

The background features a dark blue gradient with a starry space pattern. Overlaid on this are several circular gauges and progress indicators. One large gauge on the left has a scale from 140 to 260. Other smaller gauges and dashed lines with arrows are scattered across the scene, suggesting a technical or data-driven environment.

Choosing the Right Customer & Differentiation

Why most projects fail before they start



STORY TIME: ABOUT TRAINS

CUSTOMER CLARITY

- Right Customer
- Right Problem
- Right Competition
- Right Differentiation
- Right Hypothesis



IS THIS A CUSTOMER?

- Small Business Owners



- If you cannot name a specific human in a specific moment, you don't have a customer

The Standard

POSTER BOARDS REVISITED

The Basics

Customer

Problem

Advantage

Capability

Insight

Motivation

Competition

800-pound gorilla

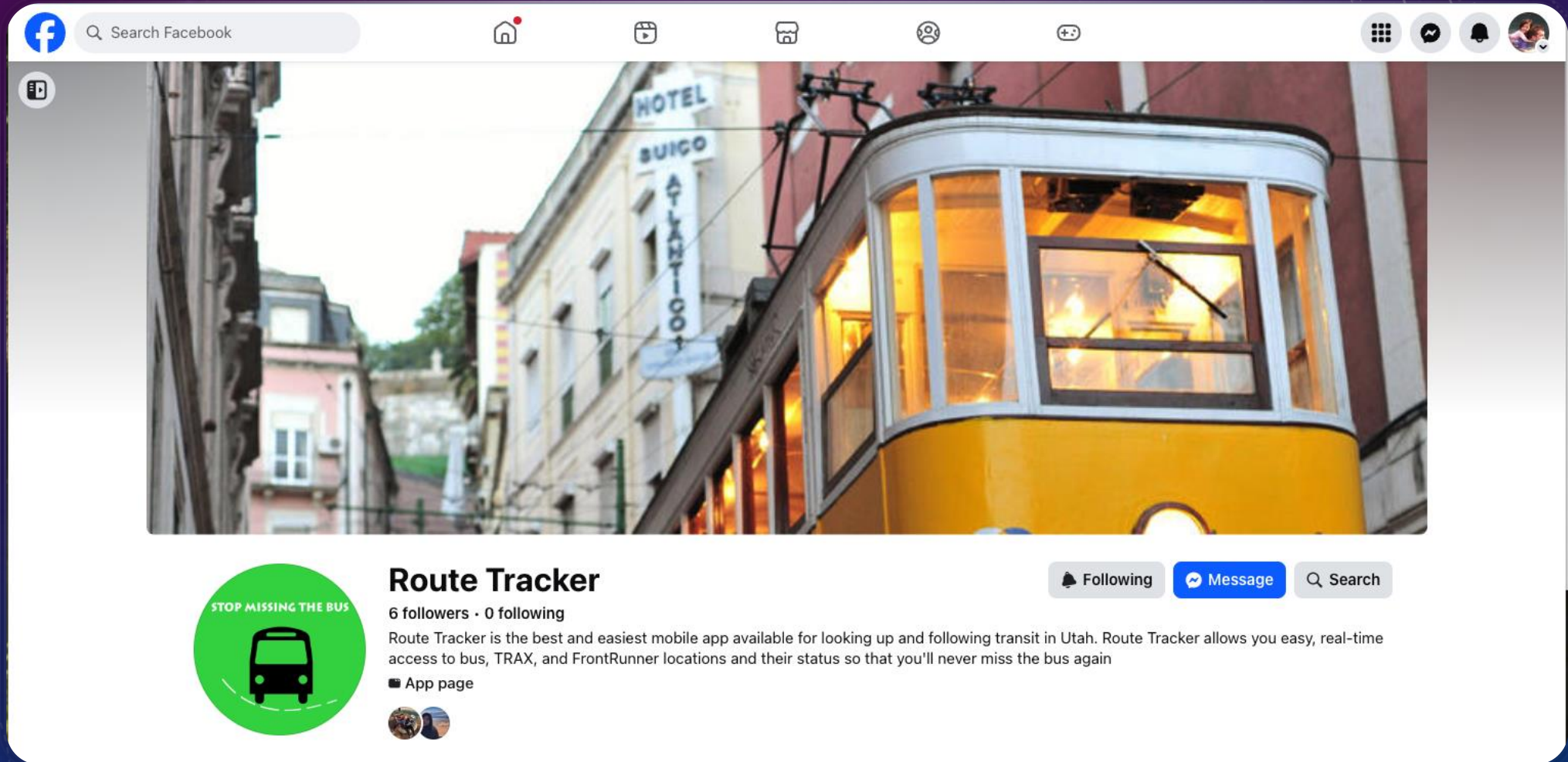
Top alternatives

POSTER BOARDS SIDE 2

Founding Hypothesis

If we help
solve
with
they will choose it over
because our solution is

StoryTime Continued: Misaligned Customers



The image shows a screenshot of a Facebook page for 'Route Tracker'. At the top, there is a search bar with the text 'Search Facebook' and a navigation bar with icons for home, calendar, marketplace, profile, and groups. The main content area features a large photograph of a yellow and white tram on a city street. In the background, a building has a sign that reads 'HOTEL SUICO' and 'ATLANTIC CO'. Below the photo, the page header for 'Route Tracker' is visible, including a green circular profile picture with a bus icon and the text 'STOP MISSING THE BUS'. The page name 'Route Tracker' is displayed in bold, followed by '6 followers · 0 following'. A description states: 