



# How to Validate Your Startup Idea

## The Value of Time, Reducing Uncertainty, And How To Be A Pirate

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HPI School of Entrepreneurship

# Agenda

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1. The interaction of leverage and time
  - Why your time will become more valuable than ever
2. Validation And Getting Useful Customer Feedback
  - How to ask good questions
3. Gathering Information
  - Getting creative to find out what you need
4. Prototyping vs. MVP
  - Delay building at all costs

# HPI Entrepreneurship Ecosystem



Founder & Startup Spaces

HPI

Digital Engineering (talents, know-how, deep-tech etc.),

Design Thinking



HPI School of Entrepreneurship

Inspiring and educating talents, transferring ideas and technology to market, human- and market-centred design of products and ventures



HPI Startup Ecosystem

Startup Acceleration  
Startup Space  
Funding  
Network & Community

Entrepreneurship Community

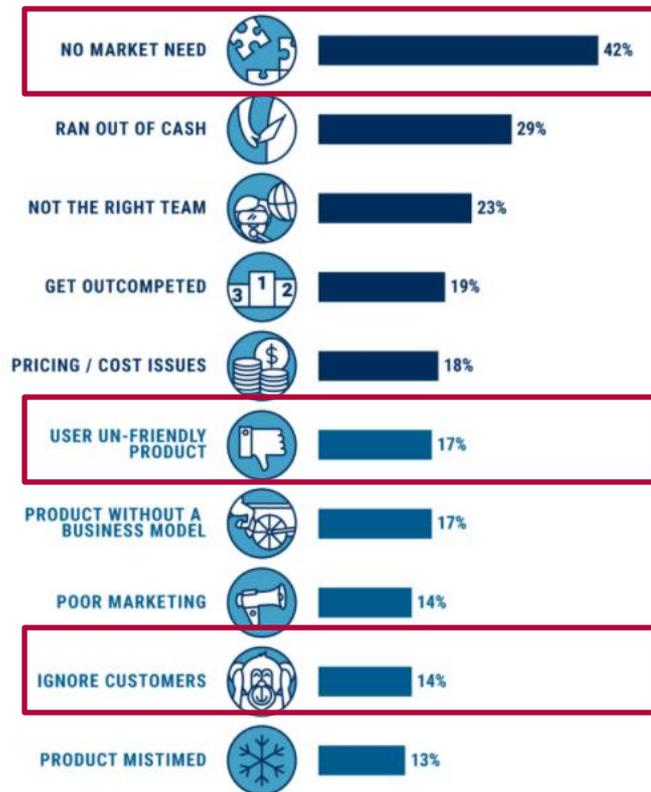
**A unique Place for Makers.**

*We are one of the leading institutes for IT in Germany. We are the engine for the development of new startups and an enabler for further collaborations with companies, universities and venture capitalists*



Winding path to success

# Why Do Startups Fail



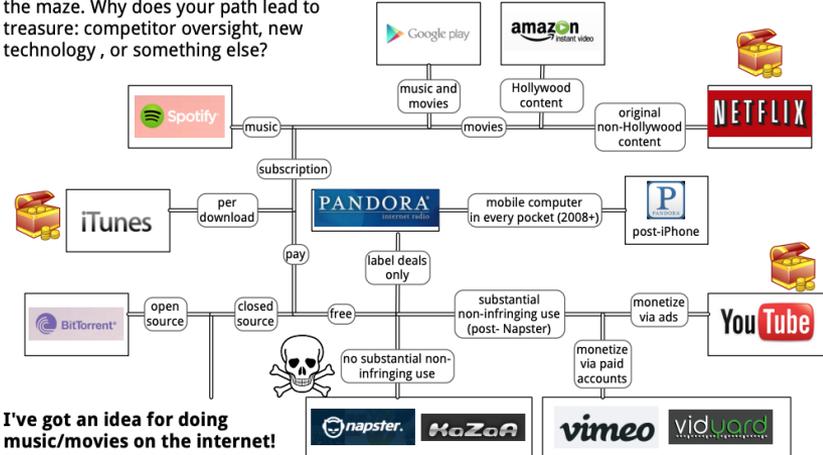
Source:  
CB Insights Report on Top 20  
Reasons for Startup Failure

Chart 5

# The Idea Maze

## The Idea Maze

A "good idea" is a detailed path through the maze. Why does your path lead to treasure: competitor oversight, new technology, or something else?



An Idea is the collection of all the small tweaks that define the path through the maze.

