



Applied
Frameworks

Welcome to our Webinar Series: *I Don't Know My Customers...HELP!*

**PART II: I Don't Know Which Customers
to Talk to or When.....HELP!**

Presented by: Kimberly Poremski
May 24, 2023



Kim Poremski

- + Principal Consultant @ Applied Frameworks
- + Certified Scrum Trainer (CST®)
- + 15+ years of Scrum & Agile
- + Favorite Agile Principle: #10
- + Lives in Charleston, SC (20 minutes from the beach!)



I Don't Know My Customers ... Help!

Wednesday April 12, 2023 @ 1 PM ET



Kim Poremski

Principal Consultant @
Applied Frameworks, CST



Webinar: I Don't Know My Customers ... Help!

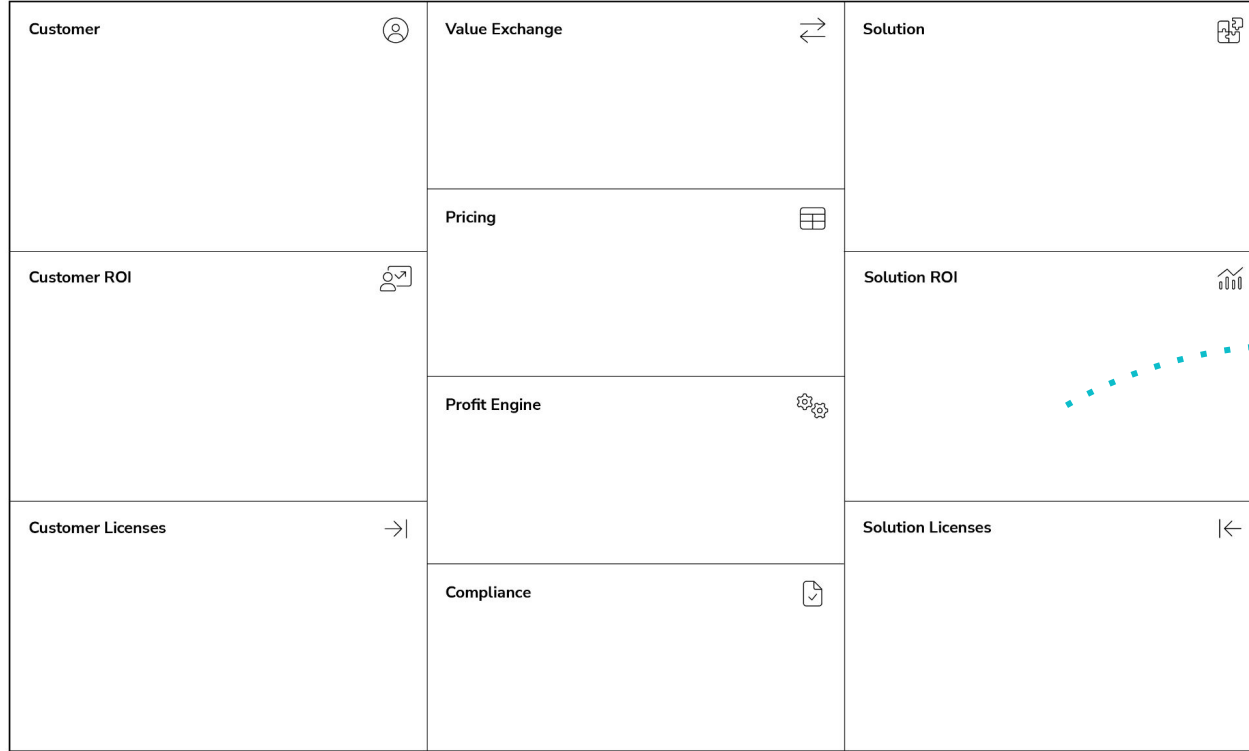
By Kimberly Poremski | March 13th, 2023 | Frameworks, Profit, Webinars



