i.e. "I don't do subtle. Just be blunt and explicit, and don't worry about sugar coating or hurting my feelings." Or talk about your goals of the

feedback session: "I'd like to get your take on the procedural aspects of my app, not necessarily about the colors, fonts or design, since those aren't set in stone yet."

- 5 Invite Them In:** Tell them what you need help with, and be honest about what's working and what's not. Acknowledge that they're helping you and that you're appreciative. Allow yourself (and your product) to be vulnerable.

How will you structure these sessions?

What will you lead with? What do you hope to achieve?

For how long do you plan to chat?

"Whatever you do in your organization - whether it's selling shoes or saving souls - you're surrounded by people you can learn from."

- from Thanks for the Feedback

Once you've setup the structure for your meeting, you'll need to determine which questions to ask. Every individual will provide their own unique feedback, but the right questions can probe even deeper into their opinion of your MVP. You want to keep the questions broad enough to inspire unique answers, yet specific enough to be relevant to your product. Here's some advice for doing so:

Exercise Four:

Getting Feedback and Asking the Right Questions

More Excerpts from Thanks for the Feedback by Douglas Stone & Sheila Heen

"Feedback is not just what gets ranked; it's what gets thanked, commented on, and invited back or dropped. Feedback can be formal or informal, direct or implicit; it can be blunt or baroque, totally obvious or so subtle that you're not sure what it is."

"...if the receiver isn't willing or able to absorb the feedback, then there's only so far persistence or even skillful delivery can go. It doesn't matter how much authority or power a feedback giver has; the receivers are in control of what they do and don't let in, how they make sense of what they're hearing, and whether they choose to change."

"The real leverage is creating pull. Creating pull is about mastering the skills required to drive our own learning; it's about how to recognize and manage our resistance, how to engage in feedback conversations with confidence and curiosity, and even when the feedback seems wrong, how to find insight that might help us grow."

The Three Types of Feedback As Outlined by Stone & Heen:

- 1 Appreciation:** To see, acknowledge, connect, motivate, thank
- 2 Coaching:** To help receiver expand knowledge, sharpen skill, improve capability
- 3 Evaluation:** To rate or rank against a set of standards, to align expectations, to inform decision making

And, How We Think These Can Be Applied When Asking For Feedback on Your MVP:

- 1 Appreciation:** Do they agree that the problem you're solving even exists, and if so, are they experiencing it themselves? Would they be thankful for a potential solution like yours? What would motivate them to engage with your product, or even share it with others? Again, think of your core dependency: what do you really need to learn from customers? What's the biggest thing your customers have to agree to?
- 2 Coaching:** If someone is agreeing to give you feedback, it means they want to help you. So pitch your idea as quickly as possible, and let them talk. Try not to interrupt with too many canned questions, but rather try to pose organic, relevant questions in search of understanding and empathy. The more they talk, the higher the chances are that you'll hear something surprising or profound.
- 3 Evaluation:** What does your feedback participant expect out of a product like yours? Have they tried other products in your industry, and if so, where did those products fall short? What appears to be the status quo? If you can get these questions answered, you'll most likely be able to identify the biggest areas of opportunity.

Want to see feedback at its worst and most hilarious?

Check out <http://sharpsuits.net/>

When Asking For Feedback, Think About Your Mindset:

Fixed Mindset: My product is what it is. If people don't like it, it's probably just not for them. They can take it or leave it. And we certainly don't have the resources to invest in a brand new angle, not after we've already come this far. This is what we do.

Growth Mindset: My product will be what the market demands. If the market changes or adapts, I will also prepared to change and adapt. If people don't like it, I will find out why. If and when it's time to pivot or find a new angle, we will find the resources. We're not afraid to pivot.

Mini-Case Study: Scott Cook & Intuit

An Excerpt from The Lean Startup by Eric Ries

"When Scott Cook conceived Intuit in 1982, he had a vision—at that time quite radical—that someday consumers would use personal computers to pay bills and keep track of expenses. When Cook left his consulting job to take the entrepreneurial plunge, he didn't start with stacks of market research or in-depth analysis at the whiteboard. Instead, he picked up two phone books: one for Palo Alto, California, where he was living at the time, and the other for Winnetka, Illinois. Calling people at random, he inquired if he could ask them a few questions about the way they managed their finances. Those early conversations were designed to answer this leap-of-faith question: do people find it frustrating to pay bills by hand?

It turned out that they did, and this early validation gave Cook the confirmation he needed to get started on a solution. Those early conversations did not delve into the product features of a proposed solution; that attempt would have been foolish.

The average consumers at that time were not conversant enough with personal computers to have an opinion about whether they'd want to use them in a new way. Those early conversations were with mainstream customers, not early adopters. Still, the conversations yielded a fundamental insight: if Intuit could find a way to solve this problem, there could be a large mainstream audience on which it could build a significant business."

What questions are you going to ask?

And how do you plan to collect the most actionable feedback? What if your MVP is simply a conversation?

"If I had an hour to solve a problem and my life depended on the solution, I would spend the first 55 minutes determining the proper question to ask, for once I know the proper question, I could solve the problem in less than five minutes."

- Albert Einstein

Now, let's say your customers have questions for you. How are you going to answer without causing them to lose faith in your ability to solve their problem? Maybe you're "too in-it" to see the blind spots in your offer, but when customers start asking questions, it's an opportunity to see the bigger picture and address certain pain points or concerns. Here's how you can use these moments to your advantage:

Exercise Five:

Diffusing Confusion

Five Tips for Answering Tough Customer Questions

Excerpts from the Harvard Business Review & Steve Martin

1 Clarify before answering.

A. Drill down to what your customer actually wants to know by repeating, rephrasing, or asking for additional information.

2 Avoid industry jargon or buzzwords.

A. Use simple language and make sure your customer truly understands what you're talking about.

3 Become a trusted advisor.

A. Highlight your expertise and experience in your field, but always frame the information so that it's relevant to your customer.

4 Redirect inappropriate questions.

A. "The question you really should be asking is..."

5 Use metaphors.

A. These are analogies, stories, parables, and other detailed examples that your customer can relate to and identify with. (Avoid point-by-point facts and figures whenever possible.)

<https://hbr.org/2012/06/handling-customers-toughest-qu>

Was there any confusion from your feedback participants?

What questions did they have for you in return?

What benefits did they foresee gaining from your product? How many said they'd buy it?

"If you have a real shop, you can communicate with your customers. You can understand what they like and dislike. They can ask and you can answer. In the online world, there's no communication and if you don't have that communication you don't understand why your customers are doing what they are doing." - **Ariel Finkelstein, Kampyle**

Once you've established how you'll generate feedback, you need to have a system in place to measure the results. Let's discuss how you'll collect answers and break them down into actionable steps forward. Because if you just listen, but don't record, you'll end up losing valuable insights down the road.

Exercise Six:

Being Prepared to Measure Your Feedback

A Quick Guide to Innovative Accounting

A Process Devised by Eric Ries of The Lean Startup

Your Strategies are Based on Assumptions

Your goal is to systematically test these assumptions, without losing sight of your overall vision for the company. If an assumption is proved to be incorrect, that is actually a positive discovery, as it means you are learning something new about your customer, product, and business.

Metrics are People Too

Your customers are human beings, not machines. They behave in irrational and emotional ways. While your product may have plenty of logical appeal to you, it may not convert or translate to your customers, which is why it is imperative that you speak with living, breathing customers to gather feedback - both logical and emotional - that can be measured and applied. This feedback is one of the most important tools you'll have at your disposal to validate your assumptions. It's also a wonderful opportunity to see if your ideas are based in reality, and if the problem you hope to solve even needs solving.

Using Innovation Accounting

This quantitative approach to customer feedback enables you to measure progress, determine milestones and prioritize your work moving forward. Before you "get out of the building," be sure to measure where you are right now. Be brutally honest and deliver concrete answers. How will you be able to measure progress if you do not know your baseline? More importantly, as you make changes moving forward, how will you measure what caused that baseline to shift? So, right now, determine exactly how you're

currently performing. Next, how would you like those number to change? What is your goal moving forward? Don't just measure total revenue or the total number of customers you currently have. Take a closer look at the performance of each customer segment. If you don't have any customers right now, what are your estimates for each group? How many new customer signups do you require each month? What behaviors do you care about? Set clear and actionable goals now that are not only accessible but auditable.

How is This Different from Traditional Accounting?

Traditional accounting methods are designed for established companies, and those standards are not reliable predictors of startup success, since startups by nature are far too unpredictable for accurate forecasts and milestones. In contrast, innovation accounting allows a startup to maintain a quantitative financial model based on validated learning. In other words, it enables startups, which are working off of assumptions, to turn leap-of-faith assumptions into quantitative metrics.

How Innovation Accounting Works:

1 Establish real data on where your company is right now through the use of an MVP.

a. Examples:

- i. Create a complete prototype of your product and offer to sell it to real customers through your main marketing channel.
- ii. Build separate MVPs aimed at getting feedback on one assumption at a time.

iii. Perform a "smoke test" by giving customers the opportunity to pre-order a product that has not yet been built.

b. TIP: Test your riskiest assumptions first.

2 Tune the engine from the baseline toward the ideal.

(This may take many attempts.)

a. Every product development, marketing, or other initiative that a startup undertakes should be targeted at improving one of the drivers of its growth model.

b. TIP: A good design is one that changes customer behavior for the better.

3 Pivot or persevere.

a. If you're not moving the drivers of our business model, you're not making progress - and it's time to pivot.

The Three A's of Metrics

1 Actionable

a. Demonstrates clear cause and effect. (Otherwise it's a vanity metric, which you should avoid.)

2 Accessible

a. Reports should be easy to obtain and easy to understand, with explanations made as simple as possible with tangible and concrete facts clearly explained.

3 Auditable

a. The only way to check if your reports contain true fact is to talk with customers. (This also ensures that your data is credible to employees.)

How will you record responses and measure feedback?

Which metrics will you use? What do you expect to learn?

What specific feedback do you really need from them?

"The goal of creating learning milestones is not to make the decision easy, it is to make sure that there is relevant data in the room when it comes time to decide."

- Eric Ries, The Lean Startup

Now that you know how you'll make your guest comfortable, gain the right feedback, collect the information, and make it actionable later, you need to prepare yourself for the actual event. What if someone hates your product? What if you discover your customer needs something else entirely? What if you realize you have the wrong customer? Don't worry. That's all highly valuable knowledge, even if it's depressing at first. Let's look again at the principles from The Lean Startup, which were inspired by the Japanese belief that you must "go and see" for yourself. It's known as Genchi Gembutsu.

Exercise Seven:

Genchi Gembutsu

Go and See For Yourself: The Goal of Customer Feedback

Advice from Eric Ries and The Lean Startup

Your Strategies are Based on Assumptions

- Transform your ideas into products.
- Conduct experiments to determine what techniques will help you achieve this successfully.
- Use this strategy to determine the right questions to ask customers for maximum utility.

That said, expect the initial reaction to your MVP to be bad

A negative reaction may surprise you because you're "too in it," or unaware of how your target audience will respond. It's easy to get lost in traditional methods, or in the bubble of your project. The goal of meeting with customers is to give you a much needed dose of reality. Sometimes that reality will be hard to face, and a negative response could damage morale - but even negative feedback is better than none at all.

Avoid Analysis Paralysis

This is the trap of endlessly redefining your plans. As Eric Ries puts it, "the problem with most entrepreneurs' plans is generally not that they don't follow sound strategic principles but that the facts upon which they are based are wrong." It's only through conversations with your customers that you can determine exactly which of your assumptions are false. Don't assume that you're on the right path just because your team also assumed that you were. Get out there and take a chance.

And Remember:

Customer feedback is both qualitative AND quantitative. You're measuring what your customers like and don't like, as well as how many would find it useful and valuable. Be sure to measure and weigh these reactions objectively.

"If we're building something that nobody wants, it doesn't much matter if we're doing it on time and on budget. "

- Eric Ries, *The Lean Startup*

What was the overall reaction to your idea?

What were the top three positive notes? The top three negative notes?

"The goal with early contact with customers is not to gain definitive answers. Instead, it is to clarify at a basic, coarse level that we understand our potential target customer. This archetype is an essential guide for product development and ensures that the daily prioritization decisions that every product team must make are aligned with the customer to whom the company aims to appeal." - Eric Ries, *The Lean Startup*

So, based on your feedback, what have you learned about your product? What about the problem you're trying to solve? Did you gain any valuable insights about your customer and their specific needs? The answers to these questions fall under the jurisdiction of validated learning, something Eric Ries believes is the true goal of working lean. Let's explore that idea for a moment.

Exercise Eight:

Validated Learning

The Only Way to Win is to Learn Faster than Anyone Else

Excerpts from The Lean Startup by Eric Ries

What is validated learning?

- A rigorous method for measuring progress.
- Achieved through scientific experiments used to validate assumptions.
- An empirical process for discovering valuable truths about your startup's business prospects.
- A way to avoid the waste which plagues most startups today.
- More concrete, accurate, and efficient than classic business planning or market forecasting.

"Startup productivity is not about cranking out more widgets or features. It is about aligning our efforts with a business and product that are working to create value and drive growth."

- Eric Ries, The Lean Startup

How can it benefit startups?

- Startups are built under conditions of extreme uncertainty; therefore, the fundamental goal should be learning.
- Learning how to build a sustainable business is more valuable than simply building products, making money, or serving customers.
- This type of learning forces us to face the truth regarding our strategies: what's working and what's not.
- It also forces us to learn about what our customers really want - not what we think they should want.
- And finally, validated learning gives you the necessary insights for growing a sustainable business.

"What differentiates the success stories from the failures is that the successful entrepreneurs had the foresight, the ability, and the tools to discover which parts of their plans were working brilliantly and which were misguided, and adapt their strategies accordingly."

- Eric Ries, The Lean Startup

Ask Yourself:

- Am I making my product better?
- How do I know?
- How do I know that the changes we've made are related to the results we're seeing?
- How do I know that we are drawing the right lessons from those changes?

"A startup has to measure progress against a high bar: evidence that a sustainable business can be built around its products or services. That's a standard that can be assessed only if a startup has made clear, tangible predictions ahead of time."

- Eric Ries, The Lean Startup

What surprised you the most about their responses?

Was a certain feature loved or hated? Was the feedback unexpected, or deserved?

"I think it's very important to have a feedback loop, where you're constantly thinking about what you've done and how you could be doing it better." - **Elon Musk**

Let's think about your MVP as it is right now. Based on your feedback, are you on the right path, or does it need to be altered ever so slightly? It's normal not to get it right on your first go round. That's why we get feedback. So, let's look at your MVP with fresh eyes and determine what needs to change, if anything.

Exercise Nine:

Revisiting the MVP

Lessons from The Lean Startup and Eric Ries

When Adjusting Your Hypotheses, Keep in Mind:

The Build-Measure-Learn Feedback Loop

- 1 Establish what you need to learn.
- 2 Use innovation accounting to decide what you must measure to know if you are gaining validated learning.
- 3 Determine what product you must build to run that experiment and get that measurement.

The Goal of Your MVP:

To start the process of learning as quickly as possible and to test your fundamental business hypotheses.

Your first MVP is not meant to be perfect.

You don't need a perfect solution to attract early adopters. (Remember: they prefer something rough and unfinished.)

When in doubt, simplify.

Use your judgement to determine how complex your MVP should be.

