

TESTING AND VALIDATING YOUR IDEA

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TESTING AND VALIDATING YOUR IDEA

LEARNING OBJECTIVES

- › Determine if product/market fit has been achieved for a product
- › Explain the purpose and process of building an MVP
- › Identify various ways to build and learn from an MVP
- › Evolve an MVP to reach product/market fit

TESTING AND VALIDATING YOUR IDEA

PRODUCT/MARKET FIT

PRODUCT/MARKET FIT

**“THE #1 COMPANY-KILLER IS LACK OF MARKET ... IN A
GREAT MARKET — A MARKET WITH LOTS OF REAL
POTENTIAL CUSTOMERS — THE MARKET PULLS PRODUCT
OUT OF THE STARTUP.”**

- MARC ANDREESSEN ([HTTP://BIT.LY/2XJAPG](http://bit.ly/2XJAPG))

PRODUCT/MARKET FIT



**THE SEGWAY
GREAT PRODUCT WITH
NO MARKET?**

PRODUCT/MARKET FIT



THE SEGWAY

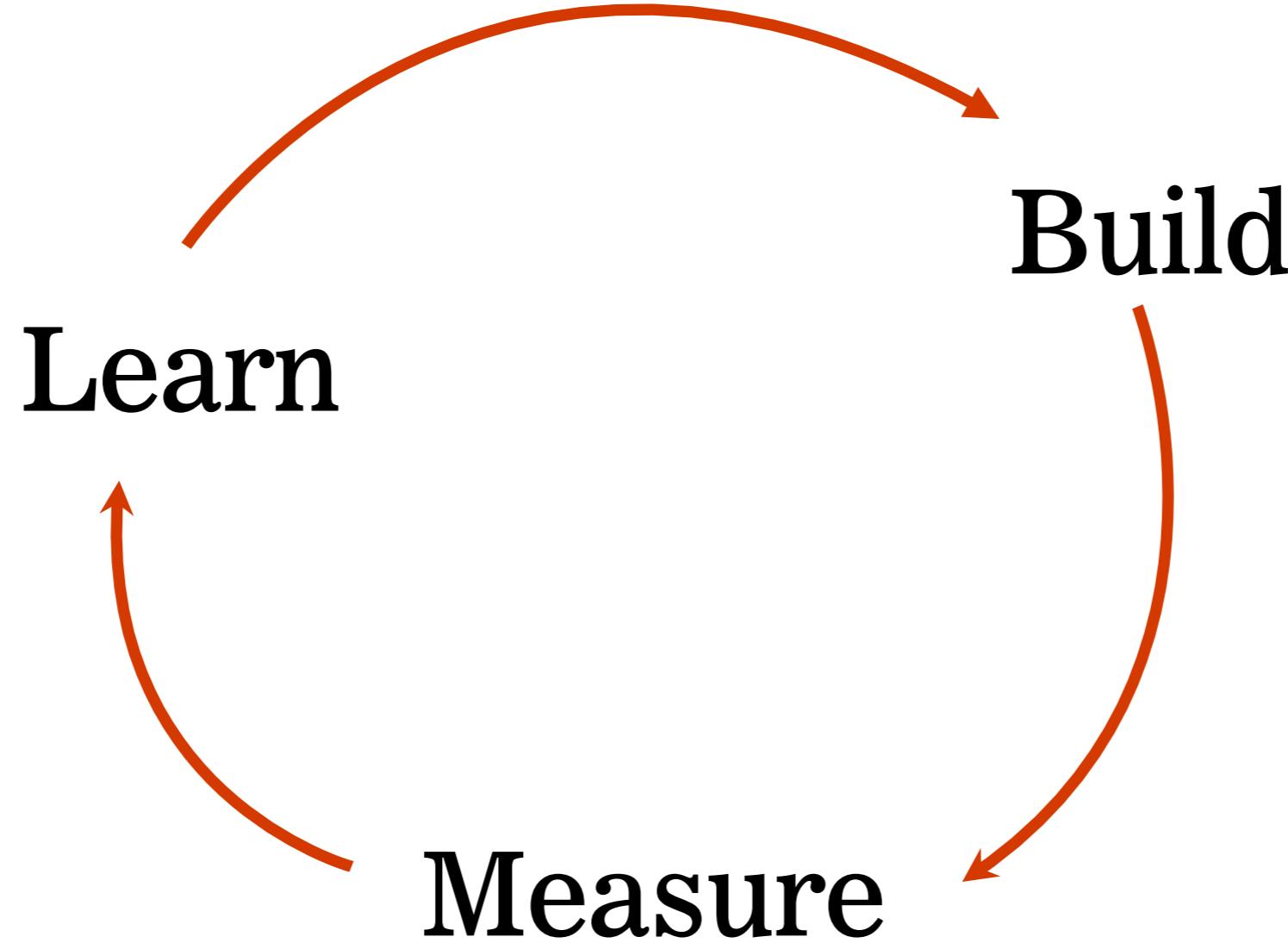
GREAT PRODUCT WITH NO MARKET?

