Is This a Business?

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Find, Test, and Validate an Idea
Before You Invest Too Much

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For the person who needs evidence more than encouragement.

Contents

Before You Test the Idea

Most new-business advice begins too late. It assumes that the thing in front of you is a business and asks how to name it, fund it, launch it, or grow it. Those may become useful questions. They are expensive questions to ask first.

The first question is smaller and less flattering: *is there enough evidence to treat this idea as a business candidate?*

That wording matters. A candidate has not passed. It has merely earned the next test. You can admire an idea without calling it a business. You can build a prototype without proving that anyone will pay. You can collect compliments without finding a buyer. You can even make a few sales and still discover that delivery consumes more time and money than the sales create.

This book gives you a way to separate those facts. It tests 6 connected claims:

1. A specific buyer exists.
2. That buyer wants consequential progress, not just an interesting improvement.
3. You can reach the buyer at a tolerable cost.
4. The buyer will exchange money, not only attention or praise.
5. You can deliver the promised result with workable effort, cost, quality, and risk.
6. The business fits the commitments you can sustain long enough to learn.

None of the 6 can rescue another indefinitely. Strong demand with no safe delivery method is not ready. A beautiful margin with no affordable route to buyers is a spreadsheet. A market that works only if you accept a life you do not want is a poor business for you.

You will use 4 running examples. Mara is testing a specialist reporting service for small clinics. Dev is considering a lightweight software tool for independent tutors. Lina wants to sell a short online course that helps first-time managers run useful one-to-one meetings. Omar is considering a local prepared-lunch subscription. They are composites, not success stories in disguise. One will stop, one will narrow, one will continue manually, and one will earn a real build.

Work through the chapters in order if the idea is new. If you have already taken orders, start with the economics and delivery chapters, then return to the assumptions you skipped. Do not turn the scorecard into a personality test. It is a record of current evidence. Current evidence can change.

The objective is not certainty. No honest method can give you that. The objective is to make the next commitment proportionate to what you know.

That is enough.

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Part I

Separate the Idea from the Business

CHAPTER 1

An Idea Is Not Evidence

An idea can be good in at least 4 different ways. It can be clever. It can solve a real problem. It can be enjoyable to build. It can make a convincing story when you describe it. None of those qualities proves that the idea can support an exchange between a buyer and a business.

This is where people get trapped. They ask one kind of evidence to answer a different kind of question. A friend says the idea is brilliant, so they treat praise as demand. A survey respondent says they would use the product, so they treat an intention as a purchase. A prototype works, so they treat technical feasibility as a market. A competitor makes money, so they assume their own route to the same buyer will work.

Each observation may be useful. It simply proves less than it appears to prove.

> *The first discipline of validation is not finding more evidence. It is refusing to promote weak evidence into a stronger category.*

Possibility, Candidate, and Business

Use 3 labels while you test an idea.

A *possibility* is an imagined exchange. You believe a kind of person may want a result and may accept your way of producing it. Possibilities are cheap. You can create several in an afternoon.

A *business candidate* has evidence for the 6 claims in this book: buyer, progress, access, payment, delivery, and founder fit. The evidence does not need to be conclusive, but it must be strong enough to justify a bounded next commitment.

A *business* repeatedly creates, delivers, and captures value. Money changes hands. The promised result is delivered. The buyer's experience does not depend on a hidden subsidy of unpaid labor, ignored risk, or a founder who can maintain the arrangement for only 2 weeks.

The labels prevent a familiar escalation. If you call a possibility a business, every later action feels like support for something that already exists. You register a domain, make a logo, buy equipment, announce a launch, and feel pressure to defend the identity. Stopping then feels like failure. If you call it a possibility, stopping is merely one valid result of investigation.

This distinction does not make you timid. It makes larger commitments easier to defend.

The Evidence Ladder

Evidence becomes stronger as the other person accepts more consequence. The following ladder is not perfect, but it is a useful guardrail:

1. **Opinion.** Someone says the idea sounds useful, attractive, or interesting.
2. **Past behavior.** Someone describes what they already do, pay, avoid, or endure.
3. **Present behavior.** Someone takes a relevant action now: sends a file, books a call, introduces a decision-maker, or tries a manual version.
4. **Commitment.** Someone gives up time, reputation, access, or an opportunity to participate.
5. **Payment.** Someone pays under clear terms for the proposed exchange.
6. **Repeat behavior.** The buyer returns, renews, expands, or refers after receiving the result.

The ladder does not say that interviews are worthless and only revenue matters. If you have misunderstood the workflow, a careful interview may save you from building the wrong thing. It says that different evidence answers different questions.

An opinion can reveal language. Past behavior can reveal alternatives and consequences. A commitment can reveal priority. A payment can reveal willingness to exchange money at a particular price, under particular terms, at a particular moment. A repeat purchase can reveal that the first exchange created enough value to justify another.

Payment still does not prove everything. One buyer may be unusually generous. A discounted pilot may not travel to full price. A founder may close a sale through personal trust that a later salesperson cannot reproduce. A paid order proves a paid order. You must then ask what part of the result is likely to repeat.

Evidence has a scope

Write every result as a complete sentence: "3 clinic owners paid $300 for a manually prepared report after a referral introduction." Do not shorten it to "clinics will pay $300." The conditions are part of the evidence.

Compliments Are Socially Efficient

Imagine that you tell a colleague you plan to build a tool that organizes the notes of independent tutors. The colleague has several reasons to respond positively. The idea is plausible. They like you. They want to encourage initiative. A negative response would require them to explain a market they may not understand. "That sounds great" is a kind and efficient answer.

It is also almost costless.

This does not mean people are lying. They are answering the social question presented to them: *do you approve of my idea?* That is not the commercial question: *when, why, and under what conditions would a defined buyer replace an existing behavior with this exchange?*

The solution is not to become suspicious of everybody. Change the question. Ask about the last time the problem occurred. Ask what the person did next. Ask what the workaround cost. Ask who approved the spend. Ask what happened when the problem was left alone. These questions recover events rather than predictions.

Events can still be misremembered. They are simply less flattering and more useful than a forecast created to please you.

Activity Can Hide the Missing Exchange

Founders often build because building returns immediate feedback. A page appears. A feature works. A box arrives. A logo becomes real. Customer evidence moves more slowly and exposes you to rejection, ambiguity, and silence.

So activity becomes camouflage.

Dev, our software candidate, can spend a month adding tags, reminders, and dashboards to a tutor-notes application. Every day looks productive. Yet the fatal question may be whether tutors consider fragmented notes costly enough to replace their current documents. A more beautiful dashboard cannot answer it.

Mara, the specialist-service candidate, faces the opposite temptation. She knows 2 clinic owners who dislike monthly reporting. She could treat that access as a complete market and start selling a broad "clinic analytics service." The access is valuable, but the phrase contains several untested assumptions: who uses the report, what decision it changes, what data can lawfully be shared, how much manual cleanup is required, and whether the clinic will pay each month.

Lina, the course candidate, receives 118 sign-ups for a free webinar about one-to-one meetings. The number feels like demand. It proves that the topic and free format attracted 118 registrations through a particular channel. It does not prove attendance, application, payment, or completion.

Omar, the prepared-lunch candidate, receives 14 paid orders from neighbors. That is strong evidence of payment. It still leaves open food safety, repeat frequency, delivery density, waste, packaging, and the cost of producing several menu variations.

The point is not to dismiss progress. It is to place each result on the correct rung.

The Business-Candidate Test

The 6 claims form a connected test.

Buyer

Who can say yes to the exchange? The user, buyer, approver, beneficiary, and blocker may be different people. A child may use a tutoring product while a parent pays. A department may benefit from software while procurement controls the purchase. “Small businesses” is not a buyer. It is a population from which several different buyers may emerge.

Progress

What consequence changes? Buyers pay to make progress: reduce a loss, save scarce time, increase an outcome, satisfy an obligation, gain access, avoid embarrassment, create pleasure, or express identity. The progress must matter relative to the alternatives and the price.

Access

Can you reach enough of the right buyers? A market can exist while remaining inaccessible to you. Search demand, referrals, existing relationships, communities, partnerships, events, outbound contact, marketplaces, and physical location all impose costs and rules.

Payment

Will a buyer exchange money under terms that support the business? Price is not a final number discovered after validation. It is part of the proposition being tested. Free use answers a different question.

Delivery

Can you produce the result with acceptable quality, effort, safety, timing, and cost? The product is only one part of delivery. Onboarding, support, refunds, records, taxes, licenses, privacy, failure recovery, and customer communication belong to the exchange too.

Founder fit

Can you sustain the commitments the business requires? This is not a search for passion or a mythical entrepreneurial personality. It is a constraint check across time, cash, skills, risk, energy, ethics, household obligations, and the kind of work the model creates.

Evidence Before Identity

The danger of premature identity is subtle. Once you call yourself the founder of a meal subscription, every piece of contrary evidence threatens the self you have announced. You become more likely to reinterpret weak results as encouragement and more likely to spend in order to prove seriousness.

Keep the early identity modest: *I am testing whether this exchange works.*

This does not prevent ambition. It protects ambition from being attached to the first mechanism you imagined. You can care deeply about improving clinic decisions while discovering that monthly reports are the wrong offer. You can want tutors to spend less time on administration while learning that note organization is not the expensive part.

The mission may survive when the idea does not.

Put It to Work

- ☐ Write your idea as a possibility, without using the words company, platform, brand, or startup.
- ☐ List the strongest evidence you currently possess.
- ☐ Label each item as opinion, past behavior, present behavior, commitment, payment, or repeat behavior.
- ☐ Rewrite every item so its conditions and sample are visible.
- ☐ Circle the 2 business-candidate claims with the weakest evidence.

Decision: What has the idea earned?

Choose one label: possibility, business candidate, or operating business. Add one sentence that states what evidence would justify moving to the next label. If you cannot write that sentence, you are not ready to spend more. You are ready to define the test.

CHAPTER 2

Name the Buyer

"This is for anyone who struggles with X" sounds inclusive. Commercially, it is often a refusal to choose. The word *anyone* erases the differences that determine how a purchase happens: context, stakes, budget, authority, timing, alternatives, and trust.

You do not need a fictional customer avatar with a favorite coffee and a carefully selected name. You need to identify the person or organization whose situation makes the exchange coherent.

> *A useful buyer definition predicts a different sale, offer, channel, or delivery decision. If changing the definition changes nothing, it is decoration.*

The User May Not Be the Buyer

Several roles can surround one purchase:

- The **user** interacts with the product or service.
- The **buyer** exchanges the money.
- The **approver** can permit or prevent the purchase.
- The **beneficiary** receives part of the result.
- The **influencer** affects the decision without final authority.
- The **operator** must make the solution work inside the buyer's environment.
- The **blocker** bears a risk or workload and can delay adoption.

One person may hold all 7 roles in a small purchase. In other situations, the roles are distributed across a household, department, institution, or supply chain.

Dev initially describes his software as "a note organizer for tutors." An independent tutor who teaches 8 students and pays for their own tools might be user, buyer, approver, and operator. A tutor working inside a learning center might be only the user. The center owner may buy, a data-protection lead may approve, and an administrator may operate the student records. The same interface enters a different buying system.

If Dev interviews users but sells to owners, he may learn a great deal about the daily workflow and almost nothing about approval. If he interviews owners only, he may hear that reporting is important while missing the fact that tutors will not perform the extra data entry. Both perspectives matter, but they answer different questions.

A Population Is Not Yet a Market

"University students," "small clinics," "busy parents," and "online creators" are populations. A population becomes a useful starting market when a meaningful subset shares enough of the following:

- a recognizable situation;
- a consequential form of progress;
- a buying or approval route;
- alternatives that can be observed;
- language that allows the offer to be understood;
- a channel through which they can be reached;
- a delivery context your current operation can serve.

This does not mean the first market must remain the only market. It means the first test needs a coherent boundary. You cannot interpret a response rate if the people responding have incompatible problems and purchase systems.

Suppose Lina offers her one-to-one-management course to "new managers." That group may include a first supervisor in a 9-person agency, a promoted engineer in a global company, a school department head, and a retail shift leader. Each is new. Their autonomy, training budget, vocabulary, scheduling, staff risk, and access to internal learning are different.

A better first boundary might be "first-time managers in professional-service firms with 5 to 25 employees, buying their own development after being promoted without formal training." That description is not inherently correct. It is testable. Lina can locate such people, observe the alternatives they use, state a promise they recognize, and see whether self-payment is plausible.

Use Boundaries That Change the Work

A segment is useful when it changes a decision. Test candidate boundaries across 5 types.

Situation

What is happening now? A newly promoted manager has a different trigger from an experienced manager whose team engagement has fallen. A clinic preparing for a board meeting may value a report differently from a clinic casually curious about performance.

Constraint

What limits the buyer? Budget, time, regulation, skills, staffing, location, accessibility, language, existing technology, and procurement can all change what can be bought and used.

Consequence

What happens if nothing changes? A minor annoyance, a lost sale, a missed deadline, a safety risk, an audit problem, and a damaged relationship do not create equal urgency.

Current alternative

What does the buyer do now? Alternatives include competitors, internal work, spreadsheets, manual coordination, delay, and acceptance. The last 2 are often ignored. “Do nothing” can be a strong competitor when the consequence is low.

Buying route

Who notices, searches, compares, approves, pays, implements, and renews? A product sold through a marketplace behaves differently from a service bought after a referral. A low-price self-serve purchase behaves differently from an annual organizational contract.

If a boundary changes none of these, it may be demographic detail without commercial use.

The Smallest Coherent Buyer

Early founders are often told to choose a niche. The advice can produce either a useful focus or a meaningless adjective. "AI-powered productivity for creative professionals" sounds narrow because it contains categories. It still may not describe a shared purchase.

Choose the smallest coherent buyer instead. This is the narrowest group for which:

1. the same core problem can be discussed without changing its meaning;
2. the offer can make one defensible promise;
3. the buyer can be reached through a repeatable route;
4. delivery does not require a different operating model for each person;
5. enough possible buyers remain to run a real test.

Mara begins with "small healthcare providers." That includes dentists, physiotherapists, diagnostic labs, and family clinics. Their records, decisions, obligations, and reporting needs differ. She narrows to owner-managed physiotherapy clinics with 2 to 8 practitioners that already export appointment and invoice data but do not review service and cancellation patterns each month.

The boundary changes the work. Mara can ask for the same 2 data exports, build a repeatable report, discuss similar decisions, and reach owners through a professional association and software consultants. She has not proved demand. She has made a test interpretable.

WATCH OUT

Do not narrow only to make reaching buyers easy. A community you can access is not automatically a market. Access provides a sampling frame. The problem, payment, and delivery claims must still survive.

Early Adopters Are Not People Who Like New Things

An early buyer is often described as adventurous. That description is too vague to guide you. The more useful question is why someone would accept the weakness of an early offer.

Possible reasons include:

- the current problem is unusually costly;
- existing alternatives do not fit an important constraint;
- the buyer has authority to try something without a long approval process;
- the buyer values direct access to the founder;
- the manual version provides customization that a mature product might remove;
- the timing creates urgency, such as a deadline, transition, or new obligation.

These conditions predict behavior. “Likes innovation” usually does not.

Omar’s first lunch buyers may be neighbors who want to support him. They are friendly early customers, but not necessarily evidence for a subscription market. A more informative early buyer may be a worker in a dense office cluster who must arrange lunch 4 days a week, has a short break, dislikes the available options, and can receive a grouped delivery. Their constraint explains why they might accept a limited menu and fixed delivery window.

Buyer Size Is Not Buyer Quality

Market-size calculations can create false precision before the unit of analysis is stable. You find a large population, multiply it by a price, assign yourself 1 percent, and produce a revenue forecast. The calculation describes arithmetic, not access or behavior.

