How to validate your idea – Day 1

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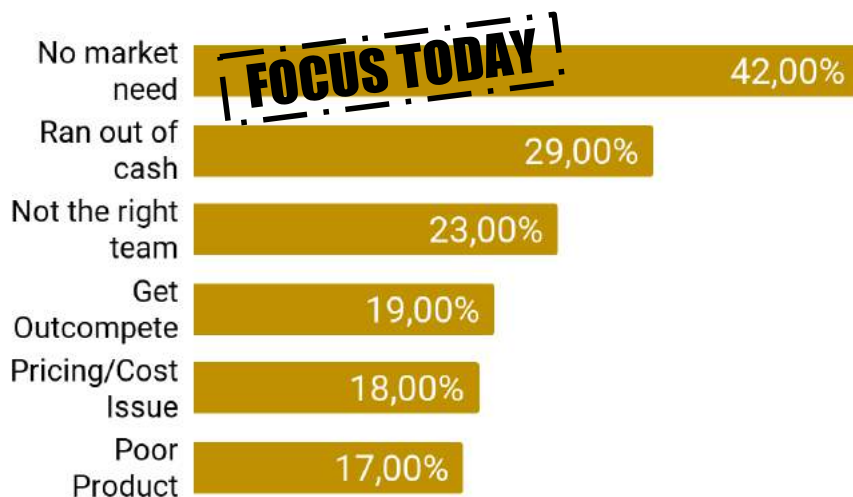
Kamil Barbarski // kamilbarbarski.com

80-90% of all innovative products fail - Why?

Top reasons for startup failure?

Reasons for startup failure

| Reason	Percentage
No market need	42,00%
Ran out of cash	29,00%
Not the right team	23,00%
Get Outcompete	19,00%
Pricing/Cost Issue	18,00%
Poor Product	17,00%

FOCUS TODAY

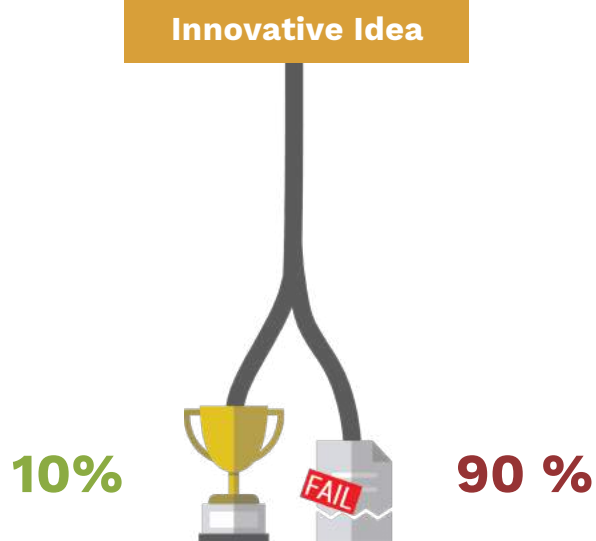2019, Top 20 Reasons Startups Fail by CBINSIGHTS

> **66 % of the successful products change their initial plan dramatically.**
>
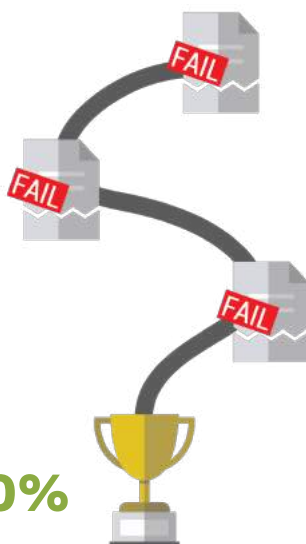> *- Ash Maurya, entrepreneur and author of Running Lean*

Search vs. Execution

Execution-Mode

Innovative Idea

10% **90 %**
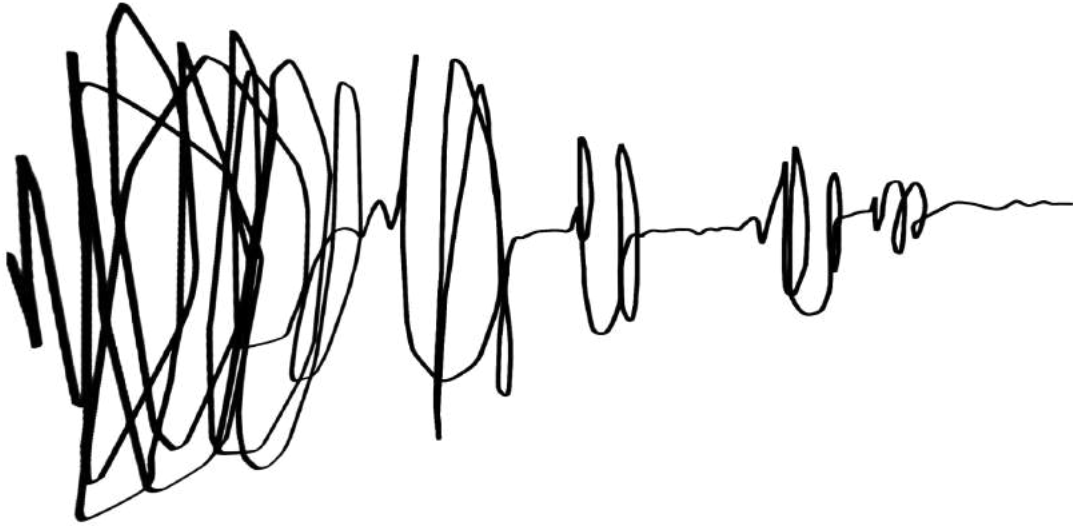
Search-Mode   Innovative Idea

