Idea Validation

An Introduction from an "Innovation major gone Engineer"

That's me!

deliberate.

AGENDA

14:30

Intro	10
5	Secondary Data
Interviews	15
10	Surveys
Transition to Doing Evidence	5
5	Prototype / Concierge

EXECUTE	90

Bring it back	30

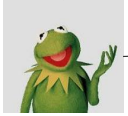
16:30

THE CONTEXT - FITREAL VR

Immersive VR fitness experiences that allow users to join live classes or explore exotic locations while exercising from home.

They've worked on this idea in secret for a long time. They would like us to be their partner for making it a reality.

How can we get started?



How much evidence do they have for any of these points on the canvas? 🤔

We should identify which of the points in that business model canvas are the most likely to kill the idea. Rank them by level of risk.

Prioritize Hypothesis
Step 2

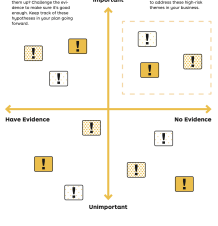
Use the Assumptions Map to prioritize all your hypotheses in terms of importance and evidence or absence of evidence that supports different types of hypotheses.

x-Axis: Evidence
On the x-axis you place all your hypotheses positioned to show how much evidence you have or don't have to support or refute a specific hypothesis. You place a hypothesis on the left if you are able to produce relevant, observable, and recent evidence to support a hypothesis. You place a hypothesis on the right if you do not have evidence and therefore will need to generate it.

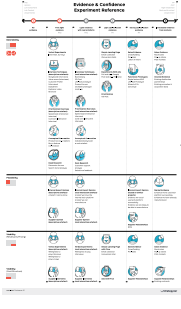
y-Axis: Importance
On the y-axis you place all your hypotheses in terms of importance. Position a hypothesis at the top if it is absolutely critical for your business idea to succeed. In other words, if that hypothesis is proven wrong, your business idea will fail and all other hypotheses become irrelevant. You place a hypothesis at the bottom if it is not one of the first things you'd go out and test.

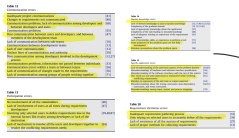
Top Left
Share
Check the top left quadrant against your evidence and share it with your team. Have your hypotheses ready to have meaningful evidence to back them up! Challenge the evidence to make sure it's good enough. Keep track of these hypotheses in your plan going forward.

Top Right
Experiment
Focus on the top right quadrant to identify which hypotheses to test first. The methods you use to test them, in addition. Create experiments to address these high-risk themes in your business.



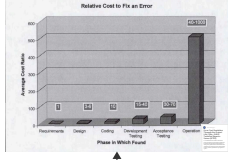
How can we reduce that risk?





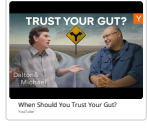
https://www.sciencedirect.com/science/article/abs/pii/S0950584909000111

Why should Engineers care?



Why does this matter?

We don't have to and shouldn't be scientists about everything.



TLDR - it depends 🤓:

- You are an expert in the industry and know the problem / are opinionated about it.

  --> Don't over-analyse too much. You probably have a lot of knowledge internalised and your intuition will likely point in the right direction.

- You are new to the domain / breaking into new territory.

  --> Do NOT trust your gut. Be methodical and learn as much as you can.

Aka: Are you BRINGING expertise or are you BUILDING expertise.

ROUGH IDEA

SEARCH TREND ANALYSIS

CUSTOMER INTERVIEW

DISCOVERY SURVEY

LANDING PAGE

ONLINE SEARCH

CONCIERGE

...