Begin from the bottom instead:

1. How many coherent buyers can you identify by name or source?
2. How many can you contact through the proposed channel?
3. How many are likely to face the trigger during the test window?
4. How many conversations, offers, or transactions can you personally

support?
5. What would you need to observe before estimating beyond that sample?

Later, broader market estimates may matter for investment, infrastructure, or strategic choice. They cannot repair an undefined first buyer.

Write the Buyer Card

Create a one-page buyer card using facts you can investigate:

- **Role:** who uses, buys, approves, benefits, operates, and can block?
- **Situation:** what is happening when the problem becomes visible?
- **Consequence:** what changes if the situation continues?
- **Alternative:** what happens now, including doing nothing?
- **Authority:** what can the buyer decide alone?
- **Access:** where and how can you reach this buyer ethically?
- **Exclusion:** who looks similar but should not be in the first test?

The exclusion is important. If Dev tests with independent tutors, his card should explicitly exclude tutors who must use a learning center's mandated system. If Mara is not equipped to handle sensitive clinical information, her first offer should exclude any workflow that requires it. A boundary protects the buyer as well as the experiment.

Worked example: Dev's buyer card

User and buyer: an independent tutor serving 12 to 30 recurring students.
Situation: prepares weekly sessions and parent updates from notes scattered across documents and messages.
Consequence: repeats preparation, misses follow-ups, or writes updates from memory.
Alternative: one document per student, calendar reminders, and manual search.
Authority: can buy a low-cost tool without organizational approval.
Access: tutor associations, referrals, and communities that permit research.
Exclusion: employees using a required institutional system; tutors handling data that the proposed test cannot store safely.

This card contains assumptions. The next chapters and conversations will change it. That is the point. A useful buyer definition becomes more precise as contrary evidence arrives.

Put It to Work

- ☐ List every role surrounding the proposed purchase.
- ☐ Separate the user, buyer, approver, beneficiary, operator, influencer, and blocker.
- ☐ Define a first buyer using situation, constraint, consequence, alternative, and route.
- ☐ Name at least 2 groups that are excluded from the first test.
- ☐ Identify 10 real people or organizations that appear to match the definition.

Decision: Is the buyer coherent enough to test?

Explain how your first buyer changes the promise, price basis, channel, or delivery. If you cannot name a changed decision, the boundary is probably cosmetic. Rewrite it around the situation and buying route, not a demographic label.

CHAPTER 3

Name the Progress

People do not buy problems. They buy a change in their situation. Sometimes that change removes pain. Sometimes it creates pleasure, access, status, confidence, convenience, or belonging. Sometimes it satisfies an obligation. The commercial question is not whether a problem exists. It is whether a buyer considers the proposed progress worth the money, effort, risk, and disruption required to obtain it.

This is why visible irritation can mislead you. People complain about inboxes, meetings, food choices, reports, passwords, and household chores every day. Many complaints never become purchases. The buyer may tolerate the irritation, use a workaround, shift the burden to someone else, or value the improvement less than the cost of changing.

> *A problem becomes commercially relevant when its consequences outrank the cost and friction of adopting an alternative.*

Describe the Before and After

Write the proposed progress as a transition:

> When *this situation* occurs, the buyer moves from *this costly or constrained state* to *this observable better state*, without accepting *this unacceptable tradeoff*.

The last clause matters. A buyer may want a faster report but reject any method that exports sensitive data. A tutor may want organized notes but refuse to type during a session. A worker may want a reliable lunch but reject a subscription that cannot pause. A new manager may want better conversations but avoid a course that exposes their uncertainty to an employer.

The tradeoff helps you see why existing alternatives survive. They may be inefficient but safe, familiar, already paid for, or socially acceptable.

Mara first writes: "Clinic owners need better analytics." The sentence names neither a situation nor a decision. After 4 conversations, she rewrites it:

> Before a monthly operations meeting, an owner-managed physiotherapy clinic moves from manually combining appointment and invoice exports to a reviewed view of cancellations, service mix, and practitioner capacity, without giving an external provider access to clinical notes.

This is not yet a valid offer. It is a sharper claim. It reveals the trigger, data boundary, output, user, and decision context. Mara can now ask whether the meeting exists, how the exports are currently combined, what decisions follow, and what information may be shared.

Find the Trigger

A standing problem can remain commercially dormant until a trigger changes its priority. Triggers include:

- a deadline, audit, renewal, or reporting cycle;
- a promotion, move, hire, departure, or change of role;
- a failure, complaint, cancellation, or lost sale;
- growth that breaks an informal process;
- a new law, policy, platform rule, or customer requirement;
- a new budget or a period when budgets are being set;
- an external shock that changes cost, access, or risk;
- an emotional moment: embarrassment, relief, ambition, care, or fear.

The trigger does 2 jobs. It creates attention, and it defines a window in which action is more likely. "Managers want better one-to-one meetings" is broad. "A new manager is about to hold their first performance conversation after a difficult probation review" contains a sharper moment. Lina may not want to build her entire course around a high-stakes event, but the contrast teaches her which situations carry consequence.

Do not manufacture urgency where none exists. Countdown timers and fear-based copy cannot turn a low-priority outcome into a durable market. They can produce a transaction that later becomes a refund, a complaint, or a disappointed customer.

Measure Consequence Without Inventing Precision

Consequences can be financial, operational, legal, emotional, social, physical, or strategic. You are looking for evidence of weight, not a theatrical number.

Ask what changes in each category:

- **Money:** revenue lost, costs added, cash delayed, waste created, or price constrained.
- **Time:** hours repeated, waiting introduced, deadlines missed, or capacity blocked.
- **Risk:** safety, privacy, legal, quality, reputation, or dependency exposure.
- **Emotion:** anxiety, confidence, frustration, relief, pride, or shame.
- **Relationship:** trust with customers, colleagues, family, students, or partners.
- **Opportunity:** decisions delayed, options lost, learning slowed, or attention diverted.

Not every consequence can or should be converted into money. A founder who assigns a fictional hourly rate to every minute may produce impressive savings that the buyer never experiences as spendable value. If a tool saves 20 minutes inside an otherwise fixed workday, the organization may gain convenience rather than cash. That can still matter. Name the actual benefit.

The strongest evidence often appears in what the buyer has already sacrificed. Have they paid for an alternative? Created a spreadsheet? Hired help? Changed a schedule? Accepted a long commute? Taken reputational risk? Repeated effort is a better sign of consequence than an adjective such as “painful.”

Alternatives Reveal the Real Standard

Your idea does not compete only with products that look like it. It competes with whatever the buyer will do if you do not exist.

For Dev's tutor tool, alternatives include:

- a document for each student;
- a spreadsheet and calendar reminders;
- notes inside a video-conferencing or learning platform;
- paper notebooks;
- memory and last-minute reconstruction;
- fewer written parent updates;
- accepting the administrative cost.

Several alternatives are free in cash terms and expensive in attention. Others are already embedded in a paid system. The buyer compares the new tool not only with the best possible workflow but with the cost of switching from a familiar one.

Study the alternative across 6 dimensions:

1. What does it do well enough?
2. What does it fail to do?
3. What has the buyer already invested in it?
4. What risk does it avoid?
5. Who benefits from keeping it?
6. What event would cause the buyer to reconsider it?

This prevents lazy competitor analysis. A local lunch service may appear to compete with restaurants. For an office worker, the real alternatives may be a packed lunch, a cafeteria, a delivery app, skipping lunch, or eating snacks at a desk. Each wins on a different combination of control, price, variety, timing, and effort.

Desired Progress Can Be Positive

Problem language can make entrepreneurship sound like a search for pain. Buyers also pay for aspiration and enjoyment. Music, travel, education, clothing, games, gifts, decor, and many community experiences are not adequately explained as the removal of suffering.

The same discipline still applies. Specify the progress and alternative.

A course buyer may want to feel prepared, demonstrate competence, gain access to a new role, or become the kind of manager they respect. A lunch subscriber may value a pleasant shared ritual, not only saved time. A reporting client may want confidence before making a staffing decision, not merely a shorter spreadsheet task.

Positive progress becomes commercially meaningful when the buyer chooses it over other uses of money and attention. You do not need to translate identity, beauty, or belonging into a fake operational pain. You do need to observe choice.

Separate the Outcome from the Mechanism

Founders often attach the problem to the first solution they imagined. Dev says tutors need “an AI note organizer.” The phrase combines an outcome and a mechanism. Interviews then become distorted: every question asks whether the person wants that mechanism.

Start with the outcome. Tutors may want reliable preparation and follow-up across recurring students. Organization could be one mechanism. So could a weekly review service, an existing tool template, automated capture, a simpler parent-update workflow, or fewer fields.

If the outcome matters but the mechanism fails, the candidate may change. If the mechanism is essential to your interest, admit that constraint. You are allowed to want to build software. Just do not call preference market evidence.

Lina initially assumes a course is the answer. Conversations reveal that first-time managers do not want 4 hours of general instruction. They want help preparing for the next 3 meetings without exposing confidential employee information. The underlying progress may support a short guided practice kit or small-group clinic instead. The course idea has weakened while the broader business candidate has improved.

Use a Progress Interview

Choose one recent event, not a general opinion. Ask the person to reconstruct it:

1. When did you first notice the situation?
2. What happened next?
3. Who else became involved?
4. What did you try?
5. What did the workaround cost in money, time, risk, or attention?
6. What made you continue, change, or stop?
7. What outcome would have counted as good enough?
8. What tradeoff would have made the solution unacceptable?

Follow sequence. If someone says, “We usually struggle with cancellations,” ask about the most recent month and what the owner did. If nothing followed, that is evidence. The issue may be real but inactive.

Do not force every conversation toward your offer. Your job is to understand how decisions already happen. The offer comes later.

Worked example: Omar's progress statement

When an office team orders lunch on 3 or more days a week, it moves from separate late orders and uncertain arrival times to one grouped delivery inside a fixed window, without requiring every person to accept the same meal or commit for a month.
The statement exposes a likely conflict: variety increases preparation and waste, while a fixed menu improves operations. Omar has found a design decision, not yet its answer.

The Consequence Test

Score the proposed progress from 0 to 2 on each question:

- The trigger can be recognized before the purchase.
- The buyer can describe a recent event, not only a general concern.
- The current alternative consumes meaningful money, time, risk, or attention.
- The outcome can be observed by the buyer.
- The buyer has reason to act within a defined window.
- The proposed mechanism avoids an important tradeoff.

Zero means no evidence. One means plausible or mixed evidence. Two means repeated behavioral evidence in the defined buyer group. The total is not a verdict. It tells you where the progress claim is soft.

WATCH OUT

Do not use emotional intensity as permission to exploit vulnerability. High consequence in health, finance, employment, education, safety, or intimate relationships increases the standard of proof and care. It does not merely increase willingness to pay.

Put It to Work

- ☐ Write the before-and-after transition, including the unacceptable trade-off.
- ☐ Name the event that makes the progress timely.
- ☐ List the financial, time, risk, emotional, relationship, and opportunity consequences.
- ☐ Identify the 5 strongest current alternatives, including doing nothing.
- ☐ Conduct 3 event-based conversations before describing your proposed mechanism.

Decision: Does the progress outrank change?

Write the buyer's reason to replace the current alternative now. If the reason depends on your enthusiasm, a future feature, or a number the buyer does not experience, return to the event and consequence. If no timely reason appears, stop or place the idea in a later file. An inactive problem is not a moral failure. It is a weak starting market.

CHAPTER 4

Choose the Business Shape

The same desired progress can support several business shapes. A buyer who wants reliable monthly reporting might buy consulting, a productized reporting service, software, a template, training, or a combination. These are not presentation choices around one idea. They create different evidence burdens, costs, risks, margins, buying routes, and founder commitments.

Choosing a shape too early creates unnecessary work. Choosing none at all makes your tests vague. The useful move is provisional: select the simplest shape that can test the exchange honestly, then state what would justify moving to a more complex one.

> *Do not ask which business model is fashionable. Ask which shape can deliver the promised progress under current evidence and constraints.*

Service

A service uses human judgment or labor to produce a result for a buyer. It can often begin with little infrastructure and adapt quickly. That makes it useful for learning. It also creates a risk: the founder may hide product uncertainty inside unpriced custom work.

Services are strong when:

- the problem is consequential enough to support a higher price;
- the situation varies and benefits from judgment;
- buyers value accountability, access, or confidence;
- the founder can reach buyers through trust-based channels;

- manual delivery reveals the workflow a later product may standardize.

They are weak when every sale demands a new promise, the buyer expects unlimited access, or the delivery depends on skills that cannot be supplied at the proposed price.

Mara can test clinic reporting as a service before software. She can receive approved data exports, perform a documented transformation, review the report with the owner, and observe which decisions matter. The manual process is not an embarrassment. It becomes a problem only if she sells it as automated, ignores data obligations, or prices as if her time were free.

Productized Service

A productized service standardizes a promise, scope, input, process, price basis, and delivery window while retaining human delivery. It sits between custom service and product.

The shape is useful when buyers share a repeated job but still need judgment. Standardization reduces sales ambiguity and exposes the true delivery steps. It can make capacity visible before automation.

A productized reporting offer might specify:

- 2 accepted data exports;
- 5 defined indicators;
- one monthly report and a 30-minute review;
- a documented data-retention period;
- a fixed delivery date after valid inputs arrive;
- a clear list of excluded analysis.

The risk is cosmetic productization. A fixed package name does not create a repeatable service if every client requires different inputs and extensive exceptions. Measure variation in delivery, not consistency in the sales page.

Digital Product

A digital product such as a template, guide, dataset, or downloadable tool can have low reproduction cost. That does not mean it has low business cost. Creation, distribution, support, updates, refunds, tax treatment, accessibility, and piracy still exist. Low price can make acquisition cost more important because there is little gross contribution per sale.

Digital products work well when the buyer can apply the material without expensive customization and the desired progress can be delivered asynchronously. They struggle when the value depends on diagnosis, accountability, protected data, or a context the product cannot interpret.

Lina could sell a one-to-one-meeting preparation kit. It may be more appropriate than a course if the buyer needs a just-in-time artifact rather than instruction. The kit must still help the manager make a decision. A collection of attractive worksheets is not progress by itself.

Education

Education can be a book, course, cohort, workshop, tutorial, membership, assessment, coaching relationship, or blended experience. The commercial promise is not content consumption. It is a change in knowledge, skill, judgment, performance, access, or confidence.

This creates a special delivery problem. The learner performs part of the work. Outcomes depend on prior knowledge, practice, feedback, time, accessibility, and context. A responsible offer describes what the program provides and what the learner must do. It does not imply that purchase alone creates competence.

Education is strong when the target performance can be demonstrated and practiced. It is weak when a broad aspiration is packaged as information and the buyer cannot tell whether the material changed anything.

Lina can test a live 90-minute clinic with 6 new managers before recording a course. She can observe where examples fail, which confidential situations cannot be discussed in a group, what practice creates useful feedback, and whether a follow-up artifact is used. A recording would freeze her assumptions. A live pilot exposes them.

Software

Software executes rules, stores state, coordinates work, or enables interaction. It can reduce marginal delivery effort and produce a consistent interface. It also creates an operational promise that extends beyond features: uptime, security, privacy, backups, support, compatibility, billing, migration, accessibility, and maintenance.

Software is attractive because a demo can make an idea feel complete. Yet the expensive uncertainties often sit outside the demo. Will a buyer migrate data? Will a user change a workflow? Can the founder support the information being stored? Does recurring use justify recurring payment? Can the product reach buyers without a service-style sale for each account?

