

10. Instruments for Customer Analysis and Validation

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<http://st.inf.tu-dresden.de/teaching/saab>

- 1) Customer Analysis
- 2) Value Proposition Analysis with the VPC
- 3) Customer Analysis
 - 1) Situation Analysis
 - 4) Jobs-to-be-Done Framework
 - 5) Role in the Company
 - 6) Relationships

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>
- ▶ [BettenUlwick] LA Bettencourt, AW Ulwick. The customer-centered innovation map. Harvard Business Review, 2008 – iimagineservicedesign.com
 - https://www.researchgate.net/publication/5313092_The_customer-centered_innovation_map

At one period of those early days I think that I must have had fully three hundred watches. I thought that I could build a serviceable watch for around thirty cents and nearly started in the business. But I did not because I figured out that watches were not universal necessities, and therefore people generally would not buy them.

Henry Ford. My Life and Work. www.gutenberg.org Ebook #7213

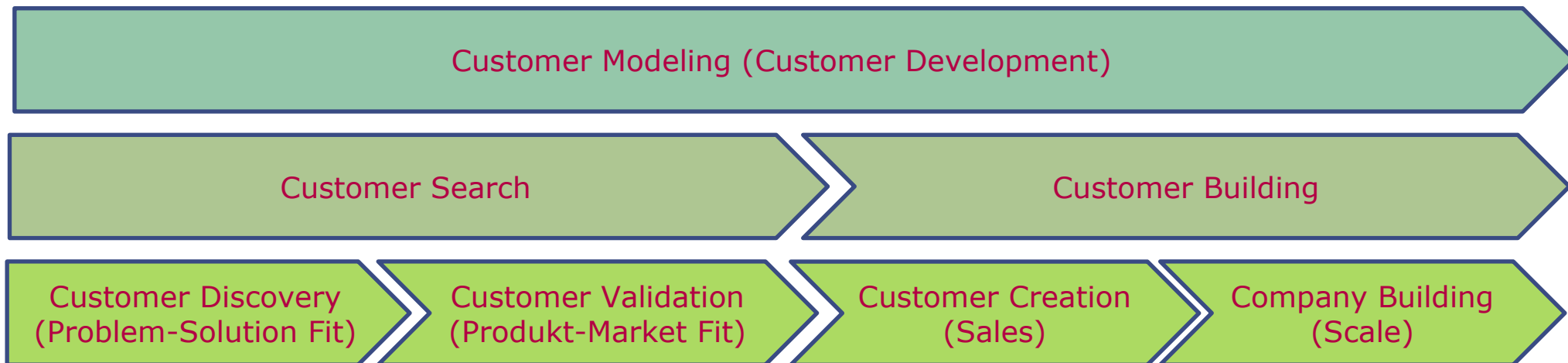
10.1. Customer Modeling

Find out who the customer is, what she needs and desires

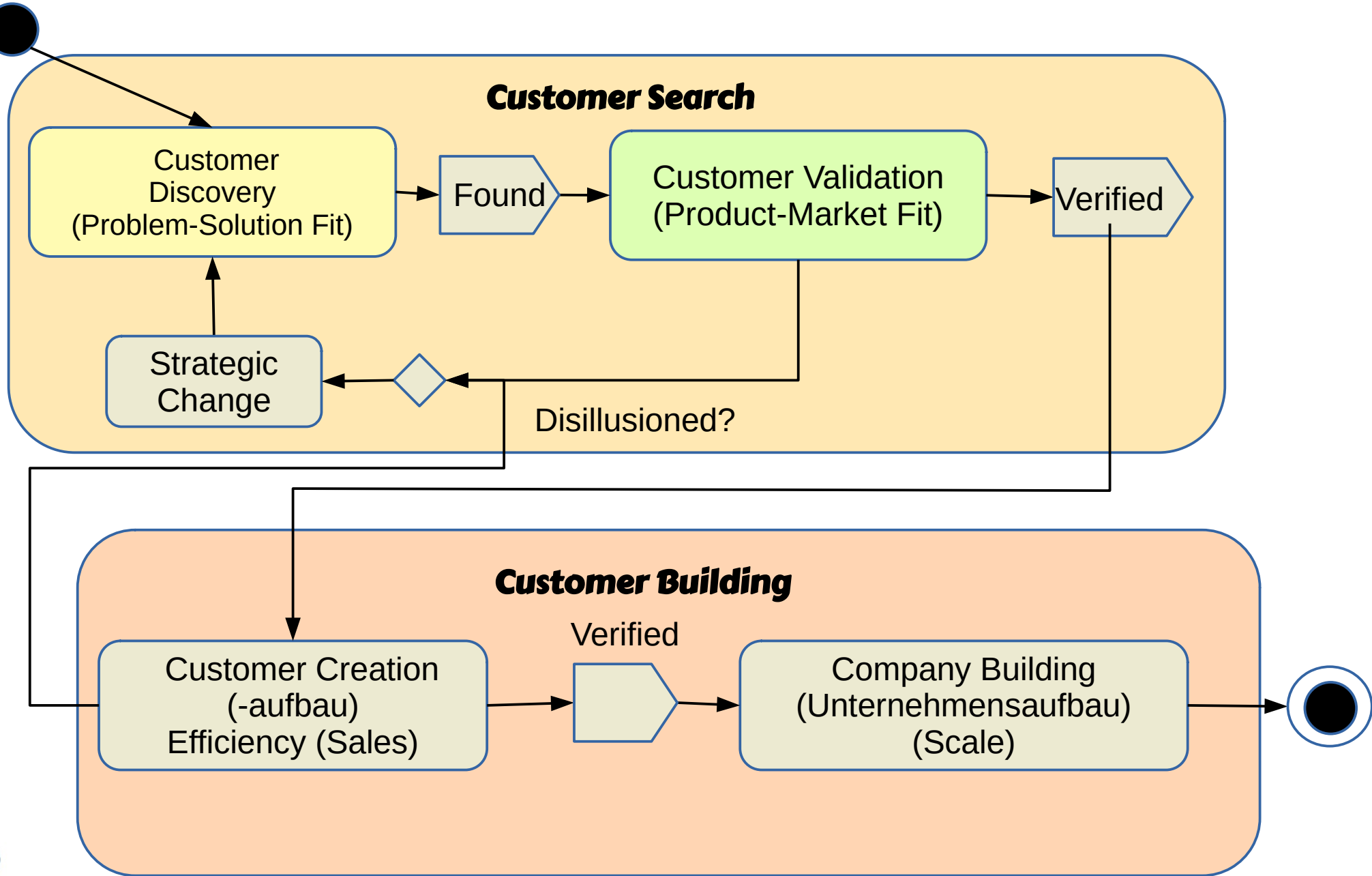
.. a specific part of the Lean Innovation process
[Blank]

The Customer Modeling Process, Refined by S. Blank

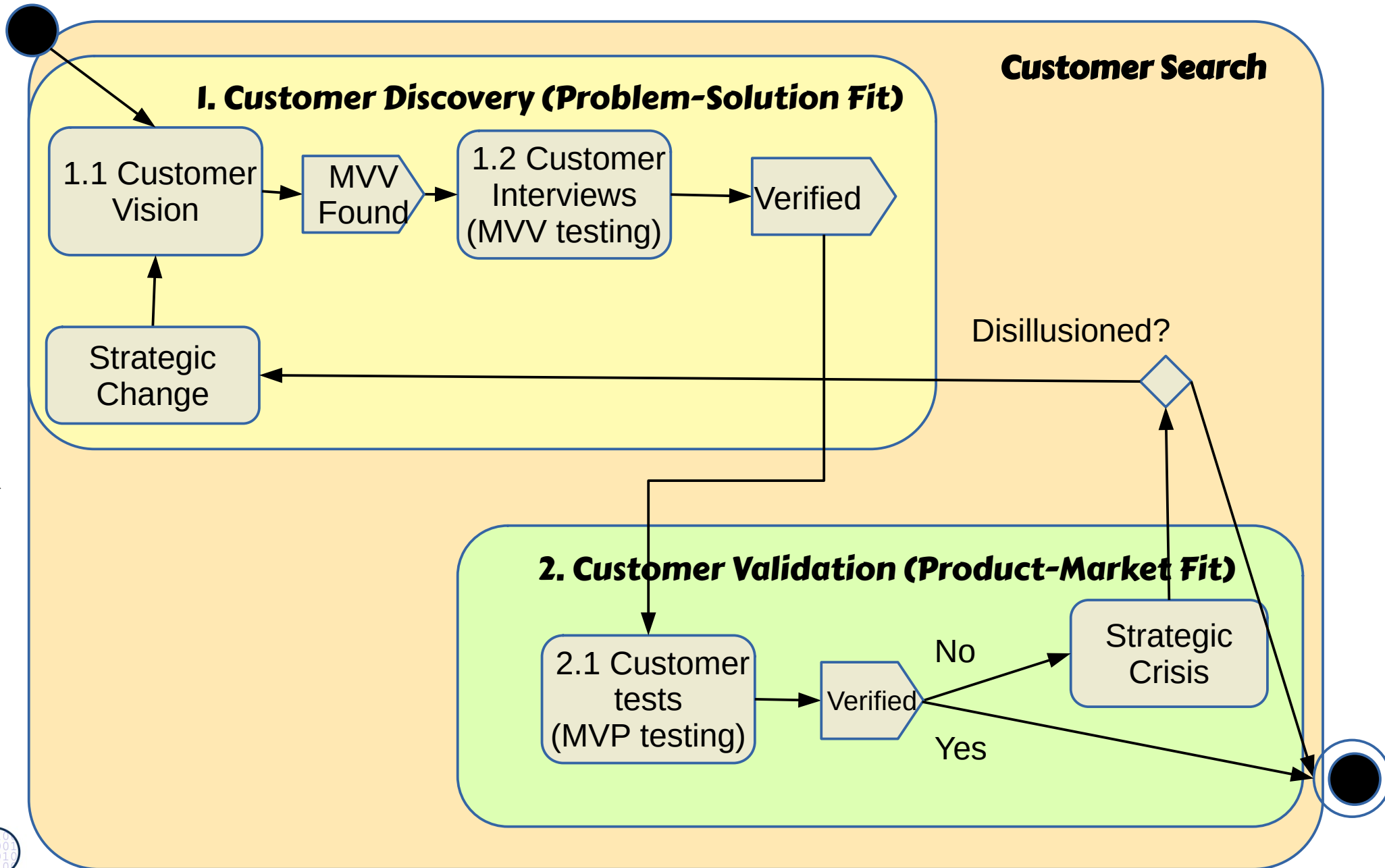
- ▶ Customer Modeling, a company-centric process [Blank/Dorf] 2008
 - Originally called “Customer Development”, but we use this differently in this course



