

HOW TO VALIDATE A BUSINESS, PRODUCT OR SERVICE IN 2 WEEKS PART 2

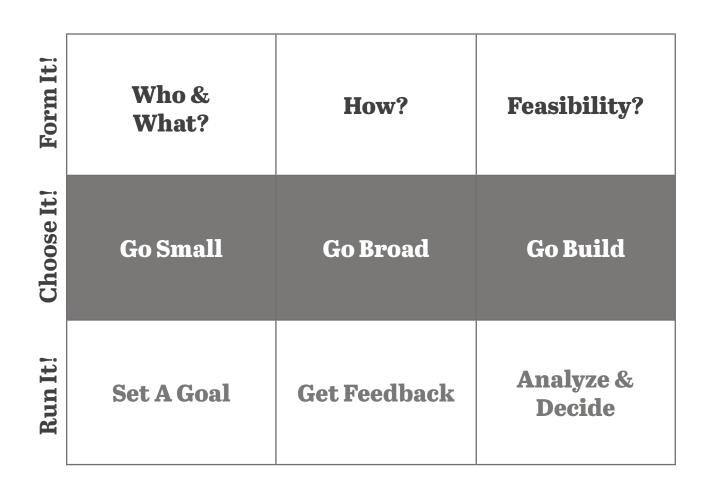
9 BOX VALIDATION GRID







## 9 Box Validation Framework





Having a good idea is great, but how do you know the problem you want to solve actually exists?

Many business founders start by building products without knowing if the problem they want to solve is something people actually need. After launching a solution to a nonexistent problem, they wait for sweet sounds of the cash registers ringing, but all they hear are crickets chirping.

## **Nobody Cares!**

Turning your idea into a testable hypothesis will help you to validate the problem before wasting time and money building a solution to a problem that might not exist. I'll show you how to find out whether your idea is something that people will love, use and even better, pay for.

# Fall in Love with the problem, not with the solution!

Many entrepreneurs focus on the solution rather than the problem. As soon as they have the first nugget of an idea, they start building it. In their mind's eye, they're already



imagining their future lives as wealthy business owners, sipping champagne and cruising on the private yacht.

The truth is, the more thoughts, time and resources you invest in your idea, the harder it gets to detach from it if it doesn't work out. Being completely focused on one item, one solution can cause you to base your decisions on emotions instead of cold, hard facts.

If you are unwilling to budge on your solution, you'll absolutely miss the right time where to change course and pivot.

Every problem has a solution, but not every solution solves a problem. Solutions are replaceable, but the problem will stay the same. Focusing on the problem you want to solve will keep you from getting blinded by your enthusiasm for a single solution.

The following steps will help you how to create your hypothesis, find your potential customers, and validate your idea.



## Form It!

Who & What?	How?	Feasibility?
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We need to start by forming our hypothesis...

A hypothesis is a statement which needs to be proven under certain conditions. To help you form your own hypothesis, the first three boxes are designed to help you formulate your plan of attack.

Let's get started!



## 1. Who is your customer & What is their problem or need?

Everything in your hypothesis begins by describing your target audience and/or their target problem/need/situation. Your potential customers are a group of people with a common pain/ need OR shared experience.

Picture the people you think have the problem you want to solve. Break your target customers down as precise and focused as possible. Knowing your customer will help you to et a clear picture about what really matters.

This is what your target statement would start to look like:

#### "I believe target group..."

After targeting your audience, the first part of your core hypotheses is the so- called customer problem hypothesis.

(Don't take it too academically - the goal is to prove that the problem or need you assume really exists or not.)

What is the specific problem this customer group has?

Describe it from their point of view. How are customers trying to solve the problem today?

#### "I believe target group has a problem/need achieving 'x' goal because problem/need."

Or

"I believe this situation/circumstance creates a problem/need achieving 'x' goal because problem/ need."





#### 2. How do you want to fix it?

Once you've confirmed there's actually a problem you want to solve, it's time to establish your value proposition or problem-solution hypothesis.

How do you solve the problem and what is the core benefit for your customer?

Remember that you have to validate the customer problem hypothesis first! If there is no problem to your solution, there is no need to take further steps.

> "By creating 'y' solution we will help target group to benefit by 'a,b, c'."



#### 3. How feasible is it?

If your business idea is feasible or not depends on more factors than just the solution-problem fit. It's also important to consider your business-model from the beginning.

For example, solving the need that people want to get in shape by offering home gym equipment for \$1 would definitely create some awareness, but could you practically execute on that promise with your current resources available to you?

#### "We will offer 'x' product for 'p' pricing. Are you interested?"

Putting it all together, here's the sample for the validation idea I did for the 90 Day Year Program (which is an AWESOME program) #Tweetable ;)

"I believe entrepreneurs have the problem of not getting any growth or traction in their businesses because they are working on too many projects and goals at one time. They don't have a solid framework or model to follow to keep them on track, accountable and focused.