Success > 10%

Startup / Innovation Team ≠ Small Version of a Big Company
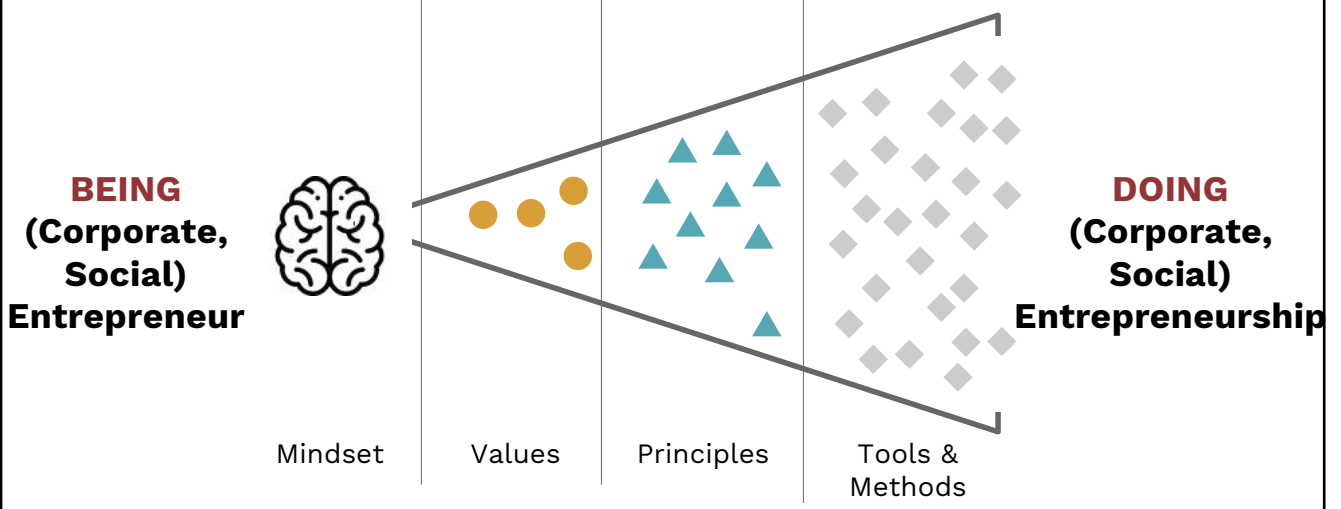
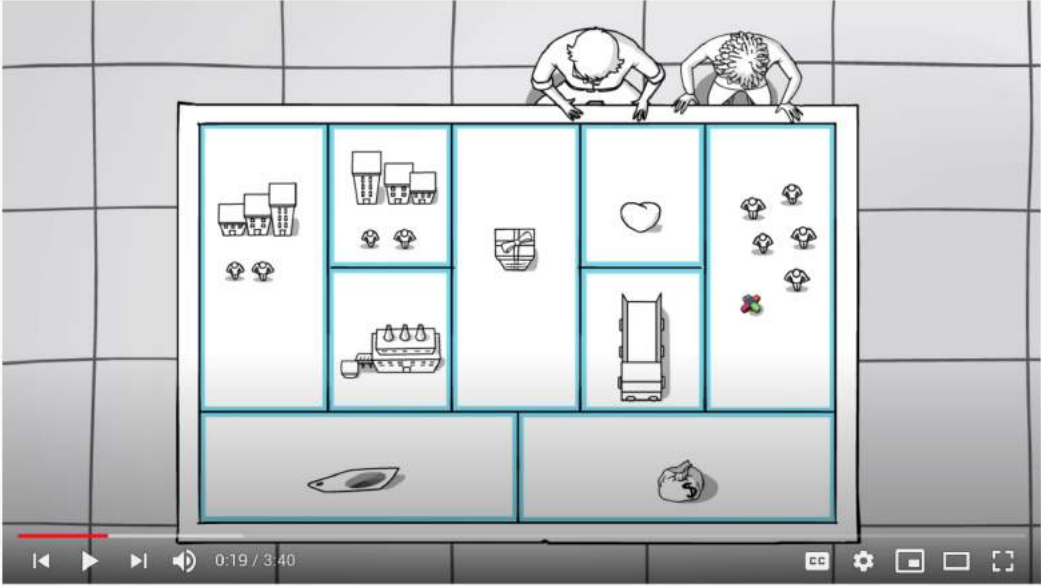# From Idea to <u>Sustainable</u> Business Model

A Common Language
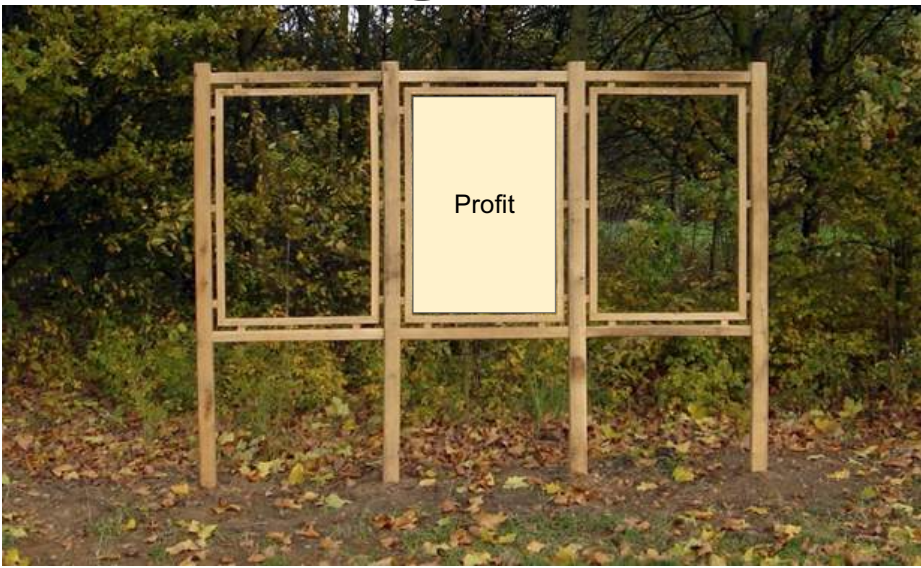
(Corporate, Social) Entrepreneurship is a mindset

