

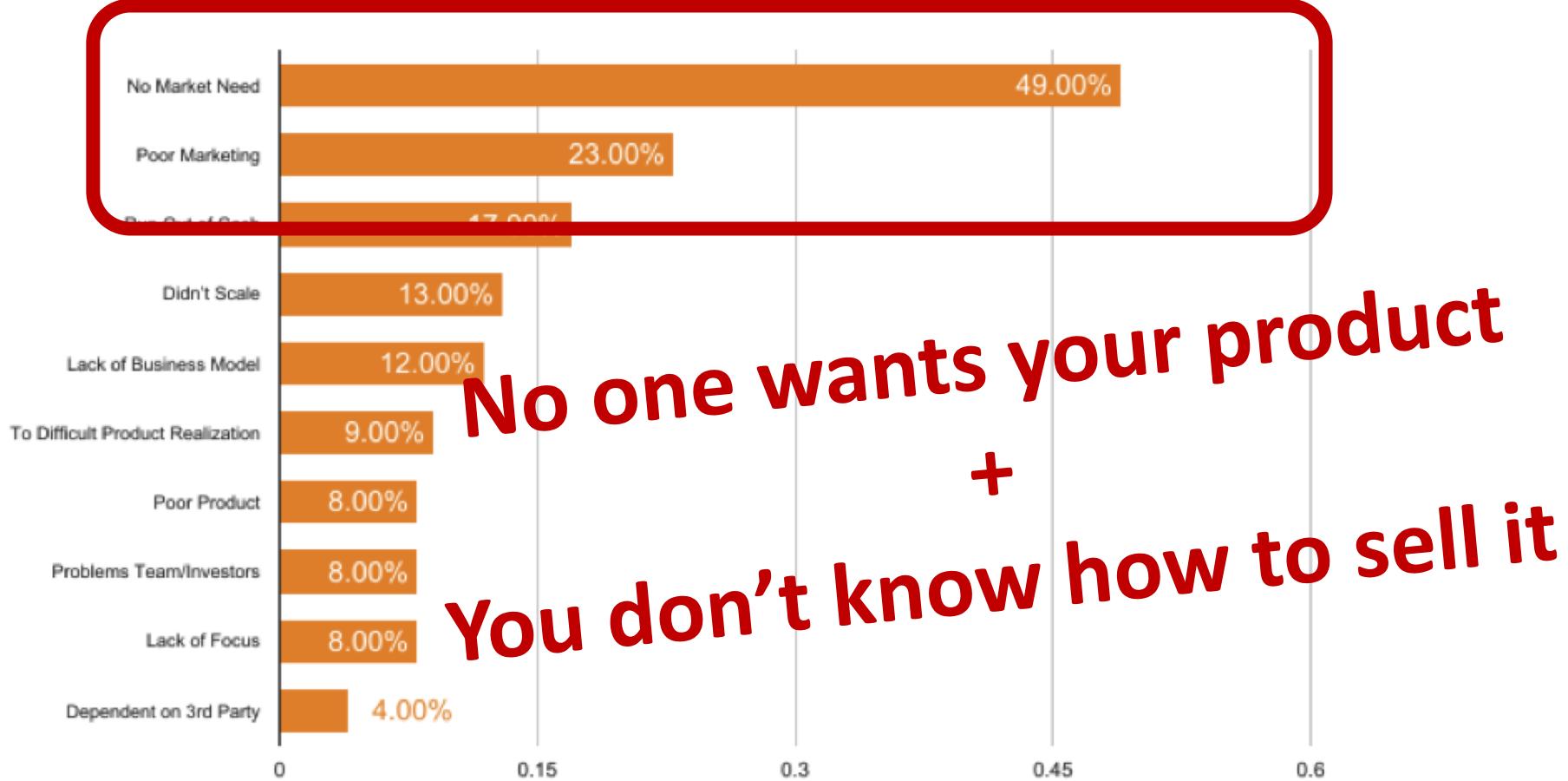
PSF & Idea Validation

Shan-Hung Wu

CS, NTHU

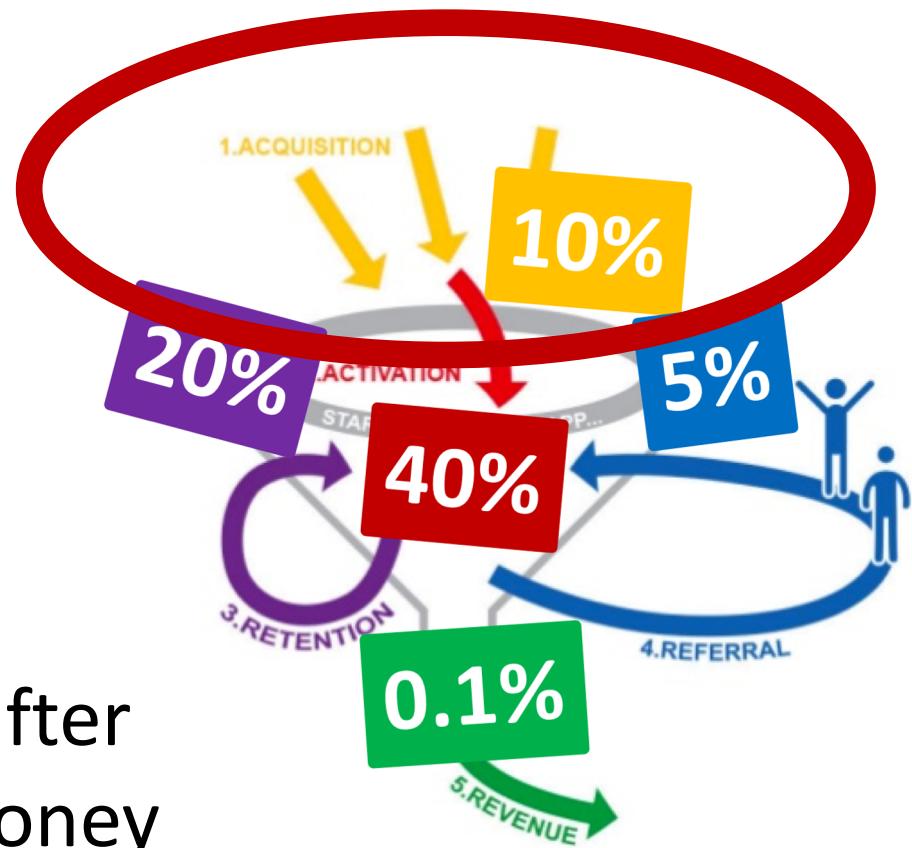
How 100+ Startup Failed

The Top 10 Reasons Startups Fail