THE PROFIT STREAM CANVAS

Solution

Version



Introducing the **The Profit Stream Canvas!**

Get the canvas here:
profit-streams.com



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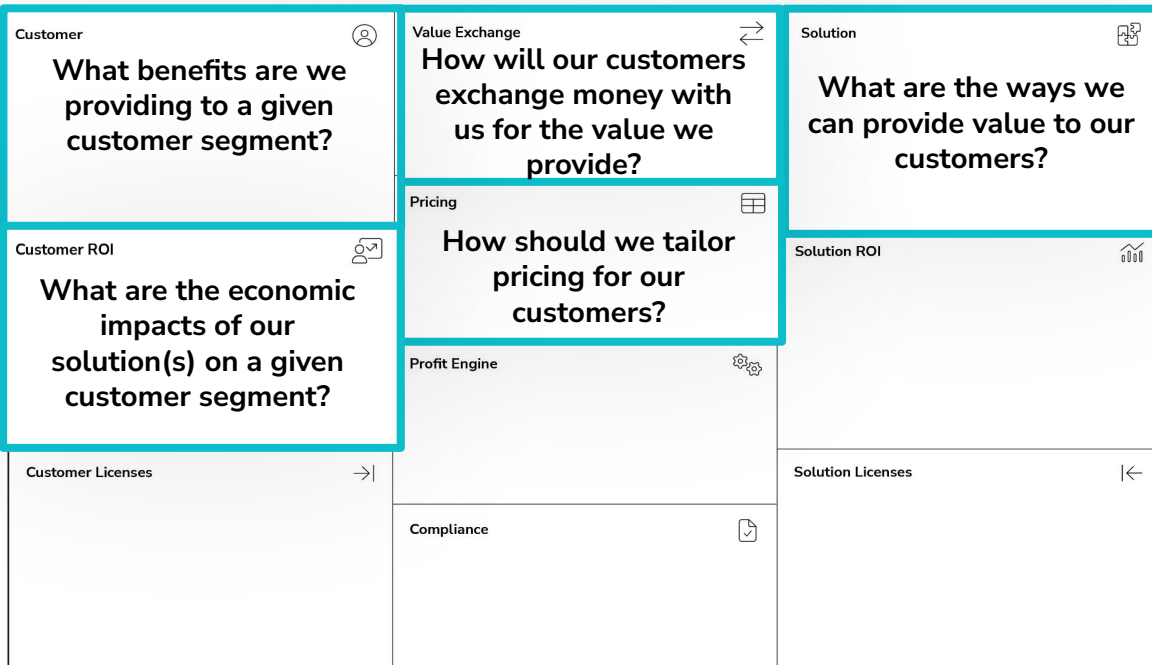
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Why do I need to understand my customers?



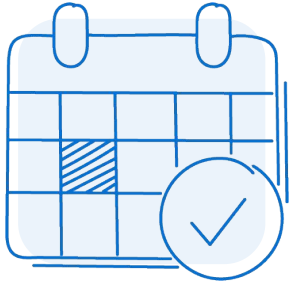
THE PROFIT STREAM CANVAS



- Helps us **segment customers** to identify the the value each segment desires/needs
- Helps us help our customers achieve greater **customer ROI**
- Influences how we **exchange value** with different customers
- Guides **pricing structures and policies** for different segments
- Helps us identify the right solutions to deliver to achieve **value delivery** for each segment
- Ensure the highest levels of **customer satisfaction**
- Maximize **profitability**
- Ensure **business sustainability and longevity** for our customers and ourselves



Agenda



01 / Welcome and Webinar #1 Recap

02 / WHO: Identifying Customer Segments to Engage

03 / WHEN: Understanding the Solution Lifecycle

04 / Q & A



WHO SHOULD WE ENGAGE?





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Investment

- Research costs
- Research budget



Timing

- Deadlines
- Market rhythms
- Learning loops



Photo by [Lena Taranenko](#) on [Unsplash](#)

Proximity

- How direct are your insights?

There are 3 broad categories of customers...



