Everyone is Lying to You

talking to customers, validating ideas & finding out the truth

Patrick O'Malley, CPO @ productsmart

Who Am I?

ex-founder

head of product yahoo answers

MBA imperial college

product management consultant

current founder

What We'll Cover

- What kind of mistakes we make when interviewing

- 6 example conversations

- Structuring Interviews, what to ask

- How to figure out what to ask - depends on Context

Why talk to customers?

Startup Genome

- 92% of startups fail.

- Of the failures 74% scaled prematurely

- Spending on marketing, hiring etc too early
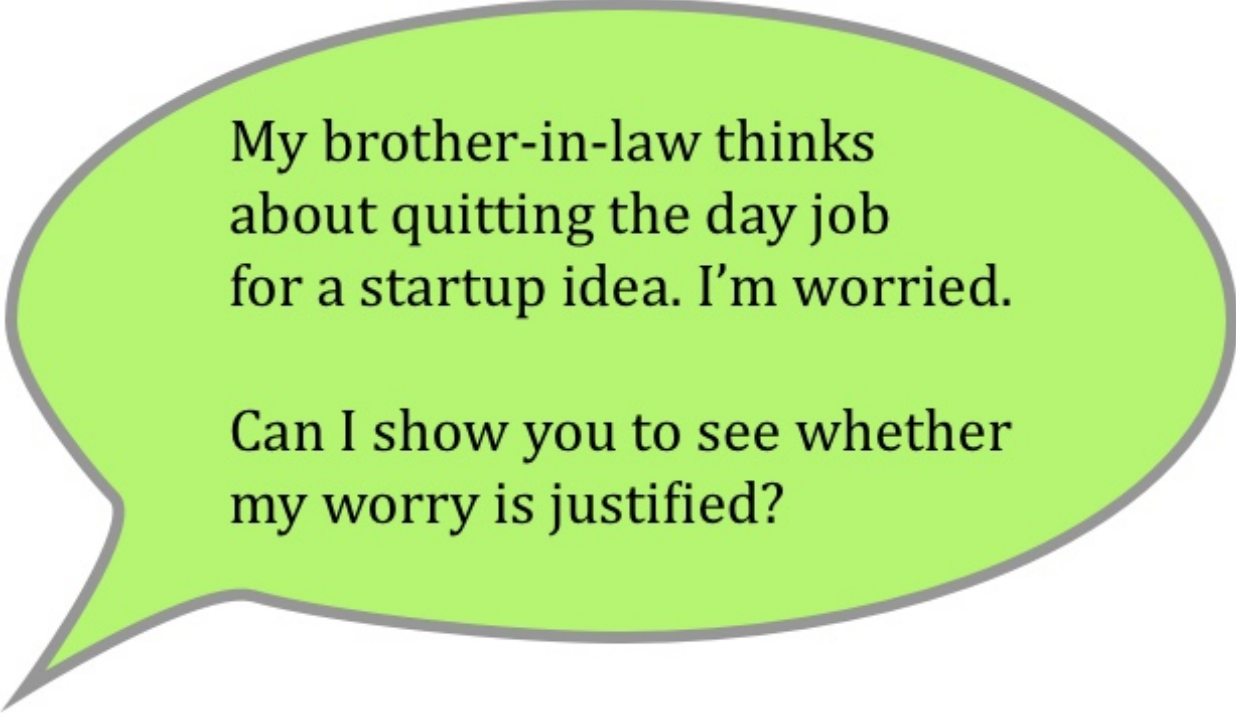
ACTUAL INTERVIEWS

What if you said this?

I have a great startup idea.
It's going to be huge.

Can I share it with you
to see what you think?

Better?

My brother-in-law thinks about quitting the day job for a startup idea. I'm worried.

Can I show you to see whether my worry is justified?