'Route Tracker is the best and easiest mobile app available for looking up and following transit in Utah. Route Tracker allows you easy, real-time access to bus, TRAX, and FrontRunner locations and their status so that you'll never miss the bus again'. Below the description is a link to the 'App page' and two small profile pictures of users. On the right side of the page, there are three buttons: 'Following', 'Message', and 'Search'.

Search Facebook

Route Tracker
6 followers · 0 following

Route Tracker is the best and easiest mobile app available for looking up and following transit in Utah. Route Tracker allows you easy, real-time access to bus, TRAX, and FrontRunner locations and their status so that you'll never miss the bus again

App page

Following Message Search

- 1. Your Pain != Market Pain**
- 2. Advertising & Visibility do not fix weak positioning**
- 3. Knowing who your real customer is changes the battlefield**

Key Findings From Customer Misalignment

- Who exactly is the customer?
- Be specific
- If you can't name them, you can't test them

Step 1: the Customer

Note & Vote

- Poster board:
- Who are they?
- Where do you find them?
- What context are they in when the pain hits?

STOP: Fill the
Customer

- What are they trying to accomplish?
- What goes wrong?
- Why does it matter?

Step 2: Pain/Problem

Note & Vote

- What's happening?
- What are the stakes?
- Evidence: workarounds, complaints, time spent

STOP: Fill
Pain/Problem

- Competition always exists
- Tools, workarounds, or doing nothing
- Go for the 800 LB Gorilla first

Step 3: Competition and Alternatives

Note & Vote

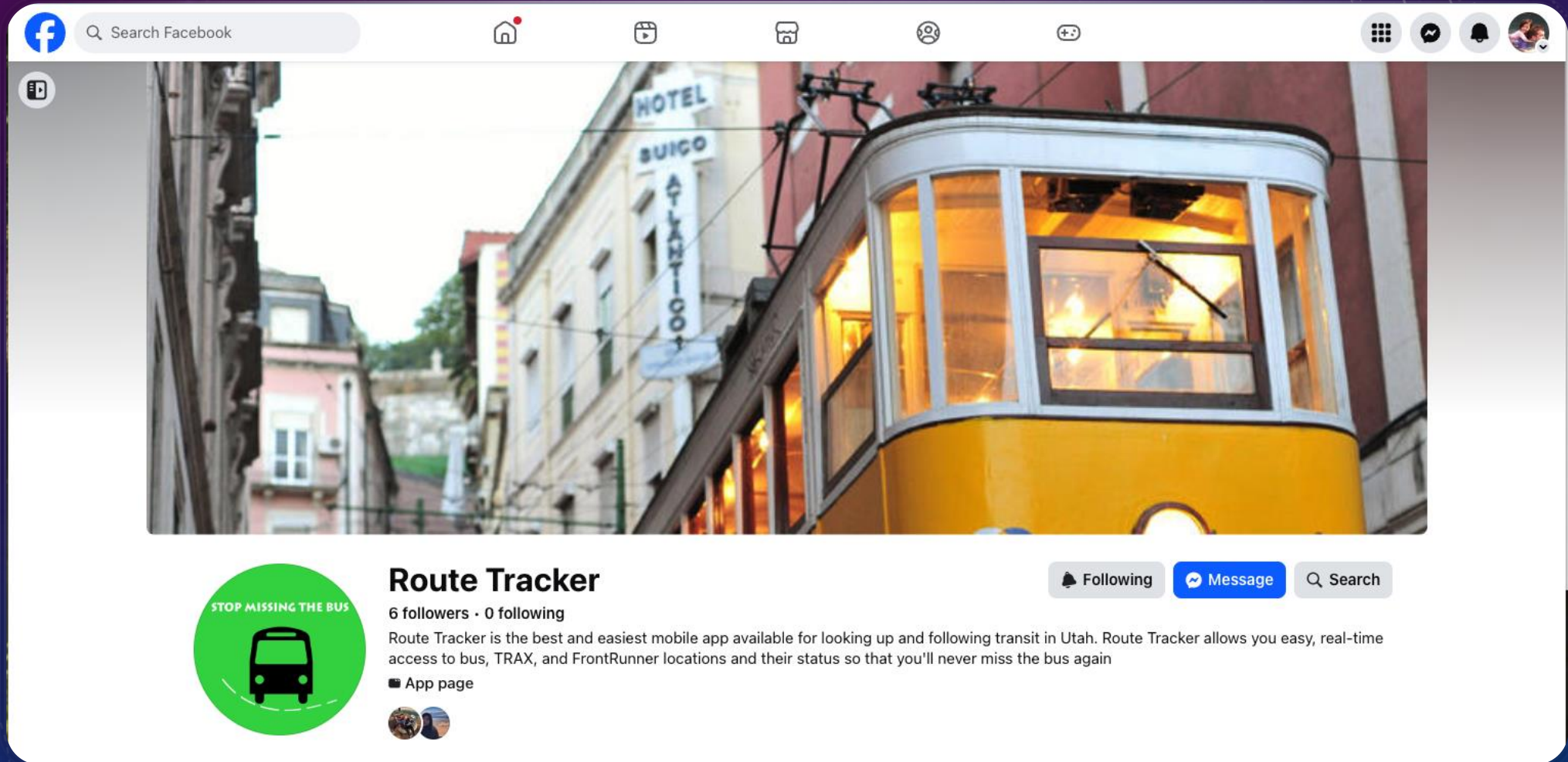
- What do they do today?
- Why is it “good enough”?
- Where does it fail?

