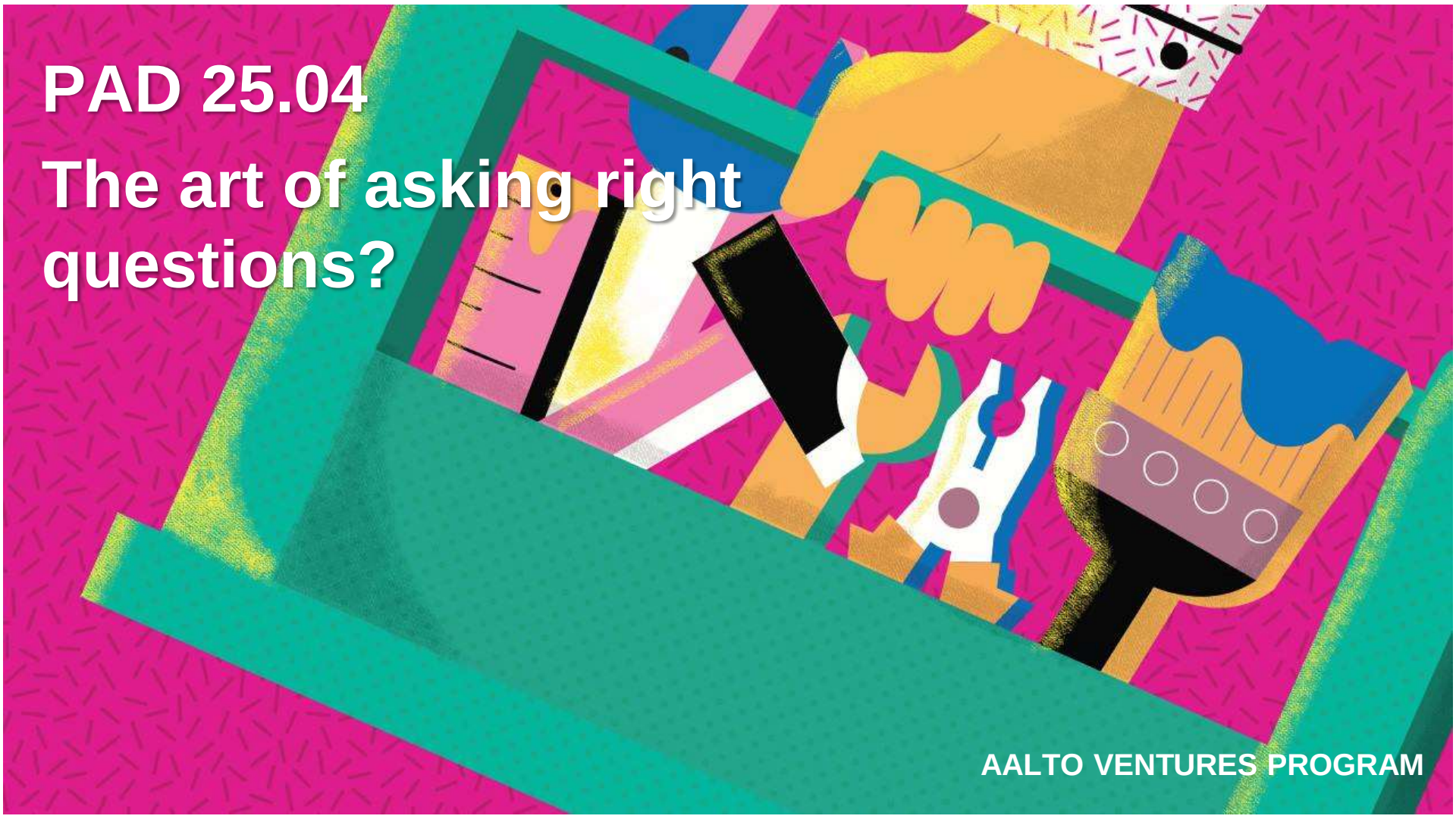
PAD 25.04

The art of asking right questions?



