

Achieving Product-Market Fit

— and building brilliant businesses



Intro



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Product

Director - Who's Fabio?
Venture Partner - SEED.VC
Strategic Partner - SeedReady



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Product

Director - Who's Fabio?
Venture Partner - SEED.VC
Strategic Partner - SeedReady

Agenda

1. How do you define a startup?
2. What is Product-Market Fit?
3. How to design a brilliant business

**How do you define a
startup?**



Change is central to the definition of a startup

A startup cannot last forever.

As a founder, your options are:

1. Grow fast (become a scaleup).
2. Get acquired (become part of something bigger).
3. Grow slow and steady (become a regular business).
4. ... or fail.



WHY

NOW

Q. What is required to move your startup to scaleup or exit more quickly?

A. Build a great product?

A great product will help, but it isn't essential

Salesforce
 Reviews 192 • Bad
 1.5

Write a review

Reviews 192
 Filter by: Rating English

- Excellent 6%
- Great 4%
- Average 3%
- Poor 8%
- Bad 79%

Search reviews

RG
 3 reviews • US

Just now

★☆☆☆☆

Stay Away if you respect your employees!
 Our company is in love with sales force, but the employees loath this worthless effort. What a nightmare!

Useful Share

AN Anthony
 1 review • US

2 days ago

★☆☆☆☆

How the hell do these guys stay in...
 How the hell do these guys stay in business. We just received a Salesforce upgrade. Our job is not less efficient and more labor intensive. They definitely did not deliver on their promises.

User in Computer Software
 Mid-Market (51-1000 emp.)

Validated Reviewer Verified Current User Review source: Invitation from G2

★★★★★ Jun 26, 2020

"necessary evil"

What do you like best?
 there is no doubt that SFDC has the most flexiblity and can be a very powerful platform. You can run entire organizations from within their suite of services

What do you dislike?
 However the greatest challenge is the lack of support. Having too much can cause you lots of confusion, and then combine that with the terrible (lack of) support ... you just need to bake it into your budget

If you want help, you buy it (or spend hours and hours and hours researching)

Show More

Helpful? Add Comment Share Save this Review



Google

salesforce market |

- salesforce market cap 199.28B
- salesforce market capitalisation
- salesforce market share
- salesforce market watch
- salesforce market share 2021
- salesforce marketplace
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- salesforce market capital
- salesforce market screener

Report inappropriate predictions

218
216
214

10:00 11:00 12:00 13:00 14:00 15:00 16:00

Open	221.67	Mkt cap	199.28B	Prev close	223.75
High	222.00	P/E ratio	49.07	52-wk high	284.50
Low	214.36	Div yield	-	52-wk low	155.08



So it's not just about product

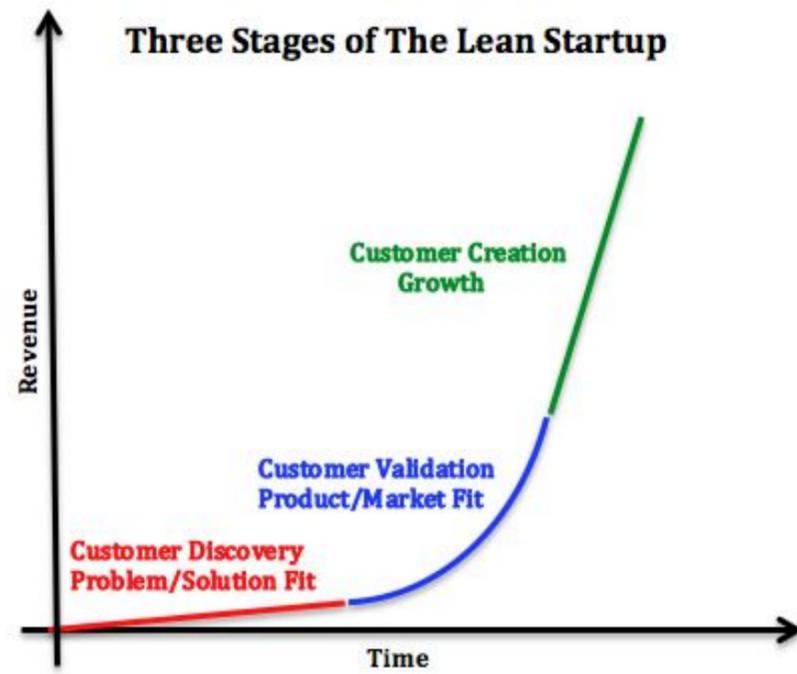
A. Product-Market Fit...?

What is Product-Market Fit?