Q3: Blank's Customer Development Process Blended with Maurya's Running Lean Process



Q4: Step 1: The Customer Discovery Subprocess (Problem-Solution Fit)





10.2 Basic Pain-Gain Analysis (Value Proposition Analysis) of Osterwalder

Value Proposition Canvas
From “Value Proposition Design”

Killing Pain and Filling Desire

- ▶ **Customer Analysis** is something different than Selling.
 - Selling addresses an individual customer
 - Customer Analysis analyses the *world of a potential customer*
- ▶ Needs do not make a customer buy – only pain.
- ▶ Value does not make a customer buy – only desire.

VPC

- ▶ Osterwalder refined the **value proposition field** of the BMC with a new canvas, the Value Proposition Canvas.



Pain and Gain create value proposition.

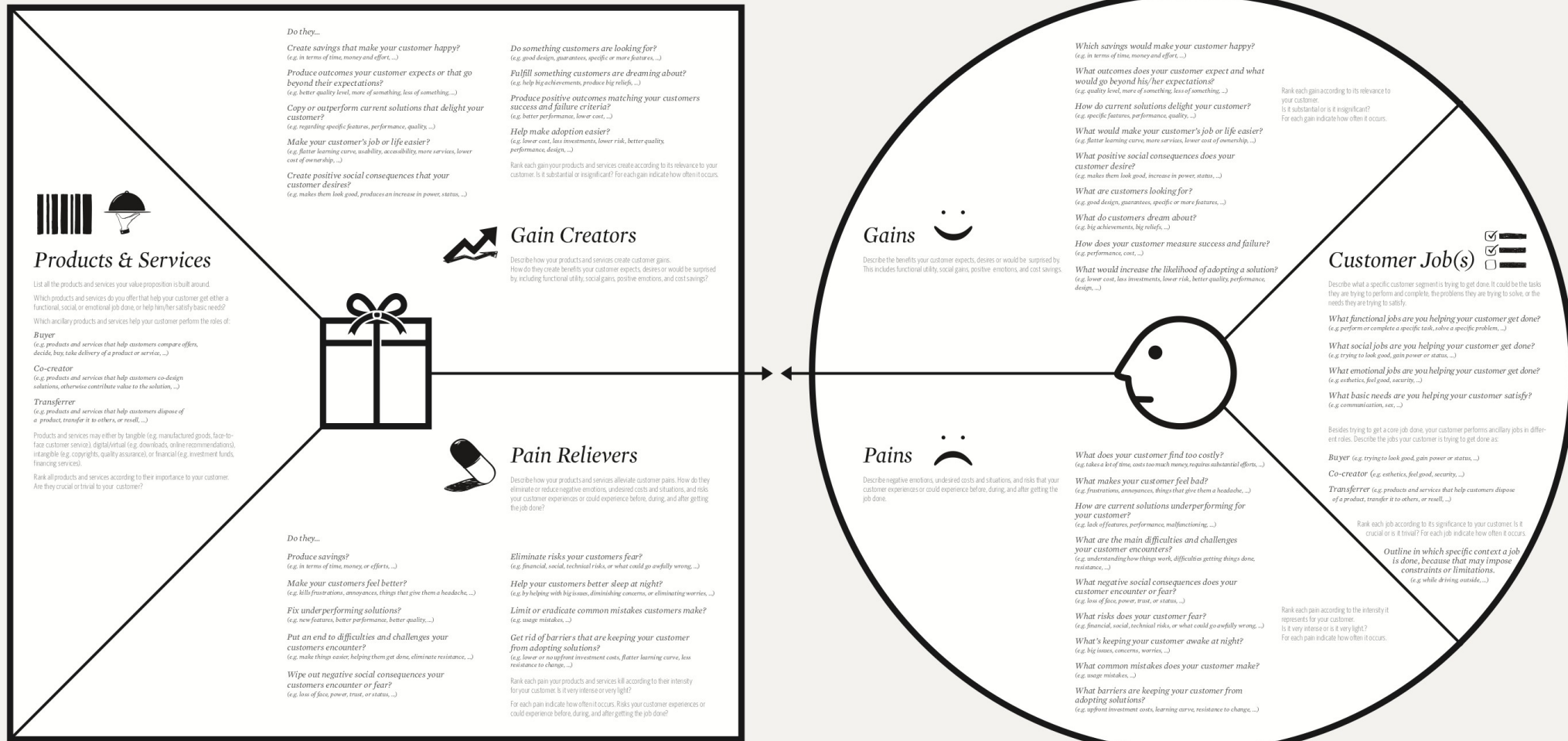
The Value Proposition Canvas

Designed for:

Designed by:

On: Day Month Year

Iteration: No



Value Proposition
 Create one for each Customer Segment in your Business Model

Customer Segment

www.businessmodelgeneration.com



Use in Conjunction with the Business Model Canvas

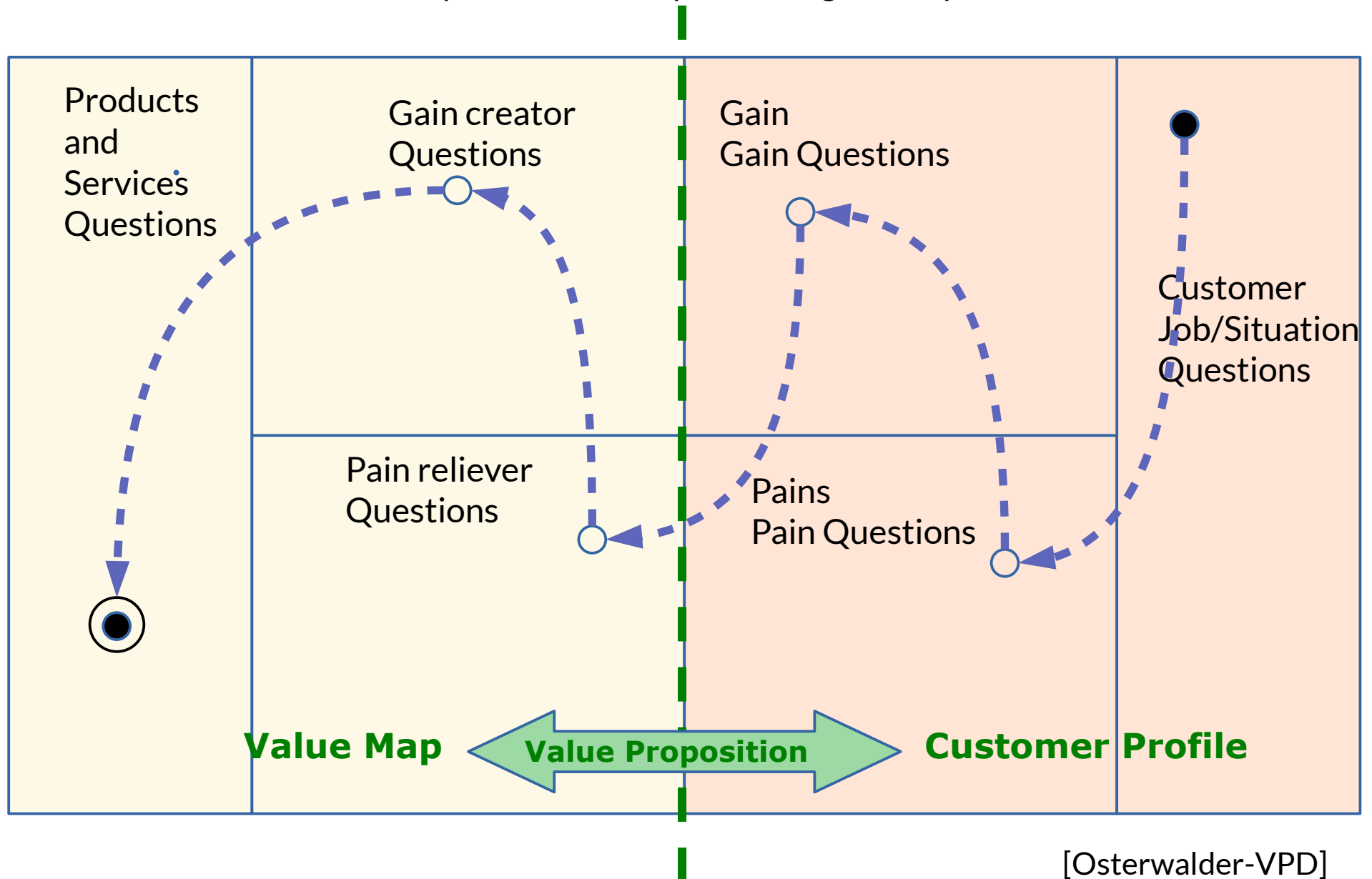
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VP Canvas Process

