

Best Practices for Customer Discovery

The goal of customer discovery is to learn if you are able to meet/solve a need/desire for a set of prospective customers. The most challenging aspect of this process is avoiding confirmation bias—the tendency for humans to hear what they want to hear—in your discovery conversations. Good customer discovery stays focused on getting the prospective customer to identify the most urgent problems in his/her life without mentioning your specific solution. Here are some best practices you can follow in each step of the customer discovery process.

1. Identify Your Market Segment of Prospective Customers

- Name the individuals by job title (i.e., doctors, not hospitals).
- Be as specific as possible about the setting in which you find the prospective customers, paying attention to how the setting impacts what they see as a problem.

2. Develop Your Value Proposition Hypotheses

- Determine the specific jobs the person in your market segment does and the things they're responsible for.
- Find out what really matters in your prospective customer's reward system.
- Look for your prospective customer's pains, i.e., the things that make it hard to get their job done.
- Find out about your prospective customer's gains, i.e., the things that make them more effective in their jobs.
- Choose to focus your value proposition on one pain or gain.
- Value proposition hypotheses should be statements.
- The statement should reflect your assumption about the value proposition for a specific job title in the ecosystem of the customer.

Example: If you think that patient compliance is an issue for private-practice ophthalmologists treating dry eye, your hypothesis should state why you think that is a problem for each player: "Ophthalmologists are concerned that if their patients don't follow the protocol and treatment, over time it will hurt the doctor's rankings on effectiveness, which will result in lower revenues."

- Use your hypotheses to inform the questions you will ask customers about their problems.
- As you refine your hypotheses, keep QRST (quantifiable, relevant, specific, and testable) criteria in mind.



3. Map Out the Ecosystem

- Map out the customer's ecosystem to determine who you need to interview during your customer discovery.
- Consider roles other than the end user. Who actually pays for the product? Who is the decision maker?
- Consider those who might be motivated to block the adoption of new products, services, or solutions.
- Use your network, business connections, and social media platforms to find prospective interviewees.
- Visit trades shows, expos, and conferences to meet other potential interviewees.

4. Write Your Script (Formulate Questions)

- How you introduce yourself is important when questioning prospective customers. Reassure them that you are not there to sell anything but have a real interest in their wants/needs.
- Start with broad questions:
 - At the end of the day, what does success in your job look like?
 - When you think about getting to that success, what keeps you up at night?
 - Are there any urgent issues that persistently get in the way of achieving success?
- Once you get a sense of direction, the questions can get more specific:
 - What makes (something the customer mentioned) difficult?
 - Have you sought out and/or tried out any solutions? Why did they work or not work?
 - What do you imagine would be an ideal solution if someone could create it?
- If you get to the point where the prospective customer is talking about their desired solutions, you want to test the urgency of the situation:
 - If a solution could be effective in removing the problem, what would be the immediate benefits/ the long-term benefits?
 - If you knew that solution existed, would you rank it a high, medium, or low priority to look into it?
- Always try to do your conversations in person. Getting in front of a person allows you to read their body language and effectively adapt your approach on the fly.
- Video conferencing is the next best option, followed by phone and email approaches.



How Do You Know if Customer Discovery is Working?

There is a very basic litmus test you can use to see if you are doing customer discovery well. In summarizing the findings of your customer discovery work, can you define the problem of the customer without mentioning your product?

Resources for Customer Discovery

- Blank, Steven Gary, and Bob Dorf. *The Startup Owner's Manual: The Step-by-Step Guide for Building a Great Company*. 1st ed. Pescadero, CA: K&S Ranch Press, 2012.
- Constable, Giff, Frank Rimalovski, and Steve Blank. *Talking to Humans: Success Starts with Understanding Your Customers*. S.I., 2014.
- Maurya, Ash. *Running Lean: Iterate from Plan A to a Plan That Works*. 2nd ed. The Lean Series. Sebastopol, CA: O'Reilly, 2012.
- Osterwalder, Alexander, Yves Pigneur, and Tim Clark. *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*. Hoboken, NJ: Wiley, 2010.
- Cowan, Alexander. *The Customer Discovery Handbook*.
www.alexandercowan.com/customer-discovery-handbook/