Extra features are a form of waste.

Any additional work beyond what's required to start learning is waste - no matter how important that work may seem on the surface.

Consider the Concierge MVP.

To better know your customers, hold off on automation. Instead, give each new customer the concierge treatment, at least in the beginning.

If you don't know who your customer is, you don't know what quality is.

Focus your energy on producing outcomes the customer perceives as valuable. Ask: "Does it serve their needs?"

Remove any features, process, or effort that does not contribute directly to the learning you seek.

Set aside traditional professional standards and/or perfectionism to begin the process of validated learning as soon as possible.

After receiving feedback, does your MVP need to be altered?

Will different people use your product for different things? Are there any features that would be dead weight based on customer sentiment? Do you still need a robust website? Any platforms you should leave or join?

Dan Wieden

Wieden + Kennedy

"It's the hardest thing to do as a leader, but it's the most important thing. Whatever day it is, something in the world changed overnight, and you better figure out what it is and what it means. You have to forget what you just did and what you just learned. You have to walk in stupid every day."

OK, maybe you discovered through feedback that you're idea isn't what your dream customer is looking for. Maybe they thought your idea was ridiculous, too expensive, or unreasonable. If that's the case, ask yourself, have I been talking to the right people? Does my solution solve the

Does my solution solve the right problem? You'll find a case study below that can really drive this message home; but don't lose heart. Even if your idea didn't work for one group, it may still work for another in a different capacity. Here's what Steve Blank had to say on the subject:

Exercise Ten:

When Your Target Audience Hates Your Idea

Lessons from The Lean Startup and Eric Ries

When Adjusting Your Hypotheses, Keep in Mind:

Case Study:

What If Your Customer Isn't Really Your Customer?

Steve Blank: "One of my favorite examples is a student team out of Stanford. They'd decided that the world's best thing they could think of building was a robotic lawnmower. Maybe you're doing it on large campuses, or something else. And they were actually pretty good computer scientists. They understood machine vision and they understood all this other stuff, but they didn't quite understand how it would fit as a business.

So, their first hypotheses were all about robotic mowing,

Steve Blank: "One of my favorite examples is a student team out of Stanford. They'd decided that the world's best thing they could think of building was a robotic lawnmower. Maybe you're doing it on large campuses, or something else. And they were actually pretty good computer scientists. They understood machine vision and they understood all this other stuff, but they didn't quite understand how it would fit as a business.

So, their first hypotheses were all about robotic mowing, and they got out of the building and started talking to potential customers who all said, 'How much is your device gonna cost?' And they said, 'oh about a quarter million dollars.' And they said, 'we pay somebody \$8 an hour to sit on the John Deere and go do this. Why would we want your product?' And they [student team] came back after the first couple of weeks incredibly depressed. They had done a whole bunch of customer discovery, but the customer segment they had thought about was telling them that it's the dumbest idea they'd ever heard.

And so the teaching team nicely suggested that, 'You know, in California we actually have agriculture outside of Silicon Valley - about sixty miles away is Salinas Valley. If you can recognize grass, could you maybe recognize plants or weeds?' And they went, 'Yeah, maybe we could.' So they got out of the building again, and this time, talking to farmers, asking them 'would there be any value in being able to tell the difference between a weed and a plant, and maybe some way to automatically kill the weeds?'

Now, it turns out, in California we grow a lot of organic crops, where you can't chemically kill the weeds. You had to actually hand pick them, and we were using hundreds if not thousands of migrant workers in the fields to do this. And when farmers heard about a robotic solution for what's called 'precision agriculture,' they started to get excited.

To make a long story short, after talking to about 85 customers, this team completely pivoted, that is, changed their assumptions about their customer segment, about the features that were important, and even pricing. The farmers taught them that they shouldn't be selling the machine - they should be leasing it based on the density of the weeds. Who would have figured that out sitting in a building?"

-Steve Blank for The Kauffman Founders School

<https://www.youtube.com/watch?v=LEebbiYIkI>

Did you discover any new or unexpected customer segments or needs?

Did you find out that different people want to use your product or service for different things? If you've discovered new customer segments, what does each one want the most? Did you discover unknown needs or problems in your pre-defined segments? Or do you need to completely pivot?

"A pivot requires that we keep one foot rooted in what we've learned so far, while making a fundamental change in strategy in order to seek even greater validated learning."

- Eric Ries, The Lean Startup

That wraps up Part Four! By now you should have successfully gathered feedback from prospects struggling with the problem you're planning to solve. We hope you've gained some valuable insights into both the problem and your proposed solution. If you need to go back to the drawing board on this one, simply revert back to the earlier lessons. If you're ready to move forward and get ready to launch your business, let's dive into Part Five.

Building Your Business

How to create a cohesive brand around your idea.

Thanks to feedback from your prospects, you should have an idea of where to head next with your product. A revised MVP, enhanced by actual feedback and deeper insights, can become the catalyst for your actual brand and business to take shape. And since things start to get expensive once you put this ball into motion, you want to be sure you have a sound strategy moving forward.

This next section will guide you through that process, starting with addressing the biggest obstacles standing in your way - namely, your perceived value in the marketplace.

Exercise One:

Understanding Value & Growth

Are You Value-Creating or Value-Destroying?

Lessons from The Lean Startup by Eric Ries

Three Ways to Always Be Creating Value:

- 1 Understand the reasons behind your startup's growth.**
 - a. Avoid "Success Theatre," which is merely using the appearance of growth to make it seem that you are successful. E.g., growing through outside money and paid advertising but failing to develop a value-creation product.
- 2 Learn to see waste and then systematically eliminate it.**
 - a. Value is defined as something that provides a benefit to a customer.
 - b. If it doesn't provide a benefit to the customer, then it's wasteful to the startup.
- 3 Discover ways to learn without building something, whenever possible.**
 - a. Learning is your essential unit progress.
 - b. Any effort that is not absolutely necessary for

What's the biggest challenge you'll have to overcome based on your feedback?

What have you learned? How will you use that knowledge to overcome the obstacles standing in your way?

"Every day, companies solicit feedback from customers, yet only a few translate that feedback into meaning. An even smaller fraction of companies actually take action or close the loop with the customer, to let them know their voice was heard."

- Whitney Wood, Phelon Group

Now that we've explored our obstacles, it's time to look at the market as a whole. In order to succeed, you'll need to do what Geoffrey A. Moore calls "crossing the chasm" from your early adopters to the early majority. These are two very different customer segments who look for very different things in a product.

But, if you're going to stand a chance at mainstream market success, you'll need to appeal to these "pragmatists in pain" by achieving product-market fit. Here's what we mean:

Exercise Two:

Start by looking at the market

A Crash Course in Customer Development

Part Two: Product-Market Fit

A Process Created by Steve Blank



Figure 2: Moore's Revised Technology Adoption Life Cycle Curve

What does it mean to "cross the chasm?"

This is the goal of your business to make the leap between early adopters and the early majority. It also signals the ability to tap into more mainstream channels.

What defines the early majority?

- Have a problem similar to the one faced by your early adopter
- Aren't as passionate about the problem as your early adopter
- Unlikely to jump in early; want something tried and tested
- Could be considered: "The Gatekeepers to the Masses"
- Have a "wait and see" attitude

"Product-Market Fit means being in a good market with a product that can satisfy that market." - Mark Andreessen

What exactly is Product-Market Fit?

There are three types of market: new, existing, resegmented. Most likely, you're dealing with an existing market, as it is very rare for technology or a product to be so new that it creates a completely unique market. If you were to enter a new market, you would have to also take on the role of educating your customers on what your product is, what it's for, and how to use it. For an existing market, on the other hand, you're main goal is not necessarily to educate, but to steal market share from the competition. In that case, you want to sway customers over to your side. However, competing on price rarely helps in this case. You're far more likely to succeed if you compete on quality instead. But - in the case of resegmented market - you could win over more price-sensitive consumers with a lower cost. Still, the best bet is to compete on functionality.

How does this apply to product-market fit, exactly? Well, you can believe that you are in one market, competing against a certain type of business or product; but if your customer doesn't see it that way, then you don't have great product-market fit. Consider the Milkshake Example from Lesson One: Those milkshakes weren't competing with other milkshakes; they were competing with bananas and Snicker bars. Similarly, Product-Market Fit is very much in the eye of the consumer.

In a Nutshell:

Product-Market Fit is when there is a strong demand for your product by passionate users representing a sizeable market.

There are three essential needs:

- 1 Your customer is willing to pay for the product.
- 2 Your cost for acquiring the customer is less than what the customer pays for your product.
- 3 There is evidence to suggest that the market is big enough to support your business.

"The early majority want to buy a productivity improvement for existing operations. They are looking to minimize the discontinuity with the old ways. They want evolution, not revolution. They want technology to enhance, not overthrow, the established ways of doing business. And above all, they do not want to debug somebody else's product. By the time they adopt it, they want it to work properly and to integrate appropriately with their existing technology base."

- **Geoffrey A. Moore, Crossing the Chasm**

What kind of market are you about to enter?

New? Existing? Resegmented?

"The only suitable reference for an early majority customer, it turns out, is another member of the early majority, but no upstanding member of the early majority will buy without first having consulted with several suitable references."

- **Geoffrey A. Moore, Crossing the Chasm**

To win over your chosen market, you'll need to see who might be considered by your customer to be your competition. Think back to the "milkshake example." Who are you really competing with? It may help to consider who is trying to solve this problem right now. How can you solve it better? When it's time to battle for market share, you better be prepared. So let's dig a little deeper into who you're up against.

Exercise Three:

Market Research

Studying the Competition

"We are always looking at things around us in relation to others." - **Dan Ariely, Predictably Irrational**

Questions to Ask Yourself:

- Who are they? What service or product are they offering?
 - How did their customers find out about them?
 - What are they charging? Is there anything unique about their pricing tactics?
- Are customers happy with their products and services? What's their relationship like? Are there any pain points or areas of frustration?
- What's their onboarding process? How long does it take? Are there any areas for improvement?
 - How do you think your product and offer will be better? How will you communicate your offer more effectively?
 - What's their branding like? How do you feel about their style? What would you do differently?
 - What ideas for disruption come to mind?

In regards to the problem that your product will solve, who else is out there solving it now?

"No one" is an acceptable (yet unlikely) answer. If no one is solving this problem, who else is trying to then? Keep in mind that there could be several other companies solving only certain aspects of the problem, whereas you're trying to solve the entirety of the problem.

"The strong take from the weak, but the smart take from the strong." - **Pete Carril, Hall of Fame Basketball Coach**

One of the best competitive advantages you can have over the competition is the ability to make your customer feel something about you. An emotional experience is far more meaningful than a logical list of products and features. So consider how you might stage a memorable experience for your customers. Why will they remember you? How will interactions with you make them feel? And how will this differ from the competition? Remember: gaining loyalty isn't just about solving a problem, it's about forging a relationship.

Exercise Four:

Making Your Customers Feel

Studying the Competition

Alternate Reality : How to Stage Memorable Customer Experiences

Excerpts from The Experience Economy

The Essence of Theme:

- Not a corporate mission statement or a marketing tagline
- Doesn't need to be publicly articulated - it should be felt
- Drives all design elements & staged events of the experience toward a unified storyline that wholly captivates the customer
- Forms the foundation of an experience
- Alters the guest's sense of reality
- Creates a reality other than everyday
- Engaging themes integrate space, time, and matter into a cohesive, realistic whole
- Put guests in motion in the experience - think 'choose your own adventure'
- Should fit the character of the enterprise staging the experience

Impressions:

- The "takeaways" of the experience
- Words are not enough: must introduce cues that affirm the nature of the desired experience, and each cue must support the theme (e.g., the coffee house that specialized in customer experience incentivizing their baristas to memorize their regular's favorite orders and have them ready before they get to the register)
- **Ask yourself:** how do you want guests to describe their experience with you:
 - "It made me feel..."
 - "It was like..."
 - "I enjoyed..."

The Six Dimensions of Overall Impressions by Schmitt & Simonson

- 1 **Time:** Traditional, Contemporary, or Futuristic
- 2 **Space:** City/Rural, East/West, Home/Business, Indoor/Outdoor
- 3 **Technology:** Hand-made/Machine-made; Natural vs. Artificial
- 4 **Authenticity:** Original or Imitative
- 5 **Sophistication:** Refined/Unrefined or Luxurious/Cheap
- 6 **Scale:** Grand or Small

When designing your experience, consider:

- How can we improve our aesthetics? How can the environment be more inviting, interesting, comfortable? How will we enable our guests to feel free 'to be'?
- If our guests become active participants in our experience, what should we encourage them to do?
- What do we want our guests to learn from the experience? What information or activities will help to engage them in the exploration of knowledge and skills?
- What can we do by way of entertainment to get our guests to stay? How can we make our experience more fun and enjoyable?

Four Concepts of Stage "Enactments"

By Richard Schechner, Expert in Performance Theory

1 Strategy is Drama

- a. Tells the "actors" what to do through mission statements, business plans, strategic visions, etc.

2 Processes are Script

- a. Employees must learn the script and the script must interpret the drama

3 Theatre is Form and Function

- a. Connects the drama and script to customers by staging a performance that engages them as an audience

4 The Offering is the Performance

- a. The entire constellation of events, most of them passing unnoticed, that take place as part of your customer's experience

What emotions should customers have when they interact with your product?

And how does your product make them feel before, during, and after their experience with it?

"It's not enough that we build products that function, that are understandable and usable; we also need to build products that bring joy and excitement, pleasure and fun, and yes, beauty to people's lives." - **Don Norman**

A large part of staging experiences is writing powerful copy that resonates with your target audience. Why? Because people purchase products and services based on emotional connections that resonate with their identity, and these connections are often created through the words used to describe the offer. If you're looking to sell your product only online, this is especially important, as the words you use must serve, essentially, as your digital sales rep. Here are a few tricks of the trade to get you thinking strategically about your message.

Exercise Five:

Copywriting & Communicating Value

7 Copywriting Tips from Words by Sørensen

1 Be a human first, company second.

a. Your sales copy might be selling to hundreds, even thousands of people at a time (god willing), but it still must convince each person individually. Imagine if you had to sell your product face-to-face with your customer - in person - how would you do it?

2 Focus on the benefits.

a. If a certain product feature isn't benefiting the customer, it's waste. If your sales copy isn't educating your customer on the benefits of your product, it's just as bad.

3 Do not use fancy words or tech jargon.

a. Cut the fat, get to the point, and please, keep it simple. Use language that everyone and their 60-year-old mother can comprehend.

3 Be clear, concise, and compelling.

a. Tell a story, but only as it relates directly to your customer. More importantly, don't self-indulge with long winded diatribes about yourself, or how your product will change the world. How will it make your customer's life better today?

5 Don't shy away from longer copy.

a. Just make sure it has a point and keeps your customer intrigued. Remember, the three ingredients of a good story are the beginning, the middle, and the twist.

6 Be simple.

a. Dilute your idea and message into its purest form. What is this product, and why should they care? Really? Get it down to a simple sentence and build up from there. It doesn't have to be groundbreaking literature, but it has to be clear and comprehensible for your customer.

7 Know your platform.

a. Website sales copy is different than sales copy in an app store or on Facebook. Determine what style does well on each platform for a product like yours, then take into account any limitations that platform might have. Adjust your message according.