Dev should not ask whether tutors like his interface. He should test whether capturing and retrieving the relevant notes changes preparation and follow-up enough to justify a new system. A manual or no-code workflow can test that change without pretending to be secure, scalable software.

Commerce and Physical Products

Physical products and resale businesses add inventory, procurement, storage, damage, shipping, returns, quality control, and working-capital questions. A sample proves that an object can exist. It does not prove stable supply, acceptable defect rates, safe packaging, repeat demand, or contribution after fulfillment.

For prepared food, the operation also includes ingredients, temperature, allergens, food safety, waste, menu design, production capacity, local licensing, and delivery timing. Omar cannot responsibly validate the concept by cooking informally for strangers while treating compliance as a later scale problem. Some obligations begin with the first sale.

This does not mean a physical candidate must launch at scale. It means the smallest test must still respect the category's safety and legal boundaries.

Local Operation

A local operation wins or loses partly through geography. Density, travel time, visibility, parking, delivery radius, opening hours, local trust, seasonality, and neighborhood routines can matter more than total population.

Access and delivery become connected. Omar may find 100 interested buyers across a city and still have no workable route. Twenty buyers inside one delivery window and building cluster may be stronger evidence. A local test should map where demand occurs, not only how much.

Location can also provide defensibility through relationships and responsiveness. It can limit growth. Neither is automatically good or bad. The shape must fit the founder's objective.

Content and Audience Businesses

Content can attract attention, build trust, teach, entertain, and connect buyers with offers. It becomes a business when a defined mechanism captures value: subscriptions, products, services, sponsorship, licensing, advertising, affiliate commissions, events, or donations.

Attention alone is not revenue, and revenue alone may not be durable. A channel dependency can place the business at the mercy of a search, social, marketplace, or advertising system. The founder must test both audience value and the path from attention to exchange.

Content is sometimes treated as a free marketing layer for another business. It still has a cost in research, production, editing, distribution, moderation, updating, and trust. If the business shape requires sustained publishing, founder fit must include that work.

Hybrids Need an Order

Many good businesses combine shapes: software plus onboarding, course plus coaching, physical product plus subscription, content plus service, or marketplace plus managed operations. A hybrid can improve the result. It can also hide 2 incomplete businesses inside one plan.

Choose an order of proof.

For Dev, the order may be:

1. Manually help 5 tutors reconstruct weekly preparation and follow-up.
2. Standardize the capture and retrieval workflow using existing tools.
3. Charge for a guided 4-week pilot.
4. Identify the repeated rules, data boundaries, and support burden.
5. Build only the software behavior that removes a demonstrated delivery constraint.

The software does not become inevitable. If the guided workflow is valuable but every tutor requires a different arrangement, Dev may have found a service or training product. If the workflow creates little consequence, he may stop.

Compare Shapes with the Commitment Table

For each plausible shape, estimate the following without pretending the numbers are final:

Commitment	**Question**	**Early evidence**
Buyer effort	What must change before value appears?	Migration, learning, setup, habit
Founder effort	What human work occurs per sale?	Sales, delivery, support, exceptions
Cash	What must be paid before revenue?	Tools, stock, space, licenses, contractors
Time to value	When does the buyer experience progress?	Minutes, days, cycles, months
Risk	What harm can failure create?	Safety, data, claims, deadlines, dependence
Reach	What sale and channel does the shape require?	Self-serve, referral, demo, tender
Repeatability	Which steps remain stable across buyers?	Inputs, process, outputs, support

Do not award the shape with the lowest number in every row. A high-value service may justify more delivery effort. A regulated product may require meaningful setup. The table reveals the commitment being made and whether your current evidence supports it.

The 4 candidates choose provisional shapes

Mara: productized reporting service, because manual judgment and a clear data boundary can be tested before software.
Dev: guided workflow pilot using existing tools, because software behavior has not earned a build.
Lina: live small-group clinic plus preparation kit, because practice and feedback need observation.
Omar: one compliant grouped-delivery pilot with a limited menu, because location, production, and repeat behavior must be tested together.

Put It to Work

- ☐ List at least 3 business shapes that could produce the desired progress.
- ☐ Complete the commitment table for each shape.
- ☐ Choose the simplest shape that can test the exchange honestly.
- ☐ State what the test cannot prove about a later, more complex shape.
- ☐ Define the evidence that would justify moving from manual delivery to infrastructure.

Decision: Which shape has earned the next test?

Select one provisional shape and one backup. Write the costly commitment you are postponing. If you cannot identify a commitment being postponed, the proposed test may simply be a small version of the full build. Reduce it until the buyer can experience real progress without requiring you to assume scale.

Part II

Expose the Assumptions

CHAPTER 5

Write the Exchange in One Sentence

An idea usually arrives as a noun: app, course, agency, marketplace, subscription, shop. Nouns are convenient because they hide the exchange. They do not say who acts, what changes, what the buyer gives up, what the business must deliver, or where the promise ends.

Before you test assumptions, write the exchange as a sentence. The sentence will be wrong. Its job is to make the wrongness visible.

> *If the proposed exchange cannot survive one precise sentence, it is not ready for a landing page, a pitch deck, or a product backlog.*

The Exchange Sentence

Use this structure:

> We help *a defined buyer in a defined situation* achieve *an observable result* through *a bounded mechanism*, in exchange for *a price basis and buyer commitment*, while excluding *work or outcomes we cannot responsibly promise*.

The sentence contains 6 decisions.

1. **Buyer:** who can enter the exchange?
2. **Situation:** when does the offer become relevant?
3. **Result:** what observable change is being purchased?
4. **Mechanism:** what will the business actually do?
5. **Consideration:** what will the buyer give, including money, data, time, or behavior?

6. **Boundary:** what is not included or guaranteed?

This is not a slogan. A slogan compresses meaning for memory. The exchange sentence expands meaning for inspection.

Mara writes:

> We help owner-managed physiotherapy clinics with 2 to 8 practitioners review monthly cancellation, service-mix, and capacity patterns through a report prepared from 2 approved administrative exports and a 30-minute review, for a monthly fee, without accessing clinical notes or promising financial outcomes.

The sentence is longer than marketing copy and much more useful. Mara can now test whether the indicators support decisions, whether the exports are available, whether the data boundary is workable, whether the fee basis matches value, and whether a monthly cycle fits the problem.

Name an Observable Result

Vague results protect weak ideas. "Get clarity," "unlock growth," "save time," and "be more productive" can describe almost anything. They make it impossible to decide whether delivery occurred.

An observable result does not always require a number. It requires an agreed change that the buyer can recognize. Examples include:

- a report is ready before a meeting and supports 2 named decisions;
- a tutor can recover the last session, open questions, and promised follow-up for each student in under 3 minutes;
- a manager prepares an agenda, practices 2 questions, and records an agreed next action;
- a grouped lunch order reaches a defined reception point inside the promised window.

The result is not automatically the buyer's ultimate goal. Mara cannot promise that a report will increase revenue. Lina cannot guarantee that one practice clinic will create a great manager. Omar cannot guarantee that lunch improves the team's afternoon. Each can promise a specific delivery and design the offer to support a reasonable next outcome.

The boundary between delivery and outcome is one of the most important parts of honest positioning.

Include the Buyer's Work

Many offers fail because the buyer's required contribution remains hidden until after the purchase. A service needs valid inputs. Software requires setup and migration. Education requires practice. A physical delivery requires a reachable location and someone to receive it.

List the buyer commitments explicitly:

- information or data provided;
- access granted;
- decisions made;
- meetings attended;
- practice completed;
- changes adopted;
- deadlines met;
- risks accepted;
- money paid and terms agreed.

If the result depends on work the buyer is unlikely or unable to perform, the exchange is not merely hard to sell. It is hard to deliver.

Dev's guided workflow might require tutors to enter a short note after every session. In an interview, tutors may agree that this is sensible. During a paid pilot, entry behavior may collapse after 4 days. The idea has not only encountered a motivation problem. It has exposed a delivery dependency. Dev must reduce the input, capture it differently, attach it to an existing action, or accept that the promised retrieval cannot be produced.

Choose a Price Basis Before a Price

A price basis identifies what the buyer is paying for: an item, month, user, cohort, hour, project, location, outcome band, usage level, or access period. The basis affects both buyer understanding and operational risk.

Mara could charge each month because the report follows a recurring cycle. A price for each completed report may make the pilot clearer.

Charging for each practitioner could track clinic size but add monthly administration. The best basis depends on how value and cost behave.

Do not postpone the basis until after "validation." The buyer cannot evaluate an exchange without knowing what creates the charge. A positive response to a result with no payment structure is evidence of interest in the result, not acceptance of the business.

You can leave the exact amount as a range while early costs remain uncertain. You cannot leave the commercial unit undefined.

Use Exclusions to Protect the Promise

An exclusion is not defensive small print. It defines the product.

Useful exclusions might state that:

- a report does not include clinical, legal, or investment advice;
- a tutor workflow does not store sensitive student information during the early test;
- a management clinic does not handle active disciplinary cases;
- a food pilot does not accommodate allergens or delivery locations it cannot serve safely;
- a fixed-scope service excludes custom integrations and source-data repair;
- a course supports practice but does not guarantee promotion, earnings, or employment.

An exclusion may reveal that the first market is too small or the desired progress depends on work you cannot provide. Good. It is cheaper to discover that in one sentence than in a refund dispute.

WATCH OUT

An exclusion cannot cure a misleading headline. If the overall impression promises an outcome, a quiet disclaimer may not undo it. Write the main promise so that a reasonable buyer can understand what is and is not being offered.

Test the Sentence Against Reality

Read the sentence to 3 kinds of person:

1. a plausible buyer;
2. someone who would have to deliver the result;
3. someone familiar with the relevant risk or compliance boundary.

Ask each person to explain the exchange back to you. Do not ask whether they like the sentence. Ask:

- What do you think the buyer receives?
- What must the buyer provide or do?
- When would the work count as delivered?
- What would you reasonably expect but not receive?
- What part sounds unsafe, implausible, or ambiguous?
- What would cause a disagreement?

Misunderstanding is data. If several people infer unlimited support, the boundary is weak. If buyers cannot tell whether the course is live, recorded, or coached, the mechanism is weak. If the deliverer cannot tell when the project ends, the scope is weak.

The 4 Exchange Sentences

At this stage, the candidates read as follows.

Mara: specialist reporting

We help owner-managed physiotherapy clinics with 2 to 8 practitioners review 3 monthly operating patterns through one report prepared from 2 approved administrative exports and a 30-minute review, for a fixed pilot fee, without accessing clinical notes or promising a financial result.

Dev: guided tutor workflow

We help independent tutors serving 12 to 30 recurring students recover session context and promised follow-up through a 4-week guided workflow using their existing document tools, for a fixed pilot fee and 10 minutes of setup per student, without storing student records in a new application.

Lina: manager practice clinic

We help first-time managers in small professional-service firms prepare and practice their next 3 one-to-one meetings through a live 90-minute clinic, a preparation kit, and 2 weeks of structured practice, for a per-person fee, without handling active disciplinary matters or guaranteeing team performance.

Omar: grouped lunch pilot

We provide a compliant grouped lunch delivery to one office reception point on 2 fixed days, with 3 clearly labeled menu choices ordered and paid before a cutoff, at a per-meal price, within a defined delivery window and service area, excluding allergen requirements the pilot cannot safely meet.

Each sentence will change. More importantly, each sentence creates a different test. Dev is not validating software. He is validating progress through a guided workflow. Omar is not validating citywide demand. He is validating a dense route under a fixed menu and cutoff.

Put It to Work

- ☐ Write one exchange sentence with all 6 components.
- ☐ Underline the observable result and circle the buyer's required work.
- ☐ Name the price basis even if the amount remains a range.
- ☐ Add at least 2 exclusions that protect delivery or prevent a false expectation.
- ☐ Ask a buyer, deliverer, and risk-aware reader to explain the offer back to you.

Decision: Can the exchange be misunderstood?

Record the 3 most consequential misunderstandings. Rewrite the sentence until the result, mechanism, buyer work, payment basis, and boundary are distinguishable. Do not polish it into a slogan. You will need the full sentence to build the assumption ledger.

CHAPTER 6

Build the Assumption Ledger

Every idea rests on claims about the world. Some are visible: buyers will pay, a supplier can deliver, a channel can reach people. Others hide inside ordinary words. "Simple setup" assumes the buyer has valid data. "Monthly subscription" assumes recurring value. "Self-serve" assumes the buyer can understand, configure, and recover without you.

Founders tend to test assumptions they enjoy. A software founder tests whether a feature can be built. A teacher tests whether a lesson can be explained. A cook tests whether a meal can be prepared. These matter. They may not be the assumptions most likely to kill the exchange.

The assumption ledger makes the full set visible.

> *An assumption is not a confession of ignorance. It is a claim whose uncertainty and consequence must be managed before you commit beyond the evidence.*

The 6 Assumption Families

Use 6 families that match the business-candidate test.

Buyer and progress

Claims about who experiences the situation, which consequence matters, how often it occurs, who decides, what alternative is used, and what result counts as good enough.

Access

Claims about where buyers can be found, whether contact is permitted, what trust is needed, how long a sale takes, what the channel costs, and whether the channel reaches the decision maker rather than only an interested user.

Payment

Claims about price, price basis, budget, timing, payment method, refunds, willingness to pay, renewal, and whether the buyer sees enough value before the business runs out of cash.

Delivery

Claims about inputs, process, skills, capacity, timing, quality, support, suppliers, technology, failure recovery, and the buyer's required behavior.

Economics

Claims about revenue per exchange, variable cost, fixed cost, working capital, delivery time, acquisition cost, payment delay, refunds, waste, tax, and the volume at which constraints change.

Risk and founder fit

Claims about laws, licenses, data, safety, insurance, claims, platform dependence, ethics, household commitments, skills, energy, risk tolerance, and the founder's willingness to do the repeated work.

These categories overlap. A privacy requirement can affect delivery, economics, access, and founder fit. Do not waste time forcing every assumption into one box. The family exists to help you find what you might otherwise ignore.

Write Claims That Can Be Wrong

"Customers care about convenience" is too broad to test. Write assumptions as specific claims:

- At least 5 of 12 interviewed office workers have placed 3 or more individual lunch orders during the previous 2 workweeks.
- One grouped reception-point delivery can serve 10 paid meals inside a 20-minute window.
- Independent tutors will complete a 60-second post-session capture for at least 80 percent of sessions during a 4-week pilot.
- A clinic owner can provide the 2 administrative exports without including clinical notes.
- A manager can practice the method using a fictional case without sharing confidential employee information.

The numbers are thresholds for a test, not universal market facts. They force a decision. If only 2 office workers meet Omar's frequency condition, the route or buyer definition may need to change. If tutors complete the capture for 30 percent of sessions, Dev cannot claim that retrieval will be reliable under the tested workflow.

A useful claim contains:

1. the actor or unit;
2. the behavior or condition;
3. the context or time window;
4. the threshold that changes a decision.

Not every assumption should use a number. "The pilot can exclude clinical notes without removing the indicators clinic owners use" is testable through data mapping and review. The threshold is conceptual: the boundary either supports the promised report or it does not.

Use 5 Ledger Columns

Record each assumption in a table with 5 columns.

Claim	Evidence	Conf.	If wrong	Next test
What must be true?	What do we actually have?	L / M / H	What decision breaks?	Smallest relevant test

Keep evidence factual. "Several people liked it" becomes "7 friends said the idea sounded useful after hearing the pitch; none currently buys an alternative." The confidence should fall when the description becomes honest.