**SUPER HIGH EXPECTATIONS
PRODUCT, NOT A SOLUTION
NO CLEAR NEED
INVENTION VS. INNOVATION
REGULATION**

PRODUCT/MARKET FIT

**MAKE SURE CUSTOMERS
WANT YOUR PRODUCT,
BEFORE YOU BUILD IT.**

PRODUCT/MARKET FIT



PRODUCT/MARKET FIT

Iterate your way to
Product/Market Fit

YOUR USERS



TESTING AND VALIDATING YOUR IDEA

FINDING PRODUCT/ MARKET FIT

FINDING PRODUCT/MARKET FIT

FINDING PRODUCT MARKET FIT

DEFINE THE PROBLEM YOU ARE SOLVING FOR THE CUSTOMER

**GET IN FRONT OF CUSTOMERS AND VALIDATE YOUR ASSUMPTIONS (MAKE SURE YOU
VALIDATE ASSUMPTIONS BEFORE YOU START BUILDING)**

CREATE AN EXPERIMENT TO TEST IF YOUR ASSUMPTIONS ARE TRUE

**MEASURE CUSTOMER BEHAVIOR TO SEE IF YOUR PROBLEM IS IMPORTANT TO THE
CUSTOMER - IF NOT, THEN PIVOT**

FINDING PRODUCT/MARKET FIT

**“THE ONLY METRICS THAT ENTREPRENEURS
SHOULD INVEST ENERGY IN COLLECTING ARE THOSE
THAT HELP THEM MAKE DECISIONS.”**

Eric Ries

FINDING PRODUCT/MARKET FIT

VANITY METRIC

Visits

Pageviews

Time on Page

Downloads

Registered Users

ACTIONABLE METRIC

clicks

scrolling

options on submit

cancel

purchases

abandoned carts

FINDING PRODUCT/MARKET FIT

DROPBOX

Problem: It's hard to manage your files across systems and computers.

Customer: People who work across multiple platforms. Ex. Office workers who need to access files at home.

Riskiest assumption: If we provide an extremely easy to use product, people will try it.

Experiment: Video demonstrating ease of use and sign up page.



TESTING AND VALIDATING YOUR IDEA

MVPS

MINIMAL VIABLE PRODUCT

THE LEAST AMOUNT OF WORK
YOU CAN DO TO
LEARN THE MOST OF SOMETHING.



MVP



WHY MVP?

