



Essentials of Innovation & Entrepreneurship (EIE) - II

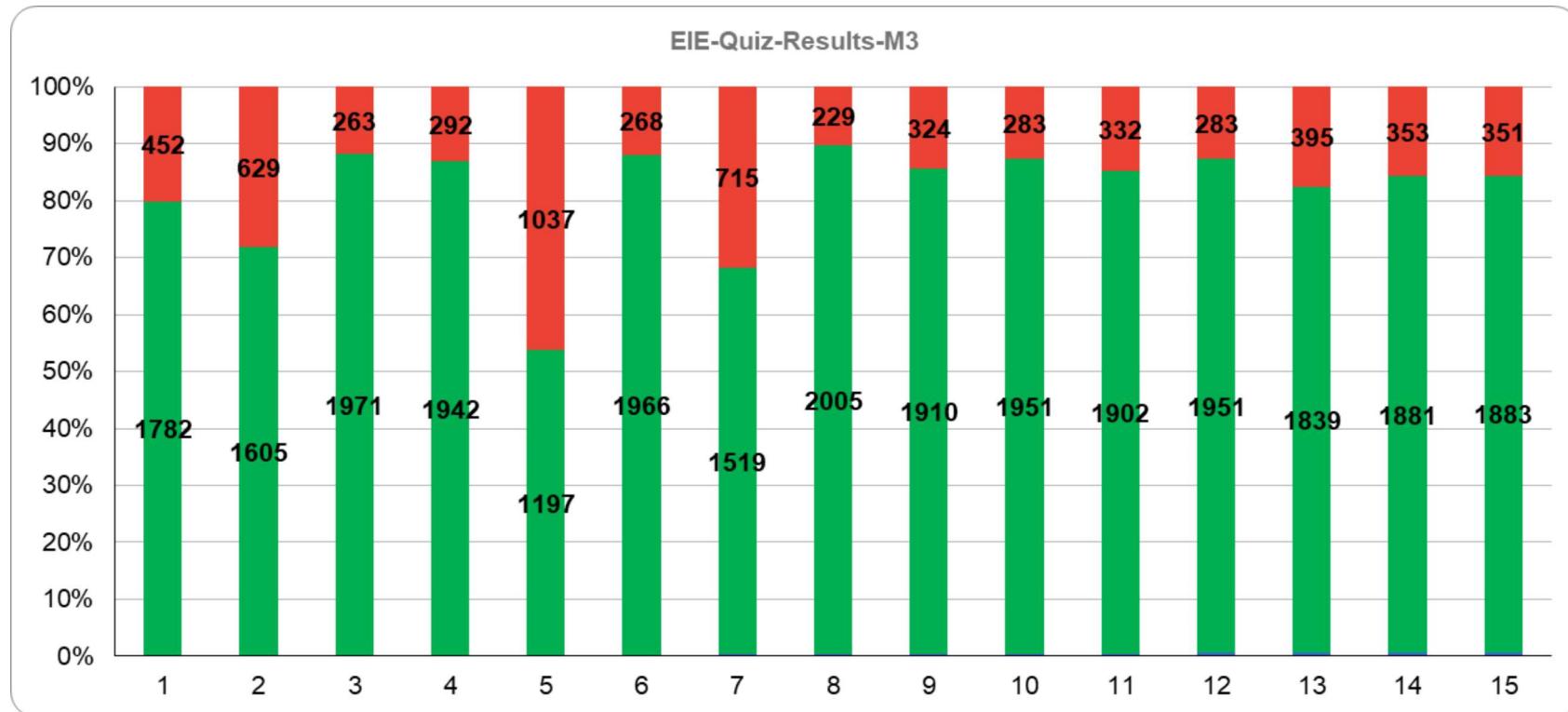
Module (M4):
Customer Development (CD) Model:
Customer Interviews