- ▶ VPA uses a canvas to map the customer pains and gains to products and services

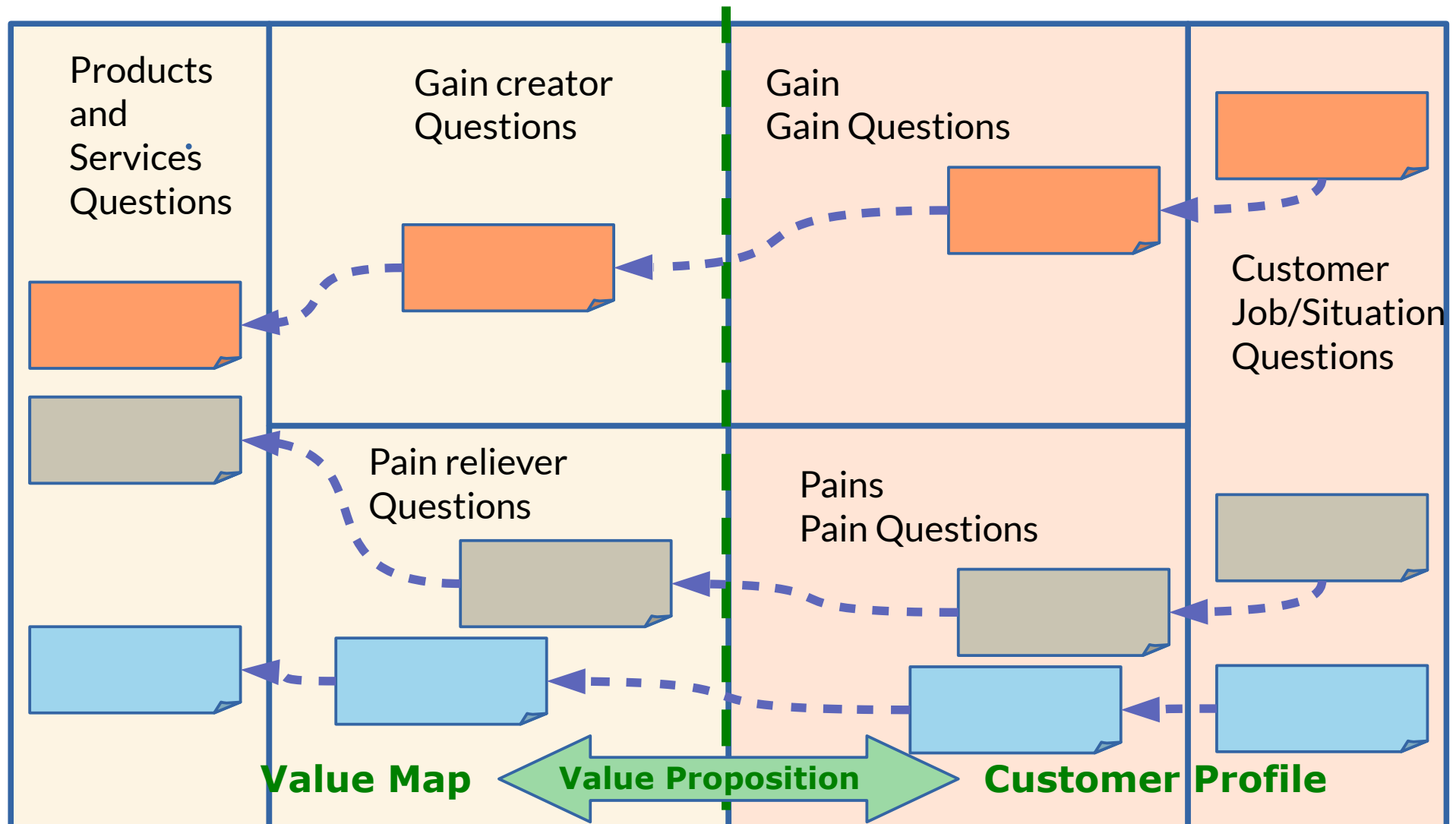


VP Canvas Mapping and Fit

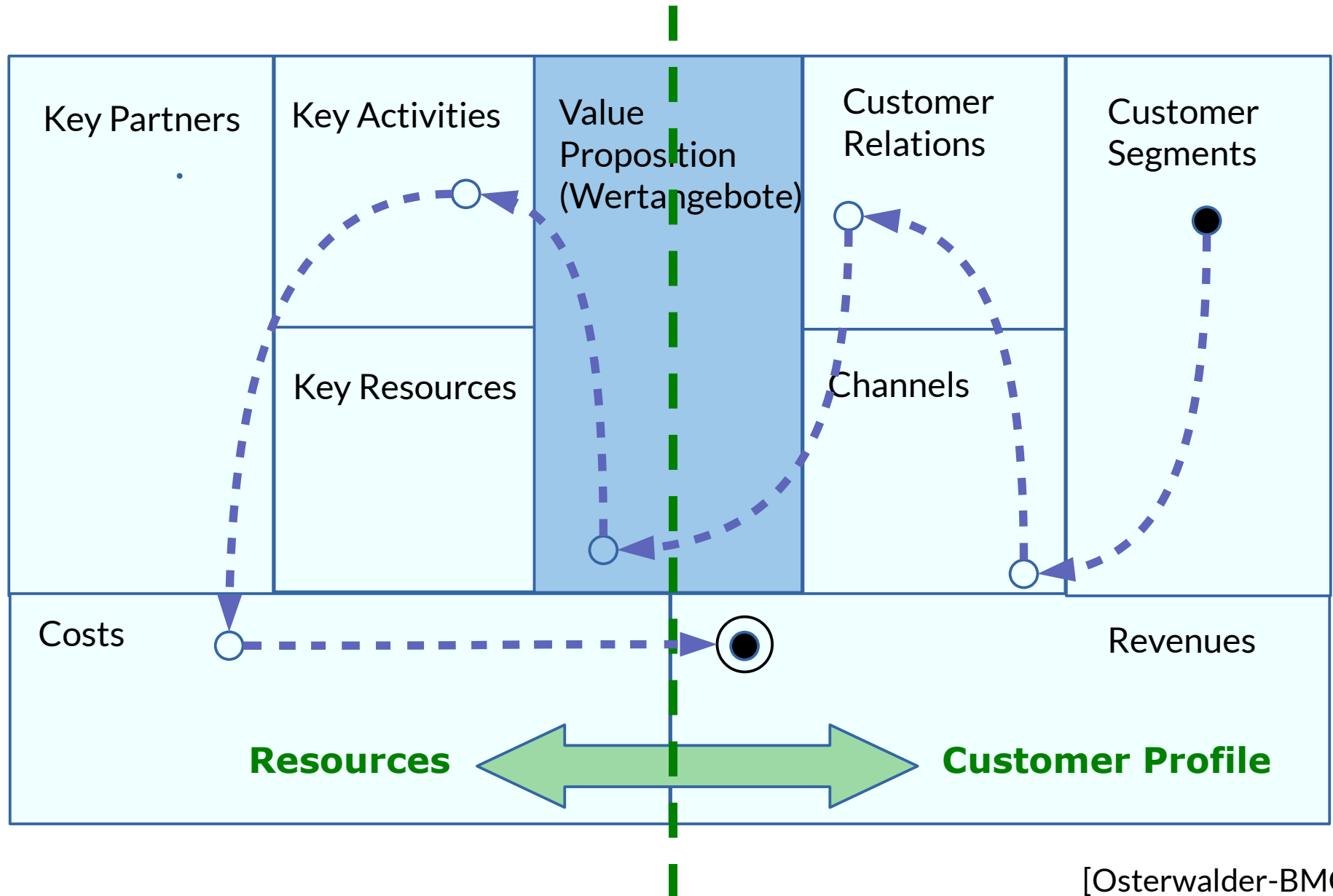
[Osterwalder-VPD]

15 Software as a Business

- ▶ VPA creates mappings between the entries of the customer profile and entries of the value map (value proposition **fit**)
- ▶ Check completeness, consistency of fit!