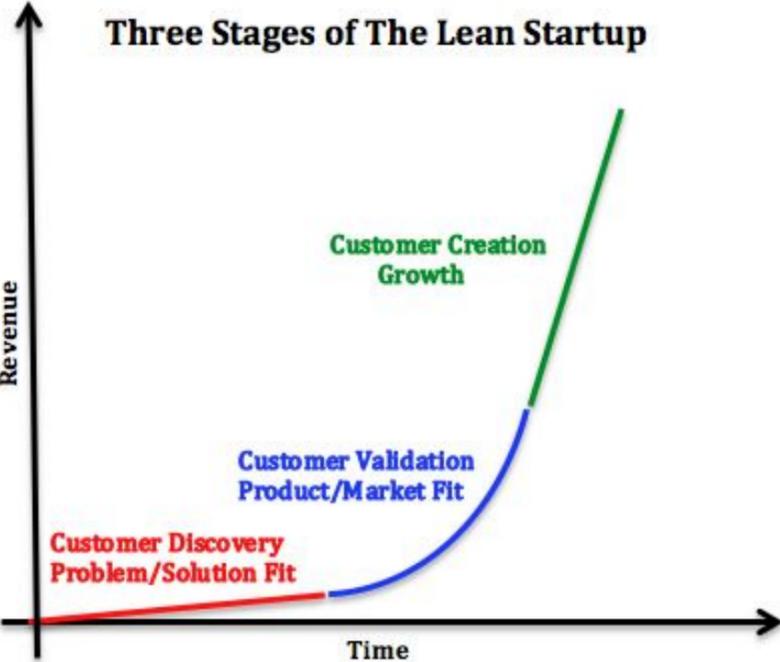
Product-Market Fit

Growth

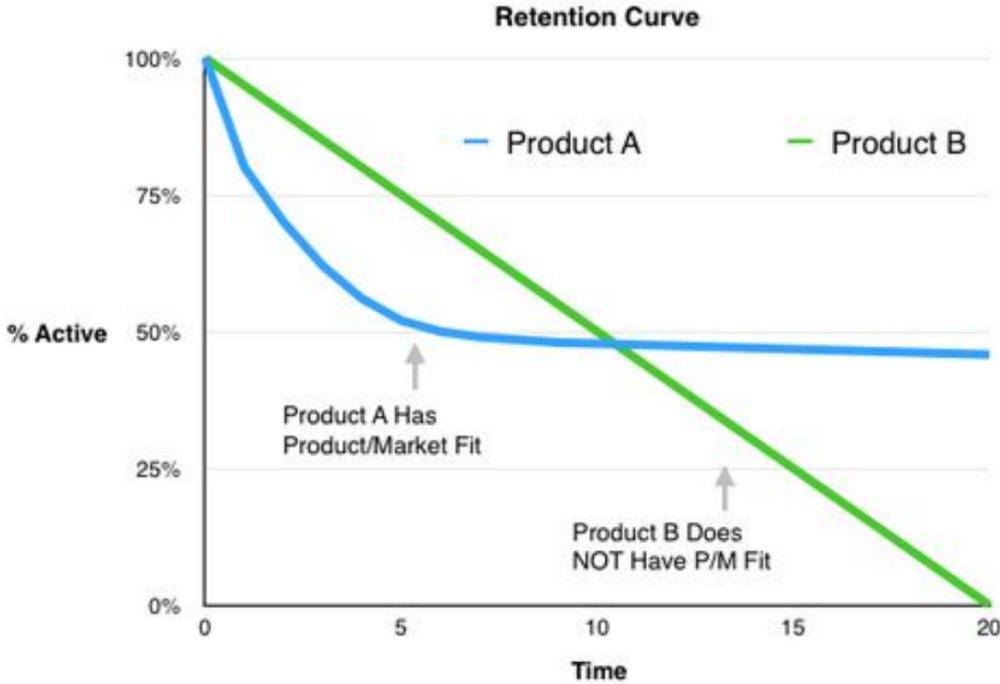


Product-Market Fit

Growth

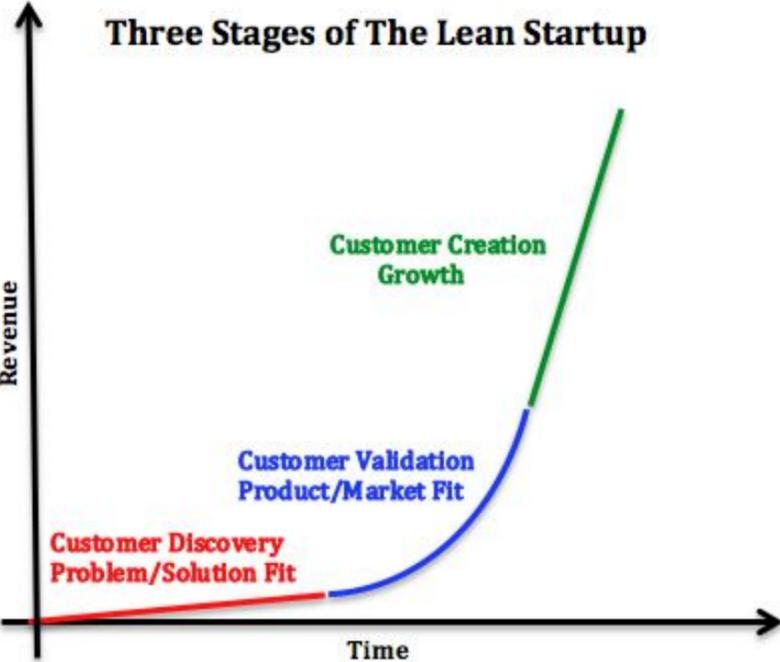


Retention

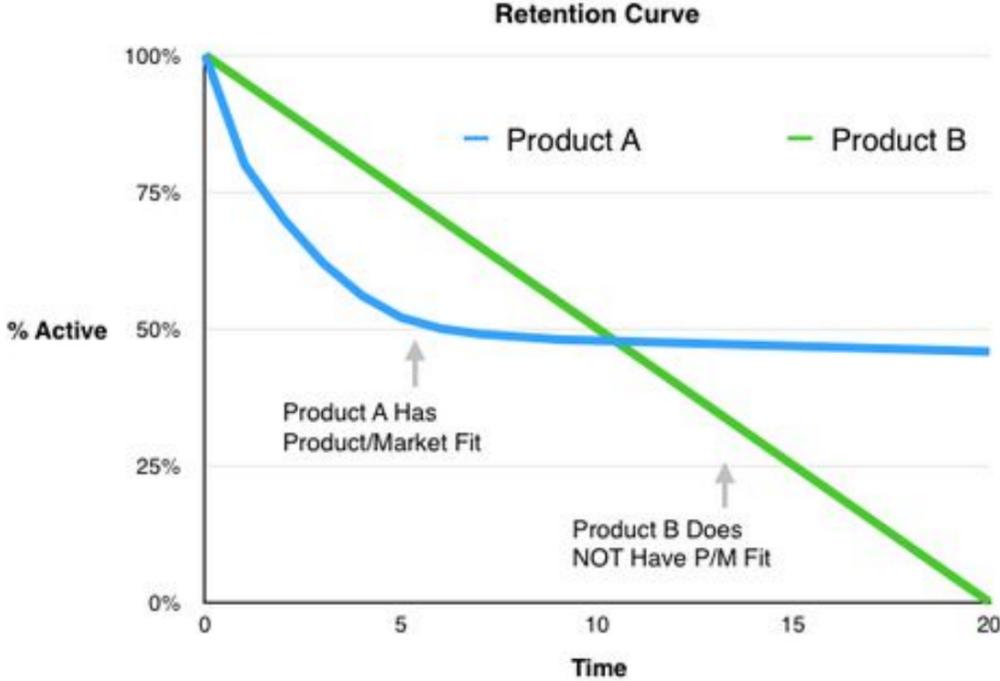


Product-Market Fit

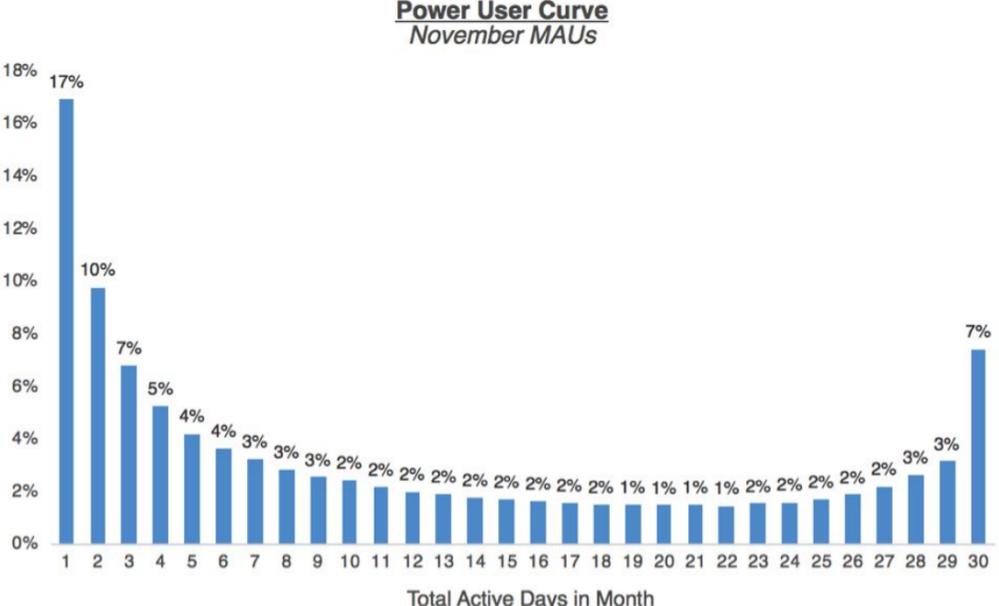
Growth



Retention



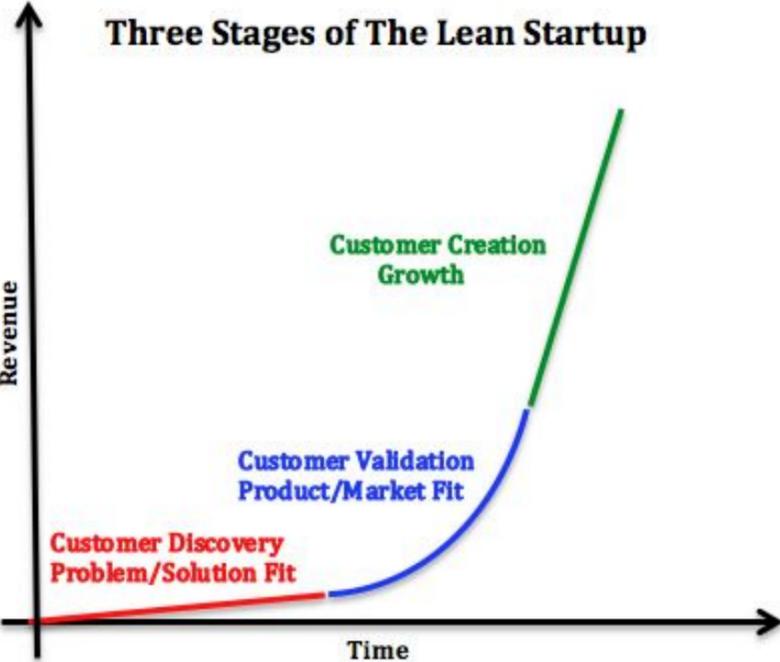
Engagement



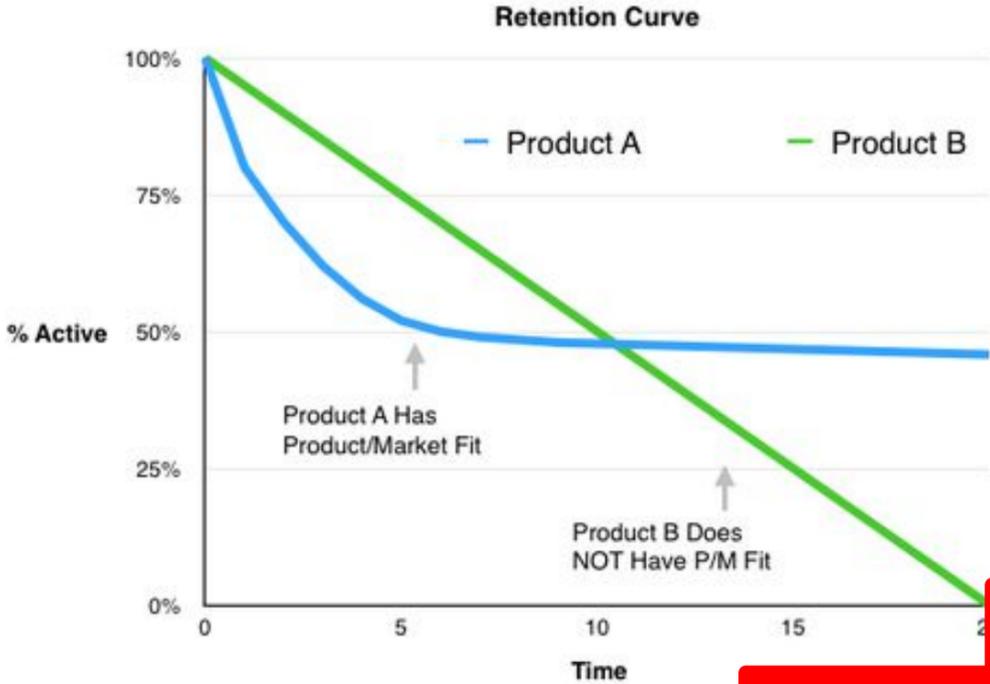
go beyond DAU or MAU to measure meaningful engagement = people who get value from your product

