

Activity 1

Identify Problems Worth Solving

Do observe people around you, talk to them, talk to people in your network, keep an eye on the local news, and do some research on the Internet. Based on your observations, identify a problem faced by many of these people that you consider worth solving, i.e. the problem has a good business potential.

Activity:

1. Discuss within your teams the problems that each of you have identified as worth solving.
2. Select the one that you feel has the most potential to become a business opportunity. That is the problem that your practice venture will focus on resolving.
3. Next, answer the questionnaire provided below.
4. Go through Jason's story of this handout. For convenience, the **SAMPLE QUESTIONNAIRE** has also been provided.
5. You will get **60 minutes** to complete this part of the activity.

Answer the questionnaire below:

1. Look around you, talk to your friends and family, talk to other people in your network. Research on the Internet and identify a problem that you can spot. Explain the context as well.

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2. What opportunity can you perceive from the above problem?

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3. Who is the Customer?

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Identify Problems Worth Solving

4. What according to the customer are the main problems?

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5. What is the job to be done, i.e. what would the customer want as the best solution in the given situation?

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6. What job is currently getting done?

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7. How is the customer getting the job done today OR how is the customer addressing this problem today?

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8. Estimate the market size. Your assumption will do.

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9. Does this seem to be a problem **worth** solving? Explain.

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Note: If you think that this is not a problem worth solving, then you should look for another problem that you can solve.

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Activity 1

Identify Problems Worth Solving

SAMPLE QUESTIONNAIRE

Given below is a similar questionnaire based on Identify a Problem worth Solving. You are advised to go through it to get more clarity.

Backdrop: Jason has a fascination for buses and plans to launch his fleet of city buses. To do a market study, he hops on to some city buses which are currently running.

1. Go out, look around you, and identify a problem that you can spot. Explain the context as well.

To understand how the bus transport was working in his city, what were they offering, and what were the problems faced by the commuters despite these services, Jason hopped on to some city buses which were currently operating. He observed a common trend across all the buses that he hopped on to. He found that though each bus offered at least 10 percent of the total seats exclusively to the elderly as reserved, these seats often went unoccupied. In fact, there were very few senior citizens who availed the bus service. Instead, they chose to stay indoors at the cost of socializing. As a potential bus owner, this was bad news for Jason as any unoccupied seat translated to revenue loss.

Problem Identified - Most of the reserved seats for senior citizens went unoccupied across city buses.

2. What is the opportunity that you perceive from the above problem?

If the senior citizens could be made to avail the city buses, the seats reserved for them would not go unoccupied. It would also result in greater revenue for the service provider.

3. Who is the customer?

Senior citizens.

4. What according to the customer are the main problems?

The customer in this case, senior citizens, find it difficult to board the city buses as they have to lift their legs to board these buses since they have raised pedestals.

5. Identify the Job to be done here.

The senior citizens do not avail buses because they find it difficult to climb on to the bus pedestals which are mostly elevated. Therefore, they should be given options where they could either socialize within their neighborhoods without needing any transportation service or they should be provided with options where they can enter the buses without needing to climb on to the bus pedestal.

6. By offering reserved seats to the senior citizens, what job was currently getting done?

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Once the senior citizens board a city bus, they have seats reserved for them so that they can be comfortably seated without worrying about the availability of a seat. Senior citizens also need not bank upon other commuters' graciousness to offer their seats.

7. What do they do now to meet the challenges currently faced?

Most of the senior citizens choose to stay indoors rather than take the pain of going out, walking up to the bus stop, and then boarding a bus to meet old friends. At times when they can, they do take cab rides. However, with the advent of technology, they find it challenging even to summon a cab through the apps and have to mostly depend on their family members to summon cabs for them. As a result, the easiest option they find is to stay indoors.

8. What is the market size?

The senior citizens comprise 30 percent of the city's population. So, by solving the problem identified, Jason can increase the revenue earned from the buses by 30 percent.