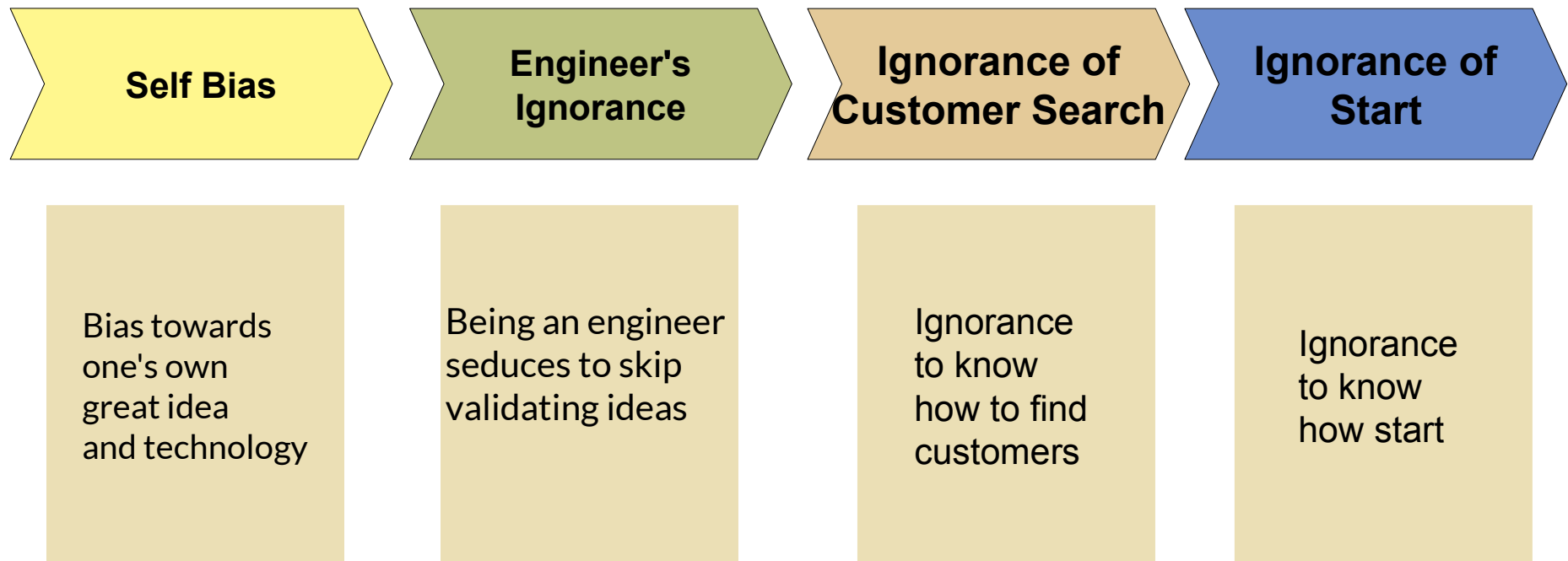
VPC is a Subcanvas of the Business Model Canvas



10.3 Customer Discovery in the Problem-Solution Fit: Analysis of the Customer's World

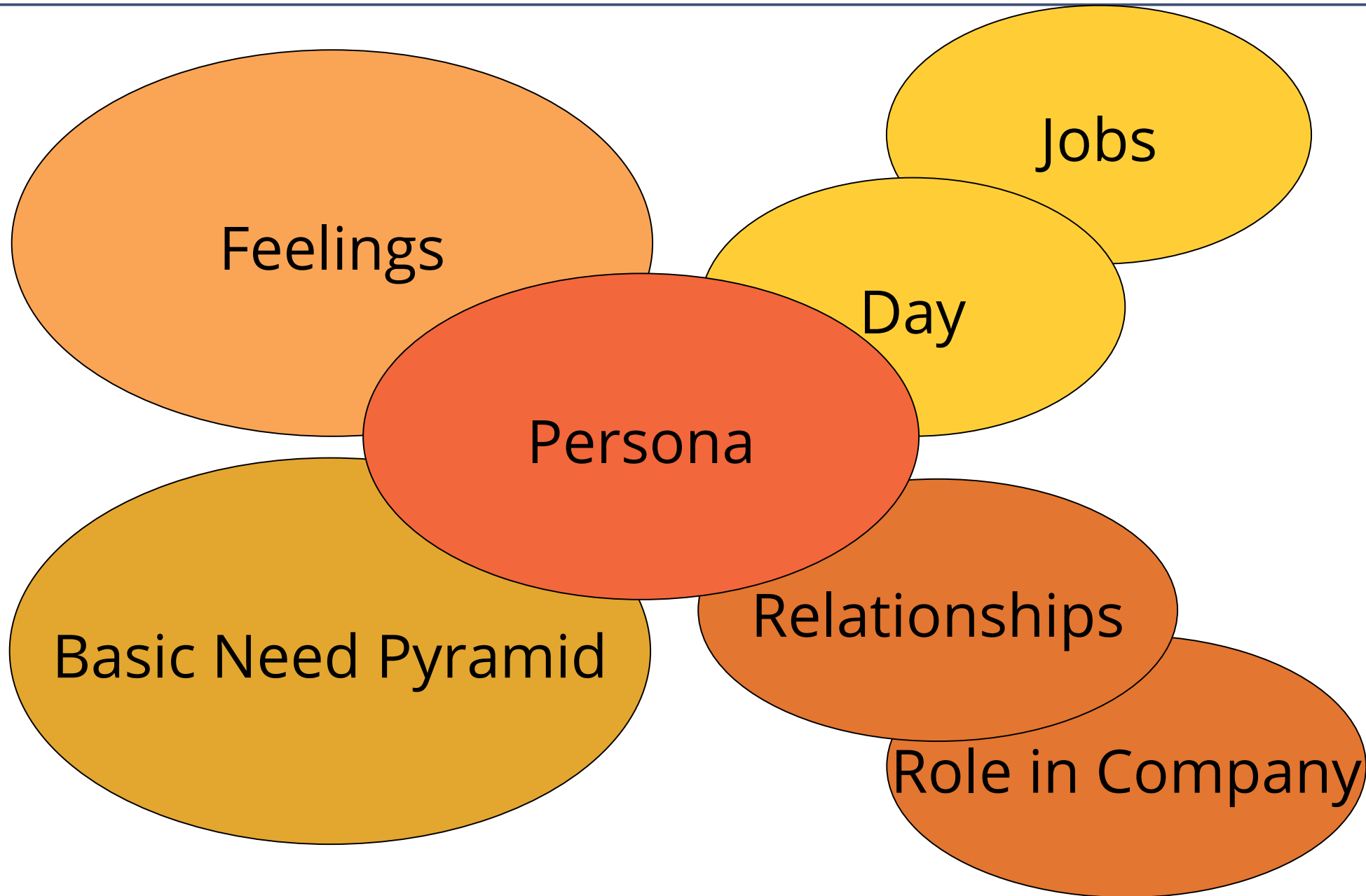
Before understanding the pain and gain of the customer, we need to understand its world

The Major 4 Obstacles to Customer Know-How Can Only Be Remedied by Testing the Customer Hypotheses



- ▶ In a group, *untested information about the customer* can be collected by canvases
- ▶ **Hypotheses about the customer** have to be formed
- ▶ Hypothesis must be **tested** by **getting out of the building**

