Rule #1: The primary job of a startup is to search for a scalable & repeatable business model that delivers value.
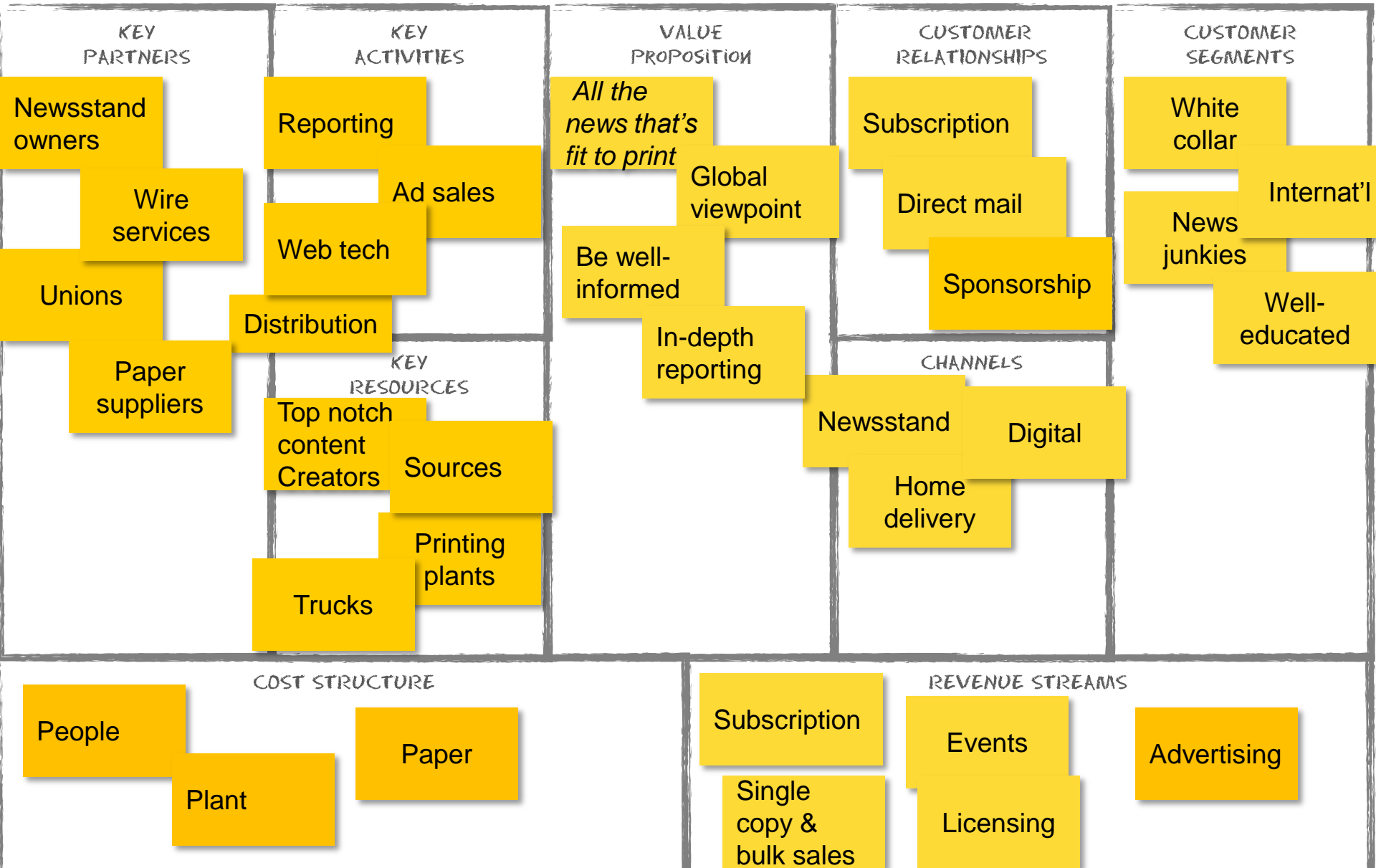
"Successful startups are the ones who have enough money left over to try their second idea."

--Clayton Christensen
author/professor

Rule #2: On day one, startups only have guesses, no facts.

Business Model Canvas

KEY PARTNERS
- Newsstand owners
- Wire services
- Unions
- Paper suppliers

KEY ACTIVITIES
- Reporting
- Ad sales
- Web tech
- Distribution

KEY RESOURCES
- Top notch content Creators
- Sources
- Printing plants
- Trucks

VALUE PROPOSITION
- *All the news that's fit to print*
- Global viewpoint
- Be well-informed
- In-depth reporting

CUSTOMER RELATIONSHIPS
- Subscription
- Direct mail
- Sponsorship

CHANNELS
- Newsstand
- Digital
- Home delivery

CUSTOMER SEGMENTS
- White collar
- Internat'l
- News junkies
- Well-educated

COST STRUCTURE
- People
- Plant
- Paper

REVENUE STREAMS
- Subscription
- Single copy & bulk sales
- Events
- Licensing
- Advertising

Business Assumptions Worksheet

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS

The Magic 8 Ball says…

keep your fingers - crossed

perhaps

we think

your guess is as good as mine

maybe

KEY RESOURCES

let's try it and see

duh?

