You have done a lot of industry analysis by this point in your project. You have also hopefully had that breakfast or lunch with a seasoned business person from your target industry sector. Now it is time to take your research to the next level. The only way to truly understand customer needs—and therefore the solutions you need to create and sell—is to enter in the realm of the target customer.

Step 1: Hit the Streets! Apply Figure 3.1

Accordingly, your field work for this part of the book is to go observe and talk to target customers. That might be just two or three users at this stage, or it might be six or seven. No need at this point to talk to a lot more. We want quality as opposed to quantity. That means spending serious time observing and talking to target users in their own *place of use*. We also want you to gain insight into their place of purchase. If it's dog food, that means in their kitchen and also the shopping trip to PetSmart. If it's premium chocolate, that means visiting one of those chocolate boutiques or coffee shops selling premium chocolate and forming a small focus group with your friends (where you should definitely split up the men from the women so that they can talk freely!). If it's software, that means going into the companies to spend time with the end-users of your type of software: a few doctors or nurses for medical equipment software, or a few architects, builders, and building supply dealers for energy systems software. Use Figure 3.1 as your discussion guide.

Spending time in the field with customers is what the most successful *innovators* do—their inspiration comes from users. Remember, this is a difference between *invention* and *innovation.* Invention is a brilliant engineer or scientist sitting alone in a lab creating new technology or basic science. Very few inventors create category-leading companies. Innovation, on the other hand, is the application of known technology or science to solve consumer, industrial, or societal problems. Innovators learn *what* to do from end-users and then work to figure out the *hows.* Successful entrepreneurs then take the matter one step further, transforming those users into paying customers.

The discussion guide goes well beyond product or service issues. The marketing and business model insights it seeks to gain from customers are the foundation of designing a powerful, dynamic venture strategy. We guarantee that if you follow the discussion guide in your conversations with prospective customers, you will come back to your team with new insights and inspiration. While this is "serious" work, it is also the most fun an innovative entrepreneur can have other than the joy of experiencing a multimillion dollar exit five or six years down the road.

Step 2: Develop Use Cases. Apply Figure 3.8

You should come back from your field interviews with notes, perhaps videos, and fresh memories. The next step is to develop the primary use cases that will be the focus of your venture. We saw how this worked for the premium chocolate team. Now it is your turn to create this for your venture idea. To do this, use the template shown in Figure 3.8. Don't forget to try to incorporate the before, during, and after for your primary use case(s). And then try to distinguish between perceived and latent needs, for example, needs that customers expect all competitors to solve, and other needs that are pure, maddening frustrations that they aren't sure anyone can solve!

