



Idea Validation

Are you in the right business?

Check it out NOW !!!



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This e-Book will guide you and give you a framework to validate your idea.

Index

Idea Validation - Introduction

What if you don't validate your idea?

Stages of your business

- Early Stage
- Launch Stage
- Growth Stage

POC vs MVP

Conclusion

This e-Book will guide you and give you a framework to validate your idea.

Idea Validation - Introduction

You see the world brimming with ideas and innovations. Unique innovations and start-up ideas that leave you astonished, are surfacing every day. There is always confusion and hesitancy among the entrepreneurs, business owners and start-up founders regarding their ideas. Am I doing this right? Is this business idea good enough?

The right business idea makes you money not only now but in future as well. The right idea is meaningful, growing and sustainable and has three basic ingredients: Desirability, Feasibility and Viability.

Desirability of your product or service by its users and customers and your capability to showcase it and make it available.

Feasibility of developing or producing your offerings through your resources and partners.

Viability of your short-term and long-term actions and decisions which makes the entire system efficient and helps you survive.





What if you don't
validate your idea?



What if you don't validate your idea?

Most entrepreneurs skip the idea validation phase in their journey as they are busy in execution or don't think it is important. At times they take the decision based on their own gut feel without going through the proper process.

Remember the saying "Think before you act", idea validation is thinking before the act of executing it. You can easily resonate this with any life situation where you acted before thinking. What did you earn?

Regrets, loss and remorse. Are you ready to experience that in your business, where it would translate to risking money, time-wasting and loss of confidence? Hope the answer is no.

Idea validation is not giving a guarantee that your business would be a success but provides an opportunity for you to comprehend your time and money on a profitable venture. This will help in minimising the cost and ensuring whether your idea has real demand and relevant solution.

When you are thinking about your idea day and night it is very obvious to become obsessive with it. When you start believing in your idea blindly you lose the capacity to criticise and avoid any validation inputs; thinking, we will see... *dekh lenge* 😊



**Risk
Money**



**Waste
Time**



**Lose
Confidence**

And when things go wrong, we feel terrible... jab hota hai to dekha nahi jata 😞

Stages of your business



Depending on the stage of your business you can validate your idea in various ways.

Early Stage	Launch Stage	Growth Stage
		
Analyze	PoC	MVP
Research Market analysis Advice Brainstorming Survey Mentoring	Sample Close Group Basic version Indirect Gig model Part time	Traction Referral Repeat Full version Scalable Part time

Caution

Idea validation has **NO SHORTCUTS**.
So if you are looking for quick magic then this booklet will not be helpful.



Analyze

- Research
- Market analysis
- Advice
- Brainstorming
- Survey
- Mentoring

If your business is in early stage then you don't have anything to show or sell and only way you can explain your idea to people is by verbal and written communication. Here early-stage business means either one of these or all of these are **not yet finalized**:

- Idea
- Core team
- Business Model

- Financial Projections
- Execution Plan

This is the stage that will encourage you to conduct research and market analysis on the product and services you are going to provide. This will include lengthy brainstorming and surveying sessions. Also, mentoring and advice from people who are in the same business you are trying to target will also be helpful.

For analysing and researching your idea, you will need to interact with potential customers, users and experts. User interactions could be face-to-face telephonic or in the form of surveys and discussion. Secondary research through the internet

or related reports and case studies could also be done.

Differentiate carefully between the user and customer, e.g. water bottle user could be the student, but the customer may be mother. It is important to understand both perspective as user gives you insights about product features, but customers will give you insights about pricing and decision-making value proposition.



If you are not familiar with these terms, then you should attend **FREE sessions** conducted by MSMEEx (www.msmex.in)



Analyze

- Research
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When it comes to discussing or brainstorming your idea you will have three types of people around you. One type would comprise people who love you, the second type would be the one that hates you and the third type would be who knows you.

The people around who love you a lot, like your parents, siblings or best friends. Never discuss your idea with them as they will not be able to give you frank feedback as they do not want to hurt you.

Then there are people around who hate you a lot, could be friends, relatives or neighbors or colleagues. Never discuss your idea with them as they will discourage you like anything and will find faults in everything you will share. Their feedback and inputs are not valuable at all as these will be biased and one-sided inputs.