Advice from the Greats:

Robert Collier, *The Secret of the Ages*

"Before you put pen to paper, before you ring for your stenographer, decide in your own mind what effect you want to produce on your reader — what feeling you must arouse in him."

Victor Schwab, "The greatest mail-order copywriter of all time"

"It has also been demonstrated that, when picturing the product in your advertisement, you will get more attention by showing it in use: doing something, accomplishing

Eugene Schwartz, Breakthrough Advertising

"Tap a single overwhelming desire existing in the hearts of thousands of people who are actively seeking to satisfy it at this very moment."

David Ogilvy, aka Original Gangster

"When I write an advertisement, I don't want you to tell me that you find it 'creative.' I want you to find it so interesting that you buy the product."

Fairfax M. Cone, Foote, Cone & Belding

"Good advertising is written from one person to another. When it is aimed at millions it rarely moves anyone."

What's your big idea for a sales pitch?

How can you condense your value prop and benefits into a powerful landing page?

"Consumers do not buy products. They buy product benefits." - **David Ogilvy**

Let's turn back to identity and creating a message that resonates with your customer. When building your brand, you also need to consider your unique style. What does your brand look like? How is your offer packaged? And how does this form a cohesive identity when combined with your message and copy? These are all things a prospect will judge within sections, so you want to find the right fit for not only what you're selling, but also for who you plan to sell to. You want your target client to identify with your business, even at first glance. Here's a rundown of the basics to get you started.

Exercise Six:**Determining Your Style****A Quick Guide to Typography****The Basics:**

- Bold headers and titles need lighter subheaders and subtitles.
- Size matters! It tells people what to read first.
- Make sure it's easy to read.
- Choose a font that matches your brand's personality, message, and purpose.
- Use contrasting fonts and different weights.

Five Font Groups to Know:

1 Geometric

Pros: Clear, modern, objective

Cons: Cold, boring, impersonal

Examples: Helvetica, Futura, Gotham, Franklin Gothic, Avant Garde

2 Humanist Sans

Pros: Modern yet human

Cons: Corporate and insincere

Examples: Veranda, Gill Sans, Optima

3 Old Style

Pros: Classic & readable

Cons: Traditional

Examples: Garamond, Jenson, Palatino

4 Transitional & Modern

Pros: Strong & stylish

Cons: Neither classic nor modern; a bit academic

Examples: Baskerville, Times New Roman, Bodoni

5 Slab Serif

Pros: Can convey authority, but also be friendly

Cons: Requires the right context

Examples: Rockwell, Archer, Courier, Clarendon

Quick Fix? Visit www.fontjoy.com

Source: www.smashingmagazine.com/2010/12/what-font-should-i-use-five-principles-for-choosing-and-using-typefaces

A Quick Guide to Color Theory

The Basics:

- Complementary colors are opposites on the color wheel.
- Monochromatic means one color in various tones.
- Analogous means that a group of colors are neighbors on the color wheel.
- A tint is a lighter version of a certain color.
- A shade is a darker version.

Basic Color Meanings:

Red

Passion, ambition, aggression, energy, lust, anger, alertness, power, rebellion, romance, fire, intensity, warmth, urgency, courage.

Orange

Communication, optimism, superficiality, determination, joy, encouragement, creativity, charisma, excitement, visibility.

Yellow

Intellect, cowardice, impatience, philosophy, summer, idealism, energy, extroversion, wisdom, thought, spontaneity, innovation.

Green

Growth, self-reliance, money, possessiveness, fertility, calmness, environment, generosity, progress, good luck, youth, frankness.

Blue

Trust, peace, loyalty, integrity, conservatism, frigidity, authority, confidence, protection, responsibility, stability, virtue, intelligence.

Pink

Unconditional love, nurturing, immature, silly, girlish, calmness, innocence, optimism, femininity, gentle, tranquil, emotional, friendly.

Gray

Color of compromise, unemotional, detached, gothic, industrial, remote, distant, careful, articulate, wisdom, futuristic, stable.

Black

Air of mystery, hidden, secretive, the unknown, elegance, formal, power, strength, authority, prestige, black humor, fear, grief.

Quick Fix? Visit www.colormind.io

Source:

<http://www.empower-yourself-with-color-psychology.com/meaning-of-colors.html>

<http://www.arttherapyblog.com/online/color-meanings-symbolism/#.WVMR0lpJmHo>

<https://www.colorpsychology.org>

Purple

Imagination, creativity, impracticality, aristocracy, reflection, anxiety, enchantment, dignity, independence, intuition, wit, value.

Brown

Comfort, protection, down-to-earth, serious, security, material wealth, loyalty, trustworthy, dependable, genuine, sincere, honest.

White

Perfection, purity, innocence, light, goodness, cleanliness, safety, faith, hygienic, refreshing, clarity, simplicity, optimism, hope.

In terms of style, what do you envision for your product?

What's the vibe?

"This is what customers pay us for - to sweat all these details so it's easy and pleasant for them to use our computers. We're supposed to be really good at this." - **Steve Jobs**

Now that you have an idea of your brand's style, it's time to talk about design. Dieter Ram was a German industrial designer who believed that less is more, and his specific design aesthetic even inspired early Apple products. Here are his principles of good design to get you thinking about how your product will look in the eyes of consumers, even

if only in terms of how your website appears on mobile. Beneath that you'll also find valuable questions regarding general user experience (UX) principles. In combination, you might consider this exercise to be a crash course in making simple things that function well in a chaotic world.

Exercise Seven:

Understanding the User Experience (UX)

Dieter Rams' 10 Principles of Good Design

"My heart belongs to the details. I actually always found them to be more important than the big picture. Nothing works without details. They are everything, the baseline of quality." – **Dieter Rams**

Good Design...

Is Innovative

Technological development is always offering new opportunities for innovative design.

Makes a Product Useful

Good design emphasizes the usefulness of a product whilst disregarding anything that could possibly detract from it.

Is Aesthetic

Only well-executed objects can be beautiful.

Makes a Product Understandable

Clarifies the product's structure, and helps the product clearly express its function by making use of the user's intuition. At best, it is self-explanatory.

Is Unobtrusive

Products fulfilling a purpose are like tools. They are neither decorative objects nor works of art. Their design should therefore be both neutral and restrained, to leave room for the user's self-expression.

Is Honest

It does not make a product more innovative, powerful or valuable than it really is. It does not attempt to manipulate the consumer with promises that cannot be kept.

Is Long-lasting

It avoids being fashionable and therefore never appears antiquated. Unlike fashionable design, it lasts many years – even in today's throwaway society.

Is Thorough Down to the Last Detail

Nothing must be arbitrary or left to chance. Care and accuracy in the design process show respect towards the consumer.

Is Environmentally Friendly

It conserves resources and minimizes physical and visual pollution throughout the lifecycle of the product.

Is as Little Design as Possible

Less, but better – because it concentrates on the essential aspects, and the products are not burdened with non-essentials. Back to purity, back to simplicity.

<https://www.fastcodesign.com/3047450/what-10-dieter-rams-products-reveal-about-the-principles-of-good-design>

<http://www.archdaily.com/198583/dieter-rams-10-principles-of-%25e2%2580%259cgood-design%25e2%2580%259d>

Excerpts from “A UX Crash Course” by The Hipper Element

1 Psychology

What is the user's motivation to be here in the first place?

How does this make them feel?

How much work does the user have to do to get what they want?

What habits are created if they do this over and over?

What do they expect when they click this?

Are you assuming they know something that they haven't learned yet?

Is this something they want to do again? Why? How often?

Are you thinking of the user's wants and needs, or your own?

How are you rewarding good behaviour?

2 Usability

Could you get the job done with less input from the user?

Are there any user mistakes you could prevent? (Hint: Yes, there are.)

Are you being clear and direct, or is this a little too clever?

Is it easy to find (good), hard to miss (better), or subconsciously expected (best)?

Are you working with the user's assumptions, or against them?

Have you provided everything the user needs to know?

Could you solve this just as well by doing something more common?

Are you basing your decisions on your own logic or categories, or the user's intuition? How do you know?

If the user doesn't read the fine print, does it still work/make sense?

3 Design

Do users think it looks good? Do they trust it immediately?

Does it communicate the purpose and function without words?

Does it represent the brand? Does it all feel like the same site?

Does the design lead the user's eyes to the right places? How do you know?

Do the colours, shapes, and typography help people find what they want and improve usability of the details?

Do clickable things look different than non-clickable things?

4 Copywriting

Does it sound confident and tell the user what to do?

Does it motivate the user to complete their goal? Is that what we want?

Is the biggest text the most important text? Why not?

Does it inform the user or does it assume that they already know what it's about?

Does it reduce anxiety?

Is it clear, direct, simple, and functional?

4 Analysis

Are you using data to prove that you are right, or to learn the truth?

Are you looking for subjective opinions or objective facts?

Have you collected information that can give you those types of answers?

Do you know why users do that, or are you interpreting their behaviour?

Are you looking at absolute numbers, or relative improvements?

How will you measure this? Are you measuring the right things?

Are you looking for bad results too? Why not?

How can you use this analysis to make improvements?

Source: <http://thehipperelement.com/post/75476711614/ux-crash-course-31-fundamentals>

How do you plan to address UX?

What is the most important goal your users wish to achieve through your product?

How will you make them extremely effective at achieving this goal?

"Quiet is better than loud." - Dieter Rams

Even with a seamless design rooted in minimalism, you still have actions that you need and want your customer to take, whether it's to download your app, sign up for your newsletter, or simply hit purchase. That's where a strong call-to-action comes into play. Here's what you should know before you start designing buttons.

Exercise Eight:

Inciting Action

ENGAGE! A Quick Guide to the Call-to-Action (CTA)

What is a CTA?

An image, button, or line of text that prompts your reader or customer to take action, e.g., to download your eBook, subscribe to your blog, etc.

CTA Elements to Consider:

- Size
- Color
- Wording
- Contrast
- Position
- Urgency

In most cases, your CTA will need to be enhanced by additional content on your landing or sales page, which, in clear language that aligns with your early adopter, will minimize the risk of taking action. A lack of detail can cost you clicks, engagement, and opt-ins.

CTA Best Practices:

- Use short sentences and action verbs
- Make it obvious what you want the user to do
- Don't be afraid of white space surrounding the CTA
- Think about your color scheme and really make your CTA pop!
- Always be communicating your value
- Require as little effort from the user as possible
- Tell them exactly what you want them to do next, and how
- Don't hide behind flowery language or beat around the bush
- Keep it simple, with only one to two CTAs per page
- Always get right to the point
- Enforce a sense of urgency, excitement, and immediacy
- Size matters

Examples of Good CTAs:

- Sign up for early access!
- Pin it!
- Talk to us!
- Let's do it!
- Get yours now!
- Start a Campaign!

How do you want customers to respond?

What types of actions must they take? How will you invite them to take that action?

"Design is not just what it looks like and feels like. Design is how it works." - **Steve Jobs**

Alright, someone has decided to opt-in or look into purchasing your product. Great! But, abandoned carts are still a big problem online. The wrong price point can turn someone off just as quickly as poor design and bad copy. So, now is the time to consider what your ideal price point may be. If it's too expensive, customers might never purchase your product. On the other hand, if it's too cheap, they may not respect or trust your offer enough either. How can you balance these two reactions? Where's the middle ground?

Exercise Nine:

Pricing

The Trouble with Free: Advice from Dan Ariely from Predictably Irrational

What is a CTA?

An image, button, or line of text that prompts your reader or customer to take action, e.g., to download your eBook, subscribe to your blog, etc.

Mini Case Study: We Don't Want Your \$30

A few years ago, the AARP asked some lawyers if they would offer less expensive services to needy retirees, at something like \$30 an hour. The lawyers said no. Then the program manager from AARP had a brilliant idea: he asked the lawyers if they would offer free services to needy retirees. Overwhelmingly, the lawyers said yes. What was going on here? How could zero dollars be more attractive than \$30? When money was mentioned, the lawyers used market norms and found the offer lacking, relative to their market salary.

When no money was mentioned they used social norms and were willing to volunteer their time. Why didn't they just accept the \$30, thinking of themselves as volunteers who received \$30? Because once market norms enter our considerations, the social norms depart.

What is your ideal price point to make this viable?

Do you have any data to support this conclusion?

"The difference between two cents and one cent is small. But the difference between one cent and zero is huge!"

- Dan Ariely, **Predictably Irrational**

There are many benefits to offering a free product, but this decision can also affect your business model and relationship with customers. You'll need to determine how best to navigate these waters early on, especially since there is "no such thing as a free lunch." What else might this decision end up costing both you and your customer?

Exercise Ten:

Levels of "Free"

The Currency of Time and Attention: Advice from Wired's Chris Anderson

Anything that can be converted into cash is a form of currency in and of itself, which includes your time and respect. "Money is not the only scarcity in the world," Anderson argues. "There's also the supply of reputation and attention." Google has already become a central banker of sorts for these scarcities. For instance, through Google's platforms, we can convert our reputation (measured by PageRank) into attention (seen as traffic), which then becomes cash (through ads). Back in 2008, he highlighted six "free" business models:

1 Freemium

- Consider the Rule of One, which for online businesses means that 1% of users support all the rest.
- In this model, 99% of users get free access to the basic model of Web software, services, or content.
- This business has various levels of access, ranging from free to expensive, or a premium "pro" version (e.g., LinkedIn) for the best experience, service, or content

2 Advertising

- In this case, content, software, and services are free to everyone, while the business makes money through ad sales and sponsorships.
- For example, Google's pay-per-click, Amazon's pay-per-transaction, affiliate ads, site sponsorships, etc. This approach is based on the belief that free offerings build audiences with distinct interests & needs that advertisers will pay to reach.
- This approach is based on the belief that free offerings build audiences with distinct interests & needs that advertisers will pay to reach.

3 Cross-Subsidies

- Example: you get a free Wii if you buy a deluxe game, you get a free lunch if you buy a certain beer, you get a free CD if you help publicize the band's tour.
- Here, any product that entices you to pay for something else is free - but you're paying for something, one way or another.
- The price of each individual component is often determined by psychology, not necessarily cost.

4 Zero Marginal Cost

- If it can be distributed without an appreciable cost to anyone, then it can be free to everyone.
- For example, online music. Distribution costs have hit rock bottom, which is why some artists now give their music away for free online as a way to market their concerts, merchandise, licensing, and other more lucrative gigs.

5 Labor Exchange

- In this situation, web sites and services are free to all users, since the act of using these sites and services actually creates something of value, either by improving the service itself or creating information that can be useful somewhere else.
- Examples: Digg, Yahoo! Answers, Reddit

6 Gift Economy

- Zero-cost distribution has turned sharing into an industry, so in this case, everything is free to everyone, from open source software to user-generated content.
- Wikipedia is a great example of this.

Source: <https://www.wired.com/2008/02/ff-free/>

If your product is free initially, how much time or attention will it cost?

What other scarce currency will users have to invest?

"Free is really, you know, the gift of Silicon Valley to the world. It's an economic force, it's a technical force. It's a deflationary force, if not handled right. It is abundance, as opposed to scarcity." - **Chris Anderson**

If you're not going the "freemium" route, you'll need to determine how to accept payments from your customers. While there are many payment platform options available, with more becoming available each day, you need to make a choice based on the quality of experience you want your customers to have, and the percentage of revenue you're willing to lose in the process. Here's a rundown of major platforms you may consider.