Step 3: Develop the Product, System, or Service Idea

We saw this method applied to the gift chocolate idea—affluent couples or women buying for them and their female friends, small-portioned chocolates made with fair trade ingredients, contemporary packaging, and resealable and recyclable packaging. Now it is time to construct this framework for your venture using the template shown in Figure 3.9. Enough said. Go to work!
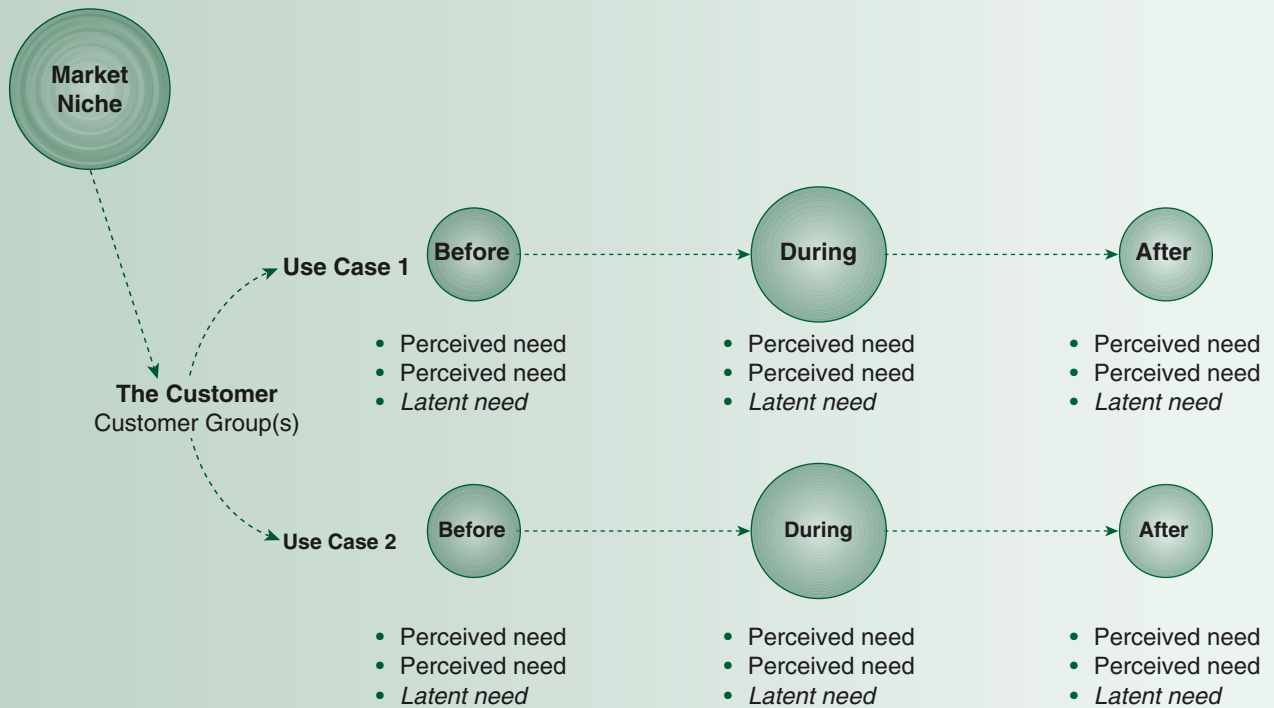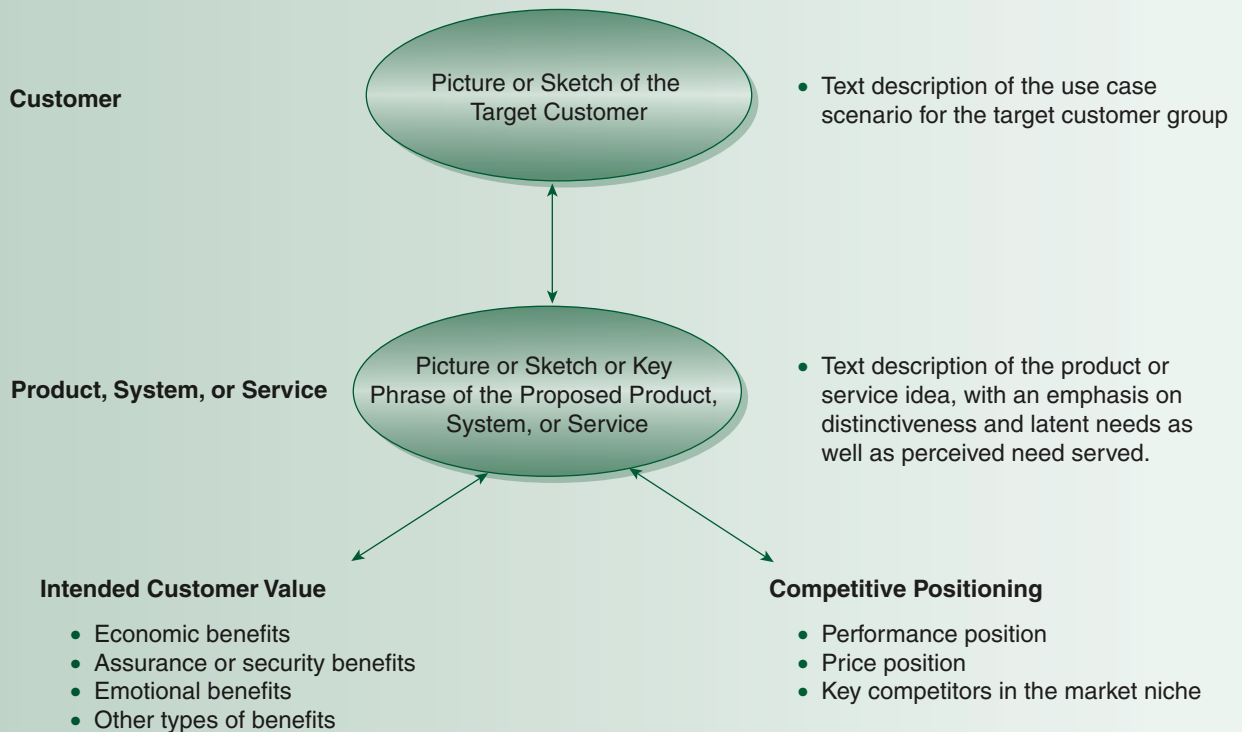
Figure 3.8   The Customer Use Cases Template

Figure 3.9   The Product, System, or Service Idea Template

Step 4: Bringing It All Together

This is where your venture concept should come together into a single, powerful, and hopefully compelling page. Once again, you can use the chocolate gifting case as an example. Create your own venture concept using the template provided in Figure 3.10.

