

14. Instruments for Customer Analysis and Validation (Customer Modeling)

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- 1) Customer Validation
 - 1) Customer Interviews
 - 2) Measuring Customer Feedback
 - 3) Channel Analysis
- 2) Customer Double Funnel
 - 3) The Evolving Nested BMC Cactus

Obligatory Literature

- ▶ A. Osterwalder, Y. Pigneur et al. Value Proposition Design. Wiley.
- ▶ [BlankDorf] Steve Blank, Bob Dorf, Nils Högsdal, Daniel Bartel. Das Handbuch für Startups – die deutsche Ausgabe von 'The Startup Owner's Manual'. Deutsche Übersetzung von Kathrin Lichtenberg. 2014. O'Reilly.
 - <http://www.daniel-bartel.de/das-handbuch-fuumlr-startups.html>

14.1 Customer Validation

(Potential) Customer Interviews as Simple Tests for Hypotheses

Customer Interviews are a special form of sales meetings (pre-sales). They have to conduct pain-gain analysis, guide the customer modeling by testing customer hypotheses, and guide the BMC development.

Interviews are the fastest, cheapest way to learn more about what your customers are doing and what problems they're facing. [Alvarez]

People will talk to you because we all like to help others, like to sound smart, like to fix things, and like to complain. [Alvarez]

It's not the customer's job to know what they want. [Steve Jobs]

Forms of Interviews, based on Sales Funnel Traveling

Problem Interview

Finding out the customer's
problems and pains
Filling a problem canvas

Solution Interview

Finding out which solutions and gains
the customer needs
Filling a VPC canvas

SPIN interview

Walking with the customer
from implicit needs to explicit needs

Solutions Selling Interview (Pain Sheets)

Walking with the customer
from reasons to capabilities

Problem & Solution Interview

Problem-Solution-Sheet Interview

Walking with the customer
from hidden needs to
competitive advantage

Pain-Gain Banana Interview

Walking with the customer
from hidden needs to
competitive advantage

Problem Presentation [Blank/Dorf]

- ▶ The **problem presentation** shall help to find information from the customer about his problem.
 - It presents the current state of problem hypotheses in form of a **problem-solution list**
 - It shall ask questions for problem analysis and VPA, preferably prepared by filling the canvases before
 - Using “What-if”-questions
 - Using “Hidden-effect”-questions
 - Using “Cost” questions
 - Using “Pain” questions

Problem	Solution Today	Solution Tomorrow





14.1.2 Measuring Customer Feedback

Customer Feedback Opportunities

- ▶ **Domain-specific Fairs** are a good place to meet domain experts
- ▶ **Technology User Groups** such as the Java User Group Saxony www.jug-saxony.de
- ▶ **User Days:** allow for questions and discussions with customers
- ▶ **User Conferences** with talks
 - Exhibit or give a talk at a potential OEM's conference
- ▶ **At the beer:** customers are honest

Customer Discovery Report Table [Blank/Dorf]

- ▶ The report table estimates with school grading the maturity in the customer funnel of all potential customers.
- ▶ School grading can be 1-3, 1-5, 1-16, 1-100

Customer	Enthusiastic	Urgently needed	Importance of effects	Improvise d solution	120 days	Importance of Decider	120x2	total
Miller	1	1	3	5	5	1	10	26
Bush	1	2	4	5	1	3	2	18
Clinton	5	3	1	1	1	1	2	14
Trump	2	2	4	3	3	5	6	25
Average	2,25	2	3	3.5	2,5	2,5	5	



