



## Customer Development 101



### I. What is Customer Development

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1. The concept of customer development really gained traction in the startup world
2. The brilliance of the idea: Instead of spending years building something and then discovering if customers do or do not want it, why not engage them early in the learning process (often even BEFORE a MVP or prototype was/is built) to ensure you're building something that prospects/customers actually want
3. Another key benefit of customer development is that these same "customers" often become your first buyers and fans/product evangelists

#### I. What is Customer Development

4. Customer development is a continuous customer feedback loop that typically continues throughout the entire product development cycle
5. The battle cry of Customer Development is, "Get Out of The Building!"



## II. Pre-Work for Customer Development

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1. We're going to assume that you've already clearly identified the right niche/target market for your product or service
2. We're also going to assume that you've already created a business model for this product or service (especially that you've clearly identified what you believe is an urgent problem, a solution for that problem, how your solution will be different, how it will be delivered and approximately what you think you'd like to charge for that solution)



## II. Pre-Work for Customer Development

3. We're also going to assume you've evaluated the opportunity yourself before getting customer feedback
  - a. Evaluate the opportunity
    - i. Can you easily and affordably market to your ideal prospect in that market?
      - a. Is there a list?
      - b. Is there an association or interest group? An annual meeting/ convention? Where do they gather?
      - c. Is there a database you can access?



## **II. Pre-Work for Customer Development**

- d. Is there a publication?
- e. Are there websites for the niche? What about forums? Online groups?
- ii. Do the people in this niche recognize the problem you want to solve?
- iii. Do they want to solve this problem? Just because someone has a problem doesn't mean they want to solve it.
- iv. Is there a successful record of someone else selling these types of products/services to this niche?



## **II. Pre-Work for Customer Development**

- v. Do your ideal prospects have the financial resources necessary to invest and pay for your products/services at the price points you want?
  - a. What are they currently paying for?
  - b. What price points?
  - c. How frequently are they purchasing?
  - d. What's the transactional amount?
  - e. What's their budget/annual revenue amount?
- vi. Is the market big enough to sustain you for years?



## **III. Customer Development**

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- 1. Ways to get feedback
  - a. Interview
  - b. Observe behavior
  - c. Survey
  - d. Read forum conversations (and/or engage)
  - e. Read blog posts and blog comments
  - f. Review their social media activity
  - g. Review search volume on primary keywords
  - h. Read customer reviews (e.g. Amazon) - especially the complaints to discern what's missing
  - i. Review your customer support



### **III. Customer Development**

#### 2. The Interview

- a. While surveys are valuable, they can't match the power of in-person interviews
  - i. You can't read non-verbals on a survey
  - ii. You also can't probe a response to go deeper (e.g. "So, why is that an issue for you?")
- b. Note: a customer development interview is not a pitch in disguise (you actually want feedback)



### **III. Customer Development**

- c. You don't want to do just a handful of interviews (e.g. 3-5). You want to do a plethora/significant number of interviews (e.g. think, "30-50")
  - i. You can use current customers
  - ii. You can use LinkedIn connections (or other social media connections)
  - iii. You can use referrals from your current customers
  - iv. You can use lists from associations or organizations



### **III. Customer Development**

- v. You can use people you've met at trade shows and/or events
- vi. You can use your current networks or connections (including referrals from them)
- d. Whenever you're interviewing anyone, most of your time should be spent on asking questions and listening, not on talking
- e. While it's not required, it usually pays to have a set of questions that you're going to ask of each interviewee (and a general outline of how the conversation will go)



### **III. Customer Development**

- f. A basic outline of an interview would be
  - i. Quick Demographics: age, sex, size of family, job title, size of business, etc. (whatever demographic data that would be useful for informing your solution)
  - ii. Observed Problem: e.g. "We work with ... and we've been observing ..."
  - iii. Problem Validation: Give them the top three problems you've observed and ask them to rank them in their order of importance



