



IACT19

# After Hours

Customer Validation, 20<sup>th</sup> August, CBRIN

An initiative of



Australian  
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University

# **CUSTOMER VALIDATION**

## **Testing Innovative Ideas**

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# Agenda

- Introduction to Lean Customer Validation
- Value Proposition
- How to interview customers
  
- Round 1 – Validation through Exploration
- Round 2 (if time) – Validation through Pitch Method
  
- Regroup | Share | Reflect

# **The Fundamental Principle of Innovation**

## **Innovation is Hard**

# **The Fundamental Method of Innovation**

## **Learn from customers**

Innovation is adopted when your solution meets their needs

# **Lean Validation:** ***learn from customers***

- DEAL WITH REALITY NOT HOPE OR ASSUMPTION
  - Innovation is uncertain
- FIND WHO IS YOUR CUSTOMER
  - And how to reach them
- FIND THE HEART OF YOUR PRODUCT
  - A simple and clear core offer that excites customers
- FOR SOCIAL GOOD INNOVATION REPLACE CUSTOMER WITH USER

**Innovation must create excited customers!**

# Customer-Problem-Solution

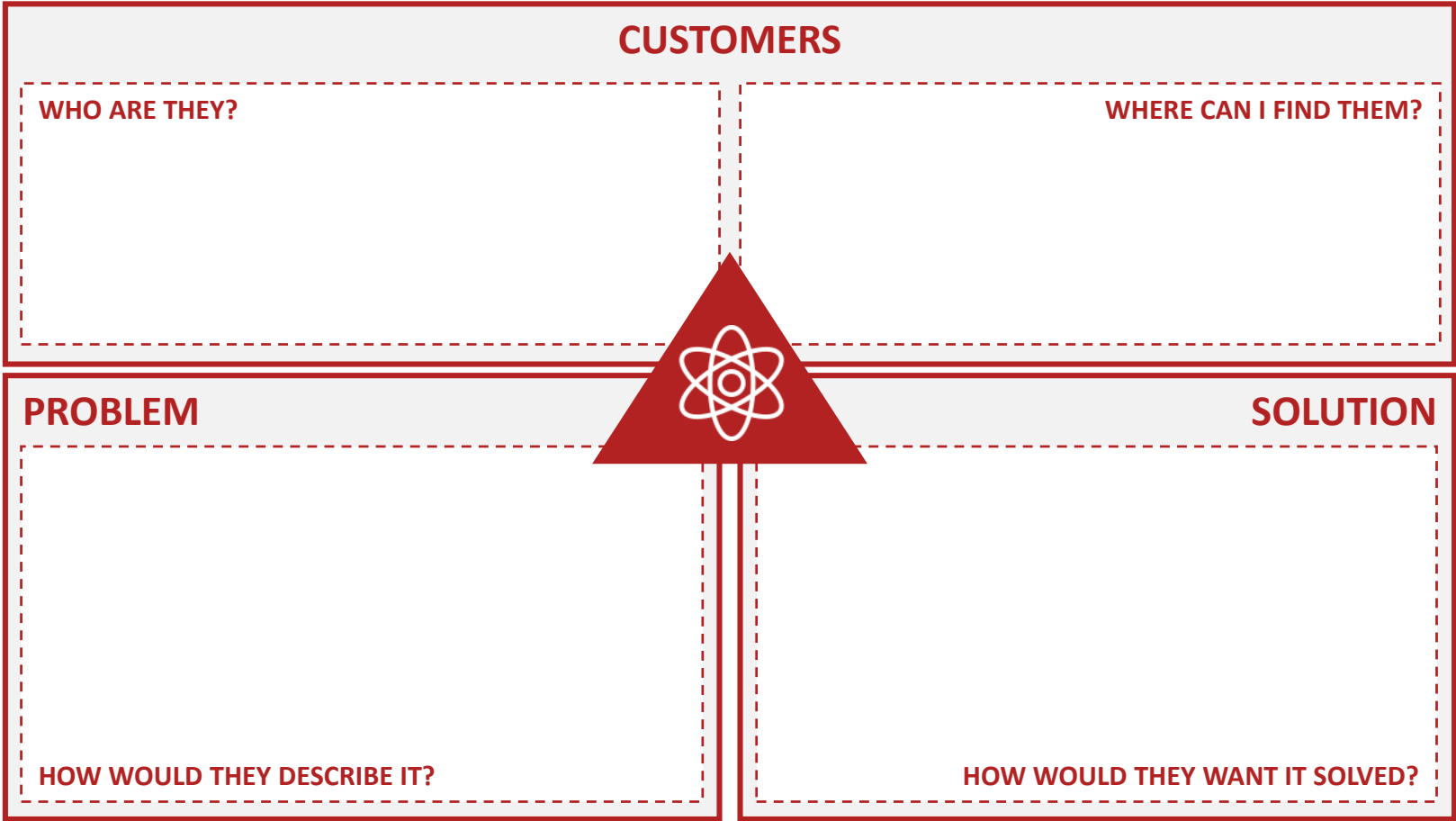
As a ..... [Customer]

