The Startup Checklist v.1.2

0/266 completed

Status	Market Validation	Answers		Help
	Types of Opportunity	**Answers**		**Help**
	Opportunity based on a Paradigm Shift	No	New	Opportunities based on a paradigm shift mean that opportunity exists because of both a new market and a new product. A paradigm shift is a fundamental change that changes the way people behave and business is done. Paradigms do not change every day and such fundamental changes probably occur only every 10 years. A paradigm shift usually creates a whole new industry and market. Examples for how a paradigm shift has created new industries are the semiconductor industry in the 70s, the personal computer industry in the 80s and the internet industry in the 90s. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#
	Opportunity based on a New Product or Business Model	Yes	New	Compared with a paradigm shift, here opportunity exists because of a new product or new business model in an existing market. It is very difficult to create a market from scratch such as in a paradigm shift, and indeed most successful companies in Silicon Valley are rather based on this concept of a new and successful product in an existing market. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#
	Opportunity based on a Me-too Product	Yes	New	Here opportunity exists because of an existing but improved product in an existing market. The product is usually faster, cheaper or better. Successful me-too products are usually superior in an order of magnitude in one of these dimensions. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#
	Opportunity Recognition	**Answers**		**Help**
	Markets that change	Analyzed	New	If there is a single thing that gives you an opportunity to start a business, it is change. If everything stays the same, there is no room for a new company. Change is good. The more change, the better. To start a successful business you have to look for major shifts, so-called points of inflection. Otherwise all you can do is cheaper, faster, or better. Once you see the shift, the key is to understand what the market opportunity is. It is not enough that the market is going through change, but the market, especially the customers themselves, need to be receptive to a change. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#
	Markets that are badly understood	Analyzed	New	There are large markets that are well understood and well served by able suppliers. There are small markets that are poorly understood and poorly served, but nobody cares, because they are small. The more well understood the markets are, the less the opportunity. The best opportunity is when you find a market that is large and is not well understood. New markets are often little understood. Sometimes, it can make sense to go into a very unsophisticated industry, where for instance the least number of MBAs are. These markets are often badly understood and you can bring in professional management and concepts from other more sophisticated industries. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#
	Markets that are large	Analyzed	New	If the market opportunity is huge, the potential of your company is huge. If you do not have a significant market opportunity from day one, you are putting yourself into a small box. Businesses have a natural scale. Keep that in mind when you choose an opportunity. Therefore you should try to visualise the size of the market you are playing in and the scale that the venture can achieve if it is successful. you can visualise that in advance. You will not get the size of the opportunity precisely, but you can get it in an order of magnitude: Is it a million dollar business, is it a hundred million dollar business or is it a multiple billion dollar business? One of the ways to figure out how big you can get is to look around at your potential competitors. If they are all in the multiple hundred millions of dollars, that tells you, if you are successful, you can be in the multiple hundred millions of dollars. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#

	Markets that are fast growing	Analyzed	New	The market that you are looking for is not so much a large market that is fixed, but it has to be fast growing. The reason that fast growing markets are important is because by definition in a fast growing market there are lots of new decisions being made. The key is to become a participant in some of the new decisions that are made. In a market where there is growth and there are new decisions to be made you do not have to cause someone to stop doing business with their current company, or to throw out what they have already bought. When customers go out to buy more, they simply divide their new businesses. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
	Markets where the Incumbent Players cannot move	Analyzed	New	Take a market where due to change new opportunities exist, which have not been exploited by the dominant players because of institutional resistance or other limiting factors on the existing leaders of the industry. So there is some reason why they cannot go after that opportunity. The following example illustrates this situation: Amazon can sell books online against Bames&Noble, because Bames&Noble cannot afford to charge less online than they do in the stores, and because the stores cost so much money to maintain, they cannot afford to go below certain price differentials. So Amazon can always have lower prices. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
	Markets where there is little Competition	Analyzed	New	It does not help you if you have a good idea and 20 other people have the same good idea. What happens is that people get ideas and they spread around really quickly. You have to look at your chances of succeeding not based just on what you are doing, but on the competitive environment. You just cannot assume that you are going to be better than the other 19 companies. Because you are not necessarily always smarter, or better financed or more experienced. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
Process of Opportunity Recognition		**Answers**		**Help**
	Intuitive Approach	Chosen	New	There are entrepreneurs who have a passion for something and out of that passion they develop a business. People who have built a business out of their hobby are for instance, Steve Jobs (Apple) and Bill Gates (Microsoft). (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
	Research-Based Approach	Chosen	New	The ideas where customers have built already workaround to solve their problem. So you can research the market for different ideas. You can find much information in online communities like reddit, quora, facebook groups etc. Here is an interesting example a guy who built a tool for portfolio rebalancing https://steemit.com/cryptocurrency/@thorthur22/portfolio-reblancing-tool-using-google-sheets-quadruple-your-earnings (it's more a workaround with google sheets). He got lot of upvotes, comments and views) Now you can create an app out of this. Here is another good example. Someone has built a workaround in google sheet. Just make a software out of it: https://docs.google.com/spreadsheets/d/1LKdvEJ6Milq1HCcs5OlgKDvDdRCJEwXWl1FZA3b8dko/edit#gid=1590828165 The best methods for doing research is observation. Also you can look for already successful startups and try to copy or make better products. https://docs.google.com/a/tarasowski.de/spreadsheets/d/1GrUey9sWt619uwmqVkrnX312_9pOFKUvFxpyL0w3aE4/edit?usp=drive_web .You can also use google search operators such as "I have a problem with" site:quora.com or "I have a problem with" site:reddit.com (https://www.google.me/search?ei=xvQvWq3HJIetU4HRqqAF&q=%22I+have+problems+with%22+site%3Aquora.com&oq=%22I+have+problems+with%22+site%3Aquora.com&gs_l=psy-ab.3...5200.8016.0.8328.8.6.0.0.0.0.538.793.2-1j5-1.2.0....0...1.1.64.psy-ab..6.0.0....0.s_11FMcQMew)

Analytical Approach (Trend-spotting)	Chosen	New	There are other entrepreneurs who have built successful companies after they had gone through a rigorous analytical process in the search for an opportunity. Jeff Bezos (Amazon.com) and David Bobnett (Geocities) have developed their business ideas in a more analytical fashion. Both made lists of the kinds of businesses that would be business opportunities with the internet. They projected which of them had commercial potential. Both were very analytical in the process. Jeff Bezos for instance was sitting there working for an investment trading firm and the thing that was impressive to him was the growth of the internet. It was growing at 2000% per month and he knew he wanted to do a business that was taking advantage of the internet. And he asked himself what kind of businesses would really benefit from the internet. He just tried to rank order 30 different businesses. He did not know anything about books. But he felt that after really studying what the internet would truly enable that was different, that books just fitted it to a tee. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#) This approach is more trend related. You need to spot markets that are growing very fast e.g. crypto currency field https://trends.google.com/trends/explore?date=today%205-y&q=bitcoin . It this markets you can get automatically huge growth, because there amount of people coming into these markets is huge.
Create an Opportunity Register	Complete	New	An opportunity register is the place where you will inventory all the entrepreneurial ideas that emerge from applying the process of opportunity recognition. A simple opportunity register consists of these fields.Field 1 Business concept: The business concept is a short description of the idea. Field 2 Related trends: If you have come across important trends (in the marketplace). Field 3 Key data: Link opportunity concept to numbers e.g. identify the key customer segment. Field 4 Obstacles and Barriers: What is stopping you from grasping the opportunity. Field 5 Company position: Note competences, skills, or resources of your company. Field 6 Competition: Note your likely relevant competitors and their response. Field 7 Source: Note sources all of the information you have obtained (Source: The Entrepreneurial Mindset, Rita Gunther McGrath, 2000). More: https://docs.google.com/a/tarasowski.de/spreadsheets/d/1-bVlQsI7P-CwsNquFDszJek9g1NA75EA5CoIa1rhT2A/edit?usp=drive_web
Refinement Process	Complete	New	First, you should have a very clear idea of the opportunity. You need to answer the question why do you believe opportunity exists. The second question that you must answer is why does your product or service create value. It must have a compelling value proposition. So that when you go to a company you can say: "If you buy this product, here is the value you get: in two years you can save 2 million dollar or in one year your sales will increase by so much in value." The third is that you need to understand clearly why do you think you will win. What is your competitive advantage? If you cannot clearly articulate why you are going to beat the competition, you probably do not understand it. Then you are gambling. You really need to research the idea until you can clearly articulate the answers to these questions. Because once you can answer these questions, you will end up with a business that is based on a very well understood reason for existence. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
Research Process (see for more under: Primary Market Research - Defining the Market Need)	Complete	New	When you have discovered an opportunity you should then go to research it. To learn about industries, you should go to the library and read trade journals. And if you spend a couple of days, sometimes a couple of weeks, reading the back issues of trade journals in sequence you can learn everything about an industry and what is going on in that industry. That is where you get your initial background information from. Learn and understand the economic drivers of the industry, and how the value chain works and where your company fits into it. Then go and talk to people in the industry and call them up. You should be very open with your idea. Do not be worried about someone stealing your idea. You should be worried more about whether your idea is stupid. It is at least a six-month process to come up with an idea and get it to the point where you are ready to ask somebody else to start working on it. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
General Advice on the Idea Generation Process	Understood	New	Opportunities are in most cases a function of identifying a need. The type of idea that you are looking for should start with understanding a market need. Proposition: Build your idea on a market need. OR as Paul Graham says: Make something people want. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998) More: https://docs.google.com/document/d/1Jgfu6YbEKJ-VnFzqZhawtzaBpSMP7keMcET6ZUU7_Po/edit#)
Type of a Market	**Answers**		**Help**

