Pivot Pyramid

The company used the pivot pyramid as a guideline to create and experiment the MVP of the company to achieve Product-Market-Fit. It consists of 5 steps:

- o **Customer:** They are the foundation of the company and their problem is what the company solve [base of the pyramid].
- o **Problem:** The problem the customer needs to get fixed.
- o **Solution:** The company's solution that fixes the customer's problem better than the existing solutions in the market.
- o **Tech:** The technology the company uses to build their solution.
- o **Growth:** Any change in the pivot pyramid for the company must lead to growth [top of the pyramid].

Steps to Create Product-Market-Fit

Minimum Viable Segment MVS

- Who are the company's potential customers?
- How can the company find them?
- What will they be willing to pay?
- Developed a buyer persona (Should focus on one Buyer Persona at a time as the company is still in the product-market-fit stage):
    - o Background Information.
    - o Demographics.
    - o Personal and Professional Goals.
    - o Challengers to Buyer Persona's Success.
- Talked to the Byer Persona through:
    - o Interviews.
    - o Surveys.
    - o Questioners.
- Understood what the Buyer Persona needs now and in the future.
- Created an Empathy Map for the Buyer Persona.

Product Hypothesis

- We focused on a specific Value Proposition. This Value Proposition is the hypothesis the company thinks will solve Buyer Persona's needs after talking to it.
- We used this format to develop our Value Proposition for the MVP:

    FOR <target customer>.
    WHO <statement of the need or opportunity>.
    OUR <product/service>.
    THAT <statement of benefit>.
    UNLIKE <closest competitor>.
    OUR OFFER <primary differentiation>.

- We used the 8-Question "Before/After" Grid to make sure the MVP targeted and covered the specific needs for the target Buyer Persona:
  - What does your prospect HAVE in the "Before" state?
  - What does your prospect HAVE in the "After" state?
  - How does your prospect FEEL in the "Before" state?
  - How does your prospect FEEL in the "After" state?
  - What is an AVERAGE DAY like for your prospect in the "Before" state?
  - What is an AVERAGE DAY like for your prospect in the "After" state?
  - What is your prospect's STATUS in the "Before" state?
  - What is your prospect's STATUS in the "After" state?

MVP Prototype/Test/Improve
- Applied user experience (UX) design to bring the product feature set to life for the targeted customers.
- Used a set of high-fidelity mockups of the product's pages/screens to create a clickable/tappable prototype.
- It is used to simulate the user experience of the final product with enough fidelity and interactivity to obtain valuable feedback from customers.
- Tested the MVP Prototype with targeted customers.
- Observed what the customer said and did as they used the prototype.
- Analyzed the customer feedback and revised it to the Product Hypotheses based on what was learned and loop back to an earlier step in the process.
- The feedback determined which step we should return to next. If we only need to improve the product UX design then go an change it. But if the Product Hypotheses about feature set, value proposition, underserved customer needs, or target customer need to change, then return to the earliest stages required to change that.
- It ended up revising the product MVP Prototype in order to achieve higher levels of Product-Market Fit by making pivot and making us feel strong and in confidence that the Product Hypothesis is good enough to provide value for the Buyer Persona.

Minimum Viable Business Model
- Created a Positioning Strategy to fit the MVS and product hypothesis.
- Created a Minimum Viable Product to fit the Positioning Strategy.
- Created a Go to Market Strategy that attempts to cost-effectively deliver the Product Hypothesis for the MVS with the proposed Positioning Strategy:
  - Pricing Strategy.
  - Sales Strategy.
  - Marketing Methods.
    - Direct.
    - Indirect.
    - PR.
  - Key Distribution Channels.
  - Key Partnerships.
  - Assigned cost to what money is the company going to spend on validating the Strategy.
- Established credibility for the product by telling a story [wrote it in blogs and magazines]:

- o What is the product all about?
- o How did the product originate?
- o Why should the buyer persona care about the product?

Test and Measure

- Arrivals and Acquisition:
  - o How many people landed on company's website coming from a marketing campaign?
  - o How many people are the company expecting?
- Activation:
  - o How many customers uses the product?
- Retention:
  - o What is the crunch?
  - o How many active customers?
  - o How many in-active customers? Why?
- Referral:
  - o How many of the active customers are referring the company's product?
- Revenue:
  - o What is the conversion rate?
  - o How many customers are willing to pay for the company's product?

Learn/Debug Minimum Viable Business Model To Achieve PMF or After Achieving It

- If having high arrivals but poor Acquisition/Conversion?
  - o The product positioning is working, but the product isn't living up to expectations.

- If having high acquisition/conversions but poor arrivals?
  - o The product positioning/marketing strategy isn't working, and for those few people that are in the product MVS that land on the site by luck, convert because they find the product useful.
  - o Cash allocation is not enough for the Go to Market Strategy, or rather the cost of acquisition of the chosen MVS is higher than expected so there aren't enough eyeballs on the site, but when they do, they convert.

- If having low arrivals, and acquisition at your target figure?
  - o The Go to Market Strategy is not cost effective, or the cash allocation is not enough, or using not the most efficient channels.

- If having high arrivals, acquisition and activation, but poor retention?
  - o The product is failing in delivering ongoing value. There is something wrong with it.
  - o Will use the product analytics to find key churn out points and qualitative studies to find out what is pissing people off.

- If having a hard time monetizing?

- There isn't enough value in the product hypothesis for the MVS if people engaged and don't pay for the product.

- If having no referrals?
  - The product hasn't built enough virality into it.

Decision Point and New Ideas

Now we have the output, the metrics and potential red flags as to where things went wrong. Therefor we can consider various options before we go through this loop again [any changes/experiments must lead to growth]:

- Do we iterate on one of the factors of the minimum viable product?
- Do we pivot to a different Positioning Strategy?
- Do we pivot to a different Go to Market Strategy?
- Do we pivot to a different Product Hypothesis?
- Do we pivot to a different Minimum Viable Segment?

If we achieved the PMF then all of our focus will be in Growth. Any experiments, pivot, expansion and changes will be directed towards Growth of the product. All the steps above are the step to achieve PMF or after achieving it and trying to create product Growth.