LEARN@LIFT:
Episode 1
Select a Large Problem
That's Framed Correctly

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CUSTOMER DISCOVERY: An Iterative Process – Episode 1

TITLE:

Select a Large Problem That's Framed Correctly

DESCRIPTION:

The key to a successful startup is solving problems that matter for a large group of people who are willing to pay for your solution. Laying the foundation for an impactful solution starts here

[LEARN@LIFT Episode Intro]

In this episode, we're going to discuss laying the foundation for your startup's product by focusing on customer discovery. If you've been considering a certain startup idea for a while, this is square one for you.

If you've already started building your startup, this lesson still applies to you. The frameworks we'll cover here will help you to clarify and dig deeper into the problem you're solving in a way you may not have — and this will play into every activity from here forward. Specifically, coming back to the question of "what does my customer need?" is always relevant and extremely necessary. For seasoned companies, as well as burgeoning startups, keeping a pulse on what your customer's needs are is imperative to your business' success, since customers' needs often change.

This is key because according to a Crunchbase analysis that looked at thousands of startups who failed in the last decade, the number one cause of failure was not market need. It wasn't running out of cash, technical complexity, or any other issue. It was that the company's

product was based on a "gain," not a "pain." Or at least not, a major pain people were willing to pay to solve.

Even as a later-stage startup, finding exact product-market fit is based entirely on your ability to understand what your customer really needs, how to solve that pain point for them, and discerning how to get them to pay for and adopt what you've built for them.

So then, how do you select and solve a massive, under-served problem for a specific customer?

First, you need to solve a very specific problem that customers need you to solve.

Companies who function as an ecosystem of different products, or a platform for other companies, didn't begin that way. They built a singular solution based on a specific need a customer asked them to build.

The famous example of this is Amazon, who sold books online because before them, customers were limited to the inventory on a retailer's shelf. That made finding obscure titles a challenge.

Now, even if you're trying to "scratch your own itch" as the founding team at Basecamp calls it, by solving a problem you know well and face in your own day, you'll still want to start your First 100 Days with external inspiration and research.
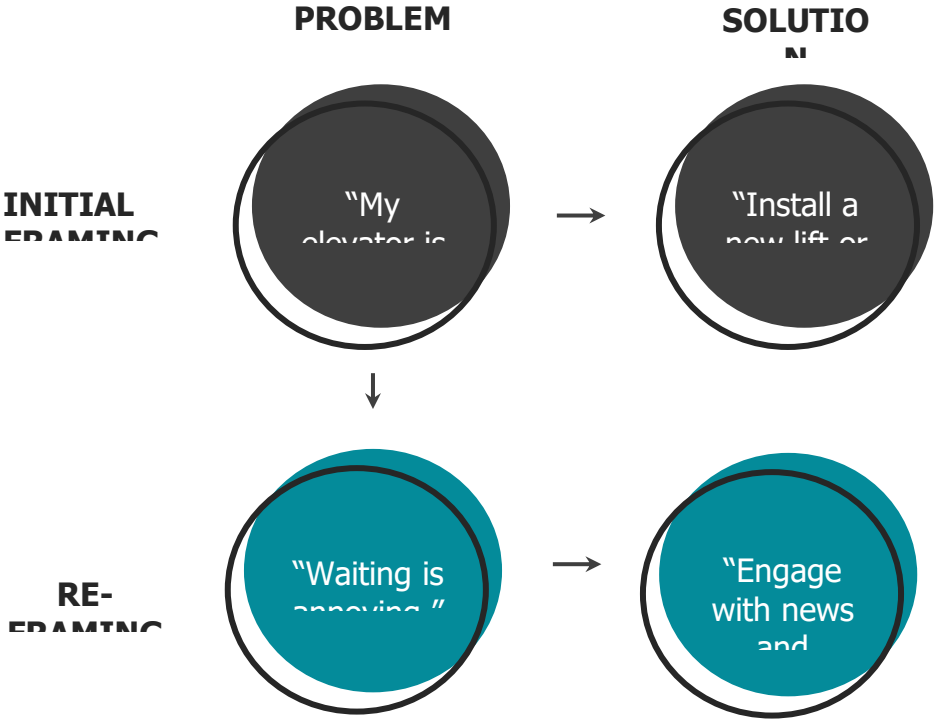
A good example of why this is the case was shared in a Harvard Business Review article called 'The Slow Elevator Problem.' The point of the article is that selecting the right way to frame your problem is how you ensure you're building your future product along the right trajectory.

Let's say you own an office building, and your tenants are complaining that your elevator is too slow. They even threaten to relocate, so you research how much it will cost to upgrade the motor or the lift system. As you decide to take some time to consider your options, your

property manager mentions installing some mirrors in the elevator. She thinks it may be a nice idea for tenants who want to make sure they're looking good before heading into their office.

You agree, and the mirrors are installed. As you evaluate the right hydraulic system, and talk with the finance team to see when you can fit the spend into the budget, you notice that the complaints stopped. Nobody is voicing their concerns about the slow elevator.

So what happened? The problem framing changed. What was thought of as a "slow elevator," was actually "impatient tenants." The property manager's mirrors just so happened to have been the right addition to help everyone pass the time in a meaningful way.