BEING
(Corporate, Social) Entrepreneur

DOING
(Corporate, Social) Entrepreneurship

Mindset   Values   Principles   Tools & Methods

Ep 2 - Visualizing Your Business Model
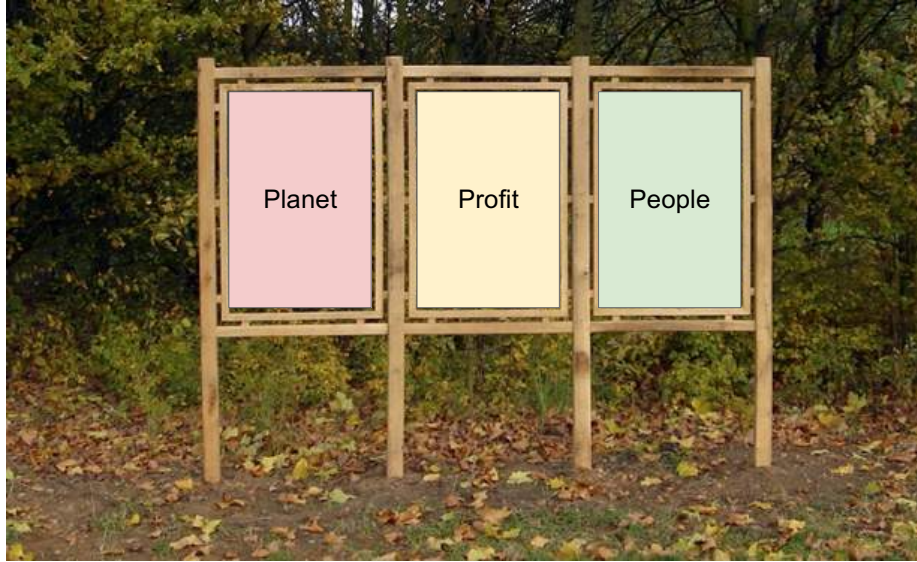
https://youtu.be/wlKP-BaC0jA with Example. Or shorter: https://www.youtube.com/watch?v=QoAOzMTLP5s

What's missing?

Profit

That's missing!

Planet | Profit | People

Nature is Speaking

#NatureIsSpeaking
17 videos • 1,391,547 views • Last updated on Oct 22, 2018

Nature doesn't need people. People need nature.

Conservation International   SUBSCRIBE

1. Nature Is Speaking: Shailene Woodley is Forest
Conservation International

2. Nature Is Speaking: Joan Chen is Sky | Conservation International (CI)
Conservation International

3. Nature Is Speaking: Lee Pace is Mountain | Conservation International (CI)
Conservation International

4. Nature Is Speaking – Reese Witherspoon is Home | Conservation International (CI)
Conservation International

5. Nature Is Speaking – Liam Neeson is Ice | Conservation International (CI)
Conservation International

6. Nature Is Speaking – Julia Roberts is Mother Nature | Conservation International (CI)
Conservation International

https://www.youtube.com/playlist?list=PL5WqtuU6JrnXjsGO4WUpJuSVmlDcEgEYb

People are speaking

Pick your SDG(s)

The Sustainable Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
	Key Resources		**Channels**	

Cost Structure	Revenue Streams

Eco-Social Costs	Eco-Social Benefits

https://www.case-ka.eu/wp/wp-content/uploads/2017/05/SustainableBusinessModelCanvas_highresolution.jpg

Strategyzer.com

High Hanging Fruit

Low Hanging Fruit

Who are your Early Adopters

1. Has a **problem / need regularly**
2. Is **aware** of having a problem
3. Is **actively looking** for a solution
4. Has put together a **solution out of pieces**
5. Has the **budget**

Market Size + Access (How good can you reach them today/in the next weeks?)

How to validate your idea - Day 2

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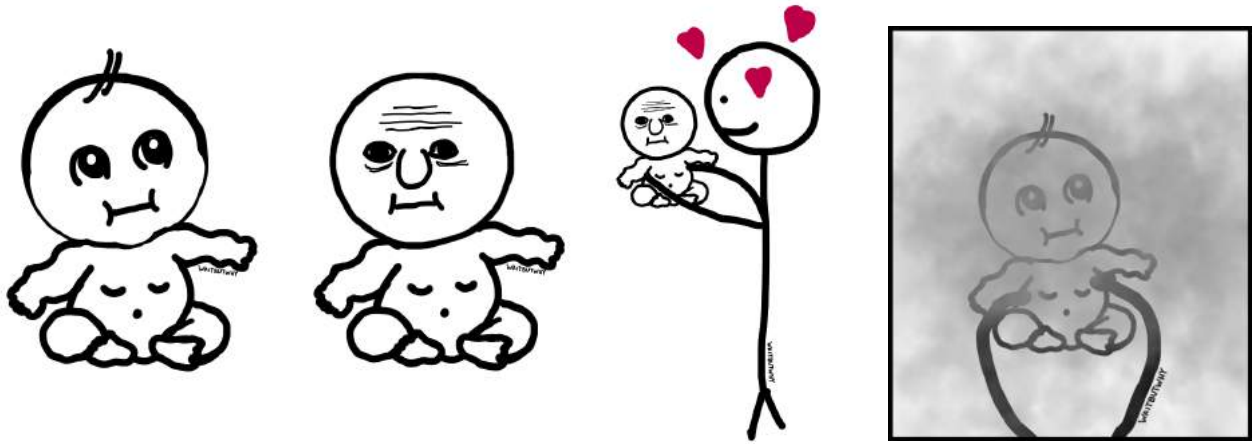# Sustainable Business Model Validation