9. Does this seem to be a problem **worth** solving? Explain.

Yes, if the senior citizens find it convenient to board and travel by bus and start availing the service regularly, the buses can earn 30 percent more revenue. Therefore, this is a problem worth solving from a venture perspective.

From a social perspective too, addressing the bus boarding problem for senior citizens is worth solving. The senior citizens will be able to avail the bus service and not be dependent only on cabs for their transport which takes a toll on their wallets.

Activity 2

Problem Statement Canvas

In this activity, you will analyze different aspects of the problem through the problem canvas through which you can validate your idea into a problem “worth” solving. You will be able to define your problem statement in a crisp and succinct manner.

CONTEXT When does the problem occur?	PROBLEM What is the root cause of the problem?	ALTERNATIVES What do customers do now to fix the problem?
CUSTOMERS Who has the problem most often?	EMOTIONAL IMPACT How does the customer feel? QUANTIFIABLE IMPACT What is the measurable impact (include units)?	ALTERNATIVE SHORTCOMINGS What are the disadvantages of the alternatives?

Instructions:

It is now time to define the problem statement in a clear and succinct manner:

Steps of Problem Definition:

- Put the problem in the context
- Explain the relevance and criticality of the problem
- Substantiate your claims (market data, customer interviews)
- Propose a solution
- Explain the incremental benefits of your proposed solution(s)

Activity 3

Applying Design Thinking

Instructions:

1. You will complete this activity in your PV groups.
2. Now that you have understood what Design Thinking is, you will apply its principles to flesh out the problem that you have identified.
3. You have **40 minutes** to fill up this questionnaire.

Use the following questions to record your observations:

1. Where did you observe the customers?

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2. Were the customers in the setting where they usually face this problem when you observed them?

3. Did you talk to the customers?

4. What did you observe?

Activity 3

Applying Design Thinking

5. Is there any other job that the customer would want to get done?

6. Is there any other job that your product/service can do for the customer?

7. Do you think you can solve any of the customers' problems?

Going back to Jason's case that we covered earlier, let us see how Design Thinking would influence his observation. The same set of questions have been used.

1. Where did you observe the customer?

Jason observed the customers in their neighborhoods when they came out of their houses to take short walks or to chit-chat with their friends.

2. Were the customers in the setting where they usually face this problem when you observed them?

Yes, many of the customers were near the bus stops waiting for buses and expressed their anxiety and discomfort in boarding these buses. They expressed how anxious they felt when they were forced to avail these buses due to some pressing need which required them to go to other parts of the city. They also expressed their frustration with the current facilities that were available to senior citizens such as them.

3. Did you talk to the customers?

Jason spoke to the customers directly to gather first-hand knowledge of the problems faced by them, so that he could come up with solutions to address these problems.

Activity 3

Applying Design Thinking

4. What did you observe?

Jason observed that many senior citizens use walking sticks for support. They are also very cautious about the weather and usually carry umbrellas as a precaution against sudden rains or the blazing sun.

5. Is there any other job that the customer would want to get done?

In addition to getting buses which would not require them to lift their legs while boarding, the senior citizens would also like the buses to have provisions to mount their walking sticks and umbrellas. This will offer them the comfort of being seated without needing to hold on to the sticks/umbrellas that they might be carrying with them.

6. Is there any other job that your product/service can do for the customer?

Jason also observed that senior citizens tend to doze off once seated, and often get carried over. This is quite a regular problem faced by senior citizens when traveling by themselves.

7. Do you think you can solve any of the customers' problems?

Yes, Jason has already thought of solutions to address these public transport related problems that the customers face, and he believes that he can solve their problems.

Activity 4

Conduct Customer Interviews

By now, you have identified a problem that you feel is worth solving. However, you need to talk to customers to understand their “worldview” or their point of view about the problem before coming up with a solution. You also need to validate and double-check that this is indeed a problem worth solving and is rated as critical from the customer’s point of view.