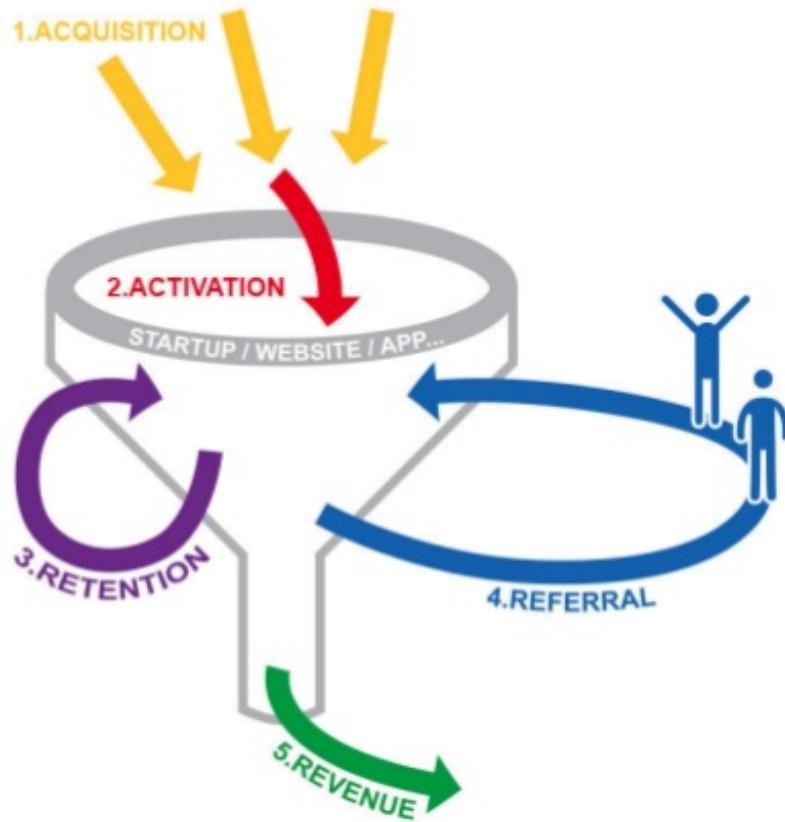
Let's face the truth:
No one gives you a shit!

Your First Battle: To Acquire Enough Early Users

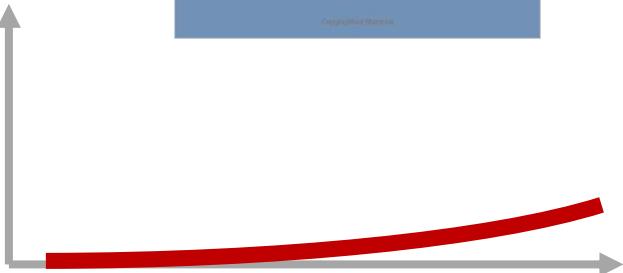
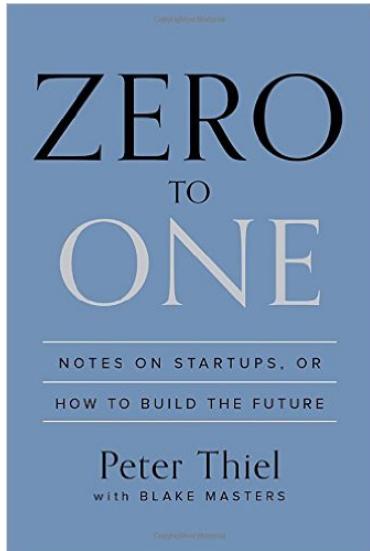