By sharing the 90 Day Year model we will help entrepreneurs avoid wasting time and money because they're working on the wrong things, at the wrong time in their stage of business. We will offer this program in a private members area and community Facebook group for \$1999. Are you interested?"

#### **Boom! Hypothesis Statement Formed**



## **Choose It**!



There are a number of ways to get your hypothesis in front of your audience. Depending on your experiences, business or social networks, you can choose which one makes the most sense for you.

I always recommend starting with human conversations. They'll always give you a much better understanding of the initial response people have to your 'hypothesis' or offer. It's better feedback than text-messages, emails or landing pages. But I've added two more scaleable ways to pitch your idea.



#### Go Small - Talk To Your Potential Customers

## 1. It's important to start testing if your problem really exists.

The easiest way is to simply talk to the target group you described in the Form It stage. Start by creating list of 10 or more people from your network, choosing people you assume have the problem or need. Meet them in a nice, informal setting - over lunch, tea or coffee - while introducing your idea.

Note: I've done this in business settings or meeting rooms and found that the feedback was geared more around, 'what they thought I wanted to hear' rather than a real honest friendly conversation.

#### **Example:**

I've seen people successfully becoming active in forums or Facebook Groups, and then inviting people to connect on Skype or phone to talk about something you're working on and would like to get feedback on.

An acquaintance of mine launched a multi-million dollar supplement brand by going into Yahoo! groups discussing weight-loss and offering helpful tips. After a while he started asking for help and inviting people to connect offline (skype/ phone).

From those conversations he got a REAL sense for what the needs were and situations people were dealing with. Which helped launch his brand. In fact, one of the ladies even gave him the name to use!



#### 2. Put together a landing page

To get feedback from a broader audience you could set up a landing page. Potential customers who are willing to go through a sign-up process or even pay for your service before there is one are demonstrating exactly how interested they are. Tools like leadpages.com, unbounce.com or launchrock.co will help you create landing pages without any programming skills.

You could create ads using Google AdWords or Facebook Advertising to drive targeted traffic to your page. Remember: Your goal is not to get as many signups and email addresses as possible, your goal is to learn more about your customers and the problems they have.

**Example:** 

Tim Ferris, author of 4 Hour Work Week, used the Google adwords method to test different headlines (which were his various titles for the book).

The 4-Hour Work Week headline won in a landslide! For a small investment of a couple hundred dollars, he basically helped guarantee himself a runaway bestseller.

#### 3. Build a Minimum Viable Product

The final and most important step is to offer your audience the solution they expected. Build out themost basic, simple solution of your product or servicewithout getting too complex.



Find a simple and easy way to deliver your service to your customers. The goal is to find out how good your solution really is. Are they happy with it? Would they use it again or even refer friends to it? Get as much insight as possible.

**Example:** 

Instead of building out an entire course for your online program. Create a 4 week LIVE version of the program using tele seminars/webinars etc. to deliver the content. This way you're not building out all the content ahead of time, you're simply mapping it out and then creating the marketing to test your solution.



## **Run It!**

Set A Goal	Get Feedback	Analyze & Decide
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Whichever test you decide to run from the 'Choose It' stage you'll have to set goals to use as a measuring stick to decide whether your idea succeeded or not.

#### 1. Set A Goal

KISS - which stands for, Keep it Simple, Stupid - should be your guideline here.

**Example:** 

Let's say you created a list of 20 people; at least 10 of them should prove your hypothesis to be right



#### "I expect 'x' number out of 'y' number of people in the test will behave this way."

#### 2. Get Feedback

Once you have validated the hypothesis with a small group of potential customers, you can scale up the experiments to test it with a broader audience. i.e. Landing pages, Speeches etc.

Ensure you have some sort of tool you're capturing the feedback with, whether it's an excel file, an audio recorder, Evernote, a notebook it truly doesn't matter. Just ensure you're capturing!!!

#### 3. Analyze & Decide

If you've completed the set-up, you are ready to run the test. Don't forget that every element of your hypothesis/offer has to have the potential of failing. Every element needs to be validated.

#### Example:

Let's say you had an idea to create a gel for people to rub onto a sore lower back, but people responded that they wouldn't want a gel. But would they want a pill instead? A Syringe to inject? etc. Test!

After you have collected data from potential customers, it's time to decide if you've reached your goals and if your assumptions were right. More often than not, your first idea on how to solve the problem is not correct.



Don't let it get you down. Most entrepreneurs NEVER get it right the first time. There's probably gold in the feedback you've received. Mine it.

Pivoting your idea is a common element on your way to finding market fit. Get back to your interviewees, start asking more questions in detail, and try to figure out how to adapt the feedback to your idea.

If your idea got taken apart and you don't see how to fix it keep on going! The next big opportunity will come!

Starting your business/product/service offering by testing your idea first will not only show how valid it is but you'll save yourself countless days/weeks/ months/years of heartache, you'll save yourself a lot of money and you'll keep your sanity!

You'll also get a solid ground for your further decisions:

You now know your customers and what they really want. You are on a good path tocreating something that people will love!



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