STOP: Fill Competition and Alternatives

- Why would they switch?
- What changes the tradeoff?

Step 4: Differentiation

StoryTime PT 3: Getting the Right Differentiation



The image shows a screenshot of a Facebook profile for 'Route Tracker'. At the top, there is a navigation bar with the Facebook logo, a search bar, and icons for home, calendar, marketplace, profile, and groups. Below the navigation bar is a large photo of a yellow and white tram on a city street. The tram is moving towards the camera, and its interior lights are on. In the background, there are buildings, including one with a sign that says 'HOTEL SUICO' and 'ATLANTIC CO'. Below the photo is the profile information for 'Route Tracker', which includes a green circular profile picture with a bus icon and the text 'STOP MISSING THE BUS'. The name 'Route Tracker' is displayed in bold, followed by '6 followers · 0 following'. Below this is a short bio: 'Route Tracker is the best and easiest mobile app available for looking up and following transit in Utah. Route Tracker allows you easy, real-time access to bus, TRAX, and FrontRunner locations and their status so that you'll never miss the bus again'. There are three buttons: 'Following', 'Message', and 'Search'. At the bottom, there is an 'App page' link and two small profile pictures of users.

Search Facebook

Route Tracker
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Route Tracker is the best and easiest mobile app available for looking up and following transit in Utah. Route Tracker allows you easy, real-time access to bus, TRAX, and FrontRunner locations and their status so that you'll never miss the bus again

App page

Following Message Search

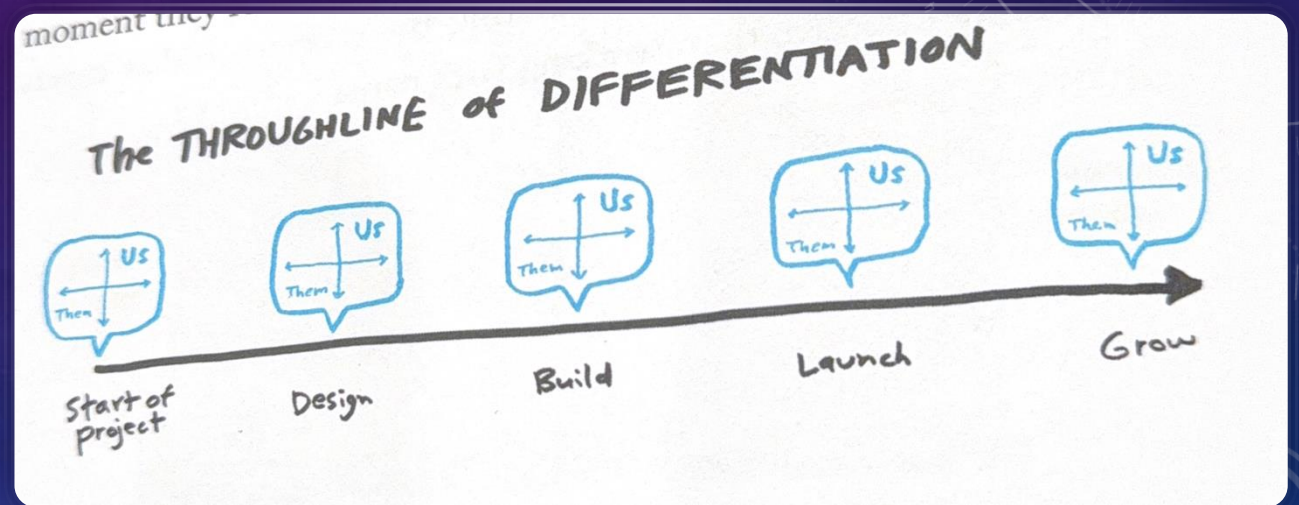
Differentiation: Choose Your Battlefield