Source: [https://spark-public.s3.amazonaws.com/startup/lecture\\_slides/lecture5-market-wireframing-design.pdf](https://spark-public.s3.amazonaws.com/startup/lecture_slides/lecture5-market-wireframing-design.pdf)

# Product-Market-Fit Is Not Enough

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- Product-Market Fit
  - Customers want what we are building
- Product-Channel Fit
  - Customers want to buy our product in the way we are selling it
- Model-Market Fit
  - Customers accept our business model
- Channel-Model Fit
  - Customers accept my business model when they are sold to
- Founder-Market Fit, Founder-Customer Fit ...



Why you should be stingy with your time

# Learn As Quickly As You Can





# How to get useful feedback

# What Usually Goes Wrong

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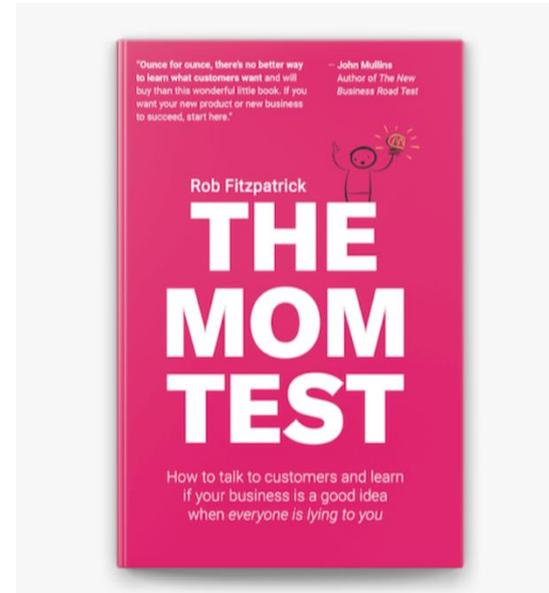


- It is surprisingly hard to get honest feedback
- People try to be helpful
- People are optimistic about their future self (planning fallacy/future time perspective)

# The Definitive Book On Cus Dev?

1. If we ask for feedback, we will get a compliment.
  - Talking about our ideas makes us vulnerable
2. If we ask for money, we will get feedback.
  - People start to consider if they are a customer
3. If we ask about their life, people give us money.
  - Find out what they want and give it to them

Don't be formal!





**Nobody wants to talk to me. What can I do?**

# Cold Outreach – Tricks Of The Trade



<https://blog.hubspot.com/sales/sales-funnel>

By the numbers:

- 20 calls per sale
- 30 emails per call
- => Be prepared to send >600 emails

People to target:

- CEOs are most sought after
- Talk to the number two person
- Talk to engineers (not lead)
- Talk to ex-employees
- Best: Talk to founders who sold a company in the space.



**Getting customers to commit**

# Switching From Learning To Selling

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Levels of commitment:

- Reputation
- Time
- Money

The tone will be changing:

- Things get serious (that's good)
- Expect people to put their guard up

What can I say (one example)?

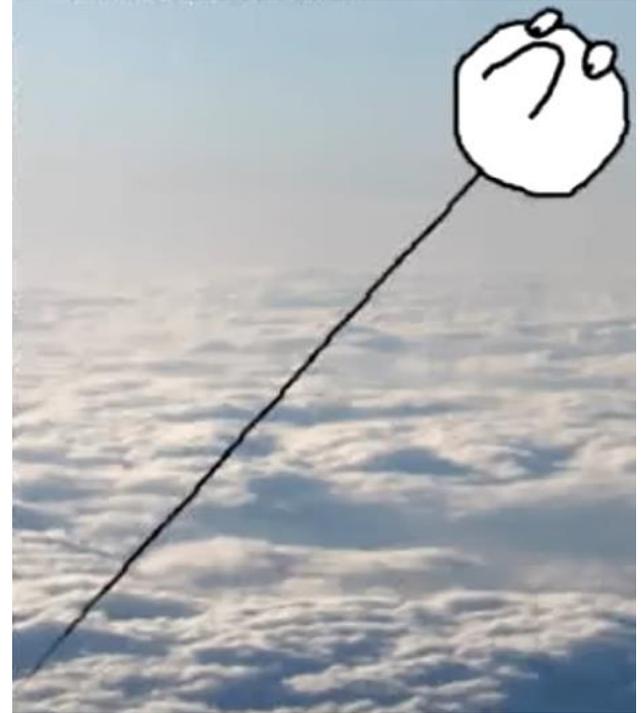
- Ask what would make them 100% happy
- Let them do the selling
- Offer to build exactly that



**Need information? Get creative!**

# Deconstructing A Business In 10 Min.

- Short small talk/icebreaker
- How many pigeons do you have?
  - It's 450 in total
- You alone?
  - No no, my company. I have 3 colleagues.
- Wait, 3 colleagues?  
Interesting, how many events do you visit a month?  
There can't be that much demand.
  - You'd be surprised. We do concerts, openings, you name it.  
We are booked out for the next six months.
- Pigeons find home from >500km away
- Young pigeons need to learn from old pigeons
- 70% of jobs are weddings and 50% are long-distance jobs.



