Disciplined Entrepreneurship Workbook

Step 20: Identify Key Assumptions

Worksheet

Identify Key Overall Assumptions				
#	Assumption (in prioritized order)	Related Step(s) from the 24 Steps	Risk Level	Potential Impact if Assumption is Wrong
1	Customers will be willing to pay €1,200/year for legal AI services	Step 16 (Pricing), Step 17 (LTV)	High	Revenue projections will drop significantly; LTV becomes insufficient
2	AI-generated legal insights will be accurate and trusted by legal professionals	Step 6 (Full Life Cycle Use Case), Step 13 (End User Profile)	High	Could lead to customer churn or reputational damage
3	Customer acquisition costs (COCA) will decrease over time	Step 19 (COCA), Step 18 (Sales Process)	Medium	Profit margins could be squeezed; long-term sustainability weakened
4	Retention rate will remain above 65% after Year 3	Step 17 (LTV)	Medium	LTV would decrease, making unit economics less attractive
5	Legal firms will prefer subscription models over one-time licenses	Step 15 (Business Model), Step 16 (Pricing)	Low	Would require reworking monetization strategy and cash flow model
6	GDPR compliance and AI regulation can be maintained without excessive cost	Step 10 (Define Core), External Research	Medium	Unexpected compliance costs may lower profit margin or delay go-to-market
7	SEO, content marketing, and referrals will effectively replace paid ads	Step 18 (Sales Channel), Step 19 (COCA)	Medium	Higher COCA would persist, reducing LTV/COCA ratio
8	Market size (TAM) is accurate and reachable within planned timeline	Step 14 (Follow-On TAM)	Low	Could limit growth potential or misalign expansion goals
9	Pilot partnerships (e.g. bar associations, legal accelerators) will be secured	Step 3 (Beachhead Market), Step 18 (Sales Process)	Medium	Delay in early adoption and credibility building
10	Product development (MVP) will remain within budget and timeline	Step 20 (Key Assumptions) / Step 21	Medium	Overruns could delay launch and increase burn rate

This is in many ways a "catch your breath and digest what you have produced" step. It does not involve a lot of new work but it is important to set yourself up for the next step as well which is to test these assumptions. It is nice to have a step that is a bit easier, isn't it? You are getting close to the end now – hang in there!