Today's Topics

- ❖ **Opening**
 - ❖ Three-for-Thought (TFT) – Key Happenings from Startup/Innovation World
 - ❖ Previous Session Quiz Results
- ❖ **Announcements** (Related to Course and CIE-Ignite)
- ❖ **BriefCase** (Reading followed by Discussion): "*Building a Startup Team*" (Sam Altman)
- ❖ **Lecture**
 - ❖ Customer Development Model: **Customer Interviews**
- ❖ **Founder Talk:** **Mr. SJ Vijay** (Startup Founder, India Pioneer for Building-as-a-Product)
Mr. Nithin Simakurti (Startup Founder, VASSP, Data Rubicon)
- ❖ **Video** (Viewing + Discussion):
 1. Customer Interviews – Steve Blank.
 2. "*Being Entrepreneurial in a Big Company*"
- ❖ **Session Quiz** (graded and for attendance)

EIE M3 Session Quiz - Discussion / Recap



EIE M3 Session Quiz - Discussion / Recap

1. What is a good way to frame a hypothesis in customer discovery?

- A) As a vague assumption (114)
- B) As a personal opinion (116)
- C) As a mission statement (195)
- D) As a testable statement - **Correct Answer – 1782 students got it right!**

2. Which tool is most commonly used to capture and structure hypotheses in startups?

- A) Business Model Canvas - **Correct Answer – 1605 students got it right!**
- B) SWOT Analysis (300)
- C) Gantt Chart (88)
- D) Fishbone Diagram (212)

5. What type of data is most valuable in testing customer discovery hypotheses?

- A) Quantitative data from surveys (490)
- B) Anecdotal data from personal networks (411)
- C) Qualitative data from interviews - **Correct Answer – 1197 students got it right!**
- D) Market data from competitors (110)

Announcements

CIE Ignite

1. S0: Good response – 500+ teams have submission!

S1: Depts are gearing up for S0 evaluation – contact your Dept Coordinators for details

Note: Combine teams with less than 4 people; Talk to CIE Office (Madhukar / Tarun Sir)

If you can help with sponsorship for CIE Ignite, pls drop a note to cieprogram@pes.edu

2. PESU – IHFC (IIT Delhi) Co-Innovation-Center (CiC) launched on Jan 24, 2025

Grants for students: research → innovation → startup (Grants awarded to 2 PESU students)

3. Deep-tech projects led by CIE Industry Mentors (CIE-IM) kicked-off for ~100+ students

Semester long projects related to: Open Source Software, AI, Machine Learning, etc

BriefCase

"Building a Startup *Team*" Sam Altman

Hope you read the brief case ('briefcase' ☺)

Based on this case, answer the questions (Mentimeter)