I need a ..... [Solution]

to ..... [problem]

unlike.....[alternatives]

# Draft Value Proposition





# How to interview a customer – example questions



- Have you ever [problem context] ?
- Can you tell me about the last time?
- What do you like about the current situation or solutions you've tried?
- What's the hardest part about [problem context] ?
- What do you dislike about it?
- Have you thought about any ways to make this better?
- What, if anything, have you done to solve that problem?
- What don't you love about the solutions you've tried/used?

*Note that different styles and questions suit different customers and stages of the idea/business*

**Innovation must create excited customers!**

# Explore interview

Prepare 3 questions that explore the world of your customer and the problem you assume they have but do not give your solution.

1.

2.

3.

Conduct the interview and make notes here:

# Track results – what did you learn?

What I think will happen?	What Actually happened?

# Rewrite your “Problem” statement

Use “customer perspective” to describe the problem or need **as perceived by potential customers/users/adopters:**

# How to pitch/pre-sell a customer

- Your pre-sell/pitch is a value proposition test
- It tests whether or not your product can be sold regardless of whether it has been built,
- You can combine it with concierge method using a prototype or demonstration of the value [not necessarily the features]
- Revert your: “As a [customer], I need a [solution] to overcome [problem]” into:
- If you buy [this solution] today for [your validation test ask] you will achieve [overcoming this problem]

*Collect currency = validation of customer excitement*

**Innovation must create excited customers!**

# Pitch your solution

Prepare to “sell” your solution to your customer. List / describe benefits, (make a drawing to show how it will work), try to collect some commitment / currency.

What questions, reservations did you get? Any excitement? Did you sell?

# Prepare a Concierge experiment

Plan how you will deliver value without actually building the solution. Fast and cheap resulting in learning is better than perfect.

Feedback / notes:

# Do this lots of times!

- Fast and low cost experiments allow you to test more ideas
- The more iterations the better the outcome
- Plan less, ask customers more
- Don't stop until you've got excited (potential) customers
- Keep refining – this helps all ideas at all stages

## REFLECT & SHARE

- What surprised you?
- What else did you learn?
- What would you do next?



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# Challenge 02

- + For this challenge, reflect on what you have learnt from After Hours – Customer Validation.
- + Go out and interview at least five potential customers.
- + Then, in the IACT Community Facebook group ([facebook.com/groups/IACT.community](https://facebook.com/groups/IACT.community)), state your team, then share:
  - + One photo of your team interviewing a customer (ask for their permission!)
  - + One unexpected insight you learnt from your interviews; AND
  - + One way you improved/evolved your questioning from Interview #1 to Interview #5
- + You have until **5:30pm, 27<sup>th</sup> Aug** to complete this Challenge in order to earn **one point**.



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See you at

# Workshop 2

Vision & Business Models, 24<sup>th</sup> August, CBRIN

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