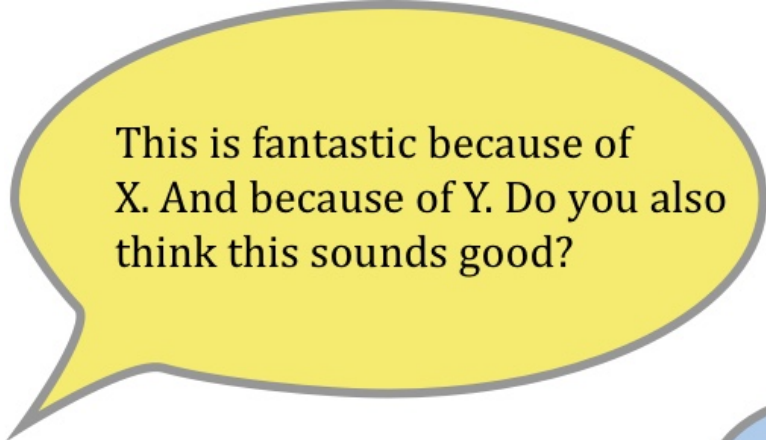# Even Better!

Don't talk about you/your idea at all!

Mistake 1: Talking about you

- Mistake 1: Talking about your idea, not about their life/behaviour.

- Why? Because it is harder for someone to respond "I think you are wasting your life" than be polite.

- Don't talk about your idea. Or frame so they have to disagree with you to like it (Starbucks pitch)
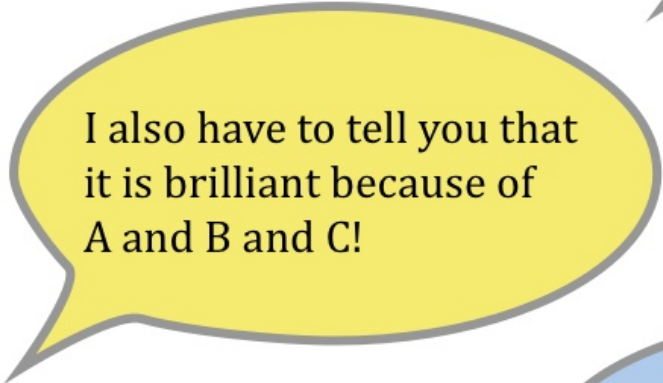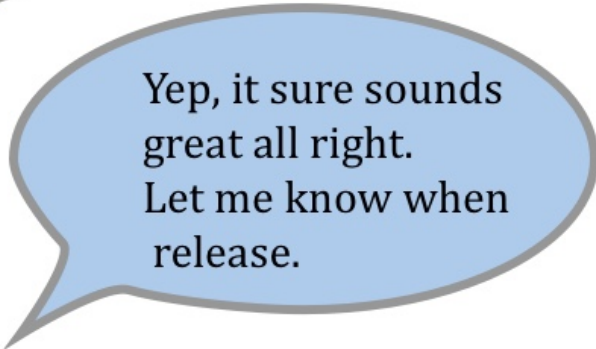
What's Happening?

This is fantastic because of X. And because of Y. Do you also think this sounds good?

Well.......

I also have to tell you that it is brilliant because of A and B and C!

Yep, it sure sounds great all right. Let me know when release.

What's Happening?

- you are pitching the person, maybe interrupting, not listening

- they pay you a compliment.

- they say ok because they want the pitch to stop.

- often interpreted as 'this guy loves it'

Warning Signs

- you are interrupting them. never do this.

- they don't get it. at first.

- they pay you compliments. which is bad. always.

Mistake 2: Pitching

- you are here to discover, to listen

- you are here to see how someone else perceives the world, not change their perception.

- we'll talk later about what to do if you are unfortunate enough to get a compliment.

How to fix

What Do We Learn Here?

What Do We Learn Here?

Mistake 3: Not Digging

- Several opportunities missed to dig deeper

- Not so much five whys as five somethings (particularly 'when's)

Five Somethings

- **How** have you dealt with this in the past (or today)?

- **What** would that enable you to do?