> **"** ***Everybody has a plan until they get punched in their face.***
>
> *- Mike Tyson, former world heavyweight champion (& philosopher?)*

Don't forget: 90% fail
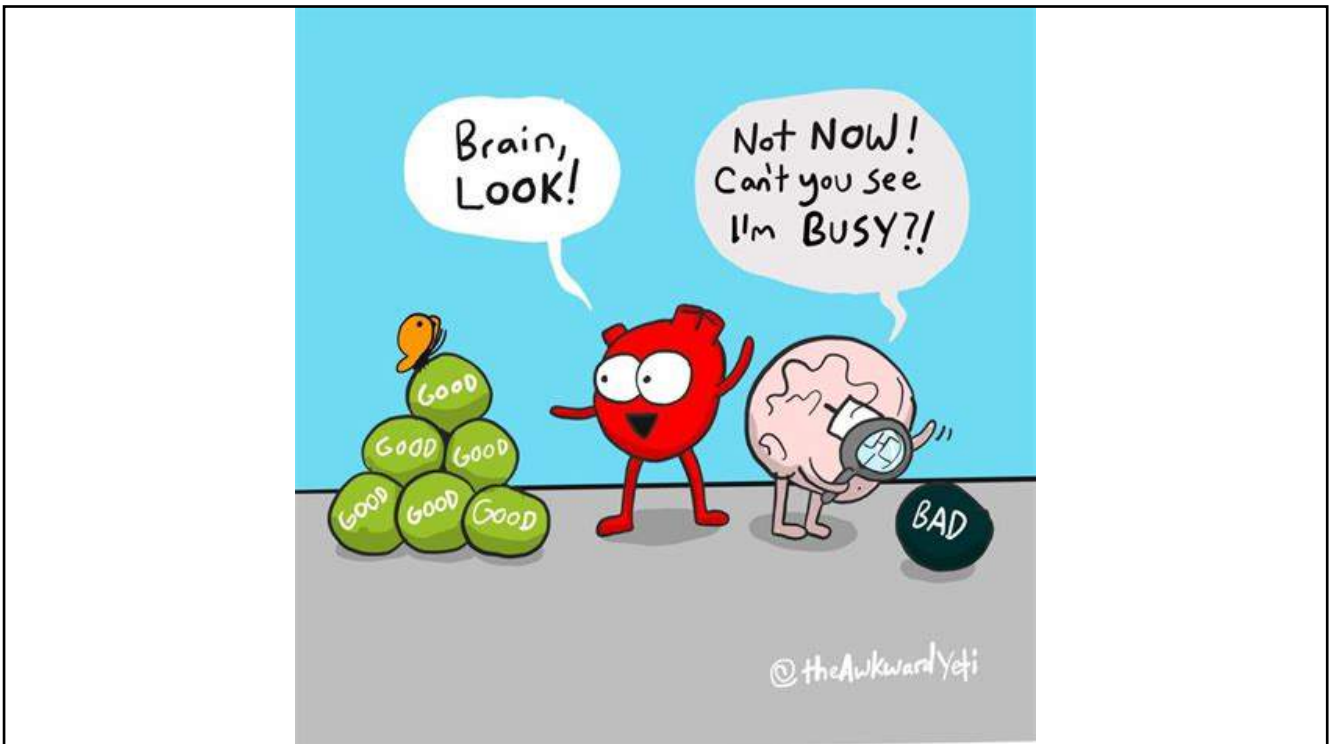
Watch out for confirmation bias
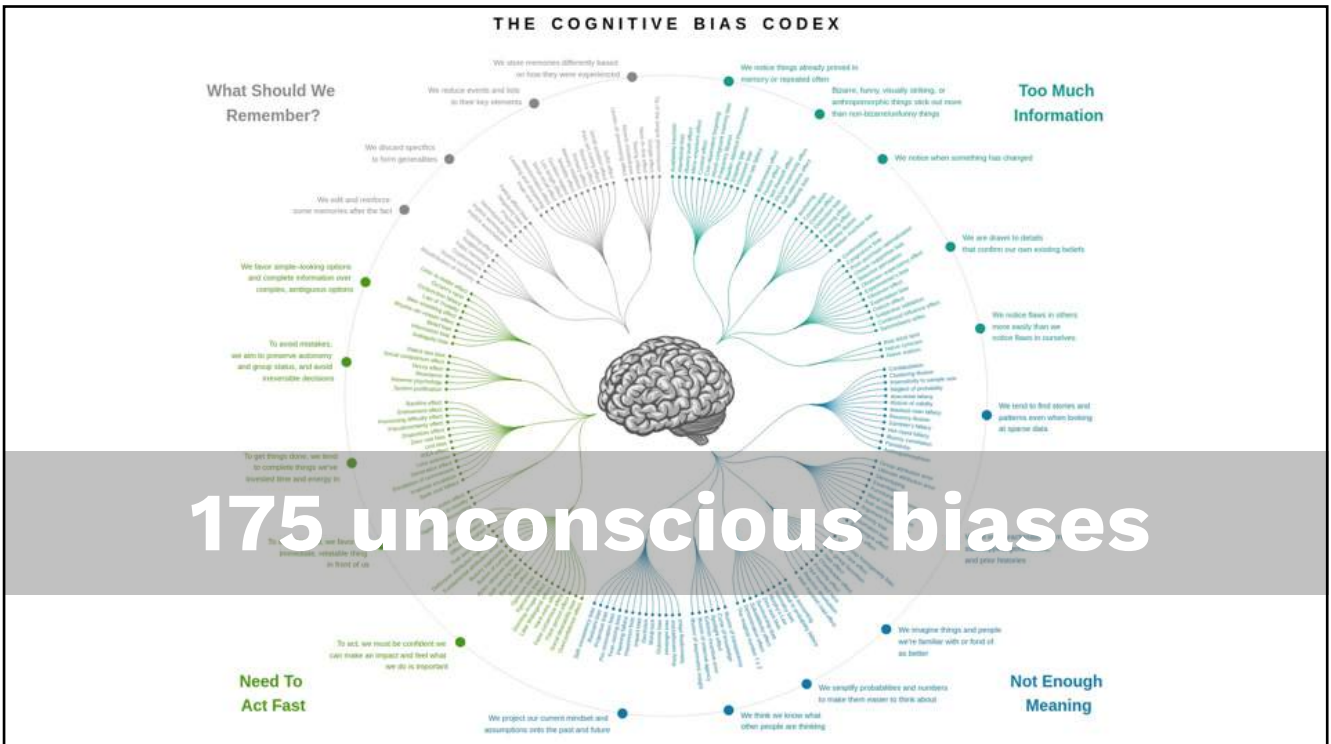

