



# Feeling the Pain

Articulating the Exact Problem Your Product/Business is Solving

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## Overview

Most successful products solve a pain point for the customer. The more acute the pain, the more customers will want a solution. The way you think about a problem & solution is often different from how a customer thinks of them.

The goal of this document is to help you understand the pain and motivations of your customer. By the end, you should be able to answer these questions:

- Are you solving a meaningful problem?
  - Are you speaking about it in a way your audience understands?
  - Is your value proposition resonating?
- Do you have empathy for your customers' pain?
- Do you understand the use case/workflow?
  - It's not what YOU think
  - Are your users doing nothing? Why should they do something?
  - How is the problem solved today?

## Problem Definition

Defining the problem is an important first step. A defined problem allows you to talk directly to your target customer. It makes it easier for them to identify that pain and spark an interest for a solution.

This step is typically easier if you've developed a solution for a problem. It's a little more difficult if you've developed a solution and need to find a problem to solve.

Before you spend much time or money developing the solution, try to identify:

- **What problem is being solved?** Clearly identify the problem and those who suffer from its consequences.
- **Are you delivering a vitamin, a vaccine or an aspirin?** It takes A LOT for people to change their behavior. If something causes real pain, they'll move to prevent it. Something nice is usually too easy to ignore or be forgotten.
- **How will the world be better when the solution is available?** The faster you can help customers envision their ideal world, the better chance of success.

Writing these answers down will speed the evolution of your thinking. It will help you figure out which assumptions you will need to test down the road.

## Researching the Value

To kickstart this mission, go into information gathering mode. Regardless of how much you know about your problem or solution, pretend you know nothing and see if you can come to the same conclusions. It's a reality check before spending a lot of time crafting a value proposition that misses its mark.

To do this, cast a wide net as you look at the market. Look at sources of information from all directions. Start searching the keywords we use to describe the problem and product category. See if new or different keywords emerge. Look for conversations about the topic in online communities and question boards. Look for any indications of trends.

It's important to understand what's happening now, especially if you are an "expert." The age of our personal knowledge can be old and misrepresentative of what is occurring today. Don't get too caught up in the details of what's right or wrong, though. All significant assumptions will be tested, so frame what we "know" in the form of hypotheses and we'll confirm the most important information with marketplace tests.

Remember, every business is at a unique point in time with different customers, technologies, market clutter – it's just different. So, do the homework.

Things to look for:

- What's the generic problem?
- Can you find comparables in other industries that have already been disrupted?
- Are you finding contrary data to original assumptions?
- What terms are used in the industry, i.e. Do different people or companies use different words for the same thing?
- Is the buyer different than the user?
- What keywords can be identified to produce more robust findings?

Completing this work should leave you in a place where you can speak confidently about the problem and in words that resonate with your customers.

## The Value Proposition

The next step is to talk to potential customers. You want to take your new understanding of the problem and go talk to your target customers about it. Ask them about their need, your solution and how much better they'll be when they experience it.

It's very crucial to ask these questions in an unbiased manner. Don't ask yes/no questions. Get them talking about their problems and how they cope with them before diving into your solution.

Eventually you will get to your value proposition. The value proposition is a single clear message why this product is different and worth buying.

You want to ensure it resonates. This is the refined and compelling story of how you're going to change the world. It's also the core of your sales message and a CEO is selling all the time. Your story attracts supporters and investors; it secures a founding team and gets customers excited. It all starts with clearly stating the benefits of your product

*The value proposition is a single clear message about why this product is different and worth buying.*

## What makes a good value proposition?

The value proposition gets to the heart of the problem you're solving. It will help shape the assumptions made about the idea and lead to tests that can help verify product/market fit. Develop a good value proposition with the following:

- Make it easy to understand – it should be read and understood in just a few seconds
- Communicate specific results the customer will get – clearly explain the value of the product or service (how you are removing pain or providing significant gains)
- Make sure the value proposition is unique and can explain how it is better than existing market options
- Target specific buyer personas instead of writing general propositions

### Characteristics of a Value Proposition:

Any of the following can help address the desired results called out above. Find the ones most easily applied to the current idea, craft your value proposition and start to test it.

- Newness
- Performance
- Customization
- "Getting the job done"
- Design
- Brand/Status
- Price
- Cost Reduction
- Risk Reduction
- Accessibility
- Usability

If it's hard to figure out the right way to state your value proposition, consider:

- Doing competitive research before you start creating your value proposition to understand how they talk to the market.
  - You can also review <http://archive.org> to see how a competitor's message has evolved over time, which may give you clues as to what resonates with customers from both a product and messaging standpoint.
- A/B test your proposition.

- It will continue to evolve so test a few ideas and see what works best. Try highly targeted advertising channels like Google Adwords or Facebook ads to test with just a little investment.
- Do further testing with landing pages and see what it takes to get an action from your customer.

You will likely talk about the product in a different way from how your customers talk about it. The sooner you find the right words that appeal to your customers the better for your product.