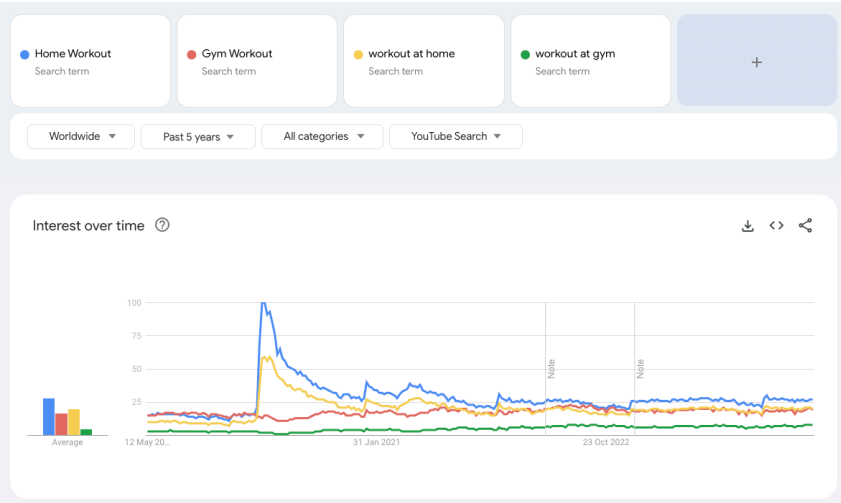
SUCCESSFUL PRODUCT

SEARCH TREND ANALYSIS

Google Trends

… for comparisons / trends

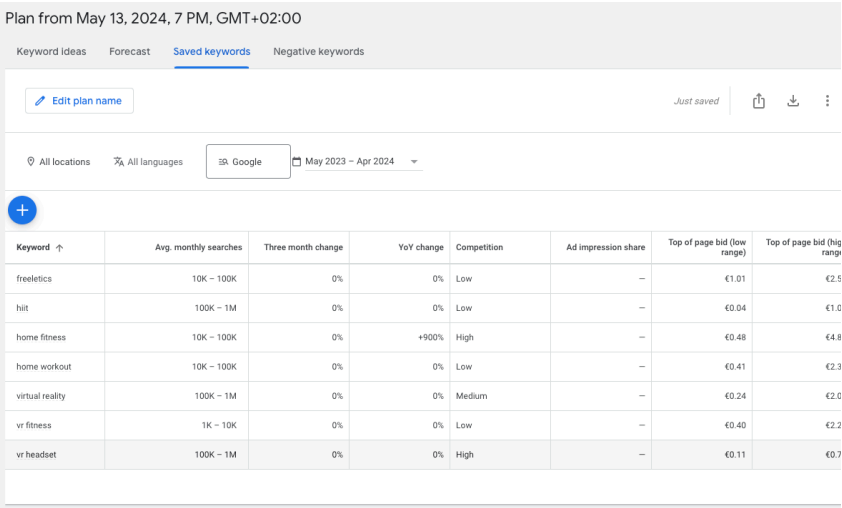
* Use Topics where available
* Compare things on similar level of specificity
* Look up terms / keywords directly
* Google or YouTube? Depends.



Google Ads Keyword Planner

… for orders of magnitude / competition

* can give you search-volume ranges
* gives indications of competition
* limited to Google



EXPLORATORY CUSTOMER INTERVIEWS

Interviews are delicate. You want to learn about peoples lives and what they do - and your enemies are...

Interviewers...

- ... pitching
- ... asking leading questions
- ... steering interviews into their happy path
- ... unduely influencing with body language

Interviewees

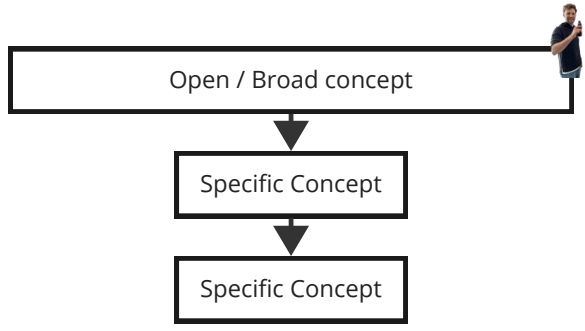
- ... rationalising
- ... trying to be nice / good
- ... talking too little
- ... talking too much
- ... talking about their last fishing trip
- ....

Good interviews take a lot of practice, but there also are a couple of rules of thumb that can help you avoid the most common mistakes.

EXPLORATORY CUSTOMER INTERVIEWS

- Talk about their life instead of your idea
- Ask about specifics in the past instead of generics or opinions about the future
- Talk less and listen more

You aren't allowed to tell them what their problem is and in return they aren't allowed to tell you what to build



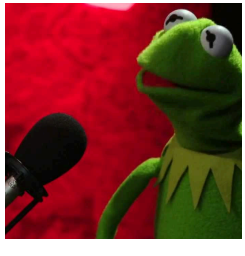
Redirect ...