Exercise Eleven:

Determine How You'll Accept Payments

A Breakdown of Common Payment

Processing Platforms

Things to consider:

- Where your customers are located
- How they want to pay
- Platform integrations
- Processing fees
- Additional capabilities
- User experience
- Whether you're conducting eCommerce, invoicing individual clients, or both

PayPal

- **Price:** Standard = free; Business/Pro = \$30/month
- **Getting Paid:** Accepts all major credit cards; integrates with just about everything;
- **Fees:** Inside the U.S. = 2.9% of transaction total + \$0.30; Outside U.S. = 4.4% of total + fixed fee
- **Features:** Syncs with your shopping cart; has mobile capabilities; can do recurring billing

Square

- **Price:** Magstripe reader free w/account; array of hardware, software and features at various price points
- **Getting Paid:** Magstripes, POS, chip readers, apps, and more
- **Fees:** 2.9% for businesses; 3.5% + \$0.15 for keyed-in payments, 2.9% + \$0.30 for invoices
- **Features:** Accepts every major credit card; offers invoicing and virtual terminals

Shopify

- **Price: Basic** = \$29/month; 'Shopify' = \$79/month; Advanced = \$299/month
- **Getting Paid:** Accepts payments from 70 different payment processors; countless integrations
- **Fees: Basic** = 2.9% + \$0.30; Shopify = 2.6% + \$0.30; Advanced = 2.4% + \$0.30
- **Features:** Customizable templates; discount codes; accepts all major credit cards & most gift cards

Google Wallet

- **Price:** Free to join
- **Getting Paid:** Competes with Venmo, mostly peer-to-peer; can only use for business as a sole proprietor
- **Fees:** Receiving money is free; 2.9% transaction fee for credit cards
- **Features:** Instant withdrawal to debit card; fraud protection; easy, sharp interface

Freshbooks

- **Price:** \$15-\$50 a month (\$15=5 clients, \$25=50 clients, \$50=500+ clients)
- **Getting Paid:** Easily accepts credit card payments;
- integrates with PayPal, Stripe, and more
- **Fees:** Visa/MC = 2.9% of transaction total + \$0.30; Amex = 3.5% of total + \$0.30
- **Features:** Great UX, time tracking, invoicing, automatic reminders and late fees if applicable

Venmo

- **Price:** Free to join
- **Getting Paid:** Mostly peer-to-peer money transfers; limited release for business at the time of this writing.
- **Fees:** 3% with credit cards;
- **Features:** Easy sign in with Facebook, Twitter, or Google+; simple and effective

BitPay

- **Price:** Free to join
- **Getting Paid:** Receive payment of any amount, from anywhere in the world, from any device
- **Fees:** Flat 1% settlement charge
- **Features:** Over 40 integrations and counting; buttons, hosted checkout, cart plugins and more

What payment platforms will you use?

PayPal, Stripe, etc? What fees will you be expected to pay?

"A business that makes nothing but money is a poor business." - **Henry Ford**

What's your long game with your product? While Chris Anderson of Wired magazine is a fan of the freemium model, he's also the brain behind what's known as the "long tail" business model. To see if this concept might work for your offer, read the breakdown below. Then again, if you're only offering one product, it may just help you in considering viable options for later down the road - especially if you're not offering a digital product right now.

Exercise Twelve:

Understanding the Long Tail Business Model

Entering a World of Abundance: Advice from Chris Anderson

"Hit-driven economics is a creation of an age without enough room to carry everything for everybody. That was a world of scarcity, and now we're entering a world of abundance." - **Chris Anderson**

What is the Long Tail?

A theory created by Chris Anderson, the Editor-in-Chief of Wired Magazine, which argues that popularity no longer has a monopoly on profitability.

"We assume that only hits deserve to exist...but "misses" usually make money too. And because there are so many more of them, that money can add up quickly to a huge new market." - **Chris Anderson**

Traits of a Long Tail Business:

- Treat consumers as individuals
- Offer mass customization as opposed to mass-market
- Use recommendations to guide customers towards similar yet unexpected products

Examples of Businesses Using the Long Tail:

- iTunes
- Rhapsody
- Netflix
- Amazon

"We equate mass markets with quality and demand, when in fact it often just represents familiarity, savvy advertising, and broad, if somewhat shallow, appeal." - **Chris Anderson**

Rules of the Long Tail:

1 Make Everything Available

Embrace niches, aggregate dispersed audiences, and know that almost anything is worth offering on the off chance it will find a buyer.

2 Cut the Price in Half...Then Lower It

The cost of free is the psychological value of convenience. To compete with free, offer fair pricing, ease of use, and consistent quality. More importantly, price according to digital costs, not physical ones. As it turns out, when you lower prices, people tend to buy more.

3 Help Them Find It

Use "hits" to attract consumers, then use lower prices and additional content to lure them down the tail, towards overlooked merchandise or offers. And by guiding them down the tail, and learning more about their preferences, you can make more informed recommendations moving forward.

Sources:

<http://changethis.com/manifesto/10.LongTail/pdf/10.LongTail.pdf>

<https://www.wired.com/2004/10/tail/>

How will customers pay for your product?

Direct or third-party? Are there levels of access? Once they make a purchase, is there an incentive to keep paying for something, or search for something else?

"The biggest money is in the smallest sales." - **Kevin Laws**, Venture Capitalist and Former Music Industry Consultant

OK, so you're officially ready for people to start purchasing your product. This is a good time to touch on empathy. If you can understand the feelings and emotional needs of your customer, you'll be in a strong position for market domination. However, you're going to need to do more than merely understand these feelings. You've got to build that understanding into your customer experience. Consider, how does your customer interact with your business and product? How can you demonstrate your understanding of them at each and every touchpoint?

Exercise Thirteen:

Building Empathy

What is a Touchpoint?

These are every point of interaction between you and your customer along their journey. For example, your customer could click on your ad, enter your website, sign-up for a free download, subscribe to your blog, purchase your product, visit your brick and mortar store, talk with a customer service representative, chat with a bot, log-in to their membership page, etc, etc.

A Very Quick Guide to Empathy Maps

Your Goal?

To get a holistic perspective on how it feels to be your customer in this experience with your organization. You want to focus on what your customer is thinking, feeling, hearing, saying, doing, and seeing at each and every touchpoint. This will help you build a deeper understanding of your customer's motivations, behavior, and actions

Ask Yourself:

- Who is my customer?
- What worries them? Delights them? Frustrated them?
- What do they love, or hate?
- What are they thinking, doing, hearing?
- What outside perspectives or opinions influence them?
- What causes them pain?
- What do they need?
- What do they want?
- How do they measure success?
- What do they consider as an obstacle to that success?

Add these insights to each touchpoint along your customer journey map.

List your touchpoints. For each touchpoint, what is the customer feeling, and what is the ideal outcome?

There's always a logical customer journey, but people are often emotional when it comes to spending money or taking a chance on a new product. Are they excited, frustrated, intrigued, or misunderstood? How can you change their mood as necessary? And, more importantly, how can you eliminate friction? What do your customers need to accomplish with each interaction, and how can you make it as easy as possible?

"If you're not pushing things in a meaningful direction, people tend to put it on the back burner." - **Carl Guarino, SEI Investments**

Now that you've outlined customer touchpoints, it's time to build your customer journey map. This will give you a holistic view of your customer's experience from the time they find you online through their purchase and subsequent experience moving forward, whether it's through help from customer service or simply living with your product on a day-to-day basis. Grab some colored pencils and follow the steps below.

Exercise Fourteen:

Your Customer Journey Map

What is a customer journey map?

A physical interpretation of the steps and emotional states each customer goes through when interacting with you.

What is it for?

These maps help you consider interactions with your company or product from your customer's perspective. In addition, a customer journey map can:

- Deepen your understanding of customer behavior
- Highlight opportunities for building stronger customer relationships
- Help you build trust, respect & consistency with customers
- Determine how your product fits within your customer's lifestyle

Why use one?

- Improve your customer's experience (CX)
- Better deliver on brand promises
- Understand customer consumption behavior
- Highlight the most effective channels
- Determine user goals

The Goal?

Not so much the physical map itself, but the insights and customer understanding gained by creating the map.

What is it for?

How to Use It:

Ask Yourself:

Who is my customer?

What is my customer's real goal, or deeper need?

What did my customer do right before interacting with me? (Their interaction with you is part of a longer journey.)

What will my customer do right afterwards?

What will make my customer happy?

What will it take to provide the most positive CX? (Stay mindful of the customer's holistic needs.)

How do customers learn about me, and what potential barriers do they face between discovery & purchase? How can we solve those problems?

How do my customers want to be spoken to, what are they thinking, feelings, seeing, hearing and doing?

What You'll Need:

Personas: A breakdown of user needs, goals, thoughts, feelings, opinions, expectations, and pain points described from the point-of-view of a character.

Timeline: A finite amount of time, or variable phases of experience, such as awareness, decision-making, purchase, etc.

Emotion: The range of emotions your customer experiences, from happiness to anxiety or frustration.

Touchpoints: Those specific moments where you interact with your customers.

Channels: Where those interactions are taking place.

Moments of Truth: A positive interaction that leaves a lasting impression at a high-stakes touchpoint.

Supporting Characters: These are friends, colleagues, etc who may contribute to your customer's experience.

The Basic Steps:

1. What's the specific goal we're mapping?
2. How do you think this customer journey will play out?
3. Make a list of every touchpoint (or interaction) on every channel.
4. Draw your map.

A Step-by-Step Guide

A customer journey map can help you better understand your customer's behavior, goals, and experience in relation to your business or product. It can also highlight "pain points" in your customer's experience (CX), turn customer service strategies into revenue, and make your sales process more effective. And when paired with the ecosystem map you made earlier, it can give you a more holistic understanding of how people will interact with your systems & processes. But the map itself doesn't deliver these benefits - the mindset it creates does.

Now, there are many schools of thought concerning the customer journey map. Some say you must complete three to ten weeks of research and interviews before you even build the map; others believe it's an artifact that should be put in a place of prominence in your office, or even for the customers themselves to see. But the truth is that your business and users change over time. In fact, every time you pivot, your customer journey pivots too. So why would you invest so many resources into sketching out a map? The goal, instead, should be to understand how your product fits within your customer's life, how it influences their behavior, and how you can start designing better experiences to meet their needs. This isn't something to think about for three to ten weeks out of the year - it should be something you consider every time you think about CX.

That said, we'd like you to put pen to paper and create your first customer journey map. As they say in math class, "show your work." This is all about taking your assumptions and making a visual representation of them on the page. Feel free to get creative with your actual map, but in terms of the content you breakdown, try to make your most educated guess. Let's go.

1. First, let's talk about goals. You're going to be mapping a very specific customer interaction. Maybe it's from the moment your customer hears about your product, or the first time they land on your site. Once they begin this journey, what is it they hope to achieve or accomplish? Is this different from what you want them to do?

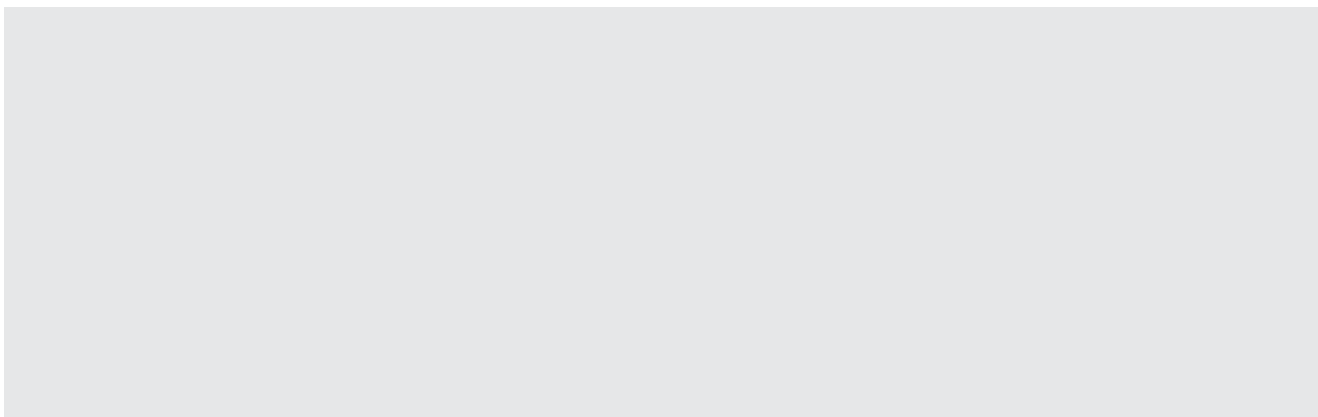
2. How do you think this experience will play out? From the moment a customer learns of your product until they hit purchase, download it, or receive it via UPS, what can your customer expect to experience? What are the steps they must follow? For instance, is it "Create an account" or "Hit Buy?" Make a list of every time your customer interacts with your brand. What are those "touchpoints?" How do they get from where they started to where the process ends? What does the customer do at each touchpoint? Where do these interactions happen? Is it on your website? Social media platforms? In-person, or on the app itself? Be as clear as possible on the what and where.

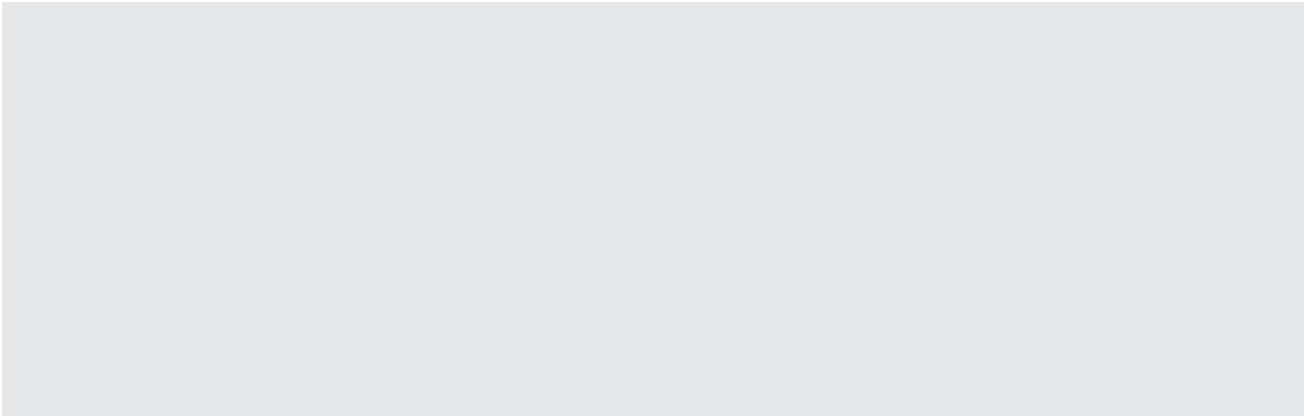
3. Who is your customer? Technically, you should make a customer journey map for each one of your customer segments. You may know these individuals as "personas," or characters; but for the sake of this exercise within Rootstrap, let's focus on your early adopter. Who is the customer your product is the best fit for? Who's actively searching for your product?

4. Let's dig deeper and flesh out a basic "Empathy Map." For your target customer - your early adopter - go through each touchpoint and jot down how each touchpoint makes them feel. Are there any sensory experiences, such as sight, touch, or sound? Where do you think they might get frustrated? What do you think they want out of each touchpoint? Why do they follow the path they do? How does each touchpoint or interaction inform their opinion of your product? Does anything cause anxiety? How can each interaction leave a positive, lasting impression? What does "great" look like for your target customer along the way?