# She Just Gave Us Everything

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What we know:

- Company name
- Total number of jobs per month
- 3 jobs each per week per employee-> Part-time salaries
- Amount of pigeons

# Research 1: Pricing

## *Arrangement 3*



### Overview:

- 4 different arrangements
- Prices range from 85-350€

# Research 1: Cost of keeping pigeons



Pigeon-Talk  
https://www.pigeons.biz › ... › Homing & Racing Pigeons

## How much does it cost to keep pigeons

10 Dec 2012 — a 50lb of feed(regular economy feed) will cost **around \$10-\$20**. A good (premium)feeds will cost \$25 -\$35. In my opinion, i think 20 birds ...

price for **pigeons?** - Pigeon-Talk 11 May 2006  
How **much does it cost to keep a loft? Feed and meds?** 1 Mar 2013  
Yearly **Cost of Keeping Your Birds** - Pigeon-Talk 11 Apr 2010  
**Pigeon/Dove Costs** 20 Apr 2006  
More results from [www.pigeons.biz](http://www.pigeons.biz)

## Overview:

- 20 birds need 50lb/month
- Price: 10-20€ (if you keep 40)
- Mass discount: 10€? => 450 pigeons \* 10€ = 4500

A screenshot of a forum post on the website 'Pigeons.biz'. The page header includes the site name and a search bar. The breadcrumb trail shows the path: Home &gt; Forums &gt; Fanciers' Forums &gt; Homing &amp; Racing Pigeons &gt;. The main content area displays the title 'How much does it cost to keep pigeons' with a 'Jump to Latest' button. Below the title are tags for 'cost', 'dove', 'racing', and 'release', and a 'Follow' button. At the bottom, it shows '23K views', '20 replies', '9 participants', and 'last post by Doveman1 Dec 15, 2012'.

# Research Continued...

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## Open Questions:

- What does long-distance mean? -> Call providers, say you are planning events. Ask about different tariffs for distances to home. While at it, find out whether the company is employing a back-office person.
- What does an employee make? (Somewhere between a waiter and zookeeper)
- Car to transport the pigeons with? (Go visit the address) -> This will give you travel costs etc.

# This Works (Almost) Everywhere

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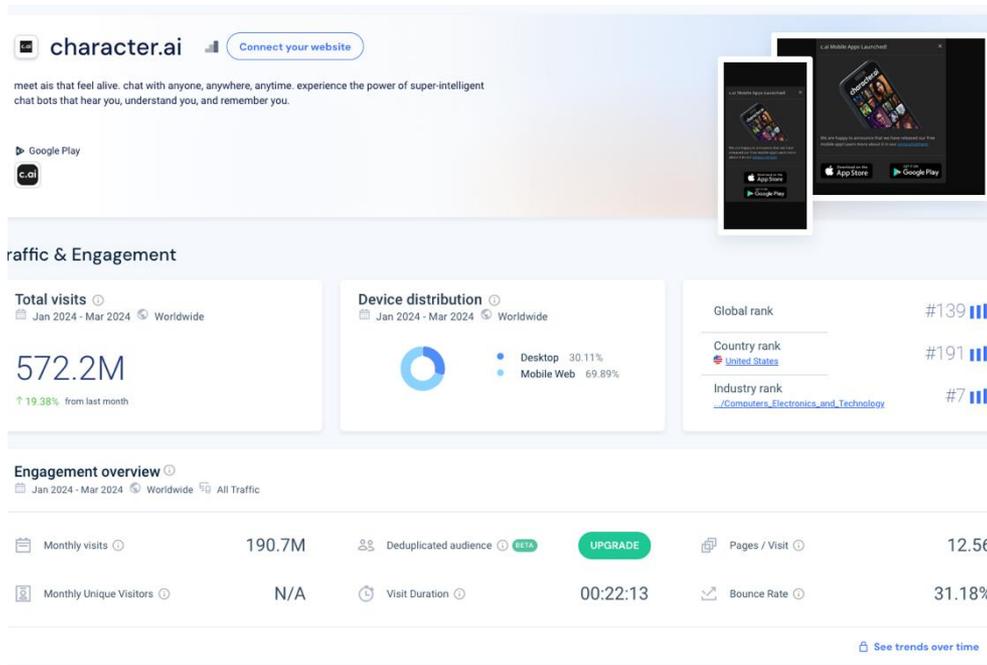