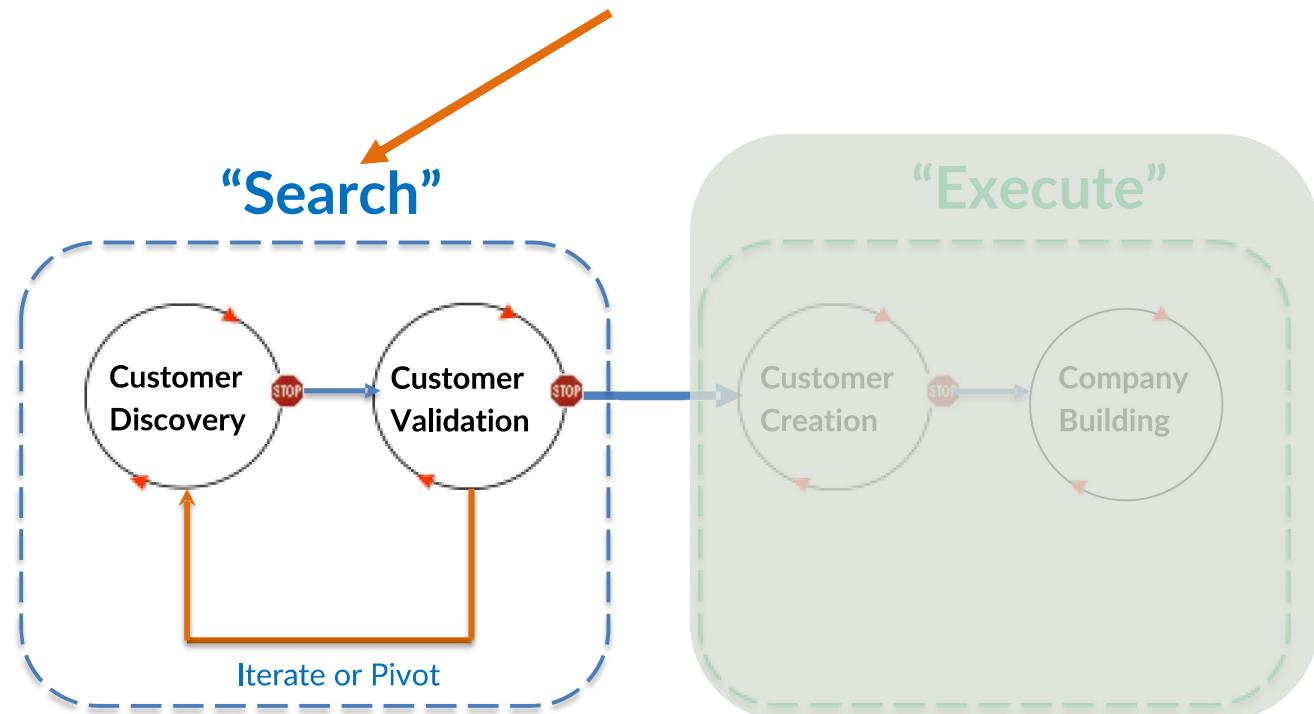
Discussion through the 'Q/A' feature of MS Teams



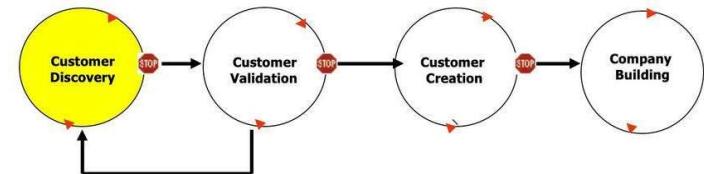
Essentials of Innovation & Entrepreneurship (EIE) II:

**Customer Development (CD) Model:
Customer Interviews**

Focus Area for EIE2 & CIE-Ignite



Customer Discovery Overview



State
Hypotheses

Test the
Problem

Test the
Solution

Iterate, Pivot
or Proceed

Phase 1

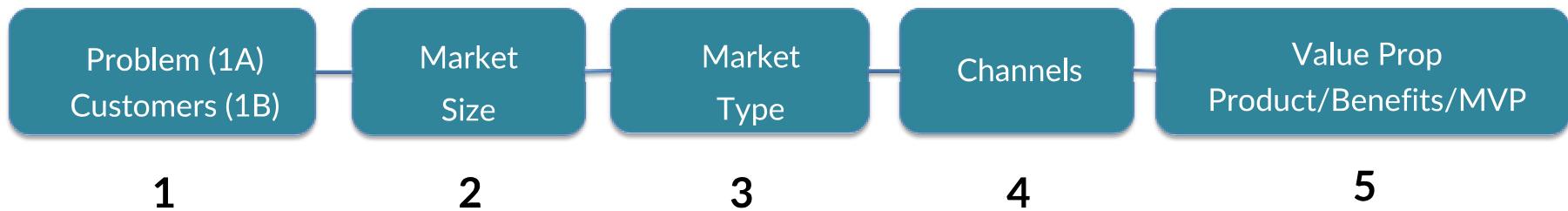
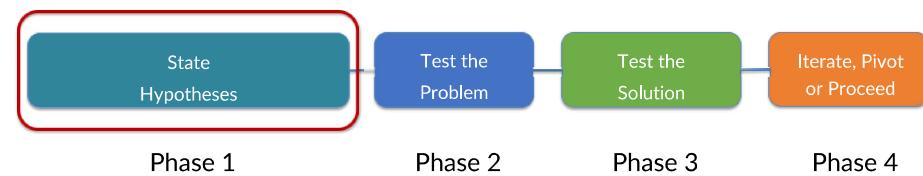
Phase 2