- Generic claims (I usually, I always, I never)
- Hypothetical maybes (I might, I could)
- Future-tense promises (I would, I will)

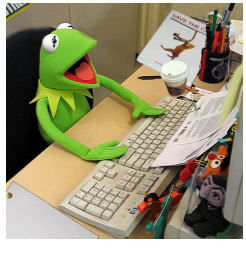
to ...

- Ask when it last happened or for them to talk you through it
- Ask how they solved it and what else they tried

Write a Guide

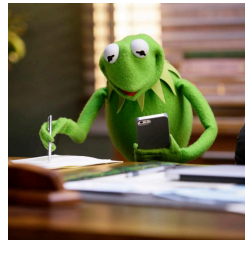


Conduct an Interview



Revise the Guide

Repeat Conduct & Revise



Synthesise Learnings

Revise Value Proposition

DISCOVERY SURVEY

We already know a decent bit - let's see if we find anything ELSE in our target crowd!

Requirements

Qualitative Source Material

Surveys are generally more impactful when you already have qualitative insights from other methods that don't scale. Use that material to inform your survey design.

Capabilities

Product / Marketing / Research

Discovery surveys require the ability to write open-ended survey questions without a negative tone. You'll also need to be able to identify the audience and interpret the results by Affinity Sorting or using word clouds to find patterns in the feedback.

Access to an Audience

Getting in front of the right audience is just as important as your survey design. If you have an existing site with lots of traffic, then you can leverage that to get to your audience. If you do not have this luxury or are going after a new market, then brain-storm channels to use before designing your survey.

Sample Survey Questions

- *When was the last time you have [insert scenario here]?*
- *Can you explain what happened and how it impacted you?*
- *What other options did you explore? Why?*
- *If you could wave a magic wand, what would you have liked to have happened?*
- *What question do you wish we would have asked you?*

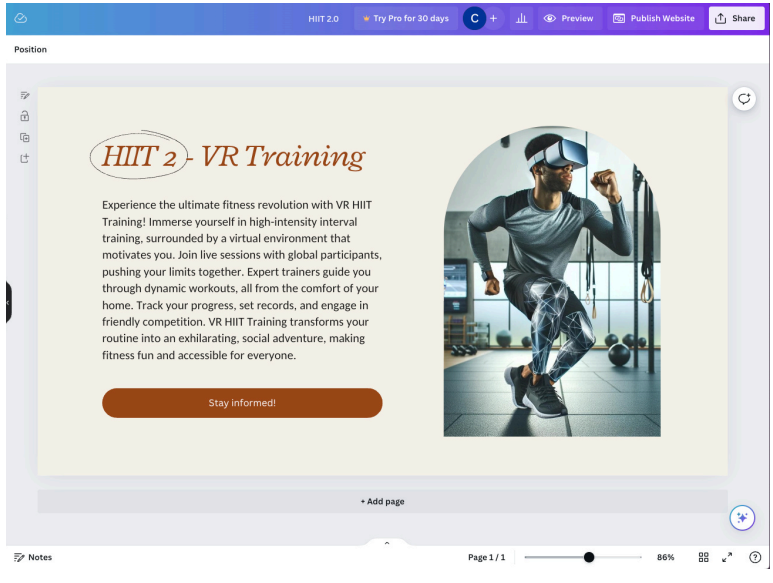
LANDING PAGE

Canva + Google Ads

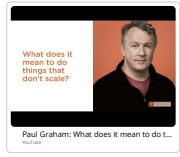
Create Landing Pages with CTAs using some free or cheap tool like Canva and place AdWords on interesting keywords to put it in front of the target audience.

* Time on Page
* Click-Rate
* Newsletter Sign Ups

Do it multiple times to compare pitches with each other.



PROTOTYPE / CONCIERGE / WIZARD OF OZ

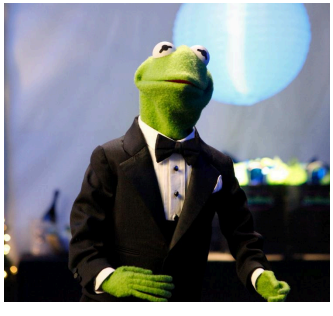


PROTOTYPE

Abstraction of the actual product to see if crucial aspect makes sense.