Confidence is not a mathematical probability. Use simple definitions:

- **Low:** intuition, analogy, opinion, or weakly matched secondary evidence.
- **Medium:** repeated past behavior or relevant commitment in the defined buyer group, but limited payment or delivery evidence.
- **High:** repeated behavior under conditions close to the proposed exchange, including payment and successful delivery where relevant.

High does not mean permanent. A regulatory change, channel restriction, supplier failure, or new price can lower confidence.

Separate Evidence from Interpretation

Suppose 8 managers attend Lina's free webinar, 6 stay to the end, and 4 download the worksheet. These are observations. Lina interprets them as interest in structured practice. That interpretation may be reasonable. It is not the same as the observations.

Write both:

- **Observation:** 4 of 8 attendees downloaded the practice sheet within 24 hours.
- **Interpretation:** the practice format may be more valuable than lecture content.
- **Alternative explanation:** the sheet was the only take-home resource and the download required little commitment.
- **Next test:** ask 4 managers to use it for a real meeting and discuss the result.

This habit prevents a metric from becoming a story too quickly. It also makes disagreement useful. Two people can agree on the observation while proposing different interpretations and tests.

Assumptions About Rules Are Not Ordinary Assumptions

Some claims can be explored through a reversible test. Others require authoritative advice or compliance before the test begins.

"Buyers prefer Tuesday delivery" can be tested by offering days. "This food can be sold without a license" should not be tested by selling and waiting for enforcement. "The data export contains no sensitive information" should not be assumed because the filename looks administrative.

Mark assumptions that require escalation:

- legal and regulatory permission;
- tax registration and collection;
- licenses and professional scope;
- health and safety controls;
- privacy and security obligations;
- insurance and liability;
- employment classification;
- advertising and earnings claims;
- intellectual-property rights;
- contracts, refunds, and consumer rights.

The ledger does not answer these questions. It stops them from disappearing behind "we will handle that later."

The Assumption Sweep

Walk through the exchange from the buyer's first awareness to the end of delivery:

1. How does the buyer notice the situation?
2. How do they encounter and understand the offer?
3. What must they believe before responding?
4. Who approves and pays?
5. What information, access, or behavior do they provide?
6. What does the business do next?
7. What can fail at each handoff?
8. How is the result recognized?
9. What support, refund, correction, or follow-up may occur?

10. What creates another purchase or ends the relationship?

At each step, ask what must be true. This exposes assumptions that a canvas or feature list may miss: messages reach the inbox, the owner opens the report, reception accepts delivery, the manager feels safe practicing, the tutor enters notes, the founder can issue refunds, and the buyer can leave with their data.

Mara's hidden handoff

Mara assumes the clinic can export valid data by the fifth day of the month. One owner can, but another relies on a bookkeeper who closes accounts later. The report is not only an analysis service. It depends on a data-production schedule controlled by someone outside the original buyer card. Mara adds the bookkeeper as an operator and tests a later review date.

Keep the Ledger Alive

An assumption ledger is useful only when evidence changes it. After every test:

1. add the observation with date and conditions;
2. revise confidence;
3. record alternative explanations;
4. state which decision changes;
5. choose the next assumption, not merely the next activity.

Do not delete disproved assumptions. Mark them false and record the consequence. The history protects you from quietly restoring a favorite belief after a disappointing week.

The ledger also reveals progress more honestly than a product roadmap. A week with no new feature can reduce the 2 largest uncertainties. That is real advancement. A week with 5 new features can leave the business case untouched.

Put It to Work

- ☐ Perform one assumption sweep from awareness through repeat purchase.
- ☐ Write at least 3 claims in each of the 6 assumption families.

- ☐ Rewrite every vague belief as a claim that could be wrong.
- ☐ Separate observations from interpretations and alternative explanations.
- ☐ Flag every question that requires authoritative legal, tax, safety, privacy, or professional advice before action.

Decision: Is the ledger honest?

Choose the assumption with the highest stated confidence. Rewrite its evidence in factual terms. If confidence drops, update it. Choose the assumption with the lowest confidence and greatest possible consequence. That is a candidate for the next chapter's priority test.

CHAPTER 7

Rank What Can Kill the Idea

Once the ledger is populated, you may have 30 or 60 assumptions. Treating them equally creates a long research project instead of a decision process. You need to identify which claims deserve attention first.

The usual instinct is to test what feels uncertain. Uncertainty alone is not enough. You should care about the combination of uncertainty and consequence. A highly uncertain choice of button label does not deserve priority over a moderately uncertain permission to handle customer data. A perfect test of a minor feature is still minor.

> *Test the assumption that can invalidate the largest commitment, not the assumption that is most pleasant to investigate.*

Use Consequence, Uncertainty, and Immediacy

Rank each assumption across 3 dimensions.

Consequence

What breaks if the claim is wrong?

- **1: local.** A message, step, feature, or small cost changes.
- **2: material.** Price, channel, scope, timing, or operating process changes.
- **3: structural.** The buyer, promise, business shape, legal ability, or founder commitment becomes unworkable.

Uncertainty

How strong is the evidence under conditions close to the proposed exchange?

- **1: lower.** Repeated relevant behavior, delivery, and payment support the claim.
- **2: mixed.** Relevant behavior exists, but important conditions differ.
- **3: high.** The claim rests on opinion, analogy, intention, or no evidence.

Immediacy

When must the claim become true?

- **1: later.** The question matters after another proof point or scale threshold.
- **2: soon.** The next paid pilot or operational cycle depends on it.
- **3: now.** Contact, collection, payment, or delivery should not begin without it.

Multiply the 3 numbers if you want a rough sorting aid. Do not treat the score as scientific. Its value is the argument it forces. If a founder assigns a low consequence to privacy, food safety, or a misleading claim, the discussion reveals a judgment problem the arithmetic cannot solve.

Find the Fatal Assumption

A fatal assumption is a claim that, if false, makes the proposed exchange unavailable or unacceptable in its current form. It does not always kill the broader mission. It may force a different buyer, boundary, mechanism, price, or business shape.

For each candidate, one fatal assumption emerges.

- **Mara:** the approved administrative exports contain enough valid information to produce decision-useful patterns without accessing clinical notes.
- **Dev:** tutors will perform a brief capture after sessions often enough for the retrieval workflow to remain reliable.
- **Lina:** managers can practice useful one-to-one preparation in a group format without disclosing confidential employee information.

- **Omar:** a compliant production and grouped-delivery process can meet the price and timing buyers will accept at pilot volume.

Notice what is absent: names, logos, websites, broad market estimates, and feature preference. Those questions may arrive later. None can rescue a false fatal assumption.

Distinguish a Blocker from a Constraint

Not every difficult fact kills the candidate. Some facts constrain the design.

If Mara cannot receive a particular export safely, she may change the input. If Dev finds that tutors will not type after sessions, he may test voice capture or an end-of-day review. If Lina cannot use real cases, she may build fictional practice cases. If Omar cannot offer wide choice, he may use a rotating limited menu.

A *constraint* says the exchange must operate within a boundary. A *blocker* says the result cannot be produced for the defined buyer under a boundary the founder will not or cannot change.

The distinction matters because founders sometimes dramatize constraints to protect a preferred mechanism. "Tutors will not enter notes, so the app cannot work" assumes the app must require that behavior. The desired progress is reliable preparation and follow-up. The capture mechanism remains negotiable.

The opposite error is more dangerous: treating a blocker as a feature request. If the local food category requires controls Omar cannot provide at pilot scale, a nicer order form does not make the test responsible.

Map Dependencies

Assumptions form chains. A channel can generate leads only if the buyer recognizes the problem. Payment can occur only if the offer is trusted and the buyer has authority. Delivery economics depend on valid inputs and buyer behavior.

Draw a simple dependency map:

> Buyer encounters offer → recognizes situation → trusts promise → can approve payment → supplies valid input →

business delivers → buyer recognizes progress → considers another purchase.

Mark the assumptions attached to each arrow. The earliest weak arrow may deserve priority because every later test depends on it. There is little value in estimating renewal if buyers cannot lawfully provide the input required for first delivery.

Dependency mapping also prevents false negatives. If a paid offer fails because the payment link did not work, you have not disproved willingness to pay. If a pilot result fails because the buyer never completed onboarding, you need to determine whether the problem is motivation, instruction, burden, or the core outcome.

Test Principles Before Preferences

Some assumptions concern preference: buyers favor a Tuesday session, shorter report, dark interface, or particular menu. Others concern the principle of the exchange: buyers face the situation, care about the progress, accept the price basis, and can participate in delivery.

Test principle first. Preference tests can create motion around an exchange nobody needs.

Dev can ask tutors to choose between a weekly dashboard and a student timeline. Both options assume they want a new tool. A stronger early test asks 5 tutors to reconstruct preparation for the next session using a guided capture and then records whether retrieval becomes meaningfully easier. If the progress does not matter, interface preference is irrelevant.

Protect Against the Attractive Assumption

An attractive assumption is one whose truth would make the idea exciting: a large market, viral acquisition, automation, high price, low support, or repeat purchase. Founders often search for confirming examples and call the result validation.

Counter it with 3 questions:

1. What is the strongest plausible alternative explanation for the evidence?

2. What condition in the example differs from our proposed exchange?
3. What result would cause us to lower confidence rather than reinterpret the test?

Suppose Omar observes that a nearby lunch seller has a long queue. The queue supports local demand for prepared lunch at that place and time. It does not prove subscription demand, grouped delivery, Omar's menu, his price, or his cost. The example is relevant without being portable.

Create the Risk Queue

Sort assumptions into 4 queues.

- **Escalate now:** legal, safety, privacy, tax, insurance, or professional-scope questions that require authoritative resolution before action.
- **Test now:** fatal or structural assumptions with high uncertainty and near-term consequence.
- **Monitor:** material assumptions that a current test will partially inform.
- **Defer:** decisions that matter only after the candidate reaches a later volume, channel, or product shape.

Defer does not mean ignore. Record the trigger that moves the assumption forward. "Choose database architecture" can remain deferred until the guided workflow produces repeated rules and a justified build. "Confirm how pilot data can be collected and deleted" cannot.

Omar's queue

Escalate now: local registration, food safety, allergen communication, insurance, and permitted preparation location.
Test now: whether 10 paid meals inside one dense route can be produced and delivered within the accepted price and window.
Monitor: repeat ordering over 2 pilot days; waste by menu choice.
Defer: citywide delivery, subscription software, hiring, and a permanent kitchen.

The queue is useful because it connects investigation to commitment. Omar does not need to solve the city. He does need to know whether he may run the proposed pilot and what compliant conditions apply.

Put It to Work

- ☐ Score each ledger assumption for consequence, uncertainty, and immediacy.
- ☐ Identify one fatal assumption and one design constraint.
- ☐ Draw the dependency chain from awareness to repeat purchase.
- ☐ Move authoritative risk questions into the escalate-now queue.
- ☐ Name one attractive assumption and write a result that would lower confidence in it.

Decision: What deserves the next unit of evidence?

Select the first item from the escalate-now or test-now queue. State which commitment it can prevent. If the proposed activity cannot change a decision, it is not the next test. Replace it with one that can.

CHAPTER 8

Define Stop Conditions

An experiment without a decision rule is an experience. You run it, collect ambiguous signals, and interpret them after discovering which result you prefer. A weak response becomes "early learning." A missed threshold becomes "the market needs education." A cost overrun becomes "investment." Nothing can disconfirm the idea because the rule moves after the result.

Stop conditions protect you from this drift. They define what evidence will cause you to pause, change the candidate, or end the current path before additional time and identity make the choice harder.

> *Decide what failure will mean while you still hope the test succeeds.*

Use Stop, Change, and Continue

Every important test should lead to one of 3 actions.

Stop

The current candidate is not justified. The fatal assumption failed, a non-negotiable risk cannot be resolved, the economics cannot work inside acceptable boundaries, or the founder does not want the repeated work. Stop can apply to the whole candidate or to a specific shape, buyer, channel, or mechanism.

Change

The underlying progress remains plausible, but the evidence requires a material revision. Change the buyer, situation, promise, mechanism, price basis, boundary, channel, or delivery shape. A change must be named. “Iterate” is not a decision.

Continue

The test met its threshold and no unresolved blocker prevents the next bounded commitment. Continue does not mean launch at scale. It means the candidate has earned the next test or investment.

These actions prevent a binary drama in which an idea must either become a company or be declared worthless. A stopped software build may reveal a useful service. A failed channel may leave the buyer and progress intact. A passed payment test may still require delivery evidence.

Write the Rule in Advance

A decision rule should contain:

1. the defined sample or operating window;
2. the behavior being observed;
3. the threshold;
4. exclusions or invalidating conditions;
5. the action for a result above, near, or below the threshold.

Dev’s rule might read:

> During a 4-week paid pilot with 5 independent tutors, continue toward a product specification only if at least 4 tutors complete the short capture after 80 percent of eligible sessions, use retrieval before at least 3 later sessions, and report one verified follow-up or preparation improvement. If capture is below 50 percent across the group, stop the current input mechanism. Between those bands, change the capture method once and retest without adding product features.

The thresholds are not laws of tutoring. They are Dev’s standard for deciding whether the workflow is stable enough to justify more work. He should explain why those levels matter. If reliable retrieval requires near-complete capture, a low threshold would not support the promise.

Use More Than One Metric When Delivery Is Connected

A single conversion rate can hide a broken exchange. Omar could sell 20 lunches and lose money on each. Lina could fill a clinic while participants avoid practice. Mara could deliver reports that owners do not use.

Use a small set of connected measures:

- **Demand:** did the defined buyer accept the offer under stated terms?
- **Participation:** did the buyer complete the required work?
- **Delivery:** was the promised result produced at acceptable quality and timing?
- **Economics:** what contribution and capacity did the exchange create?
- **Progress:** did the buyer recognize or use the intended result?
- **Repeat signal:** did the buyer return, renew, refer, or make a relevant next commitment?

Not every early test needs all 6. A landing-page comprehension test cannot measure delivery. State that limit. A paid manual pilot should examine the whole chain because the buyer is accepting a real promise.

Define Invalid Results

Some results cannot answer the question because the test conditions failed.

Examples include:

- the offer was never shown to the defined buyer;
- the payment method failed;
- the delivery window was changed after purchase;
- the buyer received a different level of founder help than later customers would;
- the sample was entirely composed of close friends under social pressure;
- the product collected data outside the approved boundary;
- a technical defect prevented use of the tested behavior;
- the founder changed price and promise at the same time, making the result ambiguous.

Invalid does not mean “unfavorable.” It means the observation cannot support the intended inference. Record what it does show. A failed payment link may reveal whether people tried to pay. It does not show whether successful payment would have occurred.

Predefine invalidating conditions so disappointment does not become an excuse to discard clean negative evidence.

Set a Resource Ceiling

Stop conditions should also limit what the founder can spend before the decision returns. Set ceilings for:

- calendar time;
- cash;
- founder hours;
- number of participants;
- scope changes;
- custom delivery;
- exposure to risk;
- opportunity cost from paused work.

The ceiling turns “one more week” into a new decision rather than an automatic extension. If Lina allocates 20 hours and $300 to test the clinic, recording a polished course sits outside the ceiling. If she wants to add it, she must state which evidence justifies the change.

Resource ceilings are especially important when the founder can subsidize the test with unpaid labor. A pilot may appear profitable only because 35 hours of preparation are treated as free. Record the hours even if you choose not to pay yourself during the test.

Distinguish a Kill Criterion from a Learning Goal

A learning goal describes what you want to understand. A kill criterion describes what result makes the current path unjustified.

“Learn what managers want” is broad. “Stop the live group format if participants cannot practice without bringing confidential cases into the room” is a kill criterion for the format. The broader educational candidate may continue in a different form.