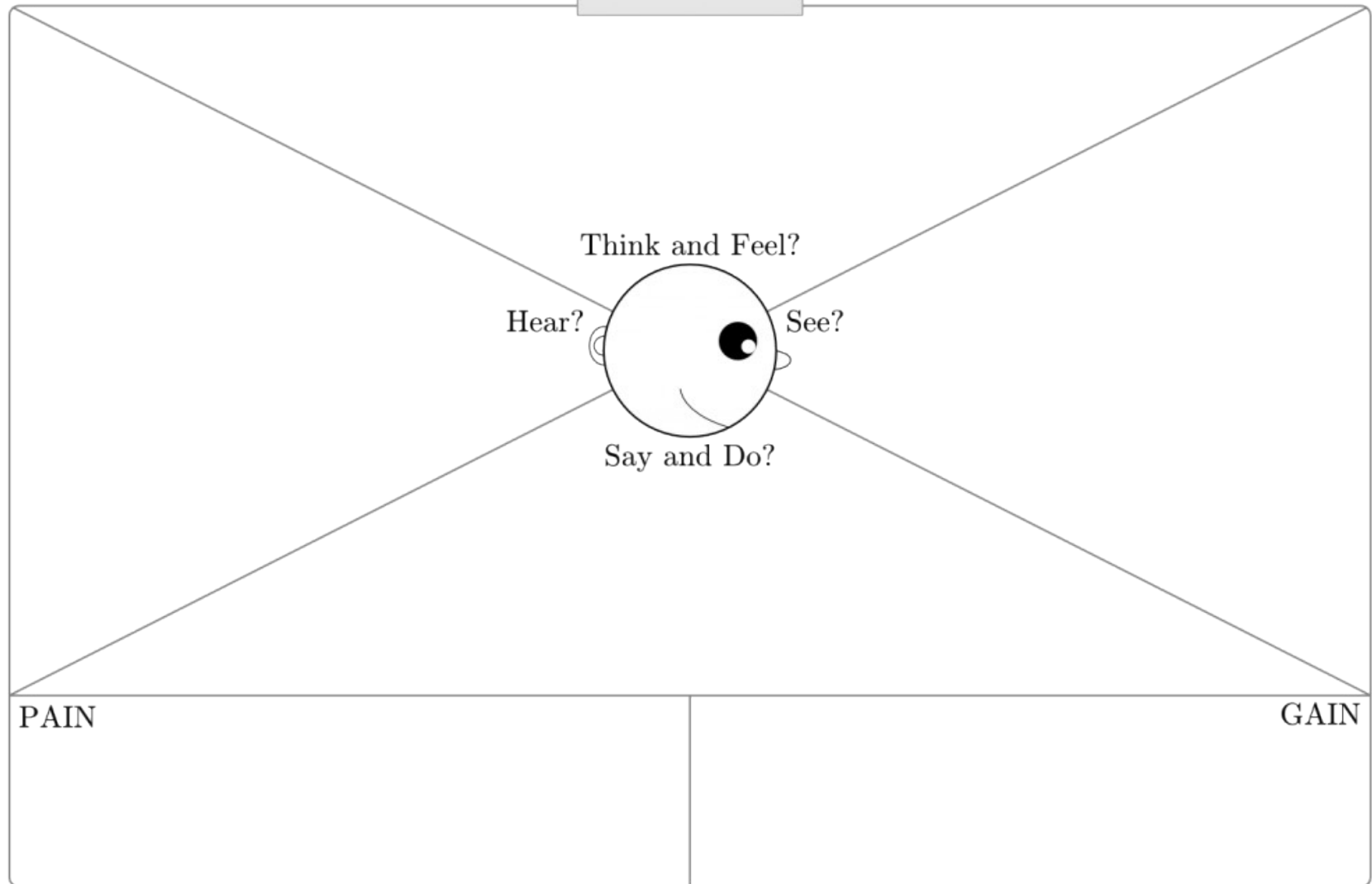
Aspects of Customer Analysis



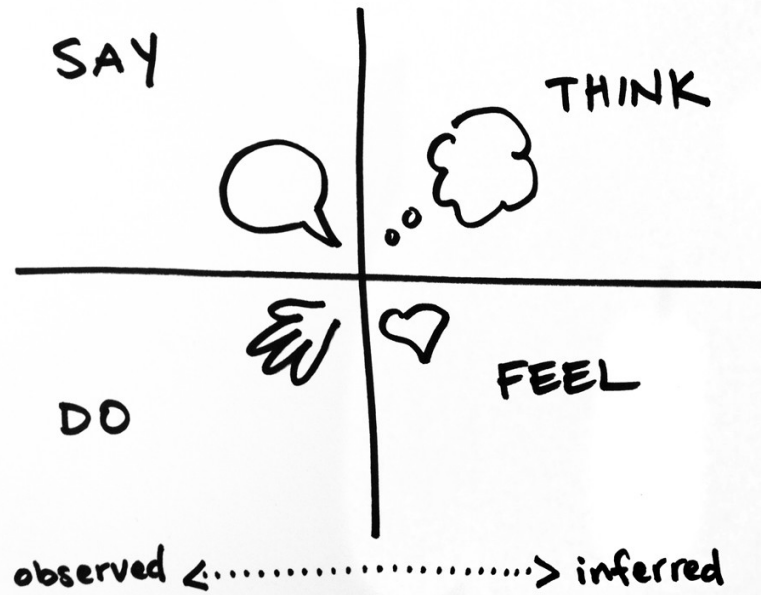
Empathy Map for Customer Modelling

Business Model - The Empathy Map

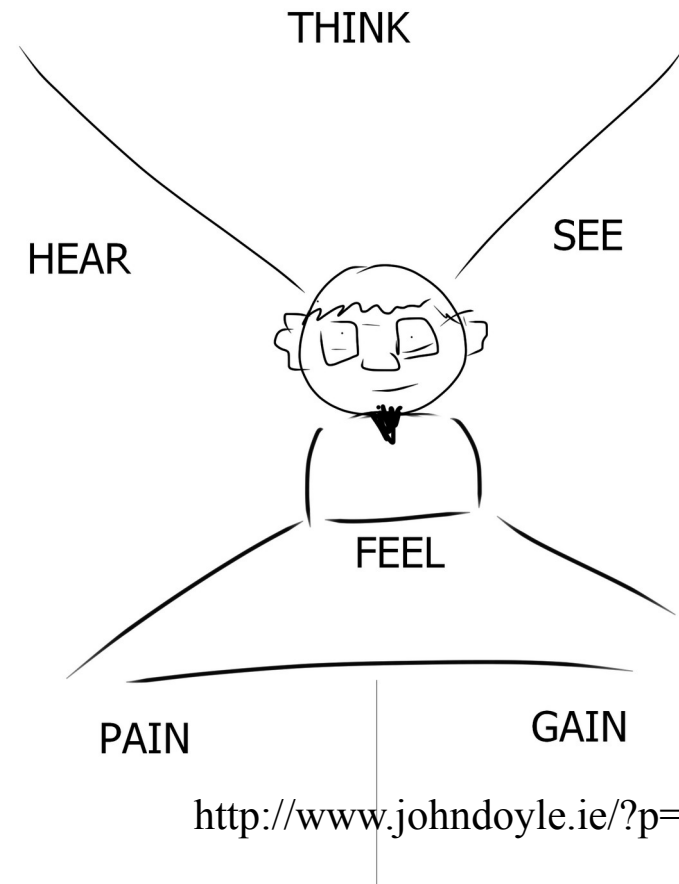
Author:
Date: Iteration:



Simpler: Modelling the Customer's Feelings



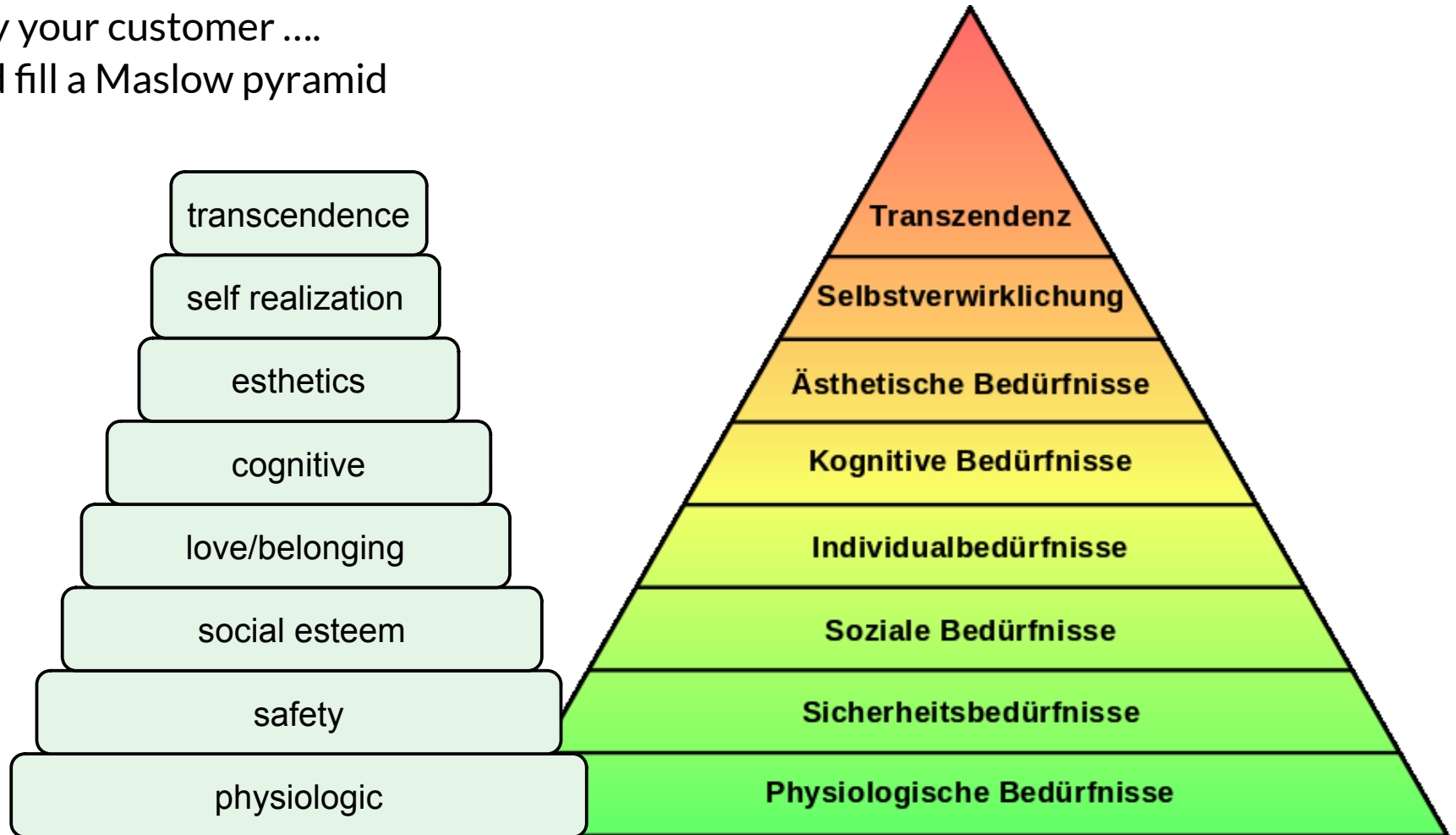
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wp-content/uploads/2013/02/mitroff.fig2_.jpg



