



IgniteX CONCEPT BOOKLET

Module 2

Lesson 6: Pivot/Refine Customer-Problem Fit for Feasibility

Context:

In your entrepreneurial journey, it's crucial to embrace the concept of pivoting—this means constantly revisiting and revising your assumptions and strategies based on new insights. Research into customer behaviors, preferences, and challenges is vital as it helps refine your offerings to better match market needs. Pivoting involves significant updates to your customer personas and the problems you aim to solve, ensuring these adjustments reflect the true characteristics, needs, and pain points of your target audience. This is not just an adjustment but a strategic shift that enables your business to stay aligned with market demands and continuously enhance its solutions. Through this iterative process, your venture remains flexible and

responsive, crucial for sustained relevance and success in a dynamic market.

Program overview, and your **learning journey** over 13 weeks

1. Problem Identification	2. Customer Identification & Needs Validation	3. Solution Idea Generation
Week 1	Weeks 2-3	Week 4
<ul style="list-style-type: none"> ■ Orientation ■ Develop Macro Industry-Problem view ■ Discover 'Real World' Problems ■ Analyze Problems 	<ul style="list-style-type: none"> ■ Identify customer segments ■ Outline 'jobs-to-be-done' ■ Develop Initial Customer Personas ■ Understand Customer Validation ■ Validate Customer-Problem fit ■ Refine Customer Personas & Problem 	<ul style="list-style-type: none"> ■ Understand Ideation techniques ■ Generate Solution Idea ■ Map Solution-Problem fitment
4. Opportunity & Competition Mapping	5. Prototype Development & MVP	6. Opportunity Feasibility Assessment & Sizing
Week 5	Week 6	Week 7
<ul style="list-style-type: none"> ■ Identify & map Global competitors ■ Review Industry Trends ■ Size the Market 	<ul style="list-style-type: none"> ■ Understand Prototypes & MVP ■ Build a Prototype ■ Use Prototype for early Validation 	<ul style="list-style-type: none"> ■ Determine your Relative Market Position ■ Estimate Opportunity Size and its Scope
7. Business Modelling	8. Marketing & Sales Strategy	9. Financial Management for Profitability
Week 8	Week 9	Week 11
<ul style="list-style-type: none"> ■ Understand Revenue Model ■ Understand Lean Canvas ■ Build the LC for your Startup 	<ul style="list-style-type: none"> ■ Understand Marketing & Sales ■ Understand & Define Go-To-Market (GTM) approach ■ Understand Sales Process 	<ul style="list-style-type: none"> ■ Understand Startup Costs ■ Understand Profitability ■ Getting Started with Financial Planning ■ Understand & Explore Bootstrapping options
10. Team & Talent Requirement	11. Orientation for Scale	12. Venture Idea Feasibility Presentation
Week 12	Week 13	Week 14
<ul style="list-style-type: none"> ■ Building a Founding team (A Team) ■ Founding team members (Co-Founders & Mentors) ■ Defining your Team Requirements 	<ul style="list-style-type: none"> ■ Thinking Beyond the Prototype - Scale Opportunity & Orientation ■ Getting Story Telling Right ■ Pitch preparation 	<ul style="list-style-type: none"> ■ Practice Pitch ■ Final Pitches

Concepts covered in this lesson:

Analyzing customer data:

- What you need to verify and validate
- Inference from insights to gather from the data gathered from customer interviews.
- Understand customer requirements for possible functions around solutions.

Refining customer-problem fit:

- Identify if you are working on the right problem statement.
- Refine customer persona and JTBD based on your analysis.
- Ensure you are working on the right customer segment.

After completing this lesson, you will be able to:

1. Run effective interviews to gather insights about customers around their needs, pain points, and behaviors.
2. Effectively analyze the data from the interviews to validate if you are working on the right problem.
3. Reduce the risk of failure by refining or pivoting your problem statement, customer persona, and customer segment from the jobs-to-be-done

Steps for you to take:

1. Interview potential customers.
2. Organize the data gathered from the interviews.
3. Understand if you have gathered enough data or if you need to do additional interviews.
4. Analyze data from the interviews.
5. Based on the insights gathered, review the problem statement, customer persona, JTBD and make relevant changes to ensure you are working on the right primary customer segment.

What is Corroboration?

Corroboration means confirming that a problem you've identified is indeed significant and widespread. It involves collecting additional data, such as customer feedback and market analysis, to ensure the problem is real and not based on a few isolated cases. This step is crucial for ensuring that your business idea addresses a genuine need, increasing the potential for success.