Good kill criteria include:

- a required permission, license, or safety control cannot be obtained within the test boundary;
- the buyer's essential progress depends on work you refuse or are unqualified to do;
- the minimum acceptable price remains below variable delivery cost after a fair offer;
- the only accessible channel requires deceptive, prohibited, or unwanted behavior;
- the founder's non-negotiable time, risk, or household boundary is exceeded;
- the desired result cannot be observed or responsibly promised.

These criteria are not a commitment to abandon entrepreneurship. They are a commitment not to preserve one candidate by hiding its cost.

Record the Decision Before the Story

At the end of a test, record observations before writing an explanation:

1. What happened?
2. Which conditions were present?
3. Was the result valid for the stated question?
4. Which threshold was met or missed?
5. Which action did the prewritten rule specify?

Only then interpret why. This order reduces the temptation to create a rescuing story before acknowledging the decision.

If the rule says stop and you believe the rule was badly designed, write both facts. You can design a new candidate or test. You cannot honestly claim that the old one passed.

Lina's stop condition

Lina will stop the group-practice format if a fictional case cannot produce relevant practice or if participants reasonably feel pressure to disclose active employee matters. She will change to private guided practice if the method helps but the group boundary fails. She will continue the clinic only if 5 of 6 paid participants complete 2 practice cycles and can show how the preparation changed a meeting action.

Create a Decision Memo

Use one page:

- **Candidate and version**
- **Fatal assumption**
- **Test and window**
- **Resource ceiling**
- **Primary observations**
- **Invalidating conditions**
- **Threshold result**
- **Decision: stop, change, or continue**
- **Next bounded commitment**
- **Evidence that would reverse this decision**

The last line keeps decisions firm without pretending they are eternal. A new channel, rule, technology, partner, or buyer group can change the evidence. Until then, do not reopen a stopped candidate merely because the disappointment has faded.

Put It to Work

- ☐ Write stop, change, and continue thresholds before the next material test.
- ☐ Add demand, participation, delivery, economics, progress, and repeat measures where the test supports them.
- ☐ Define at least 3 conditions that would make the result invalid.
- ☐ Set cash, time, and founder-hour ceilings.
- ☐ Name one non-negotiable kill criterion for the current candidate.

Decision: Will the result be allowed to decide?

Give the decision rule to someone who is not invested in the idea. Ask whether an unfavorable result can still be explained away. If it can, tighten the sample, behavior, threshold, or action. Then freeze the rule until the test ends.

Part III

Test Without Wasting the Build

CHAPTER 9

Customer Conversations That Produce Evidence

A customer conversation is not a ceremony you perform before building. It is a method for recovering decisions, behavior, constraints, and language from a real situation. It can change the buyer definition, reveal an invisible approver, expose a weak consequence, and show why a familiar workaround survives.

It can also produce almost no useful evidence. Ask people whether they like an imagined solution and they will help you imagine it. Ask what they would pay and they may invent a number. Ask how often a general problem occurs and memory will compress several different events into one impression.

The quality of a conversation depends less on a clever question list than on your ability to follow one event without selling the answer.

> *Ask for the last relevant event before asking for a future preference. Sequence produces evidence. Opinion produces possibilities.*

Choose the Conversation's Job

Do not schedule “customer discovery.” Choose one uncertainty. Possible jobs include:

- identify who notices, uses, approves, and pays;
- reconstruct the last occurrence of the proposed problem;
- understand the current alternative and switching cost;
- locate the budget and decision window;
- map the data, materials, or behavior required for delivery;

- understand why an attempted solution was adopted, abandoned, or renewed;
- learn the language the buyer uses before hearing your terms.

One conversation may inform several jobs, but a primary job protects you from turning the meeting into a tour of the idea.

Mara's first job is not "validate clinic analytics." It is to reconstruct how owners prepare for a monthly operations meeting, what information appears, which decisions follow, who produces the inputs, and what can be shared with an external provider. This focus allows her to hear that some clinics do not hold such a meeting. That is useful evidence, not a failed interview.

Recruit from the Buyer Definition

A convenient sample can teach you the wrong market. Friends, colleagues, followers, and community members may be accessible but differ from the buyer in consequence, authority, or budget. Start with the buyer card and record why each participant fits.

Use a recruitment note that is honest about the purpose:

> I am researching how independent tutors prepare for recurring sessions and handle promised follow-up. I am not selling a product on this call. I would like to ask about one recent week and the tools you used. The conversation will take about 25 minutes. I will not ask for student names or sensitive information.

The note defines topic, time, sales boundary, and privacy boundary. If you plan to record, quote, store contact details, share notes, or reuse information for marketing, determine what notice, consent, lawful basis, and security obligations apply. A research conversation is not permission to collect whatever might become useful.

If participants receive compensation, state it. Compensation can improve access and respect people's time. It can also affect who participates and how agreeable they feel. Record the condition rather than pretending it is neutral.

Begin with Context, Not the Pitch

Open by confirming the participant's role and relevant situation. Then ask for the most recent event.

For Dev:

- Tell me about the students you teach and how sessions repeat.
- Take me to the last session that required you to recover notes or promised follow-up.
- What did you open first?
- What were you trying to find?
- What happened when you could not find it?
- What did you do after the session?

These questions ask for a sequence. The participant may still generalize. Bring them back gently: "Was that what happened last Tuesday, or what normally happens?" Both answers can matter, but they should not be merged.

Avoid beginning with "I am building a tool that..." The pitch teaches the participant what you consider important and supplies vocabulary they may repeat. If the conversation includes an offer later, separate the discovery phase and say when the mode changes.

Follow Artifacts and Decisions

Artifacts anchor memory. Ask about the document, calendar entry, order, report, invoice, message, checklist, or physical object used during the event. Do not request sensitive or confidential material you are not prepared to handle. A participant can describe the artifact, show a redacted structure, or create a fictional equivalent.

Ask decision questions:

- What did this information cause you to do?
- Who needed to see it?
- What could you decide alone?
- What had to wait?
- What counted as complete?
- What happened when the information was wrong or late?

A report may consume 4 hours and create no decision. Saving production time may still matter, but the value is different from better judgment. A manager may spend little time preparing for a one-to-one while worrying about it for 2 days. The artifact and decision reveal different forms of cost.

Ask About Money Through Behavior

"How much would you pay?" asks the participant to price an imaginary exchange without the consequence of paying. The answer may help you understand anchors, but it is weak evidence of willingness.

Begin with existing behavior:

- What have you paid for to handle this situation?
- Who approved that purchase?
- What budget or account did it come from?
- What made the price feel acceptable or unacceptable?
- When did you stop paying, and why?
- What else competed for the same money?

If nothing has been purchased, ask what has been spent in time, favors, attention, or risk. Then make a real offer in a later step. Interviews can explain a buying system. An exchange tests a price.

Be careful with organizational buyers. A user may say "we can afford that" while having no authority. Ask how the last comparable purchase moved from interest to payment. The path may include an owner, manager, procurement rule, vendor form, security review, or annual budget.

Use Silence and Specific Follow-ups

Founders often answer their own questions. A participant pauses, and the founder supplies an interpretation: "Was that because the tool was too complicated?" The participant agrees, and the assumption returns disguised as evidence.

Wait.

Then use neutral follow-ups:

- What do you mean by that?
- Can you give me a recent example?
- What happened immediately before that?

- What happened next?
- Who else saw it differently?
- How did you decide?
- What made you stop?

Avoid stacking choices unless the participant is struggling to understand the question. “Was it price, time, or trust?” limits the answer to your categories. Ask what made the decision difficult, then categorize after the conversation.

Notice Contradictions Without Prosecuting Them

People’s stated values and behavior can differ. A tutor says careful notes are essential but records none after 6 of the last 8 sessions. A manager says one-to-ones are a priority but cancels them during busy weeks. A clinic owner says reporting matters but has not opened the last 2 reports.

Do not accuse. Explore the condition.

“You mentioned that the meetings matter, and 2 were canceled last month. What was happening on those days?” The answer may reveal that the problem is lower priority, that scheduling is the true constraint, or that the current format provides little value. Contradictions often contain the mechanism.

They also protect you from designing for the person participants wish to be. A business must work with behavior under real constraints.

Do Not Turn the Interview into Free Consulting

Your expertise may invite requests for advice. Helping can be humane and can build trust, but it changes the conversation. The participant may become grateful, and later praise may refer to the advice rather than the idea. The founder may also solve the immediate problem so completely that future behavior changes.

Set a boundary: “Let me finish reconstructing what happened, then I can share one observation if that would be useful.” Record that advice was provided.

If the conversation becomes a consulting session, treat it as evidence that the participant values access to judgment. Do not call it demand for the proposed product.

End with a Relevant Commitment

Do not ask "Would you use this?" Choose a next action proportionate to the stage:

- introduce the actual buyer or operator;
- share a redacted input structure;
- schedule a second conversation around a real event;
- review an exchange sentence;
- join a bounded pilot under clear terms;
- pay a deposit or pilot fee;
- decline and explain the decision.

A request creates a consequence. The response tells you more than polite enthusiasm. A clinic owner who values the reporting idea but cannot involve the bookkeeper has revealed a delivery constraint. A tutor who agrees to a pilot but will not allocate setup time has revealed a participation constraint.

Make refusal easy. Pressure corrupts the evidence and the relationship.

Write Notes in 3 Layers

Immediately after the conversation, separate:

1. **Observation:** events, actions, artifacts, quotations, and decisions.
2. **Interpretation:** what the evidence may imply for the assumption.
3. **Next question:** what remains uncertain or contradictory.

Avoid turning one vivid quotation into a market. After several conversations, compare events across the defined buyer group. Look for repeated triggers, alternatives, approval paths, tradeoffs, and non-action. Count only where the sample and question make counting meaningful.

Record disconfirming evidence first. It is easier to lose in a summary.

What Mara learns

Six clinic owners describe monthly operations differently. Four use appointment exports, 3 combine them with invoice data, and only 2 hold a recurring meeting where the result changes a staffing or scheduling decision. Mara does not conclude that "clinics need reports." She narrows the first buyer to clinics with a defined review cycle and adds the bookkeeper or administrator to the operator map.

Know What Interviews Cannot Prove

Interviews can reveal:

- past behavior and current alternatives;
- language, triggers, roles, and decision paths;
- constraints, risks, and unacceptable tradeoffs;
- the structure of a possible test.

They cannot by themselves prove:

- willingness to pay the proposed price;
- successful adoption over time;
- delivery quality and cost;
- repeat purchase;
- channel economics beyond the recruited sample;
- compliance with the rules that apply.

This boundary does not weaken the method. It tells you what should happen next.

Put It to Work

☐ Choose one assumption as the job of the next conversation round.

☐ Recruit from the buyer definition and record why each participant fits.

☐ Begin with the last relevant event and follow its sequence.

☐ Ask about artifacts, decisions, alternatives, authority, and past spend.

☐ End with one relevant, optional commitment.

☐ Separate observations, interpretations, and next questions in your notes.

Decision: Has the buyer definition changed?

After 5 conversations, list what repeated and what did not. Revise the buyer card, progress statement, and assumption ledger. If nothing changed, inspect the questions. You may have spent the conversations presenting the idea instead of recovering events.

CHAPTER 10

Find Where the Buyer Already Is

A market you cannot reach is not an early market for you. Buyers may exist in large numbers, face the intended problem, and pay someone else. If reaching them requires capital, trust, permission, relationships, or timing you do not possess, the access claim remains weak.

Distribution is not a growth problem that begins after product validation. It is one of the 6 business-candidate claims. The route changes what can be sold, what it costs, how quickly evidence arrives, and what the founder must repeatedly do.

> *Do not ask where people gather. Ask where the defined buyer notices the trigger, searches, asks, compares, approves, and acts.*

Map the Buying Journey, Not the Platform List

Founders often write a list of channels: search, social media, email, partnerships, events, advertising. Those are delivery systems for attention. They do not explain when or why a buyer will respond.

Map 6 moments:

1. **Trigger:** where does the situation become visible?
2. **Naming:** what words does the buyer use to describe it?
3. **Search:** where do they look for help or an alternative?
4. **Trust:** whose judgment or evidence matters?
5. **Approval:** where and by whom is the decision made?

6. **Action:** what route allows the buyer to respond, pay, and begin?

The same buyer may use different places at each moment. A clinic owner notices a reporting problem before a monthly meeting, asks a bookkeeper or software consultant, searches for a template, discusses risk with a partner, and buys after a referral. Posting generic analytics content where clinic staff gather may attract users while missing the decision path.

Start with Borrowed Access

Early access often comes through an existing relationship or institution:

- customer, colleague, or peer referrals;
- professional associations;
- complementary service providers;
- suppliers and consultants;
- local organizations and venues;
- communities that permit relevant research;
- marketplaces with active buyer intent;
- newsletters, teachers, or experts trusted by the buyer.

Borrowed access is powerful because trust and attention already exist. It is also governed by another party's interests and rules. A community is not a free contact list. A partner will not keep referring if the offer creates risk, poor delivery, or extra support. A marketplace can change fees or access.

Test borrowed access honestly. Ask whether the intermediary sees the situation, whom they would refer, what would make them hesitate, and what benefit or burden the relationship creates. Do not treat one friendly introduction as a scalable partnership.

Mara finds that bookkeeping firms already help clinics prepare monthly numbers. They may be a route to owners or a competing alternative. Some might value a standardized report that reduces custom explanation. Others may see Mara as duplicating their work. The channel test must include partner fit, not only buyer response.

Direct Access Teaches Faster

Direct outreach can be useful at the candidate stage because it gives you control over who is contacted and what is learned. It can include warm introductions, carefully researched email, calls where appropriate, in-person visits, or direct messages permitted by the setting.

Good direct access is specific and respectful:

- the person fits the buyer definition;
- the reason for contact is clear;
- the message connects to a recognizable situation;
- the requested next step is small;
- refusal and opt-out are easy;
- applicable privacy, marketing, platform, and professional rules are followed.

Volume does not repair irrelevance. Sending 5,000 generic messages may produce a few replies while damaging trust and violating rules or platform terms. It also creates weak evidence because you do not know which buyer, trigger, or message produced the result.

Use small batches. Record delivery, relevant replies, conversation acceptance, offer acceptance, and the reasons people decline. Change one meaningful element at a time.

Search Captures Existing Intent

Search can reveal how people name a problem and what alternatives appear. It can also reach buyers when they are actively seeking help. That makes it attractive.

Search volume is not demand for your exchange. A query can be informational, academic, navigational, or driven by people who will never buy. Results may be controlled by large incumbents, marketplaces, or local listings. Ranking can take time and ongoing work.

Use search at the candidate stage to answer narrower questions:

- Which phrases describe the trigger or desired progress?
- What categories and alternatives do search systems present?
- What evidence, pricing, and promises appear on competing pages?
- Does local or specialized intent exist?

- Can a small paid or directory test reach the right buyer without pretending organic rankings are immediate?

If search is supposed to be the primary channel, include the cost and time of creating and maintaining useful pages. "People search for it" is not a distribution plan.

Communities Provide Context, Not Ownership

Communities can reveal language, repeated questions, workarounds, and trusted resources. They can support respectful recruitment when rules allow. They do not exist to validate your idea.

Observe before asking. Identify what members already discuss, what moderators protect, which recommendations are trusted, and what commercial behavior is prohibited. Contribute where you have something useful to add. If research recruitment is permitted, state your purpose.

Do not count likes from a founder-heavy community as buyer demand. Do not scrape members or move their comments into marketing without permission. Do not manufacture a question so you can answer with your offer.

The access test includes whether your behavior can remain welcome when repeated.

Partnerships Must Work for 3 Parties

A partnership has at least 3 value tests:

1. the buyer receives a useful, trustworthy result;
2. the partner gains value or reduces a burden without unacceptable risk;
3. your business acquires and serves the buyer at workable cost.