- **When** was the last time you did X?
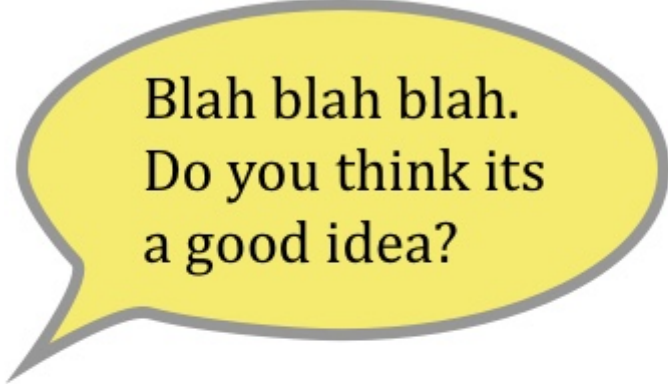
- **Who** in your organisation makes that decision

- **Why** bother?

What's wrong?

Mistake 4: Taking words literally
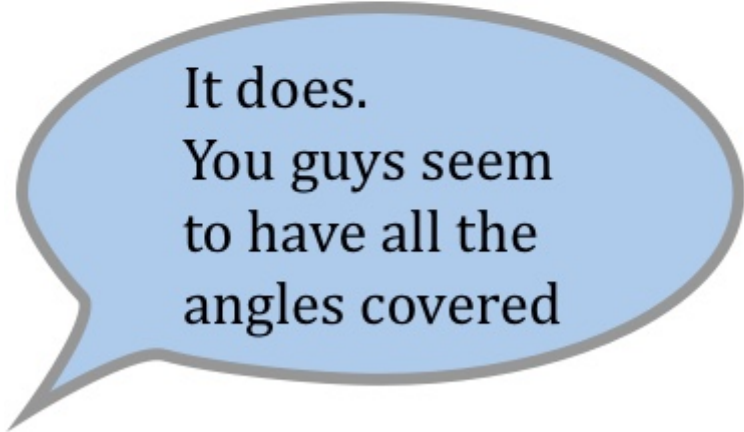
- Believing generic responses.

- Believing future, conditional answers.

- Get specific.