Source: waitbutwhy.com

Confirmation bias
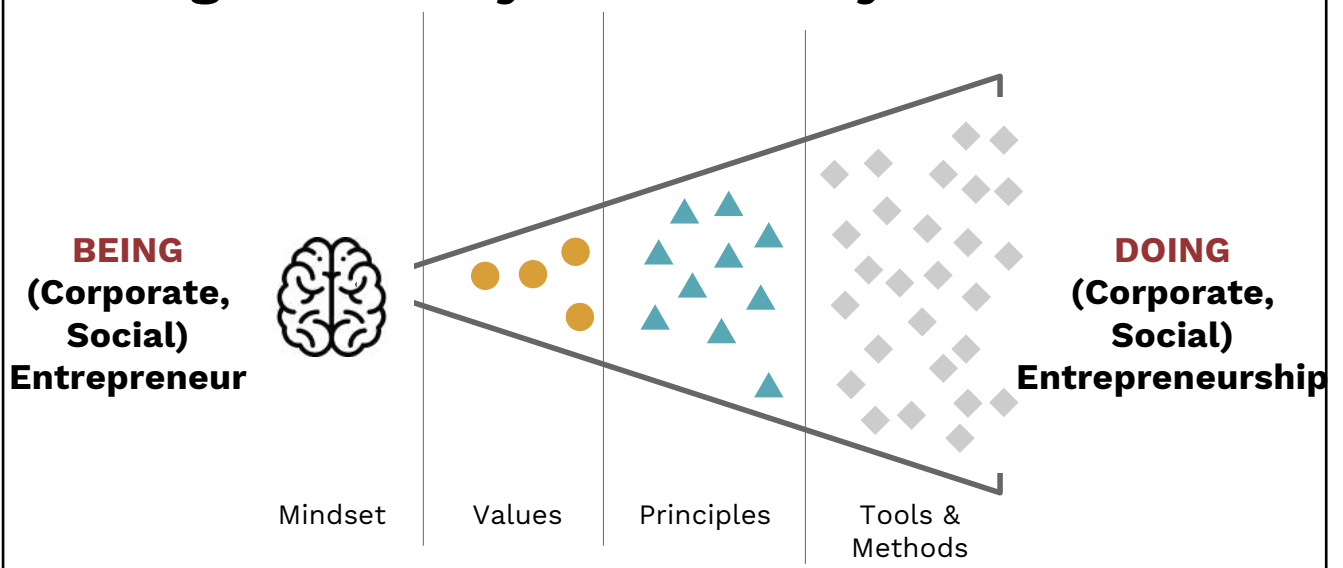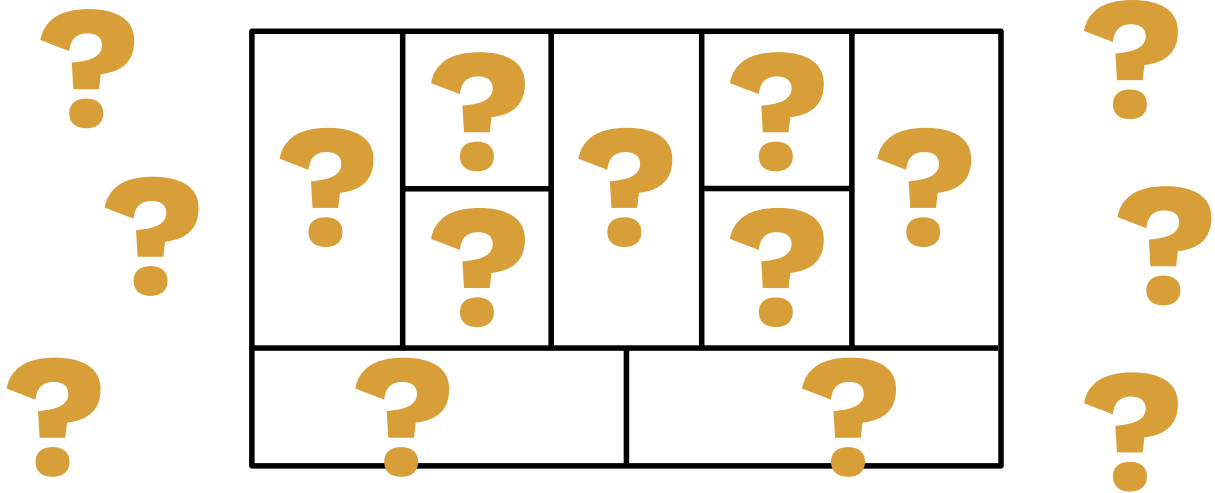
We fall in love with our idea

" We need people that understand the world - and themselves.

