

14. Further Instruments for Customer Analysis, Validation, and Creation

Prof. Dr. Uwe Aßmann
Softwaretechnologie
Fakultät Informatik
Technische Universität Dresden
2019-0.1, 11/12/19
<http://st.inf.tu-dresden.de/teaching/saab>

- 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

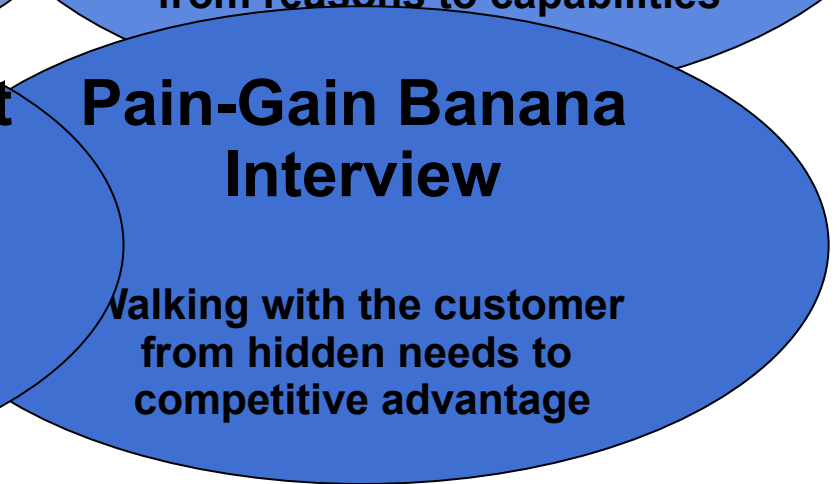
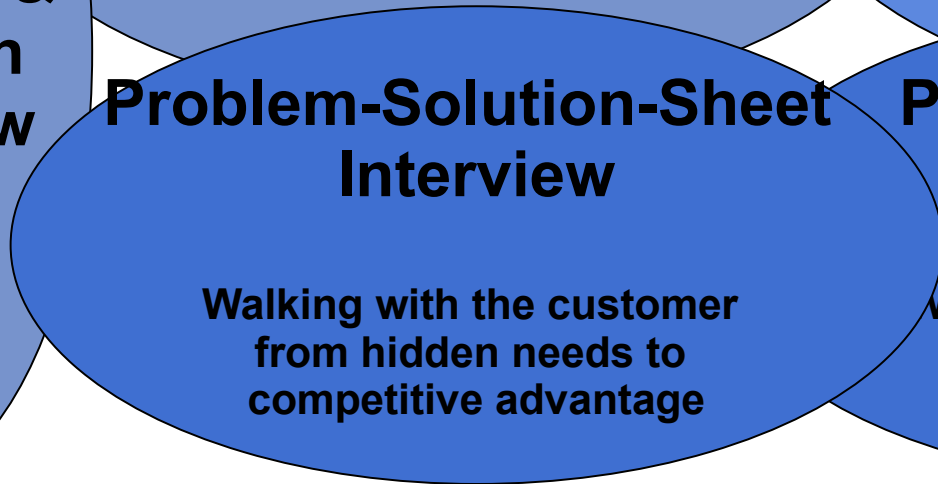