CHANNELS

hope this works

???

let's roll the dice

COST STRUCTURE

if we're lucky…

???

REVENUE STREAMS

we pray

???

Rule #3: As quickly and efficiently as possible you want to validate or invalidate your assumptions.
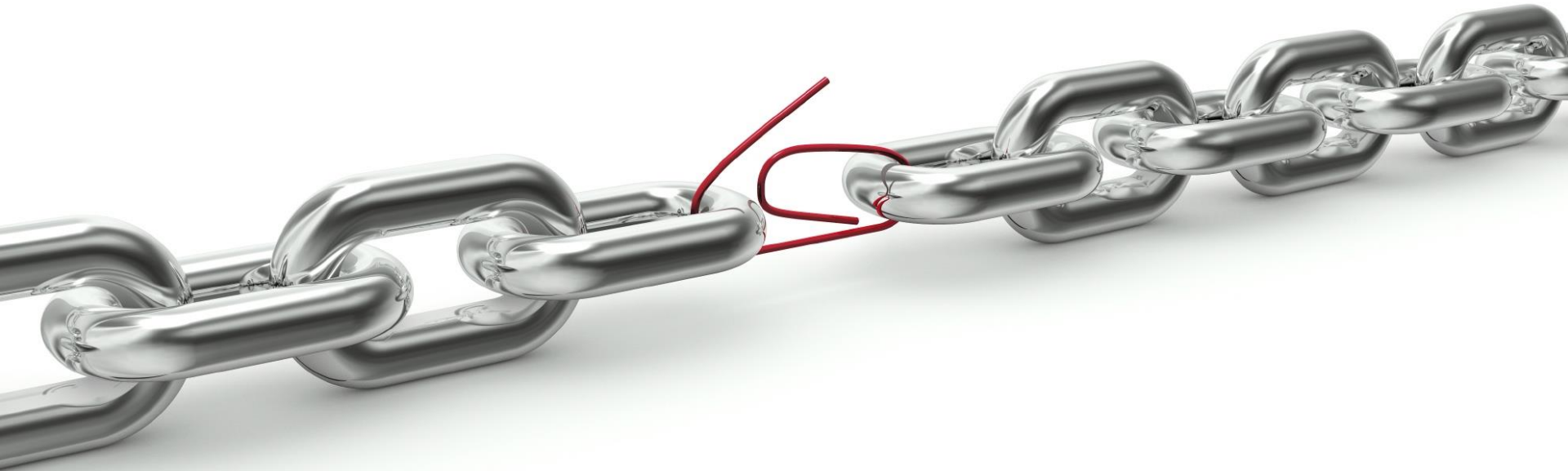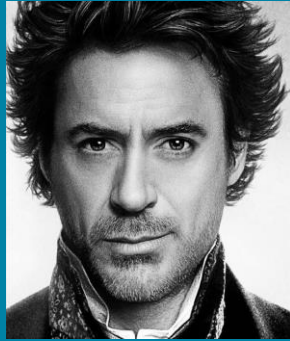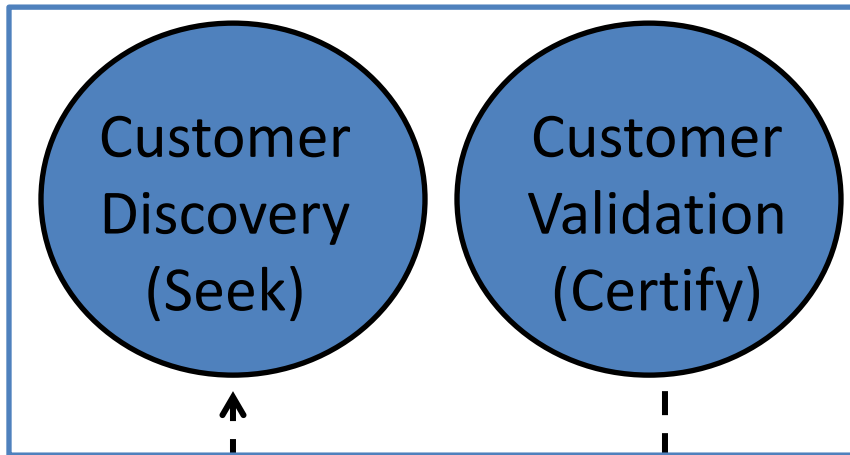
"It's a big mistake to theorize before one has data because one begins to twist facts to suit theories instead of theories to suit facts. "
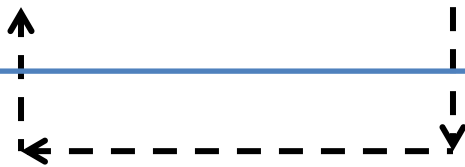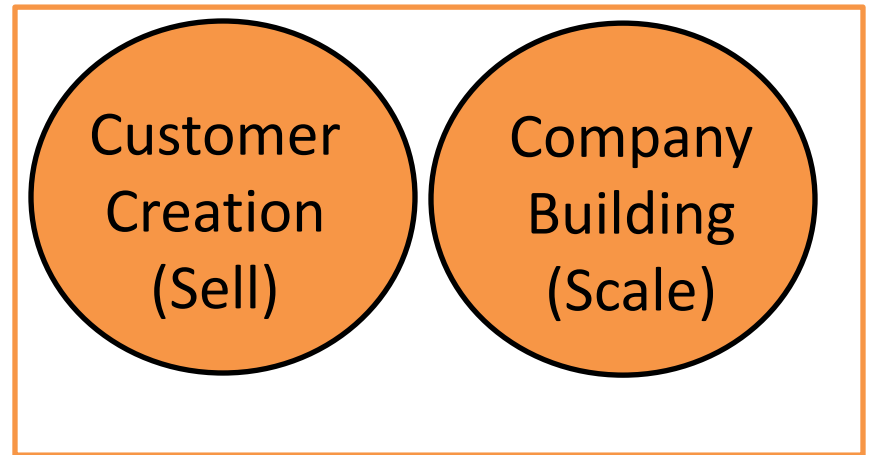
--Sherlock Holmes

