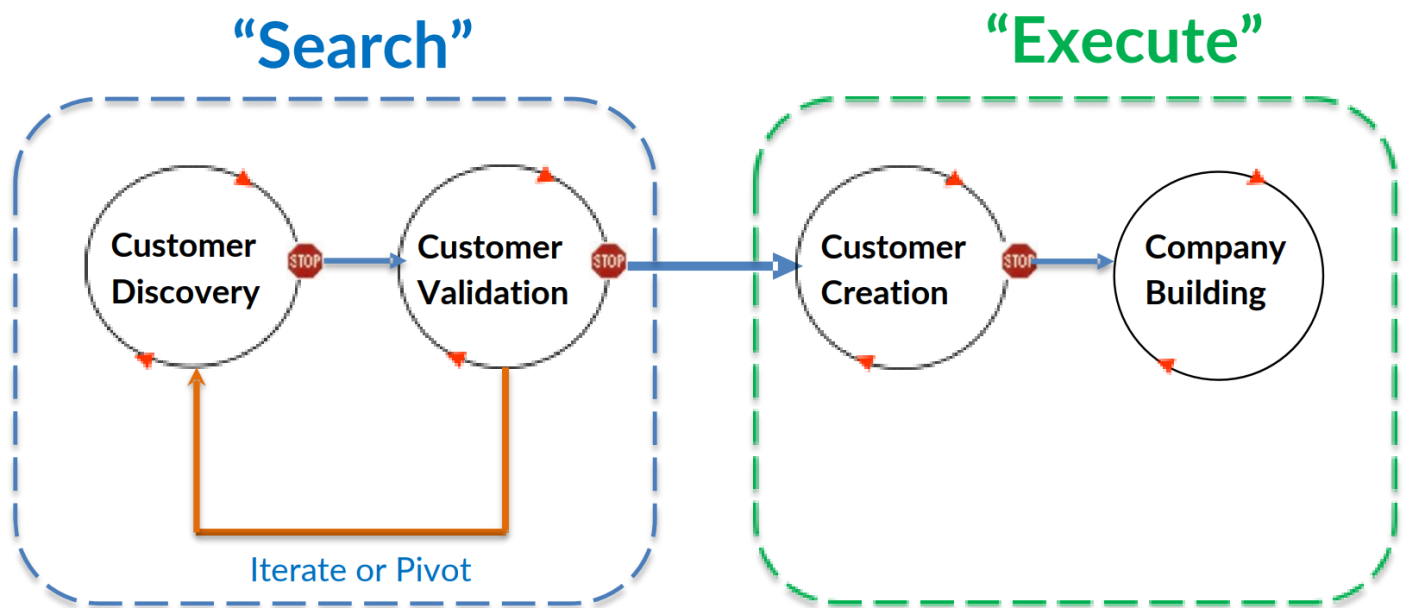# M2 - Customer Development Model

Step 1: Customer Discovery

- Stop selling, start listening

Step 2: Customer Validation

- Verify product against customer problems
- Identify early adopters

Step 3: Customer Creation

- After proof of sales
- Execute with speed and efficiency

Step 4: Company Building

- Transition from startup to company

Customer Discovery

Phase 1: Test hypotheses

Capture assumptions with BMC

1. Problem + Customers for problem
2. Market size
3. Market type
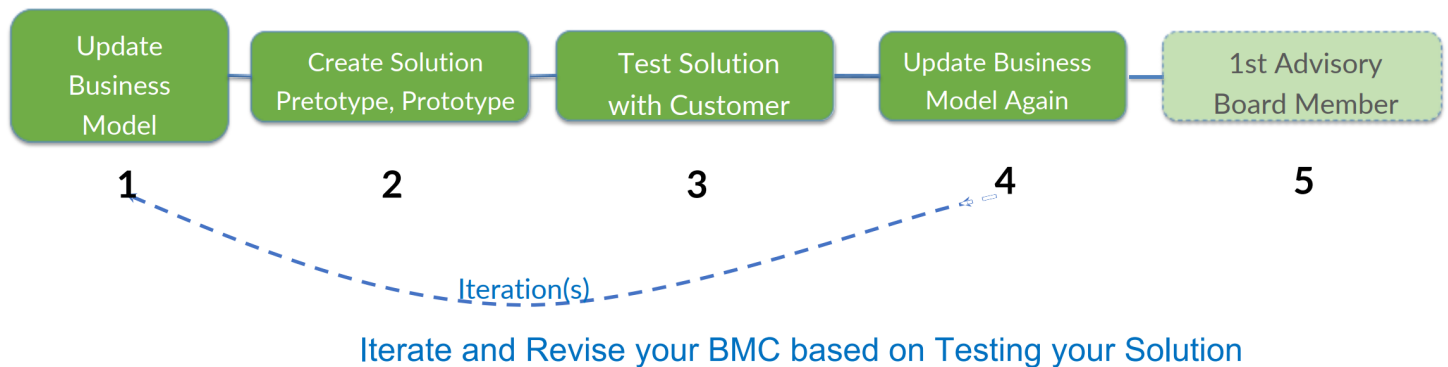4. Channels
5. Value proposition

Phase 2: Test the problem

Revise BMC based on testing the problem

1. Design test
2. Contact customers
3. Understand the problem
4. Understand the customer
5. Gain market knowledge

Phase 3: Test the solution

After narrowing down the problem.

Update Business Model	Create Solution Pretotype, Prototype	Test Solution with Customer	Update Business Model Again	1st Advisory Board Member
1	2	3	4	5

Iteration(s)

Iterate and Revise your BMC based on Testing your Solution

Phase 4: Iterate, pivot or proceed

Verify:

1. Product-solution fit
2. Customers and how to reach them
3. Viable business model
   Then act:

- Iterate
- Pivot
- Proceed