- Building enterprise software? -> Book sales call with competitors
- Selling to doctors? -> Make an appointment
- Building for media companies? -> "Accidentally" bump into a journalist in a cafe.
- Selling to gyms? Get a free trial membership in 5 gyms and look at the experience
- Selling to vets? Take your friend's dog to the vet



# More Tricks And Hacks

# Research Web Traffic Of Competitor



## Process:

- Use tools like ahrefs.com similarweb.com or keywordseverywhere.com
- Look at pricing
- Research conversion rates
- Triangulate ...

[https://pro.similarweb.com/#/digitalsuite/websiteanalysis/overview/website-performance/\\*/999/3m?webSource=Total&key=character.ai](https://pro.similarweb.com/#/digitalsuite/websiteanalysis/overview/website-performance/*/999/3m?webSource=Total&key=character.ai)

# Find Old Competitor Websites



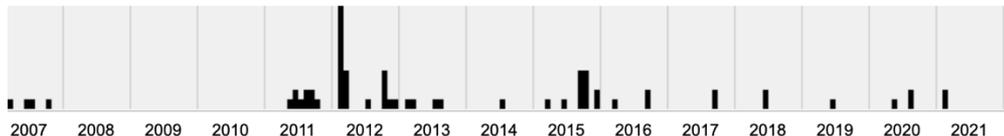
INTERNET ARCHIVE



Explore more than 866 billion [web pages](#) saved over time

**Calendar** · [Collections](#) · [Changes](#) · [Summary](#) · [Site Map](#) · [URLs](#)

Saved **137 times** between [April 13, 2003](#) and [April 12, 2024](#).



## Process:

- Use tools like [web.archive.org](#)
- Go back in time to understand what they tried
- Get free history of their strategy



I got validation. Now I need to build an MVP.

No, you don't. 😊

# Common Types Of Prototypes

## Software

- Build the easiest-possible version of your product's or service's core components in agile development

## Product Designs

- Create a mockup to present the user interface and/or design in order to visualize what you aim to build

## Demo Videos

- Explain through a video what your product or service will do and show how it will look

## Landing Pages

- Describe your product or service on a website (or email) and provide the possibility to engage by pre-order or subscription.

## Concierge

- Deliver the service personally and interact with the customer without building a product or website first