Product-Market Fit

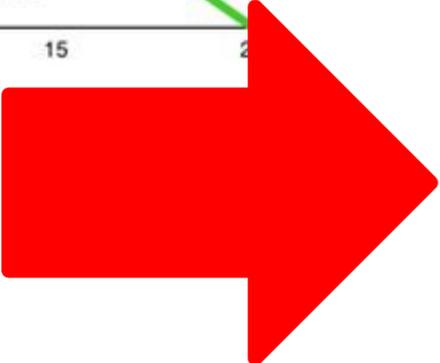
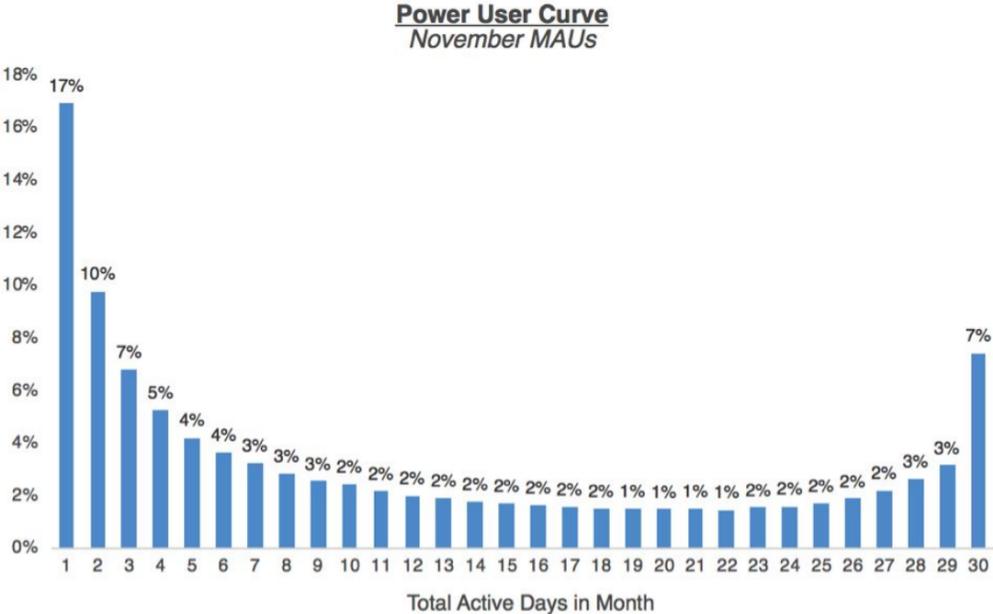
Growth



Retention



Engagement



go beyond DAU or MAU to measure meaningful engagement = people who get value from your product



Meet Sean Ellis



The PMF survey



How would you feel if you could no longer use our service? ×

Very disappointed

Somewhat disappointed

Not disappointed

I do not use this service anymore

40%

If 40% of users respond “very disappointed”, you have
Product-Market Fit

51%

Slack only scored 51% in a 2015 open research survey...
40% aint easy!

PMF Survey

Measure and Improve your Product Market Fit

Perfect for estimating your Product Market Fit, PMF surveys help you gauge your customers' dependency and fondness of your product, helping you see how likely are you to gain traction.

How would you feel if you could no longer use our service? ✕

- Very disappointed
- Somewhat disappointed
- Not disappointed
- I do not use this service anymore

CREATE PMF SURVEY FOR FREE

SHOW DEMO PMF SURVEY

Trusted by over 300 SaaS companies across 70 countries.



What is a PMF Survey

- PMF survey asks how disappointed would your users be if you stopped existing.
- The score is a percentage of all responses that picked "very disappointed" from the total amount of responses. If you have more than 40%, you reached a Product Market Fit and it will be easier for you to gain traction.



Ondrej from SatisMeter

Hi there, Can we help you set things up?
Feel free to ping us a message here, or...



Hear from users

Surveys bring voice-of-customer to your decision-making. Gathering evidence for a new product or feature? Use a targeted Survey to validate your ideas and better understand your users.

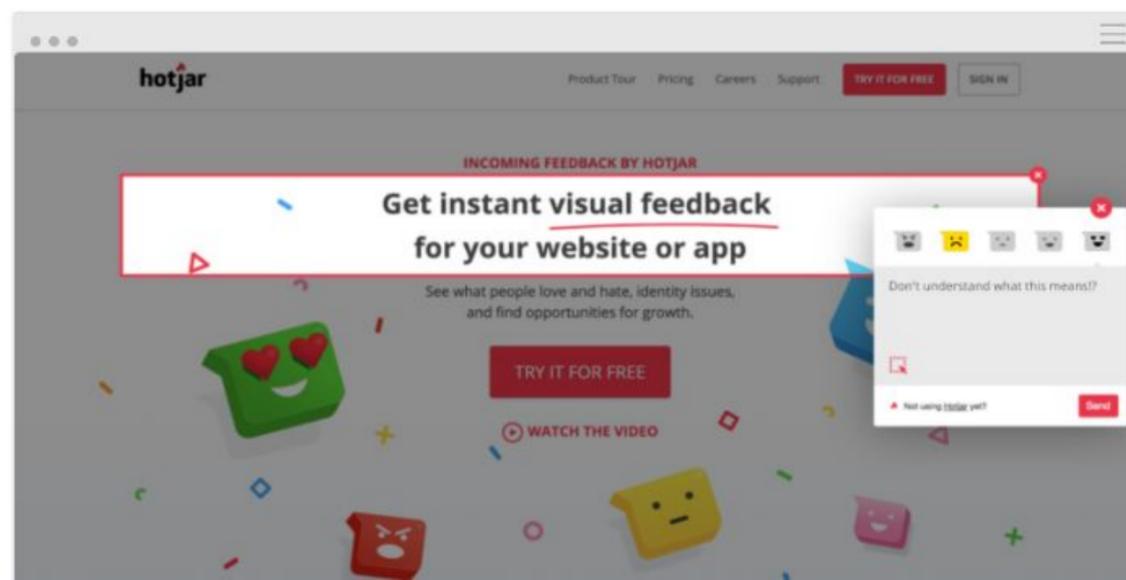
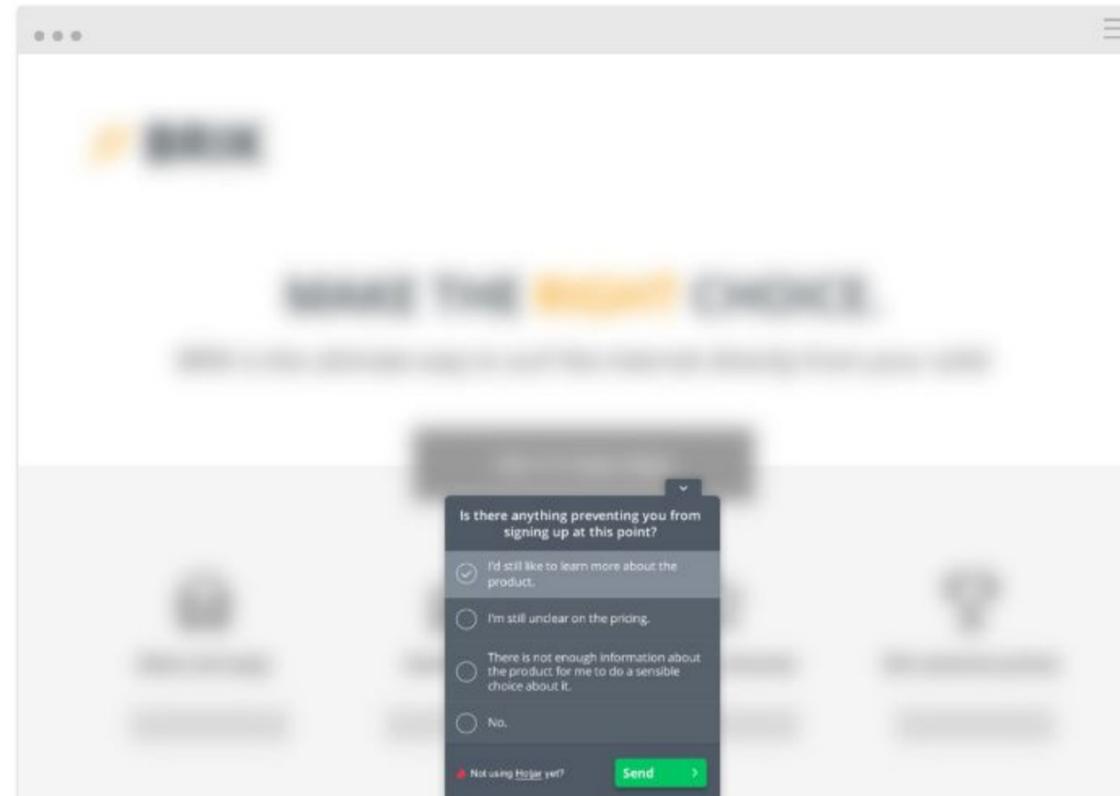
1. Collect feedback as users experience your site

Hear directly from real users in the moment and learn why your site isn't performing at its best.

2. Find out where users discovered your site

3. Learn what barriers hold users back

4. Discover why users love your product



Get feedback with context

A real-time suggestion box on your site, **Incoming Feedback** lets users express frustration or delight about individual parts of your site, right down to the page, form, or image they're looking at.

1. Capture the live emotion of your users

2. Investigate how specific assets are performing

3. Make your site easier to use and navigate

4. Understand your unhappy customers

Filter your Recordings to view users with low feedback scores. See the user's negative

So, to build a brilliant business you just need to do 3 things

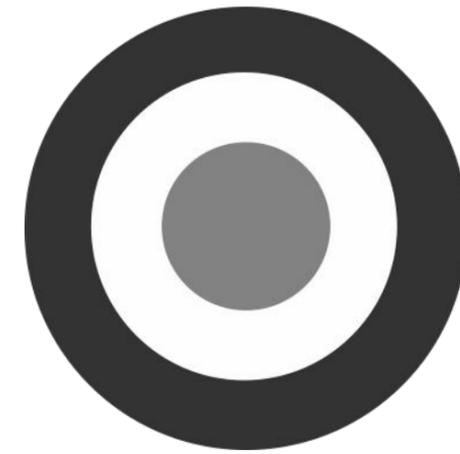
1. Build a good product?
2. Use PMF surveys to learn whether users would be disappointed if your product didn't exist?
3. Find out what features and functionality your users require, and keep adding them until you get PMF?



