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## FOR INSTRUCTOR PURPOSES ONLY

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### SUGGESTED TIMING

- 05 min: Answer questions from last class & Learning Goals
- 25 min: Product/Market Fit
- 25 min: Finding Product/Market fit
- 25 min: MVPs
- 30 min: Activity
- 10 min: Q&A & Homework

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## FOR INSTRUCTOR PURPOSES ONLY

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### INSTRUCTOR TIPS

- Explain that it's important to test your idea before building it, and most companies do not do this now a days.
- MVPs are very misunderstood. People think of them as cheap broken products. Drive home that MVPs are a test but should not be broken - they need a good user experience to be tested well.
- Offer students a short break where you feel necessary.

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## FOR INSTRUCTOR PURPOSES ONLY

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### **MATERIALS**

- Post-its
- Sharpies
- White paper to hang up

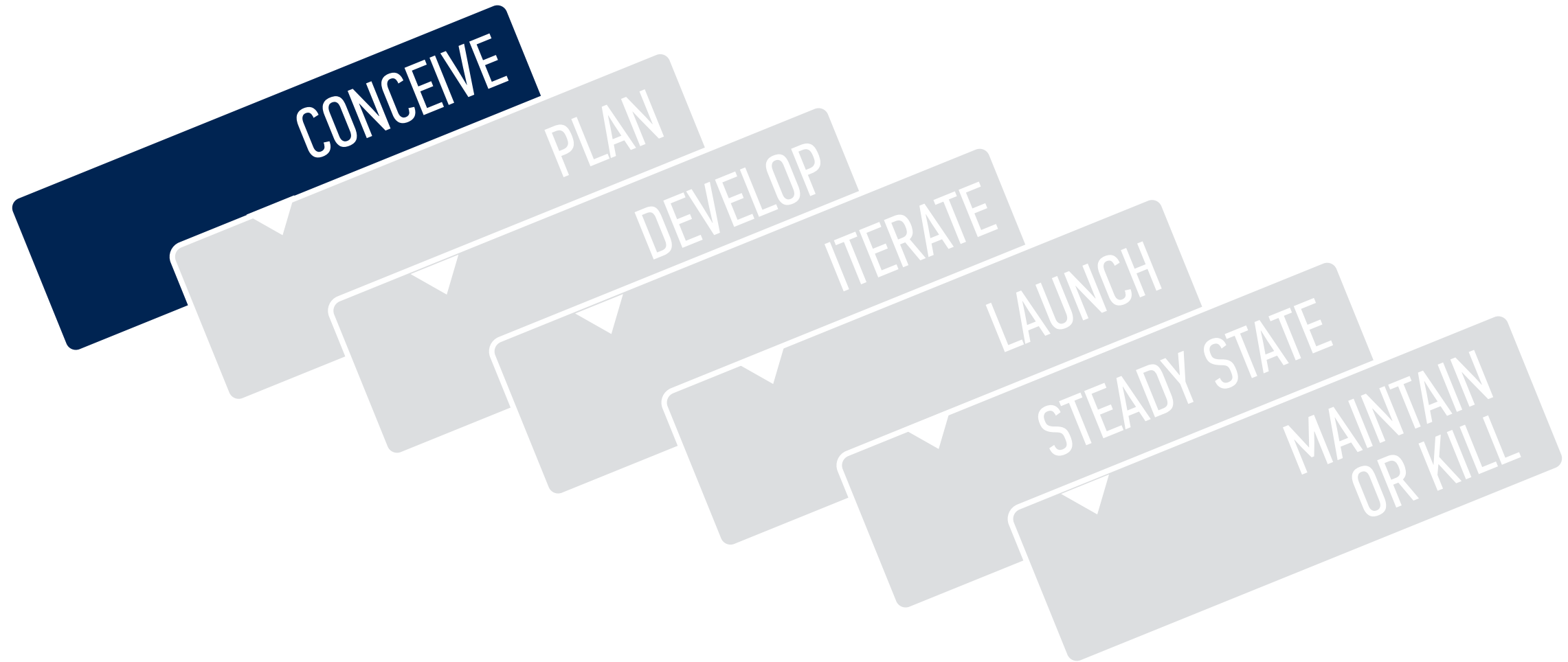
# TESTING AND VALIDATING YOUR IDEA

*Insert Instructor Name*  
*Title, Company*

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## TESTING AND VALIDATING YOUR IDEA