	Existing Market	Yes	New	You are in an existing market if your product offers higher performance than what is currently offered. Higher performance can be a product or service that runs faster, does something better or substantially improves on what is already on the market. An existing market is a market where customers already spend money buying more or less the same product or service that a given company is selling. (Source: The Four Steps to the Epiphany, Steve Blank, 2013) More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
	Re-segmented Market: Cost	Yes	New	Introduction a new product that resegments an existing market. Low cost resegmentation is just what is sounds like-are there customers at the low-end of an existing marketing who will buy „good enough" performance if they could get it at a substantially lower price? This type of resegmentation uses a new operating approach or benefit to achieve good returns at the discount prices required to win over these segments. (Source: The Four Steps to the Epiphany, Steve Blank, 2013) More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
	Re-segmented Market: Niche	Yes	New	Introduction a new product that resegments an existing market. Niche resegmentation is slightly different. It looks at an existing market and asks, „Would some part of this market buy a new product designed to address their specific needs? Even if it costs more? Or worse performance in an aspect of the product irrelevant to this niche? Niche resegmentation attempts to convince customers some characteristic of the new product is radical enough to change the rules and shape of an existing market. Unlike low-cost resegmentation, niche goes after the core of an existing market's profitable business. (Source: The Four Steps to the Epiphany, Steve Blank, 2013) More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
	New Market	No	New	A new market results when a company creates a large customer base that couldn't do something before. This happens because of true innovation, creating something brand-new; dramatically lower cost, creating a new class of users; or because the new product solves availbility, skill, convenience, or location issues in a way no other product has. A new market is a market where the end product or service is new – in other words there isn't really existing demand, but there could be. (Source: The Four Steps to the Epiphany, Steve Blank, 2013) More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
	Clone Market	Yes	New	Cloning a business model that's successful in another country. If users are familiar with foreign sites/buiness models, compare to them. If not, treat as a new market. (Source: The Four Steps to the Epiphany, Steve Blank, 2013) More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
Secondary Market Research - Rapid Idea/Industry/Market Selection		**Answers**		**Help**
	Brainstorm a wide array of potential customers and markets for your business	Done	New	First brainstorm a wide array of market opportunities. Include even the "crazy ideas" that you think are longshots, because they are helpful in expanding the boundaries of possibilities to where some of the most interesting opportunities might exist. Start by identifying potential industries for your idea. Then, list who might benefit in each industry from your idea. Focus on end users, not customers, because you will need a commited group of end users to have a sustainable business. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
	What is the raw potential of each market?	Done	New	Use rapid market secondary market analysis. The key is just to look for any type of structured data that you can use to learn more about your market. Here are a few resources you can use to build your list. First Research Industry Profiles, Statista,IbisWorld Industry Reports, sbdcnet.org and Hoovers.com. But you can use any other available information online. Also here is a good explanation how to get market size through Facebook: http://www.youtube.com/watch?v=FGvuzlh_Q3s You can also use Google Keyword Planner see more here: http://andrewchen.co/does-anyone-care-about-your-new-product-conducting-market-research-with-googles-keyword-tool/ More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
	Is the market big enough to support you?	Yes	New	Having a great startup boils down to: picking the right team and being in a great market. You need to pick a market that you are convinced is going to be BIG, but is not big yet. Because if it's big today it's already being pursued by lots of lots of people and if you are not convinced is going to be huge. Than don't do it! It takes just a much work to run a pizzeria down the street as it does to run Google at least for the founders. They run pizzeria because they have no specific knowledge. There is huge competition for that. If you have specific knowledge and get to apply it for a domain where people are not going to compete with you. Than go after the largest market possible. It won't make more work to pursue that. Naval Ravikant, Off Road Podcast 10 with Levy Cory --- Now you need to cut out everything that has less than 10.000 businesses (in the US alone as the criteria). You should choose markets where there are at least 10,000 businesses for you to sell too. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/

Is the market profit driven?	Yes	New	The businesses you want to target, do they want to grow and to make more money? If so, than you picked the right market. Avoid businesses without strong ambitious plans for profitability and yearly growth rates. Also consider if the industry is growing or not. You can use google trends, competitor data such as: checking job boards to see if they are hiring, if they are profitable, amount of employees, paid marketing expenses, mattermark growth rates, funding, are they after the product/market fit etc. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Rapid competitive analysis	Done	New	1.) Amount of direct competitors: Huge competition means there is a huge market. If there are no competitors, there is no market for your product, idea, or service. Don't pick markets without any competition. More: https://producthabits.com/competitor-analysis/ Story: https://medium.com/@loic/a-meditation-mistake-4ad8fc40b2a5 2.) Amount of employees of direct competitors: This metric shows how strongly-developed the business of your competitors is. A high number of employees represents big market potential. Go to Linkedin and see the growth of their employees per year (Hiring trends over the last 2 years on Linkedin - only for Premium Accounts) 3) Similarweb traffic to the website of competitors (total visits): Gives you information about the amount of visits per month. Over 1 million visits per month is a huge market. Companies that have less than 100000 monthly visits are either too small or there is no market. 4) Revenue model of direct competitors: Clearly visible and proven revenue model. It's important to see that competitors are not only buring external money, but also that the models behind it are already profitable. You need exactly to understand how they earn money e.g. big car rental companies earn money not from renting cars, they earn money from selling cars (Sixt Germany). Porn example from San Francisco Fallacy etc.
Remove all industries that don't interest you	Done	New	Take a look at the list and cut out any of the industries you are not interested in. Or ones you are less interested in than the rest. I found it's just easier to think about it this way first in order to cut down my list. Repeat this step until you are down to a list of 10 or so industries. Once you have a manageable list, it's time to gather more detailed data to make your decision. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Is the target customer well funded?	Yes	New	You need to shoot for at least businesses that make at least 100k or more in revenue. It depends on your product or service. If your product or service costs more than 10k you need to aim higher for 2M+ revenue businesses or more (More: https://conversionxl.com/9-lessons-learned-running-cro-agency/ point 3). To answer this questions you can use all sorts of data. Analyse marketplaces where people sell their businesses such as bizben.com, flippa.com, other brokers. For instance in Germany you can bundesanzeiger.de it shows financial data about companies, try to get their investor relation reports if businesses are publicly listed. Interview employees of competitors and get some some insights about their business models. If the market has franchise contact them and tell them you are interested in learning about opening a location. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Do they currently use software or service?	Yes	New	Search for your industry + software in google and see what comes up. It's pretty easy to tell if there are businesses selling software in your market. Check them out and see how many they are. Seeing them is a good sign. This means people are paying for software in the market and they could buy yours too. Also you can use services like builwith.com, nerdy data, datanyze.com to find who is using what. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Is the target custumer readily accessible for your sales force?	Yes	New	This one is least important. The question should really be... How hard is it to get to the decision maker. With this one you can just speculate and test. Some markets like Real Estate Agents are easy whereas others like Dentists are really hard. It's not to say that Dentists are a bad market. Once you get through to them they it could be a great market and pay off. It's more about what you want and the kind of person you want to deal with day to day. Do you know where all your potential customers hang around. Can you identify websites, blogs, conferences and more where you can meet them and sell your product or service? More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Making the choice (Narrow number of markets/industries to 3 - 6)	Done	New	The last criteria is to choose who you really want to work with. To do that ask yourself questions like: Which industries do you believe in? Which ones would you love to help? Which ones would you be happy to talk to every single day? You are gonna be in business with these people so you really have to love it. Is the market consistent with the values, passions and goals of the founding team? Using these questions I narrowed it to my top 3 and put those through more serious tests to find out. Reach out to your market and have a few conversations. The next thing you want to do is reach out to speak to a few people. More: http://www.carlmattiola.com/8-steps-to-choosing-the-right-market/
Primary Market Research - Defining the Market Need	**Answers**	**Help**	