- Acquisition costs!
- Your startup dies after you burn out of money

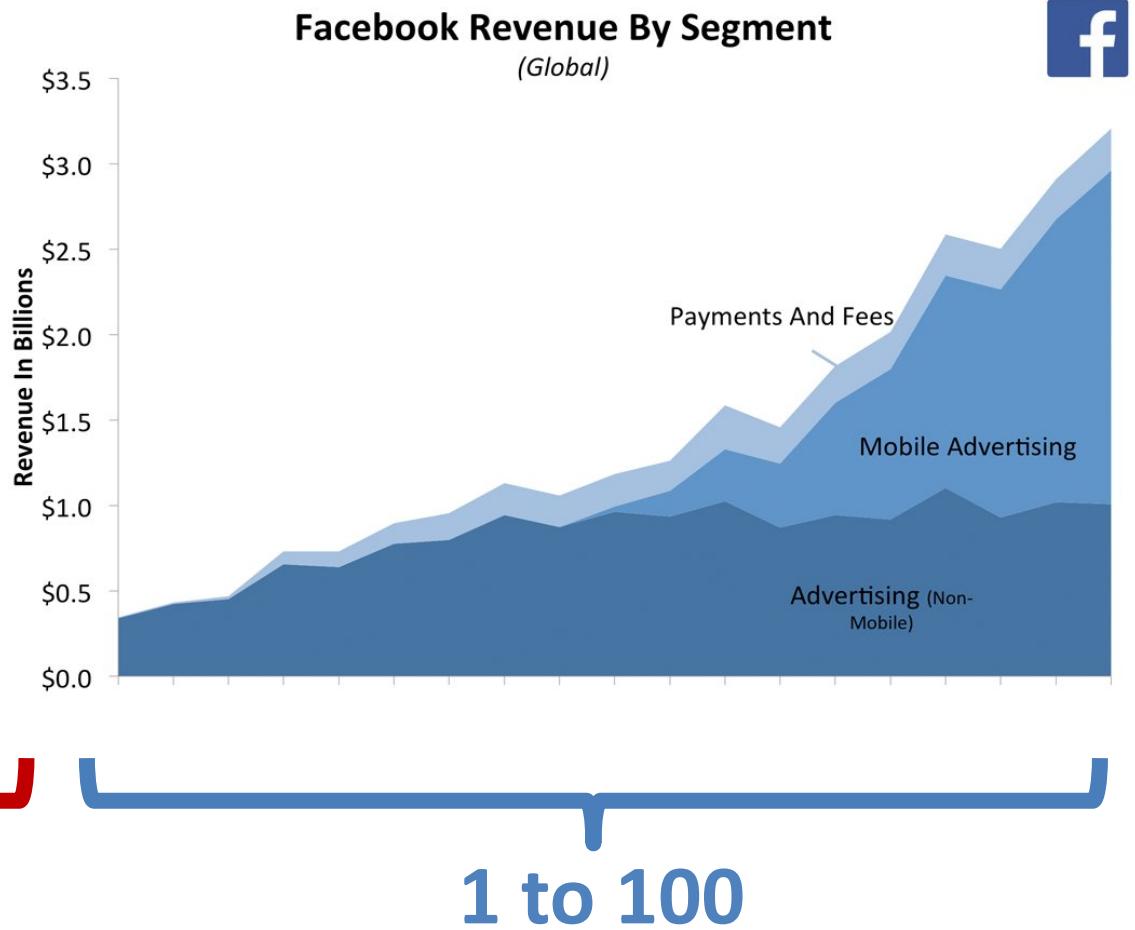
Why MBAs Won't Help?



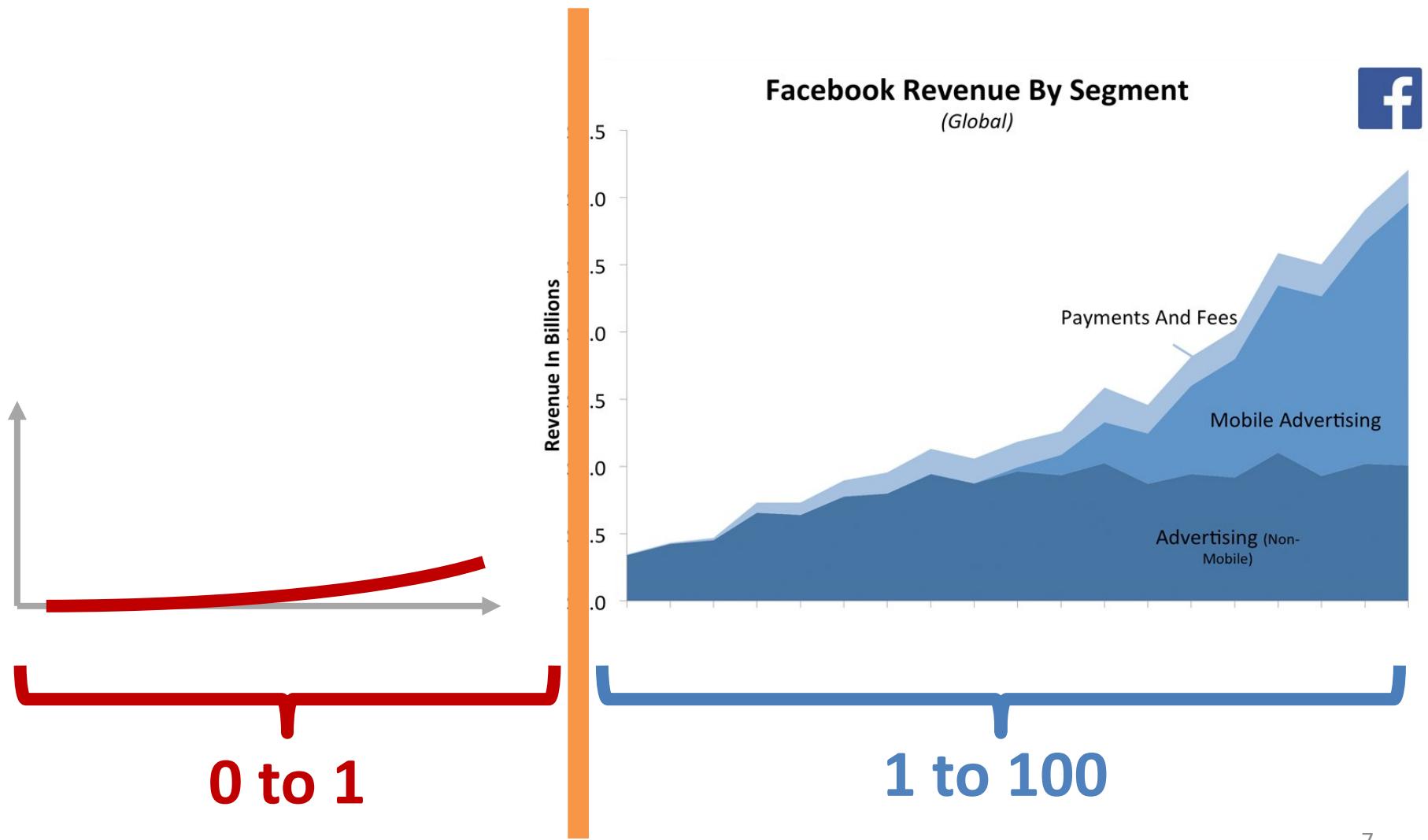
0 to 1 ≠ 1 to 100



0 to 1



“You’ve found a repeatable and scalable business mode in **1** customer segment.”