5. Now that you've gathered all the information you need, get creative and design a basic customer journey map. Using your touchpoints as your guide, and maybe lines or arrows to demonstrate your customer's journey, create a map you can use to test your assumptions moving forward. Remember, this is just your hypothesis, so there are no right or wrong answers. Be sure to write specific "pain points" along the journey to take into account during and after each round of customer interviews and validation. And be mindful that this entire customer journey is meant to be from your customer's perspective, so really dig deep into their emotional state of being at each touchpoint. The more specific you are now, the more informed you'll be down the road.

Sketch a customer journey map for each customer segment.





Alright, now that you have your customer journey map and understand what takes place front-of-house, let's dig deeper into the behind-the-scenes stuff. We'll do this by creating an ecosystem map that takes into account everyone involved with your getting your product to market. Use your colored pencils and map out the guts of your business operations by following the steps outlined below. In combination with your customer journey map, you'll gain a much clearer view of what's going on and why.

Exercise Fifteen:

Creating Your Ecosystem Map

The goal here is to increase your chances of long-term success by mapping out your business ecosystem. Ideally, by putting pen to paper you'll be able to discover potential roadblocks and milestones, while thinking about your business in unexpected ways. So grab a couple of colored pens and a blank sheet of paper to get started.

First: Identify each entity in your ecosystem and draw a circle around them.

To start, put your product's name in the middle of the page, draw a circle around it, then begin to surround it with the names of all entities playing a role in your business strategy. These might be customers, users, partners, and advertisers, etc. Anyone who is receiving some sort of benefit by participating in your ecosystem. Draw a circle around each one.

Next, determine what value is being provided or received by each entity.

On the side of each entity, outside of their circle, jot down their core value. What are they hoping to get out of this relationship with you? What's the benefit to them? Is it money, customer satisfaction, brand awareness, or something else entirely? Keep each core value to a brief sentence.

Now that you know what your entities value, let's determine your flow of currency.

If it's a direct flow of currency, from one entity to another, you'll want to draw a solid line with an arrow between them. For instance, a direct flow would be customers purchasing your product directly from your online store. If there are any indirect forms of payment, such as the same customer purchasing your product through a third party or an entity earning funds through advertising, then you'll want to mark those with a dotted line arrow. Even if you're using a free model, with customers paying in time and attention, your flow of "currency" should still be mapped out. (You can use whatever color you'd like for these arrows, but green seems to be the most fitting.)

Next, let's determine product distribution.

How exactly will your product reach end users? What indirect and direct distribution channels are you planning to use? Map out the flow with solid or dotted line arrows between entities in another color. (We suggest blue.)

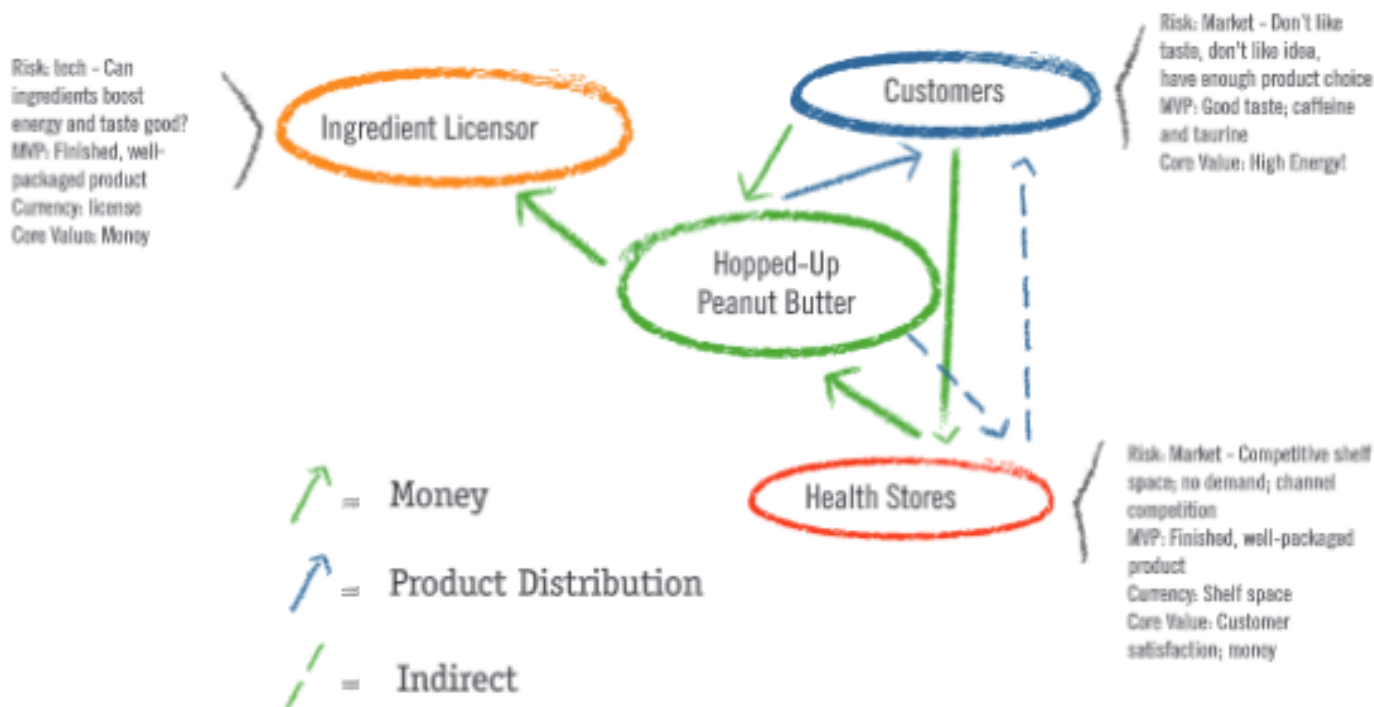
Alright, now that we know who is involved in our ecosystem, how the money flows from one entity to the next, and how our product is being distributed, let's talk MVP.

Your MVP, or Minimal Viable Product, is the smallest feature set that each entity is willing to pay for. It can be as simple as a "subscribe" button, or as complex as a fully fleshed out prototype. There are many levels of MVP development. The most important aspect of the MVP, however, is that you are able to use it to test the validity of your entire business model, as well as any high-risk components. Through these tests, you'll also gain insight into what the "end goal" should be for your product.

Now, for your ecosystem map, you need to jot down what your MVP would be for each entity, right next to the core values you've already listed. What is the smallest feature set that each entity would willing to pay for? How will that MVP deliver on their core value? How will each entity pay for it? Is it with money, attention, or something else?

Now that we have our MVP outlined, let's determine the risk.

We know what each entity values, and how we plan to deliver that value in the form of an MVP - but what risks are associated with doing this? What will you have to contend with in order to build what you think the market needs? Is your technology difficult or costly to produce? What minimum set of features will you need to build to attract paying customers? What market-testable milestones will you need to reach? Go through your map and write in risks associated with delivering value to each entity. And, finally, your ecosystem map should wind up looking something like this:



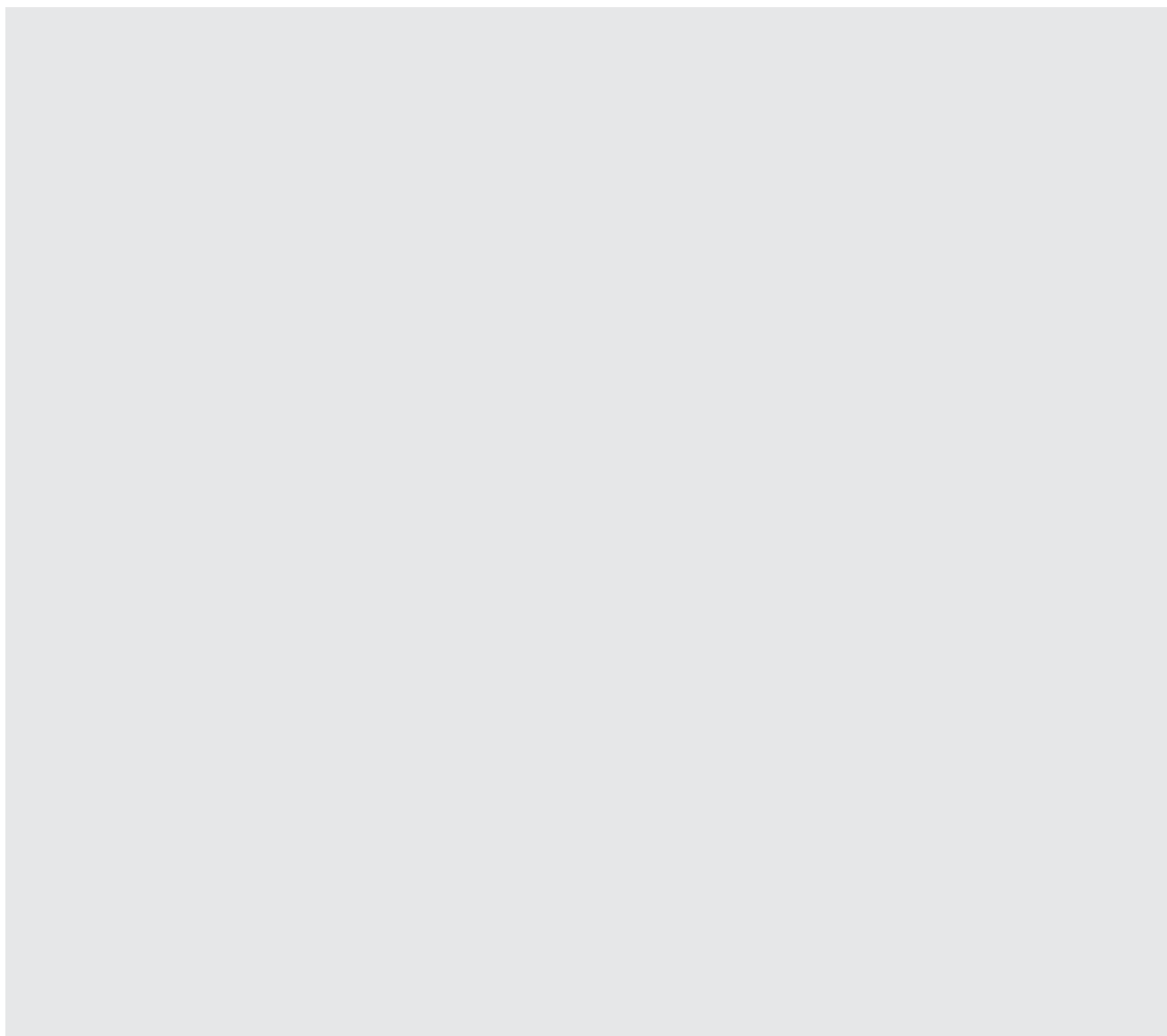
And last but not least, now that you've completed your ecosystem map, let's create your value path, which will take you from where you are today to your proposed final MVP. This is your process map from beginning to end.

Take out another piece of paper for this one and turn it horizontally. Here's what you want to do: In a bullet point list, write the top three things you need to test, right out of the gate. Maybe it's to see if there's a market for your idea in each of your customer segments. Jot that down, circle it, then get ready to make another circle to the right (a pattern we'll continue as we progress). In another list, outline what's next on the agenda to test. Maybe this is your first MVP-Interview, and it's a list of assumptions before you sit down with real customers to collect feedback. Circle your list of around 3-4 assumptions, then move on to the next thing you need to test. Perhaps, this time, it's an MVP-Product, like a landing page with sales copy and a call-to-action that you test by driving traffic to it and measuring clicks. Next, maybe you have another set of interviews and bring product samples or a clickable prototype for additional feedback...and the list goes on and on, documenting each step of product development, customer interviews, and testing assumptions until you reach your Final MVP. In the end, it may look something like this:



Figure 10: Business Model Value Path

Draw your final drafts of both your ecosystem & value maps.



Part Five is officially a wrap! By now you should have your product, your brand, and your business operations ready to go. It's been a long road, but now that you have a solid foundation, let's grow. See you in Part Six, where we're going to focus on gaining traction and finally getting those first 100 customers.

Launching That Bad Boy

It's time to start gaining traction. 100 is just the beginning.

You've built your business from the product up, and now it's time to focus on turning the key to the engine and getting this show on the road. First step? Marketing. We've got to start generating interest in your offer, starting with conversations, relationships, and testing your MVP in the marketplace. Our goal? To cross the chasm and achieve mainstream success. You're already well on your way, so trust the process and keep pushing. It's time to launch.

Exercise One:

Well, What Are You Waiting For?

Words of Wisdom from Jeff Walker's Launch

On Conversation

"People find conversations a lot more interesting than monologues or lectures...It's a lot easier to tune you out when you start shouting at them, "Buy my stuff, buy my stuff, BUY MY STUFF! So instead of shouting at your prospects, what if you engaged them in a conversation?"

"If you want to make your business and your marketing memorable, then your marketing needs to tell a story. That doesn't mean you have to become a novelist, but you need to tell an engaging story about your products and services and why they matter to your prospect. And you need to communicate that story to your prospects."

"You can't rely on one single marketing message; instead you need to think in "sequences." Instead of relying on a single communication to make your point, you use a sequence of communications that build upon each other."

On Relationships

"I frequently hear people complain about their clients - but the thing is, they're the person who picked those clients. Remember, if you want different clients, then change your business, change your product, change your messaging, change your marketing. You're the one attracting those clients, and making the decision to work with them...so pick great ones."

"My current business has literally been created by doing promotional partnerships with businesses that might be considered direct competition. But instead of competing, we support each other. The end result is that we don't have to worry about splitting up the pie. Instead we work together and grow a much bigger pie."

On Lists

"List building is one of the core strategies I always focus on in every business I own...In the online world, your list is everything. EVERYTHING. In fact, it really is hard to fathom the power of an email list until you have a list and you push that "send" button....and then within seconds you start to see the people on your list responding and clicking through to your web site. And, of course, since there is so much data and tracking online, you get to see the results in real time."

"...your email is landing in a lot of individual inboxes. Every subscriber on your list is an individual, a unique person. I know I'm stating the obvious, but many list owners seem to forget this. I hear them talk about sending a "blast" to their email list - their term for an email broadcast. But think about it...does anyone like to get blasted?"

"...the easiest way to increase the responsiveness of your list is to increase the connection and relationship you have with your list....In terms of pure response rates, an email subscriber is worth many times more than a social media subscriber. In fact, the latest tests I've seen have shown that email is at least 20 times more powerful than a Facebook list. In other words, an email list of 1,000 people will outperform a Facebook following of 20,000."

On Growing

"When you first start out, you will likely have limited capital. And since you'll be doing most everything yourself, you'll definitely have limited time. Picking the right opportunity is HUGEY important. Making the wrong choice can set you back weeks, months, or even years."

"The more successful you become, the more 'opportunities' you will have. This is what we call "deal flow." You start to have success, you build up a series of assets, you prove your worth - and all of a sudden everyone wants to do a deal with you...That's one of the reasons why it's easier to go from \$100,000 to \$1,000,000 than it is to go from zero to \$1,000."