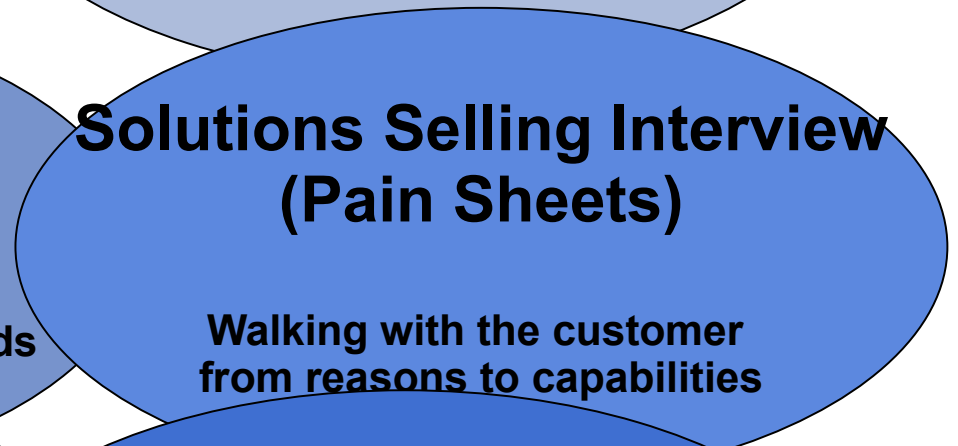
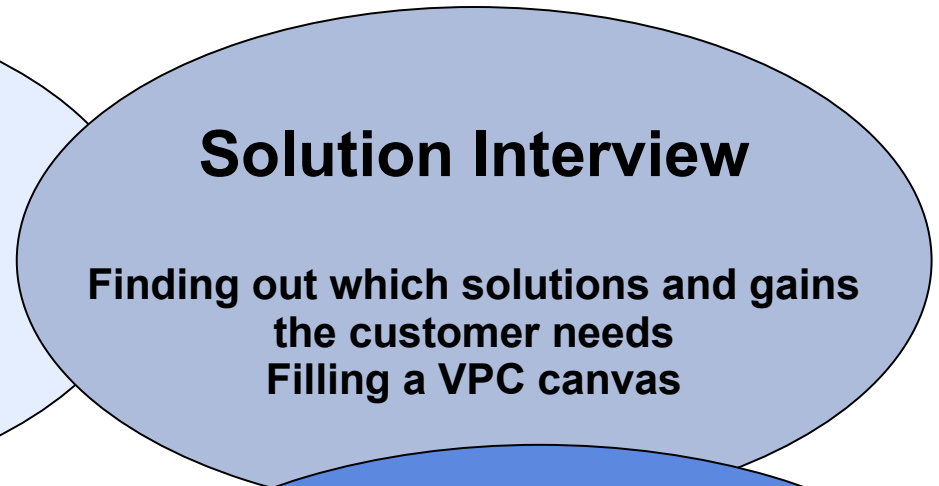
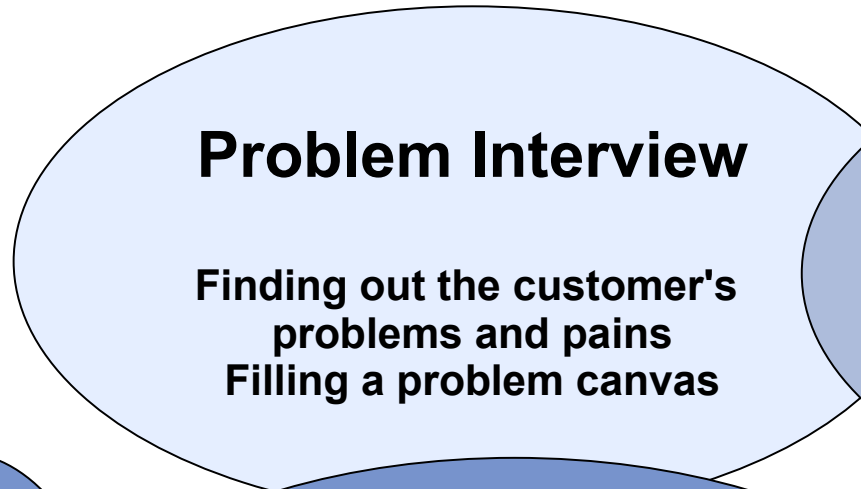
Customer Interviews are a special form of sales meetings (pre-sales meeting). They have to conduct pain-gain analysis, guide the customer modeling by testing customer hypotheses, and guide the BMC development.