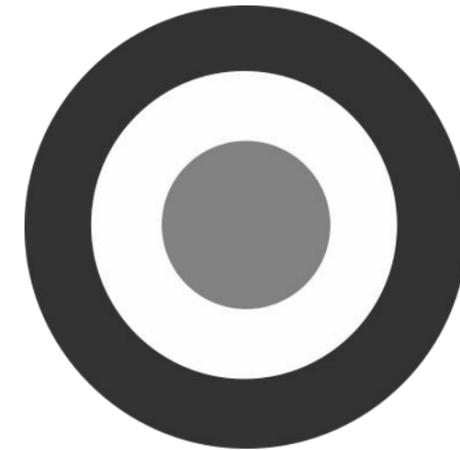
The problem with Product-Market Fit



Product



Market?



Market?

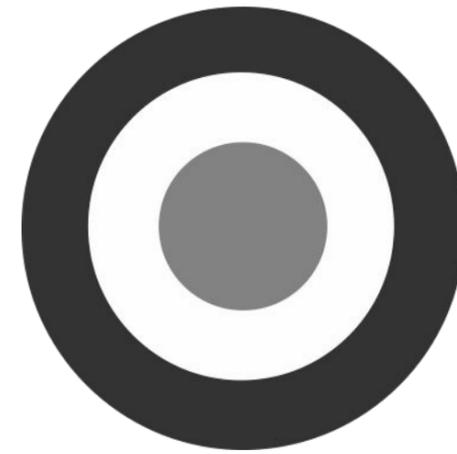


Market?

Product



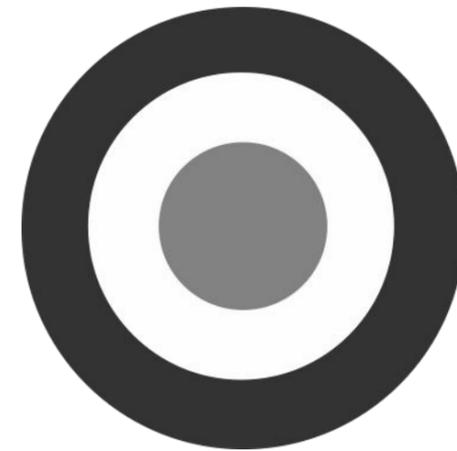
Product-Market Fit?



Market?



Market?

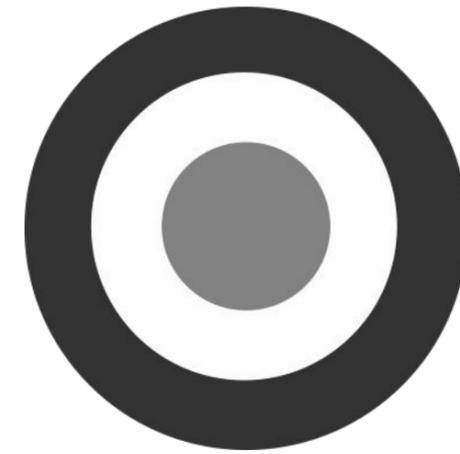


Market?

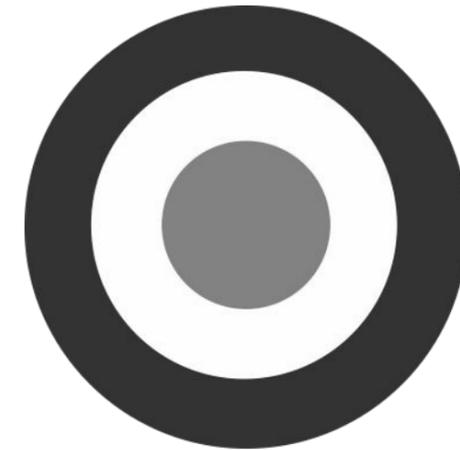
Product



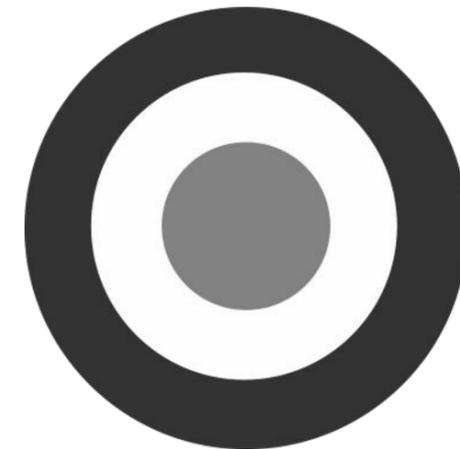
Product-Market Fit?



Market?



Market?



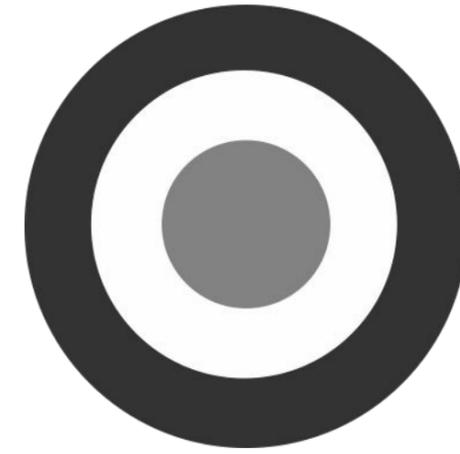
Market?

**You get lucky, you find
Product-Market Fit.**

Product



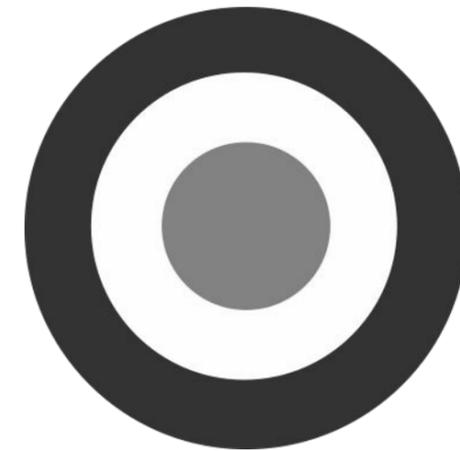
Product-Market Fit



Market?



Market



Market?



**Q. How will you
reach new customers?**

**Q. What will it cost to
acquire a new customer?**

Q. How do you make money?

Q. How much money can be made from this market?



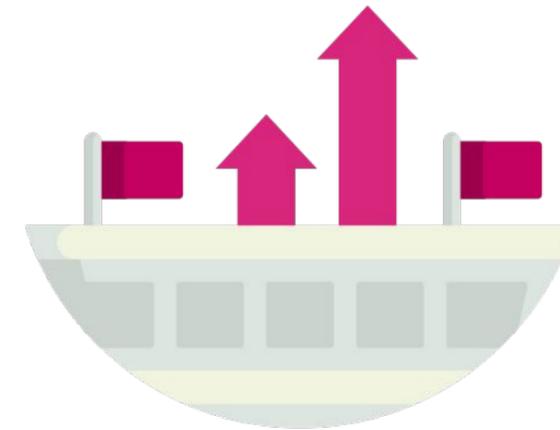
**Why you need to
look beyond PMF to
win at this game...**

The image features a dense, repeating pattern of white interlocking puzzle pieces. The pieces are arranged in a way that they fit together perfectly, creating a continuous surface. The lighting is even, highlighting the three-dimensional quality of the pieces and the shadows they cast. In the center of the image, the text "Here's the puzzle..." is written in a bold, black, sans-serif font.

Here's the puzzle...



4 pieces...



Part 1

Market



Market-Product Fit



Product



HD

**How does baseball have anything to do
with Market-Product Fit?**

Market-Product Fit is essential

Part 2

Market



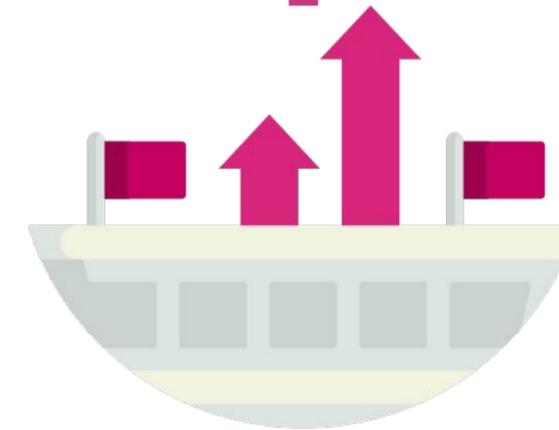
Market-Product Fit



Product



Product-Channel Fit



Channel

A man and a woman are shown from the chest up, looking upwards and to the right. The man, on the right, has short, light-colored hair and is wearing a white long-sleeved shirt with a buttoned placket. The woman, on the left, has shoulder-length blonde hair and is wearing a light-colored, possibly yellow or tan, collared shirt. The background is a solid, deep blue color. In the bottom left corner, there is a white rounded rectangle containing the letters 'HD' in a bold, black, sans-serif font.