AALTO VENTURES PROGRAM

Task #1:

Helkama teams make a picture **“What is efficiency?”;**

Microsoft teams make a picture **“What is productivity?“**.

10 min.

Decision <-> risk

Risk

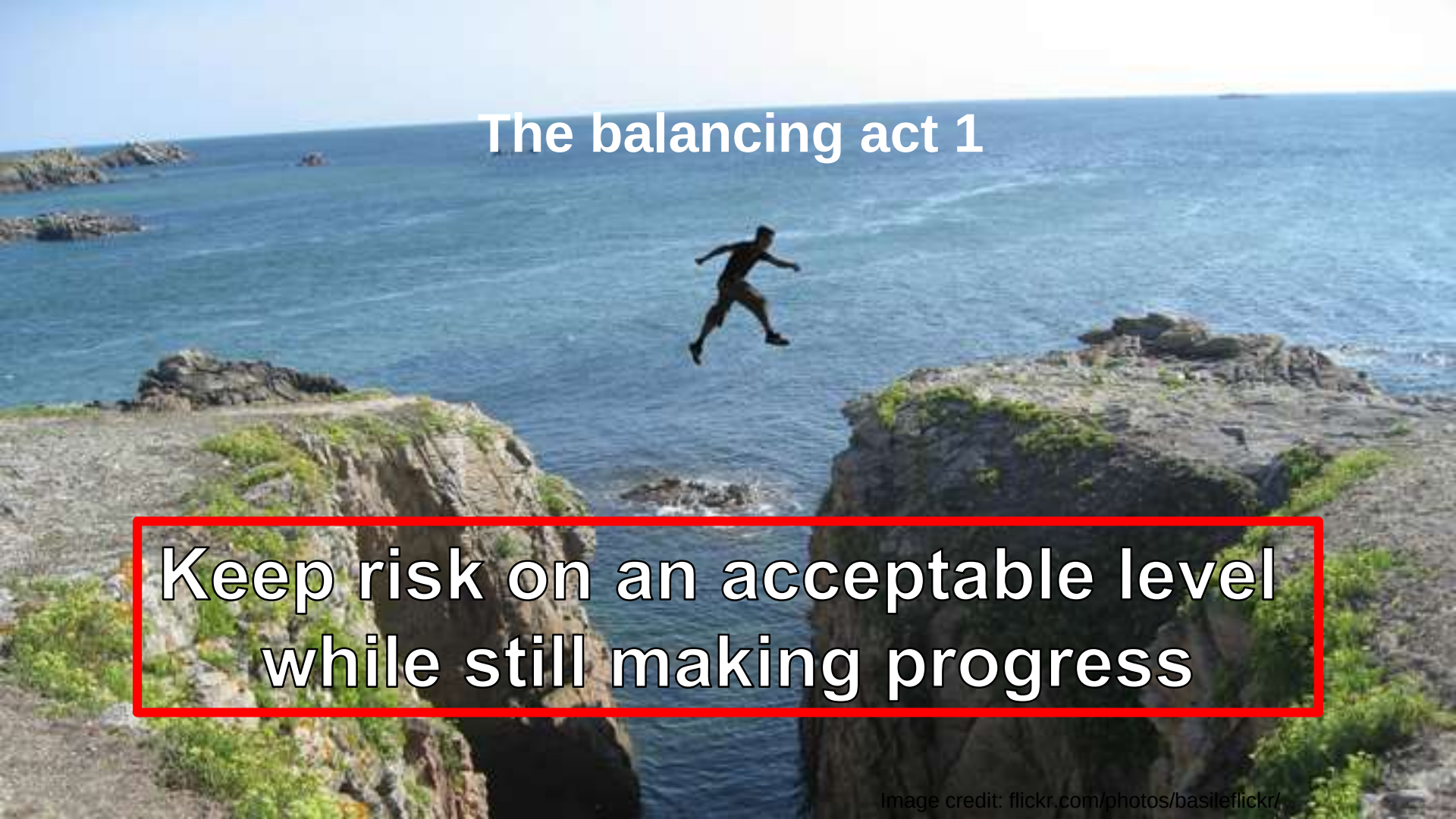
- Every business effort includes risk
    - Without risk there is no reward: If you remove the risk, you remove the reward
- Risk is a decision-making ”feature”
    - Decisions are based on incomplete information
- Different types of risks
    - Money – loose investment
    - Time – loose time-to-market game
    - Opportunity cost – could we have user our resources in a more effective way