REDUCE RISK & MAXIMIZE SUCCESS
FASTER FEEDBACK
REDUCED OVERHEAD
MEASURABLE PROGRESS

MVPS

**YOU DO NOT NEED TO
CODE TO TEST
SOMETHING.**

TYPES OF MVPS

- Concierge
- Wizard of Oz
- Landing Pages
- Videos

MVPS

CONCIERGE

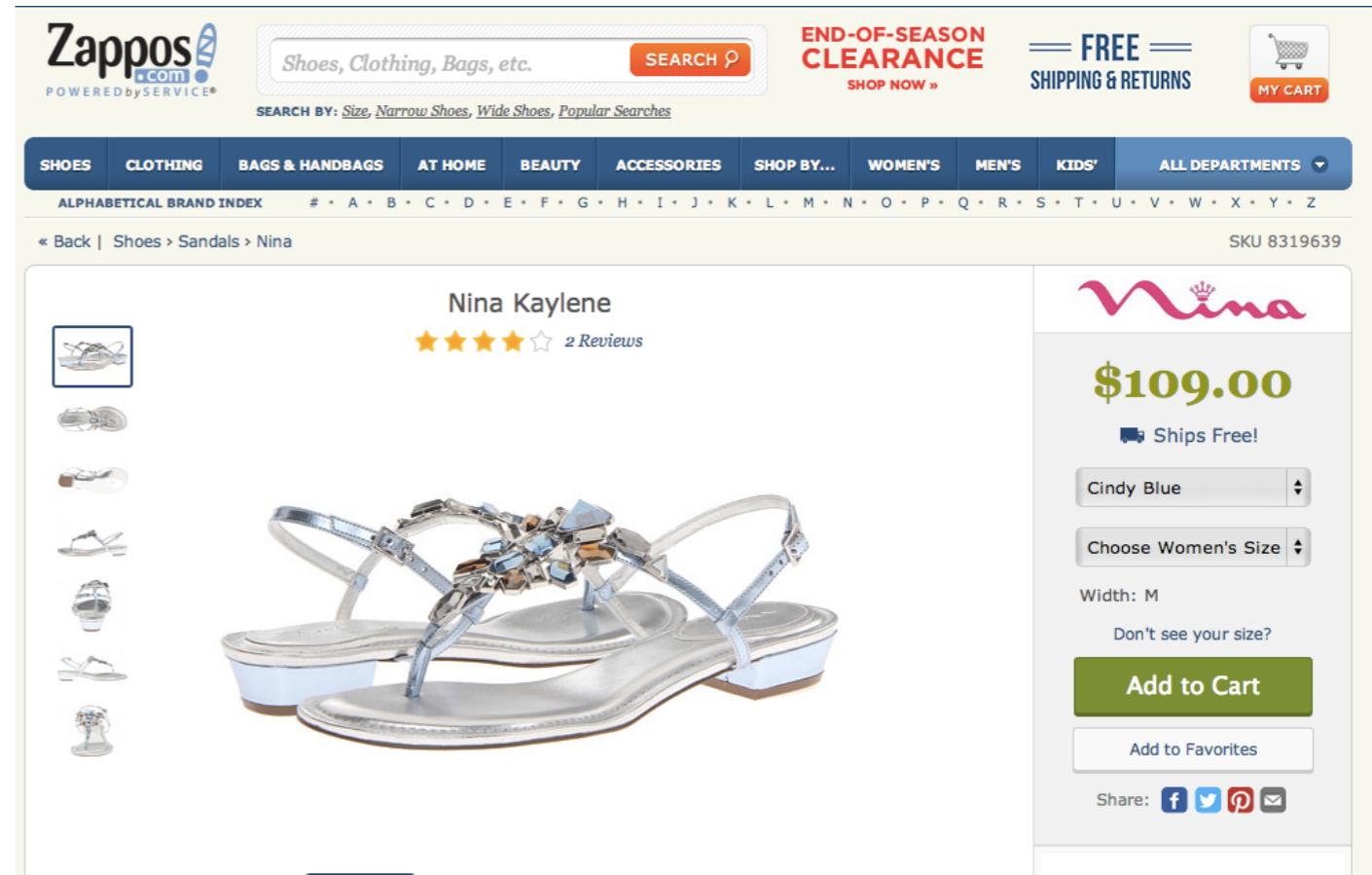
- › Delivering a service manually to the customer.
- › Ex: Groupon, Virgin America