Product risk is not the biggest risk startups face; it's market risk. The risk that not enough people will buy and/or adopt.

Customer Development Process

Doesn't mean asking customers what they want and building that.

MENU

JOY FAN, STAN ROSENBERG, ARIEL STOLBUN, AND CHENHAO WANG

STREET
FARE

Street Fare
Our Initial MVP

Craving A Food Truck?

Find Your Next Meal With STREATS

Streats is a mobile food truck app that brings you access to your favorite eats, whenever and wherever you like. Find your favorite eats or discover new trucks; it is up to you!

Get Early Access To Streats!

e-mail address

first name

last name

GO

Pivot #1:
To be Seamless for Food Trucks

Street Fare
Augmented Booking System

For Customers

For Truck Owners

Craving A Food Truck?

Find Your Next Meal With STREATS

Streats is a mobile food truck app that brings you access to your favorite eats, whenever and wherever you like. Find your favorite eats or discover new trucks; it is up to you!

Get Early Access To Streats!

e-mail address

first name	last name

GO

STREATS

Sign In   Account | Appointment

Conveniently book and confirm your appointments and classes online. Please fill in the required fields and click on "Book Now"

Service   Staff   Date   Personal

Select Service

1345 Avenue of The Americas
Duration : 5:00 hr
$100.00

Street Fair - 13th and 4th Avenue
Duration : 5:00 hr
$200.00

Cancellation Policy: Please notify us atleast 24 hours in advance if you need to cancel this appointment.

Pivot #2:
To be Groupon for Food Trucks

Industry Research

Primary:

- David Weber
  - NYFTA
- Helena Tubis
  - Vendy Awards
- Sean Banksini –
  - Street Vendor Project
- Cindy VandenBosch
  - Turnstile Tours
- Eight Food Truck Owners
  - Coolhaus, Wafels and Dinges, Mud, Domo Taco, etc.

Secondary:

- Food Truck Handbook
  - NYFTA
- Peddling Upwards
  - Street Vendor Project
- Patty's Tacos vs. NYPD
  - Court Case

Street Fare
Results of Customer Discovery - Trucks

54%

46%
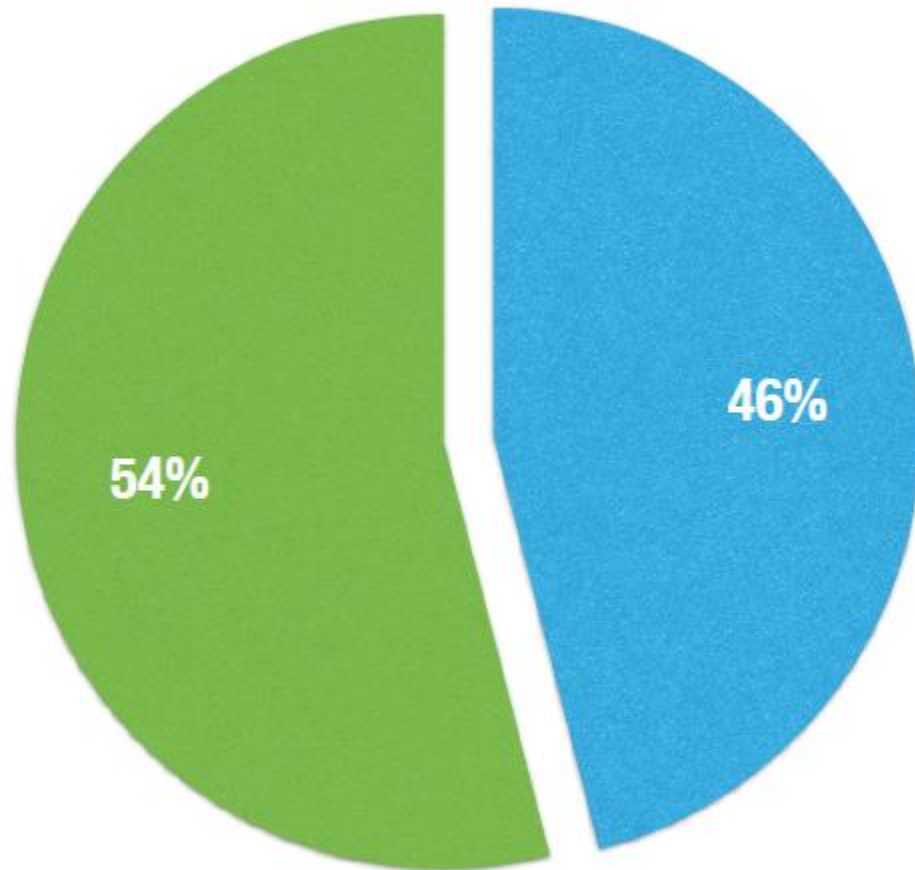
"... biggest challenge is dealing with city restrictions"

Street Fare
Identifying the Pain

Street Fare
Results of Customer Discovery

Bureaucracy:

"Vending in NYC is extremely difficult because of the scarcity in parking, a recent interpretation of a law on the books since 1965 that makes it illegal to vend from metered parking, rigorous requirements for mobile food vending licenses for the people who work on trucks and carts and a cap on the number of permits for street vending units."