A good decision

1. The facts have been validated
2. The unknowns have been identified
3. The risk assessment has been done

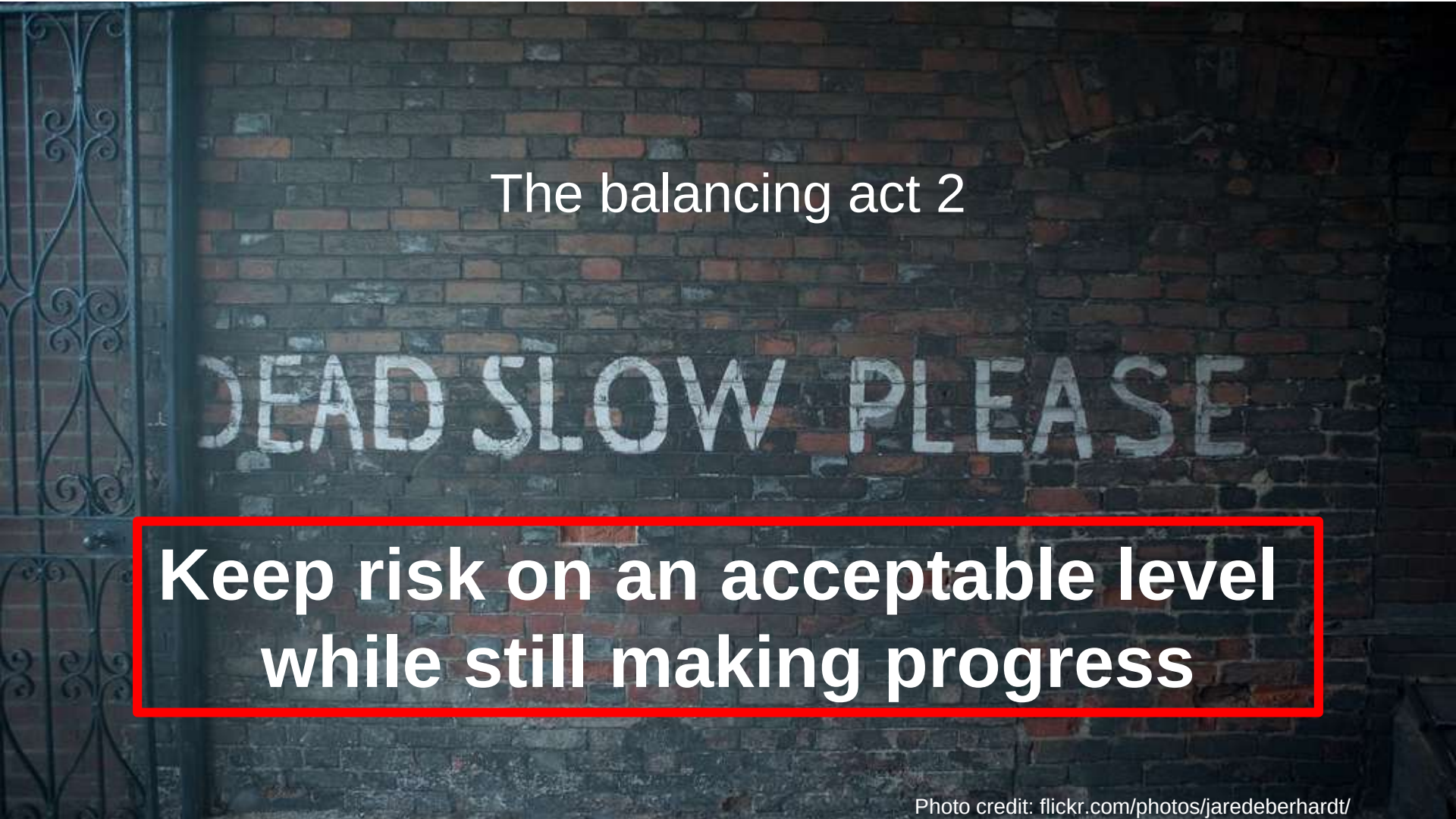
4. The decision maker knows and understands the above

