

MORE GUIDELINES FOR DIGITAL PRODUCT MVPs / EXPERIMENTATION

- For digital products that are data-centric or with AI/ML algorithms at their core, the product MVP needs to include a dataset

Questions to be asked:

- Which data assets are required for training? Do you have sufficient data?
- Need for any proprietary data?
- Extent of data cleaning, data integration, and other activities
- Integrating AI modules into existing solutions?
- Plan for the availability of additional data as needed?

HYPOTHESES-DRIVEN EXPERIMENTATION

- Hypothesis-driven experimentation a way to systematically and iteratively reduce uncertainty about the relevant customer needs
- Hypotheses important for both established companies and start-ups
 - 'Fail fast, learn fast'
 - Growing uncertainty in the environment, changing and diversified customer expectations
 - Companies need to pivot the products often

- **Customer development process** (Steve Blank)
 - *Customer discovery*
 - Other steps: Customer validation, Customer creation, Company building
- **Lean start-up approach** (Eric Ries) - hypotheses-driven and iterative experimentation
 - *Build-measure-learn cycle*

Arriving at the opportunity hypotheses – where to start?



The slide features a background of light blue concentric circles. In the four corners, there are decorative circuit-like patterns consisting of thin blue lines and small circles, resembling a network or data flow diagram.

BASIC OPPORTUNITY HYPOTHESES

CUSTOMER DISCOVERY PROCESS

HYPOTHESIZING...

Smaller hypotheses formulated and tested on a need basis ...

GOTB

- **Customer-segment hypothesis** – Does the customer segment exist (for the product)?
- **Need hypothesis** – Does this job to be done exist for our customer?
- **Offering hypothesis** – Are the interactions accessible to the customer?
- **Value-capture hypotheses** – Is the proposed benefit of value to the customer? Will customers be willing to pay for our offering?
- **Technological feasibility hypotheses** – does the choice of technology and form factor support the customer experience?

- Explicitly state the opportunity hypothesis:

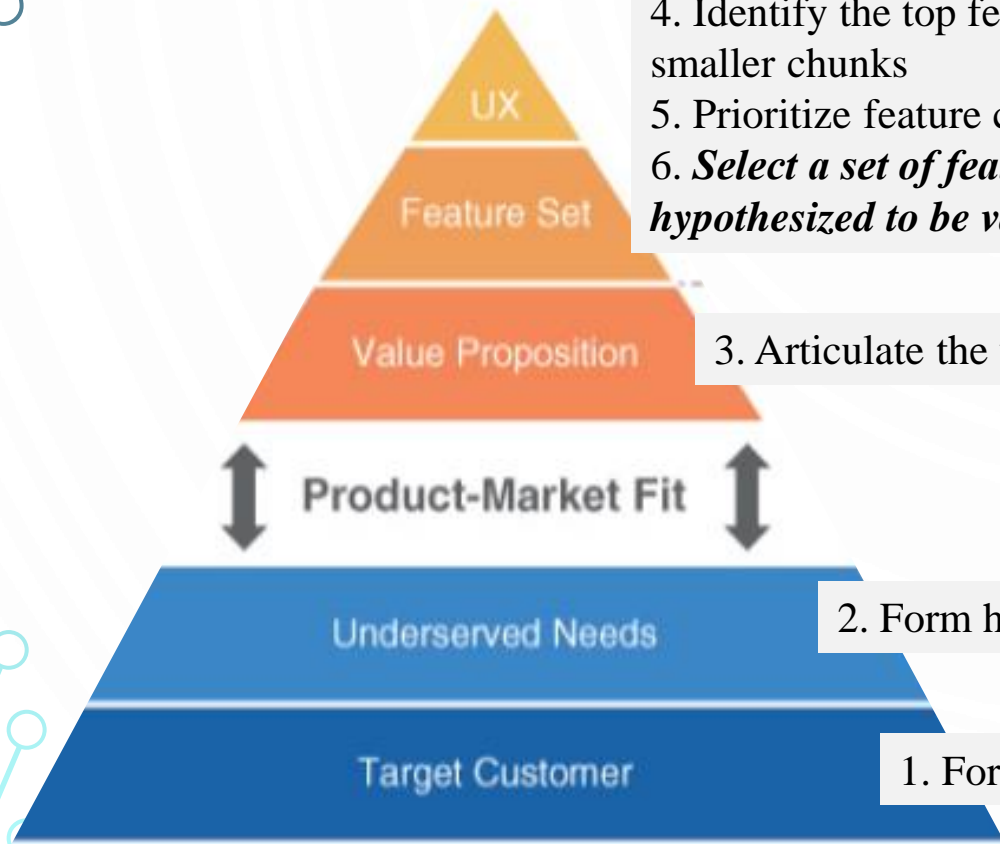
“I believe that <personas/segments> experience <this pain> when doing <task> because of <limitation>, and alleviating that pain would let the customer <achieve this gain>, although she’d have to <accept these limitations>.”