Dev considers partnerships with tutor-training providers. The provider might offer his workflow as a resource. The buyer gains a guided system, the provider extends training, and Dev reaches relevant tutors. But if the workflow creates support requests the provider must handle, the relationship may fail even when tutors like it.

Test the partner's operating reality. Who introduces the offer? Who answers questions? Who handles payment, refunds, data, and complaints? What claims may be made? Can either party contact the buyer later? What happens when the relationship ends?

One signed partnership can still be a bespoke sales channel. Repeatability requires similar partners to see similar value under similar terms.

Local Density Is a Channel

For local operations, geography is both access and delivery. Omar's most valuable channel may be one office manager who can coordinate a building's lunch orders. A flyer across 5 neighborhoods may produce more attention and worse economics.

Map:

- buyer concentration;
- trigger times;
- allowed points of contact;
- travel and handoff time;
- building or venue access;
- grouped-order coordination;
- local reputation and referral paths;
- competitor availability by place and time.

The map may reveal a smaller but stronger starting market. Ten buyers inside one route can support a clean pilot. Ten buyers scattered across a city can create a delivery failure misread as weak demand.

Calculate the Cost of Attention

Record all channel inputs, not only advertising spend:

- founder research and outreach time;
- content production and maintenance;
- event fees, travel, and follow-up;
- partner share or referral fee;
- marketplace commission and restrictions;
- advertising spend and creative work;
- tools, data, and list costs;

- sales calls, proposals, approval, and delay;
- trust assets, demonstrations, samples, and guarantees.

At early volume, the number will be unstable. Use it to expose the mechanism. A $200 sale that requires 6 founder hours before delivery may not support the proposed shape. A high acquisition cost may be acceptable for a recurring service with strong retention, but not for a one-time low-margin item.

Separate acquisition cost from learning cost. The first 10 conversations may be expensive because you are learning the buyer. Do not automatically project that cost forward. Do not automatically ignore it either. State which work should disappear and what must be built or standardized to remove it.

Measure the Channel as a Chain

Use the sequence:

> Identified buyer → reachable buyer → delivered contact → relevant response → conversation or offer → payment → successful delivery → repeat or referral.

Track the number and conditions at each step. The purpose is diagnosis, not performance theater.

If contact delivery is low, the route or data may be weak. If replies are polite but no one accepts the conversation, the situation may be irrelevant. If conversations are strong but offers fail, price, trust, authority, or promise may be responsible. If sales occur but delivery fails, the channel is not the candidate's largest problem.

Do not optimize the top of the chain while the bottom is unknown. More leads can amplify a bad exchange.

Dev's access result

Dev recruits 5 tutors through a training provider and 5 through a general freelancer group. The provider group matches his buyer card; 4 accept a conversation and 3 accept a paid pilot. The freelancer group produces 2 curious replies and no matched buyer. Dev records evidence for one borrowed channel, not a universal response rate. He still needs to test whether the provider relationship can be repeated and supported.

Choose One Primary and One Learning Channel

At the candidate stage, spreading across 6 channels creates noise. Choose:

- a **primary channel** that could plausibly support the first paid exchanges;
- a **learning channel** that gives you direct access to behavior and objections.

They may be the same. Warm direct outreach may both recruit and teach. A marketplace may sell but reveal little about why buyers chose you. Content may teach you language while taking too long to test payment. State what each channel can and cannot prove.

Set a channel stop condition. If 30 carefully matched contacts through a proposed direct route produce no relevant conversations, do not automatically send 300. Review match, trigger, message, trust, permission, and offer. Change one of them or change the channel.

Put It to Work

- ☐ Map trigger, naming, search, trust, approval, and action for the defined buyer.
- ☐ List borrowed, direct, search, community, partnership, marketplace, and local routes.
- ☐ Choose one primary and one learning channel.
- ☐ Record every channel input, including founder time and partner burden.
- ☐ Track the chain from identified buyer through successful delivery.
- ☐ Set a stop or review condition before increasing volume.

Decision: Can access repeat without abusing trust?

Describe how the next 10 buyers will be reached. Then describe how the next 100 would be reached if the first exchange works. If the second answer requires spam, a hidden subsidy, an unwilling partner, or an unexplained algorithm, the access claim has not earned scale. Keep the test small or change the route.

CHAPTER 11

Make an Offer Before a Product

A product answers how something will be delivered. An offer answers why a defined buyer should enter the exchange now, what they will receive, what they must do, what it costs, and what happens if the exchange does not work as promised.

Founders often build the product first because the offer feels like marketing. This reverses the dependency. A product can be technically complete while the promise, buyer, price, scope, proof, and buying route remain undefined. The founder then asks the product to create clarity it cannot create.

Make the offer while delivery is still manual and bounded. The buyer's response will expose which parts of the exchange are understood, trusted, and worth paying for.

> *An honest offer is a testable contract in plain language. It is not a dramatic description of a product that does not yet exist.*

Build the Offer from 8 Parts

Write the offer using 8 components.

Buyer and trigger

Name the person and the situation that makes the offer relevant. "For small businesses" is weak. "For owner-managed physiotherapy clinics that review appointment and invoice patterns before a monthly operations meeting" gives the buyer a reason to recognize the offer.

Result

State the observable progress the exchange is designed to produce. Do not expand the result to the buyer's ultimate aspiration. A report can support a decision. It cannot guarantee growth. A practice clinic can improve preparation. It cannot guarantee leadership success.

Mechanism

Describe enough of the method for the buyer to understand the work: live session, manual report, guided workflow, grouped delivery, prototype, or paid pilot. Do not call a manual service automated or imply that a mock interface is operational software.

Scope

List inputs, deliverables, timing, access, revisions, support, and completion. A buyer should be able to tell where the promise ends.

Buyer work

State setup, data, attendance, practice, decisions, access, and deadlines required from the buyer. Hidden buyer work becomes poor delivery later.

Price and terms

State the amount, currency, tax treatment where relevant, payment timing, refund or cancellation terms, and what the price unit covers. A deposit is still a payment and should carry clear terms.

Proof and uncertainty

Use only proof you possess. Explain what is established and what the pilot is intended to learn. A founder can say "first paid pilot" without making the offer unattractive. The right early buyer may value direct involvement and limited scope.

Next action

Ask for one action: buy, book, apply, pay a deposit, approve a proposal, or decline. Do not hide the decision behind "join the waitlist" if the test is supposed to measure payment.

Sell the Pilot as a Pilot

A pilot can be a real paid exchange without pretending to be a finished product. It should give the buyer a defined result and protect them from unresolved scale assumptions.

A responsible pilot offer states:

- what is manual or provisional;
- what will be delivered regardless of the learning goal;
- what information or feedback will be collected;
- how the buyer's data, work, and identity may be used;
- what happens if the pilot is stopped;
- which features or outcomes are not included;
- whether the price differs from a future version and why.

The buyer should not carry the founder's uncertainty without consent. If Dev uses existing documents behind a simple interface, he says so. If Mara manually prepares the report, she does not present screenshots that imply continuous software. If Lina may revise the worksheet between cohorts, participants know which version they will receive.

Transparency does not require narrating every internal experiment. It requires preventing a reasonable buyer from forming a false impression about the exchange.

Write the Promise at the Level You Can Deliver

Promises become dangerous when the claim outruns control. Compare 3 versions:

- "Increase clinic revenue with data-driven insights."
- "Find the operational patterns holding your clinic back."

- "Review cancellation, service-mix, and capacity patterns from 2 administrative exports before your monthly operations meeting."

The first implies a financial outcome with many causes. The second is broad and invites the buyer to infer more than the service may show. The third describes the delivered analysis and context. It may be less dramatic. It is more useful for both sale and delivery.

Claims in advertising should be truthful, non-deceptive, and supported. This is not only a legal concern in jurisdictions with truth-in-advertising rules. It is a product-design concern. A claim defines the quality standard the buyer will apply.

Review both express and implied claims. A photograph, comparison, testimonial, guarantee, or missing limitation can create an impression the words avoid. Fine print should clarify a truthful promise, not rescue a misleading one.

Use Proof with a Label

Proof can include:

- a demonstrated method;
- a sample deliverable created from safe fictional or authorized data;
- documented results from a relevant previous exchange;
- qualifications that directly affect delivery;
- a process, boundary, or guarantee that reduces buyer risk;
- a relevant testimonial used with permission and proper disclosure;
- transparent pilot status and direct founder involvement.

Label the conditions. A testimonial from a free participant is not evidence from a paid customer. A result from one sector may not transfer to another. A sample report proves the form of output, not that the buyer's data will produce the same conclusion.

Avoid proof theater: customer logos without a clear relationship, inflated waitlists, unclear revenue screenshots, testimonials from friends, or claims that a prototype is "trusted by" everyone who opened it.

If proof is weak, reduce the buyer's risk and the size of the promise. Do not manufacture authority.

Set Scope Before Price Pressure

Early buyers may ask for custom additions. Some requests reveal valuable conditions. Others turn the test into consulting and make the result impossible to interpret.

Use a scope table:

Inside	Outside	If requested
Named inputs and deliverables	Custom data repair, integrations, unrelated outcomes	Quote separately, defer, or decline
Defined support and review	Unlimited access or emergency work	Use a fixed response and escalation rule
Stated revisions	New promise after delivery begins	Treat as a new exchange
Pilot feedback	Marketing rights or public case study	Request separate explicit permission

The last row matters. Paying for a pilot does not grant permission to publish a buyer's name, data, feedback, or result. Separate delivery consent from marketing consent.

Price the Exchange, Not Your Confidence

Founders discount because they feel inexperienced, not because the offer's cost or value supports the discount. The low price then changes the buyer group, reduces attention, and creates delivery that cannot survive.

Set a pilot price using 4 anchors:

1. the cost and consequence of the current alternative;
2. the scope and observable result;
3. the real cost and capacity of delivery;
4. the uncertainty or concession the early buyer accepts.

An early buyer may receive a lower price because the process is manual, the founder requests structured feedback, or the offer includes fewer features. State the reason. Do not promise that the pilot price is permanent unless you mean it.

Free can be appropriate for research, public goods, samples, or a deliberately free product. It cannot answer whether a paid exchange works. If willingness to pay is the assumption, ask for payment.

Make Pre-selling Ethical

Taking money before a final product exists can test commitment and finance delivery. It also creates obligations. Before accepting payment, be able to answer:

- What exactly is being sold now?
- When will it be delivered?
- What has already been built or secured?
- What uncertainties could delay or change delivery?
- What cancellation and refund rights apply?
- How will buyers be updated?
- What happens to payment if the threshold is not met?
- Are advertised shipment or performance claims supportable under applicable rules?

For covered merchandise in the United States, official FTC guidance addresses reasonable bases for shipment representations, delay consent, and refunds. Other places and categories have their own requirements. Do not use "preorder" as a magic word that removes consumer obligations.

A refundable deposit can test commitment while limiting exposure. It still needs clear terms and reliable refund operations. Holding money you cannot return is not validation.

Ask for the Decision

Present the offer, then stop explaining. Let the buyer ask questions and decide.

Record:

- which part required clarification;
- which risk or alternative appeared;
- who else needed to approve;
- whether price, timing, scope, trust, or priority blocked action;
- whether the buyer paid, committed, deferred, or declined;

- what changed between verbal interest and the decision.

Do not negotiate every decline into a yes. A forced sale creates weak evidence and a likely delivery problem. Ask whether the reason is a condition you want to serve. “I need this to include disciplinary advice” may be a valid request and a clear exclusion for Lina.

The 4 Pilot Offers

Mara

A fixed-fee one-month reporting pilot for 3 clinics with a defined review cycle, using 2 approved exports, one sample data check, a report, and one review. Clinical information, financial advice, custom integrations, and outcome guarantees are excluded. The clinic pays 50 percent after the input check and 50 percent on delivery.

Dev

A paid 4-week guided workflow for 5 independent tutors using their existing document tools. It includes setup, a capture template, weekly review, and retrieval checks. It is not a new software application and stores no new student records. Tutors pay one fixed pilot fee and may leave with all templates.

Lina

A paid 90-minute live clinic for 6 new managers plus 2 weeks of fictional-case practice. It does not provide legal, HR, or disciplinary advice, and participants must not disclose identifiable employee information. The offer includes one follow-up review and a clear learning result, not a team-performance guarantee.

Omar

Two compliant grouped lunch deliveries to one office reception point, with 3 labeled menu choices, a preorder cutoff, a minimum grouped order, and a per-meal price. The pilot states service area, timing, cancellation, and the allergen boundary. Orders are accepted only after the applicable operating requirements are confirmed.

Put It to Work

- ☐ Write the offer using all 8 components.
- ☐ Mark every express and implied result claim and record its support.
- ☐ Create a sample deliverable without using unauthorized buyer data.
- ☐ State pilot status, manual work, buyer work, scope, terms, and exclusions.
- ☐ Set a real price or deposit when willingness to pay is the test.
- ☐ Present the offer and allow an unpressured no.

Decision: Did the buyer accept the actual exchange?

Separate praise, questions, commitments, and payment. If the buyer accepted only after scope, price, or terms changed, record the changed offer as a new version. Do not count it as support for the original one.

CHAPTER 12

Choose the Smallest Honest Experiment

The smallest experiment is not always the cheapest artifact. It is the smallest responsible exchange that can produce evidence for the next decision. A landing page can be quick and still answer the wrong question. A manual pilot can take more effort and prevent a year of misdirected software work.

Honesty sets the lower boundary. You cannot test a regulated service by ignoring the rule, test payment with a button that cannot accept money, or test delivery with a prototype that the buyer believes is operational. Small does not mean deceptive.

> *Choose the test whose behavior is closest to the claim while keeping cost, risk, and irreversible commitment below the evidence.*

Match the Experiment to the Assumption

Begin with the claim, not an experiment menu.

Claim	Useful test	Cannot prove alone
Buyer recognizes the situation	Message or interview comprehension	Payment, repeated use
Buyer can be reached	Small matched outreach or partner test	Scaled acquisition cost

Buyer will pay	Real offer, deposit, paid pilot, preorder with terms	Repeat purchase, margin
Workflow creates progress	Concierge or guided manual delivery	Automation, scale
Prototype is usable	Task-based prototype session	Market demand, technical reliability
Delivery is workable	End-to-end paid pilot	Volume economics, broad segment fit
Repeat value exists	Second purchase, renewal, repeated task use	Long-term retention

The third column is part of the design. An experiment without an inference boundary invites you to claim more after seeing a favorable result.

Message Test

A message test presents the buyer, trigger, progress, and mechanism to matched people and observes comprehension or response. It can be an email, conversation, short page, proposal, or partner introduction.

Use it to learn whether the defined buyer recognizes the situation and understands the offer. Ask the person to explain what they think is being offered, what they would expect, and why they would or would not take the next step.

A click shows response to the message and action under those conditions. It does not prove payment or delivery. If the next action is a waitlist, the evidence is a waitlist sign-up. Do not rename it demand.

Prototype Test

A prototype lets a person encounter a representation of the mechanism. It can test language, sequence, usability, information requirements, and expectation. Its fidelity should match the question.

A paper sketch may be enough to test whether tutors understand the student timeline. A clickable interface can test whether they find the promised follow-up. Neither proves that the underlying data can be captured securely, synchronized, or supported.

Tell participants what is simulated. If a person believes an automated recommendation came from a system when a founder wrote it manually, the test may create false beliefs about capability and reliability. A concierge test can use manual work, but the manual work should not be disguised when the distinction affects the buying decision or risk.