The balancing act 1



Keep risk on an acceptable level while still making progress

Image credit: flickr.com/photos/basileflickr/



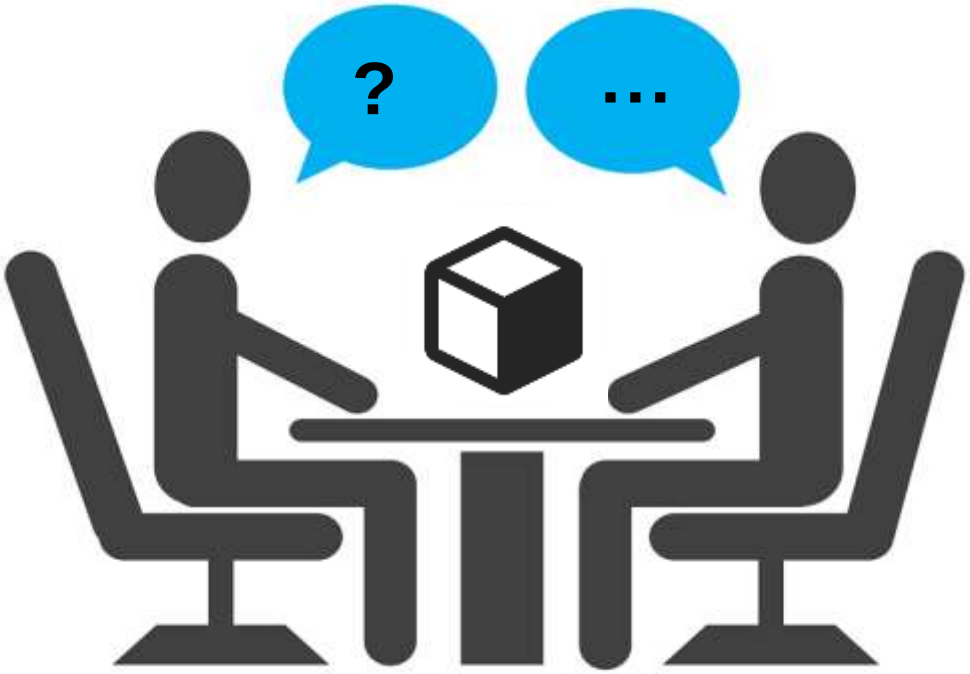
The balancing act 2

Keep risk on an acceptable level while still making progress

Photo credit: flickr.com/photos/jaredeberhardt/

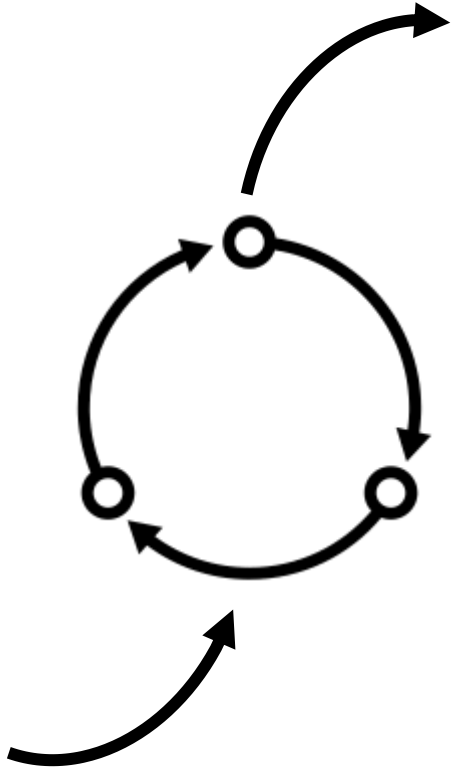
Improving reliability of your proposals

Interviews = verbal communication



Experimentation and prototyping enhance verbal communication with artifacts

Solution creation process is always iterative: experiment, test, concept modification, prototype, test and so on.