Then there are people around who know you well and also understand business and market very well. They may not be in same business, but they carry a perspective and know things due to their network and exposure. These could be relatives, friends, acquaintance of your network, colleagues or seniors. They don't love you and they neither hate you as well. They are not biased for you, and they like you as a person and are your well wishers. Such people or experts give you best inputs and feedback on your business idea. If you can not find such expert in your known network, then go out and find them outside your network.



Idea



Love You

Know You

Hate You

To know more about value proposition, you should attend **FREE sessions** conducted by MSMEEx (www.msmex.in)

Launch Stage



PoC

- Sample
- Close Group
- Basic version
- Indirect
- Gig model
- Part time

This stage ensures that you have figured out your idea, business model and all other requirements which were not fulfilled during the early stage. You are now ready to launch your proof of concept. Demonstrating your sample and how it will resolve the problem falls under the stage.

Don't spend too much money on producing many products because it is obvious that the product is not final with all the features. The product has just sufficient characteristics to demonstrate your idea through.

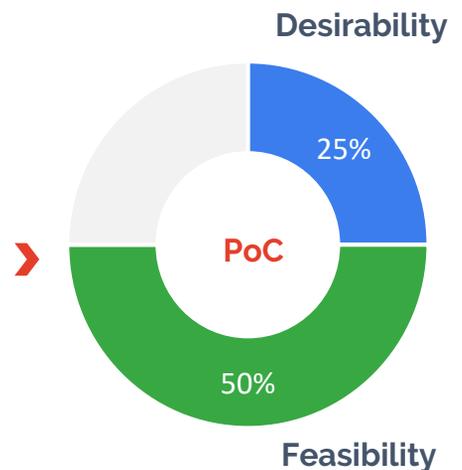
This stage will require you to hire part-time workers or gig resources. The mentors or experts you consult from would be just for a few hours a month to get valuable inputs. Launching your product or services would be

in a close group and through indirect channels. There is no establishing your own distribution channel.

Your ultimate objective is to demonstrate the features of your product and to convey that it can solve the problem of your customers. The price and costing are still not decided and may be expensive because the focus is not on volumes yet.

You will get validation from the feedback you will receive from the users and customers. This will throw light on your flaws and gaps in the idea and you can improve on them. A reality check and scope of improvement to ensure that the final product meets the expectations is crucial.

This stage gives you enough confidence on Feasibility and some on Desirability but nothing towards Viability



To find our relevant experts for your idea validation, you should visit MSME platform (www.msmex.in)

Growth Stage



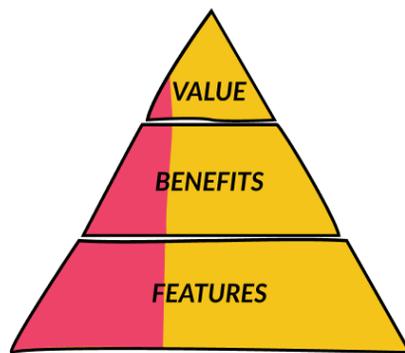
MVP

- Traction
- Referral
- Repeat
- Full version
- Scalable
- Part time

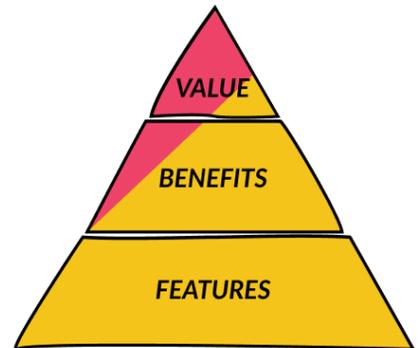
This stage means that the full version of your product is ready but you may not have all the features in this variant and also you may not have many options for your users. This kind of offering is known as Minimum Viable Product.

As you still do not have a long term visibility so you don't commit long term costs and hence you use part time resources and teams to the extent possible. To validate

your business idea at this stage you need to ensure significant traction on daily and monthly basis, you have repeat users and you also have referral customers. You have established the price of your offerings and your users are able to solve their problems with your offerings. The users may still give you a lot of feedback but they find a value in your offering and hence they admire what you are doing.



Bad MVP



Good MVP

To know more about Desirability, Feasibility and Viability, you should visit MSMEEx platform (www.msmex.in)



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Your user feedback gives you confidence that you have mastered this idea in a small geography and now you are capable of scaling in other areas with additional features. You have all the know how to launch more offerings and have enough information to experiment efficiently while scaling. The validation at this stage indicates that you are all set to scale and now anyone can

invest money in the business, be it investor or your network friends.