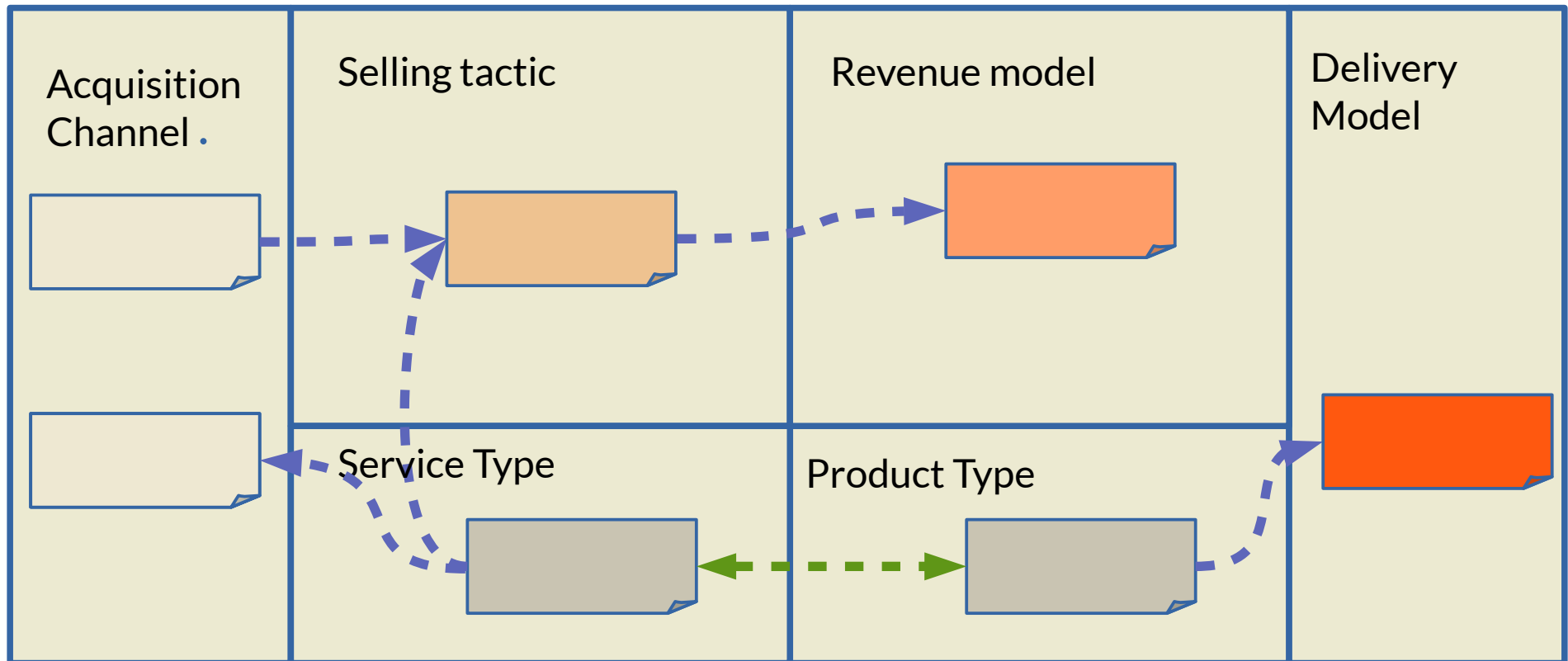


14.1.3. Channel Analysis

How does your product arrive at the customer?

Channel Flipbook Canvas [LeanAnalytics]

- ▶ Put a problem first into the “Product Type” or “Service Type” field, then think about acquisition, selling, revenue, and delivery
- ▶ Subcanvas of BMC for filling Channel and RevenueStream