The screenshot shows the Groupon homepage with the city set to 'Coventry and Warks'. A specific deal for 'Restyle Cut and Blow Dry With Conditioning Treatment for £15 at Bliss Hair Design (62% Off)' is highlighted. The deal includes a 'Buy it Now!' button, the amount '£15.00', a discount of '62%', and a timer showing '12 Hrs. 28 Min. 53 Sec.' remaining. It also indicates '39 Bought!' and 'Deal is on!'. To the right, there's a large image of a woman with long, dark hair, and text mentioning 'BLISS hair design'. Below the main deal, there are sections for 'Highlights' (Goldwell appointed salon, MOROCCANOIL® stockists, Close to Coventry city centre) and 'Fine Print' (Expires 23 February 2012, Limit 1 per person, etc.). The page also features a 'Win an iPad.' competition and other national deals like winter boots.

MVPS

WIZARD OF OZ

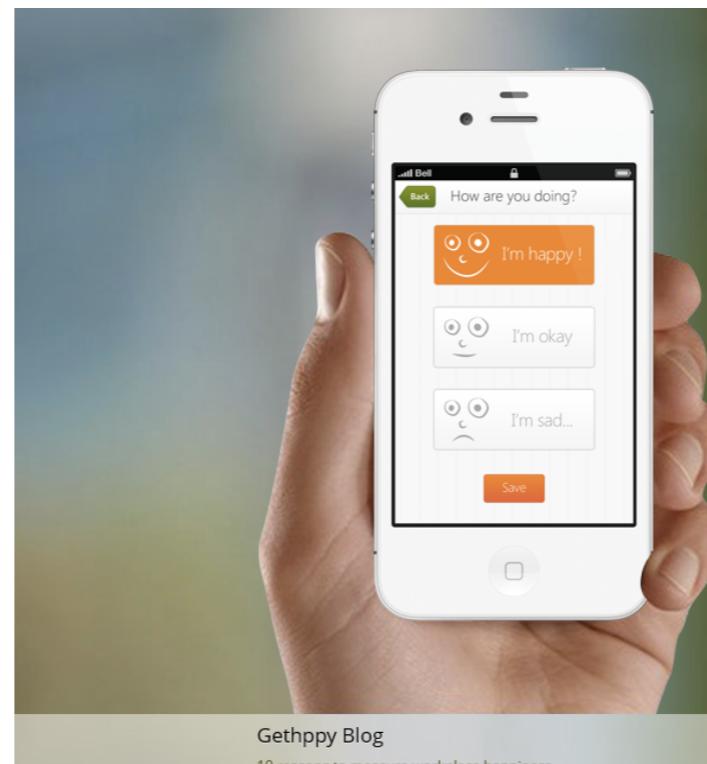
- Everything appears to be real to the customer, but on the back end it is manual.
- Example: Zappos



MVPS

LANDING PAGE

- Used to see how much interest there is in the idea.
- Remember: you need to drive traffic to the site!



Easily measure your team's happiness

Happy people are productive people!
Sign up to get notified when we launch!

enter email address ...

86%
Percent of happy employees try their hardest to do a good job for the company.

11
Unsatisfied employees are 11 times more likely to leave or move to a new organization.

3 hours
Approximate time needed in therapy to begin relieving depression or anxiety.