"If you're going to be in business, and you're going to have long-term success, then you need to be a perpetual student. Your market, clients, and competitors aren't going to stand still, and you can't afford to either....You have to go to school. And you're going to have to keep going back to school."

At first glance, how do you think you should market your product?

What are your initial assumptions? Where do you think you'll find your customers?

"An entrepreneur is someone who jumps off a cliff and builds a plane on the way down." - **Reid Hoffman**, Co-Founder of LinkedIn

Now that you've listed your general assumptions regarding marketing your product, let's turn to how you'll achieve traction through these channels. In the section below, we'll outline major channels available online and off. See which ones appeal to you, and weigh those options against your initial ideas. Are there more options available than you had originally thought, or were your assumptions spot on? How can you work smart, not hard, in gaining paying customers over the shortest amount of time?

Exercise Two:

Gaining Traction

Lessons on Growing Your Business From Traction: How Any Startup Can Achieve Explosive Customer Growth by

Gabriel Weinberg and Justin Mares

"Traction is growth. The pursuit of traction is what defines a startup."

"Often, the most underutilized channels in an industry are the most promising ones....Get one channel working that your competitors dismiss, and you can grow rapidly while they languish."

"Spend 50 percent of your time on product and 50 percent on traction."

Understanding Your Traction Channels

Targeting Blogs

Finding niche blogs with a relevant amount of traffic according to your scale

Pro: Influential blogs are easy to find through basic searches, and you can start small

Con: Very difficult to scale, as there are a limited number of relevant, high-traffic blogs

Publicity

Getting recognition in newspapers, magazines, television, journals, etc.

Pro: Most online publications need content just as much as you need publicity

Con: Reporters get endless pitches these days; hard to get attention and create an intriguing story

Unconventional PR

Conducting publicity stunts, contests, and other unexpected events that get noticed

Pro: If done right, they can propel your name recognition virtually overnight

Con: Can be time-consuming and difficult to execute, especially with limited resources

SEM (Search Engine Marketing)

Advertising directly to consumers who are searching on Google and other search engines

Pro: Can be extremely targeted, trackable, and measurable with little upfront cost

Con: Keywords can be saturated; a ton of variables to test (keywords, copy, demographics, etc)

Social and Display Ads

Placing advertising on sites like YouTube, Reddit, Facebook, Twitter, etc.

Pro: Display - great for brand awareness & new customers. Social - much higher conversion rates

Con: When was the last time you clicked on a banner ad? Impressions don't equal conversions

Offline Ads

Buying TV or radio spots, billboards, newspaper & magazine ads, direct mail, flyers, etc.

Pro: Easy to start small; Detailed demographics usually available; Can often find discounted ad space

Con: Offline ads are much harder to track than online. Design is critical though, so don't cut corners

SEO

Optimizing your website to show up organically in relation to keyword searches

Pro: You can often scale at low cost, and SEO can amplify your other traction channels

Con: A ton of competition and saturation. Can't half ass it. Campaigns need to be carefully planned

Content Marketing

Producing relevant, well-written content (often goes hand-in-hand with SEO)

Pro: Successful content is evergreen, driving new customers for years; can position you as an expert

Con: Overcoming writer's block and creating meaningful, relevant content is harder than it looks

Email Marketing

Building a list of prospects & customers whom you retain and engage with regularly

Pro: Extremely customizable; your list is one of the most important assets your business can have

Con: Copywriting is an art - takes time & skill; must test everything (subjects, timing, formats, buttons, etc.)

Viral Marketing

Getting existing prospects or customers to share your product with their network

Pro: Low customer acquisition cost; repeatable loop; nothing beats word of mouth and referrals

Con: Going 'viral' is incredibly rare; testing and formulating your viral coefficient is no simple feat

Business Development

Creating mutually beneficial partnerships to grow your audience

Pro: Allows you instant access to large swathes of customers, resources, or both

Con: Deals are hard to execute; a lot of moving parts; can be difficult to find the right decision makers

Sales

Building leads, qualifying them through a funnel, and converting them into paying customers

Pro: Money in the bank; allows you to scale if you can develop a repeatable process

Con: The sales funnel is an arduous process; people hate to be 'sold'; uses a lot of internal resources

Affiliate Marketing

Working out a deal with other people or companies in exchange for leads or sales

Pro: Takes pressure off of sales; vast areas of opportunity; instant access to other communities

Con: Markets can be oversaturated; have to give away a cut of your profits; up-front costs can be large

Existing Platforms

Leveraging the audience of larger websites, platforms, apps or networks

Pro: Can piggyback off these sites to find a community; allows you to exploit gaps in your industry

Con: Most platforms are very oversaturated; extremely difficult and risky to take chances on new platforms

Trade Shows

Showcasing your product in person to prospects, vendors, investors, industry gurus, etc.

Pro: Opportunity to meet prospects, investors and partners face-to-face; full of relevant contacts

Con: Can be expensive, both to attend and to provide promotional materials or giveaways

Offline Events

Sponsoring or organizing events and other meetups to engage with prospects

Pro: Engage directly with prospects; great for companies with large learning curve or long sales cycle

Con: Can be difficult to fill a room without name recognition, even with sites like Meetup.com

Speaking Engagements

Positioning yourself as an expert by talking with people in your industry

Pro: Easy to get started; establishes you as an expert; can lead to larger gigs; allows for instant feedback

Con: Public speaking is terrifying for some; time-consuming to prepare a talk; need to have a good story

Community Building

Building a movement that encourages or inspires people to get involved

Pro: Helps your fans feel like they're a part of something bigger than themselves; drives organic leads

Con: Long-term strategy - doesn't happen overnight; opens you up to criticism

Which of the 19 traction channels are best suited for you?

Try to narrow it down to 2-3. ers?

"A lot of would-be founders believe that startups either take off or they don't. Actually, startups take off because the founders make them take off. You can't wait for users to come to you. You have to go out and get them." - **Paul Graham**, Y Combinator

Now that you've chosen channels to focus on, let's dive further into how to use your resources wisely. This means exploring what's known as "The Bullseye Method." Here's how it work

Exercise Three:

Narrowing Your Marketing Scope

The Bullseye Method, As Outlined in Traction

What is Bullseye?

It's a method to help you determine what traction channels you should focus on, since you're probably not going to have the time or resources to invest in all 19 of them. Or, as Peter Thiel put it: "It is very likely that one channel is optimal...if you can get even a single distribution channel to work, you have a great business."

How does it work?

The Bullseye method is made up of three rings: what's possible, what's probable, and what's working. By addressing each ring of the Bullseye, you are forced to let go of bias and look at each traction channel objectively to see which ones will be best for your business.

The Outer Ring: What's Possible

Do a brainstorm for every traction channel available, and don't skimp on the research. Look for other examples, success stories, and just as important - stories of failure. Get to know each channel in relation to your industry if possible. You want to figure out what success would look like for each channel.

The Middle Ring: What's Probable

Once you have your outer ring complete, take a step back. Which ones look the most promising? Once you have a handful selected, figure out what kind of minimal investment you can make into each channel. Hint: a drop-off occurs after three channels, so don't go crazy. You want to be able to answer: What's your cost per acquisition? How many customers are available? And, are they even the right customers you should be targeting? You don't need to set the world on fire just yet. Your goal is to simply figure out which channel looks the most promising. So keep it cheap at this stage - no more than \$500-\$1000 per test.

The Inner Ring: What's Working

Which channels are showing the best results? How can you optimize those results? Don't get distracted by other marketing channels that are underwhelming. You may even be able to focus on just one core channel and squeeze every ounce of value out of it before moving on to the next channel.

Ask yourself: what's possible, what's probable, and what's working?

Take into account access, resources, time, and energy. Be as realistic as possible.

"Bullseye works hand in hand with Lean, or with any other product development framework. What Lean is to product development, Bullseye is to traction." - **From Traction**

Alright, on to building your "tribe" or community online. This is mainly done through social channels; but no two channels are created alike. Each one has a different structure, audience, and mindset. Certain marketing messages and formats also do better on certain platforms over others. So, here is one area where style really comes into play. Consider where your customers are already socializing, and the platforms they prefer. Then, cross-reference that with the style of marketing you wish to pursue. Somewhere in the middle is your sweet spot for building a powerful network of users.

Exercise Four:

Social Channels and Community

Getting Familiar With the Major Social Platforms

Facebook

World's largest social media platform. Used for messaging, chats, professional services, news, events, live streaming, advertising, analytics, reviews, and much more.

The Numbers:

- 79% of internet users have a FB account
- 1.18 billion daily active users
- 1.09 billion mobile daily active users
- 100 million hours of daily video watch time
- 50 million active small business pages
- 79% of FB ad revenue comes from mobile ads
- 25-34 yr olds make up almost 30% of total users
- FB users are 76% female (of 100% females) and 66% male (of 100% males)
- **74% of people say they use Facebook for professional purposes**

Twitter

A major social channel, used for industry news, brand awareness, customer service, advertising, analytics, influencing, social movements, and more.

The Numbers:

- 317 million monthly active users
- 100 million users log in every day
- 93% of organizations use Twitter regularly for marketing
- About 50% of active users follow brands and companies
- 40% of users learn about products and services through Twitter
- 47% of marketers use Twitter as their most favored channel for customer engagement
- 63.5% of marketers voted Twitter as their favorite channel for engagement
- 86% of Twitter's ad revenue comes from mobile
- **77% of users feel more positive about a brand when a tweet is replied to**

LinkedIn

Largest social channel for business professionals, including job searching, recruiting, hiring, advertising, content marketing, thought leadership, showcasing products, networking, and more.

The Numbers:

- 25 million LinkedIn profiles are viewed every day
- Over 467 million registered users
- 41% of users log on via mobile
- 40% of users check daily
- 56% men, 44% women
- 67% of digital marketers commonly use LinkedIn
- 19.7 million slideshares are uploaded to LinkedIn
- Users conduct 1 billion searches per day
- **94% of B2Bs use LinkedIn for content marketing**

Instagram

Most engaging platform for businesses. Used for sharing high-quality photos and videos, stories, marketing, influencing, advertising, social awareness, movements, and more.

The Numbers:

- 500 million monthly active users
- 32% of Internet users are on Instagram
- 95 million photos and videos shared each day
- Most engaging platform after Facebook, with more than 60% logging in daily
- 51% men, 49% women
- Average user spends 25 minutes a day on the platform
- 53% of users follow their favorite brands on Instagram
- 34% of marketers plan to use Instagram
- Hashtags & location get most user engagement (at least 1 hashtag = 12.6% more engagement)
- 90% of users are under 35
- **Engagement with brands on Instagram is 10x higher than Facebook, 54x higher than Pinterest, and 84x higher than Twitter.**

Pinterest

Typically much higher usage by women than men. Great for bookmarking, promotions, inspiration, connecting, relaxing, advertising, driving traffic, and more.

The Numbers:

- 100 million monthly active users
- 31% of Internet users are on Pinterest
- 55% of users are shopping or looking for products
- A third of users prefer Pinterest over Google search
- Average user spends 21 minutes per day on the platform
- 76% of top brands and 40% of digital marketers use Pinterest
- 75% of usage occurs on mobile
- 67% of users are millennials
- Two thirds of all Pins are from a business website
- 93% of Pinners use Pinterest to plan or make purchases
- Average amount per order that drives from Pinterest is between \$140 and \$180
- **90% of users want to purchase**

Snapchat

While Instagram is more polished, Snapchat is more off-the-cuff, casual and personal. Great for getting laughs and reactions, sharing moments and live events, exclusive content, perks & promotions, influencing, and more.

The Numbers:

- 400 million Snapchat stories created every day
- 150 million daily active users
- 60% of millennials use Snapchat
- 300% increase in usage over the last 3 years
- More users than Twitter, Pinterest, or LinkedIn
- 70% of users are female, 30% male
- Average user spends 25 minutes per day
- 30% like Snapchat because their parents don't use it
- **2nd most used platform after Facebook**

YouTube

The dominant video platform on the Web, featuring subscriptions, live streams, news, custom thumbnails and URLs, paid content, monetization through partnerships, and more.

The Numbers:

- Over a billion users watching a billion hours of video each day
- YouTube reaches more 18-49 year olds than any cable network in the U.S.
- More than half of YouTube views come from mobile
- Number of channels earning six figures is up 50% year over year
- 48% of marketers plan to add YouTube to their content strategy in the next year
- 71% of businesses w/100+ employees use YouTube (38% of self-employed ppl use)
- 51.9% of marketers name video as the type of content with the best ROI
- 4 in 5 consumers believe that video demos are helpful
- Shoppers who view video are 1.81x more likely to purchase
- **Marketers who use video grow revenue 49% faster than non-video users**

Medium

Not a lot of stats or demographic information available yet for this newer platform, but makes a great addition to a company blog. Great for content marketing, linking back to sites or promotions, engaging with customers through comments, and tracking analytics.

The Numbers:

- 8% of marketers plan to add Medium to their marketing plan in the next year
- 60 million unique monthly readers

Reddit

Most popular discussion board online. Allows users to share, vote, and discuss topics based on merit and shared interests. If you have a target customer in mind, there's almost certainly a Subreddit where they're hanging out. You can also encourage user submissions and comments, provide customer service, build a community, and even conduct interviews or AMAs (Ask Me Anything).

The Numbers:

- 250 million users
- 853,824 Subreddits and counting
- 50,000 active Reddit communities
- 8 billion monthly pageviews
- 25 million daily votes

Meetup

Newer businesses can use this platform to network, drive leads, and engage with prospects. Allows you to position yourself as a thought leader through small speaking engagements, or test ideas and get direct feedback from people with similar interests.

The Numbers:

- 32.20 million members
- Almost 300,000 meetup groups
- Over 600,000 monthly meetups
- 390 million monthly RSVPs

<https://socialpilot.co/blog/151-amazing-social-media-statistics-know-2017/>

<https://www.youtube.com/yt/about/press/>

<https://www.hubspot.com/marketing-statistics>

<https://www.meetup.com/about/>

<http://expandedramblings.com/index.php/reddit-stats/>

How are your prospects communicating with each other currently?

Where are they hanging out? What are they talking about? Are they on multiple platforms? Where's the crossover?

"A brand is no longer what we tell the consumer it is - it is what consumers tell each other it is." - **Scott Cook**, Founder of Intuit

OK, so you've chosen your platform. Now you must find your audience within that network. Here are ten tips to get your started.

Exercise Five:

Finding Your Audience

10 Tips on Building Communities Through Social Channels

1. Regardless of the platform(s) you plan to use, have a goal fleshed out and a roadmap to get there. Whether you want to start conversations, learn about potential market segments, get feedback, lead people to your landing page, get signups for your blog, etc., always make sure you're driving towards something.

2. Stick to a budget and start small. Think about how much you're willing to pay for every lead, conversion, or referral. If you budgeted \$1,000 for a particular campaign and got just one or two conversions, would that be enough? If not, how many leads or conversions would it take to justify the expense? Can you measure ROI?

3. Don't feel the need to be on every platform. If you don't have the time, energy or resources to be consistent on a given platform, consider leaving it out of your marketing plan. Instead of trying to juggle five or six platforms, what if you just crushed it on one or two?

4. If you want engagement, you have to engage. Ask questions, share testimonials and stories, run contests, conduct polls about the problem that your product solves, play games, tease out parts of your offer, create discounts or promo codes, give away free downloads in exchange for an email address, etc.

