# Testing Your Offering

MVP – Minimum Viable Product

- <u>Product or Service</u> – what is the most simple product or service you can develop that would satisfy the needs of your target customer?
- <u>Customer Behavior</u> – what is it that you are asking your customers to do differently that you would need to test?

First, what's the most simple product or service you can develop that satisfies the needs of your target customer? A quick means of honing in on the top items to include will be to go through this process:

1. Make a list of the features you want to include.
2. Draw a chart with the axes of easy to implement and importance to the customer.
3. Plot each of the features that you came up with, and then
4. Choose only the top three to five in the top right of this chart.
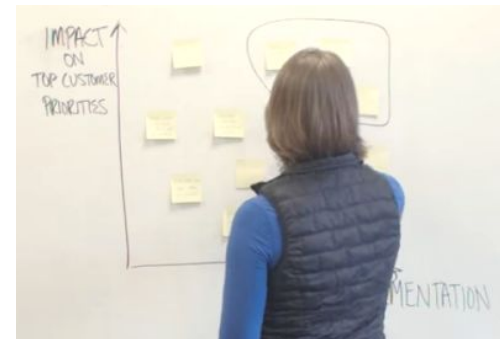
Second, what are you asking people to do or think about differently? And can you isolate that one thing and test to see if it'll work?

Product Development:
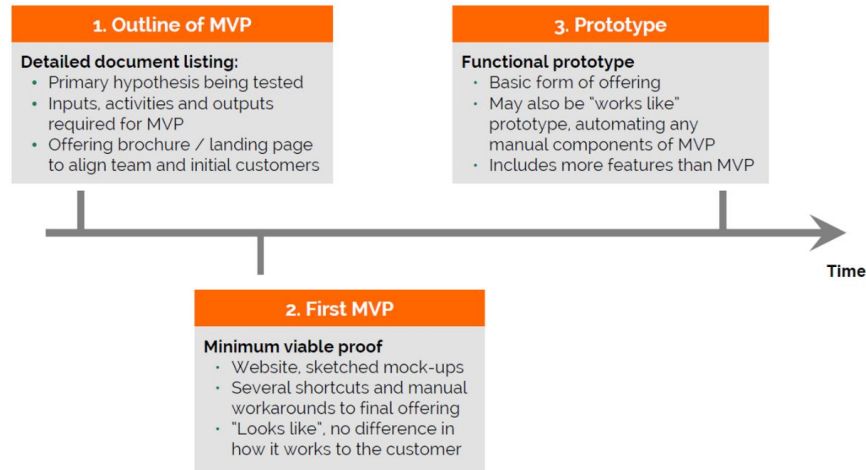
1. <u>Outline</u> - Start with a simple sketching or outline, ensuring alignment and get feedback.
2. <u>MVP</u> - Then, setup a "looks like" test - the offering with some manual workarounds but that still feels the same to the customer. Iterate on this multiple times before the next step.
3. <u>Prototype</u> - Finally, develop the full prototype after integrating feedback from early tests.

Customer Acquisition

Let's calculate some of the standard customer acquisition costs across different types of channels:

- Google Ads have an average cost per website click of $1.50 and average % conversion rate of those website clicks of 2.2%.
- Facebook Ads have an average cost per website click of $0.27 and an average % conversion rate of 1%.
- Let's assume that mailing flyers will cost 3 minutes of time charged out at $10 per hour, and that flyers have a 1% conversion rate.
- Let's assume that personal selling through warm introductions and targeted customer outreach requires 10 minutes of time per customer and has a 20% conversion rate.

Channel	Calculation	Cost of Customer Acquisition (COCA)
Google Ads	$1.50 per click / 2.2% conversion rate	
Facebook Ads	$0.27 per click / 1% conversion rate	
Flyers	$10 per hour / 60 minutes * 3 minutes time / 1% rate	
Personal Selling	$10 per hour / 60 minutes * 10 minutes / 20% rate	

Pitching

Pitches aren't just to investors - you pitch any time you tell talk about your business!

Outline
- Start with why - your mission / vision (just a few seconds)
- What you do: cover the components of your value proposition
- Why the audience should care: ensure you cover the biggest potential concern or risk the audience might question, through sharing how you have made progress or traction
- Make a clear ask (if it makes sense to) - but don't let the receiver decipher what you want from them

Great presentations require great content plus great delivery. Communication is:
- 7% content
- 38% tone - reinforcing what you are saying
- 55% body language - open and commanding presence

That means to be objective-oriented, expressive, and engaging.

Testing Your Offering Worksheet

Product Development

1. <u>Outline</u> - Start with a simple sketching or outline, to ensure alignment and get feedback.

2. <u>MVP</u> - Then, setup a "looks like" test - the offering with some manual workarounds but that still feels the same to the customer. If concerned about over-engineering this, chart potential features on a matrix of "easy to implement" versus "impact on customer priorities" and choose only the few in the top right.

   What are you asking customers to do differently? _____
   _____

   What aspects of this business are customers familiar with already? _____
   _____

   How will you test just that component while using existing components or manual

   workarounds for the remaining pieces? _____
   _____

3. <u>Prototype</u> - Finally, plan the development of your full prototype that you will accomplish after you have gotten feedback from these early tests.

What is your ideal date to develop the full prototype? _____

What will you learn from the MVP that may influence this version? _____

_____

What will it integrate that the MVP did not? _____

_____

Pitching

First, develop your own "golden circle":

- Why: _____
- How: _____
- What: _____

Elevator Pitch Outline:

- Mission: _____
- Value Proposition: _____

_____

- Why the audience should care: _____

_____

- Potential ask: _____

Now contact those customers!!