Concierge Test

In a concierge test, the founder performs the work that a later system may support. The buyer receives a real result. This can expose inputs, exceptions, judgment, support, timing, and willingness to participate.

Mara's reporting pilot is concierge delivery. She manually checks exports and prepares the report. The test can answer whether owners provide inputs, use the indicators, pay, and recognize progress. It cannot prove that report generation can be automated or that a software interface will be adopted.

Record every manual step. The purpose is not to hide labor. It is to discover which labor creates value and which exists because the process is immature.

Wizard-of-Oz Test

A Wizard-of-Oz test presents a simple front end while humans perform part of the process behind it. It can test interaction and response before a full system is built.

This method carries an honesty burden. Some manual assistance is ordinary in a pilot. Hidden simulation becomes problematic when it causes the buyer to misunderstand privacy, accuracy, speed, capacity, or the nature of the service. Never create a false impression of independent system intelligence or reliability in a high-stakes context.

Use clear language such as "responses are reviewed and prepared by the pilot team" when that fact matters. The test should reduce build risk, not transfer undisclosed risk to the buyer.

Paid Pilot

A paid pilot tests several connected claims under a bounded exchange: price, buyer work, delivery, progress, and sometimes repeat behavior. It is one of the strongest early tests because both parties accept consequence.

The pilot needs:

- a written offer and version;
- participant and exclusion criteria;
- payment and refund terms;
- a delivery plan and failure path;
- lawful and safe handling of data, products, or people;
- measures tied to the fatal assumption;
- stop conditions and a resource ceiling;
- a closing decision and buyer offboarding.

Do not add every requested feature during the pilot. Record requests, decide whether they reveal a failed assumption, and preserve a comparable core exchange across participants.

Preorder or Deposit Test

A preorder or deposit asks the buyer to make a financial commitment before final delivery. It can test priority and price more strongly than a survey. It also creates a real obligation.

Use it only when you can state what is being ordered, provide a reasonable delivery basis, communicate changes, protect funds, issue refunds, and follow applicable consumer rules. If the project depends on reaching a threshold, state what happens if the threshold is not met.

Do not accept money merely to create evidence for investors or yourself. The buyer is not a metric. They are a party to an exchange.

Landing-Page Test

A landing page can test message, source-specific response, and a next action. Its usefulness depends entirely on the action.

Possible actions produce different evidence:

- **Read or scroll:** attention to content under the measured conditions.

- **Email sign-up:** willingness to share contact information for the stated value.
- **Book a call:** willingness to allocate time and discuss the offer.
- **Start checkout:** movement toward purchase, subject to trust and payment friction.
- **Complete payment:** a transaction under the stated terms.

A fake checkout that reveals only after the click that no product exists can damage trust and may be deceptive. If you are measuring purchase intent without accepting payment, state the status before the buyer acts and use a clear non-purchase commitment.

Manual Delivery Test

Manual delivery is not one method. It is an end-to-end rehearsal of the exchange.

Run the entire chain:

1. attract or contact a matched buyer;
2. present the written offer;
3. accept payment under clear terms;
4. onboard and receive valid inputs;
5. deliver the result;
6. handle questions, errors, and changes;
7. confirm whether progress occurred;
8. close, refund, renew, or invite the next exchange.

Time each step. Record failure points and founder judgment. Manual delivery often reveals that the visible product is a small part of the operation.

Use a Test Card

Before acting, complete one page:

- **Assumption:** the claim being tested.
- **Decision:** what commitment the result will change.
- **Participants:** who qualifies and who is excluded.
- **Behavior:** what will be observed.

- **Conditions:** price, channel, timing, mechanism, and support.
- **Thresholds:** stop, change, and continue.
- **Invalid conditions:** what would prevent the inference.
- **Risk controls:** permissions, privacy, safety, refunds, and escalation.
- **Ceiling:** time, cash, founder hours, and scope.
- **Inference limit:** what the result cannot prove.

If the card cannot name the decision, do not run the test. Curiosity is not enough when the test uses a buyer's time, money, data, or trust.

Dev's smallest honest test

Dev does not build an app or simulate one. Five tutors pay for a 4-week guided workflow using their existing documents. Dev provides a capture template, a weekly retrieval view, and a review. He records capture, retrieval, preparation, support time, and buyer feedback. The test can support or weaken the workflow and payment claims. It cannot prove automated software, security at scale, or self-serve onboarding.

The No-Build Week

For 7 days, do no product construction unless a live test cannot proceed without a small artifact. Use the week to:

- verify the buyer and trigger;
- conduct event-based conversations;
- map the access route;
- write and review the exchange sentence;
- prepare a real offer and terms;
- resolve escalate-now questions;
- recruit a bounded pilot;
- build only the deliverable the buyer will actually use.

The rule is not anti-building. It separates construction from evidence. If the candidate earns a build, the later work has a clearer purpose and boundary.

Put It to Work

☐ Match one experiment to one priority assumption.

- ☐ State what the experiment cannot prove.
- ☐ Complete the test card before recruiting or accepting payment.
- ☐ Use the smallest artifact that lets the buyer experience real progress.
- ☐ Disclose manual, simulated, or provisional work where it affects the buyer's decision.
- ☐ Run one no-build week before committing to full infrastructure.

Decision: Is the experiment smaller than the commitment it protects?

Compare the test's cost, risk, and irreversibility with the next proposed investment. If the test itself requires the full product, a broad launch, or unsafe shortcuts, redesign it. If no smaller honest test exists, the candidate may require evidence, capital, or authority you do not yet possess.

CHAPTER 13

Read the Signal

Experiments do not produce verdicts. They produce observations under conditions. You turn those observations into a decision by respecting sample, selection, behavior, comparison, and inference boundaries.

This is where a small test can become dangerous. One sale feels like product-market fit. One decline feels like market rejection. A high click rate feels like demand. A quiet pilot feels like success because nobody complained. Each conclusion skips the conditions that produced the number.

> *The signal is not the metric. It is the behavior, the consequence accepted, the conditions, and the decision that behavior can support.*

Begin with the Observation Table

Before interpretation, record:

- who was eligible and how they were recruited;
- who encountered the test;
- who responded, declined, paid, participated, completed, repeated, or left;
- what each person was offered;
- what price, support, timing, and founder involvement applied;
- where the test differed from the proposed future exchange;
- which failures or invalid conditions occurred.

Do not start with percentages when the denominator is unclear. "50 percent conversion" can mean 2 of 4 warm referrals. That is relevant evidence for a warm-referral pilot. It is not a general acquisition forecast.

Use counts and conditions together: "3 of 5 referred tutors paid $80 for the 4-week guided workflow after a 25-minute conversation." The sentence is less impressive and more useful.

Selection Changes the Result

Participants select into experiments. People who agree to an interview may care more about the topic. Waitlist members may enjoy new ideas. Friends may trust the founder. Paid-ad visitors may respond to a particular message. Partner referrals may arrive with borrowed credibility.

Ask:

- Who had no chance to enter the sample?
- Who was more likely to respond?
- What relationship or trust existed before the offer?
- What incentive or compensation affected participation?
- Who dropped out before the behavior was measured?
- Does the future channel produce the same selection?

Selection does not make the test worthless. It limits portability. A founder may reasonably start with warm buyers because they allow early learning. The next test should then remove or measure part of the warmth.

Distinguish Activity from Commitment

Metrics sit at different levels of consequence.

- impressions and views show exposure;
- clicks show a response to message and placement;
- sign-ups show willingness to share information for a stated next value;
- calls show willingness to allocate time;
- deposits and payments show financial commitment under terms;
- completed buyer work shows participation;
- successful delivery shows operational performance;
- repeat purchase and referral after delivery show renewed commitment.

Do not combine levels into one funnel story without checking where conditions changed. The buyer may sign up for free information and reject the paid offer. That is not a failed sign-up metric. It is a boundary between attention and payment.

Read Payment Carefully

Payment is strong evidence because the buyer accepts a real consequence. It is still local to price, terms, trust, timing, scope, and channel.

Examine:

- full price, discount, deposit, or refundable commitment;
- buyer relationship to the founder;
- whether payment came from the actual decision maker;
- whether the buyer understood pilot status and exclusions;
- whether delivery succeeded and the buyer remained satisfied;
- whether the transaction would support the economics at repeated volume.

Ten heavily discounted sales may show that people value the result above the discount. They do not prove the target price. One full-price sale after a close personal referral may show that the offer can be bought. It does not prove cold acquisition.

Refunds, cancellations, payment failures, and delayed invoices belong in the result. Revenue booked is not cash collected, and cash collected is not value successfully delivered.

Silence Is Ambiguous

No response can mean poor buyer match, weak trigger, low trust, bad timing, an unclear message, channel failure, technical delivery failure, prohibited contact, or low priority. It can also mean no demand.

Do not rescue silence with endless explanations. Diagnose what you can observe:

1. Was the contact delivered?
2. Did the person match the buyer card?
3. Was the trigger present during the window?
4. Could the person understand the offer quickly?
5. Did the request ask for an appropriate next step?
6. Did similar buyers respond through another route?

Then change one major condition or accept the stop rule. If 30 carefully matched, delivered contacts across a relevant window produce no engagement, "the market needs education" is not a free extension. Education has a cost and becomes a new channel assumption.

Compare Behavior Across Versions

If you change price, promise, channel, buyer, and scope together, the next result cannot tell you which change mattered. Early tests will never be laboratory-perfect, but you can preserve useful comparisons.

Version every offer. Record:

- buyer definition;
- message and promise;
- price and terms;
- channel and trust source;
- scope and exclusions;
- timing and sample;
- founder support.

When a change is necessary for safety or honesty, make it. Do not preserve a bad condition for experimental purity. Mark the break and begin a new comparison.

Look for Behavior That Travels

Evidence travels when the important conditions remain similar. Ask which mechanisms, not which surface details, are likely to repeat.

Mara finds that 3 clinic owners use the report during a monthly review. The portable mechanism may be a recurring decision cycle with available administrative data. It may not be the physiotherapy specialty itself. Before expanding, she should test whether another clinic type shares the cycle, input, decision, and data boundary.

Dev's 3 paid tutors were introduced by a trusted trainer. The portable mechanism may include borrowed trust and guided setup. A self-serve software launch through search removes both. The pilot supports the workflow, not the later acquisition and onboarding model.

Write a travel statement:

> We expect this result to repeat when *these conditions remain present*; it may fail when *these conditions change*.

This sentence turns a success into a testable boundary.

Negative Evidence Can Be More Valuable

Favorable results show where to continue. Negative results can remove a large, expensive path.

Treat the following as valuable:

- buyers consistently use a cheaper alternative and experience little consequence;
- the actual approver does not share the user's priority;
- the buyer will pay only below variable delivery cost;
- required participation collapses after the first week;
- the safe or lawful boundary removes the promised result;
- an accessible channel reaches interested observers but not buyers;
- the founder dislikes or cannot sustain the repeated delivery work.

Do not search immediately for a demographic that says yes. First ask whether the negative evidence applies to the mechanism. If the buyer's required behavior is unlikely across the model, changing the marketing segment may delay the same failure.

Beware the Tiny Sample and the Premature Average

Small samples are normal in early business tests. They provide depth and reveal mechanisms. They do not support precise population estimates.

Avoid:

- conversion rates presented without counts;
- averages that combine incompatible buyers or offers;
- percentages from samples too small to support the implied precision;
- extrapolating founder-led sales to an automated channel;
- declaring no demand after one channel or one week;
- declaring a market after one enthusiastic buyer.

Use small-sample language: observed, repeated in this group, suggests, supports, weakens, remains unresolved. This is not empty hedging. It ties confidence to evidence.

The purpose of an early sample is often to decide what deserves a larger, more representative test. It is not to imitate a survey with fewer people.

Run the Evidence Review

For each priority assumption, write:

1. the claim before the test;
2. the exact observation;
3. sample and conditions;
4. alternative explanations;
5. confidence before and after;
6. threshold result;
7. stop, change, or continue action;
8. next commitment protected by the evidence.

Review the 6 business-candidate claims together. Strong payment may coexist with weak delivery. Strong progress may coexist with inaccessible distribution. The candidate advances only as far as its weakest structural claim.

What the 4 candidates can say

Mara: 2 of 3 paid clinic pilots produced reports used in a monthly decision; one failed because the input schedule did not fit. The productized service continues with a narrower operator and timing requirement.
Dev: 3 of 5 paid tutors completed sufficient capture and used retrieval; 2 did not. The guided workflow continues. Software remains unearned until the capture mechanism becomes more reliable.
Lina: 5 of 6 paid participants completed fictional-case practice, but 2 said the group format felt unsafe for real application. The course candidate changes toward private or paired practice.
Omar: 18 paid meals were delivered across 2 days, but route time and menu waste removed the expected contribution. The current broad-choice offer stops; a narrower grouped menu may be tested only if buyers accept the change.

Put It to Work

- ☐ Record counts, conditions, offer version, and selection before percentages.
- ☐ Separate exposure, response, commitment, payment, participation, delivery, and repeat.
- ☐ Write what favorable evidence can and cannot travel to.
- ☐ Give negative evidence the same space as favorable evidence.
- ☐ Update confidence and execute the prewritten stop, change, or continue rule.

Decision: What has been earned?

Name one next commitment the evidence supports and 3 it does not. If the supported action is larger than the tested behavior, reduce it. The reward for a passed experiment is not scale. It is permission to ask the next expensive question.

Part IV

Test the Economics and the Founder

CHAPTER 14

Price Before Confidence Arrives

Founders often wait to price until the product feels finished and their confidence catches up. This creates a circular delay. You cannot understand the business without a price, and you cannot become confident about the price without presenting an exchange to buyers.

Price is not a certificate of self-belief. It is a condition in a test. It determines who can buy, what they expect, how much delivery the business can support, which channel can be afforded, and whether the result competes with the current alternative.

Set a defensible hypothesis early. Then let behavior, cost, and value improve it.

> *Price the defined exchange, not your effort in the abstract and not the person you hope to become after launch.*

Price Changes the Product

A $20 guide, a $200 workshop, a $2,000 service, and a $20,000 engagement do not sell the same result with different numbers. Price changes:

- who can decide without approval;
- how much trust and proof are required;
- how much customization and access are expected;
- the buyer's perceived risk;
- the sales route and time;
- the level of support and failure recovery;
- what the business can afford to do for acquisition and delivery.

This is why a free test cannot validate a paid product simply by adding the intended price to a survey. The buyer, expectation, and decision system may change at the price boundary.

Mara's $600 reporting pilot can be approved directly by some clinic owners and require a partner discussion in others. At $3,000 per month, the same service would need different proof, scope, data controls, and economic consequence. Raising the number would change the exchange.

Use 4 Pricing Views

No single formula discovers the price. Use 4 views and investigate the disagreement between them.

Alternative and consequence

What does the buyer currently spend in money, labor, delay, risk, or lost opportunity? What does the proposed progress change? The price does not have to equal a calculated saving, but it must make sense relative to the buyer's comparison.

If a clinic owner spends 2 hours a month combining exports, a reporting service priced as if it prevents a major financial loss may feel disconnected unless it supports a more consequential decision. If the report prevents repeated scheduling mistakes or reveals a capacity constraint, investigate the actual consequence rather than inventing a multiplier.

Delivery economics

What cash and time are consumed by each exchange? Include preparation, onboarding, support, correction, payment fees, refunds, materials, packaging, delivery, and buyer-specific work. A price below variable cost cannot be repaired by volume. Volume expands the loss.

Market reference

What do buyers pay for close alternatives, adjacent solutions, internal labor, and doing nothing? References help the buyer categorize the offer. They do not dictate your number. An alternative may include different scope, trust, risk, or buyer work.