Idea extraction - Defining the market need	Done	New	The goal is to understand the pain-point of your customers and later design a solution that will be a great value for them talking directly with customers and observing customers will help you get a better sense of which market opportunity is best. Ask people in a market what they are struggling with to find a problem they are willing to pay to solve. Stop guessing and just ask. First and foremost, you should spend a tremendous amount of time clearly understanding the customer needs. The first six months you should just talk to customers trying to understand their need and to validate your idea. Once you understand the need, it is then a lot easier to explore technology and design a product. (Source: America's most successful startups, Max Fingers, Oliver Samwers, 1998)
Create your (lead) list for customer interviews	Done	New	There are loads of different ways to create email lists. I'm not going to get into all of them here. What worked for me, was simply searching on google maps for my market name, visiting each persons website, and gathering personal email addresses (mike@example.com not info@example.com). You can also use services like builwith.com, datanyze.com, nerdy data. Outsource this process to Odesk, Upwork or any other freelance platforms. More: http://www.carlmattiola.com/connect-with-your-market/ OR http://nathanbarry.com/sales/
Write the email	Done	New	Your email should be very simple. Here are a few rules: 1) Always address a person directly. If you don't, you are unlikely to get a response, 2) Keep it short (under 5 sentences), 3) Include something personal about them on the first line of the email, 4) Make it easy to reply by asking one simple question, 5) Adjust your email as you learn more about your market to improve open and response rates. Test, adjust, repeat. More: http://www.carlmattiola.com/connect-with-your-market/ OR http://nathanbarry.com/sales/
Build up the process	Done	New	Each evening I took a list of about 50 people and uploaded them into ToutApp (a service that helps you send and track your emails). I'd schedule them to go out the following morning just before 9am in their local timezone. Then I'd wake up to an inbox full of a few responses. For people that do not respond, I'd look at Tout to see who opened the emails and followup with another email a week later basically just asking if they got the original email. This doubles the response rate. More: http://www.carlmattiola.com/connect-with-your-market/
Customer Interviews Level 1 Questions: Introduction	Done	New	1) Your intro: Whether you've cold called or scheduled a meeting you want to have a solid introduction to get you started. 2) Get comfortable: You need to get comfortable with them and they need to get comfortable with you. 3) Ask Level 1 questions: What does a typical day look like for you? What does a typical week look like for you? What are the biggest challenges in your business right now? What projects are you working on to improve your business? What are your goals for your business? How did you get to where you are today? More: http://www.carlmattiola.com/how-to-find-problems-people-will-pay-you-to-solve-part-1/ See also more: The Mom Test Book, Rob Fitzpatrick, 2013
Customer Interviews Level 2 Questions: Problem-Identification	Done	New	With those questions you will most certainly find pain. Your objective is to get them into "story mode". Once you do you can lead them further with questions like: 1) What's the most important part of your business? 2) What's the most annoying part of your business? 3) What activity in your business do you like the most and which one do you like the least? 4) What takes you a lot of time? 5) What is stopping you from achieving those goals? 6) What would you like to improve? More: http://www.carlmattiola.com/how-to-find-problems-people-will-pay-you-to-solve-part-1/ See also more: The Mom Test Book, Rob Fitzpatrick, 2013
Fill the market matrix and anwers to following questions	Done	New	Create a Matrix, where each potential market opportunity is a column header, and each category of information is a row. Main categories: - End user. Who specifically would be using your product? - Application. What would the end user be using your product for? - Benefits. What is the actual value that the end user would gain from the use of your new product? - Lead Customers: Who are the most influential customers that others look to for thought leadership and adoption of new technology? - Market Characteristics: What about this market would help or hinder the adoption of your product? - Partners/Players: Which companies will you need to work with to provide a solution that integrates into the customer's workflow? - Size of the Market: Roughly, how many potential customers exist if you achieve 100 percent market penetration? - Competition: Who, if anyone, is making similar products—real or perceived? Remember, this is from the customer's perspective and not just yours. - Complementary Assets Required: What else does your customer need in order to get the "full solution," that is, to get full functionality from your product? (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)

	Define your Bechhead market (choose 1 market opportunity form the market matrix to pursue)	Done	New	By choosing a single market to excel in, your startup can more easily establish a strong market position, and hopefully a state of positive cash flow, before it runs out of resources. Avoid selecting the largest or the very large markets. Three conditions that define a market: 1. the customers within the market all buy similar products, 2. the customers within the market have a similar sales cycle and expect products to provide value in similar ways, 3. there is "word of mouth" between customers in the market. These 3 creteria mean that you will get efficiencies of sale in the market and you have a good chance to go viral. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
	Build an End User Profile	Done	New	Create a detailed description of the typical end user within your market segment. Use primary market research. Now your focus should be on an end user, because if the end user doesn't want your product, you will be unable to reach your customer. First focus on choosing a specific demographics of end users. End user - The individual (a real person!) who will use your product. The end user is usually a member of the household or organization that purchases your product. To be successful you must build your business based on the customer you are serving, rather than pushing onto the market the product or service you want to sell. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
	Calculate the TAM size for Beachhead market	Done	New	Use the demographics from the End User Profile to determine quantitatively how large your beachhead market is. If your typical profile of a customer is this, multiply the number of customers with that profile and you are beginning to get the total available market. This is not rocket science. The fact is that you will never get real numbers. Often there is no complete data. One of the first things an entrepreneur learns to work with is incomplete data. You will never have perfect information so do not wait for that. You will never get a straight answer. You have to bet to your weaknesses. Entrepreneurs place bets - high value, high risk, high returns. Use this market size number to determine whether you need to further segment the market to have a more appropriately sized beachhead market. 1. Determine how many end users exist that fit your end user profile using a bottom-up analyses based on primary research. Complement this with a top-dow analyses, 2. Determine how much revenue each end user is worth per year, 3. Multiply the 2 numbers and you'll get the TAM. The TAM of your BM is the amount of annual revenue, expressed in dollars per year, your business would earn if you achieved 100% market share in that market. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
	Profile the persona for the Beachhead market	Done	New	A Persona is a person who best represents the primary customer for the Beachhead market. The Persona ensures that everyone is unambiguously focused on the same target. Analyse some of the customers who showed the most interest in your potential offering. Make sure they would actually pay for it, not just interested. If you already have sales analyse the most successful customers. Answer: If I had only one end user to represent our End User Profile, who would it be? The Persona should be a real person, not a composite. Prepare a fact sheet about the Persona. Build a detailed description of that real person. Make the Persona visible to all in the new venture so that it gets referenced on an ongoing basis. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
	Rapid Primary Market Validation (not recommended)	**Answers**		**Help**
	Create a problem hypothesis for your idea	Complete		It is important to know exactly what customer problem you want to solve in order to create a proper value proposition. More: https://hitenism.com/business-ideas/
	Create a landing page with email signups or phone numbers	Complete	New	You need it to prove your initial idea on real traffic. Make sure you email your new users quickly after getting their email address. Try to form good relationships with these leads, as they will become your first paying customers. Create an initial survey and get them to rank the feature they would use most. Send simple, plaintext, and personal emails. Use Unbound or a similar landing page builder. List out three to five core features with a strong CTA. Two options for measuring conversion: email capture on the initial landing page and CTA (use payment form) first follower by email capture. More: https://www.facebook.com/500startups/videos/1356191074408476/ Use: http://quickmvp.com/ or unbounce.com OR Test your idea within 48 hours. Works very well for existing market with lot of potential buyers. More: http://tim.blog/2011/09/24/how-to-create-a-million-dollar-business-this-weekend-examples-appsumo-mint-chihuahuas/
	Set up a post-registration survey	Complete		Ask people if they are willing to talk to you over a coffee, phone, or skype. Ask questions related to the problem you are trying to solve. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
	Drive paid traffic to your landing page	Complete	New	Facebook will usually be the easiest place to run initial tests. Use AdWords if you're targeting a very specific market (i.e. logo maker). Make a list of potential interests and then look for them on Facebook (perfect audience reach is between 50k-100k, try different segments e.g. city + occupation + interest + hobby). Create a few variations of images for your ads. Optimise for clicks. You can try also Linkedin and Twitter. Use a small testing budget to get a first understanding about the market. We usually plan $500 for the first iteration to get some facts.