5. Think smaller ponds, not wider nets. If targeting capabilities are available, use them wisely. Go back to your customer profile from Part Two: how many of those demographics, behaviors, and interests can you go after simultaneously? The less noise you have to compete with, the better.

6. Speaking of less noise, you could take a chance on a new platform. After all, the bigger brands are usually slow to come around, so exploring new platforms early could provide an area of opportunity, especially if you're going after a younger crowd. It might position you as the 'hip' company who gets it.

7. Use high-quality images and video whenever possible. It's definitely an upfront investment, but a quality photoshoot or video series can make you look more professional overnight. And if you're able to capture multiple settings, poses, segments, etc., you can stretch the utility, repurpose, and use the content for years to come.

8. Share first, sell second. Hopping onto a platform and shouting "I'm here! Check out my offer!!" isn't going to get a lot of people to care. If you want to build trust with people, you'll have to become a resource - for opinions, facts, jokes, wit, reviews, educational content - whatever you're good at. What worldview are you looking to connect with? Is your personality shining through, or are your social media automation bots just pushing your products and retweeting stuff that people could find anywhere?

9. Plan ahead. Be mindful of upcoming holidays and events, or try to capitalize on weekly hashtags and trends. Are you creating useful content (please say 'yes')? What's your content schedule looking like? When you plan on publishing material, is there a holiday or event that might coincide? (Note: be careful when riding the coattails of other hashtags. See what they're actually about first - you don't want to pull a DiGiorno and hop on the domestic violence hashtag #WhyIStayed just to promote your mediocre pizza. Tends to send the wrong message.)

10. Finally, don't take yourself so damn seriously. You don't have to be grandiose or over-the-top. You don't need to tell people that you're "revolutionizing" anything, or "changing the world." Maybe you're just the somewhat aloof company that's nonchalantly building great products, without bragging or yelling. With so much noise on the Internet, you might be surprised at how far a little subtlety can take you.

How can you find your audience?

Based on the platforms you've chosen, what do you think will appeal to them? What's the game plan?

"You have to understand your own personal DNA. Don't do things because I do them or Steve Jobs or Mark Cuban tried it. You need to know your personal brand and stay true to it." - **Gary Vaynerchuk**

Just having a profile on a social media platform won't get you noticed. There's far too much noise to find traction by simply being present. You've got to grab attention and steer the conversation your way. Below, you'll find a few mini case studies outlining how other brands have achieved the impossible through social channels. Maybe their tactics will inspire a few of your own.

Exercise Six:

Making Some Noise Online

A Few Recent Social Media Success Stories

Buzzfeed Tasty - The Power of Social Video

"When something really works on one platform, we're learning how to adapt it to other platforms. It's not just you make something and then you can put it everywhere. You can make something, learn from your audience and then adapt it for other places." - Jonah Peretti, Co-Founder of BuzzFeed

- As of October 2016, Tasty has created over 2,000 recipe videos, reaching 500 million people in a month.
- In September of 2016 alone, they received 1.8 billion views.
- The BuzzFeed Tasty YouTube channel has over 3.3 million subscribers.
- While those numbers are impressive, they see shares as a better measure of success, i.e. engagement is more important than vanity metrics.
- Roughly half of BuzzFeed's revenue comes solely from these videos.
- These videos have no fat on them. They're quick and flashy, making them easy to enjoy and share.

<http://www.adweek.com/digital/how-tasty-mastered-social-publishing-part-buzzfeed-s-plan-make-50-revenue-video-174325/>

Herschel Supply Co. - Actually Talking to Customers

"Different social networks attract different audiences. For instance, our Instagram account attracts aspiring photographers; our Pinterest following caters more towards females; Twitter attracts those interested in our product releases and news stories. Knowing this, we share relevant content and grow distinct communities." - Allison Butula, Social Media Manager at Herschel Supply Co.

- In 2011, Herschel sold 8,000 bags. In 2015, they sold 4.5 million.
- They've turned down over 500 offers from investors.
- Herschel didn't post a single photo on its Instagram page until they got to 5,000 followers.
- By creating a customer service channel on Twitter (@HSC_Support), they've increased customer satisfaction by 20% and boosted positive brand sentiment by 60%. They also constantly searched #Herschel and #HerschelSupply for additional mentions, inquiries, problems, or customer sentiment to engage with.
- They gained popularity and built a community by creating a 'Well Traveled' blog.
- Using the coinciding hashtag #WellTravelled, they allowed customers to partake in the community by showing off their bags in different settings. This inspired customers to get involved and express their creativity.

<https://hootsuite.com/resources/case-study/social-media-growth-secrets-from-herschel-supply>

<https://www.entrepreneur.com/article/276904>

Cards Against Humanity - Staying True to Themselves

"Just help people. If you are one of those people who has figured out what you are about and what you believe in, that's what being a philosopher is about. Just talk about those ideas and help people who have not yet figured it out."

- Max Temkin, Co-Founder of Cards Against Humanity

- They're constantly putting the customer first, offering a constant stream of new additions, and allowing users to remix the game as they see fit.
- They're hilarious, irreverent, and downright offensive at times. And their attitude to those who might be offended? 'Deal with it and lighten up, or don't play.'
- CAH is constantly creating viral campaigns and unconventional PR: Creating a Superbowl ad with nothing but 'Advertisement' written on a potato; Black Friday deals consisting of offering nothing for \$5, or the ability to send bull feces to a friend (or enemy); 'Pay what you want' holiday packs; sending 55 gallons of lube to the Oregon armed militia; even digging a giant hole for no apparent reason.
- They connect with a certain worldview through philanthropy. For instance, they made over \$70K from their pay-what-you-can holiday pack, and donated it all to the Wikimedia Foundation. CAH has also donated to the Chicago Design Museum, a local Chicago radio station, Heifer International, and more.
- CAH creates custom URLs for most of its promotions, events, or partnerships, enabling them to track the success of each campaign with detailed analytics.

How do you plan to grab attention?

Why are people going to like you? Can you make people laugh, feel creative, or even a little rebellious?

"The central question for the Internet is not, Is this entertaining? but, Will this get attention? Will it spread?"

- **Ryan Holiday**, Trust Me, I'm Lying

Of course, once you start building momentum for your business, you may want some outside help to scale. That's where fundraising comes into play. This somewhat mythical process can be challenging for first-time product owners, so it's best to get advice from someone who's been in the trenches and helped a few others achieve success in the process. Here's Paul Graham's advice on fundraising:

Exercise Seven:

Getting Outside Money

Rules for Fundraising: Advice from Y Combinator's Paul Graham

1. Don't raise money unless you want it and it wants you.

If you're not after rapid growth, or you're not ready to convince investors, don't seek out fundraising. You have nothing to gain, and everything to lose.

2. Be in fundraising mode or not.

Convincing and negotiating with investors takes time, which you should set aside in your schedule. Don't get sucked into meetings when you really should be focusing on your business.

3. Get introductions to investors.

Raise money on your own first, then allow fellow founders or investors to introduce you to others. Sites like AngelList, FundersClub, and WeFunder should be seen as merely auxiliary sources of money.

4. Hear 'no' until you hear 'yes'.

Unless an investor makes you a definitive offer with no contingencies, you should conclude that they are saying "no." Don't get led on by flowery, non-committal language. It's in the investor's interest to "wait and see."

5. Do breadth-first search weighted by expected value.

Measure expected value by how likely an investor is to say 'yes', then multiply that by how good it would be if they did. Don't let your desire for a specific investor influence your estimate of how much they want you, and meet with multiple investors in parallel, rather than serially, giving higher priority to the more promising ones.

6. Know where you stand.

Judge investors by their actions - not by their words - and before you leave a meeting be sure to ask what happens next. Don't be pushy, but know where you stand. If they evade the question, expect the worst. Being inexperienced at fundraising should not be a deal breaker.

7. Get the first commitment.

Once one investor has committed to you, it's easier to get others to follow suit. Naturally, money from friends and family doesn't count. You need a legitimate offer from a respected investor to get that ball rolling.

8. Close committed money.

You don't have a deal until the money is in the bank. Investors are prone to buyer's remorse, and they have plenty of excuses on hand to justify why they changed their mind within 24 hours. If they decide to invest, establish a timetable for when you should receive the funds - and make sure they get there.

9. Avoid investors who don't "lead."

In other words, don't place a high value on investors who only invest after other investors have led the charge. These individuals will talk a lot about "leads," or how they'll only invest once you have a lead. Talk to these guys last, if at all.

10. Have multiple plans.

You don't need a fixed plan, or goal amount, when fundraising. If asked how much you intend to raise, it's really an investor trying to gauge if you're a suitable recipient for how much they want to spend. Instead of giving a ballpark amount, tell the investor multiple levels from \$0 raised to a couple million raised and what you would do, specifically, with that money. Different plans match different investors. If you're thinking upper limits to your plans, multiply the number of people you want to hire times \$15K times 18 months.

11. Underestimate how much you want.

You need to appear that you're doing well with fundraising. If you say you're planning to raise \$500K, and only reach \$150K - that reads as failure. But if you say you're looking to raise \$250K, then \$150K means that you're more than halfway there, which is appealing for investors. You can always choose to raise more.

12. Be profitable if you can.

If you can get to profitability with zero outside investment, then you're already in a strong position of attack that will appeal to investors. No one wants you if you seem desperate. Keep expenses low and get yourself to the point where you don't even need to raise money.

13. Don't optimize for valuation.

Your valuation is not that important, and fundraising is not the test that matters - revenue is! Your focus should be on 1) getting the money you need to make your company successful, 2) getting good investors, and 3) your valuation. It's easier to raise money with a lower valuation than one you can't live up to.

14. Yes/no before valuation.

If an investor is pushing for you to set a price, tell them that valuation is not the most important thing to you and that you're looking to partner with investors who want to partner with you. Offer to talk first about whether they want to invest at all, then determine a price. If this is the first investor, commit to as low a price as they need to.

22. Be nice.

The safest strategy is to never appear arrogant, especially if you're new to the game. If you're doing well, don't let it go to your head. The startup community is small, and word gets around. Be nice, even if an investor rejects you. You never know when they might come back to the table.

Other Paul Graham Tips:

- Markets will not cut you a break.
- Investors evaluate startups the way customers evaluate products.
- Raising money from investors is harder than selling to customers because there are so few of them.
- You're unlikely to have more than 10 interested investors at a time.
- Investors constantly have to make decisions about things they don't understand, and more often than not, they get it wrong.
- Investment decisions are big decisions.
- The biggest factor in an investor's opinion of you is the opinion of other investors.
- Startups live and die on morale, so don't let fundraising get you down.
- If bootstrapping, you can choose either the short, sharp pain of raising money, or the chronic ache of consulting.
- The lower your expectations, the harder it is to be disappointed.
- Assume that investors will always let you down, and that whatever deal you have going on will fall through.
- Raising money always takes longer than expected.
- Put your company first.
- And don't assume that someone interested in investing will stay interested - if you have a hot prospect, close them now or write them off.

Sources:

<http://paulgraham.com/fr.html>

<http://www.paulgraham.com/fundraising.html>

How do you plan to get funded? What's the next step?

Don't just ask for money because you think it's what you should do. Have a plan.

"Investors have boards, questionable taste in clothes, and high expectations, but they offer little strategic value or creativity other than capital. Even worse, they're your permanent Sugar Daddy. Yes, there are circumstances where there's strategic fit - but if you're looking to take on investment purely because that's what the cool kids are doing, you need to rethink your long-term business strategy." - **Ben Lee**, cofounder of Rootstrap

If you're planning to present your idea to VC firms and angel investors, you may consider building a pitch deck enhanced by a solid presentation. Naturally, public speaking is one of those great fears many people have in life, but when you're properly prepared, those fears will surely melt away. Here's a compilation of advice from successful entrepreneurs on how to properly pitch your big idea.

Exercise Eight:

Presenting Your Idea

The Three-Part Pitch: Advice from Award-Winning Author and Professional Speaker Geoffrey James

What makes a great pitch?

1. The Benefit - the reason the customer might want what you're selling.

- **Wrong:** "We sell inventory systems."
- **Right:** "Manufacturers use our system to reduce their inventory costs by 50%."

2. The Differentiator - the reason the customer might want to buy from YOU.

- **Wrong:** "We're industry-leading and best-in-class..."
- **Right:** "We have a patented method that delivers materials the day they're needed."

3. The Ask - if the customer shows interest, you need to pose a question.

- **Wrong:** "Here's my card. Give me a call if you're interested."
- **Right:** "Maybe we should run some numbers. What's your availability next week?"

The 10/20/30 Rule From Guy Kawasaki: 10 Slides, 20 Minutes, 30-Point Font

"Pitching is usually used to raise money. But pitching, more generically, is about the process of seeking agreement. You can seek agreement for money...to recruit...for partnership...or for sales. You know that Latin saying 'I think, therefore I am.' - for an entrepreneur it is 'I pitch, therefore I am.' An entrepreneur is always pitching."

Your 10 Slides:

- | | |
|---------------------|-------------------------|
| 1. Title | 6. Marketing and Sales |
| 2. Problem | 7. Competition |
| 3. Solution | 8. Team |
| 4. Business Model | 9. Projections |
| 5. Underlying Magic | 10. Status and Timeline |

"Many people think that if you put 50 slides together, the audience will be overcome with shock and awe, and all they can ask is, 'How can I wire you the money?' I have never, ever seen that happen. The purpose of a pitch is to get to the next stage of due diligence...not to close."

Why 20 Minutes?

"You should be able to use these 10 slides in 20 minutes. You may have a 60-minute meeting, but I guarantee you it will start late. The partners from the firm will come in late. You're using a Windows laptop and you can't make it work with the projector. Something will go wrong."

Why 30 Point Font?

"The single recommendation will prevent you from getting in trouble with most slides. Lots of people like to use 8, 10, or 12 point font. They like to write out the entire paragraph, and then they read the paragraph. People can read faster than you can talk. So if you put all the text you want up on the slide, they will read it (if they can see it), and they'll be done before you've explained it. If you think this is too dogmatic, let me give you an algorithm: find out who the oldest person will be in the meeting, take that age, and divide it by two. So unless you're speaking to 16 year olds, do not use 8 point font."

Richard Branson's Top Tips For An Elevator Pitch

"As I have written previously, the first step toward delivering a great pitch is to keep it human, since far too many presentations and speeches can turn artificial and wooden quite quickly. Let your passion shine through by being yourself and allowing your points to come across naturally. Use humor to connect with your audience and demonstrate your creativity."

"A great pitch can do many things. It can convince potential investors and clients that you are worth taking a chance on. It can also help you recruit top talent that can help your business expand. These are essential ingredients for a successful venture. Keep in mind that people want to invest in people. So talk about your previous successes."

"For instance, if you have succeeded in a business once before, people will believe that you can do it again. If not, highlight your skills and connections: What abilities of yours will help make this business a reality? What deals or partnerships have you put in place to help execute your vision?"

What will your pitch deck look like?

Does it tell a story? Will potential investors see the value and understand exactly what you're asking of them?

"My attitude has always been, if you fall flat on your face, at least you're moving forward. All you have to do is get back up and try again." - **Richard Branson**

After creating a promising pitch deck, you'll need to stand in front of your judges and convince them to bet on you. Here's advice from a designer on how to present properly. Remember: portraying yourself as confident and competent is part of the pitch, especially when you're asking for money.