CONSUMER

B2C



HOME COOK



PARENT

PROFESSIONAL

B2P



DOCTOR



DESIGNER

BUSINESS

B2B



BANK



HOSPITAL



SUPERMARKET

Within these categories, segments emerge...



Customers with different needs

Customers who value different outcomes

Customers who value different aspects of our solution

Customers who are willing to pay more based on brand

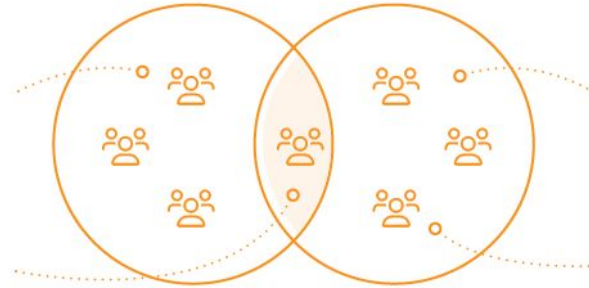
Customers who require unique sales or distribution



We love cats!



We love animals



We love dogs!



We love Poodles



We can segment by business type.



We're a bank



We're a manufacturer

We can segment by geography.



We're a regional company



We're a European company



Within these categories, segments emerge...



Photo by [Louis Hansel](#) on [Unsplash](#)

Jobs to Be Done

- Functional



Photo by [Annie Spratt](#) on [Unsplash](#)

Jobs to Be Done

- Functional
- Emotional



Photo by [Annie Spratt](#) on [Unsplash](#)

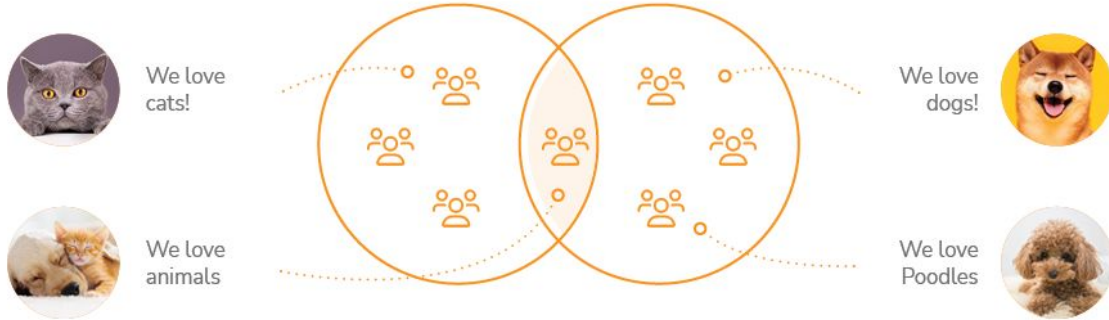
Jobs to Be Done

- Functional
- Emotional
- Social



Photo by [Annie Spratt](#) on [Unsplash](#)

Within these categories, segments emerge...



We can segment by business type.



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A CASE STUDY



Case Study: Wardrobe Wizard

- Wanda is the owner of a small chain of women's clothing boutiques - one location each in three neighboring states.
- She has observed that many of her customers have extensive wardrobes but lack the skills and vision to maximize their wardrobe's potential.
- To better serve her clients and introduce an additional passive revenue stream she is considering creating a mobile application that will offer styling advice to allow users to maximize the inventory of existing clothing in their closets.



Case Study: Wardrobe Wizard

- Before making a significant investment in developing an app, Wanda wants to conduct interviews and engage in several experiments to better understand what problems are most impactful to solve for.
- She has identified several customer segments that could help her better understand her potential customers.