Schedule customer interviews	Complete		Speak with people who signed up, and get to know if there is a real problem. More: http://mitcoivanov.com/how-to-talk-to-your-customers-the-mom-test/ or https://jasonevanish.com/2012/01/18/how-to-structure-and-get-the-most-out-of-customer-development-interviews/ For B2B you can use https://clearbit.com/prospector or Linkedin InMail.
First analysis (collect and iterate)	Complete		Landing page conversion should be more than 5%. If targeted well, it should be above 25%. Don't give up if your first test fails. Your customer hypothesis might be wrong, rather than your idea. Look through your data to find any significant signals and build new tests around those. Try and test different pricing models as well to gauge customer price sensitivity. **Do people want your product? If so, then it's time to think about pricing.**
Find a pattern of pain across the target audience	Complete		If you hear the same feedback during five or six customer conversations, that could represent a potential problem and needs to be investigated further. Try to find out if your idea a pain killer (must-have solution) or a vitamin (nice-to-have solution). People will only pay if they experience pain!
Adding pricing to your landing pages	Complete		Now you add pricing to your landing pages. This can be as simple as adding another line to the page right above the sign-up box. For example, "Sign up now and get your early access discount of $99 per month." It's just a test, so be bold. Put a ridiculously low price and a ridiculously high price in the mix on separate landing pages. This will give you data poins on your pricing curve. Your optimal pricing will depend on your costs, what your competitiors are charging, and what your potential customers will pay. Ask them: add a survey to the landing page, or contact them individually.
Amount of potential customers/market size	Complete		The largest amount of potential customers will come from Google if you have used its AdWords service. You'll have paid them for a set amount of click-throughs on a set of keywords. The AdWords dashboard will give you a figure for the total number of searches (impressions) for each keyword. That gives you a very rough indication of the size of the potential market.
Final analysis (market validation test)	Passed		The goal is to find out if there's actually a market for the idea or product. After running a market test, you should get the following information: 1) Do people want your product? (amount of signups); 2) How much will it cost to find them? (price you pay per sign up); 3) How much are they willing to pay for it? (test of pricing model); 4) How many of them are there? (keyword impressions in Google AdWords); 5) What attracts customers? (your landingpages). That will give you an immediate model for the viability of your business.
Prove a problem hypothesis for your idea	Complete		Have you proved your problem hypothesis? If not, rework the landing page and messaging or make a decision to pull the plug here.
Additional Primary Market Research Tools	**Answers**		**Help**
Google consumer surveys	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
SurveyMonkey customer surveys	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
ZappiStore automated market research	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
Proved.co idea validation service	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
Facebook Ads (run ads for your target audience)	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
Askattest.com market research	Complete		Start initial research about your potential customers to identify the best customer segment you can start with. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf Video: https://drive.google.com/file/d/0Bz73b-VMUrfsbDR6ZU13bUQwQWc/view?usp=sharing
Twitter Surveys	Complete	New	Start initial research about your potential customers to identify the best customer segment you can start with. Run targeted surveys on twitter, less than 1$ per answer. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf Video: https://drive.google.com/file/d/0Bz73b-VMUrfsbDR6ZU13bUQwQWc/view?usp=sharing
Upwork Interviews	Complete	New	Start initial research about your potential customers to identify the best customer segment you can start with. Talk to people from Upwork 5$ to 20$ per interview. Or ask freelancers from Upwork to speak with locals or people from your target market. More: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf Video: https://drive.google.com/file/d/0Bz73b-VMUrfsbDR6ZU13bUQwQWc/view?usp=sharing
Before moving into the next step	**Answers**		**Help**

	Answers		Help
Beachhead market chosen	Yes	New	The beachhead market is the most important place from which to launch your invasion of the market, because it's where the paying customers are found. As you begin to focus on your beachhead market, you will quickly learn that it almost surely can be segmented much further. This is standard and is a good practice. There is a simple rule to pick a good beachhead market: 1. Who are your customer: entrepreneurs, define exactly, female founders, a players? 2. Where are they hang around: quora, twitter, inbound.org, medium.com, reddit, producthunt, they all hang on these sites, join fb groups for startups 3. How to engage them: write about lessons learn manage people, build a product, motivation, hire a team More: http://executive.mit.edu/blog/launching-a-successful-start-up-3-the-beachhead-market#.WSE5nBN97dQ Or http://gsl.mit.edu/media/programs/india-bms-summer-2013/materials/select_a_beachhead---trepreneurship_101.pdf
The TAM size for Beachhead market calculated	Yes	New	Use the demographics from the End User Profile to determine quantitatively how large your beachhead market is. Use this market size number to determine whether you need to further segment the market to have a more appropriately sized beachhead market. 1. Determine how many end users exist that fit your end user profile using a bottom-up analyses based on primary research. Complement this with a top-dow analyses, 2. Determine how much revenue each end user is worth per year, 3. Multiply the 2 numbers and you'll get the TAM. The TAM of your BM is the amount of annual revenue, expressed in dollars per year, your business would earn if you achieved 100% market share in that market. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013). There is a huge amount of potential users, which means a great market. Most of the groups that apply to Y Combinator suffer from a common problem: choosing a small, obscure niche in the hope of avoiding competition. If you make anything good, you're going to have competitors, so you may as well face that. You can only avoid competition by avoiding good ideas. (Source: Paul Graham) More: http://paulgraham.com/startupmistakes.html
Persona Profile is built and validated	Yes	New	A Persona is a person who best represents the primary customer for the Beachhead market. The Persona ensures that everyone is unambiguously focused on the same target. Analyse some of the customers who showed the most interest in your potential offering. Make sure they would actually pay for it, not just interested. If you already have sales analyse the most successful customers. Answer: If I had only one end user to represent our End User Profile, who would it be? The Persona should be a real person, not a composite. Prepare a fact sheet about the Persona. Build a detailed description of that real person. Make the Persona visible to all in the new venture so that it gets referenced on an ongoing basis. (Source: Disciplined Entrepreneurship: 24 Steps to a Successful Startup, Bill Aulet, 2013)
You are in an existing market	Yes	New	You are in an existing market if your product offers higher performance than what is currently offered. Higher performance can be a product or service that runs faster, does something better OR Cost Re-segmentation: You are introducing a new product that re-segments an existing market either low-cost OR Niche Re-segmentation: Niche re-segmentation attempts to convince customers some characteristic of the new product is radical enough to change the rules and shape of an existing market. More: https://docs.google.com/spreadsheets/d/1v_N456KKD0ghoZviqyvVoN-Xj38BHSwc3zG_IN2hqS8/edit#gid=1306156942
Additional Qualifiers	**Answers**		**Help**
A product or service is B2B oriented	Yes		B2B products usually have lower risks of failure for a variety of reasons.
Build on another platform like Shopify, Magento, Google AdWords, Salesforce, Amazon, Gmail, Wordpress, Hubspot, Chrome Browser/OS, Google Apps etc.	Yes		Already established audience of platforms can be used for acquisition. More about trends and platforms: https://trends.builtwith.com/ Platform App Stores: https://appexchange.salesforce.com/, https://marketplace.hubspot.com, https://chrome.google.com/webstore/category/extensions?hl=en, https://apps.shopify.com/, https://www.magentocommerce.com/magento-connect/, http://themeforest.net/, https://gsuite.google.com/marketplace/
Problem/Solution Validation	**Answers**		**Help**
Idea Stress Test	**Answers**		**Help**
Are you the first one to come up with this idea? Or is it just something nobody needs?	No innovation		If there are no competitors on the market, usually there is no market for your idea.
Have other big companies tried and failed on idea?	No		If Google or Facebook has tried and failed, you should probably stop working on it.
Are you too early for the market?	No		"Too early" often means there is no market right now, hence no revenue generation.

