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You Don’t Find Product-Market Fit, It Finds You

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“The willingness to succeed is not nearly as important as the willingness to prepare to succeed”

- Vince Lombardi

There are varied definitions of the term “Product-Market Fit” but all of them refer to a condition where a company has built a *popular product that profitably serves an attractive market.* But what makes a product popular? What makes a market attractive? How do you assess early if you can serve the market profitably? There is no rote formula for solving this, but there are steps you can take to increase the probability of creating success for your company (Note that I am focused on B2B products, where purchase decisions are usually based on a rational process that considers what is best for the company).

Markets are made up of customers who have similar needs, buy in similar ways and are “troubled” by a lack of solutions to a particular problem. What makes a market attractive is lots of customers who are dissatisfied with the status quo. So, any discovery process starts with the customer.

But how do you discover these customers and their needs? And once you have a bunch of discovery done, how do you make sense of it and classify the learning into repeatable customer use cases? These use cases are hypotheses about how customers see themselves. How do you validate these ideas, and iterate on the process because validation usually produces new discovery?

I have seen that founding teams that have a member dedicated to the Product Management and customer discovery function are more likely to succeed. Unfortunately, this seems to be the minority of early-stage companies. More often this task of finding product-market fit is taken on by a founder with a different functional background, which leads to different blind spots:

- Technology-driven founders are great at engaging customers in the potential of the idea and

conveying a disruptive and technically exciting vision, but often miss things like quantifiable business benefit, barriers to adoption, competitive alternatives that are ‘good enough,’ who the buyer is, and the difference between customer excitement about an idea and customer urgency to buy. There is also a strong tendency to project their reality onto the market rather than seeking feedback on whether it is correct. This leads to great ideas that are too early for the market, or so revolutionary they require a brain transplant to adopt. If you find yourself saying “The customers just don’t get it,” this is you.

- Founders with sales backgrounds are awesome and talking through the buying process, the benefits that will accrue, how to beat competition, and pricing potential, but miss the need to cluster customers into use-cases and use-cases into markets that can be efficiently served. The desire to expand the product definition to serve every prospect is strong, leading to engineering thrash and products that are too incomplete to adopt. If you see lots of unique requirements with each early customer and are excited to pursue every one of them, this is you.

- First-time founders tend to try to short-circuit the process. They gather factoids and anecdotes from a few dozen customer interactions, zero in on a few customers that agree with their vision and build for them. Lack of experience causes them to discount the impact of deeply understanding the motivations of the customer to buy, the barriers to adoption, and the difference between “interest to try” and “urgency to buy.” If you think you have the product definition nailed quickly, you don’t.

Finding product-market fit requires in-depth, candid discussions with enough customers to create and validate descriptions of the most repeatable use-cases. It also demands the courage to bring up the unfamiliar or awkward topics required to validate, or possibly invalidate, the specific value of a product idea.

There is a framework for *discovery, classification, and validation* of customer needs that I have found useful. There are several topics that must be explored in each of the three areas, and the process is rarely linear and always iterative. Initial discovery leads to an hypothesis which then gets invalidated by new discovery, but a disciplined approach to making sure you cover the topics will reduce the chance you miss something.

Read more… [Discovery, Classification, and Validation – Fuel for the Product-Market Fit Journey (http://wing.vc/blog/discovery-classification-and-validation-fuel-for-the-product-market-fit-journey)]

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