Session 5: Your Products

In this session we're going to make a big shift. The first few sessions of this program were about the skills of the Entrepreneur, the mindsets and strategies. We learned about creativity, productivity, and leadership. Now we're going to transition to another perspective - the money-making business tactics that have to do with meeting the needs of customers. We're talking your products, marketing, and customer service. This session is focused specifically on your products...

So what does a customer value... what do they "need"? They want solutions to problems. They want to have their wants fulfilled. They want things like consistency and convenience. They want to interact with a company they can trust. They want to have very low risk. They like things done quickly.

And what is a product to your customer? (We're going to use "product" to refer both to a product or service). To your customer, a product is a solution... it's relief from some kind of pain. It gives them satisfaction in some way. It's a means to an end. Many would-be Entrepreneurs get too fascinated with their product. They think it's the coolest thing ever. We forget that to the customer our product is just a means to an end. For example, I really like my Mac, but I don't run around talking about it. It's a means to something else I want. Few activities in your business make money. Your product is one of the few elements that actually generate revenue. Don't forget - most of the things you can do in your business are not making the money. Don't get caught up "playing" business instead of DOING business. Playing business is doing anything that doesn't make money - spending time on the design of your business cards, etc. Most urgent things that are knocking on your door are not the money makers. You need to self-motivate to get yourself to do the things that make the money and ignore the rest. This isn't natural to do - we all must work at it.

A few years ago I got to meet Steve Jobs. I asked him for his secret to making successful products, since I believe he's created some of the most innovative products of all time. First he said that not every product he makes is a success. Then he said you have to CARE. Now, if it was someone else had told me to make successful products you have to "care," I probably would have blown it off. But this is Steve Jobs. I've now thought about what he said for YEARS. I've come to the conclusion that caring really matters. It makes a big difference in the success of your products.

I also got a chance to interview Richard Branson a few years back. I asked him how he approaches building businesses and products. He said you need to approach it like an artist does. Real attention to detail on every level. So both Steve and Richard are saying...
basically the same thing - you need to care about it and work to create a piece of art. To pull this off, you have to understand what your customers value...

One question I ask myself - and others - quite a bit is "What is value?" When I asked my friend and mentor Wyatt Woodsmall he said "Value is nominalization. It's an abstract noun. It's a process that's been frozen into this weird word that makes it hard to understand." This really blew my mind. It's not about what value IS as much as what the process is of valuing. Value doesn't really exist. What exists are humans that have processes of valuing things. Different people value different things - ease of use, speed, low price, etc. That helped me realize that value is about understanding humans and how they value things. If you want to get in touch with big opportunity, it's important to get in touch with and talk to your customers and what they value. Ask what their frustrations are, how they'd want it to be if it could be perfect, etc.

As obvious as this sounds, most small Entrepreneurs don't engage their customers in dialogues where they ask for their frustrations, wants, etc. They just sell their thing, and when a better product shows up, they complain about their competitors (who are more in touch with their customers' needs than THEY are, because they talk to them). Don't make this mistake. Talking to your customers is the way to guard against competition and make products that your customers are blown away by.