Is the idea or product already proven and established, or is it something new?	No innovation		The chance is much higher if your startup idea is a copy of other existing products.
Solution Design - Prototype (Design Sprint)	**Answers**		**Help**
Understand potential users and their needs	Complete		Start with a brainstorming session and the insights from the smoke test part. More: https://designsprintkit.withgoogle.com/
Develop lots of solutions and ideate	Complete		Try to get as many as possible solutions to fix customer problems.
Chose the best idea	Complete		Focus yourself and your team on only one or two ideas–maximum.
Build a quick and dirty prototype	Complete		You can build a prototype in PowerPoint or Keynote. That's enough to show to real users. Or use this: https://conversionxl.com/wireframes/amp/
Validate by showing the prototype to real users	Complete		Show your prototype at least to five users and see what they say.
Learn what doesn't work and change it	Complete		Change obvious problems in your prototype.
Validate again by showing the prototype to real users	Complete		Show your prototype to five new users and see if everything looks good.
Before moving into the next step	**Answers**		**Help**
You are solving a real customer problem	Yes		You are solving a real customer problem. Describe the pain of the customer (or the customer's customer). - Outline how the customer addresses the issue today.
You are delivering a painkiller solution	Yes		Pick the one thing that is of burning importance to the customer, then delight them with a compelling solution.
At least five users are willing to pay for the product or service	Yes	New	You know that people are willing to pay for your solution. Get their credit cards or letter of intent. something more tangible instead of just saying yes. Use questions from the mom test: http://www.startupwerkboek.nl/startupcenter/Momtest.pdf
Value proposition identified (clear and understandable)	Yes	New	You know how to sell your product, and you can describe it with one sentence. Demonstrate your company's value proposition to make the customer's life better. - Show where your product physically sits. - Provide use cases. A startup should be able to explain in one or two sentences exactly what it does. You probably shouldn't even start a company to do something that can't be described compellingly in one or two sentences. (Source: Paul Graham) Examples here: https://medium.com/@kasperkubica/for-the-love-of-god-please-tell-me-what-your-company-does-c2f0b835ab92 OR Value proposition structure: 1) The results VITO can expect and the "time to value." (This is the slide you are probably used to putting last. Get used to the new sequence. VITO needs to see this first.) 2) The resources VITO must spend . . . be it time, money, and or talent. 3) Social proof about who else in a similar industry is achieving similar results and or your guarantee.
You have clear focus and set top three priorities to achieve your goal	Yes		You know exactly what to do next and have set your three priorities. Focus spending on what's critical. Spend only on the priorities and maximize profitability. Customers will only buy a simple product with a singular value proposition.
Self-Assessment	**Answers**		**Help**
You have technical skills to build a product, or you understand the technology	Yes		You need to understand how to build the products or provide the services you want to offer.
Have you analyzed any failed startups in your environment?	Complete		Try to get an understanding from the market if some startups have already failed.
Do you really want to spend the next three years building your startup?	Yes	New	You need to be prepared to spend three years of your life. There is no overnight success e.g. it took AirBnB 3 years to get some good revenue. Starting a startup sounds pretty stressful. It is. When I talk to the founders of the companies we've funded, they all say the same thing: I knew it would be hard, but I didn't realise it would be this hard. (Source: Paul Graham)
Are you passionate about the idea you're working on? Or is it just a cool thing to do?	Yes		You need to be sure that you want to work over a long period of time on the idea.
Is it the right timing to start your own company?	Yes		Ask yourself if you have enough time, money, motivation, and other resources to run a startup.
Have you defined a clear vision and reason not to quit?	Complete	New	You always need to know why you are doing this. Company purpose - Define the company/business in a single declarative sentence. Summarize the company's business on the back of a business card.
Can you be brutally honest with yourself?	Yes		You need to be prepared to face uncomfortable truths. If no one pays for your service, it means you failed.

	Are you prepared for the roller-coaster?	Yes		There will be highly emotional situations, and you need to be aware that it can damage your health.
	Do you have a mentor who can help you to set up a startup?	Yes		Get a mentor; he or she will help you avoid basic, stupid mistakes.
	Is the idea or startup aligned with your personal goals? Do you want to be a founder?	Yes		Is the idea aligned with your life principles? Are you doing stuff you want to do?
	Do you want to chase the next big thing?	No	New	Try to set some realistic goals, don't try to build the next Facebook, Google, AirBnb. You can always do it afterward. For the first time, you need a solid business that can bring 2 to 5 Million USD per year. Aim high, start small and keep going!
	Do you have a co-founder?	Yes	New	Not having a co-founder is a real problem. A startup is too much for one person to bear. And though we differ from other investors on a lot of questions, we all agree on this. All investors, without exception, are more likely to fund you with a cofounder than without. (Paul Graham)
	Don't drop out from school or quit your job	Yes		Never drop out from school or quit your job. Run your startup in parallel until it makes enough money.
	Are you ready to sacrifice your financial stability for the next three years?	Yes		Be ready to be broke for the next three years. There is no overnight success or fast money.
	You need to understand the industry or a sector you want to enter	Complete		You need to be an expert in the business you want to run. Otherwise, you will have a lot of wrong assumptions.
	Don't be afraid to ask for help	OK		Ask people for help. Even speak to your competitors. In general, people will tell you a lot.
	Before moving into the next step	**Answers**		**Help**
	Do you have a clarity of purpose?	Yes	New	Summarize the company's business on the back of a business card. More: https://www.sequoiacap.com/article/elements-of-enduring-companies/
	Are you ready to spend your next three years working for your startup?	Yes		Do you really want to do it? Do it before 38.
	Are you ready to sacrifice your financial and mental stability?	Yes		Be prepared to be broke for the next three years or so.
	Do you really understand the industry or sector you want to launch a startup in?	Yes		If you don't understand the industry, don't even think about starting a business within it.
	Team Validation	**Answers**		**Help**
	Do you have technical knowledge?	Yes		It's easier to work with a co-founder, but you need to be sure you understand tech stuff. A bigger team actually adds to the odds of success. More founders = better odds of success (MIT research). Your choice of co-founders is extremely important. The research at MIT suggests that businesses with multiple founders are more successful than those founded b an individual.
	Have you worked with your co-founder on other projects?	Yes		Start with a small project before you decide to build a startup together.
	Do your vision and thoughts align with your co-founder's?	Yes		You need to be sure that everyone has the same vision.
	Do you know you co-founders' expectations?	Yes		Ask your co-founder what he or she expects from working together on a startup.
	Does your co-founder clearly understand his or her role. Does he or she agree with it?	Yes		Divide the roles between you and your co founder to avoid conflicts and leverage your skills.
	Are you sure you can work with your co-founder for the next three years?	Yes		Ask yourself this question ten times; you need to be sure about it.
	Don't have more than two founders in your startup	No		Limit your founding team to small amount of people in order to avoid conflicts.
	Do you know how to assess the quality of the product?	Yes		Be sure you can evaluate the quality of the delivered work or your product.
	Do you have knowledge about how to pick the right person for outsourcing?	Yes		Be sure you know how to find outsource partners. Otherwise, you will pay for poor quality work.
	Is your team too experienced for the budget?	No		Don't try to get very expensive people from the beginning, before your business is even proven.
	Do you need to hire additional people?	No	New	Don't overhire. Having too big a team just takes your focus away from the real stuff. Team size increases the problem with productivity.
	Don't hire friends just because they are your friends. Hire professional people	Complete		Don't work with friends or family members. If you do, you need to be sure they are professionals.