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## TESTING AND VALIDATING YOUR IDEA

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# LEARNING OBJECTIVES

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

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**TESTING AND VALIDATING YOUR IDEA**

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# PRODUCT/MARKET FIT

## PRODUCT/MARKET FIT

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

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



## PRODUCT/MARKET FIT

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

## PRODUCT/MARKET FIT

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# THE SEGWAY

## GREAT PRODUCT WITH NO MARKET?

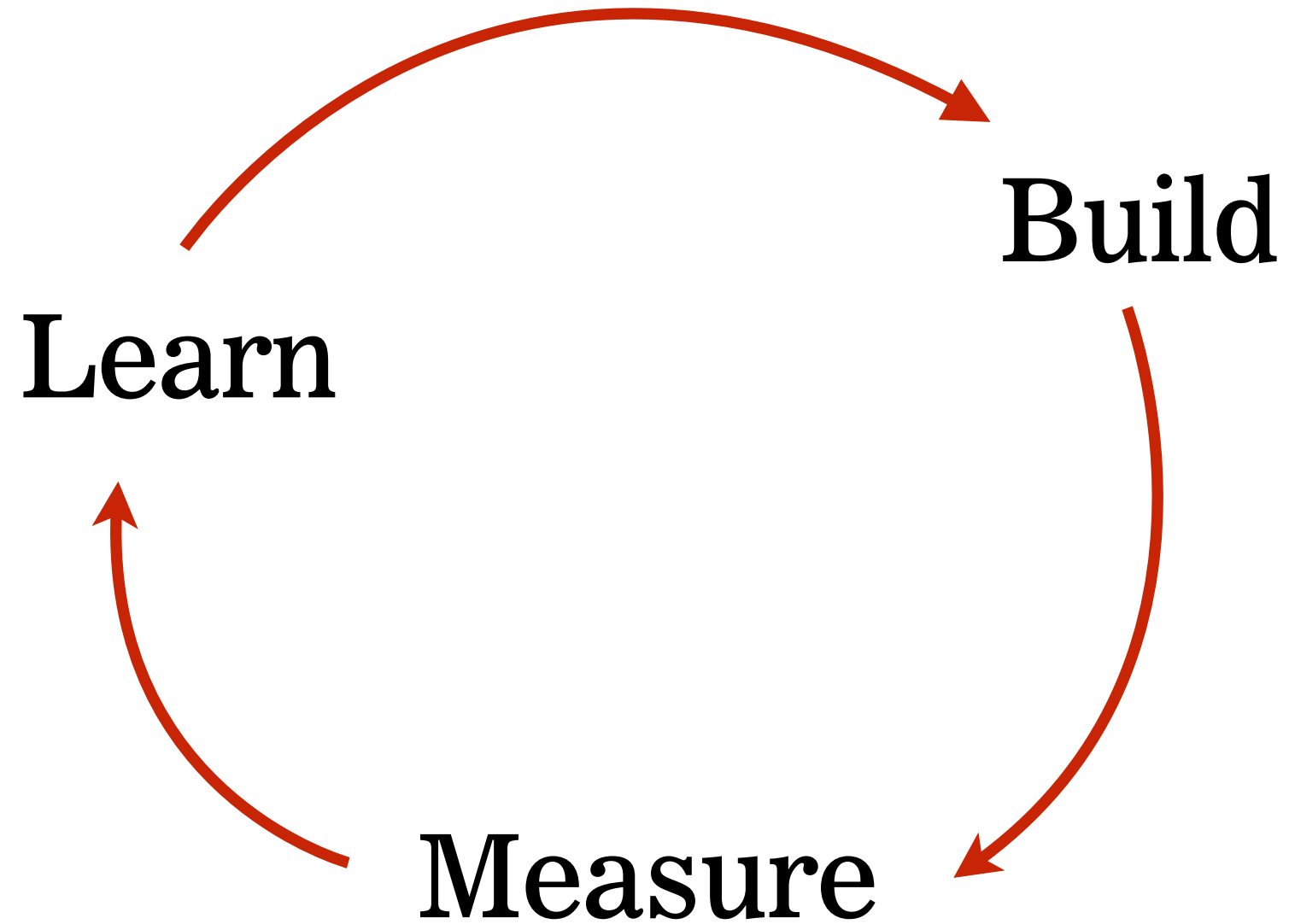
**SUPER HIGH EXPECTATIONS**  
**PRODUCT, NOT A SOLUTION**  
**NO CLEAR NEED**  
**INVENTION VS. INNOVATION**  
**REGULATION**