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

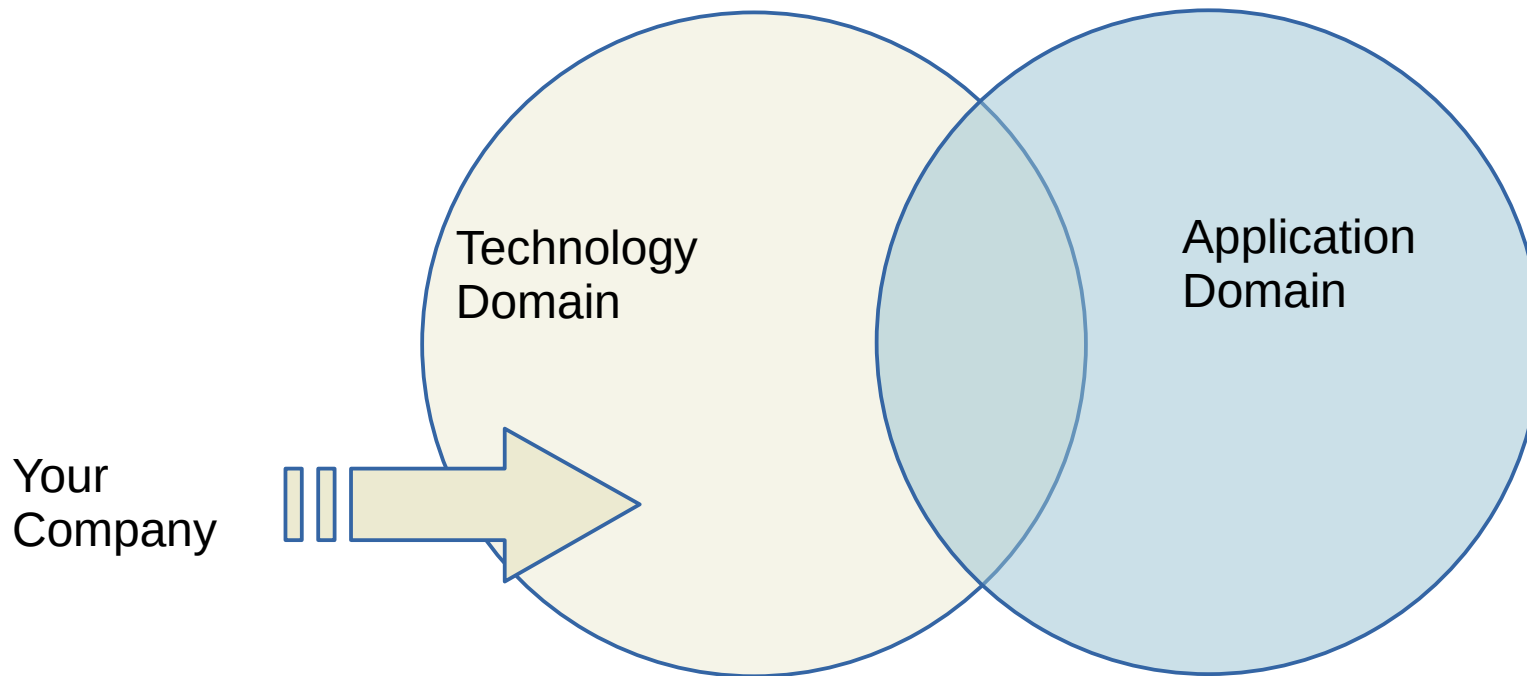




14.1.2 Measuring Customer Feedback

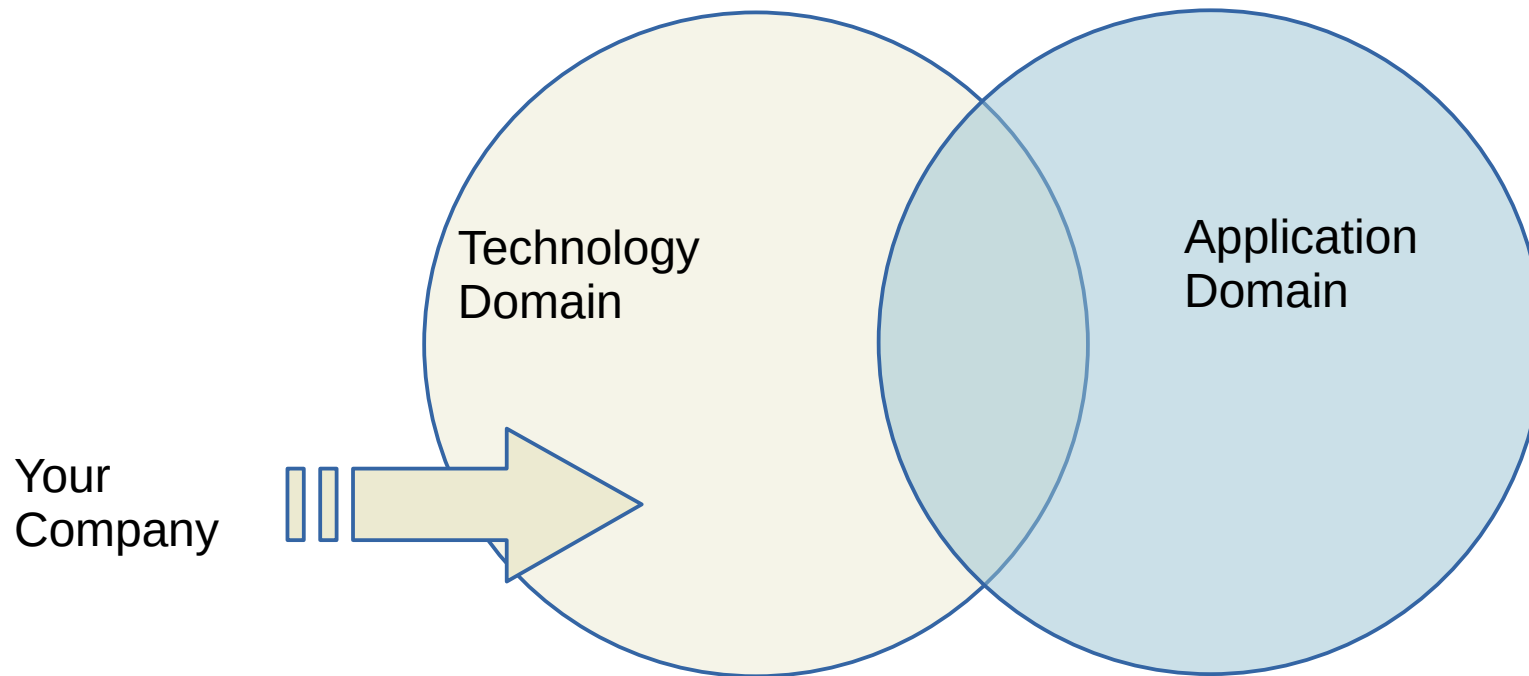
The Problem of Your Company

- ▶ Usually, the employees of a company are *not* domain experts
- ▶ Getting domain knowledge takes long
- ▶ Knowing people or business angels from the application domain is important



Customer Feedback Opportunities

- ▶ **Technology User Groups** such as the Java User Group Saxony www.jug-saxony.de
- ▶ **Domain-specific Fairs** are a good place to meet domain experts in the application domain