Case Study: Wardrobe Wizard

Potential customer segments include:

- ➔ **Current boutique customers who make purchases at least twice per quarter**
 - ◆ ~500 female customers
 - ◆ Typically have expendable income for clothing
- ➔ **Young professionals between the ages of 21-32**
 - ◆ Both male and female
 - ◆ Annual salary less than \$75K
- ➔ **Personal stylists/image consultants**
 - ◆ Wanda currently follows ~25 independent stylists on Instagram

Instructions: For each customer segment rate each criteria from 1 to 5 where: 1= low; 5 = high



Customer Segment	Strength of Relationship Weight = 3	Market Size Weight = 5	Urgency for Solution Weight = 10	Technological Savvy Weight = 7	Accessibility to customers Weight = 3	TOTALS
Current boutique customers						
Young professionals						
Personal stylists						

Instructions: For each customer segment rate each criteria from 1 to 5 where: 1= low; 5 = high



Customer Segment	Strength of Relationship Weight = 3	Market Size Weight = 5	Urgency for Solution Weight = 10	Technological Savvy Weight = 7	Accessibility to customers Weight = 3	TOTALS
Current boutique customers	1 3	1 5	1 10	1 7	1 3	28
Young professionals						
Personal stylists						

Instructions: For each customer segment rate each criteria from 1 to 5 where: 1= low; 5 = high



Customer Segment	Strength of Relationship Weight = 3	Market Size Weight = 5	Urgency for Solution Weight = 10	Technological Savvy Weight = 7	Accessibility to customers Weight = 3	TOTALS
Current boutique customers	5 15	2 10	1 10	3 21	5 15	71
Young professionals	1 3	5 25	5 50	5 35	3 9	122
Personal stylists	1 3	1 5	3 30	4 28	4 12	78

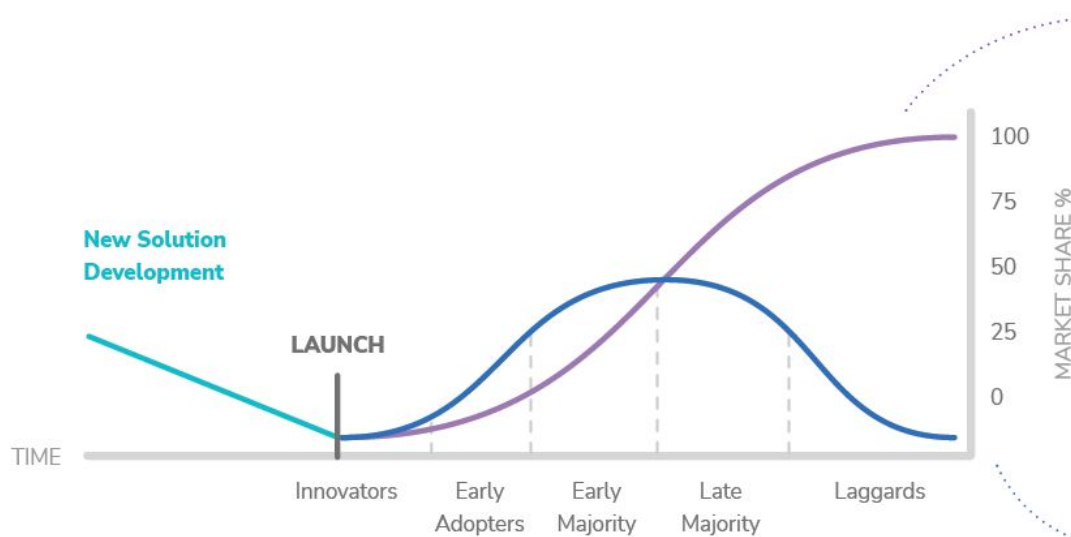


WHEN SHOULD I ENGAGE CUSTOMERS?



Photo by [Jason Goodman](#) on [Unsplash](#)