	Answers		Help
Do you have a founder agreement in place?	Yes	New	You absolutely have to agree with your co-founders early on what the deal is among you. Who gets what percentage of the company? Is the percentage ownership subject to vesting based on continued participation in the business? What are the roles and responsibilities of the founders? How much time commitment to the business is expected of each founder? IP History? More: https://www.forbes.com/sites/allbusiness/2013/10/03/big-legal-mistakes-made-by-start-ups/#497e0fad497e
Define a leader (CEO) who will make the ultimate decisions	Complete		There needs to be one person who will make the ultimate decisions, even among people who have the same amount of shares. If possible, use the "disagree and commit" approach. More: http://www.amazonianblog.com/2016/11/what-it-means-to-disagree-and-commit-and-how-i-do-it.html
Before moving into the next step	**Answers**		**Help**
Have you worked with your co-founder on another project before?	Yes		Do it before you start working on a big thing. The mistake of not doing it can be very costly later.
Do you or your co-founder have enough technical skills to build an MVP?	Yes		You need to know how to build your MVP without external help or external finance.
Do you know how to assess the quality of the results delivered, in terms of technology?	Yes		Be sure people who build stuff for you deliver high quality work. Otherwise, you will pay for re-working stuff due to poor product quality.
Competitive Analysis	**Answers**		**Help**
Amount of direct competitors	Min. 5 competitors		Huge competition means there is a huge market. If there are no competitors, there is no market for your product, idea, or service. Don't pick markets without any competition. Story: https://medium.com/@loic/a-meditation-mistake-4ad8fc40b2a5
Amount of employees of direct competitors	Min. 5 employees per competitor		This metric shows how strongly-developed the business of your competitors is. A high number of employees represents big market potential.
Similarweb traffic to the website of competitors (total visits)	Min. 200000 monthly visits		Gives you information about the amount of visits per month. Over 1 million visits per month is a huge market. Companies that have less than 100000 monthly visits are either too small or there is no market.
Main distribution model (paid/organic/viral) s. similarweb.com	Complete		Paid marketing shows that a competitor is willing to spend money on advertising. More money means either lots of external capital, or that the business model is scalable and profitable.
Which geographical regions do competitors target?	Complete		The bigger the country, the bigger the market. If a company only operates in the US, there is a strong possibility to enter a local market with the same business model.
Revenue model of direct competitors	Identified	New	Clearly visible and proven revenue model. It's important to see that competitors are not only buring external money, but also that the models behind it are already profitable. You need exactly to understand how they earn money e.g. big car rental companies earn money not from renting cars, they earn money from selling cars (Sixt Germany). Porn example from San Francisco Fallacy etc.
Mattermark growth score of direct competitors	Complete		The mattermark growth score shows if the company is growing within a specific time period. A high growth score usually means that there is a huge market.
Average age of the direct competitors	3 years or more		If a company has already survived several years on the market, it shows that there is either still enough external money or that it is already generating revenue. The longer, the better.
Direct competitors are over the product/market fit	Yes		It means you already picked a proven market. See below in the checklist for how to identify a product market fit.
How is the competition funded (bootstrap, seed, a, b, c)?	Complete		Funding of a company can tell a lot about the potential and the market. Companies that went through different funding rounds show strong correlation with a market. Here's a basic rule of thumb: more rounds means there is a greater market.
Competitive Product Analysis	**Answers**		**Help**
Pricing of the competitor products	Not free		Competitors are already generating revenue through their products. The products they offer are not free.
Value proposition of the competitor products	Clear value		What do they offer their customers? An easy to use and understandable product? List competitors - List competitive advantages.
Functionality of the competitor products (product/feature matrix)	Complex		When they have a lot of features, it means the product is very complicated, which in turn means that a lot of money was used for development. But it also means that there is a chance for disruption, to create a cheaper and simpler product.
Technology used to build the competitor	Checked		Can you use the same technology as they do? Don't try to reinvent the wheel and test something new and unproven. Innovation often means merging two old technologies.
Before moving into the next step	**Answers**		**Help**

	Direct competitors identified	Yes		If there are lot of competitors, you are in a great market with your idea, product, or service. No competitors usually means there is no market.
	Product Validation	**Answers**		**Help**
	Before building a product	**Answers**		**Help**
	Are you trying to create a new market or to change human behaviour?	No		Unless you are Google, don't try to create a new market or change human behaviour.
	Do you want to replace an existing product?	Yes		If so, try to make a cheaper, simpler, smaller, and a more convenient-to-use version of the existing product.
	Do you want to build something that doesn't exist yet?	No innovation	New	Don't try to create something which does not exist on the market. The chance or failure is very high, so it's better to use the existing technology and innovate on top.
	Don't build your own stuff. Use existing solutions or hack stuff together (Franken Product)	Yes		Don't try to reinvent the wheel; use already-established technologies and hack stuff together. You can always rewrite your product later.
	Have you defined a minimum set of features for your product?	Yes		Limit your scope and limit your features. Only choose features that deliver value for the customer. Your goals is to learn and to validate your idea first—not to produce a killer quality product right out of the gate.
	Are you able to create any technological entry barriers?	Yes	New	If you go to a VC with a new idea and ask him to invest in it, one of the first things he'll ask is, how hard would this be for someone else to develop? Your technology should be hard to duplicate. Otherwise as soon as some big company comes aware of it, they'll make their own, and with their brand name, capital, and distribution clout, they'll take away your market overnight. (Paul Graham)
	Is your product easy enough?	Yes		Does your mom understand what you want to do? If not, you need to simplify things. If your mom doesnt understand, your customers probably won't either.
	Are you able to start with one platform (iOS, Android or Web only)?	Yes		Start with one platform to prove your idea or service. You can always expand later to other platforms.
	Are you ready to start with minimum technical resources?	Yes		You need to be sure you can start getting feedback from the market with minimum technical resources. Save everywhere you can, and don't overspend on stuff that doesn't matter.
	Do you need to build custom solutions for every new customer?	No		If you need to change your basic product to meet every customer's need, you are mostly going to fail because of lack of scalability in the processes.
	Do you need professional design if it doesn't improve business fundamentals?	No		Be sure about what you want to spend your money on. Don't spend it on things that don't matter. No startup has failed because of ugly design or a bad logo.
	Market Disruption Check	**Answers**		**Help**
	Can you create a product that is 10x cheaper than the current competition?	Yes		Through automation of services, you can make products that are much cheaper than your competition. For example, logojoy.com has created a do-it-yourself logo maker service. Their logos cost $65, compared to a logo from a designer which costs around $650. https://hitenism.com/copycat-competitors-take-market/
	Can you build a simpler and more convenient-to-use product than your competition?	Yes		You can take old solutions or markets and create something simpler; much simpler than it is right now, so that it becomes more convenient to use for an end user. For example, logojoy.com has created an easy to use, simple interface for logo creation in comparison to their competition. Customers will only buy a simple product with a singular value proposition.
	Can you make a product which is currently available only to experts accessible to the masses?	Yes		Make products that were only for experts accessible to the masses. For example, Basecamp.com has made project management accessible to the masses. They simply built a tool which looks like a checklist. When they started, there were plenty of complex solutions including Microsoft Projects. All these solutions were perfect for experts, but not for the mass market.
	Can you make a service/product from Offline/Desktop also available on Mobile or Cloud?	Yes		The gaming industry has gone through a massive disruption by porting desktop games to mobile phones. Also, file storage was disrupted by cloud solutions such as Dropbox, Box, etc. If you can make something which is only available on desktop/offline also available on mobile, then you will have a chance to have massive growth.
	Can you build an API for a business that has never had an API?	Yes		Make an API available for something which is coming from the traditional offline/desktop world. Create an API for printing documents (lob.com) or an API for payments (stripe.com), or an API for SMS (twilio.com), or an API for Search (Algolia.com). API is eating the world! More: https://blog.keen.io/the-api-era-f004f6800488, https://blog.keen.io/how-to-monetize-an-api-1be4dd4dc275, https://getputpost.co/apis-to-understand-your-customers-and-grow-your-business-2f85b264ca38
	Before moving into the next step	**Answers**		**Help**
	Are you trying to change basic human behaviour?	No		Don't even think about it.