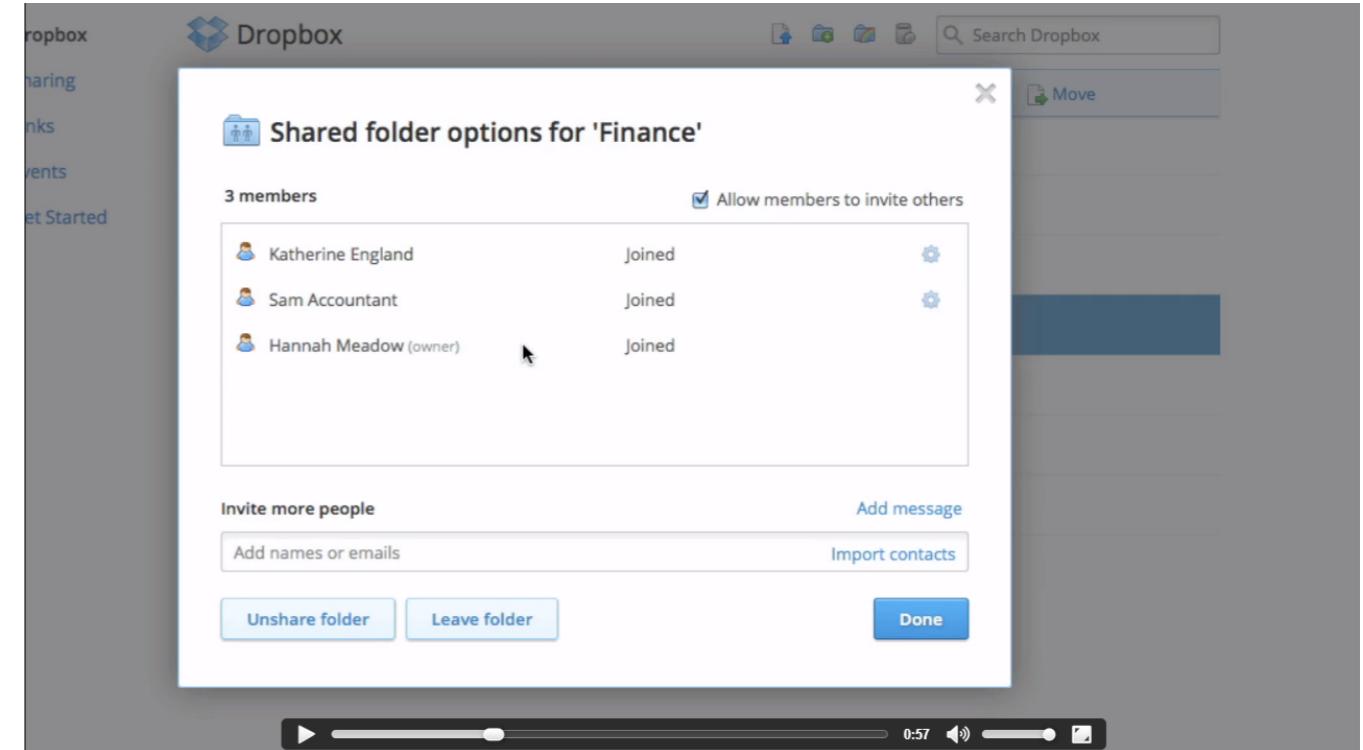
Gethppy Blog
10 reasons to measure workplace happiness

THINSLICES
Developed by ThinSlices, a mobile product development company.

MVPS

VIDEOS

- Used to demonstrate a hard concept.
- Can be pieced together without the technology being completely in place.
- Ex: Dropbox



WHAT DO YOU NEED TO KNOW BEFORE YOU CREATE A MINIMAL VIABLE PRODUCT?

WHAT DO YOU NEED TO KNOW **BEFORE YOU CREATE
A MINIMAL VIABLE PRODUCT?**

**REFINE YOUR ASSUMPTIONS
& PRIORITIZE**

**WHAT IF YOUR
HYPOTHESIS IS **WRONG?****

PIVOT, LEARN, AND ITERATE.

ACTIVITY



KEY OBJECTIVE(S)

Design and MVP for a wine delivery on-demand app.

TIMING

- 10 min* 1. Split up into groups. State the problem and customer you are solving for.

- 5 min* 2. List your riskiest assumptions.

- 15 min* 3. Design an MVP to test if people will want to use your application. Bonus if it involves no code.

DELIVERABLE

The details of an experiment you would run to test your idea, and what you would measure.

TESTING AND VALIDATING YOUR IDEA

HOMEWORK

TESTING AND VALIDATING YOUR IDEA

CREATE AN EXPERIMENT TO TEST YOUR IDEA

Write out:

- What is the problem you are solving?
- Who is your customer?
- What is your riskiest assumption?
- How would you test that riskiest assumption?
- What would you measure!

Run your experiment and tell us the results!

PRODUCT DEVELOPMENT LIFE CYCLE

Q&A