What do we need to find out next?

Developing a new business:

Extract value out of uncertainty.
Endless quest for information.

1. What information?
2. How to get it?

Levels of uncertainty

1) Unknown unknowns

   “Surprise”

2) Known unknowns

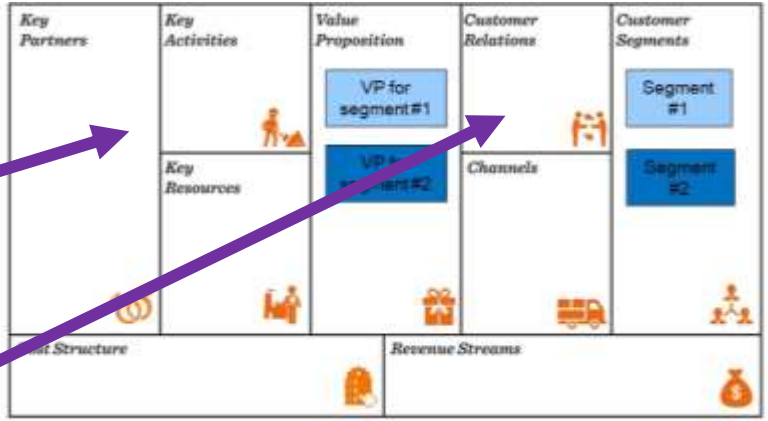
   Eg blank boxes in canvas

3) Hypothesis (weak knowns)

   How reliable is the info?

4) Decision making foundation

   Can we make a decision?



Method to gain new data	Goals and examples	Stakeholder involved	Artefact	Price/ performance	Pre- requisites
User research	Understanding user situation and problem, using eg interviews, contextual research, observations	Yes	No	Low reliability	Almost none
Other research	Competitor analysis, expert interviews, benchmarking, calculations, modelling …	No	No	Variable, mostly setting context and boundaries	Experts, software, specific qualification
Experiments	Analysing user behaviour and preferences in a more neutral way	Yes	Yes, but not of the end-product	Improved reliability, a bit higher cost	Almost none
Prototyping	Testing solution acceptance, eg. features, customer experience, usability, design and aesthetics	Yes	Yes, subset of end-product	Best reliability, highest cost	Materials, certain qualification

Example case

Starting point:

People have problems transporting big items

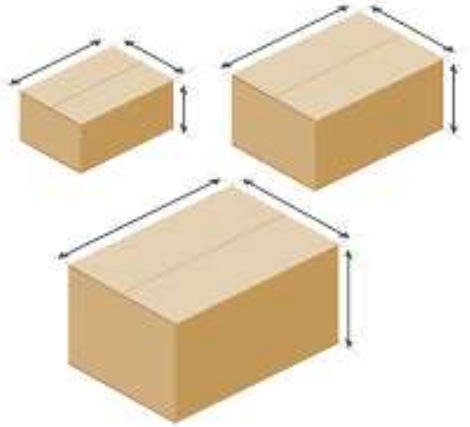
Outcome

Transport service tailored for second hand market places

Experiment: How big an item causes problems?

Experiment

- Bring different size boxes to Sello shopping center
- Ask people how they would transport the boxes home.



