



CENTER FOR HOMELAND
DEFENSE AND SECURITY
NAVAL POSTGRADUATE SCHOOL



HSx MODULE: ENTREPRENEURSHIP (STEP 9 – IDENTIFY YOUR NEXT TEN CUSTOMERS)



APRIL 2017

WHAT IS IDENTIFYING YOUR NEXT TEN CUSTOMERS?

“While it is important to identify and develop a Persona to represent your end users, you must also be sure to identify other potential customers to ensure your product’s success. This will drastically increase your confidence that you have identified a scalable opportunity, not just a one customer solution, as well as your credibility.”

WHY DO WE IDENTIFY THE NEXT TEN CUSTOMERS AT THIS POINT?

“If you are successful in this step you can be significantly more confident that your business has a high probability of success and you will be able to convince others, such as future partners, employees, customers Advisors and investors. If you run into issues in this step you will be able to go back and determine where the Flaws in your plans are and improve them before going forward.”

“By listing and interviewing ten potential customers, you are directly testing every hypothesis you have built over the past eight steps. Your Primary Market Research has been designed so that you continually stay in alignment with your customers needs; but this is your first “systems test” where you are presenting the customer with everything you have worked on so far.”

HOW DO WE IDENTIFY THE NEXT TEN CUSTOMERS?

1. List 10 potential customers (aside from your Persona) and include any pertinent information you have about them from your existing research. There is no set number of customers you should list, as sometimes you can complete this step with a list of 12 customers, while other times you need to list 20-30 just to get customers who match your criteria and are interested in your product.
2. Contact each of the potential customers on your list and present your Full Life Cycle Use Case.
3. If a customer validates your hypothesis from the previous steps, now is a good time to ask the customer if they consider providing a letter of intent to buy your solution once it is available.
4. If your customers' feedback is not aligned with your assumptions, take good notes and consider how this impacts your analysis.
5. Now that you have each customer, you may have new data. At this point, you can go back and modify your earlier assumptions and determine whether to contact additional customers.
6. If you can not find 10 customers interested in your High Level Product Specification, then you may need to reconsider your Beach Head Market.
7. While this step is conceptually simple, contacting customers and getting information from them will require a good amount of work, but will be invaluable as you move forward.

SHORT VIDEO REFERENCES, CLASSES, AND OTHER RESOURCES

- How to Identify Your Next 10 Customers: Bill Aulet (Pt 1) - https://www.youtube.com/watch?v=aTWvll_NwSo&index=18&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz
- How to Identify Your Next 10 Customers: Bill Aulet (Pt 2) - https://www.youtube.com/watch?v=baQkyK_2DgM&index=19&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz
- Marius Ursache, CEO of Eternime, Explains His Startup & Its Persona - <https://www.youtube.com/watch?v=mtbAmdT0-Aw&index=20&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz>
- How to Identify Your Next 10 Customers: Eternime Case Study - <https://www.youtube.com/watch?v=SYOOHxgwMZw&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz&index=21>
- Tips for Entrepreneurs - Marius Ursache, CEO of Eternime - <https://www.youtube.com/watch?v=j9Z8mNoCyeI&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz&index=22>

SUMMARY

“Identifying and interviewing your Next Ten Customers now ensures that your Persona description and other assumptions hold true for an array of customers. If you have completed this step properly, and made modifications to the other steps from what you learned here, you should have great confidence moving forward to build the plan for your new venture.”

Bill Aulet, Disciplined Entrepreneurship p. 119

Entrepreneurial Process – Finding Your Next Ten Customers

Date of information: 14 March 2017

Overview: “Identifying and interviewing your Next Ten Customers now ensures that your Persona description and other assumptions hold true for an array of customers. If you have completed this step properly, and made modifications to the other steps from what you learned here, you should have great confidence moving forward to build the plan for your new venture. While it is important to identify and develop a Persona to represent your end users, you must also be sure to identify other potential customers to ensure your product’s success. This will drastically increase your confidence that you have identified a scalable opportunity, not just a one customer solution, as well as your credibility.”¹

Why is this step necessary?

“If you are successful in this step you can be significantly more confident that your business has a high probability of success and you will be able to convince others, such as future partners, employees, customer’s advisors and investors. If you run into issues in this step, you will be able to go back, determine where the flaws in your plans are, and improve them before going forward. By listing and interviewing ten potential customers, you are directly testing every hypothesis you have built over the past eight steps. Your Primary Market Research has been designed so that you continually stay in aligned with your customer’s needs; but this is your first “systems test” where you are presenting the customer with everything you have worked on so far.”²

How do we Find the Next Ten Customers?

1. List 10 potential customers (aside from your Persona) and include any pertinent information you have About them from your existing research. There is no set number of customers you should list, as sometime You can complete this step with a list of 12 customers, while other times you need to list 20-30 just to get customers who match your criteria and are interested in your product.³
2. Contact each of the potential customers on your list and present your Full Life Cycle Use Case.⁴
3. If a customer validates your hypothesis from the previous steps, now is a good time to ask the customer if they consider providing a letter of intent to buy your solution once it is available.⁵
4. If your customer’s feedback is not aligned with your assumptions, take good notes and consider how this influences your analysis.⁶
5. Now that you have each customer, you may have new data. At this point, you can go back and modify your earlier assumptions and determine whether to contact additional customers.⁷

¹ Aulet, B. (2013). *Disciplined Entrepreneurship*. Hoboken, New Jersey, United States of America: John Wiley & Sons, Inc.

² ibid

³ ibid

⁴ ibid

⁵ ibid

⁶ ibid

⁷ ibid

6. If you can not find 10 customers interested in your High Level Product Specification, then you may need to reconsider your Beach Head Market.⁸
7. While this step is conceptually simple, contacting customers and getting information from them will require a good amount of work, but will be invaluable as you move forward.⁹

Educational Videos and Short Classes:

- How to Measure Your Product's Value - Quantified Value Proposition Explained - Bill Aulet
 - https://www.youtube.com/watch?v=EllUtlxc-eg&list=PLQykyC1zr8f-O1RIG45_y7cGFVapzJsDM
- How to Identify Your Next 10 Customers: Bill Aulet (Pt 1) –
 - https://www.youtube.com/watch?v=aTWvll_NwSo&index=18&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz
- How to Identify Your Next 10 Customers: Bill Aulet (Pt 2) –
 - https://www.youtube.com/watch?v=baQkyK_2DgM&index=19&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz
- Marius Ursache, CEO of Eternime, Explains His Startup & Its Persona –
 - <https://www.youtube.com/watch?v=mtbAmdT0-Aw&index=20&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz>
- How to Identify Your Next 10 Customers: Eternime Case Study –
 - <https://www.youtube.com/watch?v=SYOOHxgwMZw&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz&index=21>
- Tips for Entrepreneurs - Marius Ursache, CEO of Eternime –
 - <https://www.youtube.com/watch?v=j9Z8mNoCyeI&list=PLQykyC1zr8f-z4MUzQQtWSg2-QIF0F2cz&index=22>

⁸ Aulet, B. (2013). *Disciplined Entrepreneurship*. Hoboken, New Jersey, United States of America: John Wiley & Sons, Inc.

⁹ *ibid*