- What about future promises? (next section)
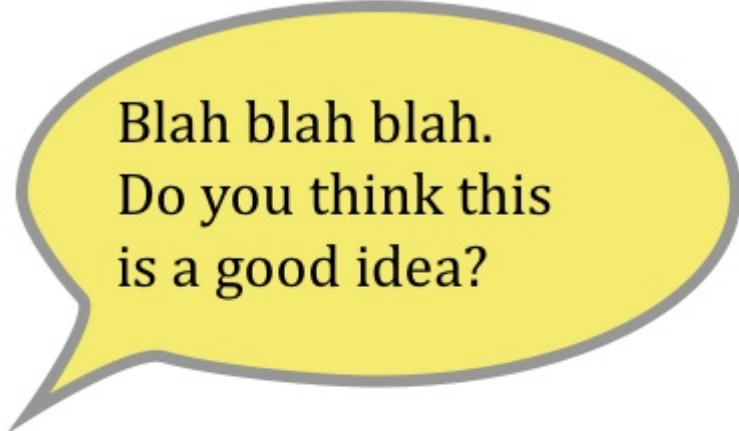
Compare These Two
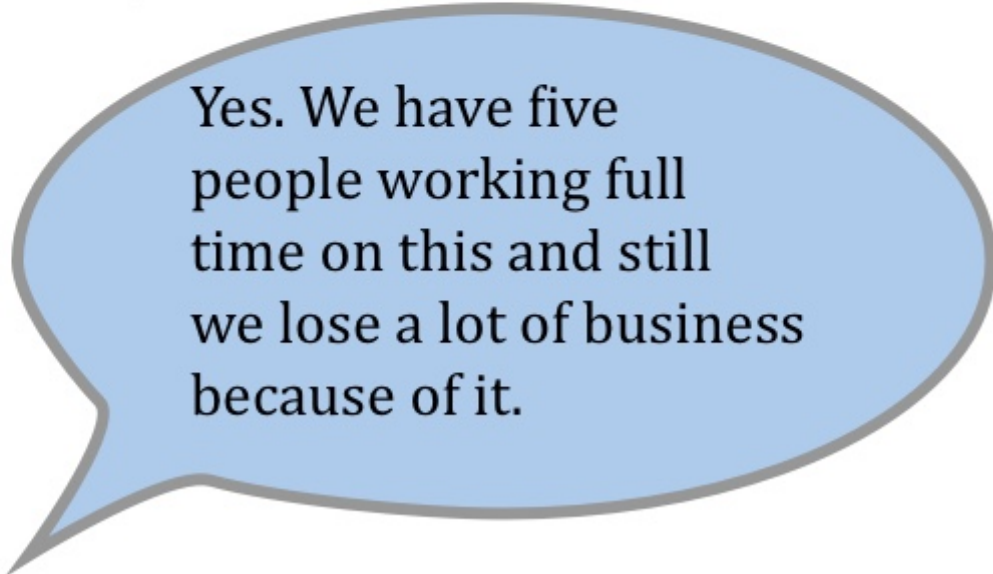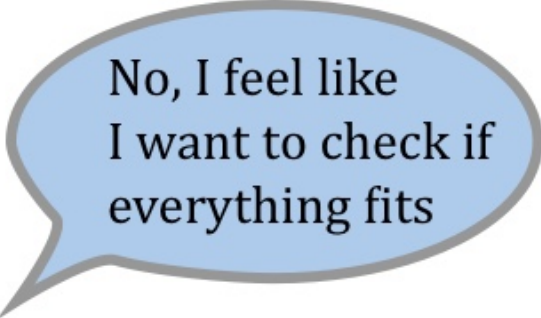
Mistake 5: Not Deciding

- All ideas could be good ideas. Who ever knows for sure?

- Know their processes, previous purchase, budget, what they love/hate.

- Then *you decide yourself* (not interviewee)!
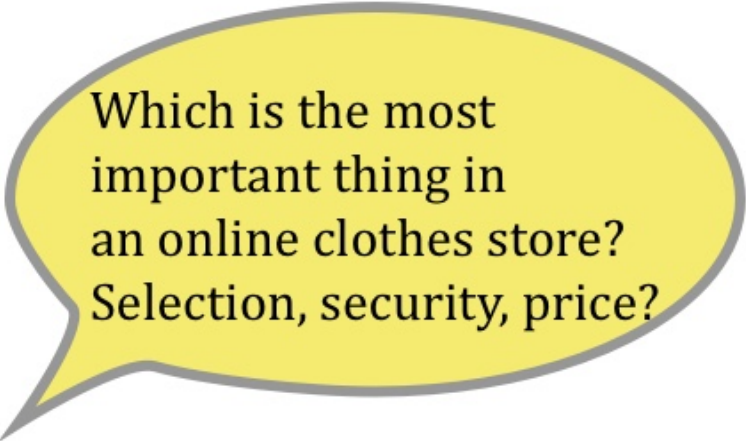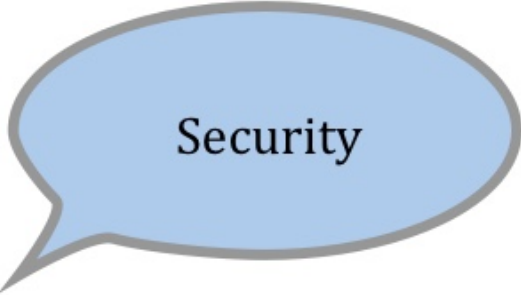
Finally....