- “Attack where your [competition] is weakest”
- Differentiation is the essence of your strategy
- Good differentiation is what makes your product click with customers

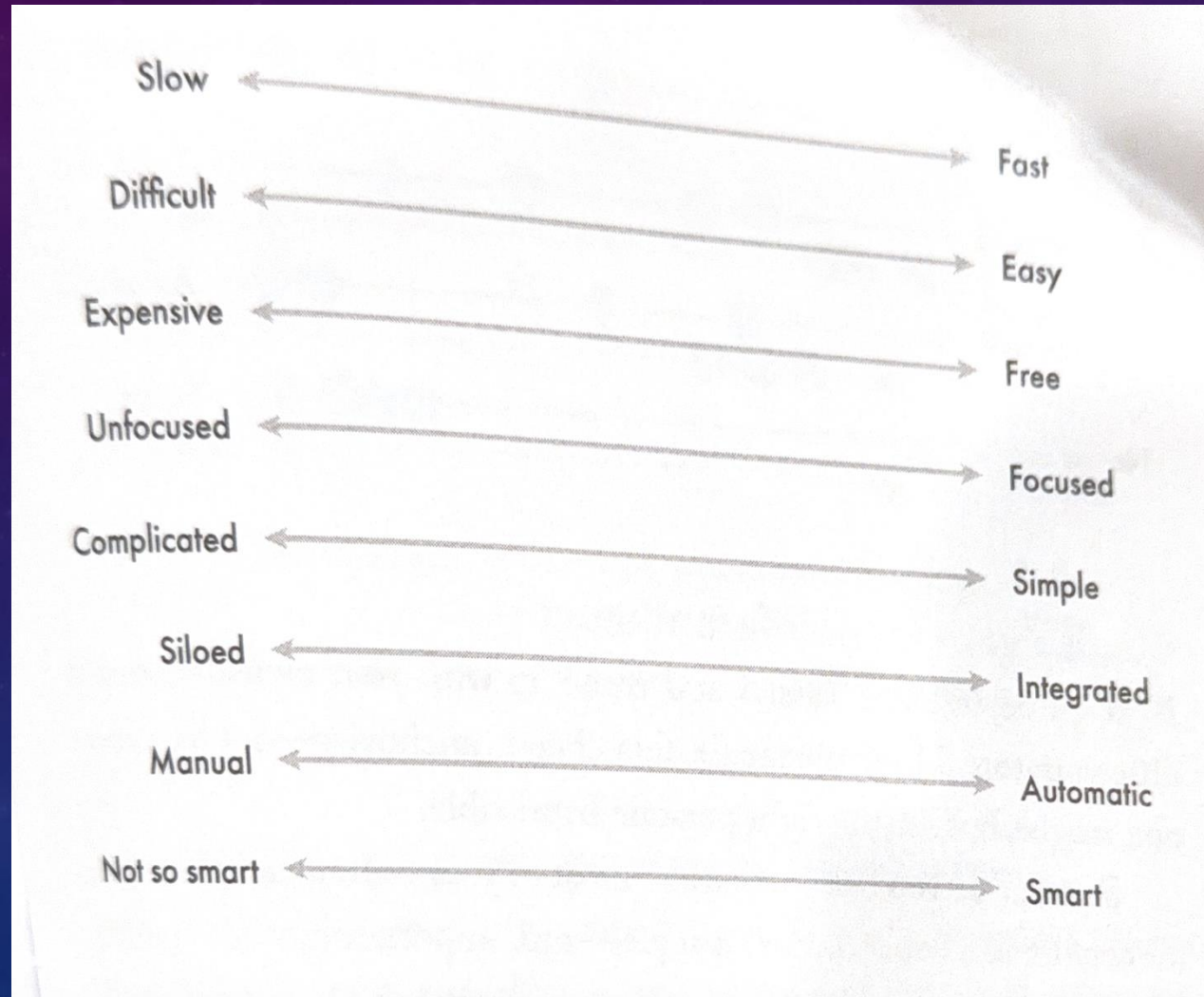