The Problem Interview is your chance to check or validate your thoughts/ views about the problem you identified earlier through answers to the following questions:

- How do customers rate the problem that you have identified as worth solving? Is it a problem which is must-to-address, nice-to-address, or doesn’t need to be addressed?
- How is the customer currently addressing this problem?
- What are the existing alternatives available to address this problem?

Instructions:

1. Go through the **Problem-Interview steps** given below.
2. Next, go through the **Best Practices on How to Run Problem Interviews**
3. You will work with your practice venture team on this Milestone task.
4. It is recommended that you interview at least 10 people. You can split yourselves in smaller groups within your practice venture teams to do this.
5. Once you have completed interviewing 10 people, **fill up the table**.
6. Feel free to reach out to your facilitator if you have any questions.

Given below are steps that you can use to run your problem interviews:

1. **Welcome (Set the Stage)** – 2 minutes
Make your customer feel comfortable.
2. **Collect Demographics (Test Customer Segment)** – 2 minutes
Ask some introductory questions to collect basic demographics that you believe will drive how you segment and qualify your initial customer. E.g. If you are trying to open an organic quick bites restaurant, then you should collect information such as is he/she married, does he/she have kids, what age groups do the kids belong to, do they eat out frequently, and what cuisine do they prefer,.
3. **Tell a Story (Set Problem Context)** – 2 minutes
Outline the problem that you have identified as worth solving with some context.

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4. **Problem Rating (Test Problem)** – 4 minutes

Ask your prospect how critical is this problem – is it a must-have, good-to-have, or don't need?

5. **Explore Customer's Worldview (Test Solution)** – 15 minutes

This is the heart of the interview. The best script here is "no script. Ask the prospect how he/she addresses this problem currently. Then sit back and listen. Let them go into as much detail as they wish. Ask follow-up questions but don't lead them or try to convince them on the merits of a problem (or solution).

6. **Wrapping Up (The Ask)** – 2 minutes

First, seek permission to follow-up for the Problem/Solution interview. Your goal is establishing a continuous feedback loop with prospects and eventually converting some of these prospects into customers. Second, seek referrals to other people you could potentially interview.

7. **Document Results** – 5 minutes

Write down the important points that emerged from this interview right after the interview is over. It is important to do this task while the interview is still fresh in your mind.

Now, go through these 12 best practices on how to run problem interviews:

1. **Prefer face-to-face interviews** – It is important to see your interviewees. Other than picking up on body language cues, meeting someone in person instills a sense of closeness that you can't recreate virtually. This is critical in customer relationship building.
2. **Pick a neutral location** – You should preferably choose coffee shops as the interview venue. This creates a more casual atmosphere. A prospect's office makes the interview "business-like" and makes it feel more like a sales pitch, which it isn't. However, let your prospect's wish rule here.
3. **Ask for sufficient time** – Such interviews can typically run between 20-30 mins without feeling rushed. Make sure you set the right time expectations upfront and are respectful of their time.
4. **Schedule a meeting** with your prospects keeping in mind the above recommendations.
5. **Dress up neatly and smartly** for the interview – You don't want to look too casual or without a purpose. At the same time, you shouldn't overdress or be too formally dressed.
6. **Be punctual** – arrive at the venue at least 5 minutes before schedule. Not turning up on time for a meeting is the worst crime that you can commit at this stage.

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7. **Relax** – That's the only way to put your prospect at ease. Help him/her settle down and get talking.
8. **Remain focused** throughout the interview – switch off your mobile phone to avoid distractions.
9. **Stick to your script** -There is a method to interviewing. In order to collect meaningful responses, it is important to maintain consistency in how you conduct interviews. It doesn't help, for instance, to tweak your story after every interview. Remember, this is not a pitch. At the same time, the script should also provide ample flexibility so that you can ask follow-up questions and explore new areas.
10. **Conduct the interview with at least one other person** – It always helps to have another person in the room during the interview to make sure nothing slips through the cracks. But more importantly, it helps to keep the interview on track and not digress.
11. **Avoid recording the interviewee** – People usually become self-conscious and do not open up when they are recorded, so avoid recording these interviews.
12. **Document results immediately after the interview** – Spend 5 minutes immediately following an interview to document the results while your thoughts are fresh. Debrief with others later.