What are Extremities?

When we refer to "extremities," we're talking about the most extreme responses or data points received during customer feedback sessions or market research. These extremities might include opinions or reactions that are significantly more positive or negative than the average feedback. Understanding these outlier responses is crucial because they can highlight specific issues or exceptionally favorable aspects of a

product or service that might require further investigation or could be leveraged for marketing and development.

What is Pivot?

A pivot is a strategic shift in a business approach, often prompted by feedback or changing market conditions. It involves adjusting key elements of the business—like its product, target audience, or marketing strategy—to better meet current demands and opportunities. This process is essential for adapting to market changes and ensuring the ongoing relevance and success of a venture.

What are Customer Interview Insights?

Customer Interview Insights are valuable observations, feedback, and learnings obtained from interviews with customers, which inform product development or business strategies.

Types of insights from customers:

- 1. Problem segment:** You will understand if the problem is as obvious to the customers as to you, and if it is important enough to seek solutions. Also, you will know if you are working with the right primary customer segment.
- 2. Persona JTBD:** See if you have interviewed the right customers based on the persona drawn earlier. Infer if the jobs-to-be-done are aligned with the right customer persona and demographics/psychographics.
- 3. Alternative wants:** From the data gathered gain insights into any alternatives customers may be using and the frequency of it. You will also learn their functional asks from any solution.

Validating with more accuracy requires the following.

- **Corroboration from various sources:** Ensure that observations are corroborated by multiple sources.
- **Gathering some extreme responses:** Manage outliers (extremely positive or negative).
- **Interviewing enough customers:** If you are still unsure of your understanding of the problem from the customer's perspective, you may need to schedule follow-up or new interviews.

Analyzing data from customer interviews

Through the analysis of customer interview data, startups can identify validation points that indicate strong alignment between the identified problem and customer needs.

Conversely, they can also identify red flags or signs that the problem may not be as significant or urgent as initially perceived.

1. **Identify Validation or Red Flags:** In cases where there is partial alignment between the identified problem and customer needs, startups may choose to engage in tailored innovation based on customer feedback. This approach allows startups to refine their understanding of the problem and develop a solution that is more closely aligned with customer needs.
2. **Tailored Innovation:** By basing decisions on data and customer feedback, startups can minimize the risk associated with persevering with a failing business problem or making a premature pivot. This

allows startups to make strategic decisions that are grounded in evidence rather than speculation.

- 3. Make Key Decisions:** If the analysis of customer interview data confirms a strong problem-customer fit, startups may decide to persevere with their current approach. However, if the analysis indicates that there is not a sufficient alignment between the identified problem and customer needs, it may be necessary to pivot or explore new problem areas altogether. This could involve refining the problem statement, pivoting to a different market segment, or identifying entirely new problem domains to address.

Here are some examples of failed startups with no customer-problem fit.

- 1. Juicero** was a startup that aimed to revolutionize the juicing industry with its high-tech juicing machine and subscription-based service. However, the company failed to recognize that its target customers were not willing to pay premium prices for pre-packaged juice packs that could be squeezed by hand. The product's high cost and limited value proposition led to its downfall, despite significant investment
- 2. Color Labs** was a photo-sharing startup that raised significant funding based on the promise of revolutionizing social networking through location-based photo sharing. However, the company failed to gain user adoption due to a lack of understanding of its target audience's needs and preferences. Color Labs' app received poor reviews and failed to attract a significant user base, despite its substantial investment in technology and marketing. The company shut down in 2012, just a year after its launch.

3. Quibi was a short-form video streaming platform launched with much fanfare in 2020. Despite significant investment and star-studded content, the platform struggled to attract subscribers. One of the key reasons for Quibi's failure was its failure to understand its target audience's preferences and consumption habits accurately. The platform's unique selling proposition of offering "quick bites" of content did not resonate with consumers who were already accustomed to free, ad-supported platforms like YouTube.

So, Refining customer-problem fit after research is crucial to ensure that a product or service effectively addresses the actual needs and pain points of the target audience.

Call-To-Action

Complete Venture Activity 2.5- Analyze and Draw Insights from Customer Interviews

Based on the insights gathered from analyzing all the market research data through customer interviews:

- Review and update your problem statement. You may end up changing the problem statement.
- Update any changes to jobs to be done.
- Ensure that you have enough data to validate assumptions and your hypotheses.
- Complete any follow-up interviews to gather additional data.
- Make all the necessary changes to the customer persona.