Customer Discovery & The Business Ecosystem

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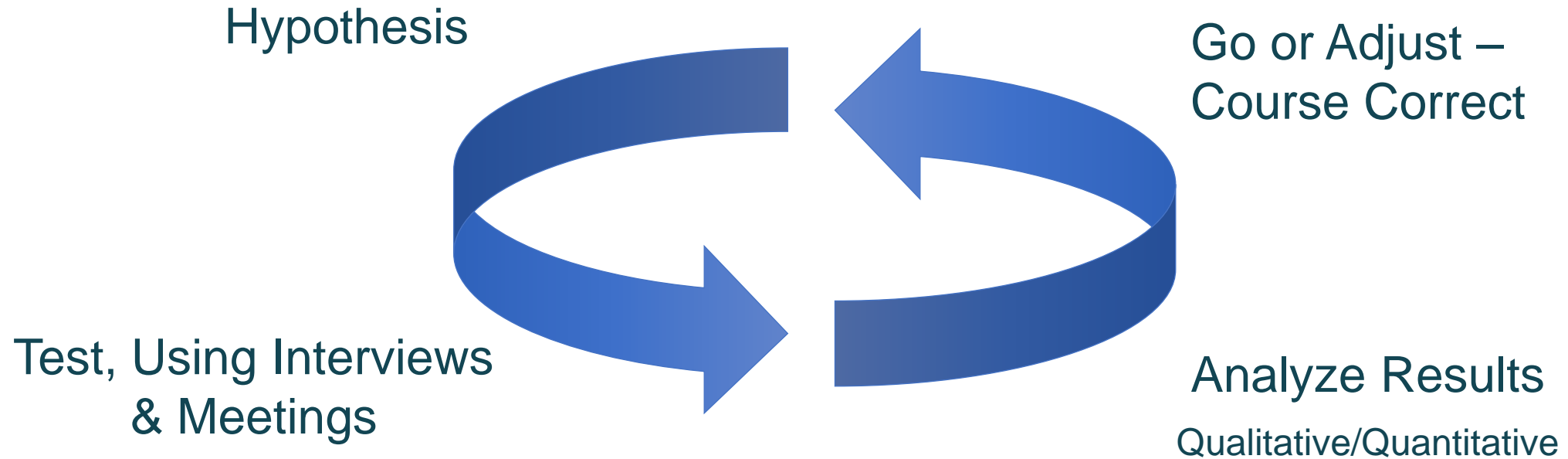# CUSTOMER DISCOVERY

The Basics

What is Customer Discovery?

- The process of validating (or invalidating) your hypotheses through interviews with multiple people

- Iterative process of ensuring that the startup is developing a product that addresses a real market need

What Hypotheses?

- **What** the problem is
- **How** you will solve it
- **Why** your solution is better
- **Who** has the problem (customer)
- **Where** you will find customers
- Etc.

Customer Discovery

Hypothesis

Go or Adjust – Course Correct

Test, Using Interviews & Meetings

Analyze Results

Qualitative/Quantitative

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But Why?

Wouldn't it be easier to just build the product and let the customers test it?

The Purpose of Customer Discovery

- Identify current processes and solutions being used
- **Identify and obtain insights from:**
  - Potential customers/partners/competitors/ suppliers
  - Early adopters, users, buyers, beneficiaries
  - Opponents/saboteurs

The Purpose of Customer Discovery

- Find an "entry point" to decision makers

- Find people to conduct further research

- Create relationships with suppliers, vendors, distributors, and potential acquirers

- Develop a repeatable sales process

The Bottom Line

AVOID WASTING TIME AND MONEY!

CUSTOMER DISCOVERY

Where to Start

Identify the Customer

- **B2C: Business to Consumer**

  - Purchasers, users, influencers

- **B2B: Business to Business**

  - Companies are just a bunch of people

  - You must identify the stakeholders

Start With Key Hypotheses

- What is the customer problem?
- Who will pay to solve it?
- What is your unique solution, and what value does it provide?

Begin Your
Customer Discovery

But how do I do it?

Prepare for Customer Discovery

- Prepare a list of people (by position if not name) who can provide insight
- Draft a list of questions that you need the answers to (Interview Guide)
- Develop a strategy for finding answers

Develop an Interview Guide

- Make sure you match the information you want to the interviewee
- Ask open ended questions
- Encourage interviewee to think about how the issue has affected them

Types of Questions to Try

- "I have heard that [problem as you see it] is an issue for people in your position; has that been your experience?"

- "How has [issue] affected your work?"

- "Tell me about a time when…" [you encountered this situation]

- "What did you do to solve the problem?"

Things to Avoid

- Saying you have a business to…(or have created a solution to…)

- Yes/no questions

- Asking for predictions about behavior   (e.g., "how much would you pay?")

- References to your solution or technology

The Last Three Questions

- What haven't I asked about that would help me better understand…?

- Who can you introduce me to who can give me insights into…?

- Is it ok if I check back in with you if I think of additional questions?

Interviewing Keys to Success

- Think of each interview as a conversation
- Look beyond direct answers
- Focus on deeply understanding
- Don't talk about your solution
- Listen more, talk less

Key Initial Findings

The information from your initial customer interviews should provide you with a better understanding of:

- **Who** your customers are
- Their **needs**
- **What** they would buy
- **Your direction**

Next Steps

Now that you know about the basics of Customer Discovery:

1. *Review Module on Ecosystem Mapping*
2. *Create an Ecosystem Map for your business*
3. *Join Part II for hands-on learning*

Example

Work and relationship flows

Where the concept fits

Who is the customer?

Where is the patient?

Channel:
inpatient / outpatient Sales, Licensing

Hospital / Insurance / CMS
Economic Buyer / Saboteur

Channel: Marketing

Regulatory
LDT

Indications of use
Physician
LDT: Practice of Medicine
User / Influencer / Saboteur

Consult

Test results

Patient / Advocate
Influencer

Indications of use
Nutritionist
LDT: Practice of Medicine
User / Influencer / Saboteur

Test results

Intended use
Pathologist
LDT: Hospital / Quest
User / Influencer / Saboteur

Concept

Channel: Marketing

Channel: Sales, Licensing (CPT)