— David Weber, NY Food Truck Association

Street Fare
Identifying the Pain

$1,000 Fine

x

6.4 Fines a year on average

_____

= $6,400

Street Fare
Results of Customer Discovery

"Absolutely - in many cases the retail income is an important part of the overall building cash flow. The key to successful development is to maximize revenue by making sure all vacant space is income producing in one way or another."

"It is a great amenity to the tenants and also draws other people to 'see' your building so it is a marketing tool as well as a potential revenue producers."

– Sam Rosenberg, CFO, Fisher Brothers Real Estate Group

Validation Board

Track Pivots	Start	1st Pivot	2nd Pivot	3rd Pivot	4th Pivot
Customer Hypothesis	Experiential foodie	On the go foodie	Marketer on wheels	Truck owner	
Problem Hypothesis	Customers can't find trucks	Food trucks are too slow	Few ways to advertise food truck	Not enough spots in NYC	
Solution Hypothesis	*Tip: Do NOT define a solution until you've validated the problem*	Seamless for trucks	Groupon/Foursquare for trucks	Booking system for trucks	

Design Experiment

Tip: Clear all post-its from this area after each experiment is completed

Discovery is key

Core Assumptions
Assumptions that must be validated for the business to work

Maintain industry code

Network effects

Riskiest Assumption

Industry will accept idea

Learn:
Which Core Assumption has the highest level of uncertainty?

Method

Landing page and survey

Minimum Success Criterion

25% buy in

Results

GET OUT OF THE BLDG

Invalidated	Pivot at least one Core Hypothesis		Validated	Brainstorm and test the next Riskiest Assumption	
1		2	1		2
3		4	3		4
5		6	5		6

Only put the Riskiest Assumption from an experiment in these boxes

Record data & learnings separately

Thursday, December 13, 12

Build an empathetic connection with your customers.

Has a problem.

Knows they have
a problem.

Actively searching
for a better way.

Hacked together a solution.

Willing and able to
pay for a better way.

Woohoo!
Your target
customer!
(homo earlyevangelistus)

5

Talking to Customers
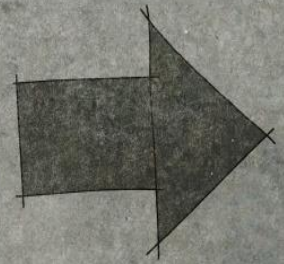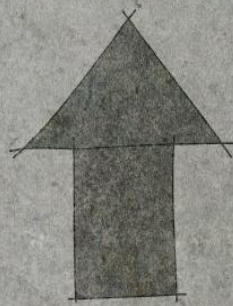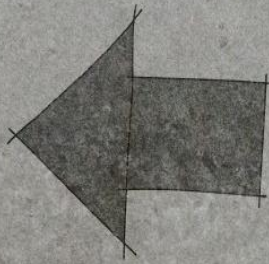
Primary Reasons

#1 Determine most-likely customers.

#2 Understand their needs, desires, & wants.

#3 Explore current behavior & motivations.