## Customer Empathy

Having customer empathy means you understand and share their pain. If you're going to talk with them, you'll need a specific description of who they are. The better your customer is defined, the easier to empathize with their pain, talk with them about it, understand their needs and identify competition already catering to them.

Start talking to potential customers now. Pay attention to what they say. When you speak to their problems, see how well they understand what you describe. If you're using the wrong language - you'll never have the conversation at a level that can drive your business.

When you are having the conversation, the goal is to understand the problem and process from their perspective. This is a good time to practice listening more and talking less.

## Customer Segments

If you haven't defined your customer segments, you can get closer to defining them by going through the following steps. The more defined the customer, the easier it will be to find them through Facebook ads, LinkedIn networking or whatever channel surfaces as the best to reach them. Rather than a general description of "Consumer," for example, add a little more detail, like how Wal-Mart segments consumers into three groups:

1. "Value-price shoppers" (customers who like low prices and cannot afford much more);
2. "Brand aspirational" (people with low incomes who are obsessed with brand name goods); and
3. "Price-sensitive affluent" (wealthier shoppers who love bargains)

Alternatively, identify what the consumer is trying to address: functional, social, emotional or basic needs.

The following questions can help identify the customer segment:

- Is it a business or consumer?
- If a business, how big is it (by employee count, or revenue)?

- If a consumer, what age group and/or gender? Are there any other distinguishing characteristics?
- What is at least one interesting detail about them? Details can be based on geography, demographics, psychographics, or behavior.
- Who is the user? Who is the decision maker? Sometimes the user of your product is not necessarily the one who needs to agree to the purchase. Often, these two need to be targeted in different ways.
- How does this customer segment align with the business' strategic goals?

With a well-defined picture of the customer, you can now seek them out for detailed discussions.

## Customer Relationships

Establishing relationships early on can make-or-break a business. Keep these questions in mind to help you make and maintain relationships:

- What type of relationship does each of our customer segments expect us to establish and maintain with them?
- Which ones have we established or can be established first?
- How are they integrated with the rest of our business model?
- How costly are they?

Examples:


- Personal assistance
- Dedicated personal assistance
- Self-services
- Automated services
- Communities
- Co-creation

Video Help

- [Use Customers to Find More Customers](https://vimeo.com/groups/190717/videos/68458606) (02:22) (<https://vimeo.com/groups/190717/videos/68458606>) - How to gain insight from current customers about the best ways to reach new customers

## Customer Discovery

Having identified who the customer is makes it much easier to reach them. Now, the task is to engage them to gain insights into how they view the problem, the solutions available and what they do about it. At the early of stages, it's easy to steer the conversation in an unhelpful direction. We're excited about our solution and we're eager to share it. Put a hold



on that excitement for now, we'll need all that energy when we go to market. At this time, we're looking for validation that we're on the right path.

Your goal for these conversations is 100 customers. It takes at least 60 conversations before you have meaningful information - so aim high to make sure you hit the requirement.

If you're selling a B2B product, start in the middle of the organization hierarchy. You'll likely need multiple meetings to get 1st-hand knowledge and details, and executives are not likely to give you that extra time and line knowledge.

B2B2C implies at least one business customer and one consumer customer. For example, Groupon sells its discount services to businesses, but redeeming Groupons is done by consumers. Provide details around both those users. Serving two markets requires additional attention and discipline to balance needs of two distinct groups.

Category differences may create different customer definitions because of the distinct needs of each specific category. For example, a fund-raising product may have different customer needs, like information allowed to be collected, if it's to be used in a public-school setting where minors are involved as opposed to an arts organization only engaging with adults.

Be sure to ask for details to help avoid any misinterpretation or confusion. The 5 Whys may be helpful ([https://en.wikipedia.org/wiki/5\\_Whys](https://en.wikipedia.org/wiki/5_Whys)) just don't make the interrogation too hard on the victim...I mean customer.

The information you're gathering shapes your product idea, as well as the way it's marketed and sold. Remember, face-to-face meetings are preferred. Body language will reveal as much or more than anything someone can say.

This is a vital step with lots of potential to head in the wrong direction. Here are some things you'll want to keep in mind:

- Don't just start demoing your product. Let the customer talk.
- If there's too much information to get through thoroughly with a single person or discussion, don't try. Figure out the one thing you need to take away from the conversation and work on that. You're going to be doing a lot of these, so don't force too much into one.
- Don't assume you know the situation, especially if it's a highly personal problem. There may be pain involved that we'll never truly relate to and it can be damaging to assume we do.
- For complex and sensitive subjects, these steps can often help guide the discussion.
  - State what you've learned - through research or experience.
  - Ask for their thoughts ("Is that your experience?"), listen and observe. Body language will be giving you information at this point as well.

- If you find it's appropriate to show a wireframe or prototype, do it after the customer has shared their thoughts.
  - Ask for their feedback again, listen and observe.
- The customer is always right. You're looking for insights into how they see the world and may react when they know your product exists. Whatever biases or negative reactions you find here may be repeated in the broader market. This information will better prepare you for that.
- If you really connect with the customer, they may show empathy toward you. Not a bad thing personally, but if they try to give you the "right" answer it could be the wrong thing for your business.
  - One trick to use if they really "love" what you're doing - ask them to buy it now. If it's long lead, promise to keep the money in escrow until the product is ready. That will demonstrate the level of commitment quickly.

