



Idea Validation

for entrepreneurs



About this course

This course is aimed at anyone who has an idea for a web- or mobile-based product and are wondering what to do next.

This course will help you to evaluate your idea and to decide whether it is something that you should pursue.

About this course



This course will allow you to:

- articulate why you want to build your product
- understand your strengths and limitations for building a product and running a business
- review what others are doing in the same area
- discover the external factors that may affect the success of your product
- determine who you want to sell to
- figure out how much you need to sell
- see if people will buy your product



About this course

This course has been divided into 6 units:

- Unit 1 (this one) is an introduction to the course
- Unit 2 is a review of who you are and why you want to build your product
- Unit 3 identifies external factors that may affect your business
- Unit 4 looks at who will buy your product
- Unit 5 provides options to test your product idea
- Unit 6 is a wrap up and outlines your next steps

Why you should take this course



Building an online web or mobile product can be an expensive exercise so you want to make sure you are doing the right thing before you invest in a large project to have your product developed.

Evaluating a product idea is an important step in any business. For entrepreneurs, this is especially important as their own money - and even that of friends and family – is at stake.

Why you should take this course



This course focuses on providing you with the tools, knowledge and skills required to properly evaluate and validate your product idea.

If you're worried about whether you're making the right decision to develop your idea, you need to take the time to complete this validation step so that you don't waste time and money on something that won't work.

Why you should take this course



After you've completed this course, you'll be able to validate your product idea and decide whether you should build it.

Have questions? We're here to help.

Please send us an email at:

info@greatproductsconsulting.com

You can also join our Facebook group to get support for this course and to find additional resources for building your app:

<https://www.facebook.com/greatproductsconsulting>

Overview



In this unit, we will give introduce you to the concept of validating ideas and you an overview of the four key areas for evaluating a product idea.



Unit I

Introduction



Products vs Services

In this course, we will use the term “product” to include both “products” and “services”. The processes and information that we provide apply to all digital products and services that require some sort of software to be coded in order to deliver it.

Products

are tangible goods that are an output of a production process and have passed through a distribution channel before being consumed. These also include digital downloads.*

Services

are intangible and perishable, cannot be stored or transported, and come into existence when they are bought and consumed.*



What is validation?

In terms of building products, **validation** is the process of determining whether you should pursue an idea.

It involves reviewing different factors that might make an idea a success – or a failure.

More importantly, it involves testing your idea with potential customers to see if people will buy your product.



What is validation?

When validating your idea, you will look at whether you can build your product based on internal and external factors, how you can make money selling your product, and whether your product addresses the needs, problems and goals of the people that you want to sell to.

Why is validation so important?



Building a product and starting a new business are risky activities – what if it doesn't work? what if noone buys it? what if you don't make any money?

Validating your idea through structured analysis and testing will take away some of that uncertainty by allowing you to make an informed decision about building your product.

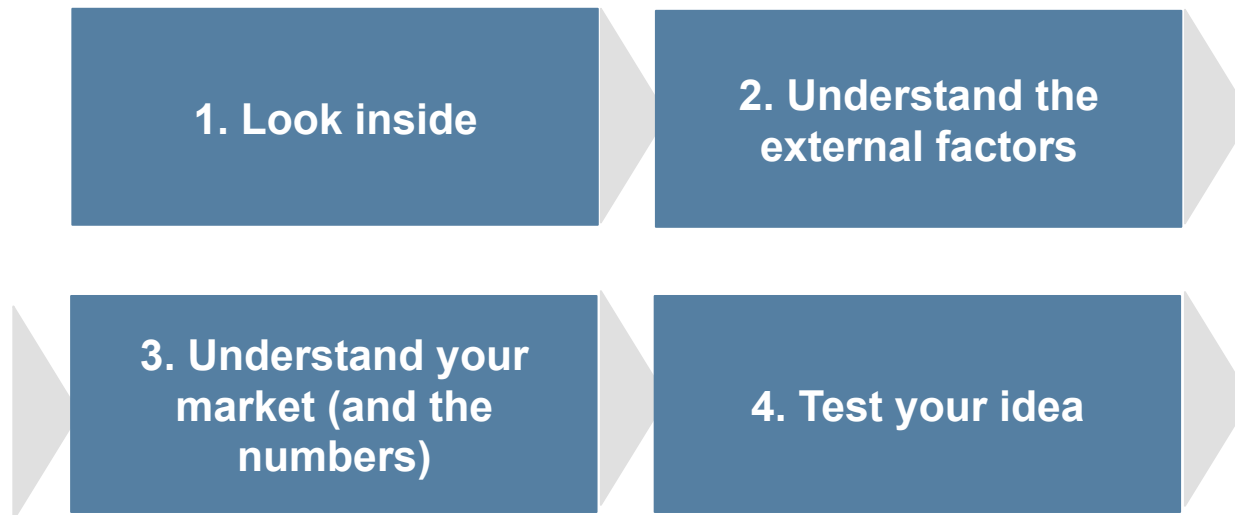
If you skip this step, you might end up spending a lot of time and money on a product that noone wants.