Differentiation end-to-end

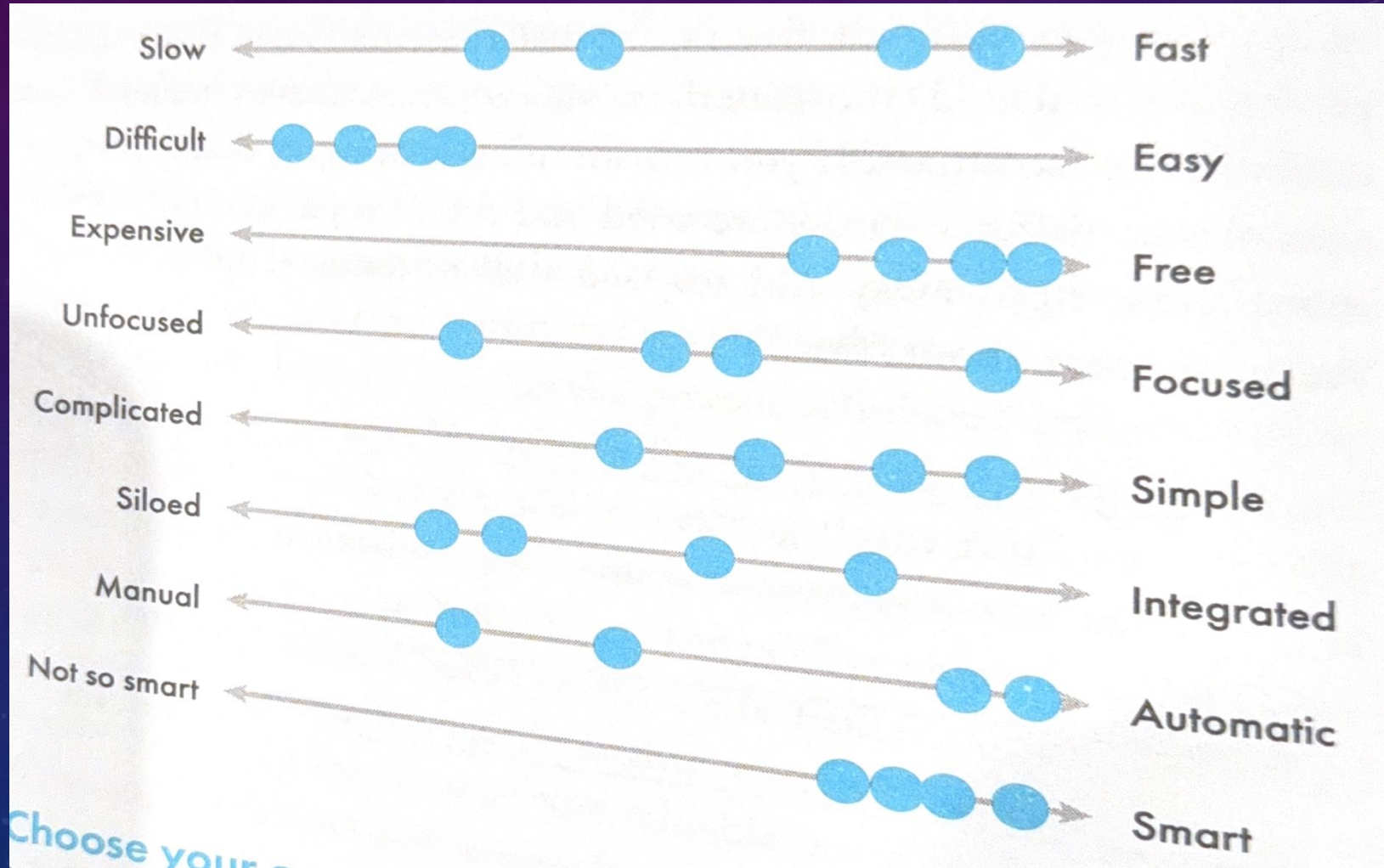
- Differentiation is the essence of your strategy
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Differentiators