The Solution Lifecycle



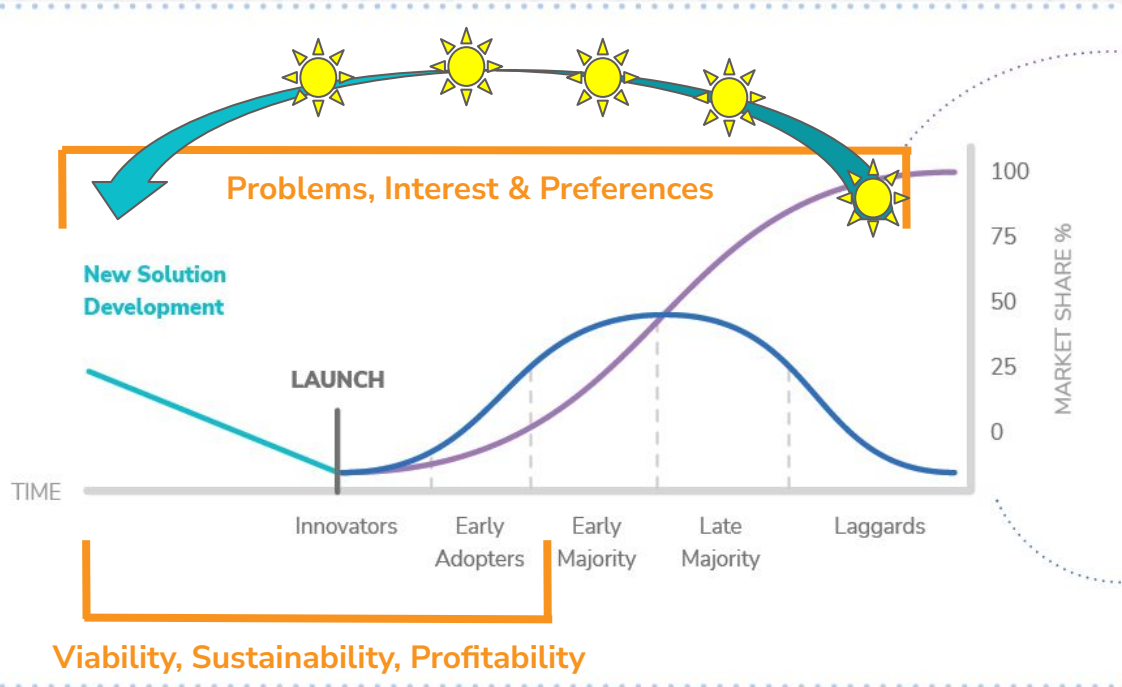
While business leaders may aspire to reach 100% market share, it virtually never happens.

Adopter categories are organized in a normal distribution.

These adopter categories can be found in all consumer, professional, and business markets.



The Solution Lifecycle

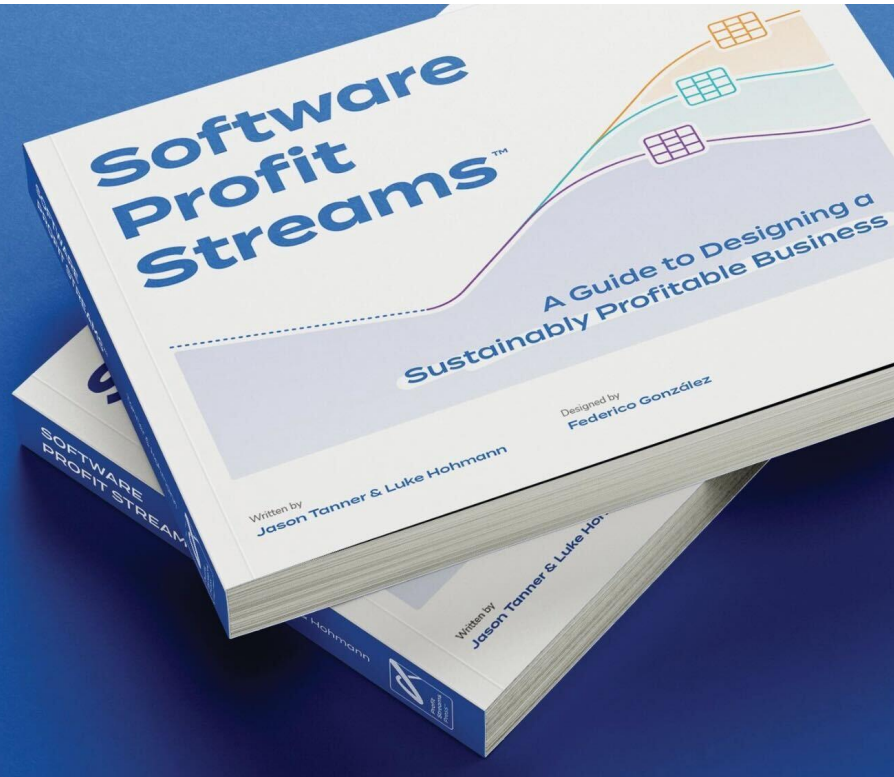


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Introducing
**Software Profit
Streams!**

