

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?

Archetype: <ul style="list-style-type: none"> • End-user • Beneficiary • Buyer/payer • Influencer 	Who is this person? <ul style="list-style-type: none"> • Industry/Company/Role? • High-level persona 	What is the need that would block or enable use of your product? Why? <ul style="list-style-type: none"> • Social • Emotional • Functional

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.

Customer	Need /Problem	Feature	Benefit	Competitor (general or specific)	Differentiator (quantified / target)

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

to figure out what really matters to the customer. Some people are oriented to the features and specs because they love the technical challenges; they might want to talk with a friend or mentor to distinguish between *what it is* (feature) and *why it matters* to the customer (benefit). Some people are oriented solely to designing a solution for the user; this is their opportunity to think about other types of “customer” that could block/enable adoption, and to research the competition.

The more important question is: *What areas are blank? Where can you find answers? What questions can you ask your customers in order to get more detail?*

List the key issues below, and some possible ways you can find solutions.

- _____
- _____
- _____
- _____

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/llp/videos/
- Download worksheets and a free copy of [Talking to Humans](http://talkingtohumans.com) 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.