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

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## PRODUCT/MARKET FIT

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## PRODUCT/MARKET FIT

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Iterate your way to  
**Product/Market Fit**

**YOUR USERS**



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**TESTING AND VALIDATING YOUR IDEA**

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# **FINDING PRODUCT/ MARKET FIT**

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## **FINDING PRODUCT/MARKET FIT**

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# **FINDING PRODUCT MARKET FIT**

**DEFINE THE PROBLEM YOU ARE SOLVING FOR THE CUSTOMER**

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

**CREATE AN EXPERIMENT TO TEST IF YOUR ASSUMPTIONS ARE TRUE**

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

## FINDING PRODUCT/MARKET FIT

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

Eric Ries



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## FINDING PRODUCT/MARKET FIT

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### VANITY METRIC

Visits

Pageviews

Time on Page

Downloads

Registered Users

### ACTIONABLE METRIC

clicks

scrolling

options on submit

cancel

purchases

abandoned carts

## FINDING PRODUCT/MARKET FIT

# DROPBOX

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

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

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

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



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## TESTING AND VALIDATING YOUR IDEA

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# MVPS

**MINIMAL VIABLE PRODUCT**

**THE LEAST AMOUNT OF WORK**

**YOU CAN DO TO**

**LEARN THE MOST OF**

**SOMETHING.**



**MVP**



# WHY MVP?

**REDUCE RISK & MAXIMIZE SUCCESS**

**FASTER FEEDBACK**

**REDUCED OVERHEAD**

**MEASURABLE PROGRESS**

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