	PROBLEM	SOLUTION
INITIAL FRAMING	"My elevator is	"Install a new lift or
RE-FRAMING	"Waiting is annoying."	"Engage with news and

The point here is framing the problem you're going to tackle incorrectly can put you on a totally different trajectory. Which means building for a different persona, in a different market.

The way to avoid this is by conducting a series of structured user interviews.

First, create a basic, high-level profile of a target customer you'd like to serve. If you're building a B2B solution for sales teams, this could look like forming a point of view on whether you believe you'll serve all sales teams, field sales, remote sales, physical product sales, software sales.

Next, work to schedule between 15 - 20 different half-hour interviews.

An easy way to start recruiting potential users for these interviews is LinkedIn. Using the filters in the LinkedIn search, try to identify 2nd degree connections with a title and industry that aligns with your working user profile.

While you can also reach out to 1st degree connections you're not as close with, it's important to ask for introductions to people you've never met before, or talk with people you don't know well.

The reason is that candor and unbiased feedback is the most helpful type of feedback you can receive at this stage. You don't want to assume anything at this stage, and you want to keep a very specific, regimented approach to your questioning, which we'll cover in a minute.

Again, you don't need a hundred interviews. You need 15 - 20 high-quality interviews to verify your initial thinking and pick your first direction. Expect this to take some time, too. It's not always easy to line up these conversations.

You can test different strategies like offering them an incentive, like a DoorDash card, or reaching out to communities and groups of people. For example, if you're building a consumer product for new mothers, there may be a local support group or Facebook community you could contact.

Once you have your first interviews scheduled, it's time to prepare for the conversations to ensure they're productive.

Jobs-to-be-Done (JTBD) is a well-recognized framework you can use to facilitate and organize feedback during these interviews. It's based on the idea that customers don't "buy" products. Instead, they outsource jobs they need to get done. As Harvard professor Theodore Levitt said, "People don't want to buy a quarter-inch drill bit. They want a quarter-inch hole!"

Capturing feedback according to the JTBD framework will allow you to solve the right problem, using a compelling approach, by targeting specific situations and behaviors your future customers regularly face. Make sure to check out the course resources page for a template you can use to create a "Job Map."

As you conduct your interviews, here's a basic outline you'll want to follow:

1. First, identify your customer's end goal by asking:
   - When it comes to [topic / activity / job], what's your main goal?
   - Why is this goal important to you?
   - How will you know if you achieved your goal?
   - How would you like to feel after achieving your goal?

2. Next, identify the steps or "mini-jobs" your customer completes to achieve their goal by asking questions like:
   - When did you first realize you had this goal? Describe the situation.
   - What are the tasks you need to complete while working toward your goal?
   - What tools have you used to help you complete [a particular task]?
   - How do you know you've finished this task?

3. For each step in their job process, determine how your customer measures success, and what they want to happen or avoid in the process by asking:
   - What's most challenging about this step in your process?
   - How can you imagine improving that problem?
   - What do you stand to gain by solving it?
   - What are the consequences of leaving it unaddressed?

4. Finally, determine what your customer's "core job" is, based on their responses. The core job is something your product will support long term, but may not entirely support today.

   - For example, let's say your product is an app that lets people livestream yoga classes, but in your interviews, you learn your users wish they could stream any type of exercise class. Instead of limiting your customers' core job to what your product offers today, e.g. 'Practice yoga from home', you might broaden the core job to 'Exercise from home,' knowing this is something your product could grow into over time.

As you ask these questions, make sure to keep the following interview practices in mind:

- Build a question outline to stay consistent across interviews, while still maintaining some flexibility to follow the direction of the conversation. Preparation is important as you'll get out what you put into the interviews.

- Frame the conversation to set up a productive time. For example, you might say, "Thanks so much for connecting. We're trying to learn how we might improve our product in the future, but we're quite not sure how everything will work, and I thought you'd like to share your input."

- Document the exact words your customers use. It's important to speak their language, not use your own interpretations.

- Ask open-ended questions to avoid leading the customer's answer. Interviews are about finding the truth, not validating your own idea.

- Confirm your understanding by saying, "So what I'm hearing is..." and allow them to correct or clarify your understanding.

- Go deeper to find what's behind their statement. For example, if a customer says, "I need more time in my day," you can follow up by saying, "I'm curious, what do you

need more time for? What would having more time enable you to do?"

- Transcribe these interviews, too. Don't just take notes — make sure to focus on the conversation, and then afterward, analyze the conversation for patterns and consistent requests.

Finally, remember, it's important to keep in touch with your users after the interview. Follow up and thank them, because you're kicking off what I'll call a build-test-learn loop.

Once you've completed your research and developed an initial prototype, you'll take it back to those users and ask for their feedback. Learn from it, adapt the prototype, and repeat.

As we close out this episode, remember that it's critically important to select, and then correctly frame the problem you're going to solve as early as possible. Investing time into this process and leveraging customer feedback will ensure you're on the right trajectory before you move into designing solutions, which we're going to cover in our next episode.

[Insert LIFTLabs Outro]