Phase 3

Phase 4

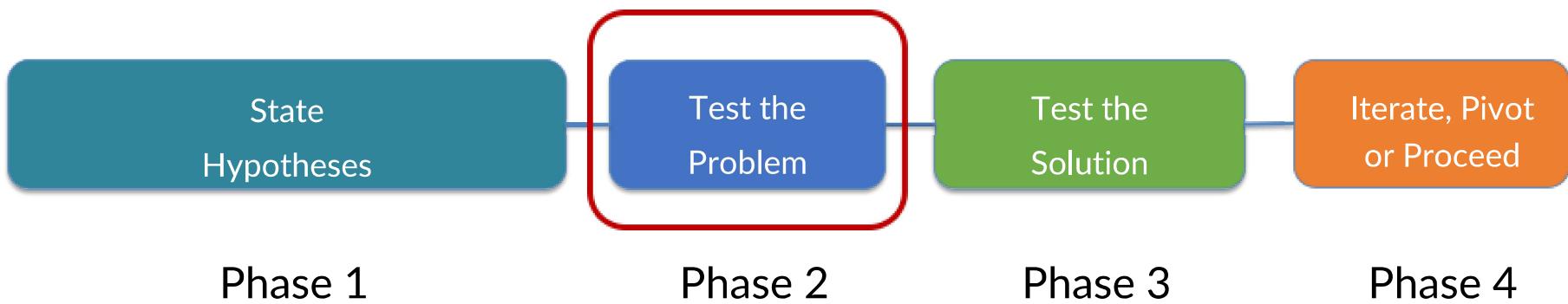
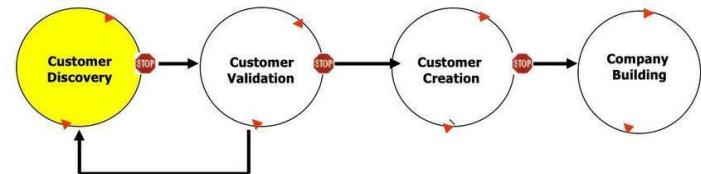
Customer Discovery Overview