- Sam Harris, Author, Neuroscientist & Philosopher

Building up a entrepreneurial mindset by being aware of yourself and your biases
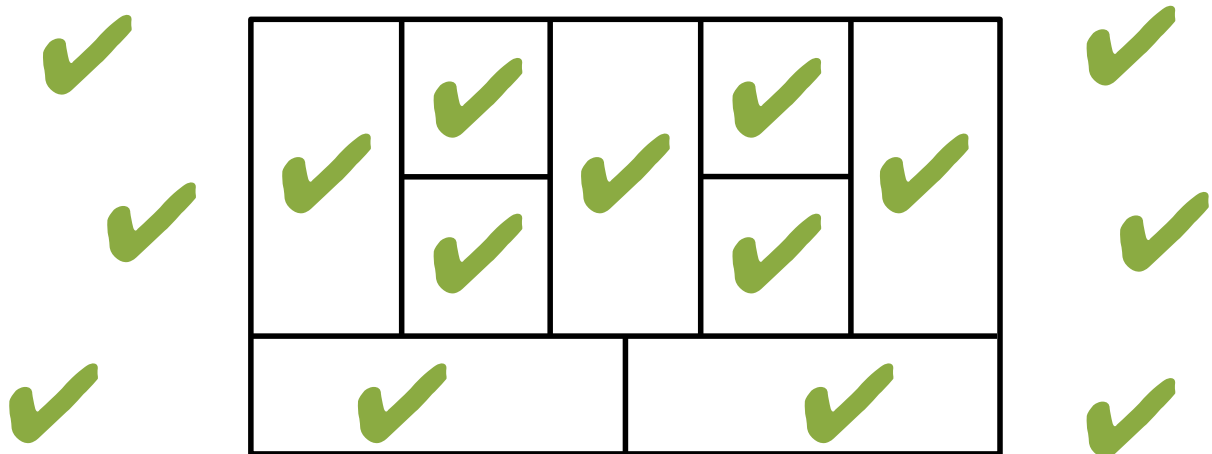

BEING
(Corporate, Social) Entrepreneur

DOING
(Corporate, Social) Entrepreneurship

Mindset   Values   Principles   Tools & Methods

Be humble – nothing is 100 % certain

Use data and gut feeling

Experiment (Lean Startup)

BUILD

Ideas

MVP (Minimum Viable Product) = learning prototype

LEARN
(be aware of biases)