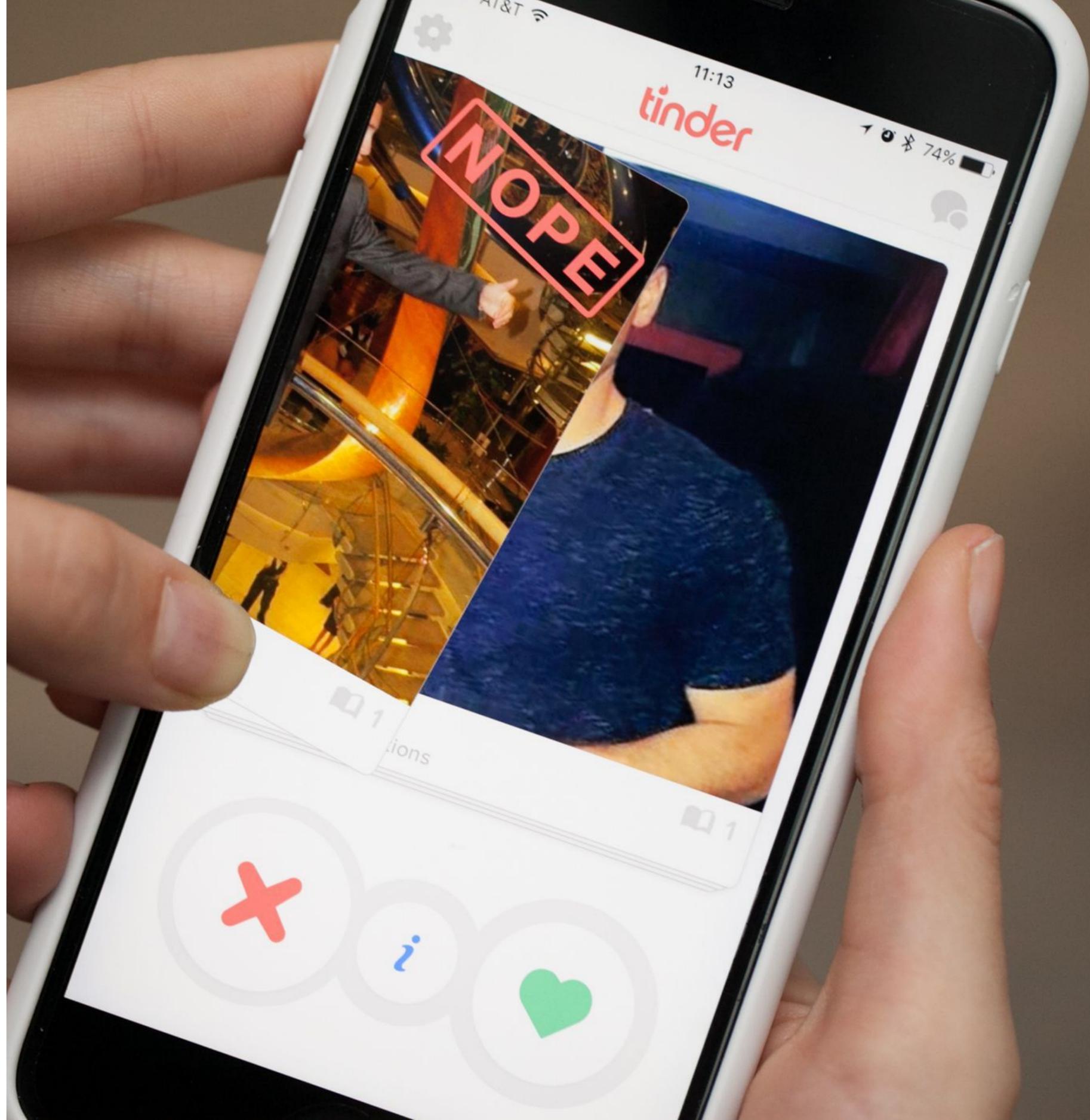
HD

What does Product-Channel Fit look like?



**The Ice Bucket Challenge raised over
\$220M worldwide**

**Tinder was
made for
mobile**



Design your product for the channel

Swipe and deploy using this collection and watch as your conversions skyrocket.

Want me to send you a copy?

Drop "EMAILS" below and we'll DM them over.

80+ Email Templates

Category	Count	Thumbnail	Preview	Brand
Welcome	Count 14			
Invitation to Slack		Hi! Thank you for signing up!	Welcome	Slack
KISSFLOW is "hot" for everyone		Hi Ashley, Thanks for signing up!	Welcome	KISSFLOW
Hi Mat, Welcome to SumAll		Hi Ashley, Welcome to SumAll. T...	Welcome	sumAll
Welcome to Basecamp!		Hi Ashley, Welcome to Basecamp...	Welcome	Basecamp
Welcome to Samu		Hey, I really appreciate you signin...	Welcome	samu
Welcome to Pinterest!		Hi Ashley, YOU are the newest m...	Welcome	Pinterest
Welcome to Front!		Hi Ashley, My name is Mathilde. F...	Welcome	Front
Welcome to the Edmodo Family		Hi Ashley, Thank you for joining E...	Welcome	Edmodo Family
Welcome to the Zendesk Family		Hi Ashley, I just wanted to person...	Welcome	Zendesk Family
Ye, you signed up for Rabbit		Ashley, Do you know who's awes...	Welcome	Rabbit
Get started today...		Hi there, Larry Kim here, founder ...	Welcome	WordStream
We're pleased to meet you		Hi 🐼, Just by signing up you've t...	Welcome	HeadSpace
Welcome to Slack		Welcome to Slack! We're happy y...	Welcome	Slack
Thanks for Subscribing!		Welcome to the Zapier blog! Tha...	Welcome	Zapier
Welcome	Count 1			
Welcome to Slack - just one more step!		Welcome to Slack! We're on a mi...	Welcome	Slack
Thank you	Count 4			
Thanks a billion		Thanks for helping us reach a hu...	Thank you	grabyou

Comment below and I'll send it to you ASAP 🐼

👍❤️😂 110

1.4K comments

**Products are built to fit with channels,
not the other way around**

Part 3

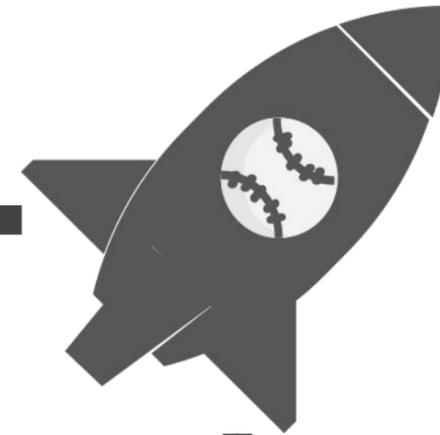
Market



Market-Product Fit



Product



Product-Channel Fit



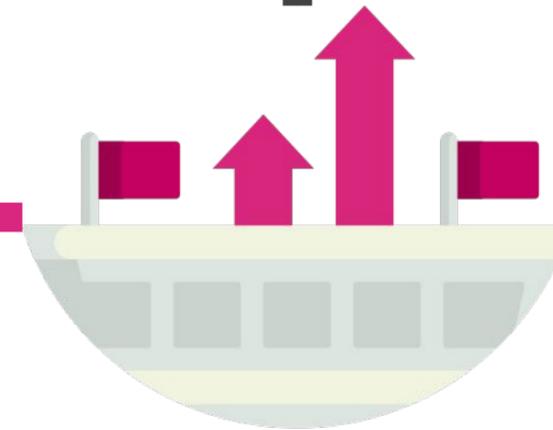
Model



Channel-Model Fit



Channel





Model

What is your average revenue per user, per year?

- a. £
- b. ££
- c. £££
- d. ££££
- e. £££££

How are you going to monetise your users — and more importantly, how long will it take you to get paid?