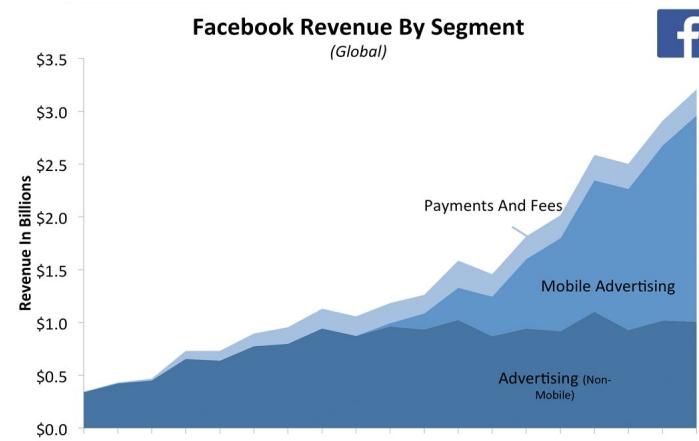


MBAs are Trained for 1-to-100



$$ROI = \frac{(R - C - OE)}{I}$$

Net Profit
Gross Profit



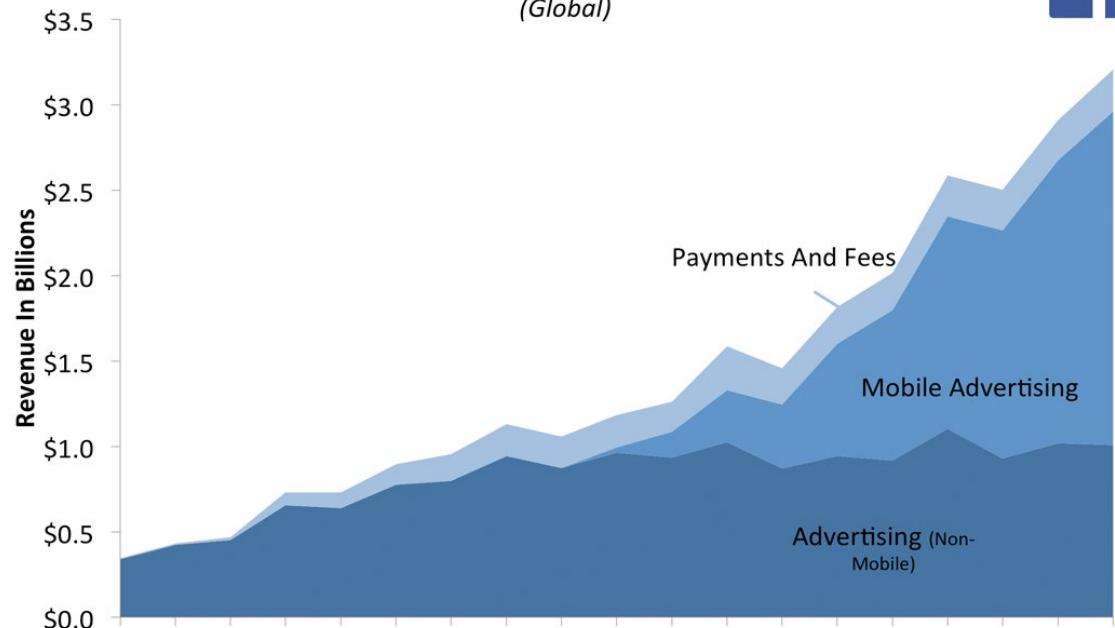
0 to 1

**Customers
(# users)**



1 to 100

**Facebook Revenue By Segment
(Global)**



Max #Customers

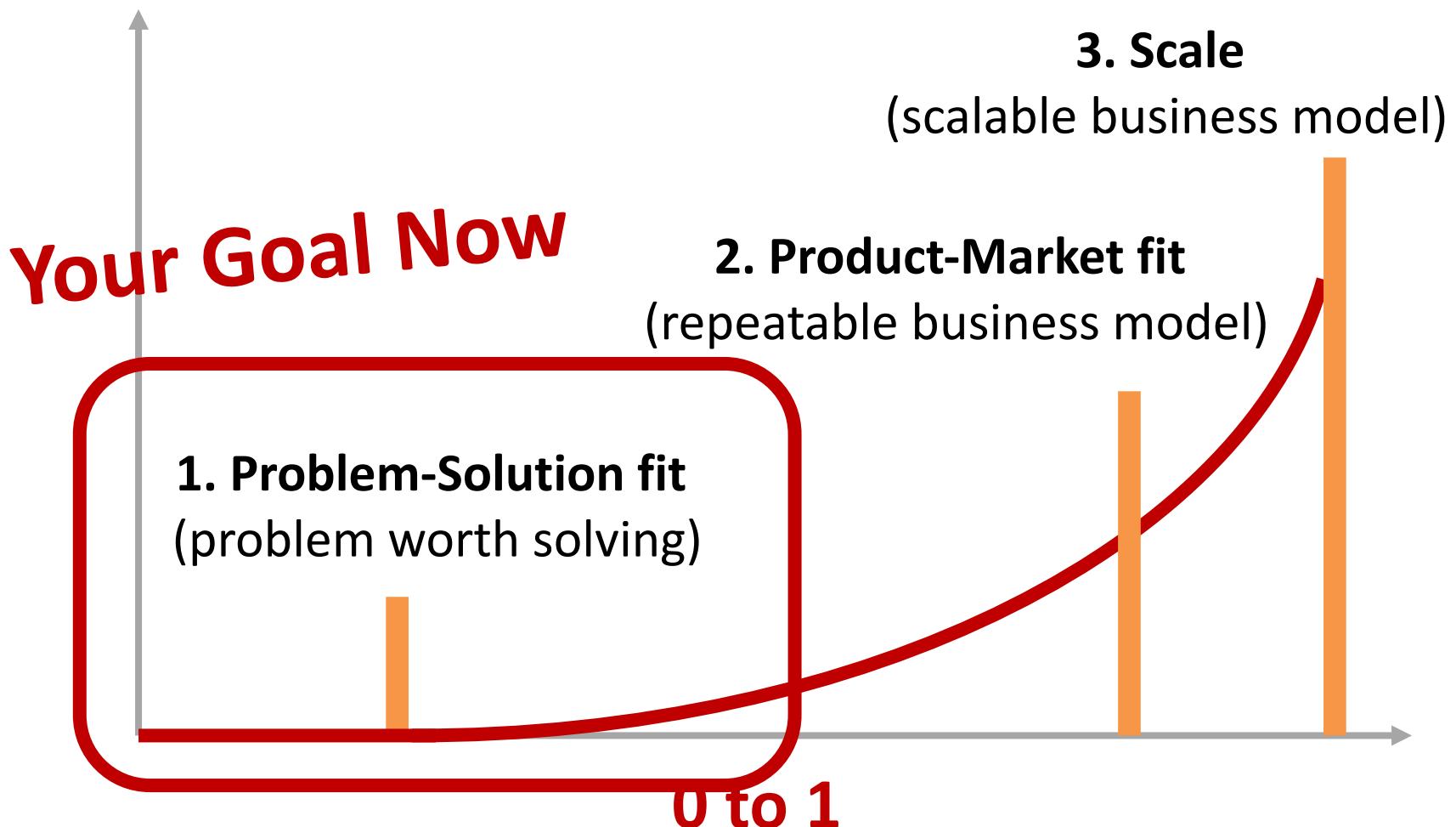


Max ROI



0-to-1: 3 Milestones

