



Technology Start-ups Lecture 10

Get Ready to Measure & The MVP Interview

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CISC 879 : Technology Start-ups



What are Actionable Metrics?

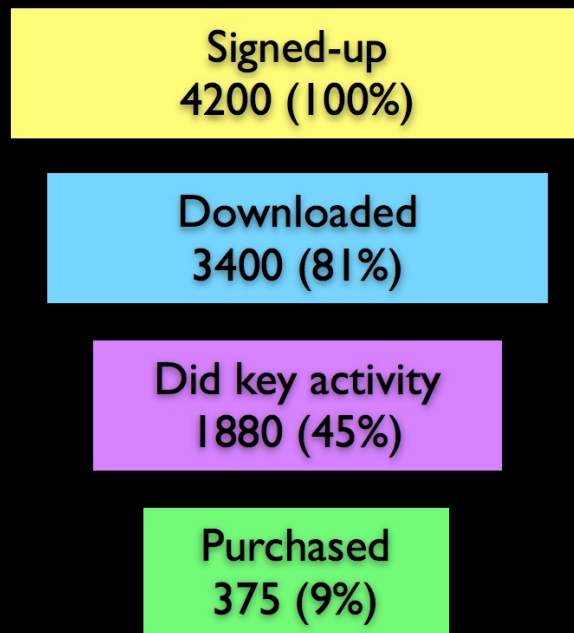
Ties specific, repeatable actions to
observed results



Need for Actionable Metrics

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

Conversion Funnel for June





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%)

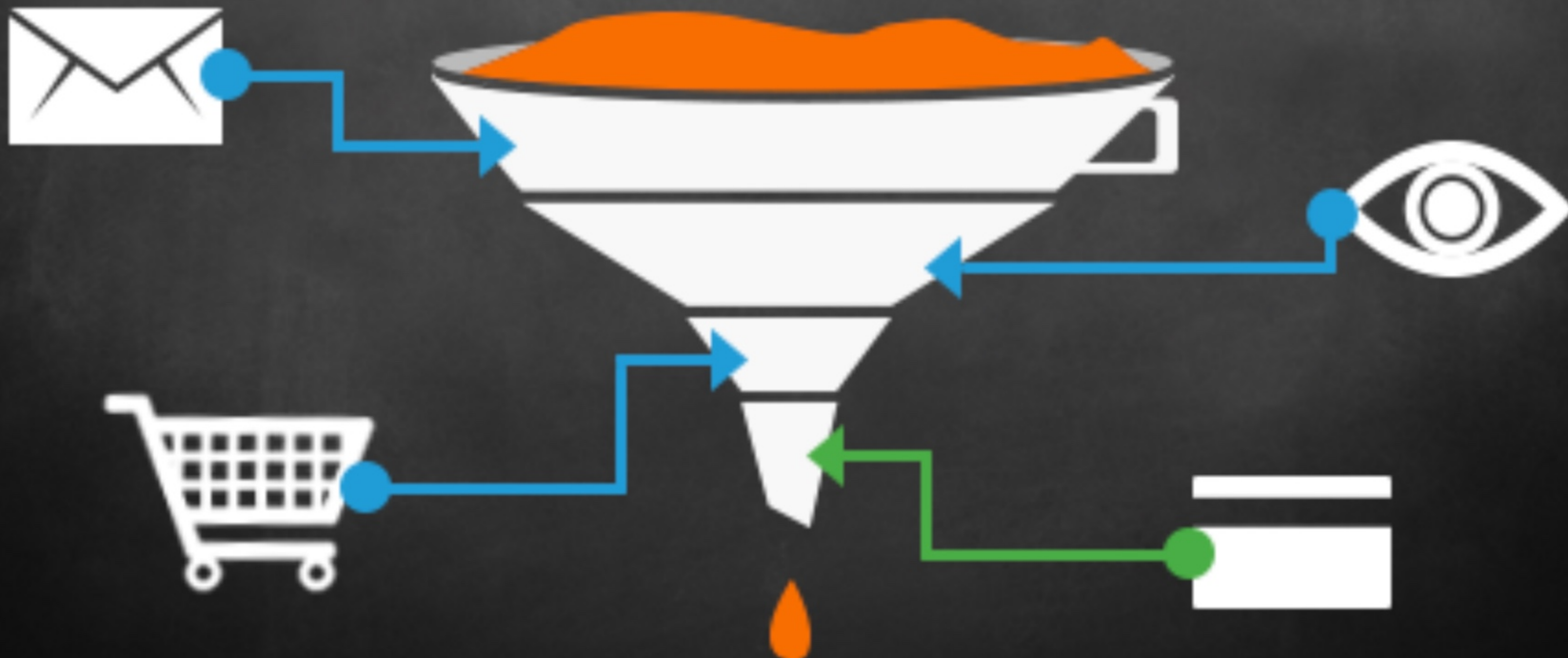
Purchased
375 (9%)

How do you track?

- Groups of Users
- Product evolution
- Measure retention



Funnels Are Not Enough





Say Hello to the Cohort

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%)



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%)



The MVP Interview



Testing Your MVP

Main objective: Sell MVP to Early Adopters



minimum viable product



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.



MVP Interview Canvas

PROBLEM	SOLUTION	UNIQUE VALUE PROPOSITION MVP interviews will validate UVP on marketing website. MVP will generate positive	UNFAIR ADVANTAGE	CUSTOMER SEGMENTS
	KEY METRICS		CHANNELS Channels will drive 100 signups per week.	
COST STRUCTURE			REVENUE STREAMS MVP will drive conversions to paid.	



MVP INTERVIEW SCRIPT DECONSTRUCTED

WELCOME
2 min • Set the Stage

- THE SETUP

SHOW LANDING PAGE
2 min • Test UVP

- TEST ACQUISITION FLOW

SHOW PRICING PAGE
3 min • Test Pricing

SIGNUP & ACTIVATION
15 min • Test Solution

- TEST ACTIVATION FLOW

WRAPPING UP
2 min • Keep Feedback Loop Open

- PERMISSION TO FOLLOW UP

DOCUMENT RESULTS
5 min

- DOCUMENT RESULTS



WELCOME

2 min • Set the Stage

- 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?



WELCOME

2 min • Set the Stage

- 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?



SHOW LANDING PAGE

2 min • Test UVP

• TEST ACQUISITION FLOW

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?



SHOW PRICING PAGE

3 min • Test Pricing

- 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?



SIGNUP & ACTIVATION

15 min • Test Solution

• TEST ACTIVATION FLOW

<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!



WRAPPING UP

2 min • Keep Feedback Loop Open

• PERMISSION TO FOLLOW UP

- 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.



DOCUMENT RESULTS

5 min

• DOCUMENT RESULTS

- 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: _____