# **TYPES OF MVPS**

- Concierge
- Wizard of Oz
- Landing Pages
- Videos



# MVPS

## CONCIERGE

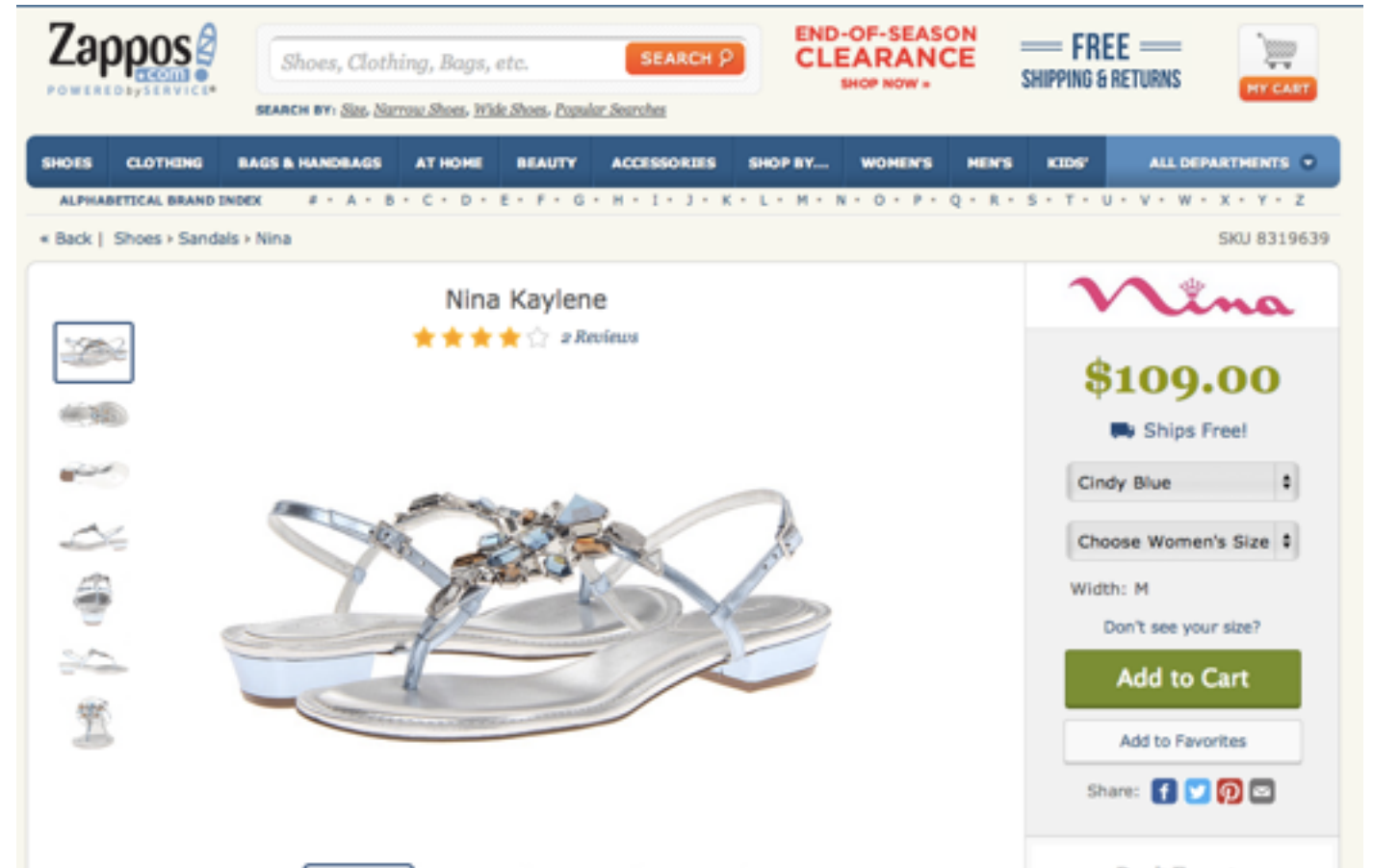
- ▶ Delivering a service manually to the customer.
- ▶ Ex: Groupon, Virgin America

The screenshot shows the Groupon website interface. At the top, the Groupon logo is on the left, and a 'Choose Your City:' dropdown menu is set to 'Coventry and Warks'. To the right of the dropdown is a search bar for email addresses to receive deals. Below the header, there are navigation links: 'Today's Deal', 'Previous Deals', 'How it works', 'MyGroupon', 'Register', and 'Login'. The main content area features a large deal for 'Restyle Cut and Blow Dry With Conditioning Treatment for £15 at Bliss Hair Design (62% Off)'. A green 'Buy it Now!' button is prominent. Below the button, a table shows the discount details: 'Amount: £15.00', 'Discount: 62%', and 'You save: £24.00'. There is also a 'Buy it for a friend!' button. A countdown timer indicates the deal can be bought over the next 12 hours, 28 minutes, and 53 seconds. Below the timer, it says '39 Bought!' and 'Deal is on!'. To the right of the deal details is a large image of a woman with long, flowing hair, with the text 'BLISS hair design' overlaid. Below the image, there are 'Highlights' and 'Fine Print' sections. The 'Highlights' section lists: 'Goldwell appointed salon', 'MOROCCANOIL® stylists', and 'Close to Coventry city centre'. The 'Fine Print' section states: 'Expires 23 February 2012. Limit 1 per person. May buy multiple as gifts. Booking required. Valid Tue - Sat. 48 hour cancellation notice. New clients only. Total'. On the right side of the page, there are several smaller promotional banners: 'Groupon Gateways', 'Win an iPad.', 'National Deal: £14.99 instead of £59.99: One, Two, or Three Pairs of Winter Boots', and 'More Deals: £89.00 instead of £240.00: Two Night Stay For Two With Champagne and Afternoon'.