Mistake 6: Non-Customers

- congratulations. you forced someone to make up an answer

- you are getting feedback from non-customers

- remember: *you decide* if there is value / opportunity. also, *you observe* the sweet spot segment

EarlyVangelists

5. **Has** or Can Acquire a **Budget**

4. Has **Put Together** a **Solution** out of Piece Parts

3. Has Been **Actively Looking** for a **Solution**

2. Is **Aware** of Having a **Problem**

1. Has a **Problem**
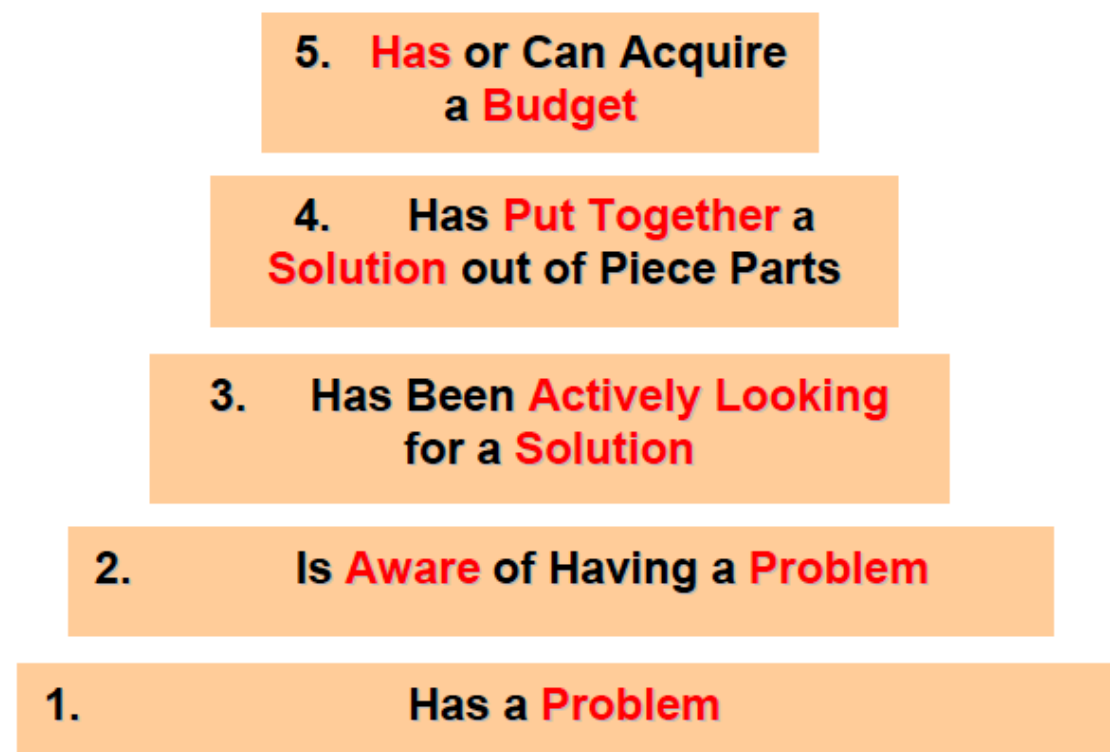
Is someone a potential customer?

Which market segment really wants this?

WHAT TO PREPARE?

Learning Stages

STAGE	Behaviour	Problem	Segment	MVP	Product
GOAL	Broad Understanding of what people do	Does anyone care?	Who suffers the most?	Which part (how) do we fix?	Is this it?
YOU	Curiosity	Hunch	Observations	Hypothesis	Data
WHAT	Personas	3 Pains/ Gains	Early Adopter?	BM Canvas - biggest assumption	Prototype

What To Learn

- at very least, have a list of top 3 things you would like to learn

- be prepared that conversations go another way

Notes

- keep notes after each meeting.

- evernote is good.

- write immediately afterwards.

- turn interviews into 'data'

Common Structure

Interview 1

Understand Behaviour

Really a problem / opportunity?

Get details for segmenting

Listen for pointers on what is MVP

Interview 2

Really a problem / opportunity?