Not public.

Does this work?



CONCIERGE

Openly perform the service manually for the target audience.

Public.

Did we miss anything?

Can we sell this?

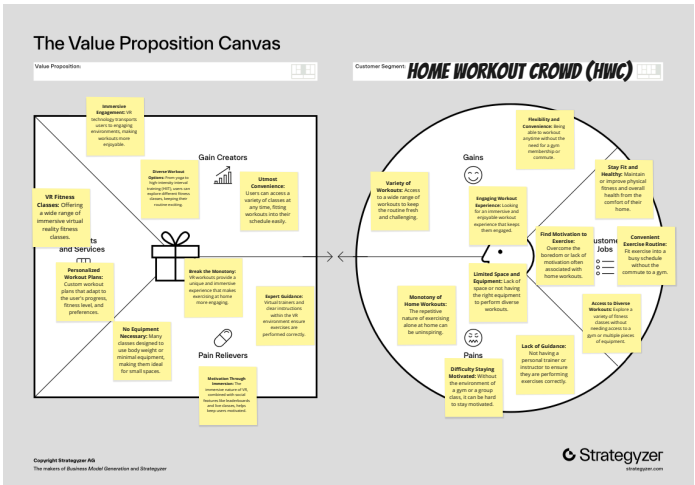
WIZARD OF OZ

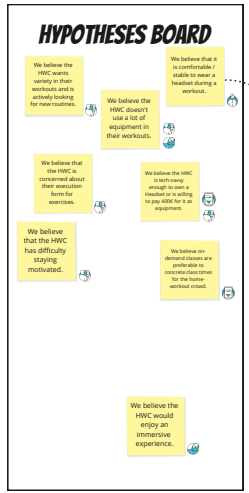
Perform a lot of steps manually - but make it intransparent.

Public.

YOUR TASK

1. Understand Levels of Validation
2. Prepare for Experiments
3. Execute
4. Learn





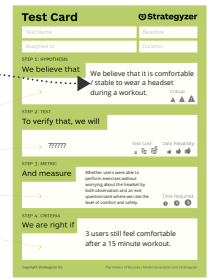
What is a good experiment?
A good experiment is precise enough so that team members can replicate it and generate usable and comparable data.

- Defines the "who" precisely (test subject)
- Defines the "where" precisely (test context)
- Defines the "what" precisely (test elements)

What are the components of an experiment?
A well-formed business experiment is made up of four components:

1. Hypothesis
The most critical hypothesis from the top right quadrant of your Assumptions Map.
2. Experiment
The description of the experiment you will run to support or refute the hypothesis.
3. Metrics
The data you will measure as part of the experiment.
4. Criteria
The success criteria for your experiment metrics.

Call-to-Action Experiment
A specific type of experiment that prompts a test subject to perform an observable action. Used in an experiment in order to test one or more hypotheses.



PICK YOUR CARD

ROUGH IDEA

SEARCH TREND ANALYSIS

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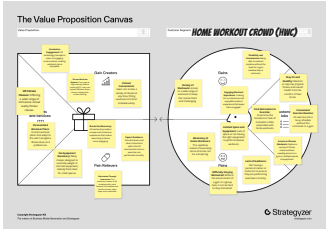
CONCIERGE

SUCCESSFUL PRODUCT

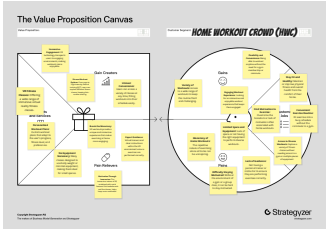
COLOR	TEAM
	Digital Experiments
	Customer Data
	End to End Test

TEAM DIGITAL EXPERIMENTS



YOUR WORKSPACE

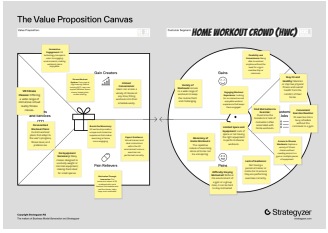
TEAM CUSTOMER DATA

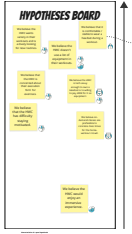


PICK YOUR CARD

YOUR WORKSPACE

TEAM END TO END TEST





YOUR WORKSPACE