Phase 1 : Hypothesis



**Capture your Hypothesis (Assumptions) on
a Business Model Canvas (BMC)**

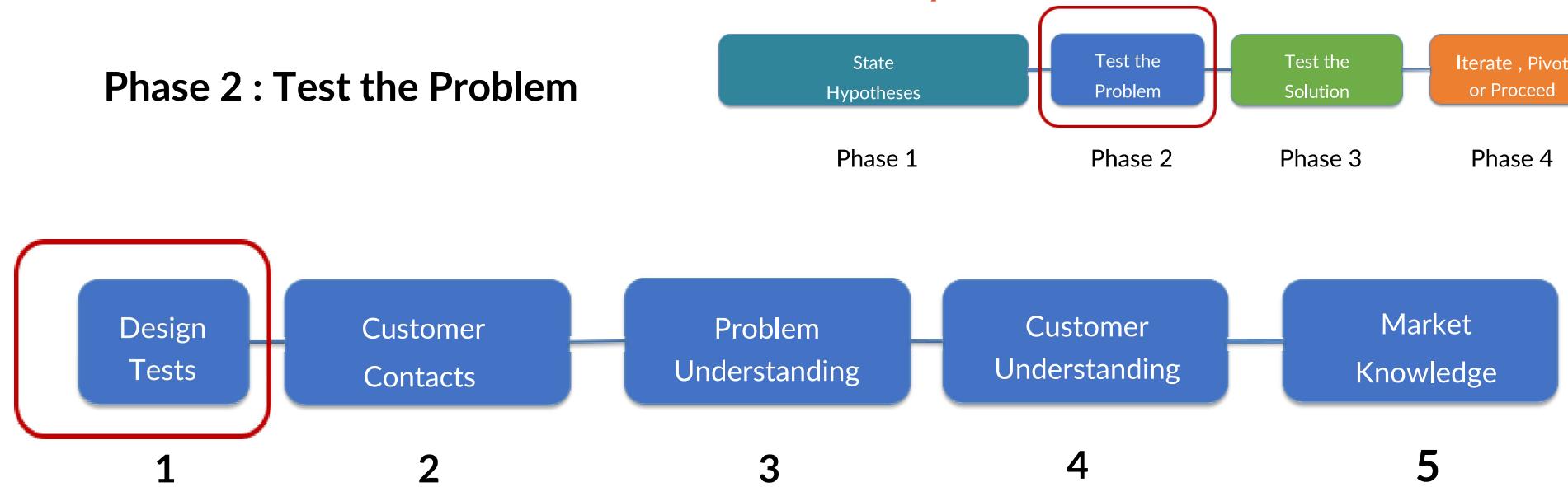
Customer Discovery Overview



Notice that **testing the Problem** comes before testing the **Solution**

Customer Discovery Overview

Phase 2 : Test the Problem



Revise your BMC based on Testing your 'Problem' Statement

Customer Discovery: Experiments vs. Interviews

Experiments give you the greatest proof,

Interviews give you the greatest insights!

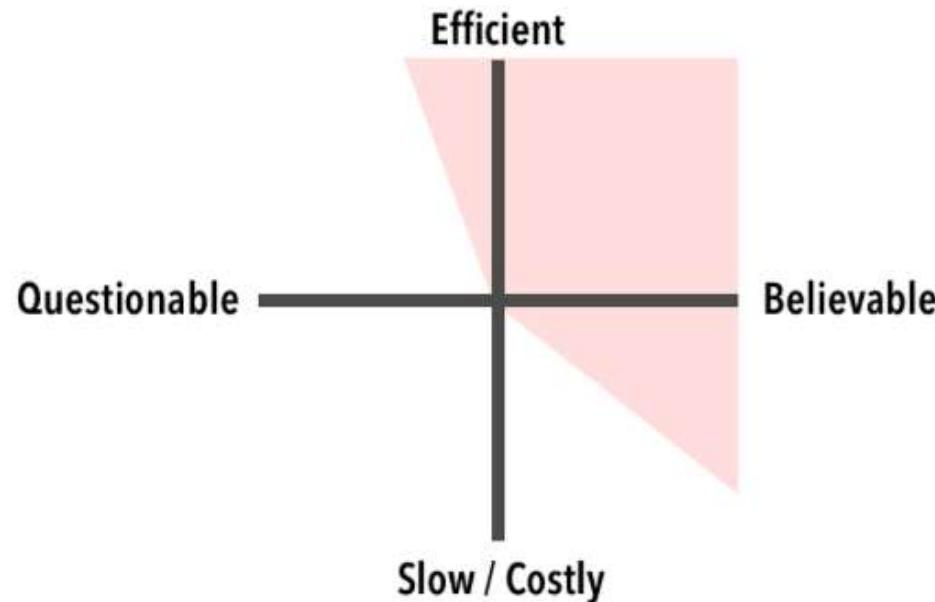
Customer Discovery: Experiments vs. Interviews

***Experiments* give you evidence *whether* something will happen.**

***Interviews* help you understand *why*.**

Customer Discovery:

How to Choose Experiments & Interviews



Credit: Giff Constable ([Link](#))

Tips/Tricks: 12 Tips for Early Customer Development Interviews

- 1. Know your goals & questions ahead of time**
- 2. One person at a time (not a group)**
- 3. Be open to hearing things you DON'T want to hear**
- 4. Disarm "Politeness Training" (tell the person to be brutally honest)**
- 5. Ask open-ended questions**
- 6. Listen, don't talk**

Tips/Tricks: 12 Tips for Early Customer Development Interviews

- 7. Drill down on details –“5 Whys” method?**
- 8. Separate behavior and feedback in a discussion**
- 9. Focus on actual behavior**
- 10. Recap what you heard and/or misrepresent to confirm!**
- 11. Ask for introductions –Get leads to talk to another 1-3 people!**
- 12. Write up your notes as quickly as possible**