Want to buy (3 currencies)?

Get details for segmenting

Listen for pointers on what is MVP

Feedback on screenshots / prototype

UNDERSTANDING RESULTS

Everyone is lying to you!

- our default position: everyone is lying to us.

- being polite (or biased)

- even "I would buy" is meaningless

- so what is a 'positive signal'

Currency

- *Money* - I know its a prototype but I will pay today

- *Time* - come back and spend a full day with my team

- Reputation - you should talk to my boss

if we get time, money or reputation, they are a buyer

Batching

- you need to have a script (at least a concrete assumption)

- you need to batch. decide size first.

- execute the script or assumption check against everyone in the batch. Either you get currency 70% of the time or failure.

- if failure, new batch and new script/assumption.
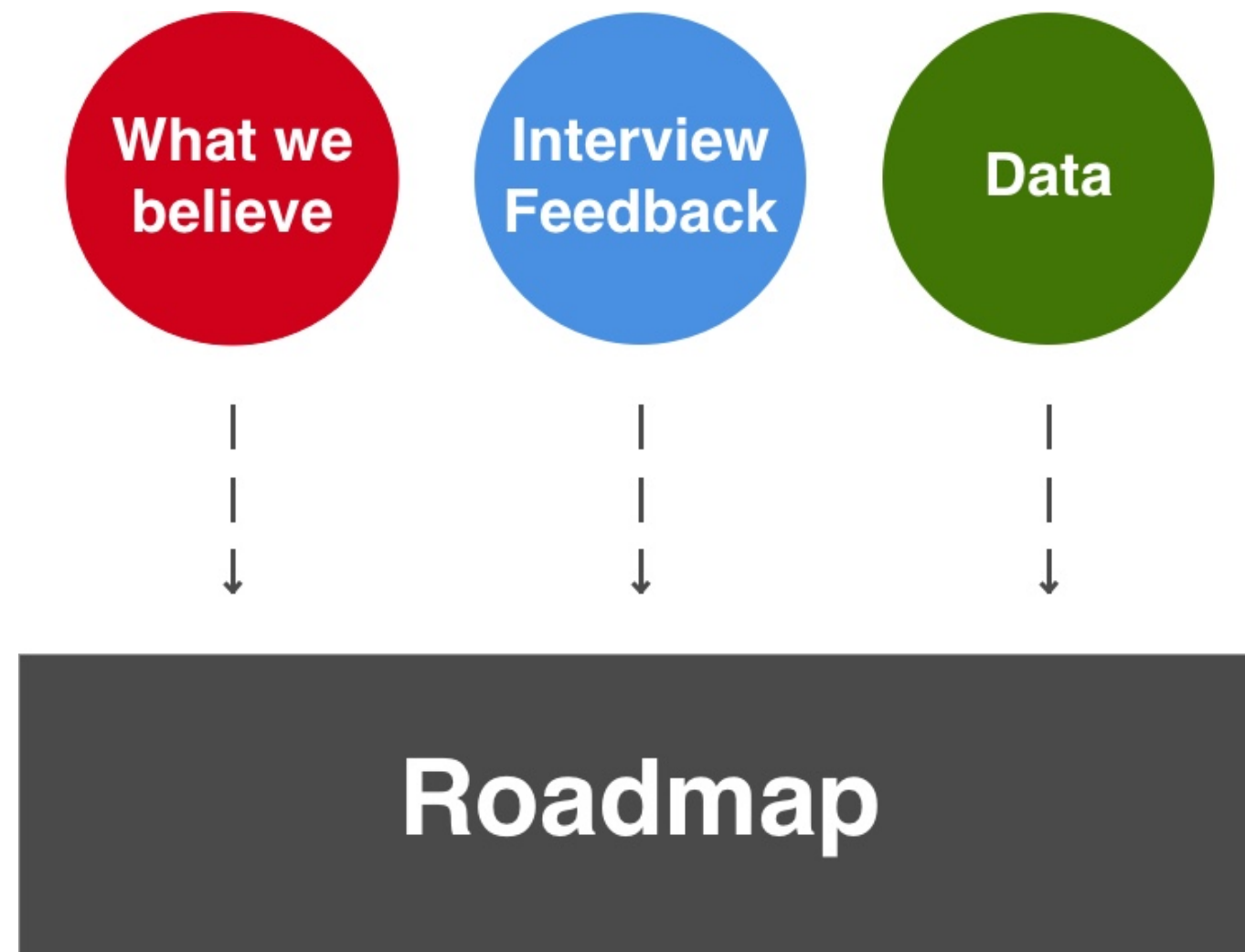
- if success, go deeper.