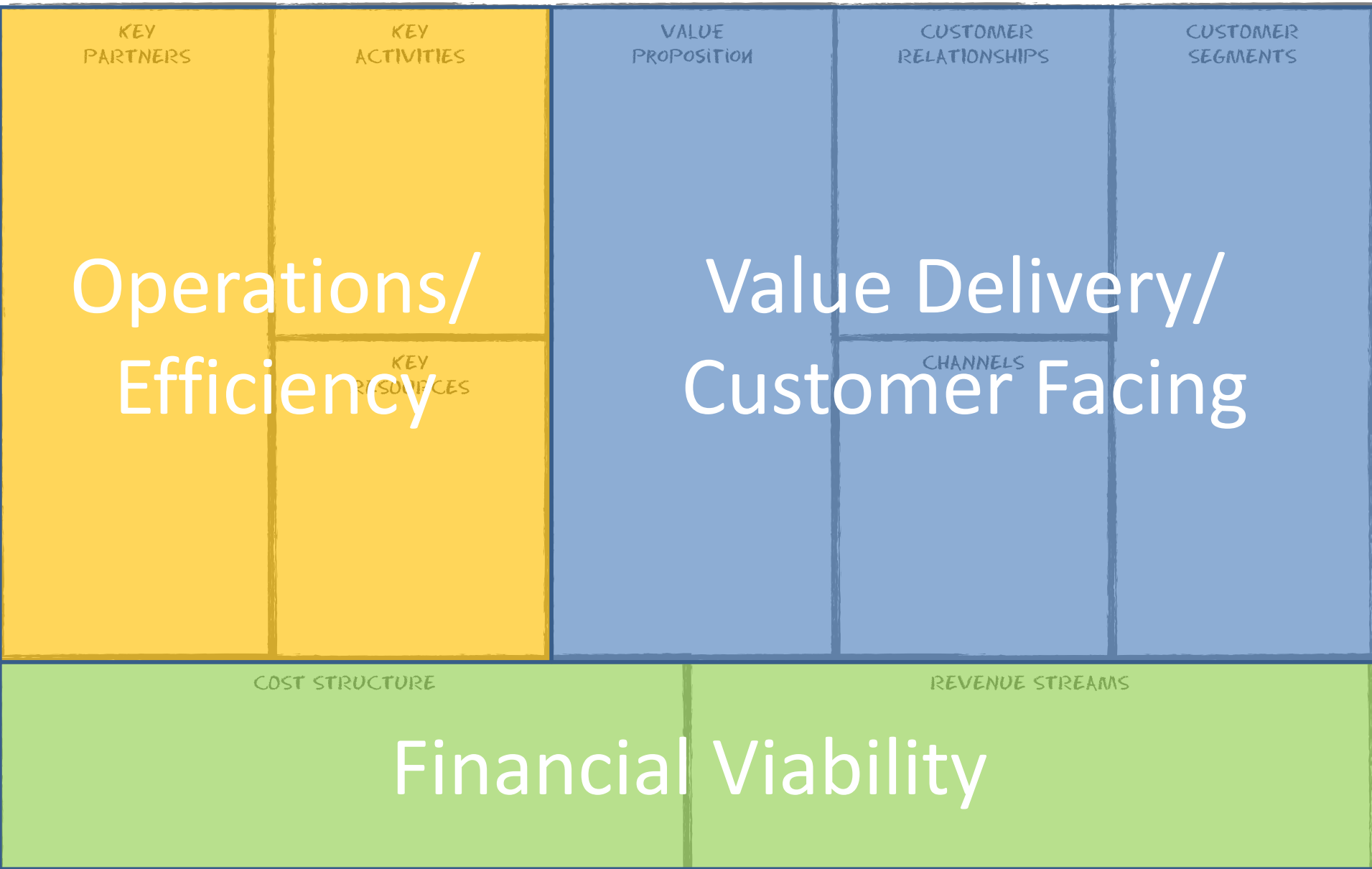#4 Discover possible ways to increase gain or relieve pain.
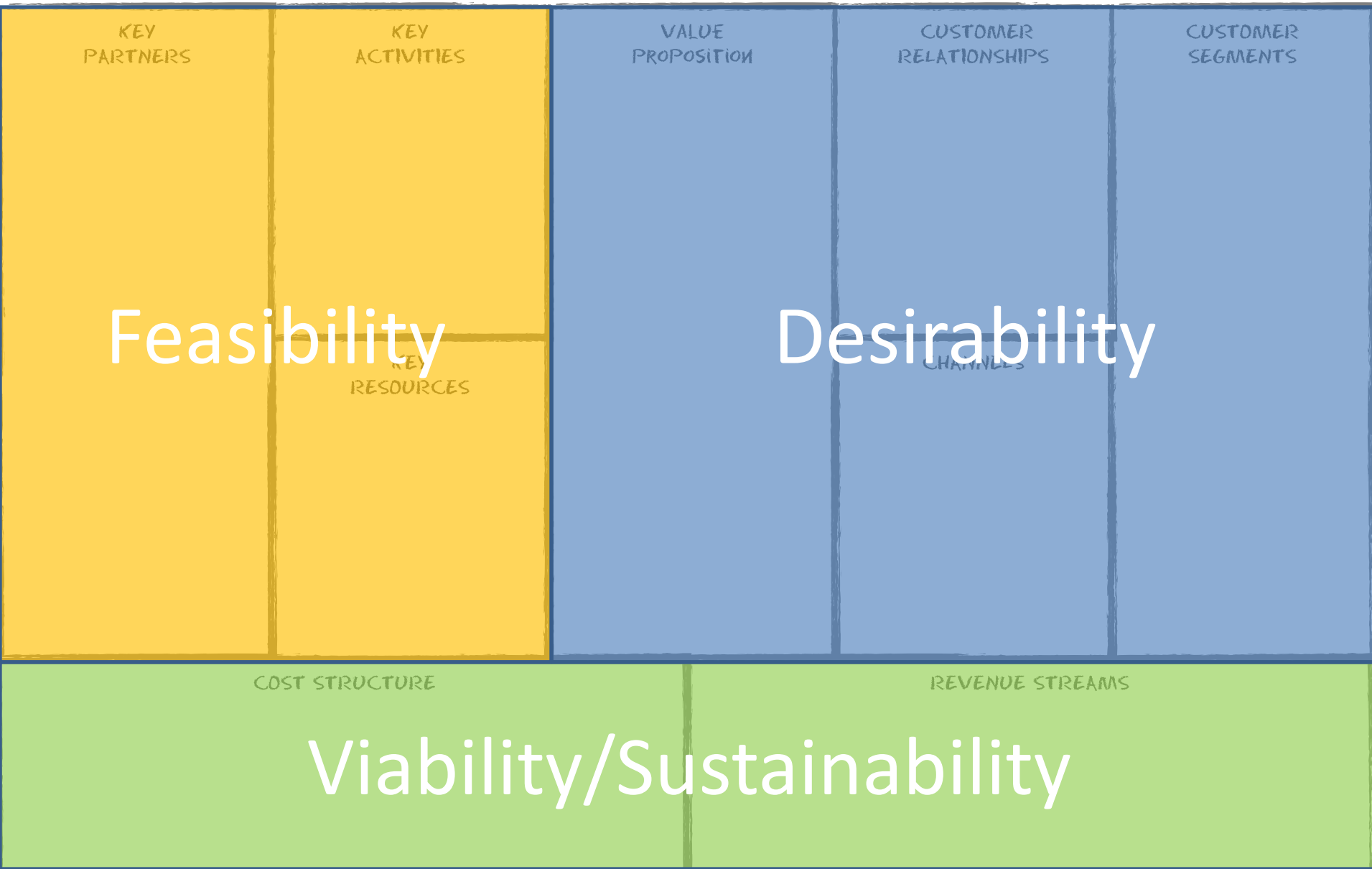
#5 Assess your solution's potential value.