### Video Help

- [Customer Conversion](https://vimeo.com/groups/190717/videos/68475355) (03:22) (<https://vimeo.com/groups/190717/videos/68475355>) - How to identify weak points in customer conversion

## Understanding the Workflow/Use Case

The workflow shows what the user is going through to solve their problem today. We often think in terms of an ecosystem or all the parts necessary to deliver on a particular promise. But in the lean startup methodology, all we're looking for is the one point of extreme frustration that we can eliminate. That small, but highly valuable, piece of the overall puzzle becomes our MVP.

This higher-level view is called the workflow while a more specific or task-focused look is typically the use case (or task flow), though the terms are frequently interchanged and it's good to be aware of that in case you're in a conversation that seems confusing.

### Workflow

Start with understanding the actors, their roles, and the sequence of actions that they need to perform in order to accomplish a given task. Sketch the workflow to show each step and interaction the user is experiencing.

Look at the entire flow of the current problem resolution before drilling down into a specific solution that you intend to build. When looking at the entire flow (first symptom, first action, resolution, post-resolution actions) you can get insight into the steps that are addressed well today and those that aren't. You don't have to build everything in your first release.



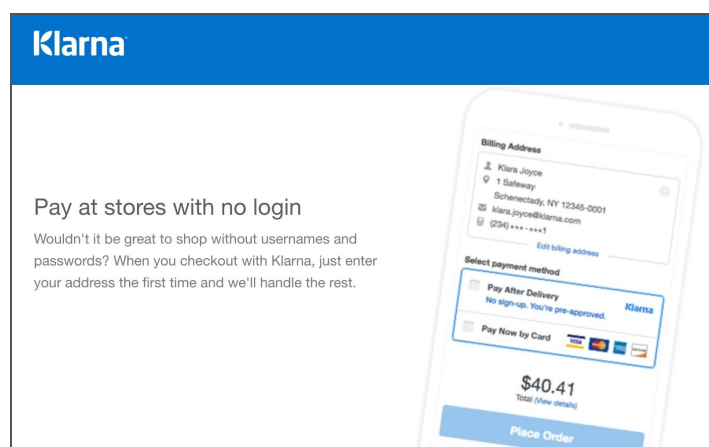
By fully understanding what the user is doing today, you will get insights into which tools are doing a good job of serving portions of that workflow. We don't want to build a lot before we confirm if users are onboard with our vision. This workflow will help us see where the current system breaks down and where our MVP should exist.

If done properly, this exercise will help remove your own biases. It is strongly urged to observe user behavior versus listening to the process being described.

## Use Case (Task flow)

The refined understanding of the MVP is more closely aligned to the use case. This helps us define what we want to accomplish and all the steps necessary to do so.

I like to referenced the product from Klarna. They are in the ecommerce space and wanted to address the fact that most transactions fall off at the point of entering payment information. They can grant instant credit with just an email and zip code. Despite being an ecommerce play, they did not have to build store, checkout, inventory or logistics services. They only had to build one small piece of the overall experience. They may eventually decide to address other pain points in this category, but for the early success of the company - that is all unnecessary.



## Essential features

- **What is needed by the customer to experience the benefit?**

Ideally, get this down to a single feature. It will become your minimum viable product (MVP) - that first sliver of value your customer can experience and that solves their biggest pain. It's not a comprehensive product or entire ecosystem. It's the first, most valuable step toward what your product will be.

- **Are there blockers to experience this benefit either from competing products or complexity of solution?**

This will also affect your MVP. If there's something else in the market that helps with the user workflow, let it - especially at this early stage. If there isn't, or there's a blocker, then you may need to build more in order to provide sufficient access to the value in your MVP.

## Key Activities

Key Activities are one of the categories of the lean business model canvas. These are the steps and actions that will be required to deliver on the promise to your customer. The focused-time you've spent identifying the problem and how to best solve it probably gave you much of what you need to know. Make sure you document them.

The key activities needed may include:

- How to deliver on your value propositions including assets and activities
- The distribution channels needed to get your product to the customer (don't underestimate this step!)
- The customer relationships that are a part of the purchase and purchase decision
- Revenue streams that will ensure this is a viable business
- Key performance indicators to measure and illustrate success

## Key Activities & Key Resources Support

- Insights on: Science Advisory Boards (4:53) UCSF (<https://vimeo.com/78605356>) - How advisory boards can help shape your success
- Insights on: Resources, Activities & Costs (12:26) UCSF (<https://vimeo.com/groups/213077/videos/81246018>) - How data helps you shape your vision for your business

## Moving Forward

While you conduct your research, use your findings to validate or invalidate your previous assumptions. Remember, there are no definitive answers, only insights that help you define and promote your product to the best it can be.