12 Tips for Early Customer Development Interviews



Expect Criticism



Set Goals



Solo Interview



Dig Deeper



Document Quickly



Disarm Politeness



Listen More



Observe Behavior



Request Referrals



Confirm Understanding



Separate Feedback



Ask Open-ended

Credit: Giff Constable ([Link](#))

Experiments vs. Interviews

	Experiments	Interviews
Purpose/Approach	Test the hypotheses	Gather Insights
Data (type) Collected	Quantitative (conversion rate, click-through rate, A/B test results, etc)	Qualitative (emotional reason/response, decision-making reasoning, user stories, etc)
Bias & Interpretation	Less prone to bias	More prone to bias (e.g. confirmation-bias)
Speed & Scale	High (can be automated, scaled in many cases)	Low (requires more time/effort, typically done individually)
Depth (of understanding)	What people do (not why they do it)	Why customers behave the way they do

Important to Know When to Run Experiments vs. Conducting Interviews

Examples of Experiments

1. Landing Page:

A simple web page/website conveying your value proposition and allows visitors to express their interest through a call to action.

2. Advertising:

Paying to display your value proposition to a relevant audience through an ad to see if people respond or convert.

3. Promotional Material:

A type of advertising test where you create online or offline promotional materials to gauge reactions or generate demand.

4. Pre-selling (including crowdfunding):

Attempting to secure orders before the product is built.

5. Paper Testing:

Applying primarily to software and information (data, analysis, media, etc) products, paper tests are where you mock up an example of an application user interface or report and put it in front of a potential customer.

6. Product Prototype:

A working version of your product/experience built for learning and fast iteration rather than for robustness or scale.

7. Dummy Product ('Wizard of Oz'):

Where the customer thinks they are interfacing with a real product (or feature), but where your team provides the service manually, hidden behind the scenes (hence the name).

Examples of Experiments

7. Concierge:

Manually/openly, act as the product you eventually want to build (unlike 'Wizard of Oz' where people are behind the scenes).

8. Pilots:

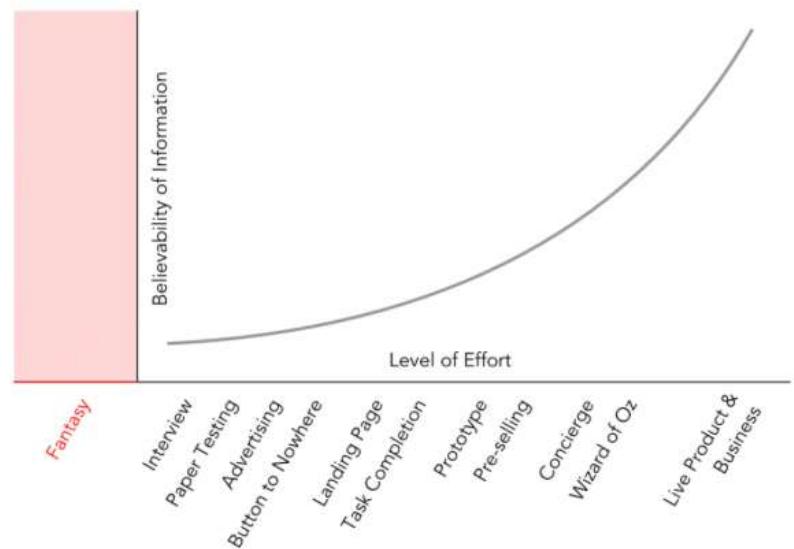
Put an early version of your product in the hands of your customers, scale down the size of the implementation, and assign a finite time period to the project.

9. Usability:

Check to see if someone can effectively use a product without getting stuck or blocked.