Business Model Canvas

Business Model Canvas

Business Assumptions Worksheet

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS

VALUE PROPOSITION

I believe my customers' needs can be fulfilled by…

The #1 value customers will derive from my product is …

They will also delight in these additional benefits: ___ and ___.

Customers will prefer us to the status quo or existing alternatives because…

KEY RESOURCES

CHANNELS

CUSTOMER SEGMENTS

My target customer will be…

I believe there are people who have a need for___ because of___.

Our most important customers will be…

People who will derive the greatest benefit from my product are…

COST STRUCTURE

REVENUE STREAMS

- Potential customers
- Competitors
- Suppliers
- Industry experts/watchers
- Media/authors

Talk to People:
Go on a listening tour

Talk to People:
Where to find them

- ✓ Immediate circle
- ✓ Out-and-about
- ✓ Online
- ✓ Industry events
- ✓ Landing page

Google

Google Search   I'm Feeling Lucky

Google   startups

Web   News   Images   Videos   Books   More ▾   Search tools

Maps
Shopping
Flights
Apps

About 3,800,000 results (0.34 seconds)

Startups.co - Investors
Ad www.startups.co/ ▾
Over 20,000+ Accredited Investors Funding from $25k t
Connect to 20k+ Investors · Find the Right Investor · Le. ss
Startups.co has 176 followers on Google+

    Testimonials   Investor Matching
    Get Started

Startups - TechCrunch
techcrunch.com/startups/ ▾ TechCrunch ▾
2 days ago - Find the latest information from TechCrunch on product launches and VC
funding news for the hottest new companies / startups.

ⓘ

Ads ⓘ

Start Your Own Business
www.legalzoom.com/ ▾
3.5 ★★★★ ★ rating for legalzoom.com
We're Proud To Have Helped Over
1 Million Businesses Get Started!

New York Startups
www.angel.co/invest/new+york+startups ▾
Invest in promising early-stage
startups from your city & beyond!

Women Owned Startups
www.culturalentrepreneur.org/ ▾

Find
a Meetup Group

Start
a Meetup Group

Sign up

Log in

English ▼

•••

Meetups are

neighbors getting together to learn something,
do something, share something...

Sign me up! ❯

Photo: The Lakewood Beginner-Intermediate Mountain Biking "LMB" Meetup

| Startups ⊗ | within 25 miles of New York, NY | Groups | Calendar |

Sort by Best match

New York Entrepreneurs & Startup Network (NYESN)

10,780 Entrepreneurs & Investors
Next Meetup: Oct 20

Startup Grind NYC

3,047 Entrepreneurs
Next Meetup: Oct 22

Israeli Startups NYC

574 Techies
Next Meetup: Nov 3

How to search LinkedIn from Google:

<title, interest, keywords, etc>, <geography> site:linkedin.com/in/ OR site:linkedin.com/pub/ -site:linkedin.com/pub/dir/

Change text within the brackets to suit your needs.

<director, paleontology>, <u.s.> site:linkedin.com/in/ OR site:linkedin.com/pub/ -site:linkedin.com/pub/dir/

Google Search   I'm Feeling Lucky

<director, paleontology>, <u.s.> site:linkedin.com/in/ OR site:linkedin.com/pu

Web   News   Images   Shopping   Maps   More ▾   Search tools

About 4,050 results (0.66 seconds)

Paul Murphey | LinkedIn
www.linkedin.com/pub/paul-murphey/30/b7b/a11
Greater Denver Area - Paleo Solutions - Vice President and Director of Rocky Mountain
Operations
Paleo Solutions - Vice President and **Director** of Rocky Mountain Operations ...
Principal Investigator: Hundreds of mitigation **paleontology** projects in 14 **US** ...

Larry Agenbroad | LinkedIn
www.linkedin.com/pub/larry-agenbroad/26/a7/ab9 ▾
Hot Springs, South Dakota - Director at Mammoth Site of Hot Springs, SD
Director, Mammoth Site of Hot Springs, SD, **USA**. The Mammoth ... One of 5 medals
presented in 2005 for exploration of the past (**paleontology** & archaeology) ...