Company-Specific Events

- ▶ **User Conferences** with talks
 - Exhibit or give a talk at a potential OEM's conference
 - Example: Camline Forum
 - <https://www.camline.com/fileadmin/User-Files/News-Events/Events/2018/camLine-forum-2018.pdf>
- ▶ **User Days:** allow for questions and discussions with customers
 - **Examples:**
 - **Camline Cornerstone User Group Meeting:**
 - **Camline LineWorks User Group Meeting:**
<https://www.camline.com/de/camline/veranstaltungen.html>
- ▶ **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 in different ordinal scales, e.g., 1-3, 1-5, 1-16, 1-100
- ▶ Customer Discovery Report can be managed with Excel or a database

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	



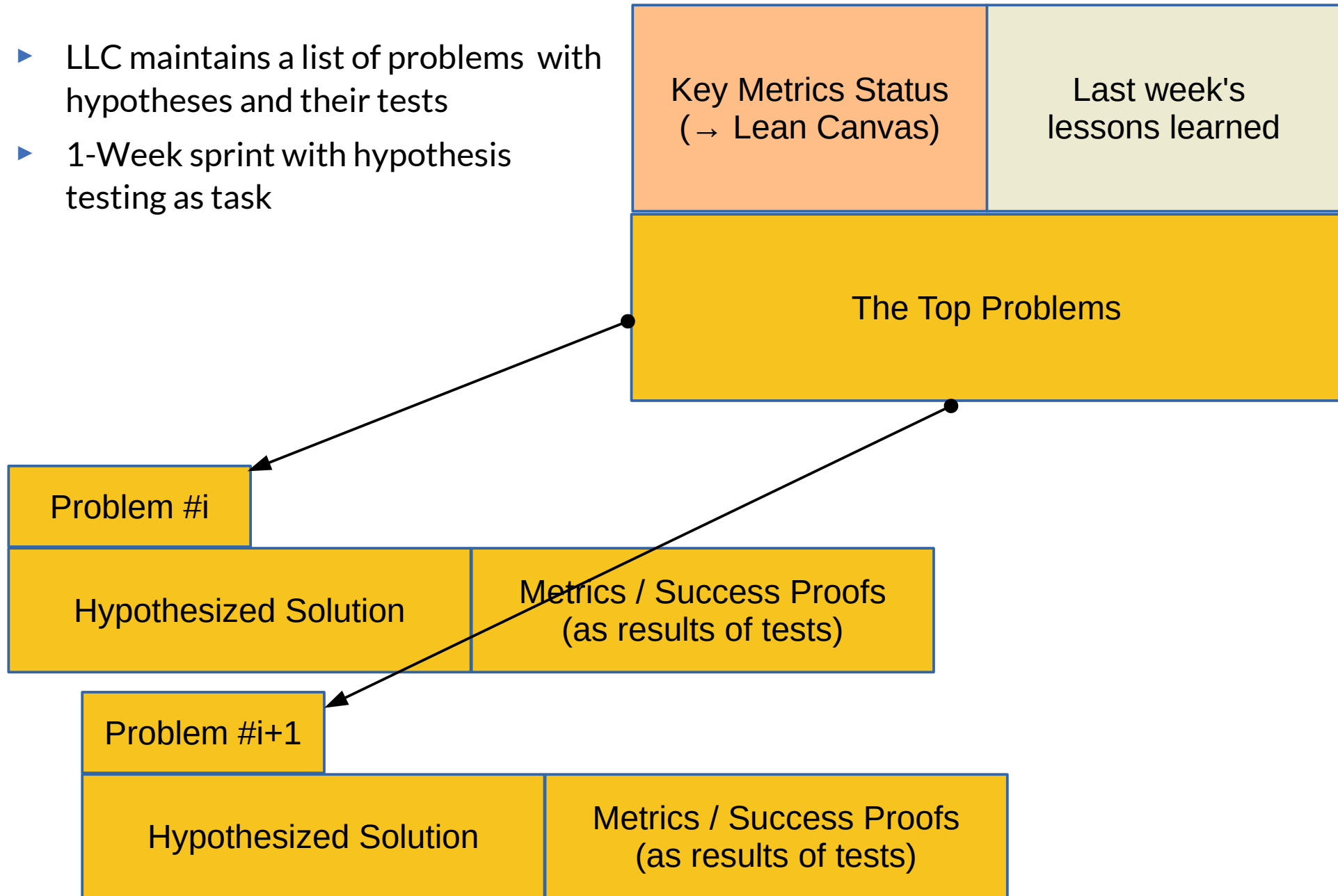


14.3. Evaluating the Key Metrics with the Lessons Learned Canvas (LLC)

- From Lean Analytics, Chapter Stickyness, p 220
- The work items in the Lean-Measure Incubation Sprints are Problem items, arranged in an LLC
 - The objective is to learn about the customer

Rpt.: LLC Works as Subcanvas of LeanCanvas:KeyMetrics

- ▶ LLC maintains a list of problems with hypotheses and their tests
- ▶ 1-Week sprint with hypothesis testing as task