The Truth Curve

by GIFF CONSTABLE / JUNE 18, 2013 / INNOVATION, LEAN, STARTUPS



Video

Customer Development Data ([link](#))

(Steve Blank, Kauffman Foundation, 2:12 m)



Video

Conducting Interviews ([link](#))

(Steve Blank, Kauffman Foundation, 5:36 m)



Resources



Subsequent slides list **resources** (videos/articles/etc) related to

Customer Discovery / Development

Tips/Tricks: Before 'Getting Out of the Building'

Before Leaving the Building: Helpful videos (by Steve Blank):

(<https://venturewell.org/i-corps/lipvideos/customer-discovery/before-leaving-the-building/>)

- Discovery is for Founders (1:30) CD
- Pre-Planning Contacts (4:34) CD
- Customer Interview Dry Runs (0:49) CD
- Pass/Fail Experiments (1:32) CD
- [Customer Dev: Insight not just Data!](#) (2:12, Kauffman Foundation)

Tips/Tricks: Before 'Getting Out of the Building'

- **12 Tips for Early Customer Development Interviews** (Giff Constable): [Link](#)
- **Interviews vs. Experiments** (Giff Constable): [Link](#)

"Interviews give you the greatest insights. Experiments give you the greatest proof"

- Results of hypothesis validation fall into 4 buckets:
see Progress Board template: [Invalidated](#), [Validated](#), [WIP*](#), [Unclear results](#)

Resources - More Videos on Customer Development

1. *Engaging the Customer (CD05-06) **Right & Wrong way!**
2. Assuming you know (CD09-10) **Right and Wrong way!**
3. Customers Lie (CD11) **Example!**
4. * Extracting Insight from Data (CD12)
5. Attention to Outliers (CD13) **Right and Wrong way!**
6. The User, Buyer & Saboteur (CD14-15)
7. Pre-Planning Pt1 Pt2 Pt3 (CD30, 31, 32)
8. Interviews Pt1, Pt2 (CD33-34) **Right and Wrong way!**
9. * Conducting a Customer Interview (CD46)
10. Letting the Customer interview flow (CD47)
11. Looking for Insights (CD50)
12. * The Distracted Customer (CD2021) **Right/Wrong way!**
13. * Customer Empathy (CD23-24) **Right/Wrong way!**
14. * Asking the Right Question (CD25-26) **Right/Wrong way!**
15. Finding Patterns (CD49)
16. * Communicating your discoveries (CD52)

Resources

Subsequent slides list **step-by-step** overview and
tip-and-tricks
for each Phase of **Customer Discovery**

Customer Discovery Overview - Hypothesis

State your Hypothesis (for your startup opportunity)

- **Problem (why?)**
- Faced by target **Customers, Customer Segments (whom?)**
- Your **Solution? Value proposition** you will offer (**what?**)
- Your assumptions on Market (size, type), Team, etc
- Based on above, create BMC (BMC#1) or LC (Lean Canvas #1)

State Hypotheses
Create Business Model
Canvas

Phase 1

Customer Discovery Overview - Tips & Tricks

What If this gets Overwhelming?

- Prioritize, Prioritize, Prioritize!
 - Customer Jobs
 - Customer Pains, Customer Gains
 - Customer segments
 - Solution (Features/ Benefits you offer)
 - Market (type, size, channel)
- Prioritize Speed over Accuracy
- Divide & Conquer (team/ delegation)

State Hypotheses
Create Business Model
Canvas

Phase 1

Customer Discovery Overview - Test the Problem

Test the Problem

- **Design** the **tests** (to validate the problem hypothesis)
- Run the tests' –use data / insights to (in)validate hypothesis
 - **Interview** potential **customers**
- Update the BMC (BMC#2)

Test the Problem

Phase 2

Customer Discovery Overview - Tips & Tricks

What If this gets Overwhelming?

- Customer Contact / Interview
 - Go through the tips/tricks, videos to prepare
 - Have a goal for the discussion
 - Be relaxed, let the 'customer' do most of the talking
- Preparing hypotheses

- **Is it testable?**

(pass/fail –this tells if you are on the right path or not)

- **Is it measurable?**

(if the right path, what would be meaningful?)

Test the Problem

Phase 2

Customer Discovery Overview - Test the Solution

Problem - Solution fit ?