Do you have a fixed minimum set of features?	Yes		You know what to do and what is truly important.
Do you meet at least one of the disruption criterion?	Yes		If you do so, it will help you significantly to create an amazing business. These disruption criterion will help you to establish a competitive advantage.
Marketing Validation	**Answers**		**Help**
You have identified cheap and scalable channels	Complete		You have identified user acquisition channels to drive traffic to your website, app, or service. More: https://zapier.com/blog/acquire-customers/ or http://okdork.com/quant-based-marketing-for-pre-launch-start-ups/ or https://producthabits.com/how-to-grow-your-startup-on-a-0-marketing-budget/
You know how to do marketing for your product	Yes		You understand how to run marketing. You need to know this yourself; it's not about outsourcing marketing to agencies. You need to have the knowledge about how to do it right.
You will start to do marketing even before the product is available	Yes		You already have a website or landing page to gather signups and to build your audience.
You can sell your product without lengthy explanation to potential customers	Yes		Your value proposition is clear, and potential customers understand what you offer immediately.
Do you understand the time you need to acquire a customer?	Checked		You know how long it takes to get a specific amount or volume of customers. (sales-cycle)
Do you take into account geographic specificity/location problem? Are you Hyper-local?	Complete		You can scale your marketing across regions without a problem. You are not stuck to a local small community.
How much money do you need for customer acquisition?	Complete		Do you have a raw understanding about customer acquisition costs?
Limit your product to a specific niche/customer segment/early adopters	Complete		Pick a single segment to start in, and later to expand into the bigger market. Use the "crossing the chasm" theory for market entrance and market expansion.
Product distribution as a part of the distribution strategy	Available	New	Great products have the marketing build-in. Distribution should be part of the product viral loops, customer awareness, referrals. Examples: Hotmail on the bottom of every email, Square every receipt with a link, Dropbox refer a friend. Marketing is a part of the product itself. If you want to become big, you have to look at marketing and sales and not only of product itself. More: https://a16z.com/2017/06/09/distribution-model-sales-channels/ OR https://hackernoon.com/box-v-dropbox-a-lesson-in-distribution-972f909fd06d
Before moving into the next step	**Answers**		**Help**
Have you run tests on at least three different marketing channels?	Complete		Test different marketing channels to understand what works and what doesn't. You created landing pages to test the marketing channels. More: https://zapier.com/blog/acquire-customers/
Have you identified a single marketing channel to focus on?	Complete		Limit yourself to a single channel and double down. Invest all your money, time, and energy in this channel.
Have you picked your initial segment to target?	Complete		You have already limited your initial target market to a specific segment of customers. If there is a market of dentists, limit it to dentists from New York.
Financial Validation	**Answers**		**Help**
Before building a first version of a product/service	**Answers**		**Help**
Can you build a product/service without external investment?	Yes		You need to have enough money or time and skills to build your initial version of the product.
Can you build a product/service as a part-time job?	Yes		You can build a product or service while working your full time job. Lots of startups failed because their founders run out of cash.
Can you assess the costs of development of the first version?	Yes		You know how much money you need to get the first initial version up and running. Be sure that there is a raw estimate established.
You have defined a fixed budget which you never will exceed	Yes		You have defined a budget and time allocation. Now you need to stick to it. Release the product as fast as possible–don't build stuff for 12 months only to understand after the fact that something is not working.
You can finance your startup for the next 12 months without incurring any debts	Yes		Be sure you can pay your bills for the next 12 months. There is no overnight success. It will take lot of time until you can generate any revenue.
Create a plan for spending your money	Complete		Have a fixed plan for what you're going to spend your money on. Don't overspend, and don't spend money on things you haven't planned. Start with only a little money. It forces discipline and focus. A huge market with customers yearning for a product developed by great engineers requires very little firepower. More: https://www.sequoiacap.com/article/elements-of-enduring-companies/ An example: https://docs.google.com/spreadsheets/d/1xGwfUuzm1LoZgPjQjP6b4zt4XdENst0SOYSf4veRrqg/edit?usp=sharing

Do you understand how to make money with your product?	Complete	New	Do you really understand how to make money with your product or service? You need to be sure that you know how to do it now. Business model - Revenue model - Pricing - Average account size and/or lifetime value - Sales and distribution model - Customer/pipeline list. Be aware of the fact, that your initial business model will be crap. Your business model will probably change three times before you'll get it right. But you need a plan, a bad plan is better than no plan.
Are people willing to pay for your product?	Yes		You asked your potential customers and they want to pay for your product.
What is your startup runway length and burn-rate?	Min. 12 month		You need to know how much monthly budget you need to finance for your startup. You need try to cover a minimum of 12 months.
Do you understand the length of a sales cycle?	Yes		If you work on a complex B2B product, the sales cycle can take between six and twelve months. Be sure you know how to finance the period of time until first money flows in.
Do you need a large marketing budget to be profitable?	No		If you need lot of money to become profitable, start searching for outside investment. It's better to start a business without external funding, though.
Failure plan	**Answers**		**Help**
What are the criterion to identify when your company has failed?	Identified		The failure plan should contain automatic triggers for activation (or at least when you will consider it). The point of this is to make the decision to activate the plan (i.e. to shut down the company). For example, if we discover that the cost of acquiring customers is greater than the amount we can make from them, let's not do the business.
What do you need to do to shut it down?	Identified		Get to know what needs to be done if you decide to shut down your business.
How will you shut it down?	Identified		You need to define an action plan for the process if you need to pull the plug.
Who do you go to?	Identified		Define a list of people.
How much does it costs to close the company?	Identified		Yes–closing a company costs money.
What sort of severance for staff do you need to budget?	Identified		Yes–severance needs to be payed, too. And it can be huge.
Before moving to the next step	**Answers**		**Help**
Do you have enough money?	Yes		Answer this question, and don't lie to yourself. There is no silver bullet–you need to be sure that you will have enough money to pay your bills.
Do you need to raise additional money?	No		If you need to raise additional money, you need to plan six months for the process. Also, you need to know that you will be distracted from the most important task: Building your product.
Do you understand how to make money with your product?	Yes		Do you really understand how to make money with your product or service? You need to be sure that you know how to do it now. Business model - Revenue model - Pricing - Average account size and/or lifetime value - Sales and distribution model - Customer/pipeline list
Do you have a failure plan in place?	Yes		The idea of preparing for failure, as a founder, appears contradictory. But the industry knows that most startups fail. Smart founders should know the environment they're working in, and they should know that no matter how good their idea (or how hard they work) the odds of success are stacked against them. https://www.amazon.com/San-Francisco-Fallacy-Fallacies-Founders-ebook/dp/B071NGMJPN/
Final Risk Assessment	**Answers**		**Help**
Do you have a market risk?	No		There is chance that there is no market demand for your product. Ask these questions: Do they want it? Will they pay? Are there enough of them? Do you offer a pain killer (must-have) or a vitamin (nice-to-have).
Do you have a product/invention risk?	No		There is high chance that you are not able to build a product to satisfy the market. You have found a huge market (e.g., security market) and customers do have a real problem. But you cannot build a product, because you'll need millions of dollars and domain expertise. Ask these questions: Can I build it? Can I grow it? Will they keep using it? The customer will pay if your product gets big enough. If you have heavy product risk (as opposed to pure market risk), then you're not going to be able to prove as much of your business through conversations alone. The conversations give you a starting point, but you'll have to start building product earlier and with less certainty than if you had pure market risk. Invention risk: markets with invention risks are those where it's questionable whether the technology can ever be made to work, but if it does, customers will beat a path to the company's door. These are markets where it may take five or even 10 years to get a product out of the lab and into production.

