

BUSINESS TECHNICAL BRIEF

CUSTOMER DISCOVERY CHECKLIST

As of June 3, 2021

HIGHLIGHTS

- Create an initial Customer Persona.
- Give your initial Customer Persona a name.
- Document assumptions based on the question "What is their pain?"
- Identify competition.
- Create a value proposition for your product/service.
- Qualify the acuteness of need.
- Test your assumptions.
- Make this a cyclical process.

The goal of this checklist is to help entrepreneurs work through the process of identifying customer personas. This exercise is designed to answer the question, "Does my product or service actually solve a problem or pain of a potential user?" Correspondingly, is my product or service marginally or dramatically better than perceived direct and indirect competition if my product or service reaches the market.

Creating customer personas is a process of iterating the most likely customer for products and services. To be effective, these archetypes must be specific. On the [diffusion of innovation bell curve](#), the intent is to identify your "innovators" and "early adopters." These are the people who will help test your prototypes, provide meaningful feedback, and become the initial paying customers.

There are a few ways to approach this exercise. I like to start with introspection and then iterate based on what's learned through that process.

Step 1

Create an Initial Customer Persona

- Ask two initial questions:
 - Who do you think my most likely users are?
 - Who else might my most likely users be?
- Make [quantitative](#) assumptions regarding your most likely users:
 - Gender: Male/Female
 - Age: be specific about age ranges. Databases like the [U.S. Census Business Builder](#) or the [SizeUp](#) tool can be helpful in identifying standardized age ranges.
 - This data will be helpful when it comes time to address the total market size and geographic location questions. This will ultimately inform outreach, lead generation, and marketing decisions.
 - Ethnicity
 - Income levels

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- Make [qualitative](#) assumptions regarding your most likely users:
 - What makes this person an individual?
 - Hobbies & activities
 - Musical interests
 - Anything that clearly distinguishes and informs the most likely user's wants and needs.

Step 2

Give your initial customer persona a name.

- Make it personal and informative about your archetype

Step 3

Replicate Steps 1 and 2 to create three to five personas you believe to be your most likely user.

Step 4

Document assumptions based on the question, "What is their pain?" as it relates to your product or service.

- [This video](#) on validating your idea, from Brad Feld -- managing director of Foundry Group, a venture capital firm in Boulder, Colorado -- summarizes this process.

Step 5

Identify competition

- Answer the question, "What is being displaced by my product or service?"
- Categorize these assumptions based on where your most likely user is currently getting something exactly the same or meaningfully similar to address the pain/problem your product or service is attempting to solve.
 - Direct Competition
 - Indirect Competition

Step 6

Create a Value Proposition for your product or service

- Answer the question, "What are the unique and differentiating qualities of my product or service?"
- List:
 - Customer Jobs
 - What would my most likely user use my product or service for?
 - Important issues to be solved?
 - In their work life or personal life?
 - Are the issues crucial or trivial?
 - Tasks to be completed
 - Problems to be solved
 - Needs that are currently unmet or lack efficiency
 - Pains
 - What pains does my product or service help the most likely user address?
 - Costs, usability, functionality, emotions, etc.
 - Are they severe or light?

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- Gains
 - How is my product or service meaningfully improving my most likely user's life?
 - Costs, usability, functionality, emotions, etc.
 - Are they severe or light?
- [Here is a video](#) from Strategyzer summarizing this process.

Step 7

Qualify the acuteness of need

- Is your product or service:
 - A little better than direct and indirect competition?
 - Dramatically better than direct and indirect competition?

Step 8

Test your assumptions

- Ask yourself, "Are my assumptions true or are they flawed?"
 - What proof do you have that assumptions are true?
 - What proof turned up that assumptions are flawed?

Step 9

Make this a cyclical process based on findings and determinations of the process

Each of these steps require some initial thought. We can address each in more detail after the initial phase of assessment, but it is important to start with a baseline. Consider the first round a draft that arises out of brainstorming.

And remember, in business planning it is important to move from what you know to what you don't know. We learn from making mistakes so don't worry about getting it right the first time.

What comes next will be crafting a more formalized approach to primary market research with your innovators and early adopters to determine if your assumptions and customer facing solutions are market ready.

The Great Fall Development Authority (GFDA) is a regional public/private Economic Development Organization which focuses its efforts on the 13-county Great Falls Montana trade area, also known as Montana's Golden Triangle. We are a certified Community Development Financial Institution (CDFI) that provides gap and bridge financing to businesses, start-up entrepreneurs, real estate developers, and non-profits.

We provide service to support existing businesses, startup entrepreneurs, real estate developers, nonprofits, site selection consultants, and businesses looking to relocate or expand in the Golden Triangle region.

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