Barbara Beasley | LinkedIn
www.linkedin.com/pub/barbara-beasley/45/842/a96
Chadron, Nebraska - North Zone Paleontologist at US Forest Service
North Zone **Paleontologist** at **US** Forest Service. Location ... Barbara Beasley,
Director of Business Relations at the Better Business Bureau of Central Florida.

John Nance | LinkedIn
www.linkedin.com/pub/john-nance/88/100/30a
Lusby, Maryland - Assistant Curator of Paleontology at Calvert Marine Museum
Marni Fylling Freelance science illustration; Rodney Scheetz curator/**manager** at BYU
Museum of... Barbara Beasley North Zone **Paleontologist** at **US** Forest.
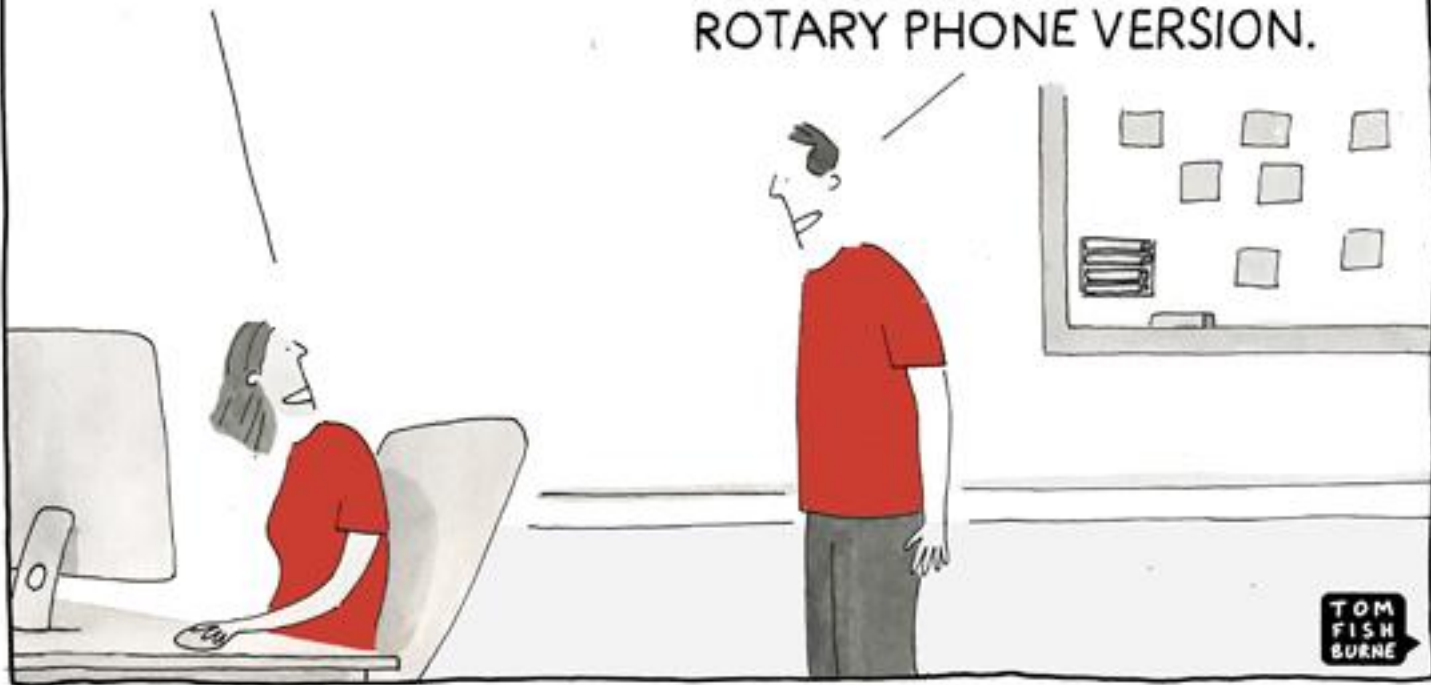
Opening Questions

- Tell me about the last time you_____.

- Share with me a story about _____.

- Describe a typical day.

Purpose: Invites them to talk expansively about the topic. Gives them the freedom to bring up issues most important to them. Tends to relax the interviewee.

Deeper Dive

- If you could change one thing about_____, what would it be?

- When it comes to_____ what keeps you up at night?

- What do you like most/least about _____?

Purpose: Encourages elaboration. Leads to clarification and additional details.

Do They *Really, Really* Care

- How often have you _____?
- When was the last time you experienced _____?
- What steps have you taken to address this need?
- How happy are you with existing options?
- How much is _____costing you?
- What are you spending for _____?

Purpose: Measures intensity and frequency. Provides insight into receptivity and propensity to buy.

Customer Interviews:
Do's & Don'ts

6

Best Practices

Research Plan

✓ Set clear learning objectives.

✓ Decide who best to talk to & how you'll reach them.

✓ Develop a questions and practice.

✓ Interview in pairs.

✓ Create a data collection & management system.

✓ Determine pass/fail criteria.