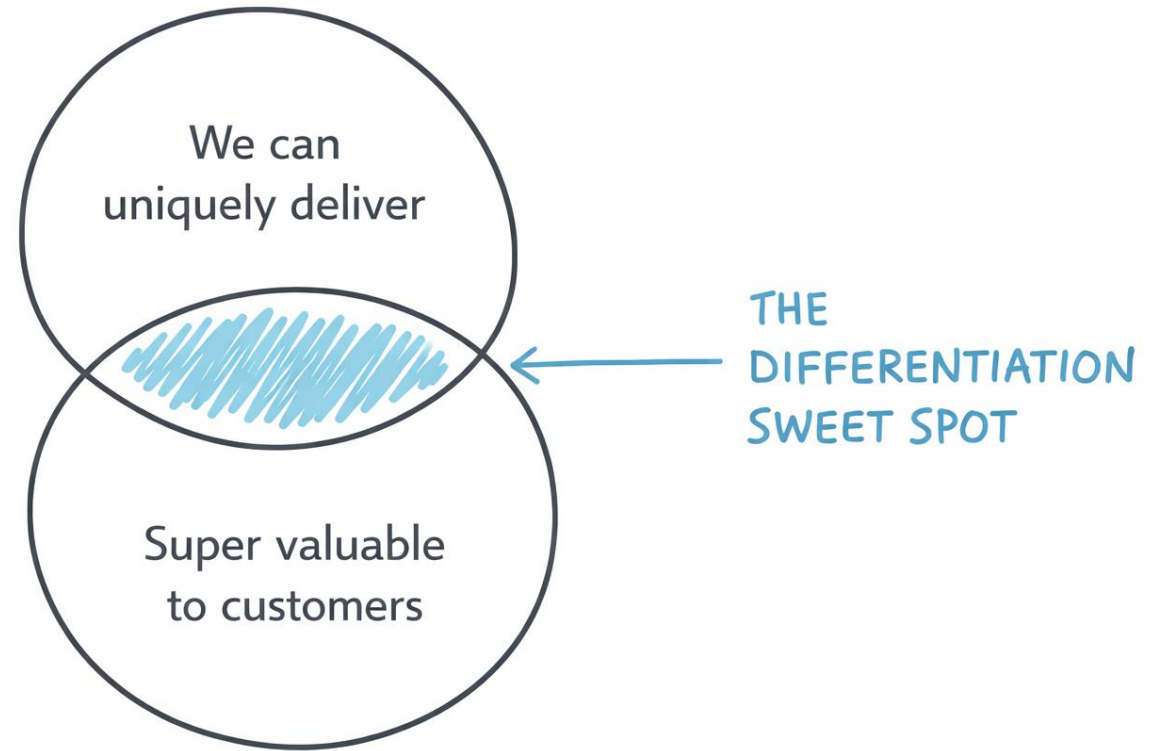


Differentiators



Step 4: Differentiation / Advantage

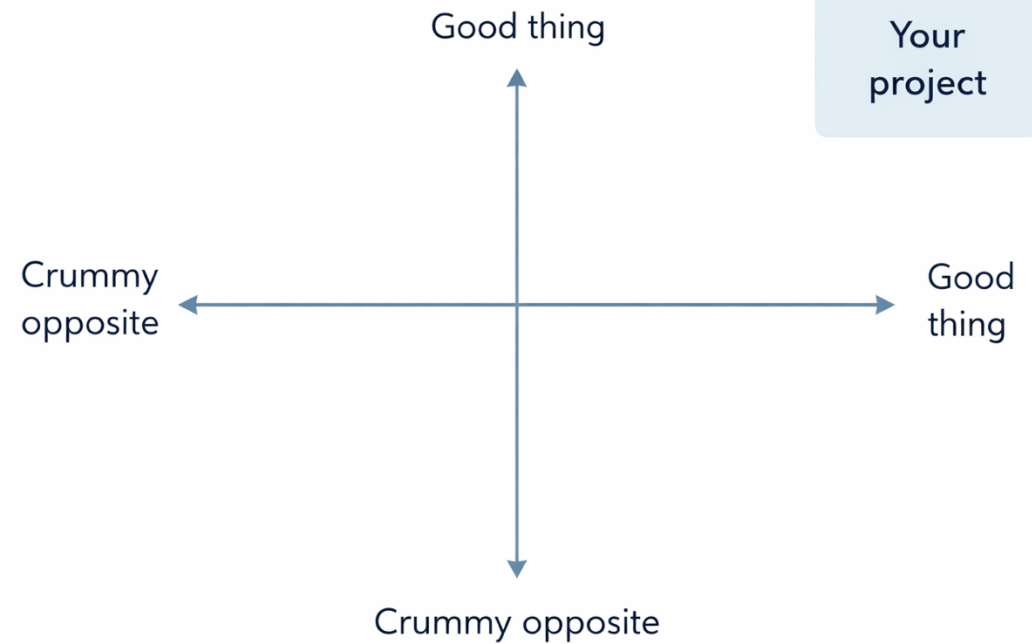
- Why would they switch?
- What changes the tradeoff?