## MVPS

# WIZARD OF OZ

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

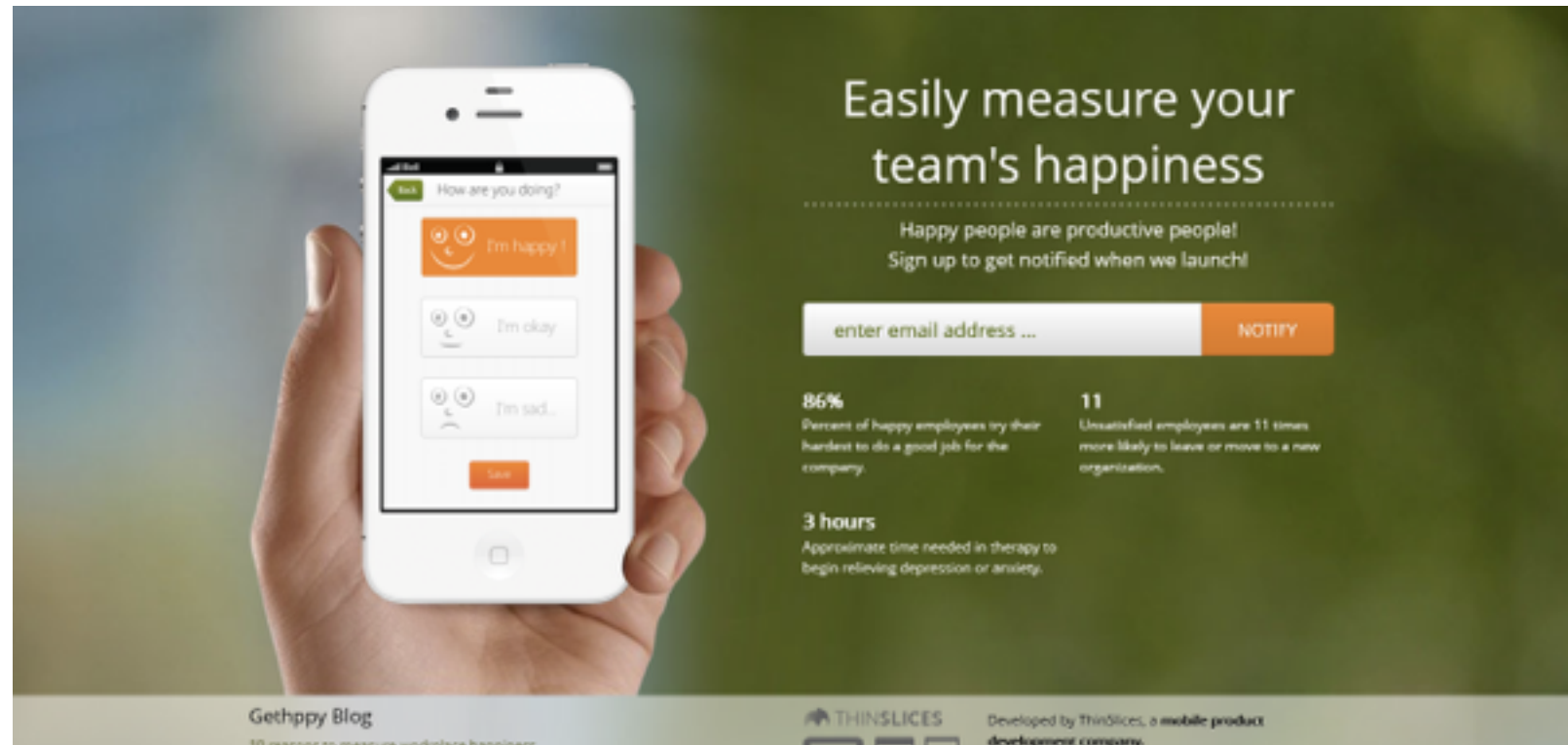


## MVPS

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# LANDING PAGE

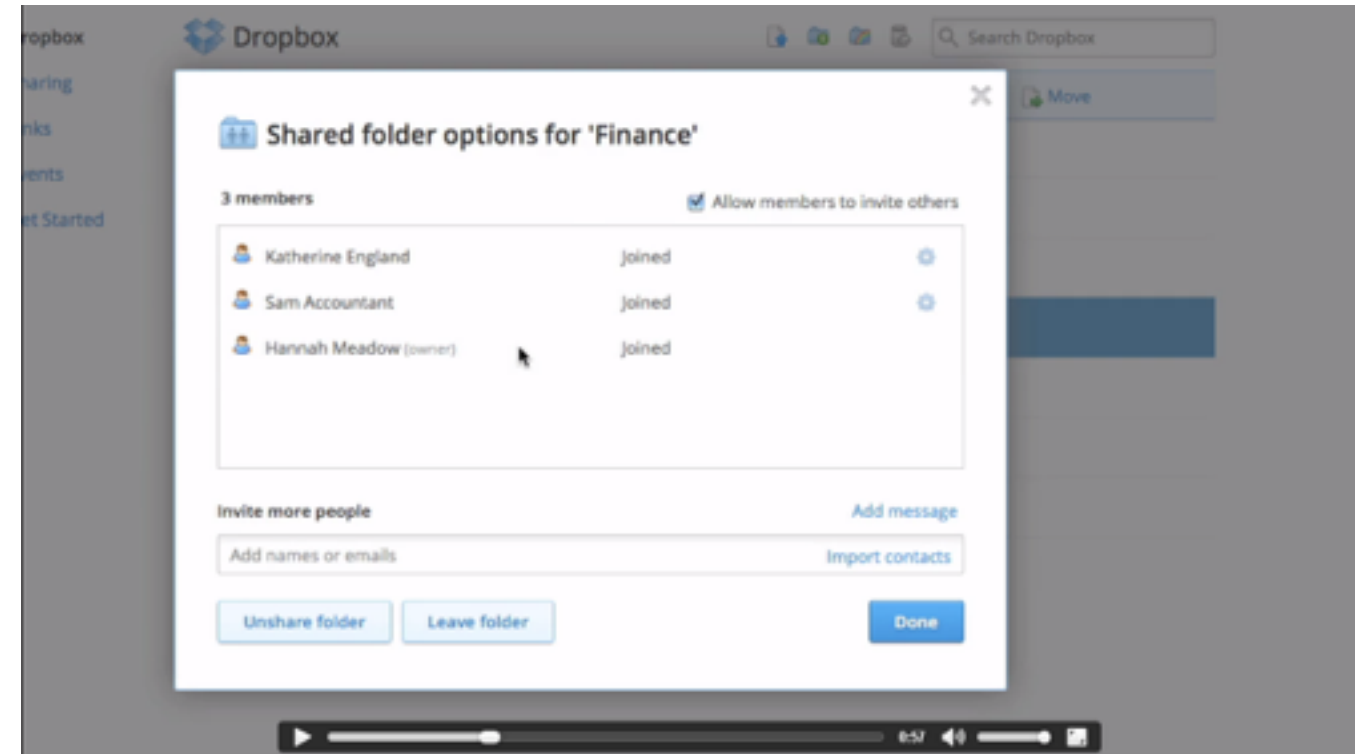
- Used to see how much interest there is in the idea.
- Remember: you need to drive traffic to the site!



# MVPS

## VIDEOS

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



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

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

**REFINE YOUR ASSUMPTIONS  
& PRIORITIZE**

**WHAT IF YOUR  
HYPOTHESIS IS WRONG?**

**PIVOT, LEARN, AND ITERATE.**

# ACTIVITY

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## EXERCISE

### KEY OBJECTIVE(S)

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

### TIMING

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- 10 min* 1. Split up into groups. State the problem and customer you are solving for.
- 5 min* 2. List your riskiest assumptions.
- 15 min* 3. Design an MVP to test if people will want to use your application. Bonus if it involves no code.

### DELIVERABLE

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



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**TESTING AND VALIDATING YOUR IDEA**

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# **HOMEWORK**

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## TESTING AND VALIDATING YOUR IDEA

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# CREATE AN EXPERIMENT TO TEST YOUR IDEA

Write out:

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

Run your experiment and tell us the results!

# PRODUCT DEVELOPMENT LIFE CYCLE

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# Q&A

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**PRODUCT DEVELOPMENT LIFE CYCLE**

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# EXIT TICKETS

**[HTTP://GA.CO/PDMTICKET](http://ga.co/pdmticket)**

1. What is a Minimum Viable Product?
  1. A version 1 of your product
  2. The smallest amount of work you can do to learn something - A
  3. A full functioning app
2. True or False: You need to code to be able to make an MVP.
  1. True
  2. False - Answer
3. Which is an example of an actionable metric?
  1. Page Views
  2. Purchases - Answer
  3. Time on site