<http://www.johndoyle.ie/?p=92>

Customer Need Analysis with Maslow

- ▶ Play your customer
and fill a Maslow pyramid



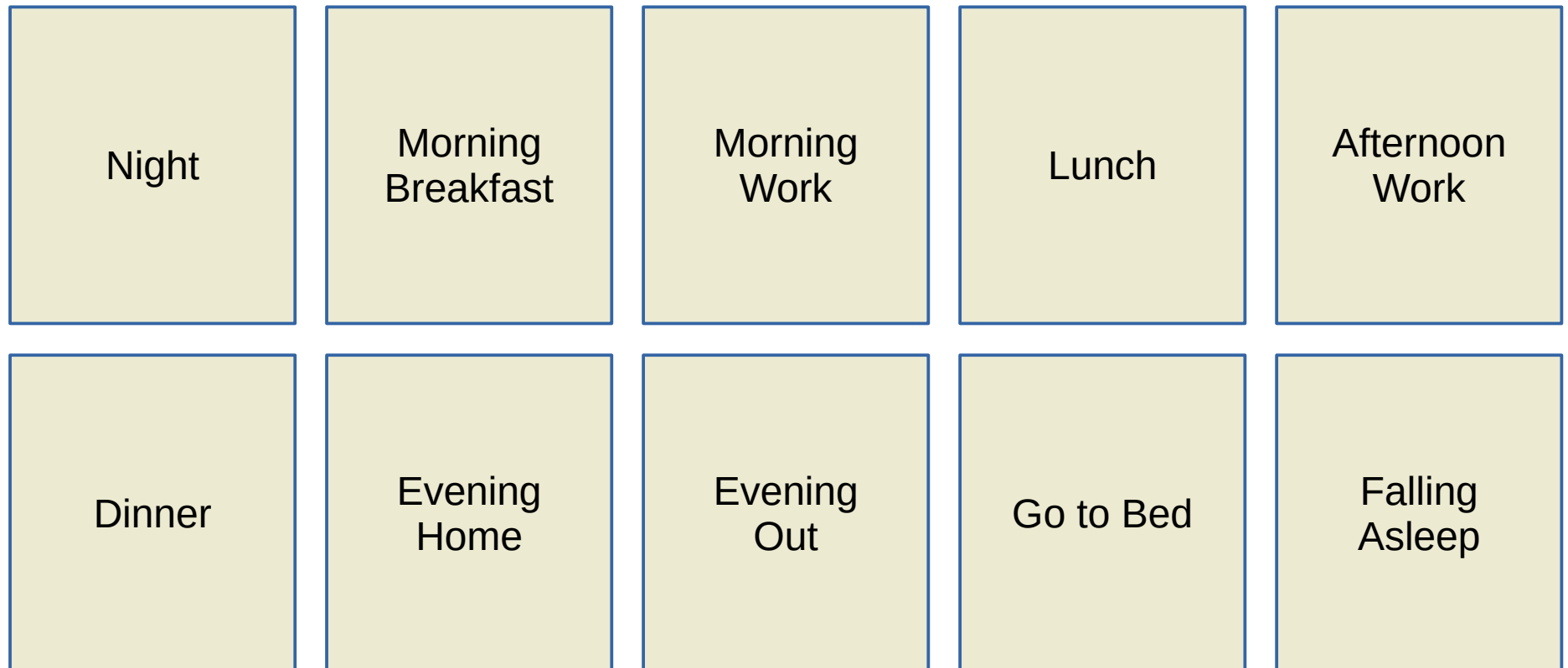
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Modeling the Customer's Day

How should a good “Customer Day Canvas” look?

- ▶ Use the Customer Empathy Map to run through the customer’s day

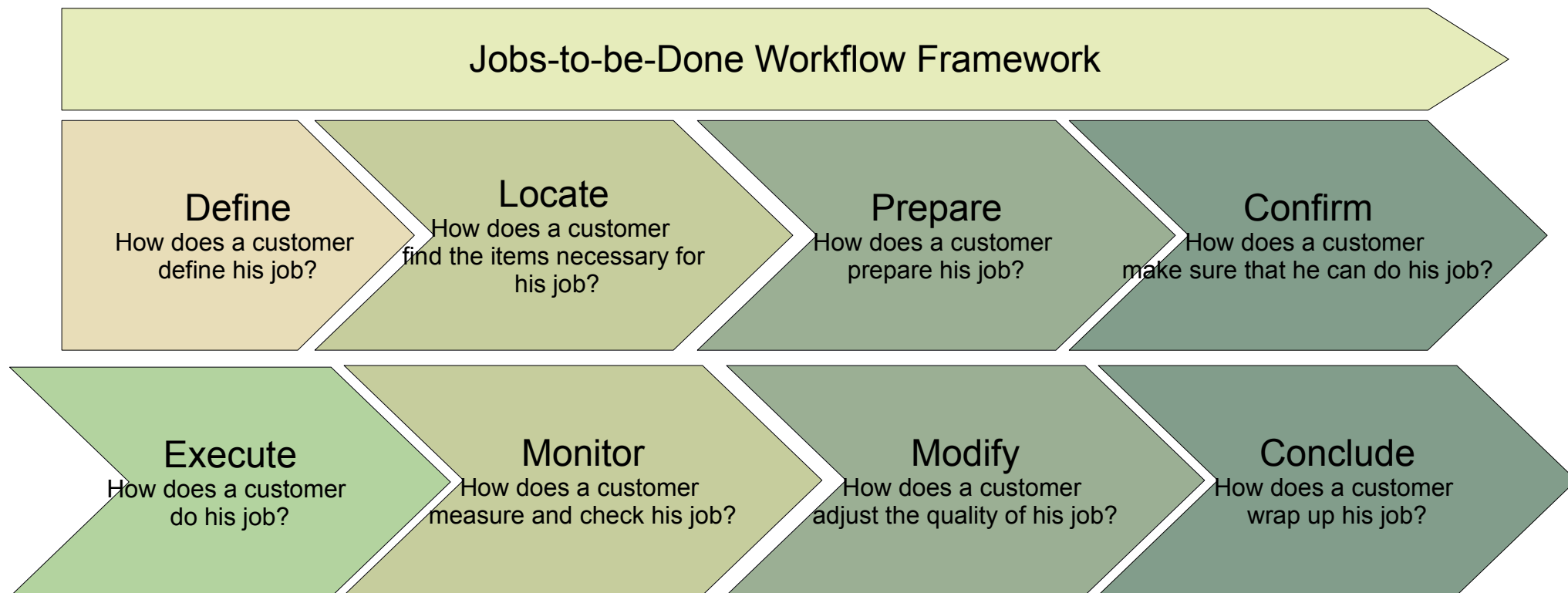


10.4 Jobs-to-be-Done (JTBD)

A method to specialize a generic workflow to the customer's daily workflows

- ▶ [BettenUlwick] claims that most customer workflows can be arranged into 8 generic phases
- ▶ Based on the JTBD framework, user jobs and tasks can be analyzed on subtasks. The question **"How can our service/product help the customer executing his job?"** is central.