### III. Customer Development

- iv. Problem Discussion: Have a free form discussion about the problem. How do they tackle it now?
- v. Solution Feedback: Present your proposed solution at a high level (if you're that far into the process) and see what they think
- vi. Referrals: Ask if they can recommend someone else for you to interview
- vii. Thank you: Thank them for their time and ask if they'd like to stay informed of the progress of your project or not



### III. Customer Development

- i. Take great notes (note: make sure you pay attention to their non-verbal, as well as their word choices)
- j. Compile your information
- k. Learn the lessons
- l. Make decisions



#### Customer Development Questions

Directions: The following questions are designed to help you think through the key questions you might want to ask in a customer development interview. DO NOT USE all of these questions. The following is simply a question bank of questions for you to use to stimulate your brain or to pick and choose from in order to help you develop a productive customer development process.

Note: make sure you avoid asking, "Yes," "No," questions. Instead, ask wide open questions. Remember the goal of customer development is to elicit valuable information from your interviewee, not to talk (or just confirm what you want to confirm).

1. Customer Segmentation Questions - questions to help you categorize the answers you receive into different buckets (other than pure demographic ones)

- a. What is your actual job title?
- b. Tell me about your role at \_\_\_\_\_ (company)?
- c. How long have you been in this position/role?
- d. What are your primary responsibilities?
- e. How many people report to you?

2. Problem Discovery Questions - questions to use to learn about potential problems worth solving

- a. How do you currently handle \_\_\_\_\_ (process/issue/task)?  
b. What do you like about X? What do you dislike about X?  
c. What's the hardest part of your day?
- d. What's the easiest part of your day?
- e. What are a few needs you have that you haven't found a good solution for yet?  
f. Tell me about a recent time you had a problem with [process/task].
- g. What tasks that you're regularly engaged in, take up the most time in your day?
- h. What's the hardest part about being a [demographic]?
- i. What are your biggest/most important professional responsibilities/goals?
- j. If you could change one thing about how you work (or your work), what would that one thing be?

3. Problem Validation Questions - questions to use to validate (or invalidate) a hypothesis you have about a problem you think is worth solving

- a. As we've talked with other \_\_\_\_\_ (whatever they are), the top three problems we keep hearing about are \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_. Is there any truth to these same problems in [area of preference]?  
b. Do you expect this to improve, worsen or stay the same over the next year?
- c. How important is \_\_\_\_\_ to you?  
d. You mentioned X as a problem. How significant is this problem to you?  
e. What's the easiest way to fix this problem? (a value you're thinking of delivering) - list for complaints  
f. How many people are affected by this problem?  
g. How much time do you spend trying to solve this problem (or trying to fix this problem)?  
h. If you had a solution to this problem, what would it mean to you? How would it affect you?

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- a. How do you currently handle \_\_\_\_\_ (process/issue/task)?  
b. What do you like about X? What do you dislike about X?  
c. What's the hardest part of your day?
- d. What are your top three challenges?
- e. What's the easiest part of your day?
- f. What product do you wish you had that doesn't exist yet?
- g. What tasks that you're regularly engaged in, take up the most time in your day?
- h. What could be done to improve your experience with [process/role]?
- i. What's the hardest part about being a [demographic]?
- j. What are your biggest/most important professional responsibilities/goals?
- k. What are your biggest/most important personal responsibilities/goals?
- l. If you could change one thing about how you work (or your work), what would that one thing be?