		Answers		Help
	Do you have a customer risk?	No		You understand the market and can build an appropriate product. However, you are not able to attract customers at a reasonable cost. There is a chance that you are facing huge problems with customer acquisition. You don't know how to do marketing right, and you have no budget for it.
	Are there any entry barriers?	No	New	Every startup should be aware that they will probably face barriers to entry. That's why a good strategy is to find an underserved market in which the competition has proved a market exists, and then do it way better than them. More http://www.ceo.com/entrepreneurial_ceo/what-startups-should-know-about-barriers-to-entry/
	Is your product built on a third-party's business model?	Checked		You need to be sure that the technology will always be available. Often, companies like Google and Facebook discount their products. If you build on the infrastructure of others, make sure that you know all the risks.
	Is there any market regulation in place now, or will it be introduced?	No		You need to understand external market environments.
	Are you dependent on one specific distribution channel?	No		There's a lot of risk involved in garnering the majority of your traffic from a single source. Be careful of being too dependent on a single channel, such as SEO.
Before moving to the next step		**Answers**		**Help**
	There is no market risk	Yes		Our research showed that 50% of startups failed because there was no market. While you can change the product and the team, you cannot change the market environment.
	There is no product risk	Yes		Our research showed that only 8% of startups failed due to poor products. Be sure you can build the product. If the the product is complex, you need to have enough money to do that.
	Business plan (pitch deck) is completed	Completed	New	Before moving into the next step, we highly recommend to fill the Sequoia capital business plan or pitch deck. By doing this you will get the full clarity of your startups, competition and the overall numbers. Here is the template: https://drive.google.com/file/d/0Bz73b-VMUrfsUG5ZQXRWWHV5dk0/view?usp=sharing
Building a Product		**Answers**		**Help**
	Have you started to acquire your first customers?	Yes	New	You need to spend your energy 50/50. 50% of your energy you should spend for marketing. And other 50% of your energy you should spend for building a product. Do things that don't scale. More: http://paulgraham.com/ds.html or https://cdn2.hubspot.net/hubfs/315483/zero-to-thousands.pdf
	Are you able to release your minimum viable product within three months (market validation)?	Yes	New	Your main goals are to learn fast and to get real feedback from the market. Treat the first version as a draft. The first version will give you real user feedback (market reaction). Our initial ideas are usually wrong. Your first version of anything is shit (Ernest Hemingway). If you're not embarrassed by your startup, you launched too late. (Reid Hoffman, Linkedin). Set yourself a deadline. Mark Zuckerberg: "Is this going to destroy the company? If not, then let them test it". As for building something users love, here are some general tips. Start by making something clean and simple that you would want to use yourself. Get a version 1.0 out fast, then continue to improve, listening closely to the users as you do. (Source: Paul Graham)
	Clone 80%, innovate on 20%	Complete	New	Easiest short-term path: Cloning something that already has product/market fit (see below). If the market keeps growing, then new users will come to you just to try it out. If you clone 80% and innovate on 20%, make sure your innovation is fundamental and can be experienced in the first 60 seconds in the UX. Analyse and pick a clear competitive dimension. More: http://andrewchen.co/zero-to-productmarket-fit-presentation/ or https://hitenism.com/copycat-competitors-take-market/ Here is startup list with proven business models: https://docs.google.com/spreadsheets/d/1GrUey9sWt619uwmqVkrnX312_9pOFKUvFxpyL0w3aE4/edit#gid=0
	Are you building an easy to use product?	Yes	New	Customers will only buy a simple product with a singular value proposition (Sequoiacap.com). Don't try to serve everyone, you need to build a product that people love (specific segment of people). It's worth trying very, very hard to make technology easy to use. Stephen Hawking's editor told him that every equation he included in his book would cut sales in half. A 10% improvement in ease of use doesn't just increase your sales 10%. It's more likely to double your sales. Start by making smething clean and simple that you would want to use yourself.(Paul Graham)
	Launch minimum viable product (MVP)	Complete		The minimum viable product (MVP) is a product with just enough functionality to satisfy early customers, and to provide feedback for future development. Launch a minimum viable product in order to test the market.

	Establish a customer feedback loop	Complete		Use customer feedback to improve and reshape the product. Customer feedback can be the single most powerful research method for your startup. More: https://blog.drift.com/startups-customer-feedback/ The usual way to do that is to get an initial set of users by doing a comparatively untargeted launch, and then to observe which kind seem most enthusiastic, and seek out more like them. For example, Ben Silbermann noticed that a lot of the earliest Pinterest users were interested in design, so he went to a conference of design bloggers to recruit users, and that worked well. The least sophisticated users show you what you need to simplify and clarify, and the most sophisticated tell you what features you need to add. (Paul Graham)
	User recording established?	Yes	New	Try to watch how people use products, rather than by listening to what they say. You can see every click made by every user. If you have the chance to observe the users under real conditions like in their homes, do it. If you ask people they usually don't know what they want. So, observe the people, hack and release.
	Do you hack and release, hack and release, hack and release?	Yes	New	Now you need to work on the iterations of the product. As it was previously mentioned your first version is a draft. Now you have some real user feedback to work on. Use the user feedback either to make your product simple or to add more features. Paul Graham suggests: "The least sophisticated users show you what you need to simplify and clarify, and the most sophisticated tell you what features you need to add." The customer is always right, keep going, don't give up!
	Before moving to the next step	**Answers**		**Help**
	Release of the first version of the minimum viable product	Yes		Get something into hands of other people to learn from the market. This is the only thing that matters if you build a product.
	Customer feedback loop established	Yes		As you work through repeated iterations of Build-Measure-Learn, your MVP will become more complex. But your priority, as a startup, should be to prove the market for your proposed product, not to build a fully functioning model that's full of advanced features. More: https://www.mindtools.com/pages/article/build-measure-learn.htm
	Product/Market Validation	**Answers**		**Help**
	After building a first version of a product	**Answers**		**Help**
	You have identified a working business model	identified		Now you know how to make money; you already got your first paying customers.
	Have you built something that people not only love but need?	Yes		Make 100 people love your product instead of millions who just like it.
	You have sold your product to at least five paying customers	Yes		People are already paying for your service or product.
	You control and calculate your user acquisition costs	Yes		You know how much a paying user costs.
	You are able to scale your acquistion at reasonable costs	Yes		You know how to scale your user acquisition.
	Your retention rate is high	Yes		People are staying with your service or product. More: http://labs.openviewpartners.com/retention-optimization-is-king-of-growth-strategy/#.WShRShOGOHo or https://growthhackers.com/videos/video-growth-is-good-but-retention-is-4ever-at-wmd-conference-by-brian-balfour/
	You have 10% weekly growth rate?	Yes	New	A good growth rate during YC is 5-7% a week. If you can hit 10% a week you're doing exceptionally well. If you can only manage 1%, it's a sign you haven't yet figured out what you're doing. The best thing to measure the growth rate of is revenue. The next best, for startups that aren't charging initially, is active users. (Source: Paul Graham) More: http://www.paulgraham.com/growth.html
	Do you have enough money for multiple iterations?	Yes		You still have enough money in the bank to test other strategies.
	Do you understand how to grow/scale?	Yes		You know how to grow your business. If not, get to know how to do it.
	Pivot or persevere decision made?	Yes	New	The pivot is often driven by specific customer feedback. Pivot is a structured course correction designed to test a new fundamental hypothesis about the product, business model, and engine of growth. It's important to emphasize here that the iteration is more about the market and the business model than the product itself. (Then Griffin). Pivot is often missused. You need to pivot on a market and not on the product. Change your market if you want to be successful. More: http://a16z.com/2017/02/18/12-things-about-product-market-fit/ and 10 types of pivots: https://www.fastcodesign.com/1669814/eric-ries-10-classic-strategies-for-a-fast-user-focused-company-reboot

	Setup your company and all other legal stuff	Complete	New	Company, domain, logo or the design doesn't matter. The product that people love (means = there is market for it) is what matters most. Now you have a working product that makes money. You can start to setup a company and deal with other legal stuff.
	Before even thinking to become rich or investing in massive growth (product/market fit)	**Answers**		**Help**
	3-5% conversion rate to paid customers	Achieved		You know how to convert users to paid customers.
	Lifetime value of a customer is 3x higher than customer acquisition costs	Achieved		You are getting 3x times more money than you are spending on new users.
	Value hypothesis	identified	New	Identifying a compelling value hypothesis is what I call finding product/market fit. A value hypothesis identifies the features you need to build, the audience that's likely to care, and the business model required to entice a customer to buy your product. Companies often go through many iterations before they find product/market fit, if they ever do. If you address a market that really wants your product – if the dogs are eating the dog food — then you can screw up almost everything in the company and you will succeed. More: https://25iq.com/2017/02/17/a-dozen-lessons-about-productmarket-fit/
	Monthly churn rate is under 5%	Achieved		People are staying with your service or product.
	Clear path to $100k monthly recurring revenue	Achieved		You are already generating solid revenue.
	Net promoter score +40	Achieved		Given the NPS range of -100 to +100, a "positive" score or NPS above 0 is considered "good", +50 is "excellent," and above 70 is considered "world class."
	At least 50 customers use the product in a similar way and achieve similar results	Achieved		You have already proven that customers get what they want from the product.
	At least 50 customers actively using the product with no product customization	Achieved		You have already proven that customers can use your product without customization.
	Additional Qualifiers	**Answers**		**Help**
	Organic growth	Yes	New	Growing organically means having free acquisition. If that happens, your company is likely to become very profitable and big in size. What do you uniquely offer that people are desperately want. A great market that has desperate customers! And you have a product market fit, when your company grows organically and people want to have your product. https://nextviewventures.com/blog/man-coined-product-market-fit-shares-mental-models-entrepreneurs-traction-47-andy-rachleff/