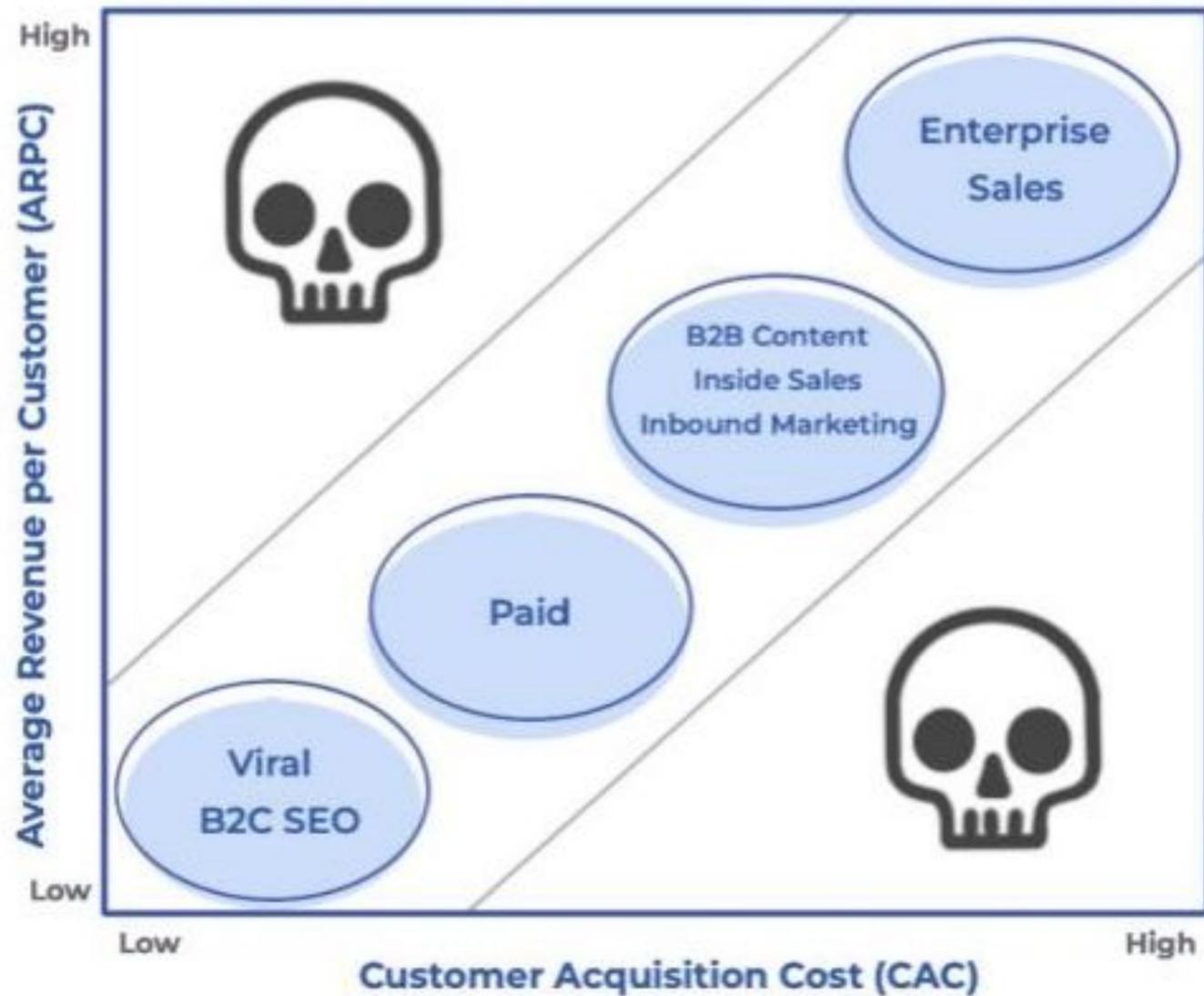
- a. Advertising
- b. Freemium
- c. Transactional / E-commerce
- d. Upfront billing...
- e. ?

Channel

What is your customer acquisition cost?

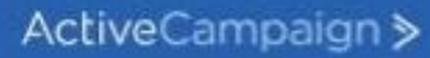
- a. £
- b. ££
- c. £££
- d. ££££
- e. £££££

Your Model will determine the Channel



 **Marketo**

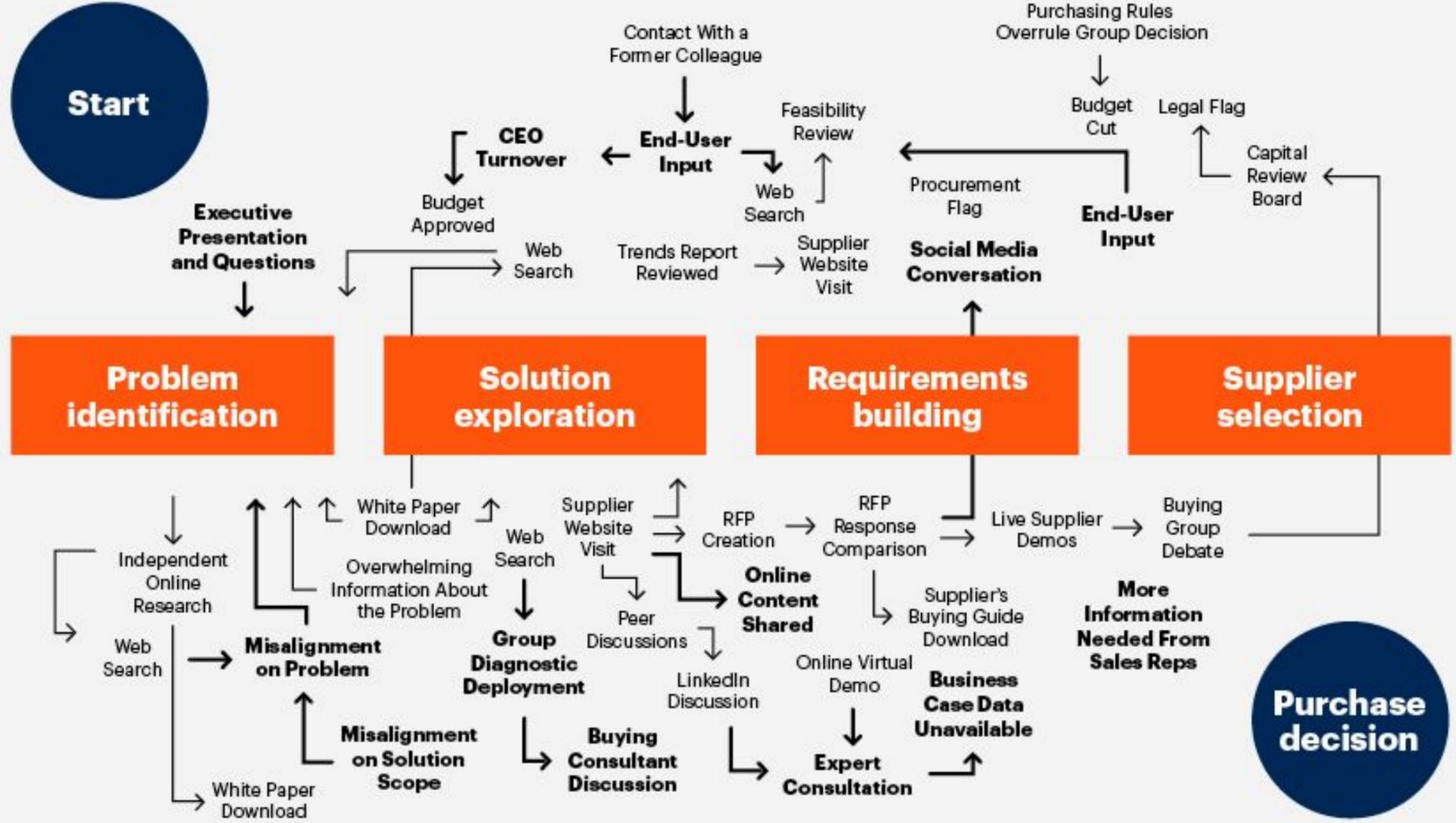
 **HubSpot**

 **ActiveCampaign** >

 **mailchimp**

B2B buying journey

Illustrative



Source: Gartner
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Your Model will determine the Channel