MEASURE
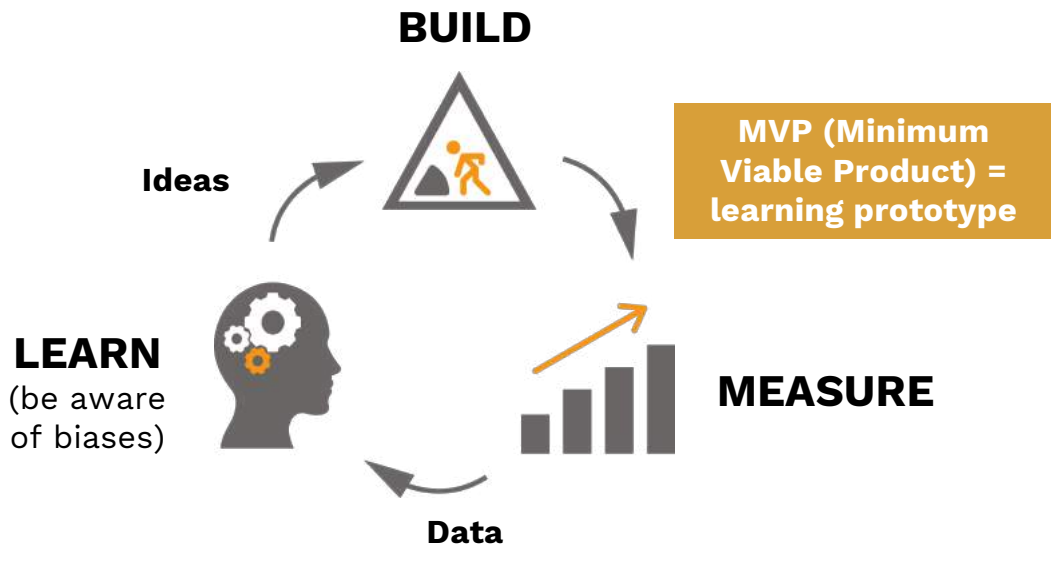
Data

De-risk your idea through data-supported thinking and gut-feeling

Note down observations about the experiments and mindset

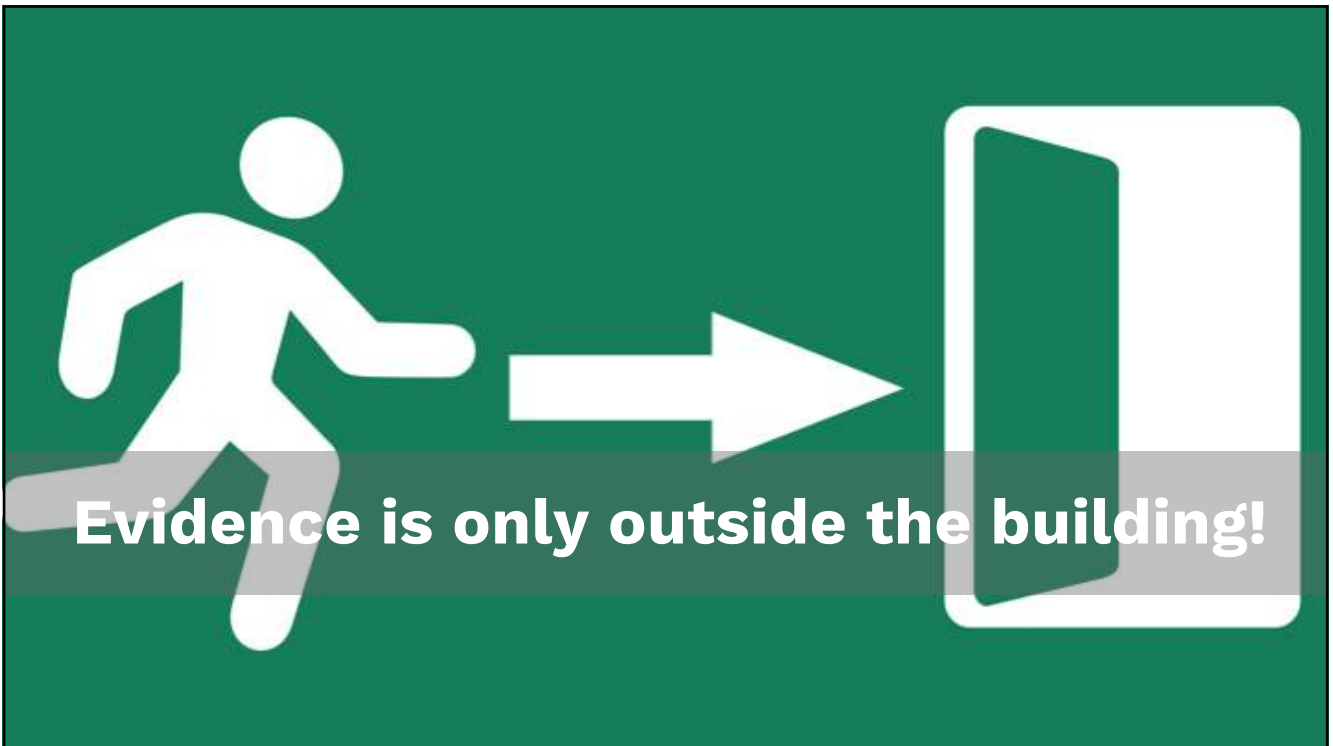# Some experiment types to get evidence

- Problem (Discovery) Interviews
- Landing Page / Teaser Page
- (Online) Event
- Comprehension Test / 5 Seconds Test
- Experience Sampling
- Secondary Market Research
- Pre-Sales Smoke Test
- Feature Smoke Test
- Faked Door (Ad) Smoke Test
- (Open) Surveys
- Crowdfunding/ICO

- Solution Interviews
- Concierge MVP / Consulting
- Picnic in the Graveyard
- Demo Pitch
- Paper Prototype
- Clickable Prototype
- Wizard of Oz
- A/B Testing
- Version 1.0 (Software/Hardware)
- …

More & free:
realstartupbook.com

How to start?

Viability

Feasibility

Desirability

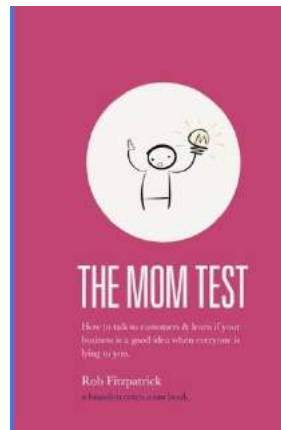Evidence is only outside the building!

Must-do: Customer Interviews

Why Customer Interviews?

- **No idea survives the first contact** with the customers
- **Who is the customer** and what are their **problems are critical questions**
- **No cash** needed
- **Fast** insights
- Get new **ideas**
- First step to **sales**

Learn about the truth when everybody is lying

5 rules for Customer Interviews

1. **Do NOT sell** (learn-mode)
2. **Open questions** (don't bias)
3. **80% listening** (customer = expert)
4. **Past/present** > future (no hypothetical questions)
5. **Keep it casual** (natural environment)

Problem Interview script

1. **Introduction (2 min.):** Explain who you are and what you want (learn, not sell)
2. **Qualification (2 min.):** Check whether this is your target audience (behavioral, sociodemographic etc.)
3. **Problem discovery/validation (15 min.):** Ask about a situation from the past where they might have been face with the problem, listen and dig deeper: „Can you tell me step by step how you acted? Why was it hard? How was it in detail? What does it mean for you?"
4. **Solution discovery (4 min.):** Find out how they solve the problem today. Optional: „What would be the perfect solution for you?"
5. **Proposal check (2 min.):** Tell them your one sentence idea statement and let your interview partner explain you what she understood (just listen!)
6. **End (2 min.):** „Thank you. Can I contact you when we have some solution in mind for the problems you talked about?" → if yes, get contact details: "Is email OK?" → if yes: "Can you recommend me somebody else I can talk to?"

Watch out for evidence! problems come up without directly asking, emotions, contact details, referrals, appointment, LOI, ...