Our 4-step validation process



We've developed a 4-step validation process to help you assess and test your idea. We'll get you from having an idea to deciding whether to build it.

At a high-level, here's what it looks like:



Our 4-step validation process



In the next few slides, we'll summarise the validation process and unpack them in more detail throughout this course.

In each Unit, we'll describe each step and then provide you with the templates and activities to apply the process to your idea.



4-step validation process

Step 1: Look inside

- Understand your capabilities and gather some information about what you are trying to do
- You will perform a SWOT analysis and document your goals

1. Look inside

Activities:

- Review your goals
- Understand your capabilities

Outputs:

- Goal worksheet
- SWOT analysis



4-step validation process

Step 2: Understand the external factors

- Research companies that offer similar products or address similar needs, problems and goals
- Explore factors in the world that will impact your idea
- You will complete a competitor and PEST analysis for your idea

2. Understand the external factors

Activities:

- Research competitors
- Research political, economic, social and technological factors

Outputs:

- Competitor analysis
- PEST analysis



4-step validation process

Step 3: Understand your market (and the numbers)

- Define your target market
- Assess the financial viability of your idea
- You will document your target market and model the basic financial components for your idea

3. Understand your market (and the numbers)

Activities:

- Identify your target market
- Perform financial analysis

Outputs:

- Target market
- Business model worksheet



4-step validation process

Step 4: Test your idea

- Look at different options for testing your idea with potential customers
- You will undertake various activities to see if people will buy your product

4. Test your idea

Activities:

- Select methods for testing your idea

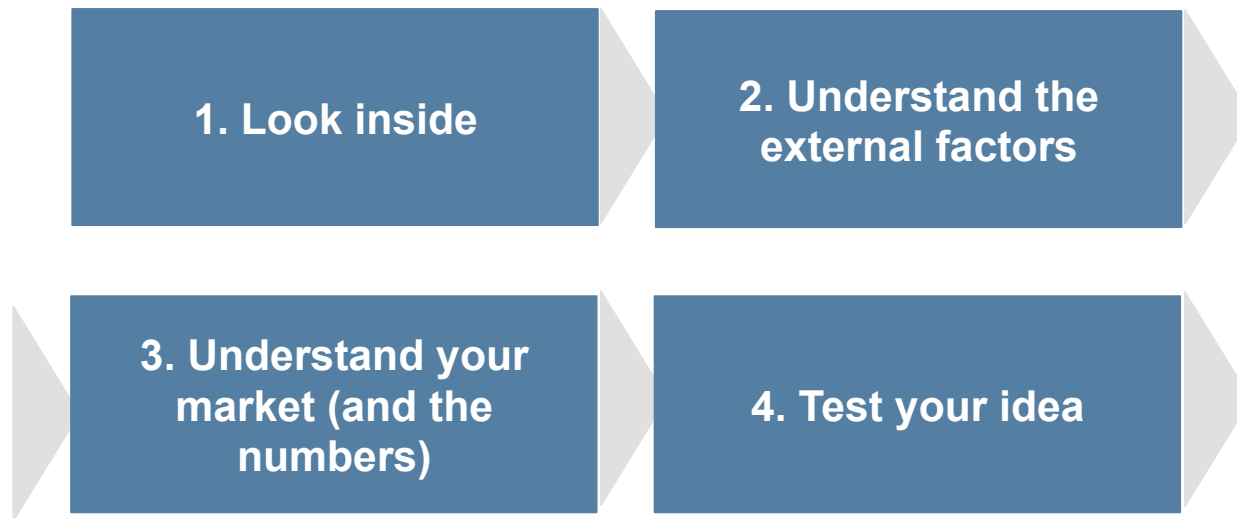
Outputs:

- Landing pages, prototypes or interview notes



4-step validation process

And there you have it – 4 steps to get you from an idea to making a decision about pursuing your idea:





Recap

In this unit, we have:

- Defined what validation is
- Highlighted why it is so important
- Summarised our 4-step process for validating your product idea

In the next unit, we will start by looking at you, your goals and the internal factors that will impact the success of your idea.