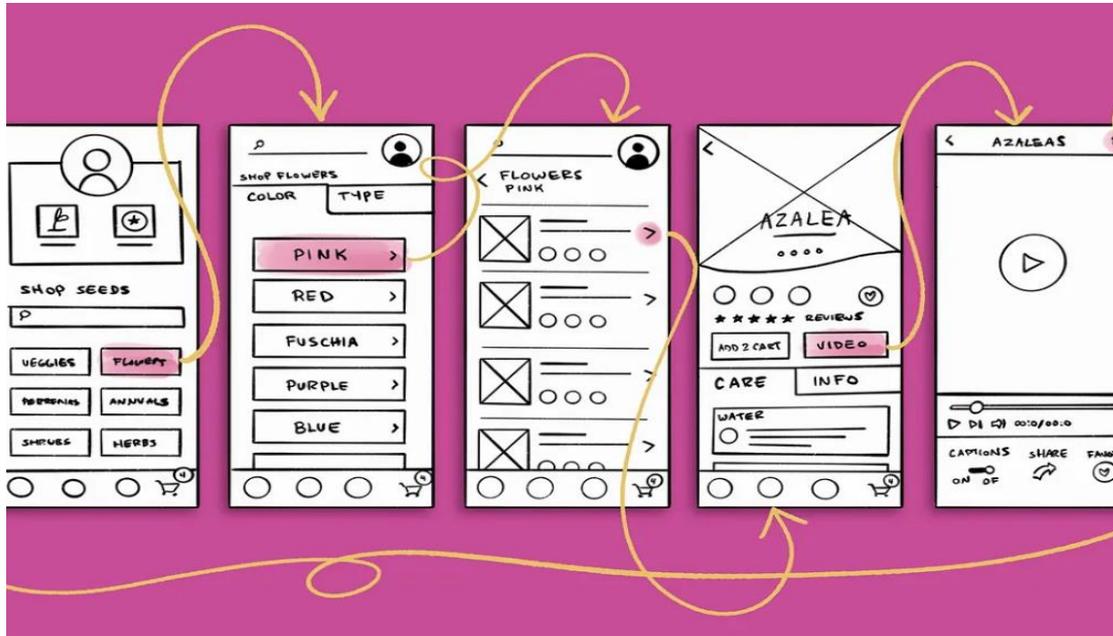
## Wizard of Oz

- Simulate a working service or algorithm by delivering the results manually behind the scenes

## Most importantly: Test your Prototype

It is not enough to measure what your prospects say - you have to measure what they do.

# Create A Demo App



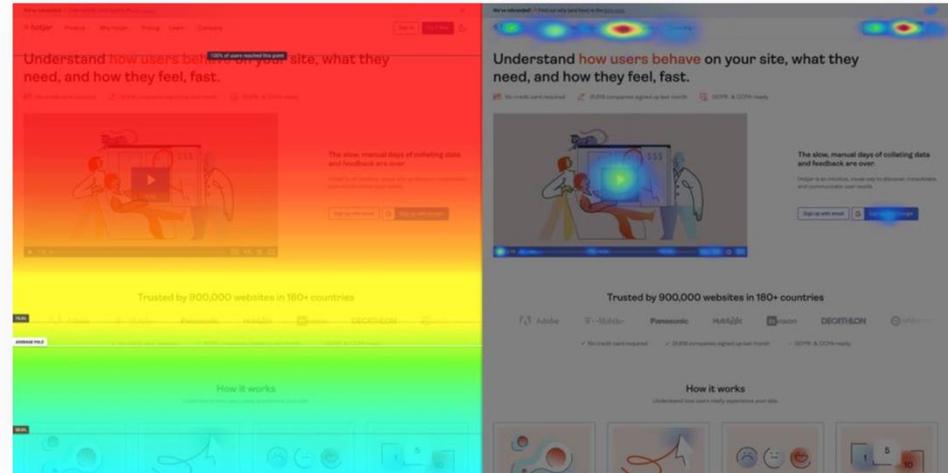
## Process:

- Clickable prototype using tools like Figma
- No code required
- Few hours of time commitment
- Have you tried drawing by hand?
- ...

<https://bootcamp.uxdesign.cc/creating-wireframes-and-low-fidelity-prototypes-in-figma-for-the-google-ux-course-326a7e11fa60>

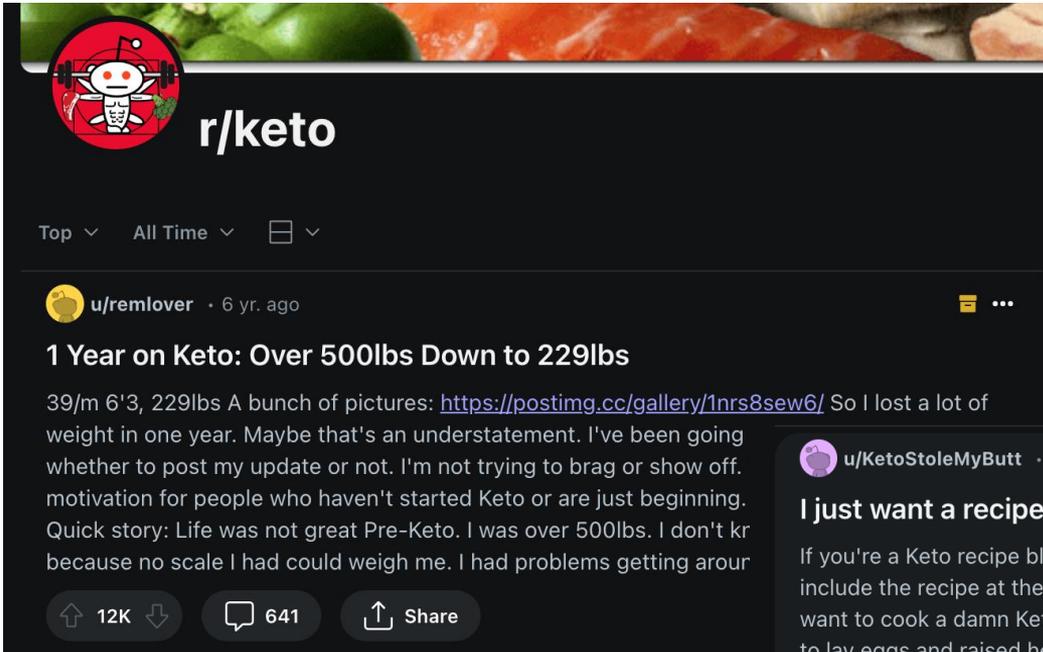
# A Note On Landing Pages

- A/B tests are useless if you have few visitors
- Use Google Tag to track clicks (conversions)
- Install software like hotjar to understand customers moving on your website