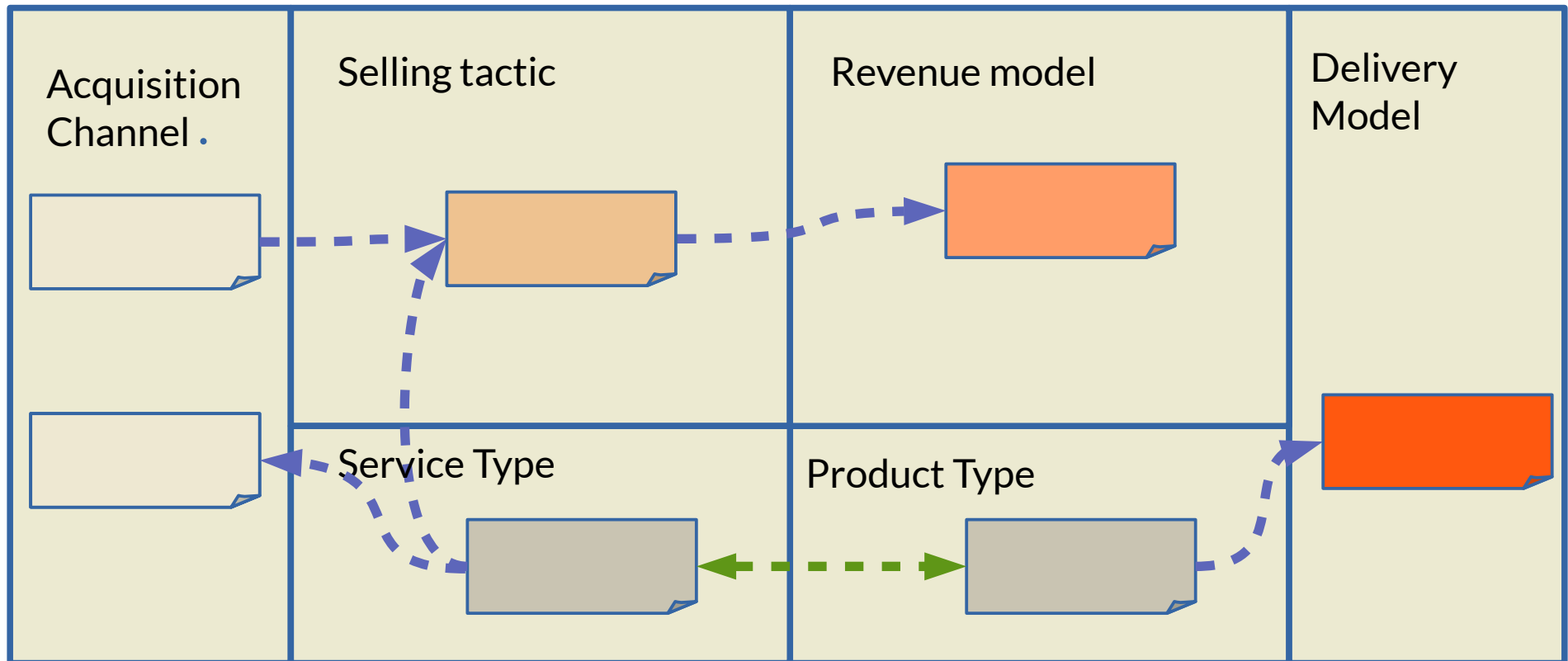


14.3.2 Channel Analysis

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





14.4 Keeping the Customer with Blank's Double-Funnel

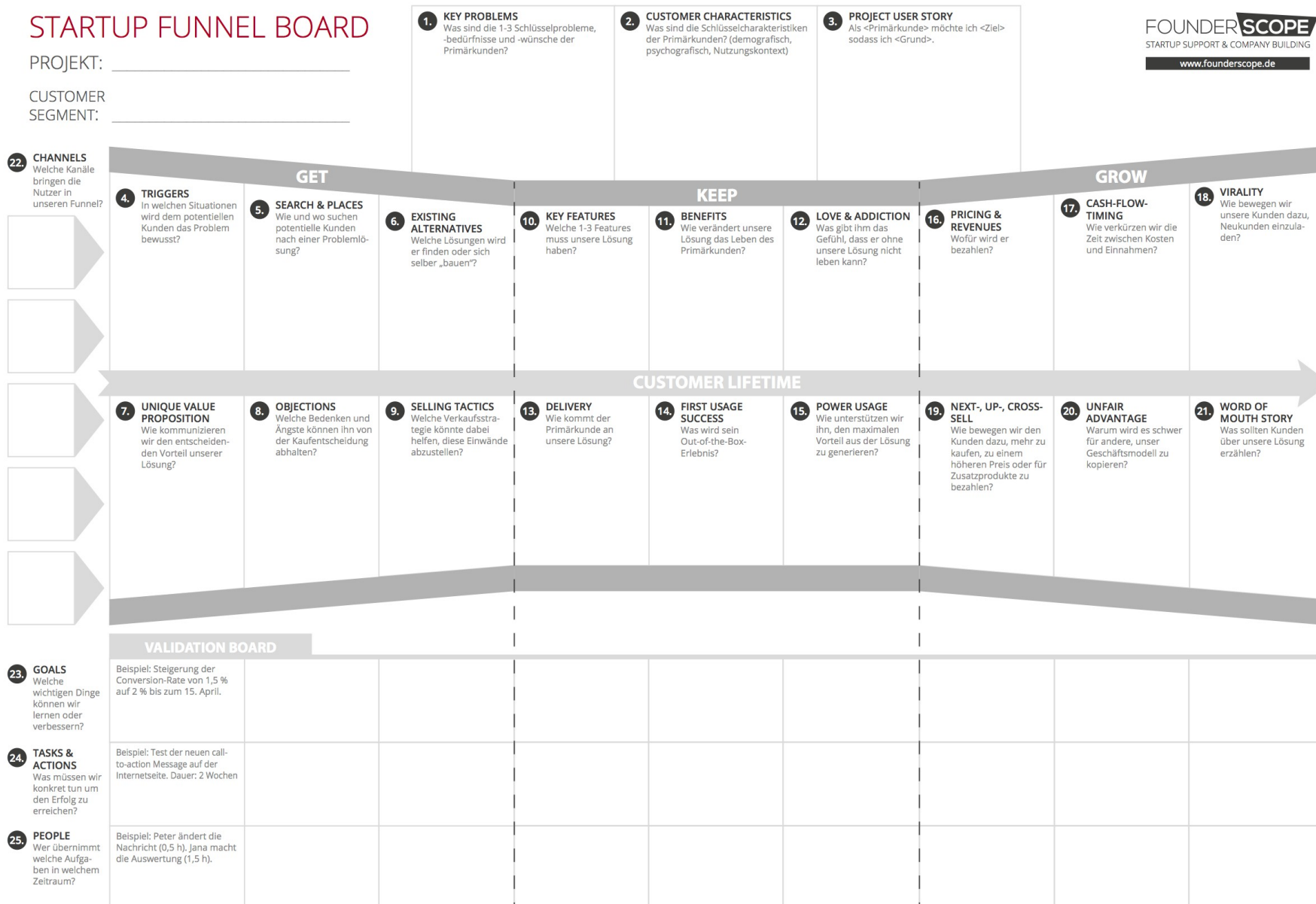
How do you *bind* the customer? (Stammkunde)

Customer Double Funnel Canvas (Startup Funnel Board)