The demand risk and execution risk is less now in your idea. The major risk is now at scale, that means if you will be able to get strong team, enough capital and keep competition away to sustain this business for long time.

That's **Not How To Build** Minimum Viable Products



That's **Not How To Build** Minimum Viable Products

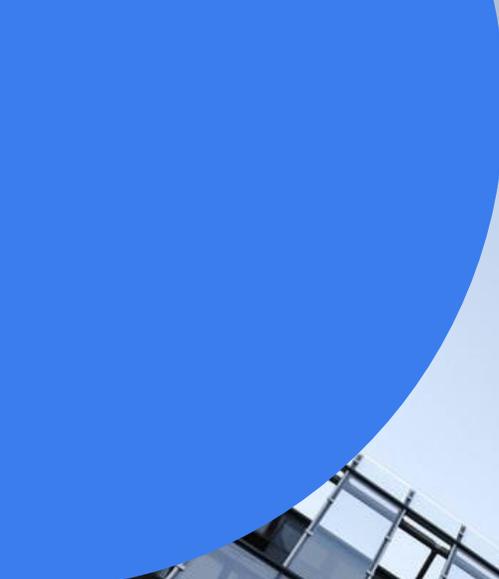


That's **How To Build** Minimum Viable Products



You have proved the Desirability and Feasibility and now have a clear path of Viability at scale

To know more about Desirability, Feasibility and Viability, you should visit MSME platform (www.msmex.in)



POC vs MVP

POC vs MVP

"Try and Test" approach

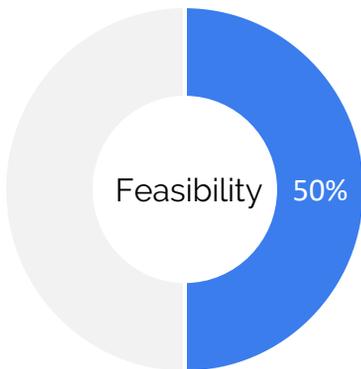
Feasibility confidence

Controlled group of users

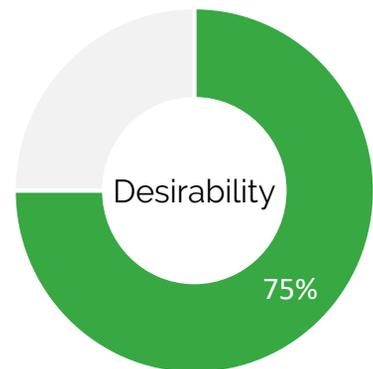
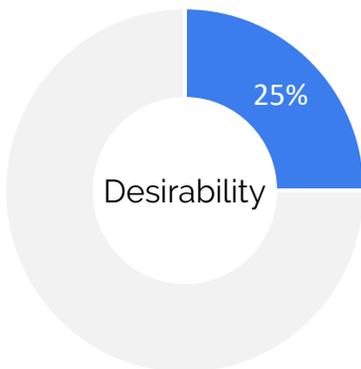
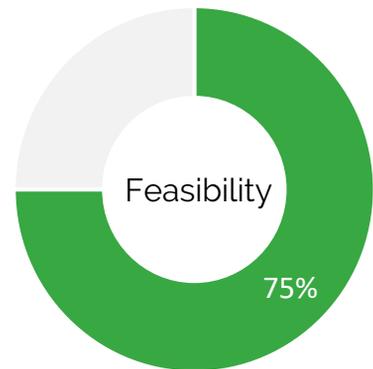
"Tried and Tested" approach

Desirability confidence

External real users



Vs.



Conclusions



Conclusion

Idea validation is the step in a startup or any new venture that is not to be skipped but to be shipped into the process. You have no loss from idea validation, rather only benefits.

The idea you believe is revolutionary, will not become dull and boring with idea validation. It will make the possibility of executing it real and transparent. There are resources and experts available, provided seek help.

You can gain an advantage from validating your idea and formulating your business model better. A good start is half the work done. So make sure your start is informed and validated.



**Ideas without execution
are hallucinations.**

- Thomas A. Edison



Thank You!

Live Online Business Support

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