Customers



How to Reach PSF?

- You are solving a problem that people care
- Hack: ***don't*** build a product just to validate it
 1. Pitch potential users using a ***landing page***
 2. Observe what they ***did*** (not said)
 3. Refine or change your ideas

Example

1. Problem

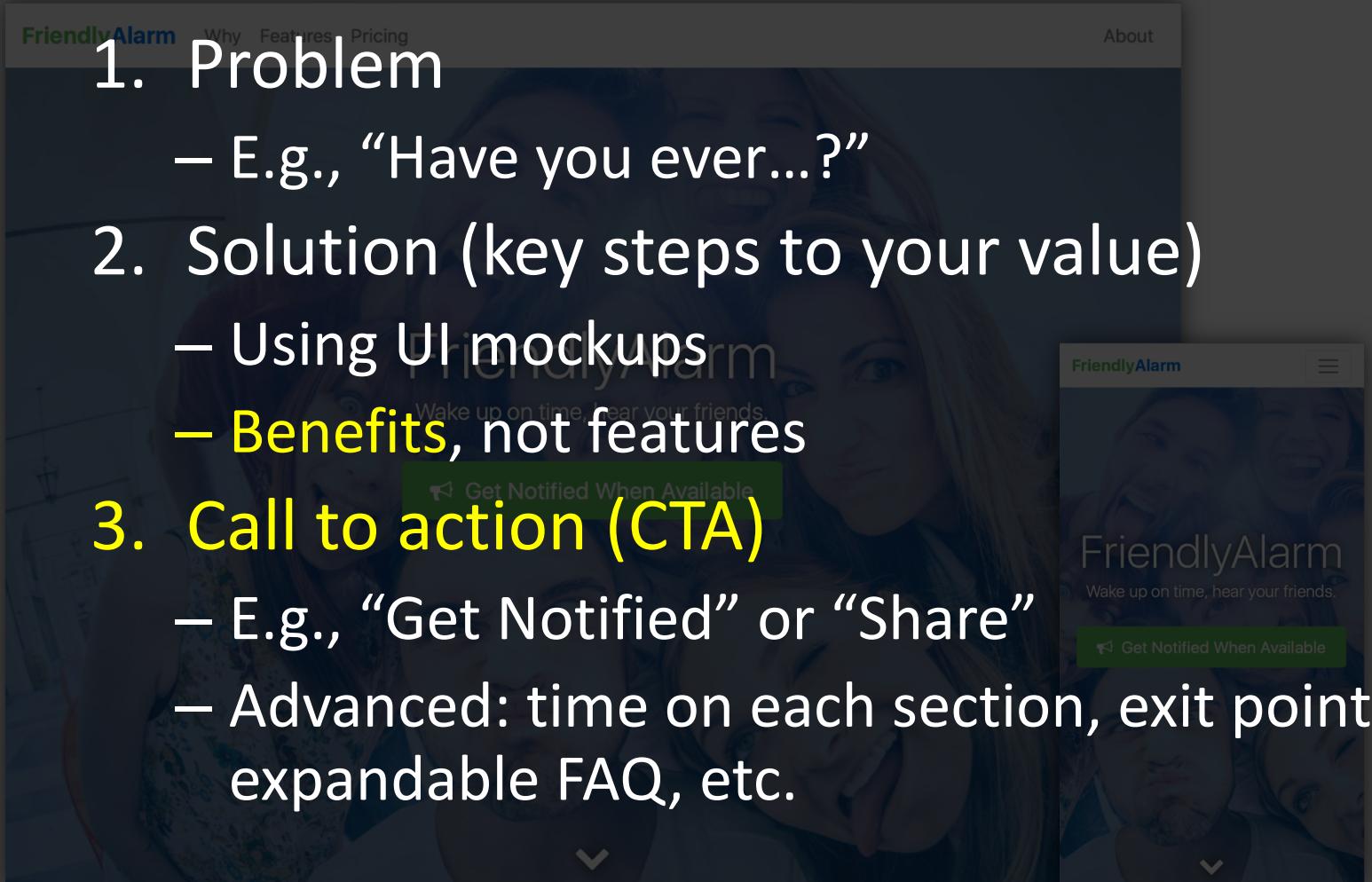
- E.g., “Have you ever...?”