STARTUP FUNNEL BOARD

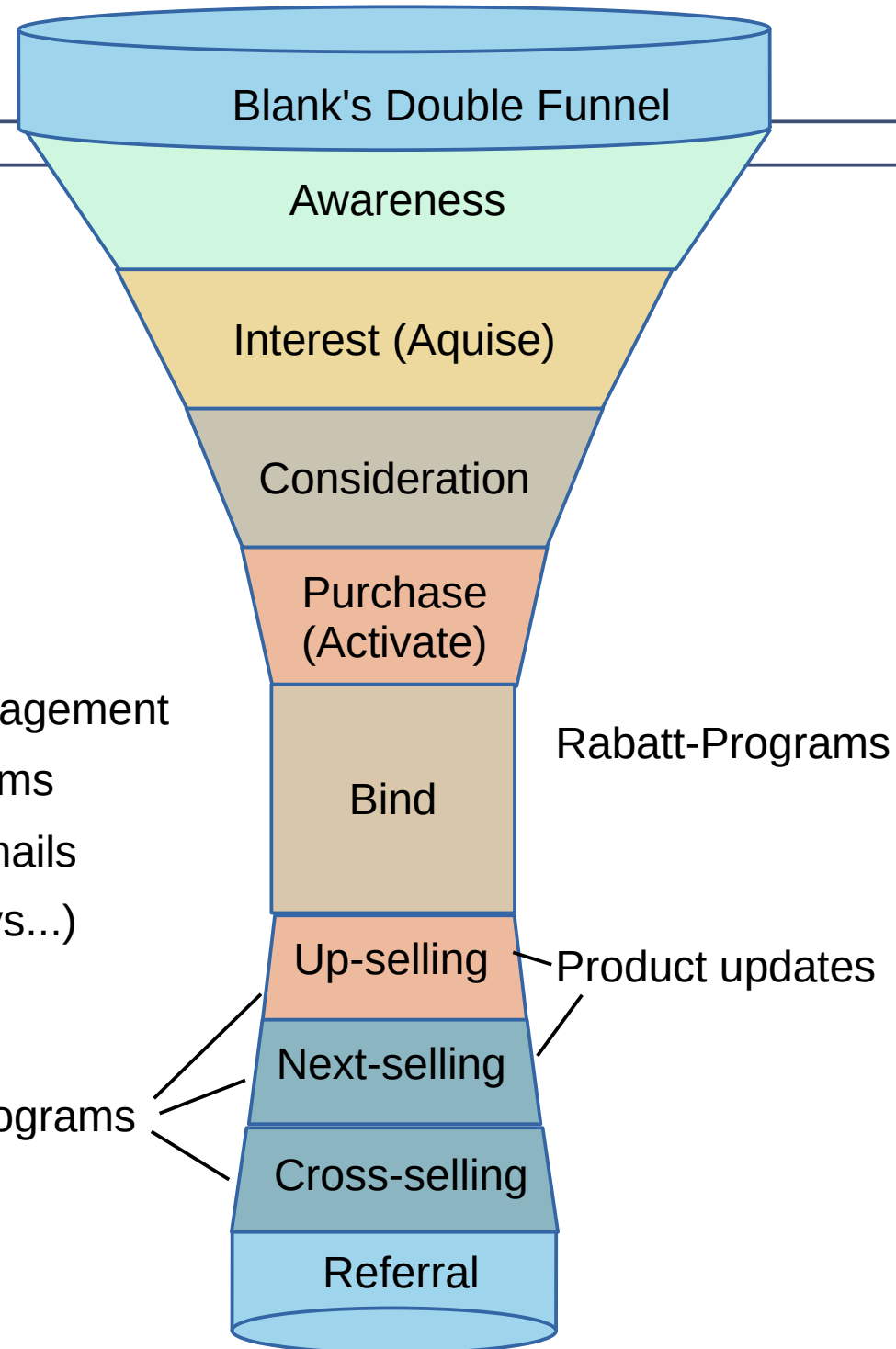
PROJEKT: _____

CUSTOMER SEGMENT: _____



Blank/Dorf Double Funnel

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