Exercise Nine:

More On Presenting

Excerpt from Mike Monteiro's **13 Ways Designers Screw Up Client Presentations**

Goal: To do good work and present it well.

"Work that can't be sold is as useless as the designer who can't sell it."

- 1. You're the expert,** and you're not there to be someone's friend, make them happy, or avoid unpleasant conversations.
- 2. Don't sit down!** Get on your feet and lead the meeting. Not only will your voice carry better, but you'll be seen as an authority figure. Be sure to keep your hands out of your pockets, don't cross your arms, and dress the part.
- 3. Never start with an apology or disclaimer.** Be prepared, on time, and confident.
- 4. Don't waste your audience's time.** They have lives and other things they'd rather be doing, so thank them for their time, tell the why they're involved, what their role is, what they can expect from your presentation, and what you expect of them.
- 5. Never explain what they can read, see, or determine for themselves.** Sell the benefits of your work, not the research. Tell your story.
- 6. Have someone else take notes** that can be shared after the meeting. You're too busy presenting.
- 7. Never read from a script.** Remember: your presentation is a show. Build excitement and reveal a well-crafted narrative. "You're a scientist when you work, and a snake charmer when you present."
- 8. Don't get defensive.** Your work is not an extension of you. If you get critiqued, listen. And don't feel that you have to defend yourself or your work. Take the feedback graciously.

- 9. Talk about your work as it relates to your audience.** You don't want to make them uncomfortable because they don't know anything about tech, design, or whatever it is you've been working on. Sell them on the experience.
- 10. Don't talk about how much work you put in.** It makes you seem defensive and in need of validation.
- 11. Don't react to questions as change requests.**
- 12. Don't ask, "What do you think?"** You're opening yourself up to the wrong kind of feedback. Your audience doesn't know what kind of feedback you're looking for. During your presentation, you could say: "This is the kind of feedback I'm looking for today..." Then, ask far more specific questions that relate to the expertise of your audience.
- 13. Finally, never ask, "Do you like it?"** You're not an expert in their eyes after that.

Source: <http://muledesign.com/2014/09/13-ways-designers-screw-up-client-presentations/>

How are you going to get investors to buy in?

You may have to present multiple times. Are you confident in your pitch and the process?

"A solid process lays the foundation for a healthy culture, one where ideas are evaluated by merit and not by job title."

- Eric Ries, *The Lean Startup*

So, what happens if you can't gain traction or find funding? Well, if you've done everything in your power to gain traction and make your business work, but you just can't seem to get it off the ground, then you may need to consider a pivot. Don't worry, that's not the end of the world. Many businesses have successfully accomplished their pivots, and we're confident you can do the same. (You've made it this far, right?) Here's what Steve Blank and Eric Ries had to say on the subject, followed by a few case studies that may provide further inspiration in your time of need.

Exercise Ten:

When You Can't Get Traction or Find Funding

The Art of the Pivot: Advice from Steve Blank & Eric Ries

What is a pivot?

When you started your business, you came in with a series of untested assumptions, and, most likely, at least one of those assumptions was incorrect. After completing the customer discovery process by "getting out of the building," you should have a better idea of how and why those assumptions must change. If it's a small change that's necessary, a simple iteration can resolve the problem; however, if it's a large, fundamental shift, you'll need to pivot.

Pivoting can mean changing any of nine different things:

1. Customer segments
2. Channels
3. Revenue Model/Pricing
4. Resources
5. Activities
6. Costs
7. Partners
8. Customer Acquisition
9. Product

Types of Pivots:

- 1. Zoom-In:** A single feature in a product becomes the entire product
- 2. Zoom-Out:** What was considered to be the product becomes a single feature of a much larger product
- 3. Customer Segment:** You're solving the right problem, but for a different customer than anticipated
- 4. Customer Need:** Your target customer has a problem worth solving, just not the one you thought
- 5. Platform:** A change from an application to a platform or vice versa
- 6. Business Architecture:** E.g., changing from high margin, low volume to mass market
- 7. Value Capture:** A shift in revenue model
- 8. Engine of Growth:** A change in growth strategy (viral, sticky, or paid) for faster or more profitable growth
- 9. Channel:** Discovering that the same product can be delivered through a more effective channel
- 10. Technology:** Switching to a new technology with better performance or a superior price point

If you focus on only changing your product, you will be severely limiting your strategic choices. Or, as Steve Blank puts it: "you'll be bringing a knife to a gunfight."

Four Pivot Examples:

Groupon

Groupon started out as The Point. Founder Andrew Mason's initial goal was to improve the online fundraising experience, but the audience wasn't there. However, the most successful campaigns on the site were those that gave consumers buying power. Eventually these deals became what is now known as Groupon.

Instagram

Instagram began as a location-based HTML app called Burbn. After a year of work, founders Kevin Systrom and Mike Krieger were finally able to release Burbn as a native iPhone app, but it was crowded with features. They decided that the finished product wasn't very good and started over. Eight weeks later, they produced Instagram.

Pinterest

Pinterest was originally Tote, a mobile retail shopping app. The goal was to connect consumers directly with retailers, such as American Apparel and Banana Republic. However, mobile payments were a problem - especially back in 2009. As a result, users weren't purchasing items so much as collecting them as favorites. So, CEO Ben Silbermann chose to pivot and Pinterest was born.

Fab

Fab was initially designed to be the gay Facebook/Yelp/Groupon known as Fabulis.com. Created by Jason Goldberg and Bradford Shellhammer, the site never attracted enough users. A drastic pivot led to the creation of Fab.com, an e-commerce platform for indie clothing, jewelry, housewares and more. Within seven months, the site had over two million active users.

Consider a pivot if:

- You're in the Land of the Living Dead (neither growing enough nor dying)
- Your product experiments are demonstrating decreasing effectiveness
- You have a general feeling that product development should be more productive

How best to determine whether to pivot or persevere:

1. Set up a meeting with both your product development and business leadership teams.
2. Have the product development team bring a complete report of any and all results of product optimization efforts over time, as well as a comparison of how those results stacked up against expectations.
3. Have your business leadership team bring detailed accounts of conversations with current and potential customers.
4. **Ask:** Are we making sufficient progress to believe that our original strategic hypothesis is correct, or do we need to make a major change?

Why don't entrepreneurs pivot sooner?

1. Vanity metrics lead them to form false conclusions and live in their own private reality.
2. Without a clear hypothesis, it's impossible to experience failure; and without failure, an entrepreneur will seldom embark on the radical changes a pivot requires.
3. Fear.

<https://steveblank.com/2014/01/14/whats-a-pivot/>

Are there any ways you should pivot or change your positioning?

Is it time to test a new fundamental hypothesis about your product, strategy, or engine of growth?

"You may get to a point where you are simply unhappy with your traction. You may not be able to raise funding or you may just feel like things aren't taking off the way they should. How do you know when to 'pivot' from what you're doing? If you are considering a pivot, the first thing to look for is evidence of real product engagement, even if it is only a few dedicated customers. If you have such engagement, you might be giving up too soon. You should examine these bright spots to see how they might be expanded. Why do these customers take to your product so well? Is there some thread that unites them? Are they early adopters in a huge market or are they outliers? The answers to these questions may reveal some promise that is not immediately evident in your core metrics."

-Gabriel Weinberg and Justin Mares, Traction

One of the main things that keeps us from changing course is taking into account all of the time and money we've already invested in a certain direction. It's hard not to get attached, we get it. But, according to Seth Godin, now might be the time to let that sh*t go.

Exercise Eleven:

If It Doesn't Work Out This Iteration

Ignore Sunk Costs: Advice from Seth Godin

Money and effort you spent yesterday should have nothing to do with the decisions you make tomorrow. Each decision is a new one.

Rationally, that makes sense; but the work we do is personal, and it's hard to walk away from that deposit, or art, or effort, we invested in yesterday - even if it's no longer serving us. But it's important to openly admit when you've gone the wrong direction - and to eagerly walk away.

Only consider what's going to happen in the future, not which investments you've made in the past.

The past investments are over, lost, gone forever. They are irrelevant to the future.

http://sethgodin.typepad.com/seths_blog/2015/02/the-truth-about-sunk-costs.html

http://sethgodin.typepad.com/seths_blog/2009/05/ignore-sunk-costs.html

What Can You Do To Improve Your Offer?

New markets? A new set of features? New positioning? Back to the drawing board entirely?

"The only way to get what you're worth is to stand out, to exert emotional labor, to be seen as indispensable, and to produce interactions that organizations and people care deeply about." - **Seth Godin**, *Linchpin: Are You Indispensable?*

Finally, whether you're considering a pivot or well on your way to those first 100 customers, Benjamin Zander believes that you should give yourself an A. No matter which path this business venture has taken you down, you've still learned a great deal in the process and are undoubtedly changed by the experience. And because of these changes, you're a different person now than you were when you first started this course. So, don't be hard on yourself. You're well on your way, even if it's been a crazy ride so far.

Exercise Twelve:

You're Already Successful.

"First there is a mountain, Then there is no mountain, Then there is. —Zen proverb" Geoffrey A. Moore

Benjamin Zander: "I'm a teacher like you. I teach at the Conservatory in Boston. I have a class on Friday afternoon. People come from all over the world, and they're excited to be there, and they're eager to learn...but what's really going on, they're saying, 'Am I better than her? Am I better than him? I know I'm better than her! I don't think I'll ever be as good as him. I hope I can be as good as him.' They're constantly comparing, and they're measuring. And when they come out to play, let's say the violin, it looks as if they're one person playing the violin, right? There are two people! The person who's playing the violin, and then there's another person standing behind the person who's playing the violin whispering in his ear: 'You haven't practiced enough. Do you know how many people play this piece better than you do? That difficult passage, you missed it the last time, it's coming right up...you're gonna miss it again...' That's the voice in the head. And if anybody's saying, 'What does he mean, a voice in the head? What's he talking about, a voice in the head?' That's the voice I mean. Took a moment for you to hear it, right? But that voice keeps talking and talking and talking, and it never stops. You know, sometimes it talks so loudly that it drowns out the music.

So my job is to get hold of that voice, and this is how it works. I do it each year. I come into my class at the beginning of the year, and there are about forty students in my class, and I say, after a little bit of housekeeping, I say: 'Your grade for the year is an A. You're an A. That's your grade.' And there's one condition. The condition is that they have to write me a letter in the first two weeks of the class. The letter must be dated the following May, when the class ends. So the date at the top is May 2000-of the next year. And then the letter must begin with these words: 'Dear Mr. Zander, I got my A

That's your grade.' And there's one condition. The condition is that they have to write me a letter in the first two weeks of the class. The letter must be dated the following May, when the class ends. So the date at the top is May 2000-of the next year. And then the letter must begin with these words: 'Dear Mr. Zander, I got my A because...' Then they have to write a letter describing who they will have become by the following May to justify this extraordinary grade. And I tell them to fall passionately in love with the person they're describing in the letter. And they do, they write about who they would be, who they could be, who they see themselves as, if only that damn voice would stop telling them that they can't do it. When I come into class, the person I teach is the person that they have described in their letter. You see, I only take A students.

Now, there are a few people looking very concerned, and saying, 'how does he do that?' Well the answer is very simple: you can give an A to anybody. You can give an A to a waitress in a restaurant or a taxi driver. You can give an A to other drivers when you're driving in traffic. You can give an A to your mother-in-law. You can give an A to your boss. You can give an A to anybody. What happens when you give an A is that the relationship is transformed. This is hard for teachers. I know this is very, very hard. I addressed a group of teachers earlier this year, and one of them came up to me afterwards and said: 'I like this giving an A. It's sweet,' he said. 'But you don't know the student. You don't know them. You don't know their work. So I imagine as the year progresses, and you find out that some of them are quite mediocre, I image that you modify the grade.' And I said, 'no.' And then I tell him about this young girl I met. She's about 15, and I said, 'what's your name?' And she said "Joy." (arms crossed, very gruff) Now, should her parents modify her name? No, because we don't give children a name as an expectation to live up to. We give children a name as a possibility to live into.

The person who understood this perfectly was Michelangelo, and I'm sure you've heard this beautiful thing, but it bears repeating. Somebody asked Michelangelo about sculpting, and he said: 'Oh sculpting is easy because you have a piece of marble. Inside the piece of marble is a beautiful statue. All you need is a hammer and a chisel, just to get rid of all the stone that's in the way.' That's actually a theory of education. Of course, it's not the one we use. The one we use: we're up here, and the students are down here, and they try to get up, and they do their homework, and they work hard, and they study, and they work as hard as they can. But there's a gap between their achievement and our standards. And of course, they're very manipulative because they know what we want to hear, so they can get up a little higher. Michelangelo's model is totally different. It's eye to eye; we each have a hammer and a chisel and we're working to get rid of all that stone that's in the way of that beautiful statue. It's a totally different world.

This came home to me very powerfully one day. This was the first year I'd ever done this with the A, and I was really excited about it, and I came into class and I said, 'what does it feel like to get an A in the first class of the year? You haven't done anything and you get an A! What does that feel like?' To my amazement, one of the Asian students put up his hand and he said, 'In Taiwan, I was #68 out of 70 students. I come to Boston, and Mr. Zander says I'm an A. It's very confusing,' he said. 'I am #68 out of 70. Mr. Zander says that I am an A, but I am #68...I work three weeks, very confused. Then one day I discover much happier A than #68. I decide, I'm an A!' Of course, the A is invented, the 68 is invented! We might as well invent something that lights up our life, and the lives of people around us."

-From Conference Held by National College of School Leadership

<https://www.youtube.com/watch?v=ry8xkQmCeUo>

Remember the goals you set at the very beginning of this course? Give those a look over. Do you feel that they still ring true? What about your driving force? Has that changed? A lot has happened since we began this course together, so it's perfectly fine if they've shifted in small or even largely significant ways. What's important is that you're here, at the finish line, with plenty of experiential knowledge under your belt. Let's review:

Throughout the duration of this course, we've accomplished the following:

- Created a mission statement highlighting your "wow" factor
- Discovered your early adopters and determined how best to appeal to their lifestyle
- Explored the competition and how your offer might stand out
- Uncovered your biggest obstacles, as well as your biggest areas of opportunity
- Unpacked our customer segments for efficient strategies
- Built an MVP
- Positioned your product in the marketplace
- Accessed your network to gain valuable feedback
- Started a conversation about a very real problem
- Asked probing questions that led to new discoveries
- Collected feedback and let it guide your forward
- Took tough advice on the chin
- Determined product-market fit
- Learned how to stage memorable experiences for your customers
- Communicated your value through strong messaging
- Determined your style
- Built a strong user experience enhanced by eye-catching calls-to-action
- Found a proper price point
- Explored other business models
- Determined the right payment processing platform for your business
- Built both a customer journey and ecosystem map
- Launched your product
- Chose your traction channels
- Began your marketing efforts with strategic purpose
- Chose your social media channels and began to build your online community
- Made some noise online
- Built a pitch deck for investors
- Gave a solid presentation
- And determined whether to stay the course or pivot

These are enormous accomplishments that you should celebrate, regardless of whether or not you've already obtained your first 100 customers. And although completing this guide is a huge achievement, there are surely other pressing matters waiting in the wings for your attention. As you've probably gathered by now, the work of a successful product owner is never done. We just hope that you've found value in our time together, and that the questions we've asked have inspired new thinking about your business, products, and goals for the future.

And seriously, give yourself an A. You've earned it.

The end.