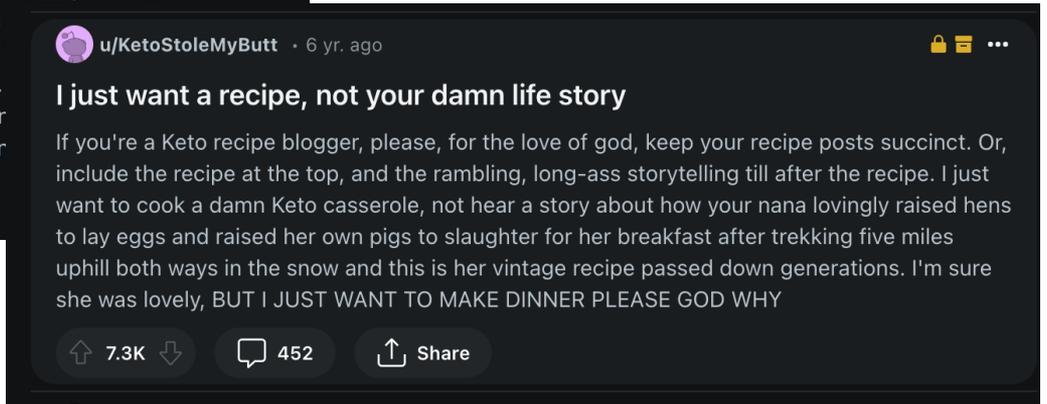
Source: <https://www.hotjar.com/de/heatmaps/> Chart 31

# How To Hack Perfect Messaging



Process:

- Sort by "top" of "all time"
- Tip: Look at the comments!





Example MVPs. Don't be afraid to look stupid.

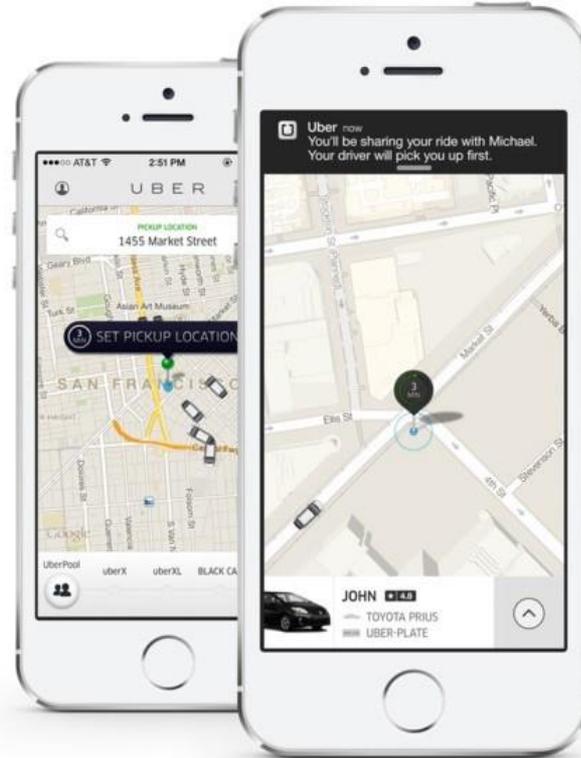
# MVP - Uber

## The Idea

- On-demand car service via app/SMS

## Features

- Live-tracking of drivers
- Fare splitting
- Automatic credit card payments
- Fare estimates
  
- Demo: <https://www.youtube.com/watch?v=k3wk4kem54k>



# MVP - AirBnB



## MVP

## First Iteration

## Second Iteration





# Takeaways

# Three Main Takeaways

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1. Value your time and get creative!

# Three Main Takeaways

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1. Value your time and get creative!
2. Don't ask people if they "like" your idea!

# Three Main Takeaways

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1. Value your time and get creative!
2. Don't ask people if they "like" your idea!
3. Don't build. First, learn and sell!



Connect with me if you ever have questions!