Available on Amazon:
<https://a.co/d/0HQnCQa>



What is a Profit Stream[™]



Luke Hohmann
Chief Innovation Officer @
Applied Frameworks



Carlton Nettleton
SVP of Product, CST @
Applied Frameworks



Putting the Profit Back Into Value



Carlton Nettleton
SVP of Product @ Applied
Frameworks, CST



Revving the Profit Engine



Carlton Nettleton
SVP of Product, CST @
Applied Frameworks



Bob Ternes
Director of Client Delivery,
SPC @ Applied Frameworks



Understanding Value Exchange Models



Carlton Nettleton
SVP of Product, CST @
Applied Frameworks



Understanding Software Pricing Structure



Jason Tanner
CEO, CST @ Applied
Frameworks





Growth Pricing Workshop

<https://profit-streams.com/growth-pricing-workshop>

Software Pricing Fundamentals

<https://profit-streams.com/software-pricing-fundamentals>



Thank You!

Keep in touch!

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@AppliedFrameworks



Evaluating Research Techniques

Problems/Interest

- Link tracking
 - Provide customers with a unique link which offers additional, on-line information about your product.
- Ad tracking
 - Create a paid, social media campaign on keywords relevant to the hypothesis under test.
- Live or recorded customer support calls
 - Listen to customers' challenges to identify pains and gains; what is lacking in the product? What jobs/tasks prove to be difficult for them?
- Ethnographic research
 - Observe customers where they work or live to better understand their jobs, pains, gains and environment with the goal to identify the important jobs, extreme pains and essential gains and the context in which these exist.
- Interviews
 - Speak with customers to learn more about their jobs, their environment, the pains they avoid and the gains they are seeking.



Evaluating Research Techniques

Preferences

- Split testing
 - Test one or more variations of the product to find the variation that is most compelling to customers. Commonly referred to as “A/B testing”.
- Landing page
 - Create a webpage that describes the benefits and key features of your product; track analytics such as page hits, time spent on the page, etc.
- Video
 - Produce a video that demonstrates and/or describes the benefits and key features of your product; track analytics such as views, likes, shares, etc.
- Illustrations, storyboards
 - Draw simple pictures, tell stories, and describe scenarios about how the product will benefit customers; collaborate with customers to obtain their feedback.
- Buy a Feature collaboration framework.
- Ask customers to fund features with a limited budget using fake currency to explore their priorities for the product’s proposed features.
- Functional prototype
 - Build a sample of the product and encourage customers to interact with the model to assess how the product meets their needs (or not).



Evaluating Research Techniques

Willingness to Buy

- Mock sales
 - Encourage customers to purchase the product (using something as simple as a “Buy Now” button) or offer limited quantities of the product for sale.
- Presales
 - Persuade customers to crowdfund the product or sign non-binding letters of interest expressing their desire to purchase the product at a future date.
- Data analytics
 - Analyze quantitative data related to purchase trends or drop off rates and patterns leading up to sales.
- Conjoint analysis
 - Used to assess price sensitivity, predict adoption of a solution, and forecast sales volume.

Good Luck on Your Quest to Achieving Customer Understanding!



- **Avoid common barriers**
- **Be intentional about customer segmentation to ensure that your business is profitable and sustainable**
- **Evaluate the customer segments that can best support your learning**
- **Consider timing, investment, and proximity of customers when conducting research**
- **Conduct customer research continuously to ensure you have fit**
- **Evaluate research techniques based on the type of fit you are seeking**