2. Solution (key steps to your value)

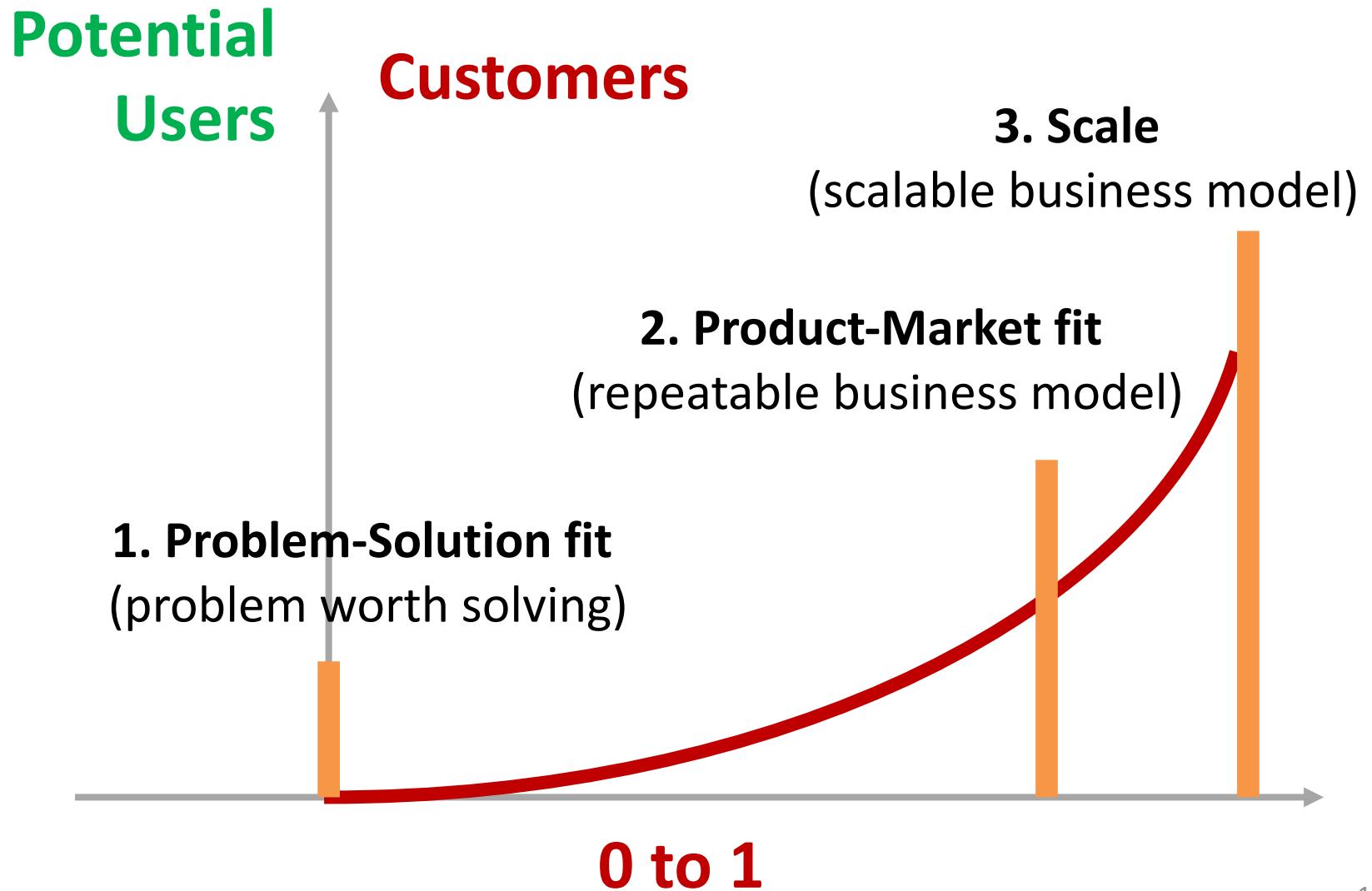
- Using UI mockups
- Benefits, not features

3. Call to action (CTA)

- E.g., “Get Notified” or “Share”
- Advanced: time on each section, exit point, expandable FAQ, etc.