Javelin

Experiment Board

Experiments		1	2	3	4	5
Start here. Brainstorm with stickies, pull it over to the right to start your experiment.						
Who is your customer? Be as specific as possible. *Time Limit: 5 Min*	**Customer**					
What is the problem? Phrase it from your customer's perspective. *Time Limit: 5 Min*	**Problem**					
Define the solution only after you have validated a problem worth solving. *Time Limit: 5 Min*	**Solution**					
List the assumptions that must hold true, for your hypothesis to be true. *Time Limit: 10 Min*	**Riskiest Assumption**					
Need help? Use these sentences to help construct your experiment.	**Method & Success Criterion**					

🏃 **GET OUT OF THE BUILDING!** 🏃

		1	2	3	4	5
To form a Customer/Problem Hypothesis: I believe <u>my customer</u> has a problem <u>achieving this goal</u>. / **To form a Problem/Solution Hypothesis:** I believe <u>this solution</u> will result in <u>quantifiable outcome</u>.	**Result & Decision**					
To form your Assumptions: In order for <u>hypothesis</u> to be true, <u>assumption</u> needs to be true. / **To identify your Riskiest Assumption:** The assumption with the least amount of data, and core to the viability of my hypothesis is...						
Determine how you will test it: The least expensive way to test my assumption is... / **Determine what success looks like:** I will run experiment with <u># of customers</u> and expect a strong signal from <u># of customers</u>.	**Learning**					

Things to Note

- Things that validate your hypotheses.

- Things that do not validate your hypotheses.

- Anything that takes you by surprise.

- Anything full of emotion.

- Areas to explore further, any ambiguities.

TALKING TO HUMANS

Success starts with understanding your customers

GIFF CONSTABLE

with Frank Rimalovski
illustrations by Tom Fishburne
and foreword by Steve Blank

"Once for ounce, there's no better way to learn what customers want and will buy than this wonderful little book. If you want your new product or new business to succeed, start here."
John Mullins, author, The New Business Road Test, Getting to Plan B, and The Customer-Funded Business

Rob Fitzpatrick   a Founder Centric book

THE MOM TEST

How to talk to customers and learn if your business is a good idea when everyone is lying to you.

FOUNDER·CENTRIC

Cindy Alvarez

LEAN CUSTOMER DEVELOPMENT

Build Products
Your Customers Will Buy

Running Tests & Experiments:
MVPs

TESTED

What is an MVP?

- An MVP is an experiment you can run that will provide maximum learning yet require minimal effort.

- It does not have to be a version of the actual product.

- MVPs should test your riskiest assumptions.

TESTED

Purpose of MVPs

- Avoid building products nobody wants.

- Maximize the learning per dollar spent.

- Answer specific questions; do not test the whole business.

Types of MVPs

1. **Pre-Sell:** measures commitment vs interest. e.g., Kickstarter campaign

2. **Concierge MVP:** manually provide with customer knowing and agreeing to provide extensive feedback.

3. **Wizard of Oz:** manually provide without customer's knowledge.

Types of MVPs

4. **Single Feature:** do one thing and only one thing well before developing features.

5. **Other People's Products:** piggyback off of existing products/services from competitors to validate your idea.

6. **Piecemeal:** Hack together existing tools.

TESTED

Which MVP to Use

Depends upon what you're testing

- Interest

- Process

- Commitment/Sales

- Ability to reach/Channel communications

TESTED

Landing Page Components

- Value proposition

- Supporting visual (image, screen shot or video)

- Call to action (sign-up, RSVP, order, etc.)

- Invitation to learn more (for those who need more convincing)

- Testimonials

QuickMVP

http://youtu.be/r57UtdjIcMc

Explainer Videos

Explainer Video Components

- User scenario/Frame the situation or problem

- Value proposition

- Paints picture of how life would be better with your product

- Call to action

- Interesting visuals

- Less than 2-minutes

Explainer Video

Drop Box: - http://youtu.be/OFb0NaeRmdg

Dollar Shave Club - http://youtu.be/ZUG9qYTJMsI

Pre-Sell

- Crowd funding
- "As seen on TV"
- Crowd sourced

Designed & Handcrafted in USA! Ellia Wang Geometry Handbags

by Ellia Wang

Home   Updates **2**   Backers **43**   Comments **6**   📍 Savannah, GA   🏷 Accessories

▶ 0:09 ──────────── 2:10 🔊 ▭▭▭ ⤢

I am a handbag collector

f **Share** 85   🐦 **Tweet**   <> **Embed**   ★ Remind me

Ellia Wang designs and hand-crafts women's accessories right

43
backers

$10,043
pledged of $15,000 goal

28
days to go

Back This Project
$1 minimum pledge

This project will only be funded if at least $15,000 is pledged by Sun, Nov 16 2014 11:35 PM EDT.

Project by
Ellia Wang
Savannah, GA

K First created · **4 backed**

Wizard of Oz

"Pay no attention to the man behind the curtain."

Getty

Wizard Of Oz

Looks like a working product;

but you're faking it on the back end.

Every deal in your city.

We find every deal from Groupon, LivingSocial, Yelp and 800+ others.

Confirm your city:

New York

Email Address:

Enter your email address

Get started - it's free!

By clicking 'Get Started', I agree to the **Terms of Service** and **Privacy Policy**

New York Sports Club 30-Day Passport

$49

New York Sports Clubs

ManiCare

Data Works NYC
Midtown

ates - Three Pilates her Classes

$120 $55

BK Pilates