Jobs-to-be-Done Workflow Framework



JTBD Canvas



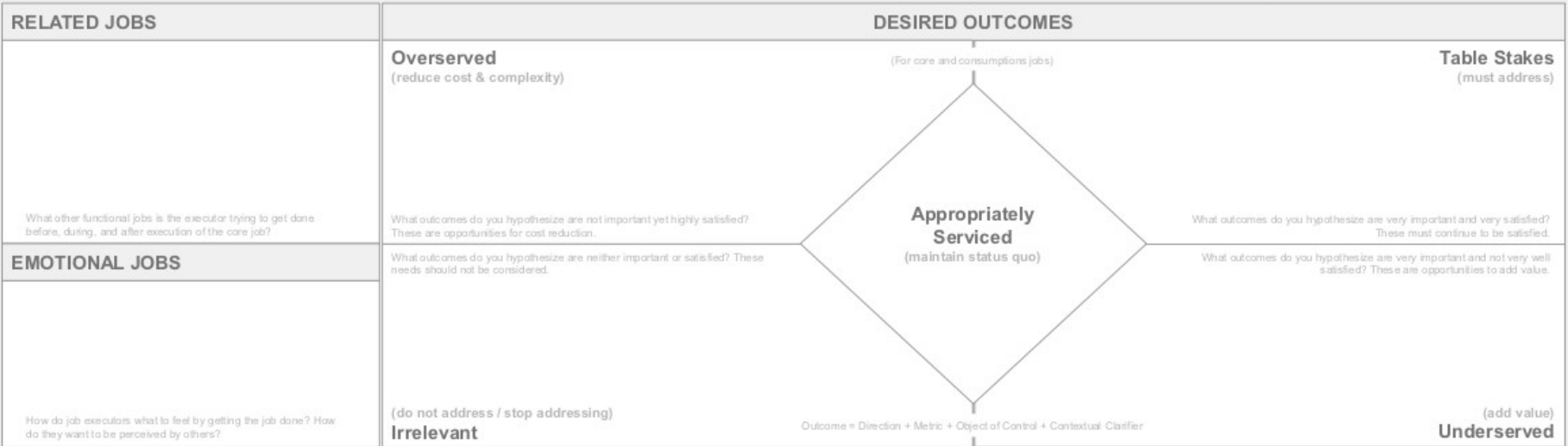
Jobs-To-Be-Done Canvas™

Powered by Outcome-Driven Innovation®
v1.2

Job Executor e.g. the end user

Core Functional Job-to-be-Done verb + object of verb + contextual clarifier

CONSUMPTION JOBS	1. DEFINE	2. LOCATE	3. PREPARE	4. CONFIRM
<p><u>Executor</u> <u>Other</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Acquire/Purchase <input type="checkbox"/> Receive <input type="checkbox"/> Install <input type="checkbox"/> Setup <input type="checkbox"/> Learn to use <input type="checkbox"/> Use/Interface with <input type="checkbox"/> Store <input type="checkbox"/> Move <input type="checkbox"/> Maintain <input type="checkbox"/> Repair <input type="checkbox"/> Upgrade <input type="checkbox"/> Replace <input type="checkbox"/> Dispose <p>What technology or product assumptions are you making? Or are you considering an altogether new product?</p> <p>Which of these jobs must be executed to support product consumption? Who is responsible for execution?</p>	<p>Plan, Select, Determine</p> <ul style="list-style-type: none"> • • • <p>What aspects of getting the job done must the customer define upfront to proceed?</p>	<p>Gather, Access, Retrieve</p> <ul style="list-style-type: none"> • • • <p>What items must be located – tangible/intangible – to do the job?</p>	<p>Setup, Organize, Examine</p> <ul style="list-style-type: none"> • • • <p>How must the customer prepare the inputs and the environment to do the job?</p>	<p>Validate, Prioritize, Decide</p> <ul style="list-style-type: none"> • • • <p>What must the customer verify before proceeding to ensure success?</p>
	5. EXECUTE	6. MONITOR	7. MODIFY	8. CONCLUDE
	<p>Perform, Transact, Administer</p> <ul style="list-style-type: none"> • • • <p>What must customers do to execute the job successfully?</p>	<p>Verify, Track, Check</p> <ul style="list-style-type: none"> • • • <p>What must the customer monitor to ensure the job is successfully executed?</p>	<p>Update, Adjust, Maintain</p> <ul style="list-style-type: none"> • • • <p>What might the customer need to alter for the job to be completed successfully?</p>	<p>Store, Finish, Close</p> <ul style="list-style-type: none"> • • • <p>What must the customer do to finish the job?</p>



The Jobs-to-be-Done Canvas™ is licensed under a [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Use the canvas in a team workshop as a starting point before going into deeper ODI research.

DEVELOPED BY: Tony Ulwick and Mike Boysen of Strategygn, LLC. More information can be found at jobs-to-be-done.com and strategygn.com.

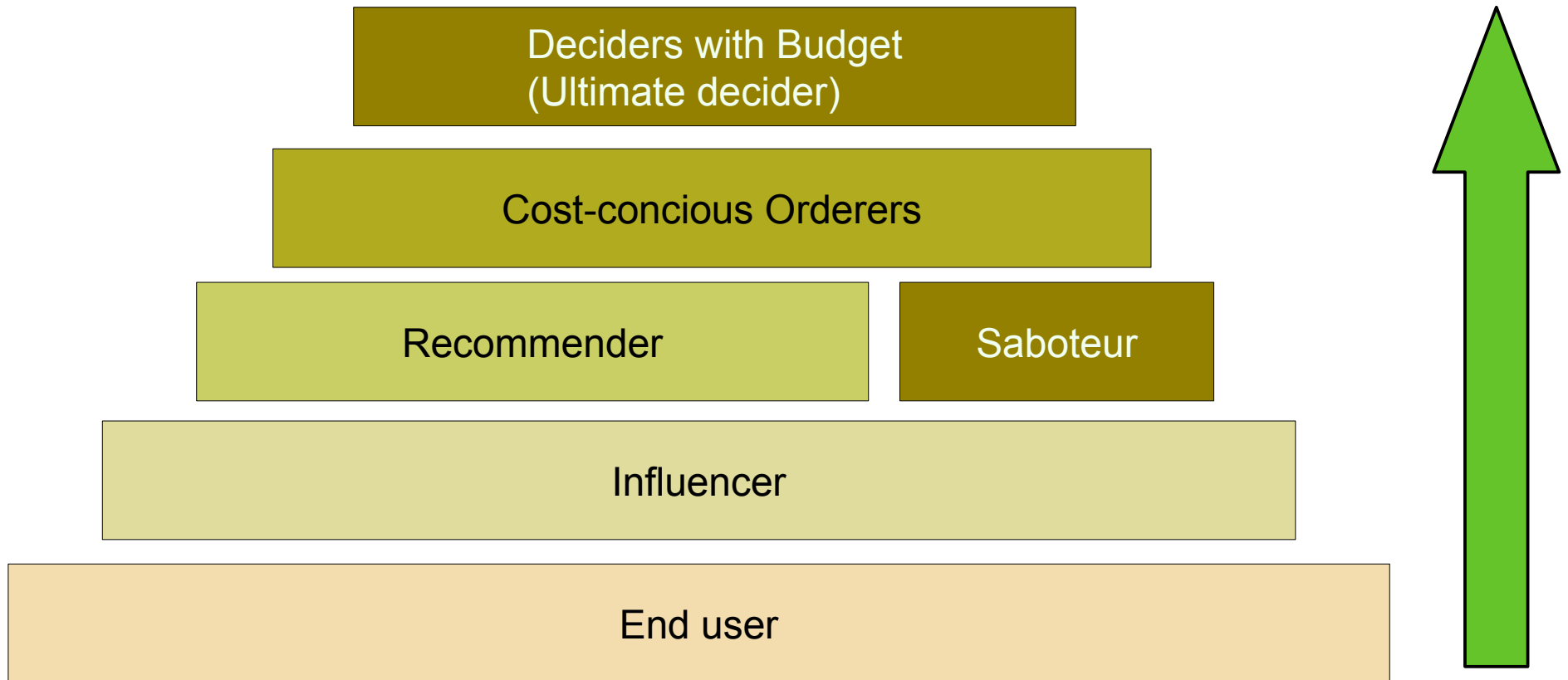




10.5 Who is your Customer? (Early Adopters, Early Evangelists, Brand Advocates)

Classes of Customer Capabilities in B2B Selling

- ▶ To sell to a company, a decider has to be reached [AccountSelling], but most startups start to interview end users
- ▶ Decider analysis:
 - An **entry strategy** is required to enter the customer's firm and find the decider [AccountSelling]



Characteristics of an Early Adopter

- ▶ Few visionary people believe in a visionary product (“the Innovators Dilemma”)
- ▶ Early adopters are the first ones to be relieved from the Rumsfeld dilemma

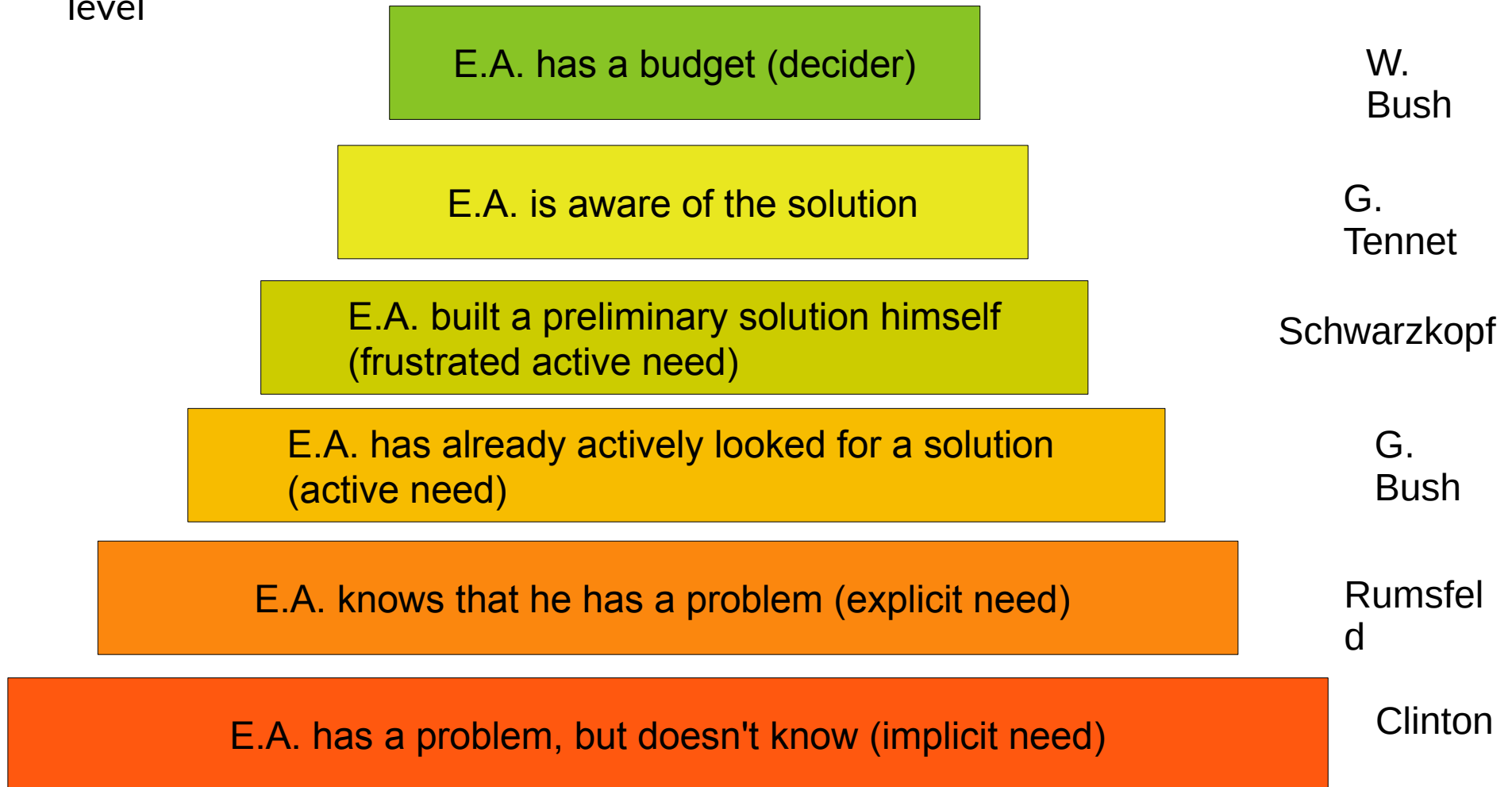
Newton ist ein eigenartiges Produkt.
Zu seinen Lebzeiten wurde er belächelt.
Nur eine kleine Gemeinde erkannte sein Potenzial.
Das Potenzial des Digital Hub.