Segmentation
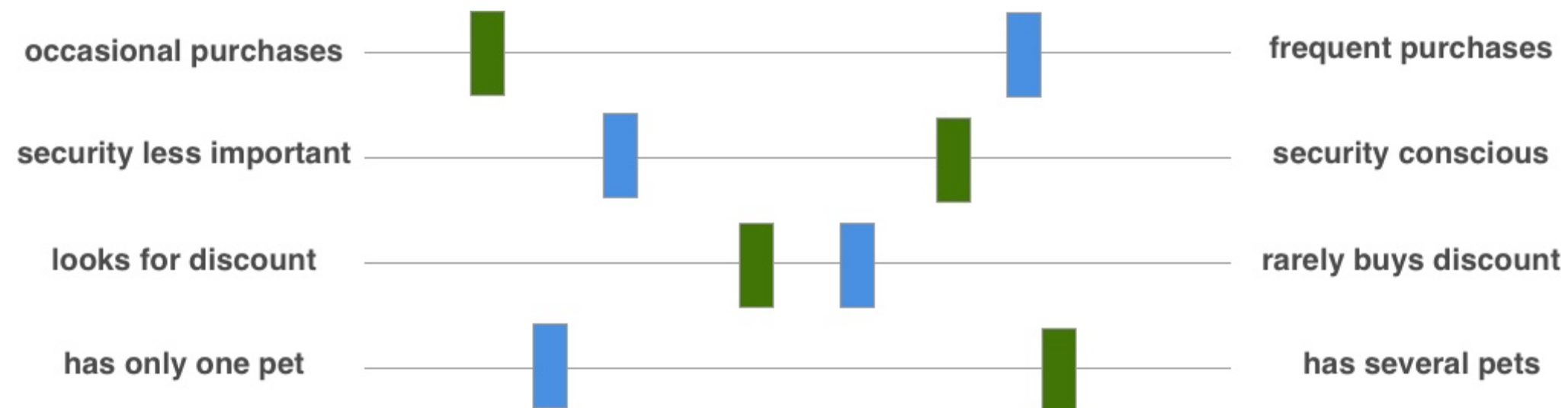
Which dimensions make people buy (or not)

Which people are interested (pay a 'currency')?

Roadmaps

Be like a Journalist

- journalists look for second sources

- they ask open questions

- details must match, not be prompted

SRCL

Srcl

email address

password

Sign In

Forgot Password

SRCL

SRCL

- "It's a massive problem"

- But we didn't try anything to solve it

- Contradiction.

Reading

The Four Steps to the Epiphany — Successful Strategies for Products that Win

Cindy Alvarez — LEAN CUSTOMER DEVELOPMENT — Build Products Your Customers Will Buy

THE LEAN STARTUP — How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses — ERIC RIES

THE MOM TEST — Rob Fitzpatrick

Ash Maurya — RUNNING LEAN — Iterate from Plan A to a Plan That Works — Eric Ries, Series Editor

SPRINT — SOLVE BIG PROBLEMS AND TEST NEW IDEAS IN JUST FIVE DAYS — JAKE KNAPP

Get In Touch

 @pomalley

- I can share a bigger pdf version of this material