Enterprise/B2B/B2G/Internal

- How do you describe your role in the organization?
- Who else is involved in this topic? Who participates in decision making?
- Which business goals do you have for this year?
- How does your performance get measured?
- What do your customers try to achieve?
- How much does cost you to solve this problem? How much do you invest?

Try not to talk about your solution!

Enterprise stakeholders: which one is critical and reachable?

Decision Maker

Economic Buyer

Recommender

Influencer

User

Saboteur

Hard target audience for today?

1. Call somebody
(best are video calls)

2. Contact experts
(e.g. collegues that are experts for your target group)

3. Make appointments for next days
(try to do 1 interview yourself; contact your target group)

Ask the experts: your colleagues know ways to foster sustainable solutions

How to find interview partners

■ **Referrals & Direct contacts (Ok to start with)**
■ **Social Media (LinkedIn, groups, hashtags)**
■ External websites, forums, blogs
■ Trade fairs, events, meetups
■ Clubs, associations
■ Cold email, cold call (B2B)
■ Offline advertising (flyer, Plakate)
■ Online advertising (AdWords, Facebook)
■ You website, blog, teaser page
■ Street (airport, train station)

Hello Mr. Schmidt,

I am trying to make office leasing easier for new businesses **(vision)**. We don't have a finished product for sale yet, but we want to make sure we develop something that is really needed **(frame)**.

I only know the tenant perspective so far and have trouble understanding the landlord side **(weakness)**. You are an expert in leasing office space and could help me understand the whole thing **(podium)**.

Would you have time to talk right now for 5 minutes/next week? **(question)**
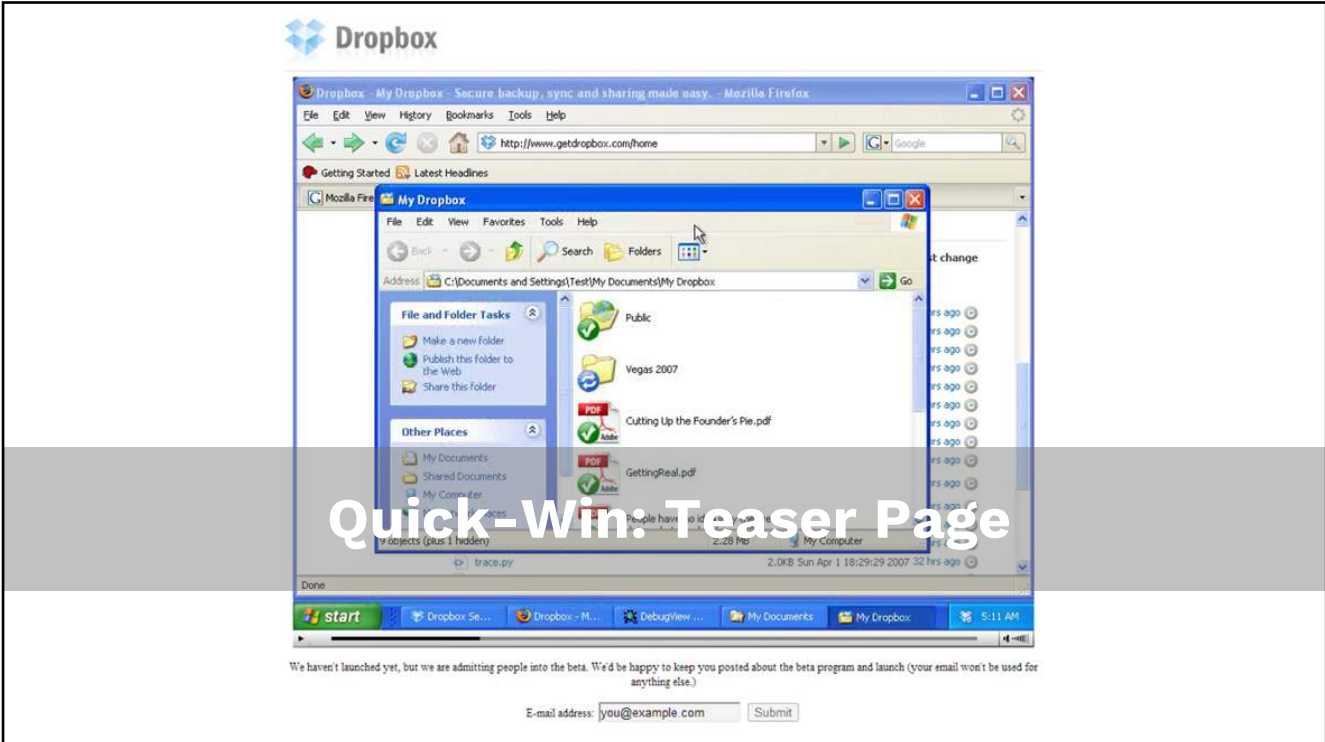
Quick-Win: Teaser Page

Quick-Win: (Online) Event

Gratis (online) event

- **Facebook Events + zoom, hangouts, etc.**
- **LinkedIn Events**
- **Wunderfest**
- Eventbrite
- Meetup.com
- Xing Events

Wrap-up

Mindset > Methods! Start learning about you and your idea.

- As innovators you are **searching for a new sustainable business model**
- Your **biggest risk is building something nobody wants** (including yourself & your team)
- You have a **higher chance of success by creating evidence through collecting data and reflecting yourself** (experimenting, agile, biases)
  - **Customer Interviews = Must-Do**
  - **Landing page & (Online) Event = Quick-Win**

Thank you.

Get in touch!

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Let's stay in touch.

kamilbarbarski.com

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