14.2 Keeping the Customer with Blank's Double-Funnel

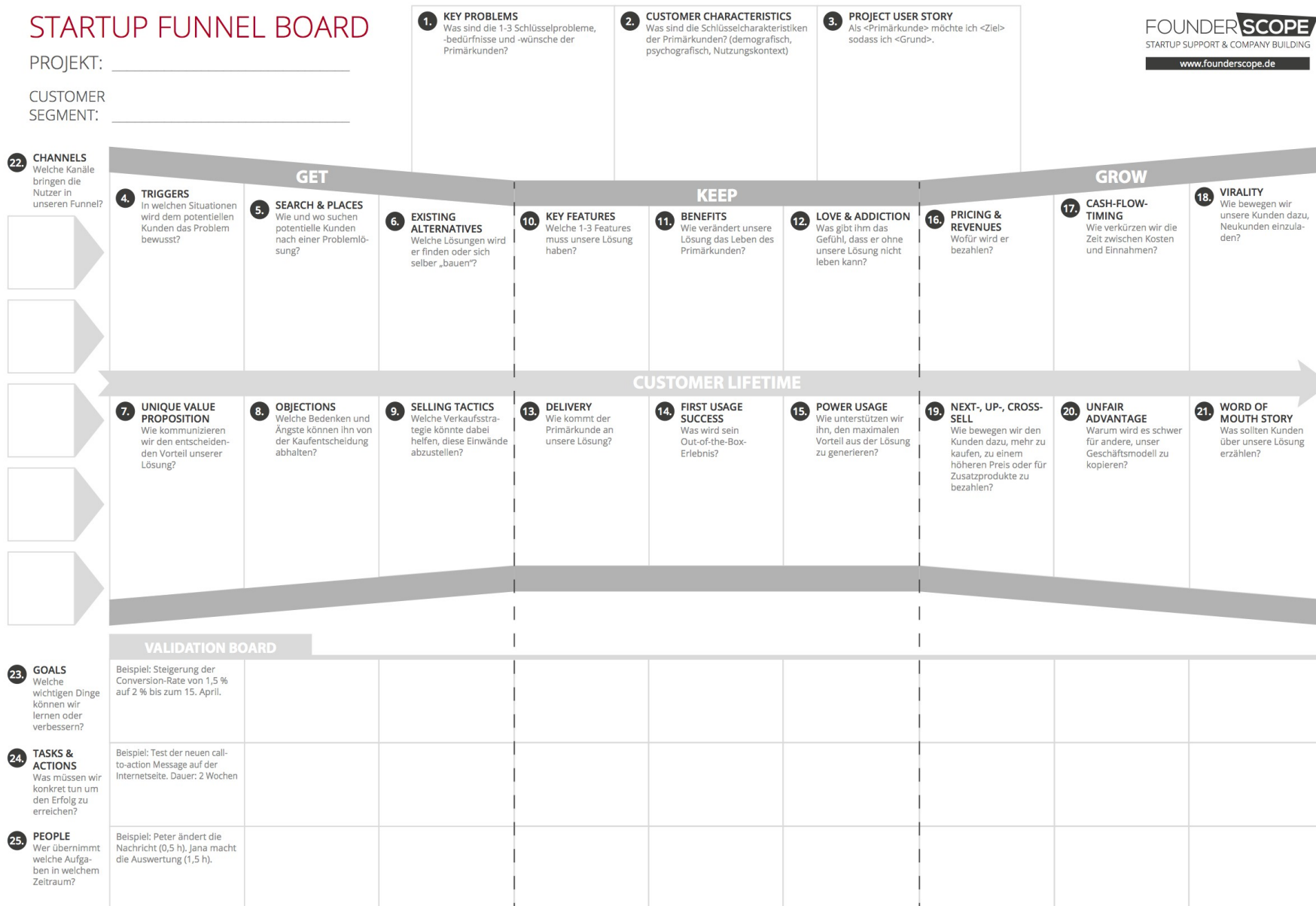
How do you *bind* the customer? (Stammkunde)

Customer Double Funnel Canvas (Startup Funnel Board)