Test the Solution

Test the Solution

Phase 3

- Create **solution** representative (proto/prototype, etc)
- Test this with target **customers**
- Update your solution hypothesis (& prototypes, etc)
- Update the BMC (BMC#3)

Customer Discovery Overview - Tips & Tricks

What If this gets Overwhelming?

- Test the **most fundamental** assumption/hypothesis
- Build a **prototype** (not even a prototype)
- Even a simple prototype is better than no prototype!
- Don't be afraid to show your prototype to Customer
most people will see that you are really committed!

Test the Solution

Phase 3

Customer Discovery Overview – Pivot or Proceed?

Pivot or Proceed?

Pivot or proceed

Phase 4

- Having a better understanding of the opportunity,
would you continue with this idea?
- If so, why? What will be your next steps?
What help do you need?
- If not, why? What will be your next steps?

Customer Discovery Overview - Tips & Tricks

What if it gets Overwhelming ?

Pivot or proceed

Phase 4

- Do you have enough insights? (Phase I, 2, 3)
- Everyone in the team engaged during Ph 1, 2, 3?
- All the team members aligned on startup goals?
- Can you make the tough decision on changes to keep going?
- (if needed, identify any help needed)

Capturing your Hypotheses in a BMC

Create an initial BMC (don't worry about all the details or accuracy)

- For your team opportunity, capture your hypotheses (see template)
 - Customer (customer segments, channel, relationship, etc)
 - Value Proposition (proposed benefits to customer from your solution)
 - Market Size
 - Price and Cost



Founder Talk : Mr S J Vijay

Centre for Innovation and Entrepreneurship (CIE)

EIE II

Profile Summary

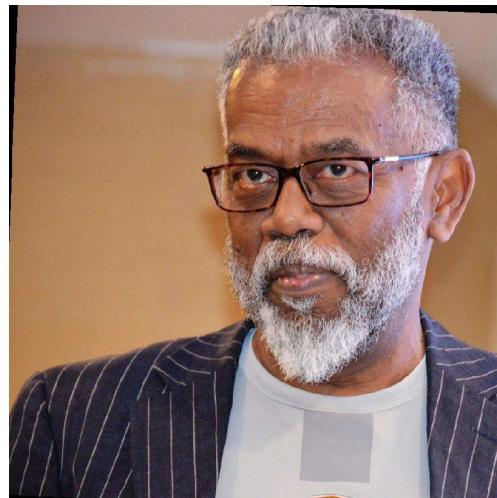
Designation: Founder and Chairman, Salmon Leap Ventures, hoM Mission India & SpaCyPhy Tech (JV with IISc)

Achievements and Recognitions:

Instrumental in the founding of ICICI Bank and IndusInd Bank, significantly shaping India's banking sector.

Developed policies for Special Economic Zones (SEZs), enhancing infrastructure development across India.

Pioneered the concept of "Buildings as a Product" (BaaP), aiming to position India as a global leader in construction technology.



Industry Contributions:

Advocates for sustainable construction practices and efficient building methods.

Collaborates with academic institutions to foster innovation in building technologies.

Aims to make high-quality housing accessible to all, addressing critical challenges in urban development.



Founder Talk : Mr Nitin Simakurti

Centre for Innovation and Entrepreneurship (CIE)

EIE II

Profile Summary

Designation: Founder and CEO of VASPP & Data Rubicon, SAP Advisory - Innovation and Strategy

Achievements and Recognitions:

Recognized multiple times with industry awards for innovation in big data, predictive analytics, and enterprise mobility solutions through VASPP.

Over 21 years of experience in the tech industry, including significant roles at SAP SE, contributing to advancements in enterprise software solutions.



Industry Contributions:

Advocates for the integration of AI and machine learning in business processes to enhance decision-making capabilities.

Drives initiatives to simplify complex data analytics through user-friendly applications, enabling businesses to leverage their data effectively.

Collaborates with global partners to develop cutting-edge technologies that address contemporary challenges in enterprise resource planning and management.