Market



Market-Product Fit



Product



Product-Channel Fit



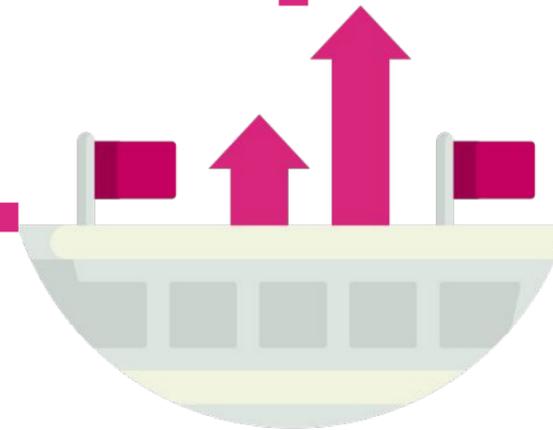
Model



Channel-Model Fit



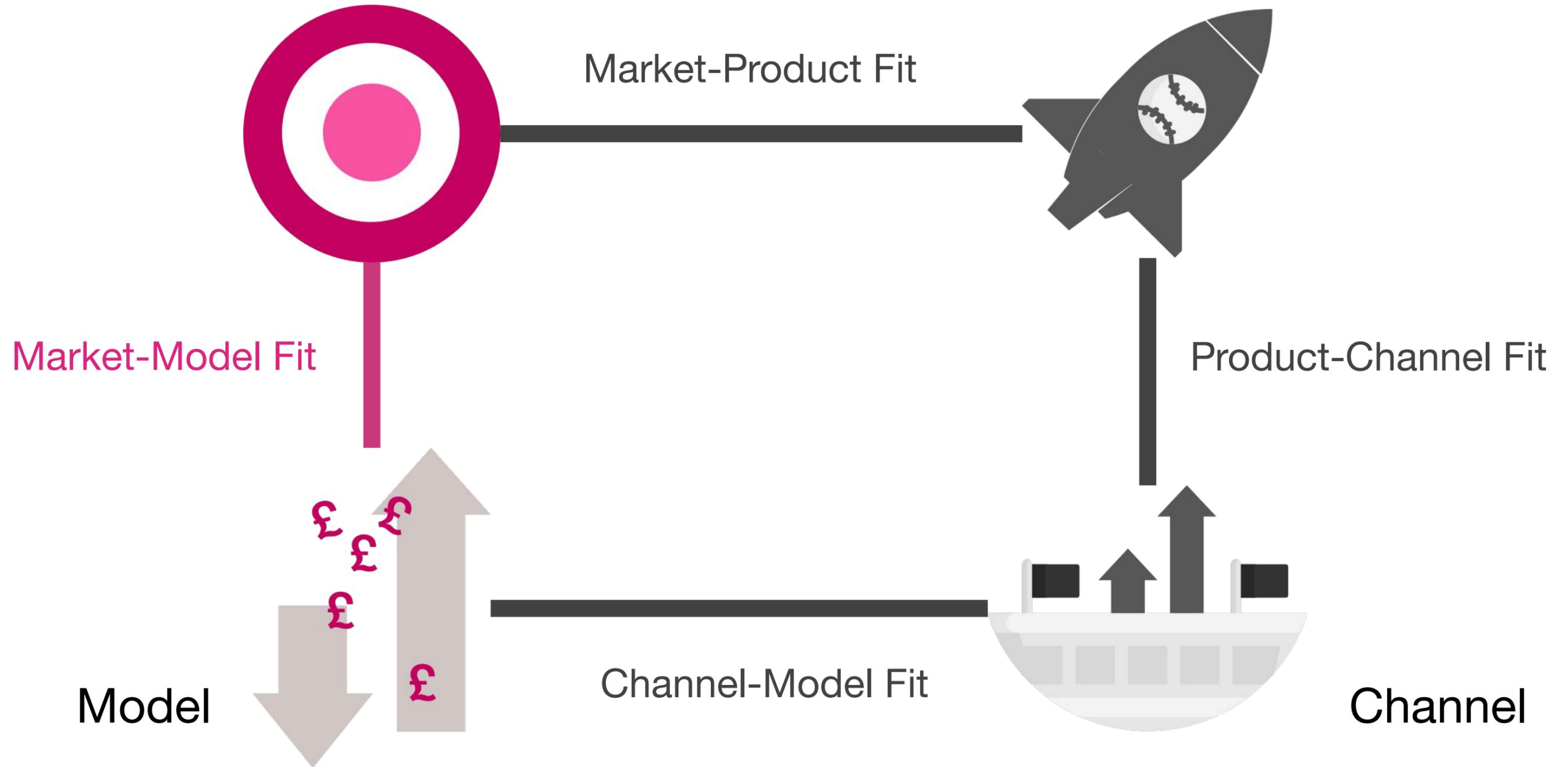
Channel



Part 4

Market

Product





F HD

Model

What is your average revenue per user, per year?

- a. £
- b. ££
- c. £££
- d. ££££
- e. £££££

Market

How many potential users exist in your market?

- a. Tens
- b. Hundreds
- c. Thousands
- d. Millions
- e. Billions

ARPU * # of potential users = £?



Tiny ARPU
Billions of Customers

Facebook monetise WhatsApp users at \$.06-.07
([Bloomberg](#), 2014)



Huuuge ARPU
125 customers! *

In "Zero to One", Peter Thiel writes that Palantir's
"deal sizes range from \$1 million to \$100 million"

*([Techcrunch](#), 2020)

Make them an offer they can't refuse



£9.99/mo

Millions of songs and podcasts. Listen to what you want, on demand.

No ads.



1,000 songs in your pocket.

Singles cost ~£1.99

Albums cost ~£11.99

**Product-Market Fit
isn't enough to build
a brilliant business**

**...there are Four Fits
to building a brilliant
business**

Market

Product

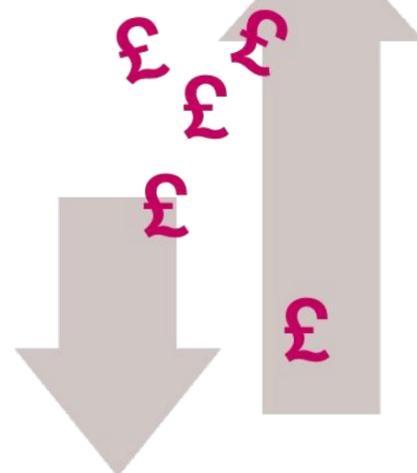


A product that addresses the needs “better” (faster and more accurately) than the competition

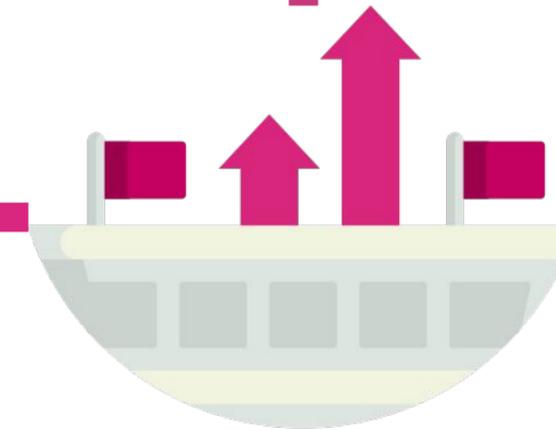


A product that is designed to reduce the cost of acquisition better than the competition

A model that addresses the needs, and delivers the outcome, cheaper than the competition
A bigger market than the competition