STARTUP FUNNEL BOARD

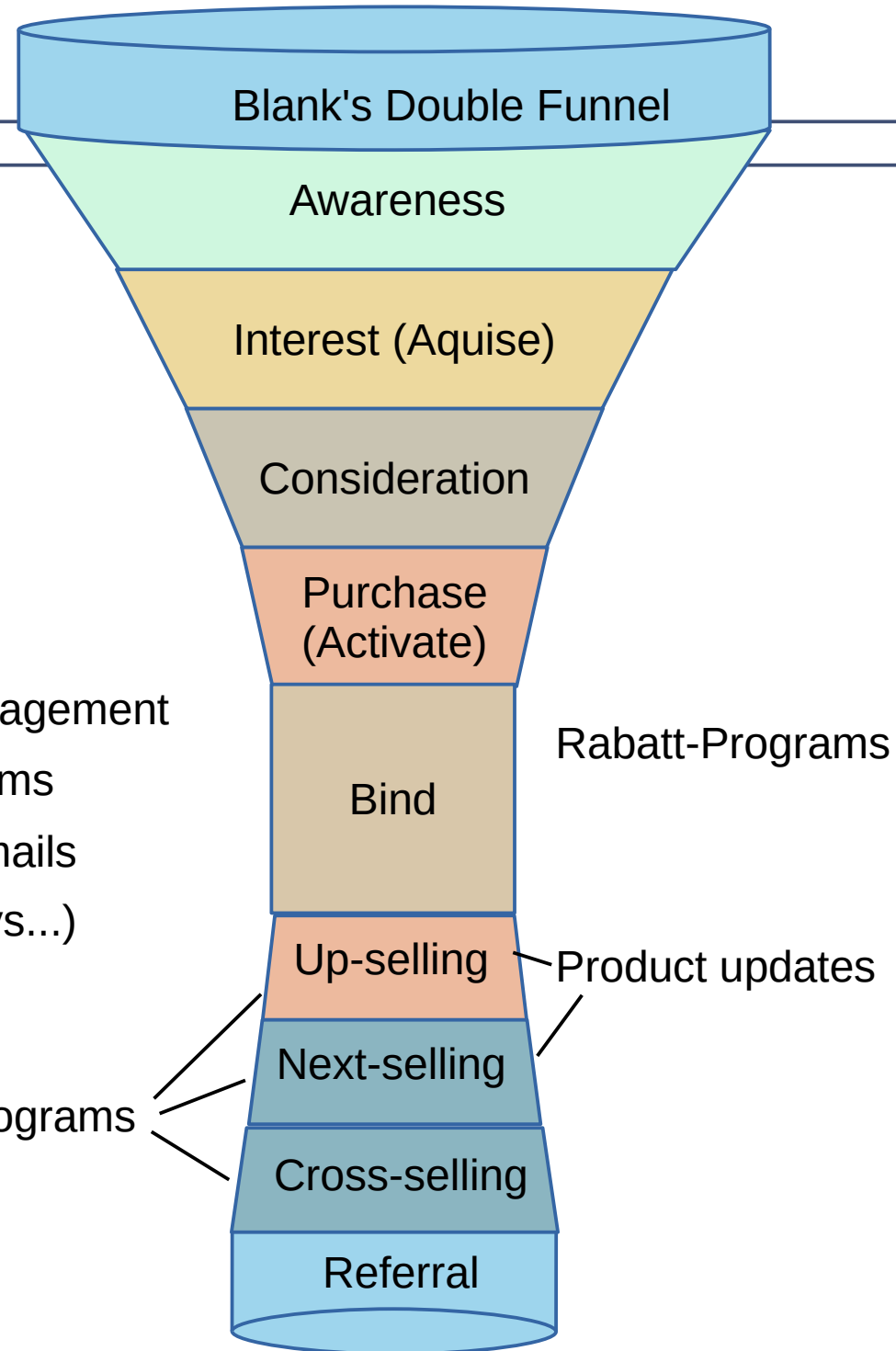
PROJEKT: _____

CUSTOMER SEGMENT: _____



Blank/Dorf Double Funnel

- ▶ Cold customer acquisition is 10 times more difficult than **customer binding**

