Phase 3:

Customer Discovery

Up to this point we've made sure that there is a problem in the market for your concept to solve through research and that notable experts have verified that you're on the right path. Now we begin the last test of early validation - customer discovery.

The Customer Discovery Method

We're using customer discovery as a methodical approach to ensuring the problem and solution you've identified aligns with what customers actually want at a price they are willing to pay.

There are 3 critical pillars of your business model - the Problem, Solution and Revenue Model. Since customers likely have a problem worth solving, it's time to see if your solution is the right fit and that someone would pay for what you'll produce. This phase will put those hypotheses to the test so you can refine your product before you even build it.

The Customer Discovery Method consists of 4 steps:

STEP 1   **Create Customer Archetypes**

There are typically a number of customer profiles that need to be created representing different use cases of the product. In this step we will clearly define what each customer archetype looks like.

STEP 2   **Choose a Validation Method**

There are a variety of methods that can be used to validate and prove out your business assumptions.

Conduct Customer Validation

Whether you use a survey or landing page for your validation, you'll want to explore from each profile archetype to get a better feel for whether the Problem, Solution, and Revenue Model align with their needs.

STEP 4

Evaluate Survey Results

We'll evaluate what we've learned and determine whether successive rounds of customer discovery are necessary. If not, we'll begin using what we've learned to formulate the baseline for our business plan.

What you'll likely find is that the initial few discussions with customers yield a great deal of "aha!" moments that will require you to heavily revise your plan.

Key Takeaway:

Confirm that the problem, solution and revenue model align with what actual customers really want.

Food For Thought

If you haven't heard the Airbnb story, we highly recommend [you have a listen](#) on your next drive, walk, workout, or flight.

The founders originally called it Airbed & Breakfast because they literally had people book a night at their San Francisco apartment and let them sleep on airbeds. (They even gave them Poptarts the next morning.) Airbnb had a handful of users in New York, so they started knocking on doors and chatting with the users to see what was working and what wasn't.

Asking questions about their experience, how they use the app, why they use it, why they stopped using it, and where they get hung up during their experience helped identify the true intrinsic needs & desires of the customer.

Airbnb was able to overcome early hurdles through inference, luck, asking the right questions, and testing different variables with their users. **Airbnb is valued at over $31 billion now**.

Finding Customers

Reduce startup risk and build things people really want by interviewing customers. Learn how to find the right people to talk to, ask good questions, and make this critical process part of your everyday mindset. Expert Cindy Alvarez literally wrote the book on Lean Customer Development and is Director of User Experience at Yammer.

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