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2. Problem Discovery Questions - questions to use to learn about potential problems worth solving
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  - What do you like about X? What do you dislike about X?
  - What's the hardest part of your day?
  - What are your top three challenges?
  - What are a few needs you have that you haven't found a good solution for yet?
  - What product do you wish you had that doesn't exist yet?
  - What's one thing you regularly complain, take the most time in your day?
  - What could be done to improve our experience with [process/role]?
  - What's the hardest part about being a [demographic]?
  - What are your biggest/most important professional responsibilities/goals?
  - What are your biggest/most important personal responsibilities/goals?
  - If you could change one thing about how you work (or your work), what would that one thing be?
3. Problem Validation Questions - questions to use to validate (or invalidate) a hypothesis you have about a problem you think is worth solving
- As we've talked with other \_\_\_\_\_ (whatever they are), the top three problems we keep hearing are 1.\_\_\_\_\_, 2.\_\_\_\_\_, 3.\_\_\_\_\_. How would you order these three problems in order of preference?
  - Do you find it hard to \_\_\_\_\_ (a process/problem)?
  - Do you expect this problem to improve, worsen or stay the same over the next year? Why?
  - How important is \_\_\_\_\_ (a value you're thinking of delivering) to you?
  - You mentioned X as a problem. How significant is that problem to you?
  - Tell me about the last time you did \_\_\_\_\_ (a process you're improving) - listen for comments.
  - How motivated are you to solve/improve \_\_\_\_\_ (a problem/process)?
  - How many people are affected by this problem?
  - What percentage of time do you (or your people) spend trying to solve this problem (or trying to fix this problem)?
  - How much do you think this problem costs you?
  - If you had a solution to this problem, what would it mean to you/how would it affect you?

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1. Does anyone else in your company share your feelings about this problem?
4. Product Discovery Questions - questions to help generate ideas or to validate your idea about a possible solution to a problem
- What do you think could be done to help you with problem?
  - What do you do when you have this problem?
  - What would your ideal solution to this problem look like?
  - If you could wave a magic wand and instantly have a solution to this problem, what would it look like?
  - What's the hardest part about \_\_\_\_\_ (a process you're improving)?
  - What are you currently doing to solve this problem/get this value?
  - What do you like and dislike about \_\_\_\_\_ (a competing product or solution)?
5. Product Validation Questions - questions to help validate/invalidate your product idea
- What do you think of this \_\_\_\_\_ (product)?
  - Would this product solve your problem? If not, why not?
  - Would you be willing to tell your friends about this product?
  - Would you ever use this product yourself? If you had to pay for it?
  - If it were possible, would you be willing to start using this right away?
  - What might prevent you from using this product?
  - Would you be willing to pay \$ X for this product?
  - How much money would you be willing to spend if we could solve this problem for you?
6. Product Optimization Questions - questions to help you improve your idea or product
- What do you think could be done to improve this product?
  - What would make you want to tell your friends about this product?
  - What's most appealing to you about this product?
  - What might improve your experience using the product?
  - What motivates you to continue using this product?
  - What's the hardest part about using this product?
  - What features did you wish this product had?
  - Which features don't you use?
  - Which features do you think are unnecessary?

- g. Would you be willing to pay \$ X for this product?
- h. How much money would you be willing to spend if we could solve this problem for you?
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- What do you think could be done to improve this product?
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  - What might improve your experience using the product?
  - What motivates you to continue using this product?
  - What's the hardest part about using this product?
  - What features do you wish this product had?
  - Which features don't you use?
  - Which features do you think are unnecessary?
7. Ending Interview Questions - questions to ask as you're concluding an interview
- [Summarize your key takeaways]. Does that sound accurate to you? Am I missing something?
  - Based on our conversation, it sounds like X is really hard for you, but Y is not. Is that accurate (or not)?
  - It sounds like X is very important to you, while Y is not. Is that correct?
  - Is there anything else you think I should know that I didn't ask about?
  - Do you know one or two other people who might have this same problem that I could ask similar questions to?
  - Can I keep you in the loop on how the product develops?
  - Do you mind if I follow up with you if I have more questions?

Note: I've accumulated these questions over the years, but I think the original list started with some questions from Ash Maurya and one of his books on Lean (like [Running Lean](#) or [Scaling Lean](#)). Make sure you read his work on this subject!

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