Technology Start-ups
Lecture 10

Get Ready to Measure &
The MVP Interview

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What are Actionable Metrics?

Ties specific, repeatable actions to observed results
Need for Actionable Metrics

- Troubleshoot problems with customer lifecycle
  - Visualize customer lifecycle
- Measure what customers do

### Conversion Funnel for June

- **Signed-up**
  - 4200 (100%)
- **Downloaded**
  - 3400 (81%)
- **Did key activity**
  - 1880 (45%)
- **Purchased**
  - 375 (9%)
Metrics Are People Too

- Other side of metrics are actual humans
- Metrics do not tell you why?
- Users will not come to you with problems
  - Burden on you to identify problems
- All Metrics are not equal
  - Segment metrics
Funnel Analysis are good

Conversion Funnel for June

- Signed-up: 4200 (100%)
- Downloaded: 3400 (81%)
- Did key activity: 1880 (45%)
- Purchased: 375 (9%)

- Simple
- Visual
- Maps to User Activation
But...

Conversion Funnel for June

- Signed-up: 4200 (100%)
- Downloaded: 3400 (81%)
- Did key activity: 1880 (45%)
- Purchased: 375 (9%)

How do you track?
- Groups of Users
- Product evolution
- Measure retention
Funnels Are Not Enough
What is a cohort?

A group of people who share a common characteristic over a period of time e.g. join date.
Say Hello to the Cohort

Cohort: Week A Person Signed Up

Reporting Period: June 1 - June 30 2010

Week 1 Cohort
- Signed-up 900 (100%)
- Downloaded 750 (83%)
- Did key activity 380 (42%)
- Purchased 95 (11%)

Week 2 Cohort
- Signed-up 1000 (100%)
- Downloaded 800 (80%)
- Did key activity 500 (50%)
- Purchased 100 (10%)

Week 3 Cohort
- Signed-up 1100 (100%)
- Downloaded 900 (81%)
- Did key activity 650 (60%)
- Purchased 180 (16%)

Week 4 Cohort
- Signed-up 1200 (100%)
- Downloaded 950 (80%)
- Did key activity 350 (30%)
- Purchased 0 (0%)

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Say Hello to the Cohort

Cohort: Split Test

Control - Free Trial
- Signed-up: 1000 (100%)
- Downloaded: 800 (80%)
- Did key activity: 400 (40%)
- Purchased: 100 (10%)

Hypothesis A - Freemium
- Signed-up: 1500 (100%)
- Downloaded: 1200 (80%)
- Did key activity: 450 (30%)
- Purchased: 75 (5%)

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The MVP Interview
Main objective: Sell MVP to Early Adopters
Product Risk

- What is compelling about the product? (Unique Value Prop)
  - Does your landing page get noticed?
  - Do customers make it through activation flow?
  - Does your MVP demonstrate/deliver UVP?
Customer Risk

- Do you have enough customers? *(Channels)*
  - Can you bring more customers using existing channels?
Market Risk

• Is the price right? (Revenue Streams)
  • Do early adopters pay for your solution?

If you cannot sell to an early adopter in a 20 minute face-to-face meeting, it will be much harder to sell to a visitor to your website in 8 seconds.
<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
<th>Unique Value Proposition</th>
<th>Unfair Advantage</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MVP interviews will validate UVP on marketing website.</td>
<td>MVP will generate positive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Metrics</td>
<td>Channels will drive 100 signups per week.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Structure</td>
<td>Revenue Streams</td>
<td>MVP will drive conversions to paid.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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MVP INTERVIEW SCRIPT DECONSTRUCTED

WELCOME
2 min • Set the Stage

SHOW LANDING PAGE
2 min • Test UVP

SHOW PRICING PAGE
3 min • Test Pricing

SIGNUP & ACTIVATION
15 min • Test Solution

WRAPPING UP
2 min • Keep Feedback Loop Open

DOCUMENT RESULTS
5 min
Thank you very much for taking the time to meet with us again.

We are almost ready to launch the music-recommendation based on location service we spoke about earlier.

But before we launch, we wanted to show you the product, get your feedback, and, if you’re still interested, give you early access to the product.

Does that sound good?
• Great. We’d like to run the interview in a usability test format.

• So I’ll start by showing you our website and asking you a few questions. It would be really helpful if you think out loud as we go along. That will help us identify any problems or issues we need to address.

• Are you ready?
Note: Run a five-second test to test the site navigation/call to action.

- OK, we’ll start with the home page. Please take a look at the home page and tell us what you make of it. Feel free to look around, but don’t click anything yet.

  - Is it clear what the product is about?
  - What would you do next?
Now, feel free to navigate anywhere on the site.

<When the interviewee navigates to the pricing page>

– This is the pricing model we decided to launch with.
– What do you think of it?
<Ask the interviewee to sign up and watch how they navigate your activation flow.>

- Are you still interested in trying out this service?
- You can do so by clicking the “Sign up” link.
- It would be immensely valuable to us if we could watch you go through the signup process. Would that be OK?

This is the heart of the interview!

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• That’s it. You’re signed up and ready to go.
• What did you think of the process?
• Is there anything we could improve?
• Do you know what to do next?
• Thank you very much for your time today. If you have any questions or run into any issues, please call us or drop us a note.
• Would it be OK if I check in with you after you’ve had some time to use the tool some more—say, in a week?
• Great. Thanks again.
• Take five minutes to document results
  • while they’re fresh in your mind
• Helps to have a template
MVP INTERVIEW

Date: ________________

Contact Information

Name: ______________________________________________________________

Email: ______________________________________________________________

Usability Problem 1
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

Usability Problem 2
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

Usability Problem 3
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

Pricing

Willing to pay ($X/month): ____________

Notes: ______________________________________________________________

Referrals: ___________________________________________________________