ARPU/CAC ratio greater than the competition with WTP of target audience

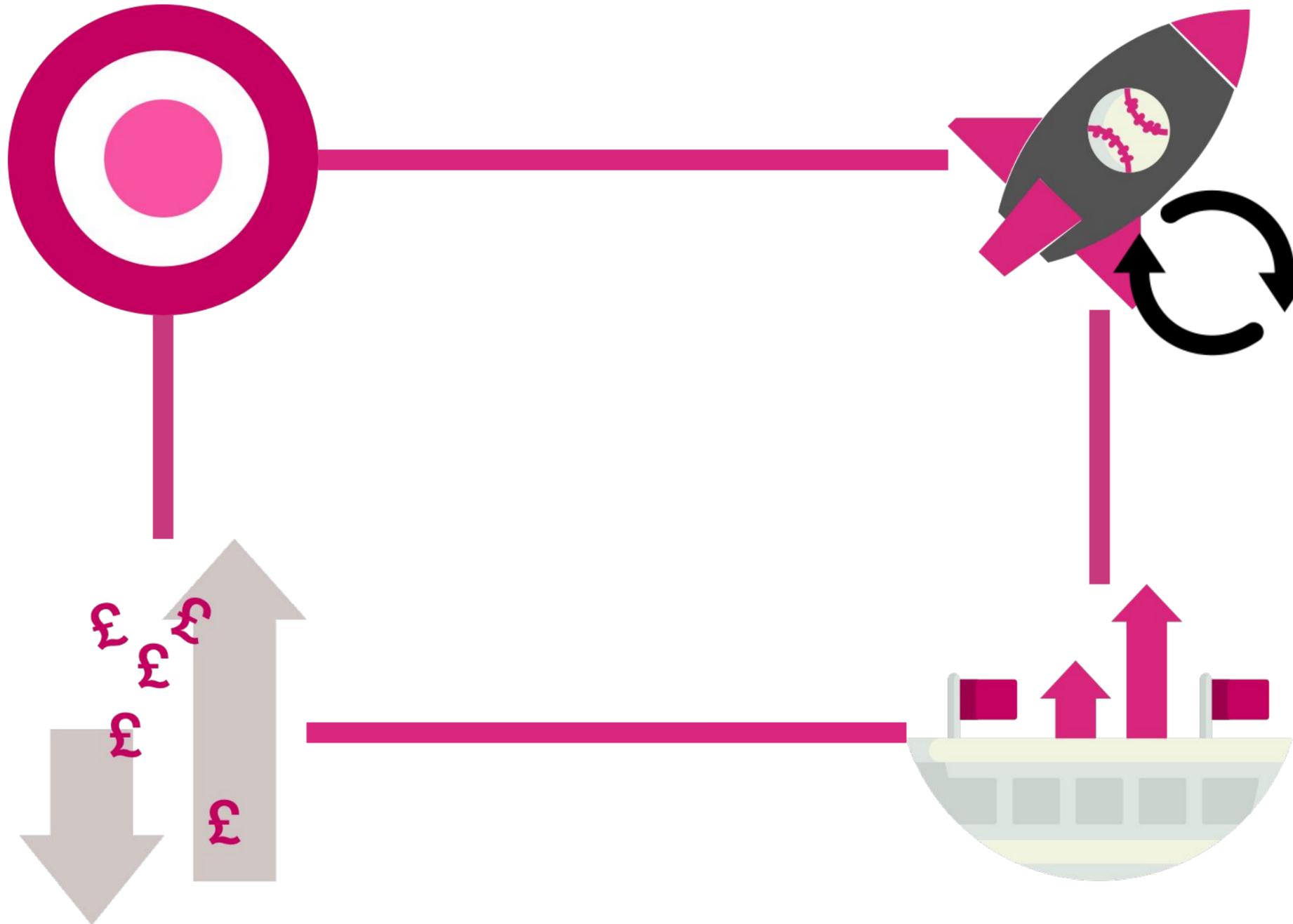


Model

Channel

Market

Product

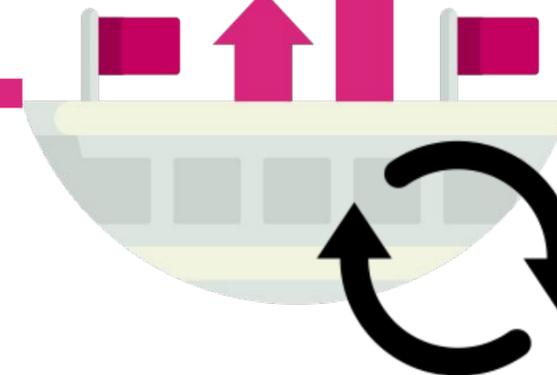


Model

Channel

Market

Product



Model

Channel

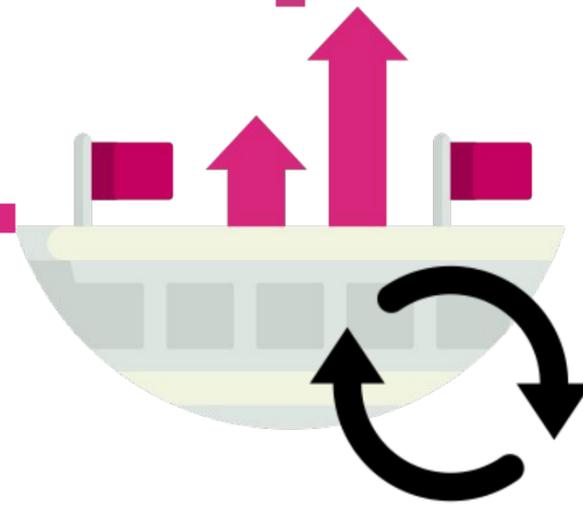
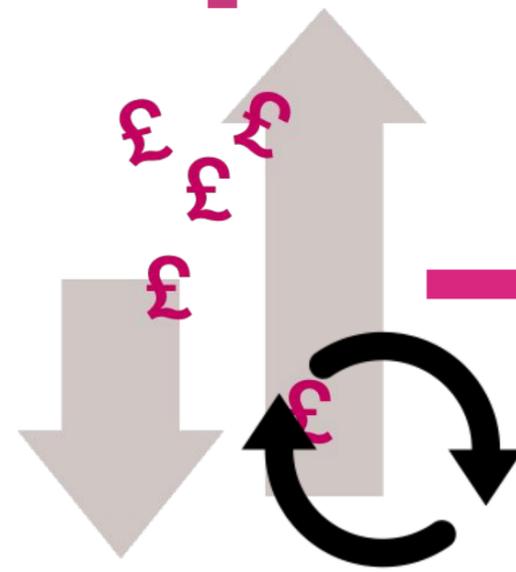
Market

Product



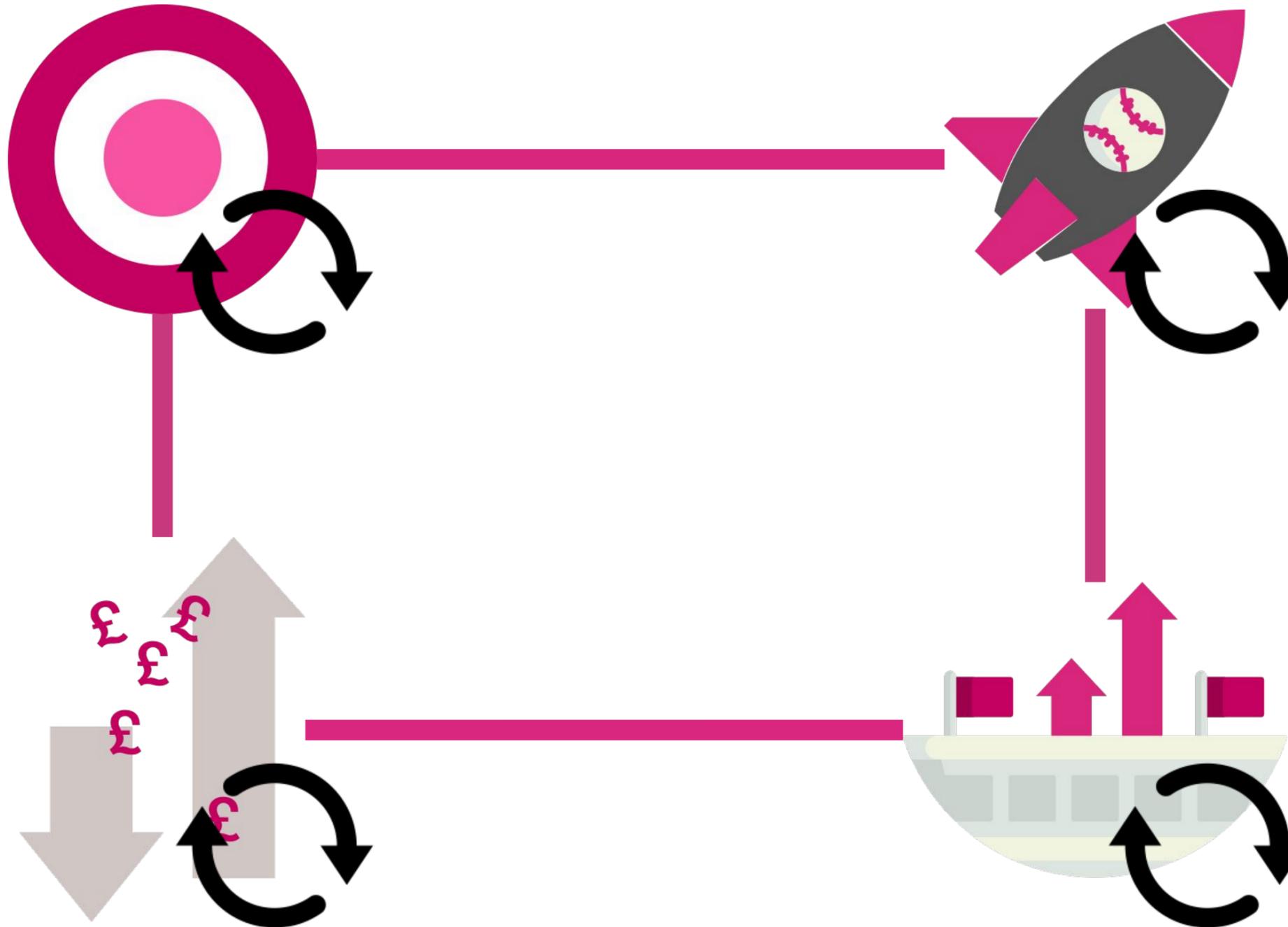
Model

Channel



Market

Product

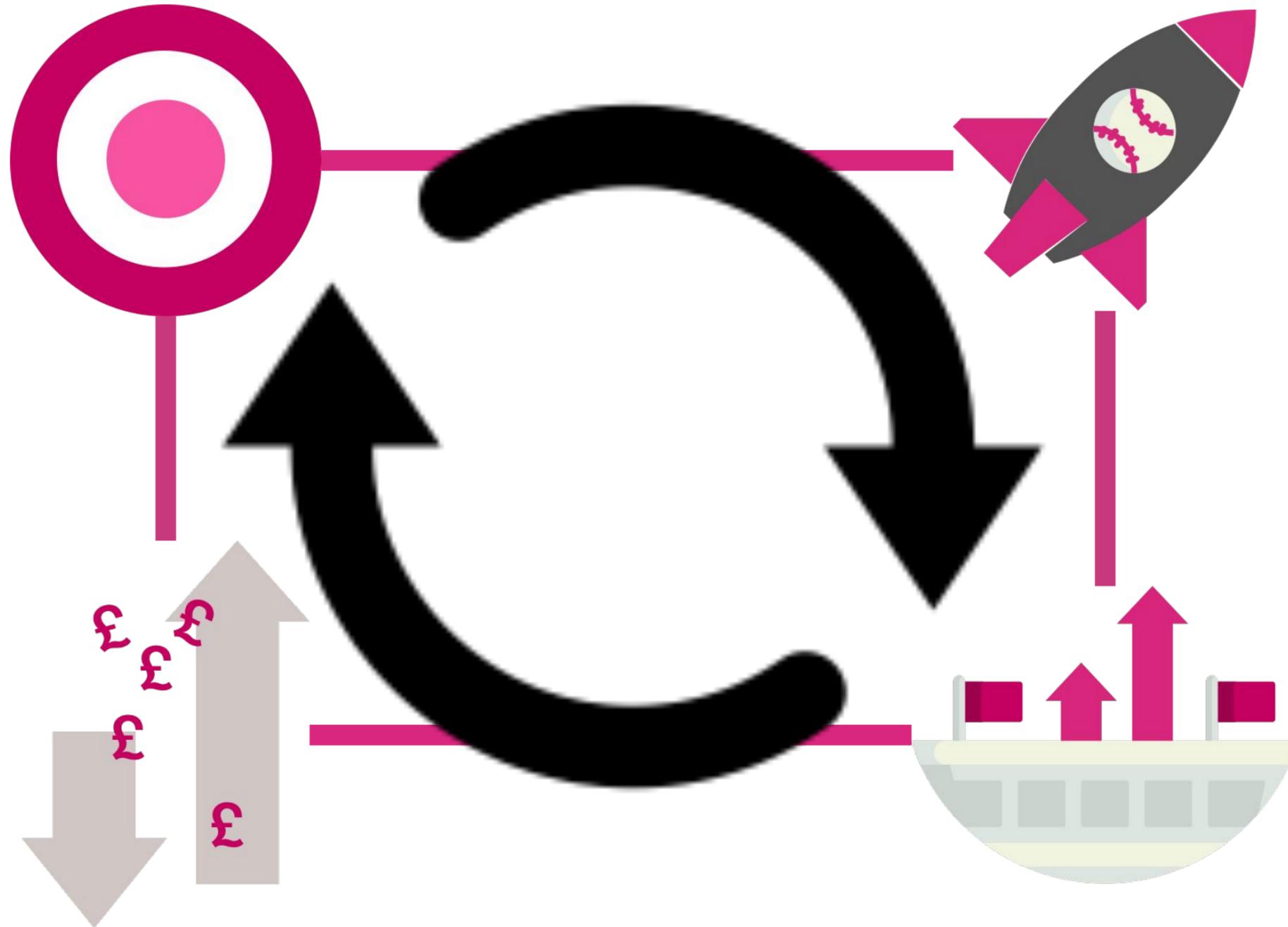


Model

Channel

Market

Product



Model

Channel

Everything is interlinked

This is why building a startup is hard



In a desert, a map is useless

**How fit is your
business?**

Thank you