The opportunity is to be linked with – the company goal, the product goal, success metrics and other key metrics

Hypothesis-Driven Development



HYPOTHESIZING



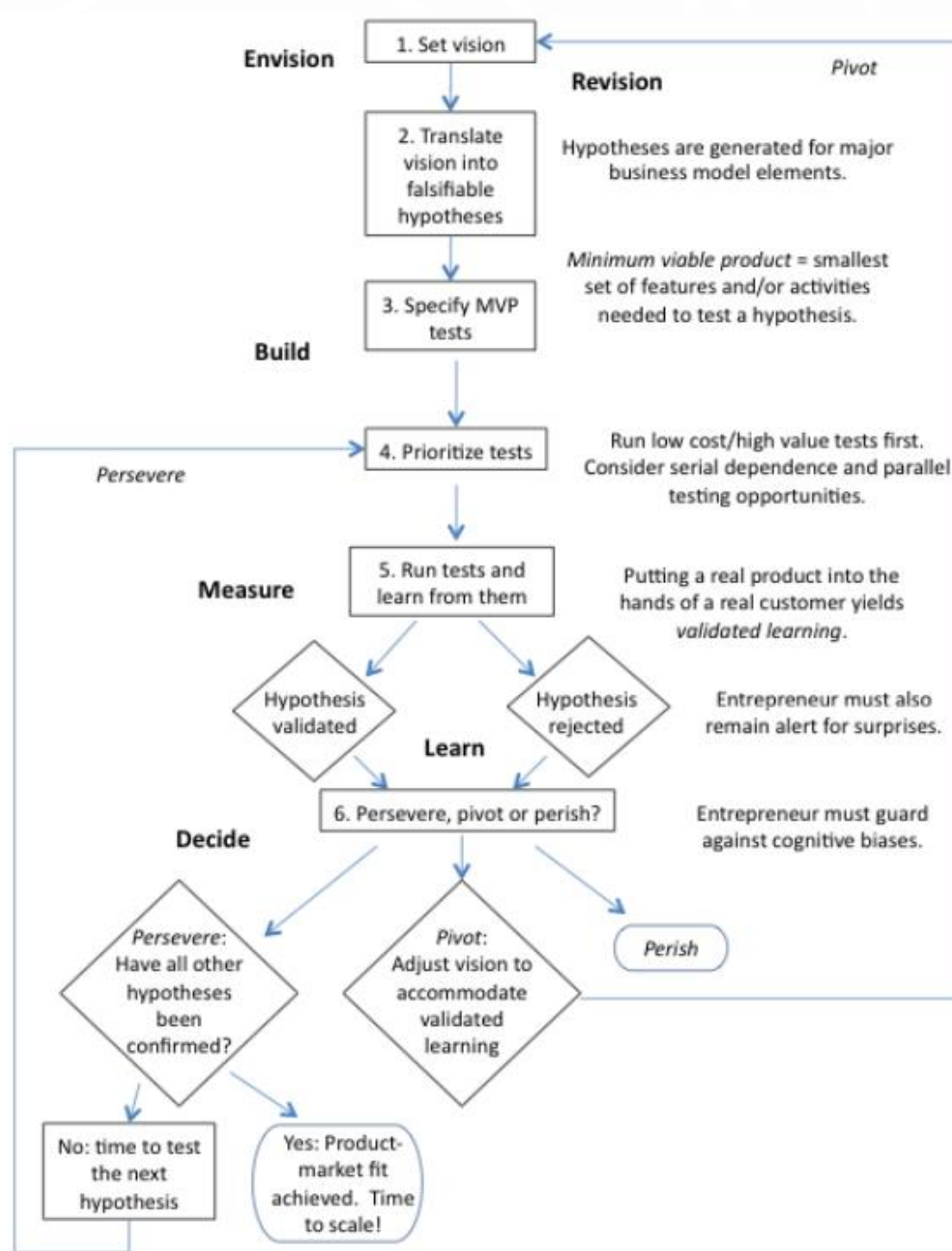
4. Identify the top feature ideas that are believed to address those needs; break the feature ideas into smaller chunks
5. Prioritize feature chunks based on ROI
6. *Select a set of feature chunks for the MVP candidate' this is the MVP candidate that is hypothesized to be valuable to the customers*

3. Articulate the value proposition to be pursued so that the product is different and better

2. Form hypotheses about the underserved customer needs

1. Form hypotheses about the target customers

HYPOTHESIS-DRIVEN ENTREPRENEURSHIP PROCESS STEPS



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OPPORTUNITY DISCOVERY – ALL APPROACHES

QUALITATIVE APPROACHES

- Blue sky opportunity
- Known bugs
- Feature requests in the backlog
- Technical debt
- Intuition & company vision
- R & D
- Team ideas
- The competition
- External pressures – top-down pressure, regulation

- Kano model
- Business model canvas
- Value proposition canvas
- Nir Eyal's Hook Canvas

OTHER QUANTITATIVE APPROACHES

- Surveys
 - Importance vs satisfaction plot
- Metrics and analytics – turning metrics into opportunities by asking why
 - Ways to group metrics
 - AARRR metrics
 - Success & vanity metrics
- Feature analysis - Intercom's Feature audit