

Worksheet: First Description of the Customer Needs

Content and Purpose

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Target Audience

This worksheet is intended for founders in the initial phase, who have an idea for a startup.

Objectives

The objectives of this worksheet are:

- The founders think about possible customers and their needs.
- The founders know possible methods for identifying, grouping and prioritizing *customer needs*.

Results

The result of this worksheet is a description of potential *customer needs* for a given startup idea. This description forms the basis to think about the *target market* and the *solution concept*.

To achieve an optimal result, it is recommended to work together with a startup advisor.

Founders Playbook

This worksheet belongs to Chapter *1.1 Customer Need* of the **Founders Playbook** (www.founders-playbook.de).

Motivation

However good your product or service is, the truth is that no-one will buy it if they don't want it or believe they don't need it. And you won't persuade anyone that they want or need to buy what you're offering unless you clearly understand what it is your customers really want.

A *customer need* is something that a person or an organization lacks. Examples of customer needs are,

- The customer wants to spend a relaxing holiday.
- The customer is looking for better candidates for his vacancies.
- The customer wants to achieve high machine utilization.

Knowing and understanding *customer needs* is at the centre of every successful business, whether it sells directly to individuals or other businesses. Once you have this knowledge, you can use it to persuade potential and existing customers that buying from you is in their best interests.

Directed Brainstorming: Search Fields for Customer Needs

There are different types of *customer needs*, and in a customer situation, several types can be present at the same time. One way of identifying these customer needs is **Directed Brainstorming**, which is specifically targeted to specific types of *customer needs*.

Put yourselves in the situation of a possible customer who wants to use your product or service. Use the following categories to identify possible *customer needs*?

- What problems would the customer want to eliminate or avoid in this situation?
 - What is problematic / blocked / harmful / painful?
- What risk would the customers want to reduce in this situation?
 - What can break/fail/go wrong/get lost?
- What would the customer want to simplify in this situation?
 - What is too slow/inefficient/complicated?
- What would the customer want to have in this situation?
 - What could be more / better?
- What kind of comfort does the customer want in this situation?
 - What is too uncomfortable / too annoying?
- What are the social needs of the customer in this situation?
 - Is there potential for reputation / affection / acceptance?
- What are the emotional needs of the customer in this situation?
 - What causes frustration / anxiety / satisfaction / fun?



Collect a list of potential *customer needs*.

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Thought-Action Chain: Nobody wants to buy a drill

Product and customer need are not the same. It is crucial for a startup to realise that: Most probably no one wants their product or service per se: what people want is the satisfaction of a customer need, and the product or service is only a means.

*“People do not want to buy a quarter-inch drill,
they want a quarter-inch hole”*

Theodore Levitt.

In each situation, there are often several needs, and they are not always as obvious as the quarter-inch drill. Other *customer needs* can be identified by questioning the already existing needs, like the method **Thought-Action Chain**, which continually questions the why.

The following questions are suitable for identifying possible customer needs:

- Why does the customer has this customer need?
- What does the customer want?
- What other customer needs results from this?

Here is a small example for the customer need:

- *The customer want a hotel near the airport.*
- Why does the customer has this customer need?
 - *The customer wants to save transfer time.*

- What does the customer want?
 - *The customer wants to sleep longer before a flight.*
 - Why does the customer has this customer need?
 - *The customer does not want to rent a car.*
 - What other customer needs results from this?
 - *The customer wants a luggage transport to the hotel.*
 - Why?
 - *The customer wants to have less stress.*
 - What for?
 - *The customer wants to have more efficient meetings.*

Uses the **Thought-Action Chain** to question the identified customer needs.



Extend the list of potential *customer needs*.

Grouping and prioritizing customer needs

Prioritizing the identified *customer needs* is often difficult, as different types of customer needs require different ranking criteria. Therefore, it is recommended to group the identified customer needs.

A useful classification are the following categories:

- **Pain:** Customer needs that describe a pain that the customer wants to eliminate or alleviate. For example, "*I do not know which university is best.*" These needs should be prioritized regarding the strength of their intensity and the frequency of their occurrence.
- **Gain:** Customer needs that describe an advantage or progress that the customer wants. For Example: "*I would like to learn Spanish.*" These needs should be prioritized regarding their relevance to the customer.
- **Job-to-be-Done:** Customer needs that relate to everyday tasks that the customer simply needs to do. For example, "*Our data needs to be backed up on a regular basis.*" These needs should be prioritized regarding the customer's dissatisfaction with the related everyday task.

Uses these categories to group and prioritize the identified customer needs.

Pain: Group the potential *customer needs*, that describe a pain that the customer wants to eliminate or alleviate.



What is the prioritization of these *customer needs* regarding the strength of their intensity and the frequency of their occurrence?

Gain: Group the potential *customer needs*, that describe an advantage or progress that the customer wants?



What is the prioritization of these *customer needs* regarding their relevance to the customer?

Job-to-be-Done: Group the potential *customer needs*, that describe everyday tasks that the customer simply needs to do?



What is the prioritization of these *customer needs* regarding to the customer's indispensability and dissatisfaction with the related everyday task?

Quality Check

Questions to check the quality of your *customer needs*:

- Are your *customer needs* **understandable**?
 - Does a child understand the identified pain, gain and job-to-be-done of the customers?
- Are your *customer needs* **goal-oriented**?
 - Do your *customer needs* describe a need and not a *solution concept* that can be used to possibly satisfy this need?
 - Do your *customer needs* describe the state or change the customer wants to have?
- Is the **context** of your *customer needs* **clear**?
 - Does your *customer need* answer the question: when and where the customer has this need?