Dies wäre seine Berufung gewesen, seine Bestimmung, sein Durchbruch.

<http://www.macprime.ch/applehistory/story/apple-newton-im-kreuzfeuer-des-digital-hub/>

Classes of Dissatisfaction of Early Adopters (and also all Customers)

- ▶ Most startups discover a situation in which customers have already tried in vain to build a solution. [Blank/Dorf] (“Schwarzkopf problems”)
- ▶ [Rackham] claims that need-payoff questions must be used to lift an E.A. to the Tennenet level

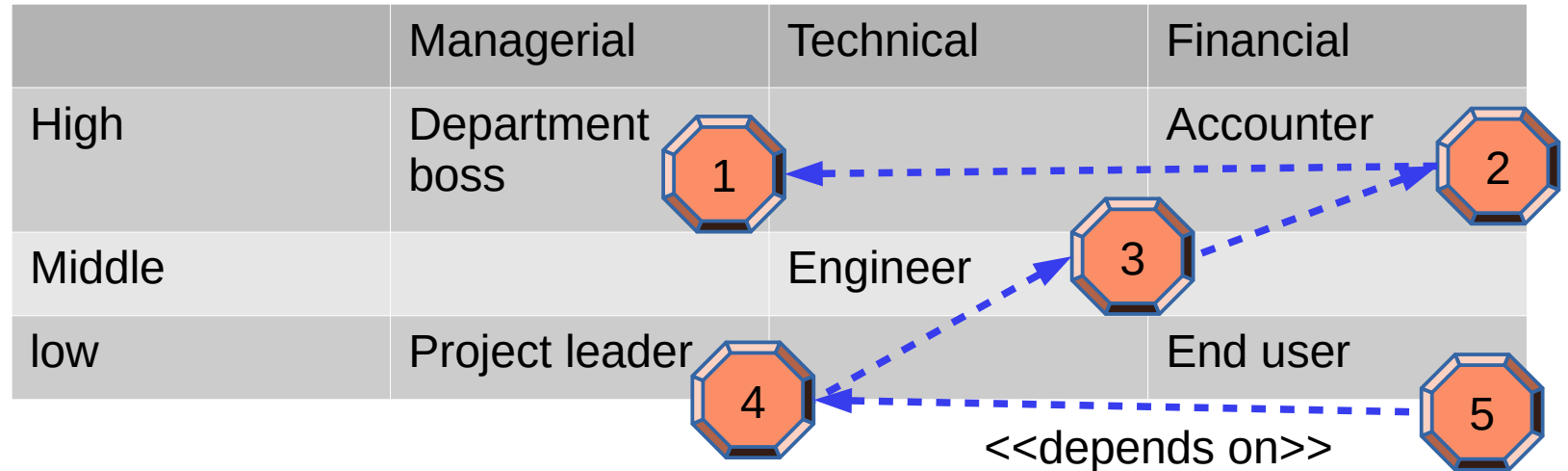




10.6 Who is Related to your Customer?

Analyzing the Customer's Relationships

- ▶ An **organizational / influence map** draws the network of the customer that can influence his buy-no-buy decisions
- ▶ Analysis can start with a table or a graph
- ▶ Analysis constructs a **dependency graph** (partial or total order)
- ▶ **Deciders** are the sinks of the dependency graph

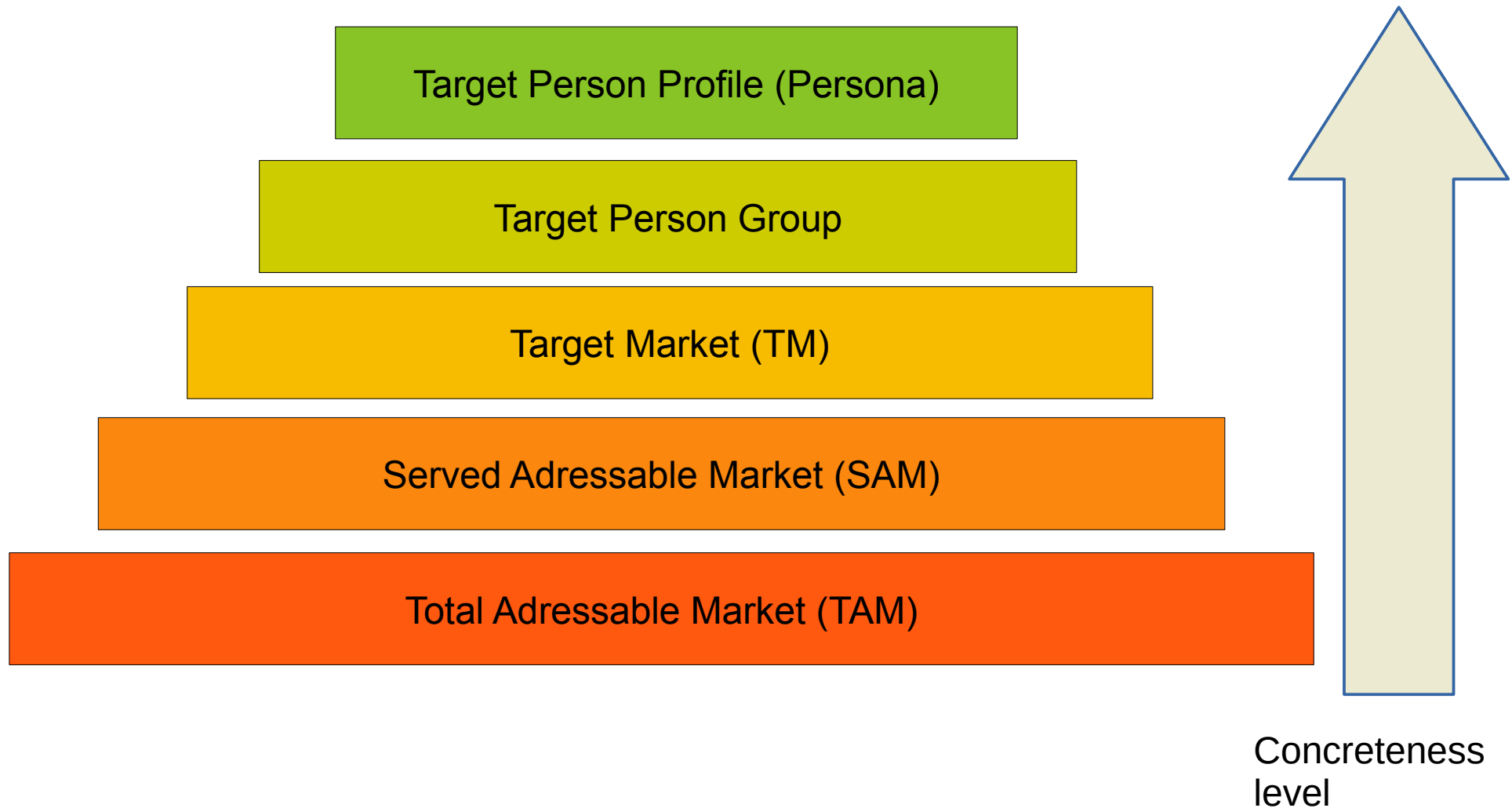


Customer Relationship Analysis with Business Model You

- ▶ Play your customer and fill a BMY Canvas.

Key Partners Who helps Your customer?	Key activities What do Your customer do?	Value Proposition How does Your customer help?	Customer Relationships How does she interact?	Customer Segments Whom does Your customer help?
	Key Resources What she is and has		Channels How do they know him? How does she deliver?	
Cost Structure What does he give?			Revenue Streams What does she get?	

Refinement of Customer Segments and Market Slices



Customer Profile (Persona)

- ▶ A **Customer Persona (profile, archetype)** is a story about an average customer from a customer segment.
 - Derived from Empathy Map, Influence Map, VPA, Problem Analysis, Customer's Day Canvas, Customers influence map
- ▶ Table form of Persona:

Highlights in the customer's day, problem canvas, VPC, or influence map	Hints for aquisition
Gets up with difficulties	Don't call him before 10:00; send him a coffee kit for advertisement
Doesn't like to read	Send him a DVD with video
Has friends in political party PDU	Analyze partie's opinion about the effects of your product

The End

- ▶ Why is it important to know a lot about your customer?
- ▶ Explain how the customer changes the diapers of his baby. Analyze this activity with Jobs-to-be-Done framework.
- ▶ Why does the JTBD Canvas highlight “underserved” services?