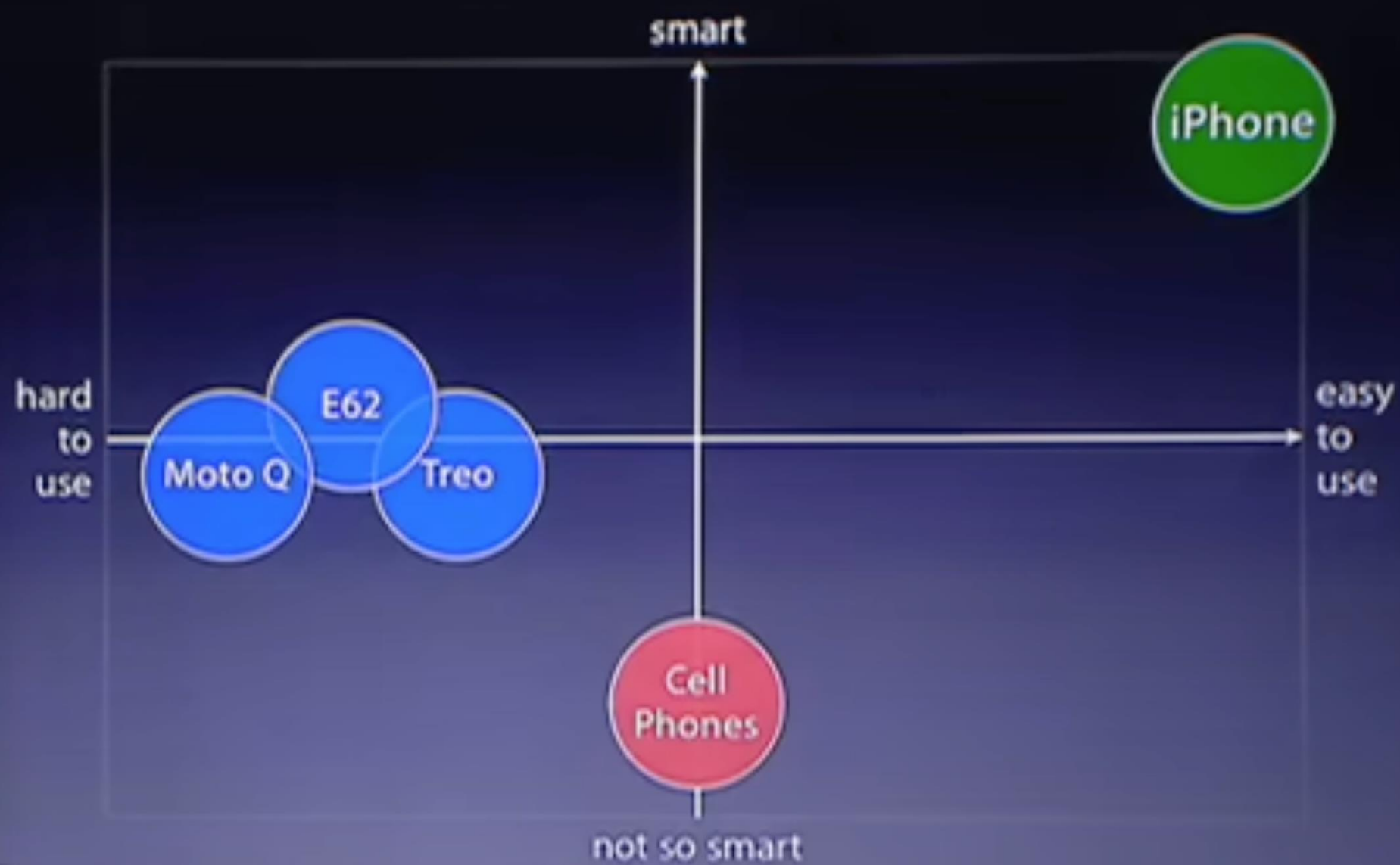


The 2x2 Battlefield

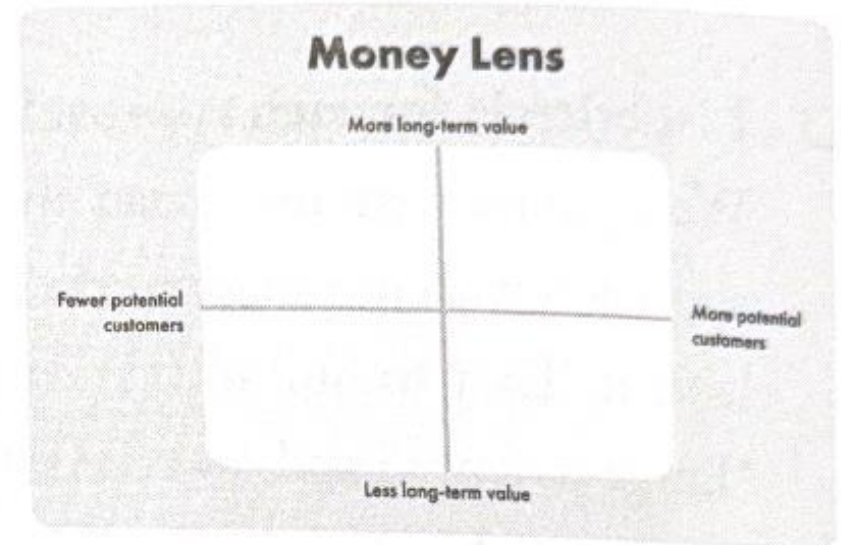
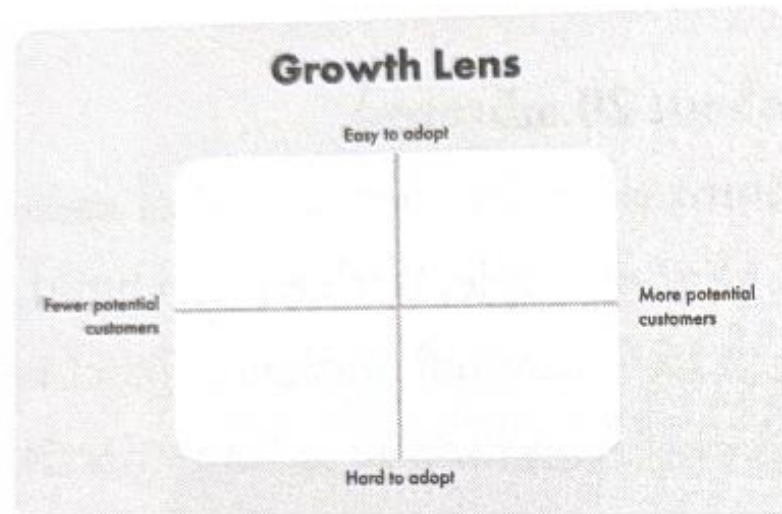
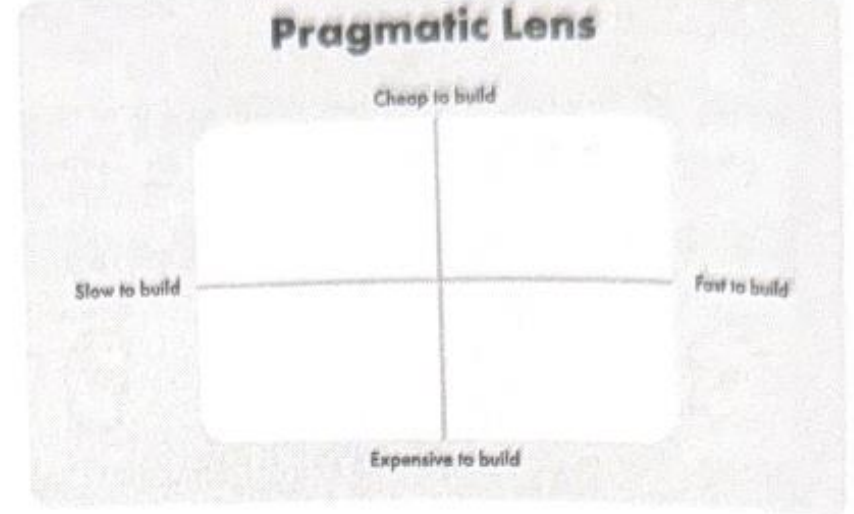
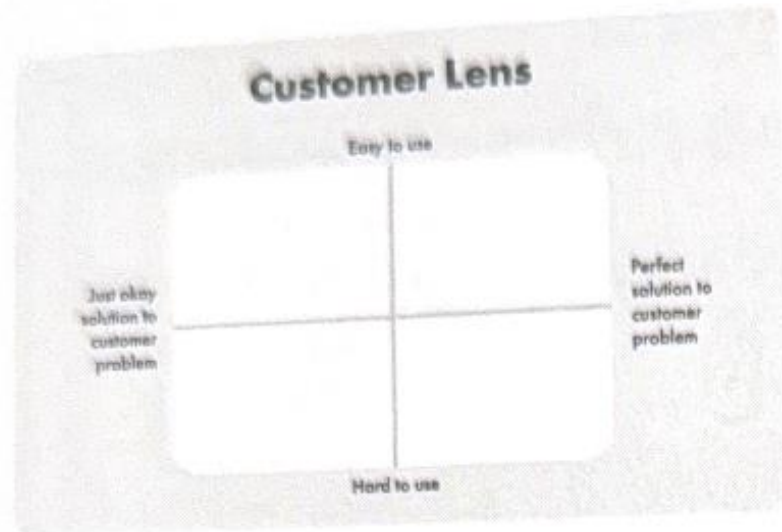
- Pick Axes That Matter to your customer
- Be optimistically realistic

Differentiation





Falsifiability



Founding Hypothesis

If we help

solve

with

they will choose it over

because our solution is

WRITE THE
FOUNDING
HYPOTHESIS



STORY TIME: ABOUT TRAINS

You've learned about

Next Lecture

How to Really Understand your Customers

Communication as a Superpower

How To Think About Differentiation

In between, you should be spending at least 6-8 hours between now and next Wednesday preparing for your Mid-term Project

How to Apply both of these to the heart of your project

Submit **ALL** presentation materials and needed artifacts (see LearningSuite for details) by next **Tuesday at 11:59 pm**