Keep your phrases short and focused to prove the key points you want to make. The template is meant to be the basis of a conversation with your team members, your advisors, your professors, and potential investors. The key question is, Do all the elements in your own venture concept, as expressed in the template, hang together to form a powerful, forceful idea? If so, you should be excited. If not quite yet, keep working it. Don't give up. If you have selected an attractive industry sector, performed solid field research with customers, *something is there.* You just need to find it, work it, and express it.
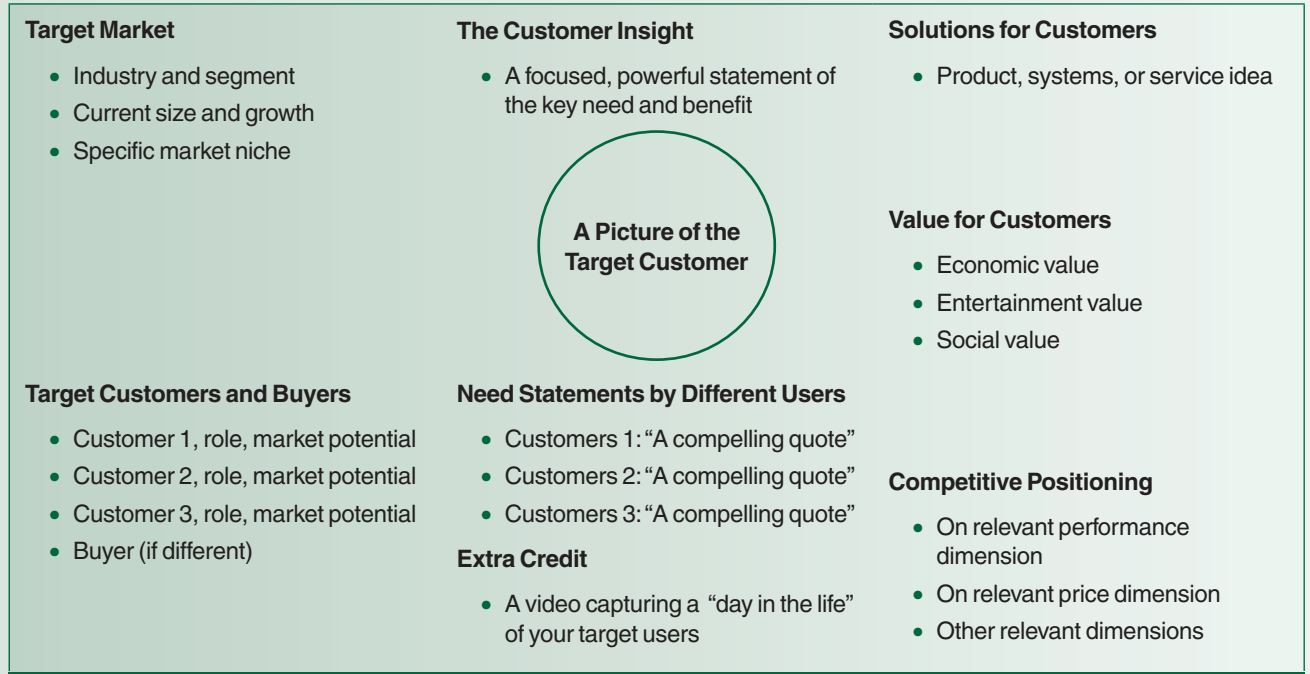
Target Market

- Industry and segment
- Current size and growth
- Specific market niche

The Customer Insight

- A focused, powerful statement of the key need and benefit

A Picture of the Target Customer

Solutions for Customers

- Product, systems, or service idea

Value for Customers

- Economic value
- Entertainment value
- Social value

Target Customers and Buyers

- Customer 1, role, market potential
- Customer 2, role, market potential
- Customer 3, role, market potential
- Buyer (if different)

Need Statements by Different Users

- Customers 1: "A compelling quote"
- Customers 2: "A compelling quote"
- Customers 3: "A compelling quote"

Extra Credit

- A video capturing a "day in the life" of your target users

Competitive Positioning

- On relevant performance dimension
- On relevant price dimension
- Other relevant dimensions

Figure 3.10　The Venture Concept Template

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This should be another major checkpoint with your professors and your classmates. Show them your venture concept; use your data to explain its key elements. Be confident about your work. At the same time, *listen and think.* And as you hear comments or criticisms, learn to place yourself once again *into the heart and mind of the target customer* as the filter for what you hear and how you respond.