Goal: Get 100 Potential Users



Your Next Presentation

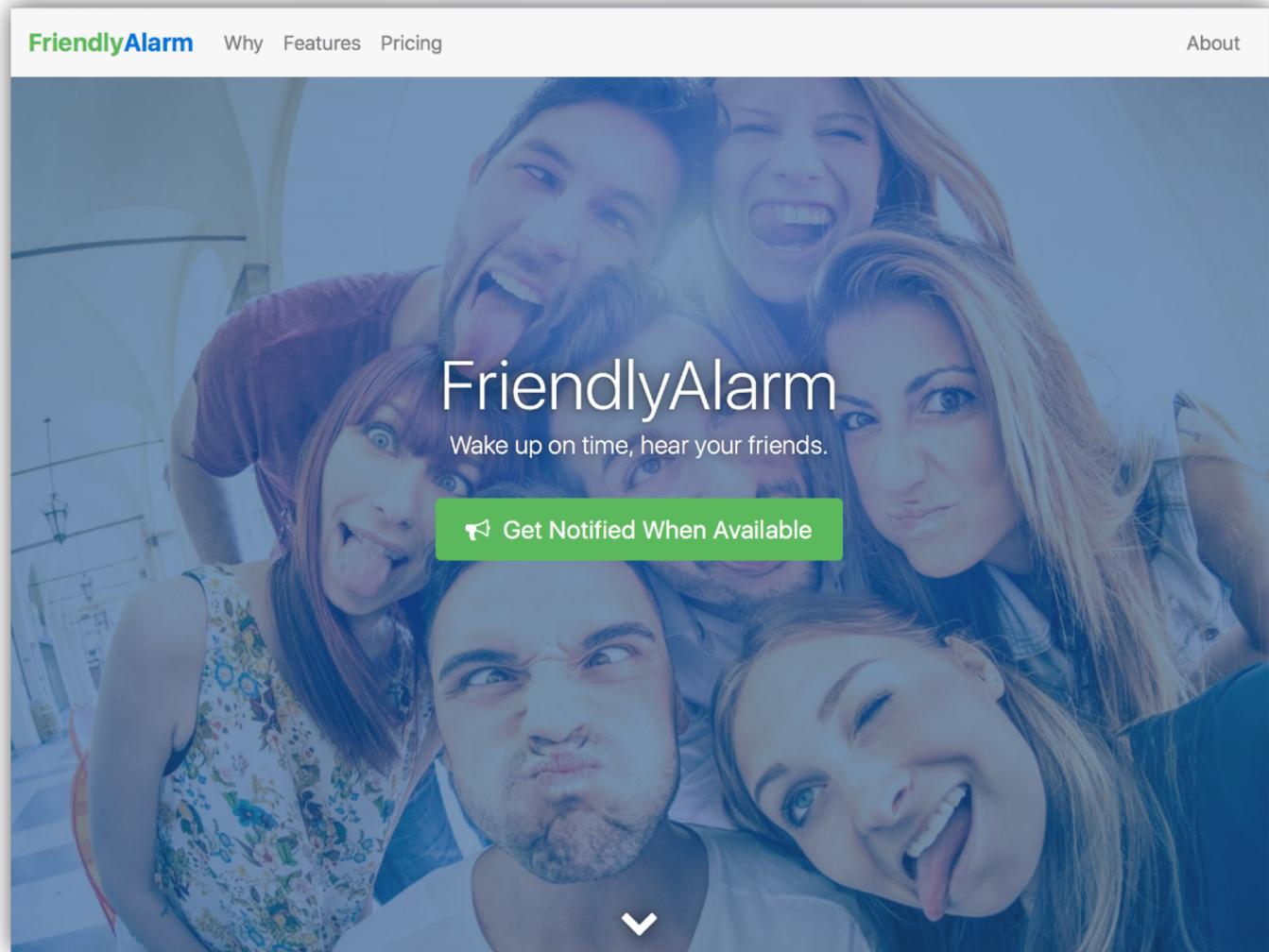
- Outline:
 - Your landing page
 - Mock up of key screens
 - Measure(s)
 - Click rate
 - Action rate,
 - Session time distribution
 - Scroll depth distribution
 - Results
 - #Subjects
 - Channels
- You can A/B test multiple ideas/design variants
- 5 min / team

Hints for Fighting Your First Battle

- Let's accept it: acquisition costs!
 - Either time or **\$**
- Free channels first (take time)
 - FnF, Reddit/PTT, blogs/comments, Q&A, etc.
- Ask “strangers”
 - “My project” → “My friend’s project”

Copywriting 101: the AIDA Formula

- **Attention**
- **Interest**
- **Desire**
- **Action**

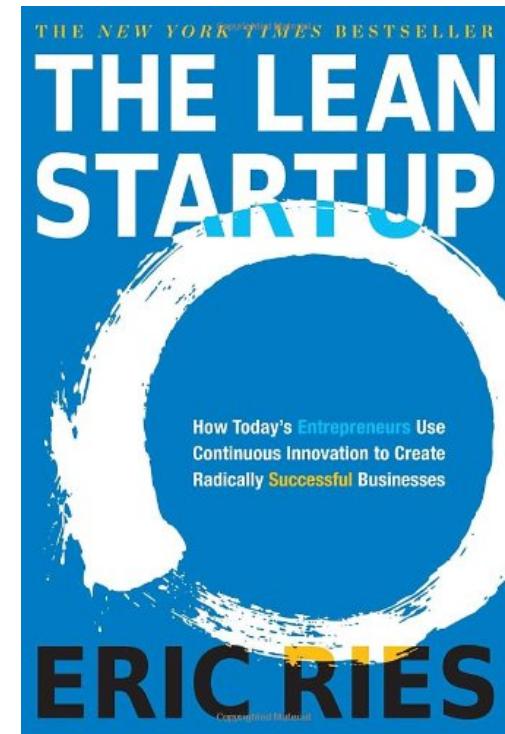
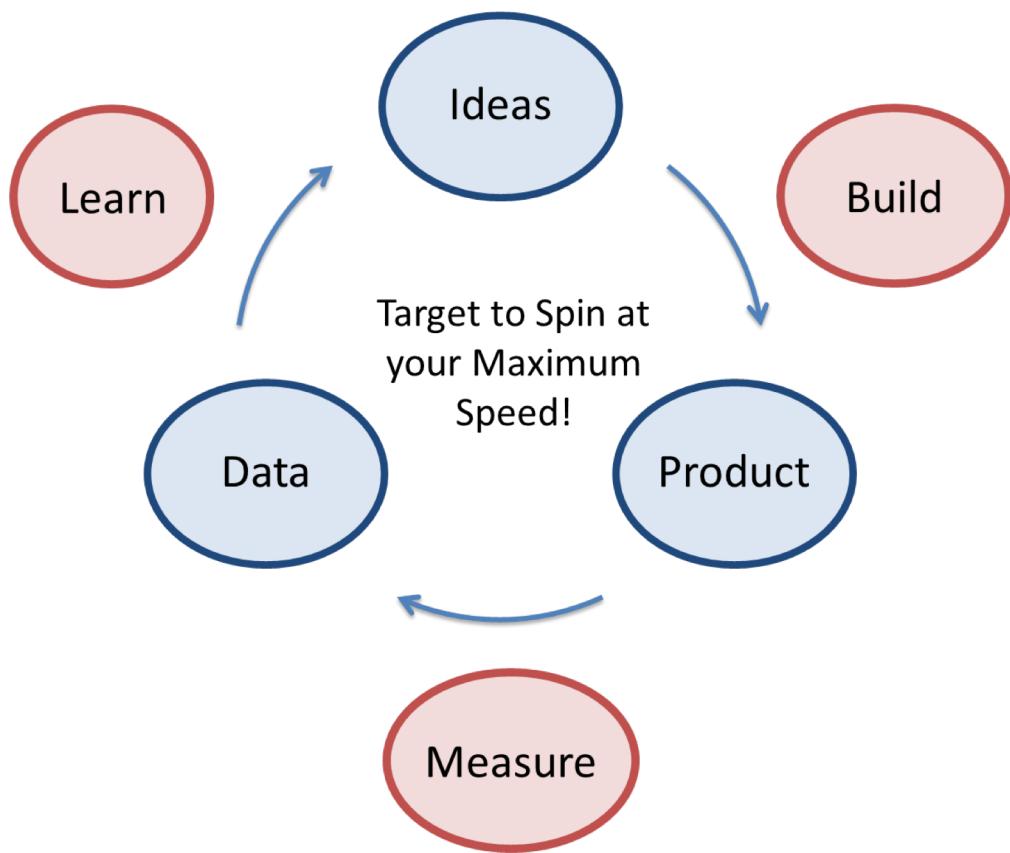