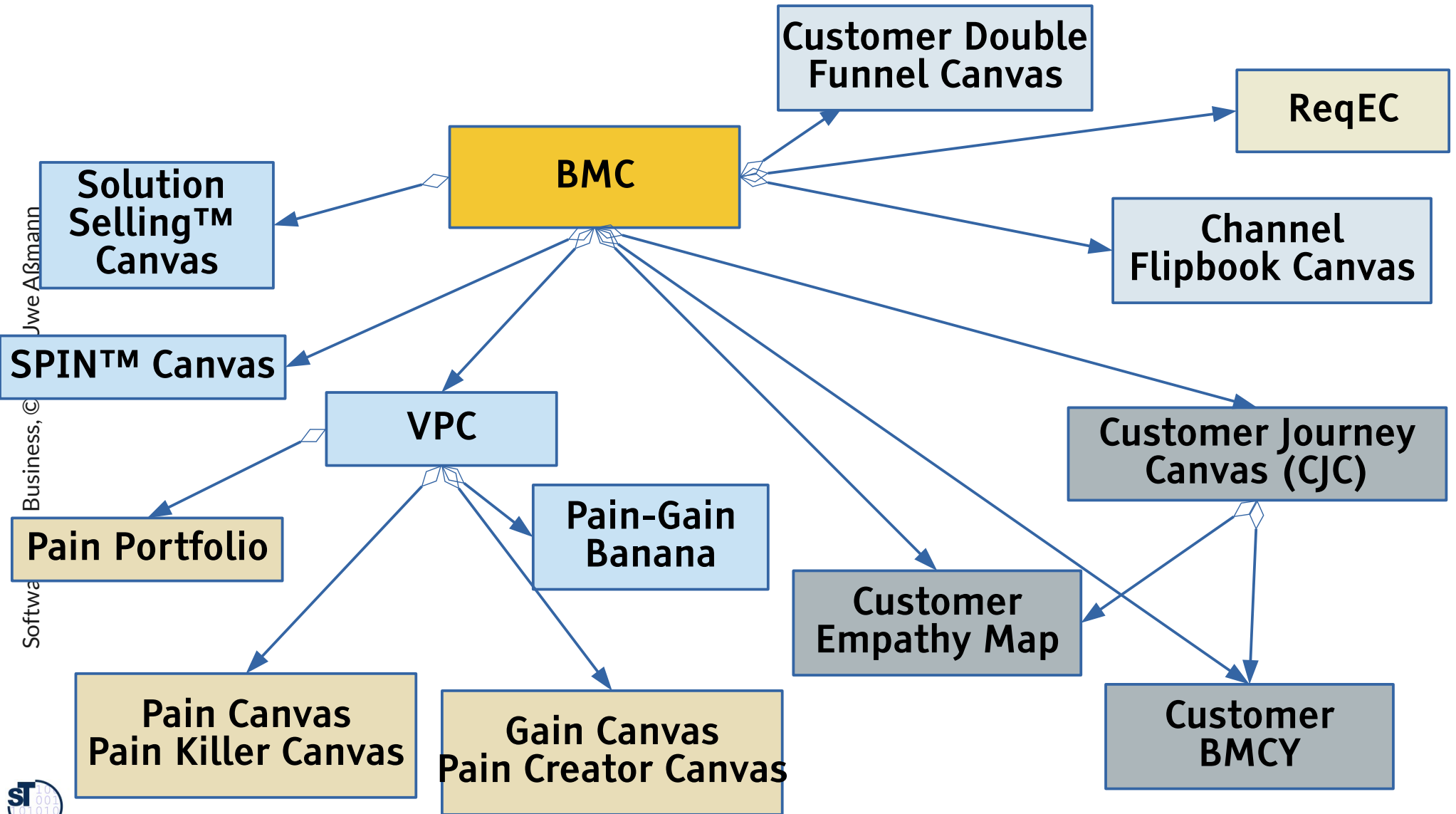




14.3. The Evolving Cactus of the Nested BMC

The Dependency Structure of Canvases (the Nested BMC)

- ▶ How would you maintain an evolving cactus for all these canvases?



The End

- ▶ Explain the difference between customer empathy, activation, stickiness, virality and referral.
- ▶ Why are catastrophies better for a good value proposition than blocking factors?
- ▶ Explain the influence of the UCA for virality.
- ▶ Why is the pirate metrics important for building good value propositions?
- ▶ How can you cross the border between Virality and Revenue in the LeanAnalytics stages?
- ▶ Explain the differences between the SPIN™ Canvas and the VPC. Which canvas do you prefer for a cold call?
- ▶ Explain how you use the Channel Flipbook Canvas, the Customer Empathy Map and the Customer Double-Funnel Canvas for a Customer and Customer-Segment Analysis.