Outcome of experiment

No one uses box

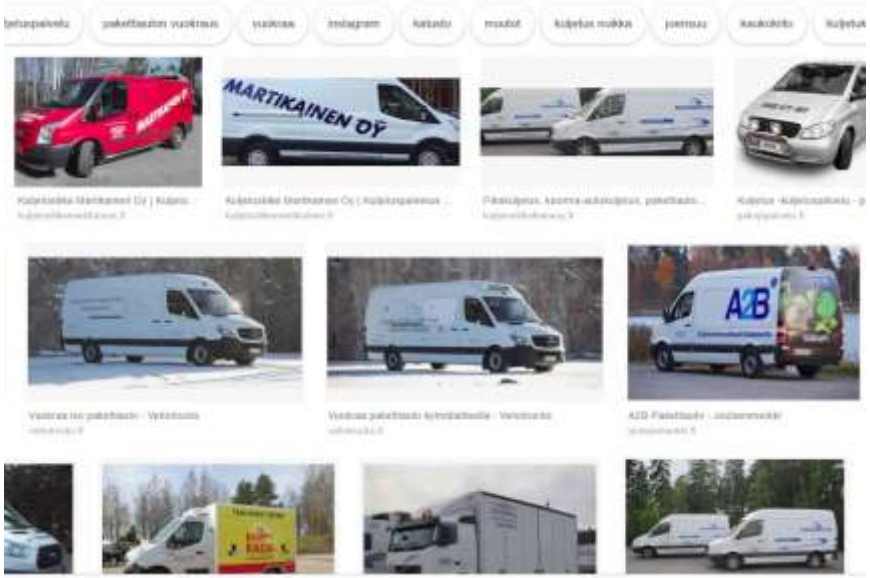
Additional information

Beds and sofas bought on second hand market places cause problems

Experiment: How much would a wan cost?

Experiment

- Set up a meeting with a wan company
- Discuss/ask for offer for wan + driver



Outcome of experiment

Price for wan + driver

Additional information

Cheapest time of the day 16-18

Prototype: How much would a customer pay?

Experiment

- Post a fake add on tori.fi
- Offer people calling about the sofa to deliver it home at different prices

Outcome of experiment

Price range and % of customers interested in delivery

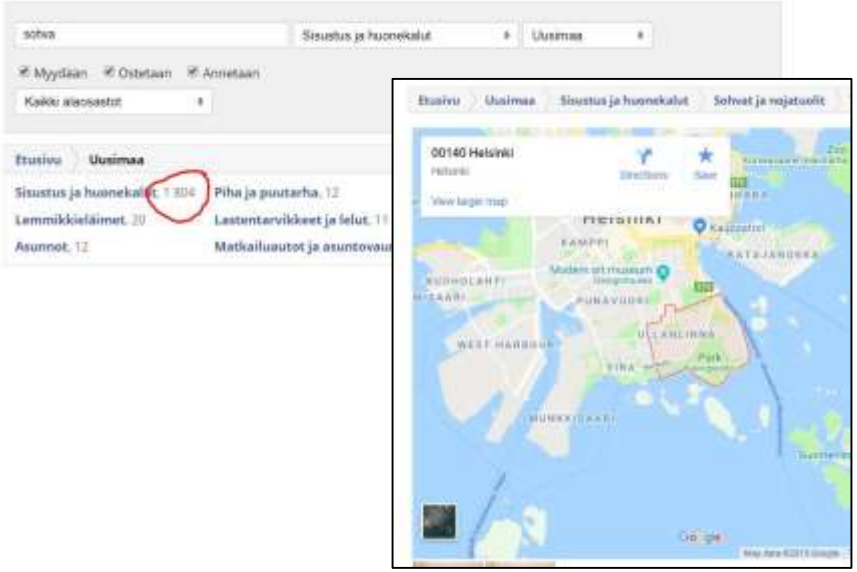
Additional information

Scheduling of delivery key question

Market research: How big is the market?

Experiment

- Search for relevant products on tori.fi
- Do count with some days in between to estimate turnaround
- Map relevant cases to find driving times



Outcome of experiment

Estimates of addressable market + length of wan route

Additional information

-

Task #2

Look at your business model canvas and think what are the questions / hypothesis you want to find the answers for.

15 min.