State here the problem that you have identified as worth solving:

Activity 4

Conduct Customer Interviews

Now, run your interviews and record your results in the table below:

Results of Problem Interview

<i>Question</i>	<i>Interviewee</i>	<i>Response</i>
Do you think this is a must-to-address, nice-to-address, or doesn't need to be addressed problem? Justify your answer.	Interviewee 1	
	Interviewee 2	
	Interviewee 3	
	Interviewee 4	
	Interviewee 5	
	Interviewee 6	
	Interviewee 7	
	Interviewee 8	
	Interviewee 9	
	Interviewee 10	
What are the demographics of the people who confirmed that this is a must-have problem for them?	Interviewee 1 Age – Gender – Occupation – Economic background (as perceived from clothes/dressing up, etc.) -	
	Interviewee 2 Age – Gender – Occupation – Economic background (as perceived from clothes/dressing up, etc.) -	

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	Interviewee 3 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 4 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 5 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 6 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 7 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –

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	Interviewee 8 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 9 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
	Interviewee 10 Age – Gender – Qualification – Occupation – Economic background (as perceived from clothes/dressing up, etc.) –
How are these people addressing this problem today?	Interviewee 1
	Interviewee 2
	Interviewee 3

Activity 4

Conduct Customer Interviews

	Interviewee 4
	Interviewee 5
	Interviewee 6
	Interviewee 7
	Interviewee 8
	Interviewee 9
	Interviewee 10

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Activity 5

Let's Brainstorm

Instructions:

1. You will complete this activity in your PV groups.
2. You have already identified a problem worth solving.
3. You will now look at the ways in which you can solve that problem. In other words, you will now ideate to find solutions for the problem that you have identified.
4. Before you begin, your facilitator will play the video, **Let's Brainstorm**.
5. Use the **Brainstorming** technique to ideate for solutions.
6. Come up with five ideas to address the problem that you identified and validated as worth solving in the previous session.
7. Put them on a sheet.
8. You get **25 minutes** to complete steps 6 and 7.
9. Now discuss these ideas with the other teams and further build on these ideas.
10. Next, fill up the table below with these ideas.
11. You have another **20 minutes** to complete this task.
12. You get a total of **45 minutes** to complete this activity.
13. In case you have any questions, get in touch with your facilitator.

1. Describe the problem worth solving that you identified and validated through your problem interviews:

2. Record your ideas in the table below:

Idea 1	
Idea 2	
Idea 3	
Idea 4	
Idea 5	

Activity 6

Back-of-the-Envelope Calculation

By now, not only have you identified a problem worth solving, but also have come up with an idea to address the identified problem. Next, you need to check whether your idea is financially viable or not. The **Back of the Envelope Template** will help you do that.

Instructions:

1. Fill up the **Back of the Envelope Template** given below.
2. Before putting in the values, cross-check the figures with at least two experts from the market or other people who are familiar with your sector.

Back of the Envelope Template		
Initial solution or idea (Coffee shop/day care/ gym/eatery/tutorial/any other idea)		
Nature of Business (Product based/ service based)		
Category	Description	Estimated Value
Setting up expenses	Equipment	
	Technology – developing website/app; getting Point of Sale (POS) machine; Internet	
	Legal/regulatory obligations	
Monthly expenses <i>Note: If you think your cost is applicable for an entire year, divide it by 12 and put the value up in the relevant column</i>	Rent of the place	
	Electricity	
	Salaries, contract payment, or any other payment towards outsourced work	
	Raw materials and supplies	
	Advertisement/promotions	
	Others, please specify	
Loan	Monthly interest	
Total approximate cost per month		

Activity 6

Back-of-the-Envelope Calculation

Estimated Price per unit		
Expected no. of sales per day		
Expected revenue per day (no. of sales x average price)		
Expected revenue per month		
Profit per month		
Business is feasible	Yes/No/Maybe	