What If My Idea Doesn't Work?

- No worry! People in Silicon Valley get bad ideas too...

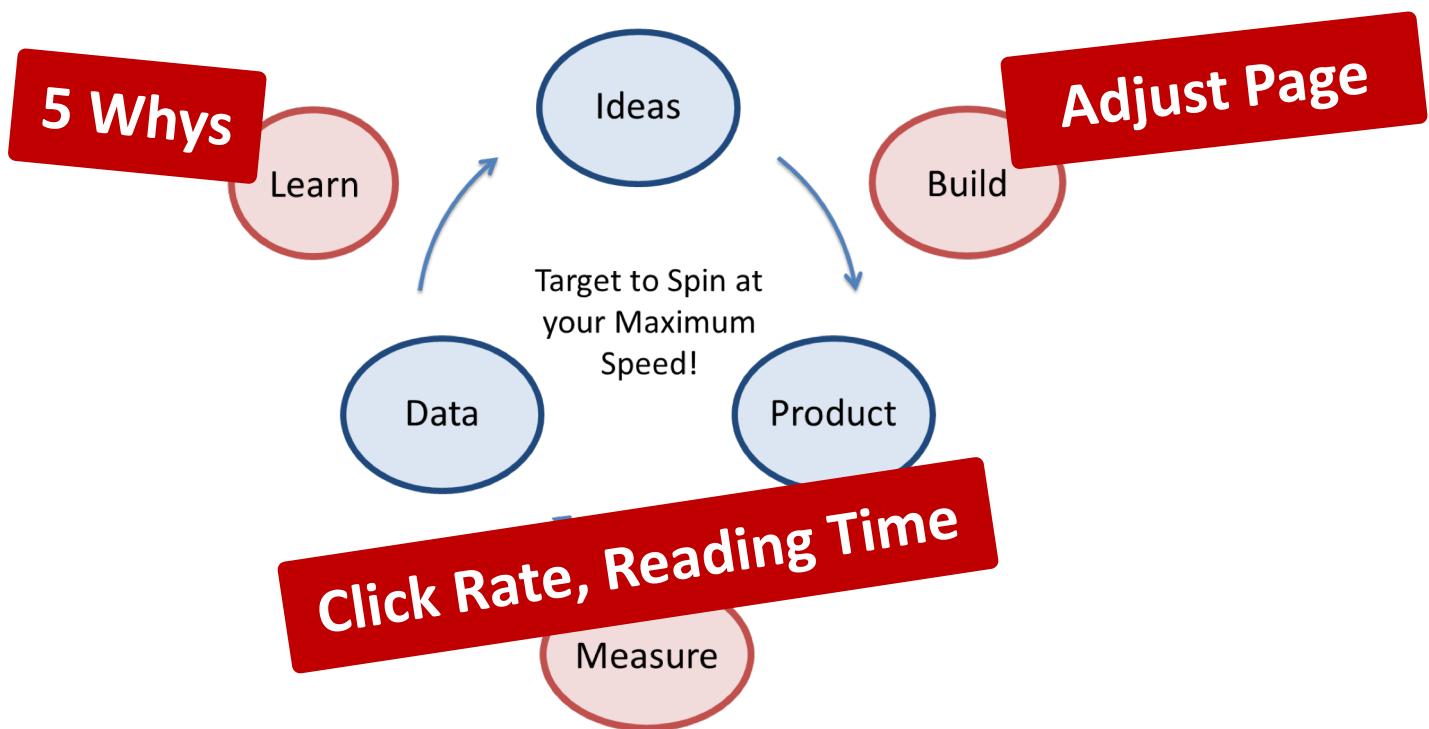


The Point: To Learn from Your Mistakes *Fast*



Iterate to Get PSF

- Goal: satisfactory #clicks in limited time
 - E.g., (100 in 2 weeks) or (50 in 1 week)
- Parallel iterations if you have multiple ideas



No user clicks Why?

5 Whys

- by Sakichi Toyoda

Visitors leave at “How it works?” Why?

Leave at “Invite...” Why?

Social pressure!



Improving Your Idea

- Problem: social pressure



- How would you improve FriendlyAlarm?

Pitfalls of Lean Execution

- Here're the results. Are we success or not?

- Did not predict

**Evaluable Experiment:
[Repeatable Action] leads to [Predictions]
before [Deadline]**

All members play a “game”

- Action not repeatable
- No deadline



Team Collaboration: Lean Dashboard

Where are we? What KPI to improve?

Customers

1. Problem-
(problem worth solving)

**Everyone works on
the same KPI at a time!**

Past, current, and next experiments