Experimentation guidelines

1. Declare your expected outcomes upfront
“If you simply plan on seeing what happens you will always succeed at seeing what happens because something is guaranteed to happen.”
- Eric Ries, The Lean Startup

2. Make declaring outcomes a team sport

3. Emphasize estimation not precision

4. Measure actions versus words

5. Turn your assumptions into falsifiable hypotheses

6. Time-box your experiments

7. Always use a control group

EXPERIMENT CANVAS

DESIGN A BETTER BUSINESS

RISKIEST ASSUMPTION

What is the riskiest assumption you want to test?

FALSIFIABLE HYPOTHESIS

Construct your hypothesis

We believe that < specific, testable action >

Will drive < specific, measurable outcome >

Within < timeframe >

EXPERIMENT SETUP

What kind of experiment will you use?
What are you measuring? How many times?

RESULTS

Record the qualitative or quantitative results of the experiment

CONCLUSION

Did your results match your hypothesis?
Or did they contradict your hypothesis?
And was your result clear enough?

- [ ] VALIDATED
- [ ] INVALIDATED
- [ ] INCONCLUSIVE

NEXT STEPS

What is your next move?

*https://designabetterbusiness.tools/tools/experiment-canva

EXPERIMENT CANVAS

DESIGN A BETTER BUSINESS

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EXPERIMENT SETUP

What kind of experiment will yo
What are you measuring? How

BUILD

RESULTS

Record the qualitative or quantitative results of the experiment

MEASURE

CONCLUSION

Did your results match your hypothesis?
Or did they contradict your hypothesis?
And was your result clear enough?

LEARN

☐ INCONCLUSIVE

NEXT STEPS

What is your next move?

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EXPERIMENT CANVAS

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RESULTS

Record the qualitative or quantitative results of the experiment

NEXT STEPS

What is your next move?

TASK #3

In teams make a plan of your experiment.

Be ready to present it.

30 min.

*https://designabetterbusiness.tools/tools/experiment-canva

Week	Mon	Tue	Wed	Thu	Fri
16		16.4. Introduction Eero 9-12	17.4. Brief Microsoft Keilaranta 9-12	18.4. Theory of PA, Katja Hölttä-Otto 9-10 Brief Helkama Otaniemi 10.30-12.30	EASTER HOLIDAY
17	EASTER HOLIDAY	23.4. User Research AVP 9-12 Tutoring Eero 12-16	Independent Work	25.4. Customer Segment. AVP 9-12 Company Cases Heli Säde 13-16	Independent Work
18	Independent Work	30.4. User Testing AVP 9-12 Tutoring Eero 13-16	1st of May / VAPPU	2.5. Tutoring Heli 9-12	3.5. Excursion Helkama whole day Hanko
19	Independent Work	7.5. Q&A Sessions AVP 9-12 / Tutoring Eero&Heli 12-16	8.5. Mid-review: Microsoft 9-12	9.5. Mid-review: Helkama 13-16	Independent Work
20	Independent Work	14.5. Q&A Sessions AVP 9-12 / Tutoring Eero&Heli 12-16	Independent Work	16.5. Tutoring Eero&Heli 9-16	Independent Work
21	Independent Work	21.5. Presentation Skills AVP 9-12 / Tutoring Eero&Heli 12-16	22.5. Tutoring Eero&Heli 9-12	23.5. Final Presentation: Helkama 13-16	24.5. Final Presentation: Microsoft 9-12

TEAM ASSIGNEMENT

- **Conduct 2 different experiments till the 7th May;**
- **Be ready to present your experiments;**
- **Update your BMC based on the experiments' insights;**
- **Create / update your framework (metrics, relational map or your own framework) and bring it to the class.**


WEDNESDAY 8.5. AT 1PM @ AVP SPACE
PITCHING SKILLS
Stefano Mosconi, CEO of Britemind.io

Thank You!

If you have questions feel free to contact:

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- johannes.kaira@aalto.fi
- hakan.mitts@aalto.fi