Introduction to CUSTOMER DEVELOPMENT
AGENDA

‣ Fair warning
‣ The Five Ws
‣ Framework
‣ Get started
‣ Final thoughts
OBJECTIVES

‣ Outline the customer development framework
‣ Apply customer development to libraries
‣ Introduce steps to get started
FAIR WARNING
TROUBLESONE
TERMINOLOGY
AHEAD
we don't like this word

CUSTOMER
DEVELOPMENT

this word has too many meanings
THE FIVE WS
1. WHAT

- Four-step framework
  - From idea through execution
- Process for testing your assumptions
- Focus is on validating your learning with facts
2. WHERE

- Studies of serial entrepreneurs (Stanford)
- Popular in the tech industry (Silicon Valley)
3. WHO

The Four Steps to the Epiphany

Successful Strategies for Products that Win

Steven Gary Blank
3. WHO
4. WHY

- Identify a market for your product/service
- Build the right product features
- Solve a customer need
- Test methods for acquiring new customers
- Deploy resources to scale the business
5. WHEN

- Build a tangible product/service
- Try to solve a problem in a unique way
- Challenge dominant assumptions
- Incorporate feedback from potential customers
EXAMPLE

- Virtual Learning Commons
  - Need to build something
  - Need to figure out our unique offer
  - Need to shift our organization’s thinking
  - Need to understand student perspective
FRAMEWORK
FRAMEWORK STAGES

- customer discovery
- customer validation
- company creation
- company building

Cooper & Vlaskovits, 2010

REMEMBER TROUBLESOME TERMINOLOGY
Objective
Find a product solves a problem for an identified group of users.
CUSTOMER DISCOVERY

Activities
- Talk to potential customers
- Understand the problem
- Propose solutions
- Test assumptions
- Build prototypes

Cooper & Vlaskovits, 2010
CUSTOMER DISCOVERY

Minimum Viable Product
- Functioning prototype
- Attempt to make the idea tangible
- Just the features to reach the market
- Aimed at early adopters

Cooper & Vlaskovits, 2010
OBJECTIVE

Identify a market that is large enough to build a viable business.
CUSTOMER VALIDATION

Activities
- Find customers who will pay
- Map your biz model
- Clarify market opportunity
- Test customer acquisition strategy

Cooper & Vlaskovits, 2010
Objective
Find repeatable sales and start expanding the business.
COMPANY CREATION

Activities
-Sell your product
-Hire people
-Find resources and investment

Cooper & Vlaskovits, 2010
COMPANY BUILDING

Objective
Grow company and establish operational processes to support expansion.

Cooper & Vlaskovits, 2010
COMPANY BUILDING

Activities
- Provide resources
- Divide labor into functions
- Build organizational structure
- Expand operations

Cooper & Vlaskovits, 2010
FRAMEWORK OVERVIEW

- **Customer Discovery**
  - Problem-solution fit
  - Proposed MVP

- **Customer Validation**
  - Product-market fit
  - Biz model
  - Sales map

- **Company Creation**
  - Scale execution

- **Company Building**
  - Scale organization
  - Scale operations

Cooper & Vlaskovits, 2010
FRAMING OVERVIEW

customer discovery
- problem-solution fit
- proposed MVP

customer validation
- product-market fit
- biz model
- sales map

company creation
- scale execution

company building
- scale organization
- scale operations

Cooper & Vlaskovits, 2010
WHAT IS A PIVOT?

“...a structured course correction designed to test a new fundamental hypothesis about the product, strategy, and engine of growth.”

~ Eric Ries, The Lean Startup
CHANGE BASED ON LEARNING

“A pivot requires that we keep one foot rooted in what we’ve learned so far, while making a fundamental change in strategy in order to seek even greater validated learning.”

~ Eric Ries, The Lean Startup
GET STARTED
EXAMPLE

- Virtual Learning Commons
  - Need to build something
  - Need to figure out our unique offer
  - Need a unique take on e-learning
  - Need to understand student perspective
STEP ONE

› Articulate your customer-problem-solution
  › Establishes your core hypotheses
STEP ONE VLC

- Articulate your customer-problem-solution
  - Customer = students
  - Problem = accessible learning support
  - Solution = online platform
STEP TWO

- Design your business model
  - Clarify why people will use your product
  - State the value proposition
STEP TWO VLC

- Design your business model
  - Relationship: Self-serve
  - Value: Accessible; Improve productivity
  - Resources: Engaging content; infrastructure
  - Activities: Building content
<table>
<thead>
<tr>
<th>Campus units</th>
<th>Library teams</th>
<th>Faculty</th>
<th>building content</th>
<th>accessible, relevant help</th>
<th>self-serve</th>
<th>students</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>media skills</td>
<td>improved performance (grades)</td>
<td>web social media</td>
<td></td>
</tr>
</tbody>
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Value-driven (but cost conscious)  
Staff, technology, acquisition  
More users  
More repeat users
STEP THREE

- Talk to everyone about your idea
  - Get feedback from everyone
  - Look for experts
STEP THREE VLC

› Talk to everyone about your idea
  ‣ Library staff, campus units, family friends, etc.
  ‣ Found experts (e.g. corporate learning)
STEP FOUR

- Interview prospective customers
  - Try to understand the root problems
  - Look for early adopters
STEP FOUR VLC

- Interview prospective customers
  - Student interviews
  - Student card sorts
STEP FIVE

- Compile data and evaluate feedback
  - Adjust your hypotheses based on data
  - Test new hypotheses
  - Validate learning
STEP FIVE VLC

- Compile data and evaluate feedback
  - Identified top ten student pains and gains
  - Refine strategy
STEP SIX

‣ Build an MVP and launch
  ‣ Make a product that people can use
  ‣ Minimal feature set
STEP SIX VLC

- Build an MVP and launch
  - Find some spare server space
  - Adopt an existing web template
  - Experiment with content creation
STEP SEVEN

- Compile data and evaluate behaviour
  - Monitor what customers do
  - Adjust MVP based on data
  - Iterate: Build-measure-learn
STEP SEVEN VLC

- Compile data and evaluate behaviour
  - Measure web visits
  - Track behavior
  - Refine prototype
FINAL THOUGHTS
IN SHORT

Customer development is a process designed to help you “make better decisions based on tested hypotheses, rather than untested assumptions.”

~ Cooper & Vlaskovits, 2010
SCIENTIFIC METHOD

- Observe and describe phenomenon
- Formulate hypothesis to explain
- Predict results of new observations
- Measure prediction using tests
- Formulate new hypothesis
THANK YOU

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REFERENCES