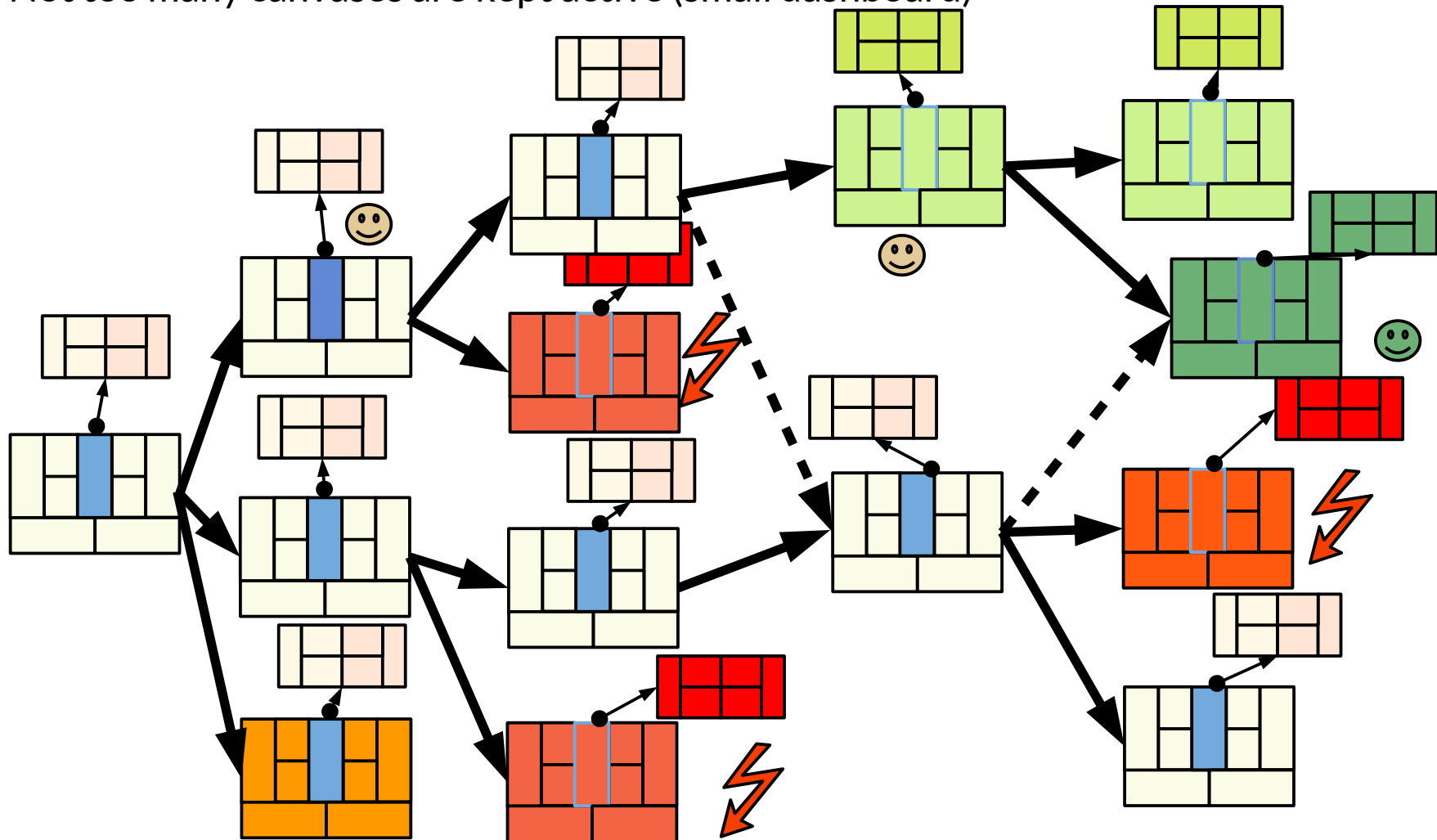




14.5. The Evolving Cactus of the Nested BMC

The Evolving BMC-VPC Canvas Cactus (extended)

