THINKING LIKE AN ENTREPRENEUR

LESSON 3:
WHO’S MY CUSTOMER? HOW WILL I KNOW?

Activity Worksheet

Before jumping into this worksheet, read the Thinking Like an Entrepreneur lesson 3 handout “Who’s my customer? How will I know?”

See the video lecture “Thinking Like an Entrepreneur: Why should customers care?” for a deep-dive that distinguishes between product features and the benefits that customers feel.

Overview
In this set of activities, you will build your entrepreneurial thinking skills while exploring ways to describe your potential customers and how your product will benefit them. As a result, you will continue to build entrepreneurial skills of curiosity, critical thinking, and empathy. (And, if you are familiar with “design thinking,” many of these exercises will feel familiar. The challenge will be to shift focus from solely the end-user experience to also include other customer archetypes, and to consider how competitive differentiation influences the product design as well)

1. Customer Archetype & Persona
Brainstorm at least one person (or type of person) that will fit each archetype group. Who are these people, and what could be their primary concern (or motivation) if they were involved with adoption of your product?

<table>
<thead>
<tr>
<th>Archetype:</th>
<th>Who is this person?</th>
<th>What is the need that would block or enable use of your product? Why?</th>
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<tbody>
<tr>
<td>• End-user</td>
<td>• Industry/Company/Role?</td>
<td>• Social</td>
</tr>
<tr>
<td>• Beneficiary</td>
<td>• High-level persona</td>
<td>• Emotional</td>
</tr>
<tr>
<td>• Buyer/payer</td>
<td></td>
<td>• Functional</td>
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<td>• Influencer</td>
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2. Defining the solution
Innovators can sometimes be so passionate about their innovation that they forget that its benefits might not be as obvious to others. One of the best ways to avoid the frustration of explaining the value of the innovation is to figure out how your customer—whether they are user, buyer, beneficiary, or influencer—perceives the value for themselves.

Using some of the customers and needs described above, begin to build out a chart that spells out the differences and connections between the feature, benefit, competitor, and differentiator. Take 15-30 minutes solo, or 30-35 minutes as a group to get going on it.

<table>
<thead>
<tr>
<th>Customer Need /Problem</th>
<th>Feature</th>
<th>Benefit</th>
<th>Competitor (general or specific)</th>
<th>Differentiator (quantified / target)</th>
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Activity variations:
- Use a notebook or large poster paper in order to brainstorm more freely. If you use sticky-notes, you can easily add, edit, or remove hypotheses as you go.
- Pick one customer. List several different needs, features, benefits and so on. This can be helpful for deciding which questions to ask during customer interviews, and will help you narrow-down your most important feature set before you spend any more money on product development.

At the end of the activity, notice which areas are easier for you to fill in than others. Some people are oriented to out-shining the competition; they tend to focus on the competitors and differentiators, and then work backwards in order
Thinking Like an Entrepreneur | LESSON 3 ACTIVITY WORKSHEET

3. Value Propositions
Try writing several of these value proposition hypotheses. If you’re not sure about your customer demographics, their needs, or who the buyer is, write several alternatives. See if they can they be mixed and matched.

Some tips for writing value propositions:

- **Keep it simple.** It should be no more than 40 words, in language that a non-technical smart person could understand.
- **Keep it cohesive:** do the need, difficulty with the substitutes, and your benefits connect logically?
- **Don’t “boil the ocean.”** Which one or two customer archetypes will make or break your commercialization plans? Which problems do you think are the most critical to them? Test to find out.
- **Customers are people.** Try to be specific. Don’t target a general institution or vague group, such as “hospitals,” “Africa,” or “governments.” Instead, try to focus on a persona of someone who will pay for or use your solution: quality assurance managers at hospitals; nurses in large urban hospitals; outreach workers at agricultural non-profit agencies in Kenya; and so on.
- **Avoid “meta” problems.** Though “climate change” or “chronic disease” are societal-level problems that can impact a lot of people (and there are people who are paying for solutions), it is too big and vague for a value proposition. They might be your reason for innovating, but often they are not the reason a customer will use your innovation. Instead, focus on customer perspective: is their bad behavior because
the healthier alternative is too expensive or inconvenient? Is there something about your product that makes them so happy that they prefer it to their old behaviors?

- **Quantify** the problem and differentiators. They are a part of your hypotheses. With the problem: can you guess how much time is wasted, or money is spent? With the solution: guess how much you would be capable of. Then, when you talk to customers, you can find out just how big their problem is, and if your solution really is better than the competition (or how much better it needs to be for them to buy).

Your turn! Using this format, see how many you can create in 30 minutes:

**We offer** [5-word description of product: what it is]
**To** [customer archetype]
**Who has a problem/need** [describe].
**Unlike** [competitor or substitute & what is wrong with it],
**Our solution** [key #1 or 2 differentiation/ benefit with quantification: why it's valuable].
**We offer** __________________________________________________________
**To** ________________________________________________________________
**Who has a problem/need**, it is _______________________________________
______________________________________________________________________
**Unlike** ____________________________________________________________
______________________________________________________________________
**Our solution** ______________________________________________________
______________________________________________________________________

**We offer** __________________________________________________________
**To** ________________________________________________________________
**Who has a problem/need**, it is _______________________________________
______________________________________________________________________
Unlike __________________________________________________________

____________________________________________________________________________________

Our solution ________________________________________________________________

____________________________________________________________________________________

We offer ________________________________________________________________

To ________________________________________________________________

Who has a problem/need, it is ________________________________________________

____________________________________________________________________________________

Unlike ________________________________________________________________

____________________________________________________________________________________

Our solution ________________________________________________________________

____________________________________________________________________________________

4. Testing your Assumptions

Get out of the building! These days, entrepreneurs often interview 100 customers within 12 weeks, and they are so glad they did. It helps them know if their idea is good, who their customer actually is, what that customer actually needs, and gives them inspiration to design the best products.

- Visit the Lean Launchpad ® master video library and pay special attention to “Before Leaving the Building” and “Outside the Building” at venturewell.org/i-corps/llpvideos/
- Download worksheets and a free copy of Talking to Humans at talkingtohumans.com It will show you how to find interviewees, invite them to a meeting, how to create a list of interview questions, and more. It even has cartoons.