- ▶ Growing a tree with side edges (link tree - cactus) out of a first version
 - Assess with red-yellow-green; choose a current “greenest” “champion”
- ▶ Every step tests **hypotheses** about the customer
- ▶ Not too many canvases are kept active (small dashboard)



BMC-VPC Refinement is Customer Modeling

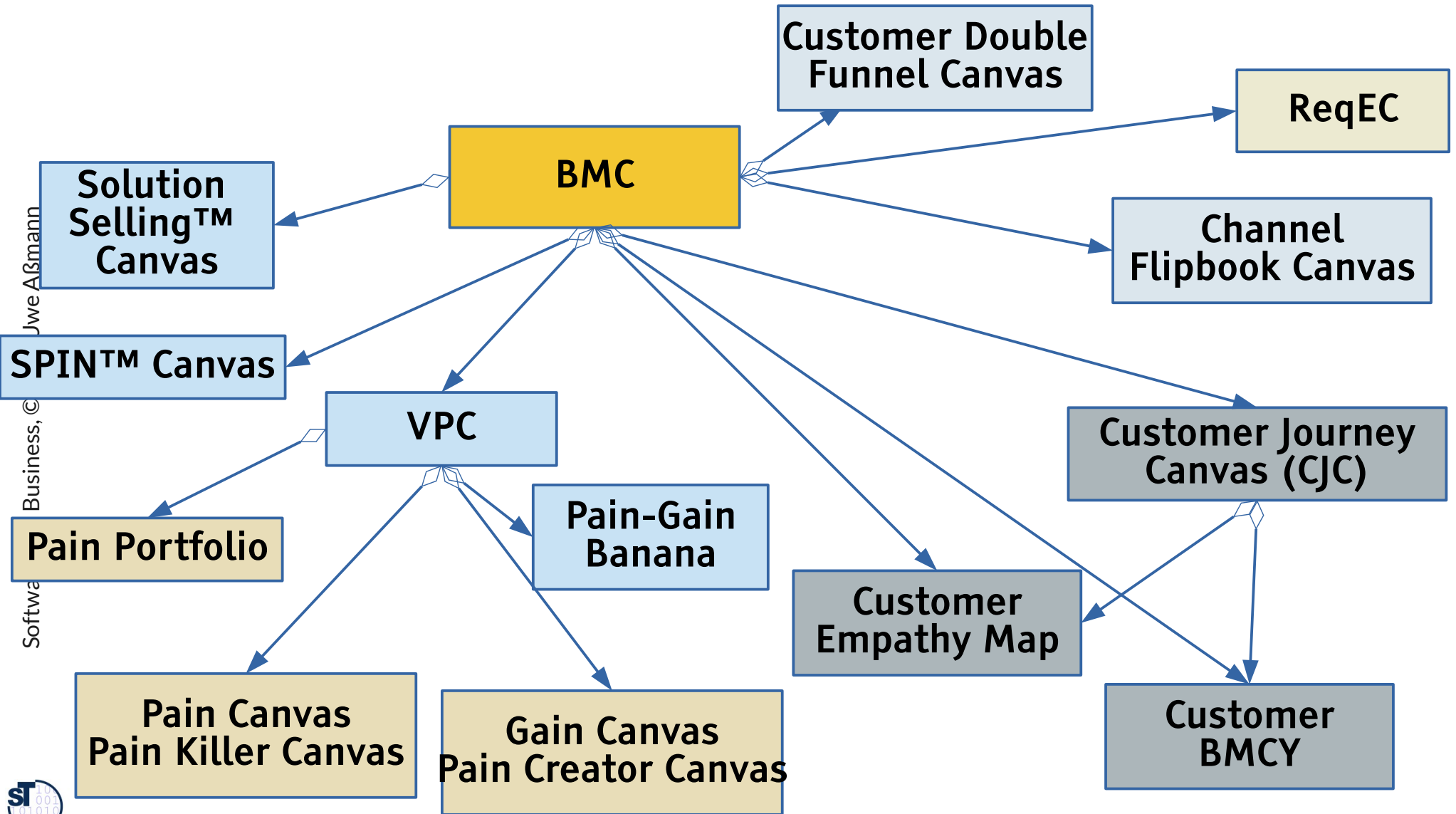
- ▶ The BMC-VPC cactus evolves during customer modeling

A red BMC-VPC shows why a persona cannot become a customer

A green BMC-VPC models a customer faithfully

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.