Business intent

What kind of business are you testing? A high-touch specialist service, accessible education product, local recurring operation, and self-serve tool require different contribution and capacity. The price must support the model you are willing to run.

When the 4 views conflict, do not average them automatically. If buyers value the result at less than responsible delivery cost, change scope, mechanism, buyer, or candidate. If market references are much lower because they omit the work that creates progress, make the difference visible and test whether buyers care.

Separate Price Basis from Amount

The price basis determines what causes the charge.

Common bases include:

- per item, order, or delivery;
- per hour, day, or project;
- per user, location, or organization;
- per cohort or participant;
- per month or year;
- per usage unit or volume band;
- a fixed fee plus variable usage;
- a retainer for availability and defined work.

Choose a basis that the buyer can understand, the business can measure, and value or cost can support.

Omar's per-meal price is clear, but grouped delivery creates fixed route cost. A minimum grouped order or delivery fee may better expose the economics. Hiding route cost inside a low per-meal number can make small orders look profitable until they occur.

Dev's future software might be priced per tutor, per student, or per month. During a guided pilot, a fixed fee better matches the bounded 4-week exchange and avoids pretending a software metric has been chosen.

Ask a Price to Do One Job

Early pricing tests become confusing when one number is expected to maximize learning, revenue, adoption, fairness, prestige, and market share at once.

Choose the primary job:

- establish whether any paid exchange exists;
- test a specific target price;
- recover the variable cost of a pilot;
- qualify participants likely to do the buyer work;
- compare 2 scopes or payment bases;
- learn the approval boundary;
- test repeat purchase under ordinary terms.

A low but meaningful pilot fee may test payment and participation while acknowledging provisional delivery. It does not validate the intended full price. Label the job and the limit.

Discounts Create a Different Condition

A discount can reward early participation, reduce risk, fill unused capacity, or test a narrower scope. It also affects selection and expectations.

Record:

- the ordinary price hypothesis;
- the discounted amount;
- why the discount exists;
- what the buyer gives or accepts in return;
- whether the discount is public, private, temporary, or conditional;
- what future price was or was not promised.

Do not use a permanent "founding member" price before understanding support and capacity. Recurring underpricing becomes a liability that grows with success.

Avoid fake anchors: a crossed-out price nobody has paid, a countdown that resets, or a "limited" offer with no real limit. Those tactics pollute evidence because the buyer is responding to a false condition.

Free Users Answer a Different Question

Free participation can test comprehension, usability, learning, or operational flow. It can help public or community work reach people. It can also attract participants who value the result but would never enter the proposed paid exchange.

Free changes behavior:

- sign-up friction falls;
- commitment and completion may fall;
- support expectations may change;
- the buyer may not be the future payer;
- price objections remain hidden;
- selection may shift toward curiosity.

If you run a free learning test, do not report its users as customers. When you later test payment, treat it as a new stage.

Lina's free webinar teaches her that managers understand the preparation framework. Her paid clinic tests whether the practice format is worth money and effort. The free attendees are not a control group. They entered a different exchange.

Present Price without Apology

State the price, unit, timing, and included scope. Then stop.

Do not soften the number with a long defense before the buyer responds. Do not say "I am still figuring this out, so maybe..." if the offer and terms are real. Uncertainty belongs in the pilot description and boundaries, not in an attempt to make the buyer manage your confidence.

Ask diagnostic questions after the decision:

- What did you compare the price with?
- Which part of the result affected the decision?
- Who would need to approve this amount?
- What scope would make the price coherent or incoherent?
- Was the issue cash timing, total amount, trust, priority, or fit?

Do not respond to every objection by lowering the amount. Price may be the polite surface for a weak consequence, wrong buyer, low trust, or bad timing.

Test Price through Real Choices

Useful early price tests include:

- presenting the same fixed offer to a small matched group;
- offering 2 genuinely different scopes at different prices;
- asking for a refundable deposit under clear terms;
- moving a successful pilot to a stated renewal price;
- testing payment timing while holding total price constant;
- comparing buyer response across similar channels without changing the promise.

Avoid asking different participants arbitrary prices without a plan, then choosing the highest yes. The samples, relationships, and contexts may differ. Version the offer and state what comparison you can defend.

Price sensitivity methods and larger quantitative research can become useful when you have a stable buyer, offer, and sample. Early-stage precision around an unstable exchange is misleading.

Include Payment Friction

Willingness to pay is expressed through an actual payment system. Currency, taxes, invoice requirements, card acceptance, bank transfer, installments, procurement, fraud controls, and payment timing can affect the result.

A buyer who verbally agrees but cannot complete vendor onboarding has not produced the same evidence as a paid customer. They may still reveal organizational demand and a costly sales route. Record both.

The business must be able to issue receipts, handle refunds, reconcile payments, protect financial information through appropriate providers, and account for fees and taxes. These are not scale details. They begin with the first transaction.

Use the Price Memo

For each offer version, record:

- buyer and situation;
- scope and result;

- price basis and amount;
- alternative and consequence anchor;
- variable delivery cost and founder hours;
- discount or pilot condition;
- payment terms and system;
- approvals required;
- acceptances, declines, refunds, and reasons;
- what this result can and cannot support.

The memo turns pricing from a private feeling into an evidence trail.

The candidates price the next exchange

Mara keeps a fixed per-report pilot fee while measuring review use and delivery hours. Dev charges for the 4-week guided workflow, not per software seat. Lina charges per participant and states the minimum cohort required. Omar uses a per-meal price plus a grouped-order minimum so route cost remains visible. None calls the pilot amount a validated final price.

Put It to Work

- ☐ Compare consequence, delivery economics, market references, and business intent.
- ☐ Choose the price basis before adjusting the amount.
- ☐ State the one job of the next pricing test.
- ☐ Record discounts and free participation as different conditions.
- ☐ Present price with real terms and a working payment route.
- ☐ Log acceptance, refusal, approval friction, refunds, and payment delay.

Decision: Does the price support the exchange?

If buyers will pay only below responsible variable cost, do not call volume the solution. Change scope, delivery, buyer, basis, or candidate. If buyers accept but delivery produces excess contribution, that is not evidence to lower the price. It may be the capacity needed to acquire, support, and improve the exchange.

CHAPTER 15

The Small Economics

Large forecasts allow weak assumptions to hide inside impressive totals. Early economics should move in the opposite direction. Start with one buyer, one order, one delivery, one week, and one capacity limit. If the small exchange does not work, a bigger spreadsheet usually makes the error larger.

The objective is not to predict a mature business from 3 pilots. It is to expose how cash, time, cost, and capacity behave before you commit to volume.

> *Model the next honest unit before the imagined thousandth unit.*

Define the Unit

A unit is the smallest exchange for which revenue and variable delivery cost can be meaningfully compared. It might be:

- one report;
- one participant in a cohort;
- one 4-week pilot;
- one meal inside a grouped order;
- one customer-month;
- one physical order;
- one service project.

Choose a unit that matches the price basis and operating work. Omar needs at least 2 views: one meal and one delivery route. A meal may appear profitable while a route with 3 meals is not. Lina needs participant economics and cohort economics because the live session contains fixed preparation and delivery time.

If the business has 2 connected units, model both. Do not force complexity into one average.

Separate Revenue, Cash, and Value

Revenue is the amount earned under the exchange. Cash is when and how money is received. Value is the progress experienced by the buyer. The 3 should connect, but they are not synonyms.

A $600 invoice may be revenue when work is delivered and cash 30 days later. A prepaid annual subscription may produce cash before the business has completed the service period. A buyer may pay and still receive poor value, leading to refund, churn, or reputational cost.

Record:

- list price;
- discount;
- tax collected where applicable;
- payment processing fee;
- refunds, credits, and chargebacks;
- payment date and delivery date;
- revenue recognized for your management model;
- cash available after restricted or owed amounts.

For early decisions, you do not need an elaborate accounting system. You do need to stop calling the top-line payment spendable profit.

Classify Costs by Behavior

Use 3 practical categories.

Variable cost

Changes with each unit: ingredients, packaging, shipping, per-transaction fees, paid contractor delivery, per-user licenses, printing, and refunds tied to volume.

Fixed cost

Occurs over a period regardless of short-term units: rent, baseline software, insurance, equipment depreciation, recurring professional fees, and core salaries.

Step cost

Stays stable within a capacity band and then jumps: another delivery route, additional support person, larger kitchen, higher software tier, new equipment, or compliance work triggered by scale.

Many early costs are mixed. A phone plan has a fixed minimum and variable usage. A founder's time may be fixed in the sense that no cash wage is paid, but it still constrains capacity. Separate the components where the decision requires it.

Do not argue about perfect classification while ignoring a large cost. The purpose is to see what happens when volume changes.

Calculate Contribution

Contribution per unit is:

$$\text{Unit revenue} - \text{variable cost of that unit.}$$

Contribution margin as a proportion of revenue is:

$$(\text{Unit revenue} - \text{Variable cost})/\text{Unit revenue.}$$

Contribution is not profit. It is what remains to cover fixed costs, step costs, founder compensation, tax, investment, and profit.

Suppose Omar sells a meal for \$12. Ingredients cost \$3.40, packaging \$0.80, payment fees \$0.45, and variable preparation help \$1.20. The meal contribution before route delivery is \$6.15. If the route costs \$42 in founder and transport time, 5 meals produce a loss at the route level while 12 meals may cover it. The grouped-order minimum is not a marketing trick. It is an operating boundary.

Use actual pilot numbers as soon as they exist. Estimates should be labeled and replaced.

Put Founder Time on the Page

Unpaid founder labor can make any pilot look attractive. Record minutes for:

- finding and closing the buyer;
- onboarding and setup;
- producing the deliverable;
- communication and support;
- corrections and exceptions;
- administration, invoicing, and reconciliation;
- travel, waiting, and handoff;
- follow-up and renewal.

Use 2 views:

1. **Cash view:** what cash left the business now?
2. **Sustainable view:** what would delivery cost if the work were compensated at a defensible rate or had to be delegated?

The cash view protects runway. The sustainable view protects you from building an arrangement that survives only while the founder works without limit.

This does not require paying yourself a market salary during a tiny test. It requires seeing the subsidy.

Measure Capacity Before Scale

Capacity is the number of units the current operation can deliver inside quality, timing, and founder boundaries.

Calculate:

- minutes of constrained work per unit;
- available constrained minutes per period;
- maximum units before a step cost;
- buffer for error, support, illness, and variability;
- the actual bottleneck rather than total labor.

Mara may spend 3 hours per report, but only 45 minutes requires her specialized judgment. Data cleanup might be standardized or charged separately. Her bottleneck is not total time but the review step. Dev may spend little time preparing templates and much more on support when tutors skip capture. The bottleneck reveals what later infrastructure should remove.

Do not calculate capacity at perfect utilization. A business with no buffer fails on the first correction, late input, or sick day.

Understand Break-even Without Worshiping It

The standard single-product break-even quantity is:

Fixed costs ÷ (price per unit − variable cost per unit).

The formula is useful when the unit and costs are stable. It shows how many units must contribute before fixed costs are covered. It does not guarantee that the market, channel, capacity, cash timing, or product mix can produce those units.

If Mara has $900 in monthly fixed business costs and contributes $300 per report after variable cost, 3 reports cover those fixed costs. If each report requires 20 hours, the model still may not compensate her or fit capacity. If payment arrives 60 days later, the cash problem remains.

Use break-even as one question, not the verdict.

Include Acquisition and Sales Work

Customer acquisition cost is not only ad spend divided by customers. Early acquisition may include research, outreach, calls, proposals, partner work, samples, event attendance, and content.

At small volume, calculate per-channel cohorts:

Cash channel cost + valued acquisition labor ÷ paid buyers acquired.

Keep learning labor separate if it should not repeat, but state why. A 60-minute customer conversation may become a 20-minute sales call later. A custom proposal may remain. A trusted partner introduction may require a revenue share. Make the transition explicit.

Compare acquisition work with the contribution expected over the buyer relationship. A one-time $40 digital product cannot support a $100 acquisition process. A recurring service might, if delivery and retention evidence exist.

Do not use hoped-for lifetime value to excuse an unproven acquisition cost. Start with observed purchases and state what repeat behavior must occur.

Model Refunds, Waste, and Failure

Perfect delivery hides risk. Add reasonable failure lines:

- refund or cancellation rate;
- failed payment and chargeback;
- spoiled, damaged, or returned physical units;
- rework and correction;
- late or invalid buyer input;
- unused capacity;
- partner or supplier failure;
- customer support beyond the average.

In a tiny pilot, one failure can distort the average. Keep the event visible rather than smoothing it away. Ask whether the failure is random, a design flaw, or a structural part of the exchange.

Omar's unused ingredients are not merely early inefficiency if broad menu choice is the promise. The waste is linked to the design. Narrowing the menu changes both economics and buyer value, so the changed offer must be tested again.

Watch Cash Timing

A profitable exchange can fail when cash arrives after obligations. Map:

- deposits paid to suppliers;
- inventory purchase;
- labor and contractor timing;
- tax and fee liabilities;
- customer payment terms;
- refund windows;

- reserves for disputes and failures;
- the period between spending and usable cash.

Prepayment can improve cash but increases delivery obligation. Invoicing later can reduce buyer risk but make the founder finance the exchange. Choose terms consciously.

Do not fund long payment delays with personal credit unless the risk is understood and fits your boundary. Founder fit includes how much cash uncertainty a household can absorb.

Use the One-Unit and One-Month Views

Build 2 tables.

The **one-unit view** records price, discounts, variable cash cost, delivery time, expected failure, and contribution.

The **one-month view** records expected units under current evidence, total contribution, fixed costs, founder hours, step costs, cash timing, and remaining buffer.

Then run 3 scenarios:

- **Base:** observed or defensible current conditions.
- **Bad week:** lower sales, one refund or failure, late input, and additional support.
- **Capacity edge:** maximum units before the next step cost.

If the business works only in the capacity-edge scenario with no failures, it does not yet work.

The candidates meet the numbers

Mara's pilot contributes cash but uses too much unpriced data cleanup, so she adds an input check and separate remediation boundary. Dev's workflow has positive cash contribution but support time varies with capture failure; automation is not yet the first fix. Lina's cohort works only with 5 paid participants, which becomes a clear minimum. Omar's broad-choice route loses contribution through waste and delivery time, so that offer stops.

Put It to Work

☐ Define the unit and any connected route or cohort unit.

- ☐ Separate revenue, cash, tax, payment fees, refunds, and usable cash.
- ☐ Classify variable, fixed, and step costs.
- ☐ Record founder time in cash and sustainable views.
- ☐ calculate contribution, capacity, break-even, and cash timing.
- ☐ Run base, bad-week, and capacity-edge scenarios.

Decision: Does one honest unit create room?

An honest unit should cover its variable cash cost and create enough contribution to support the work that sits around it. If it does not, change price, scope, cost, mechanism, buyer, or candidate before seeking volume. If it does, identify the bottleneck that limits the next 10 units. That is the economic question the next commitment must answer.

CHAPTER 16

Can You Deliver the Promise?

A sale validates neither capability nor responsibility. It creates an obligation. The buyer has accepted your description of a result, and the business must now produce it with the promised quality, timing, care, and recovery path.

Early founders can hide delivery problems with attention. They personally rescue missing inputs, work late, answer instantly, absorb rework, and make exceptions. The buyer may be satisfied. The business candidate remains unclear because the founder has not distinguished the designed process from emergency effort.

Delivery testing asks a harder question: can this exchange be fulfilled repeatedly without misleading the buyer, ignoring risk, or consuming more than the price and founder can support?

> *The product is not what you build. It is the full path from an accepted offer to a closed, supported, and accounted-for result.*

Map the Delivery Chain

Write every handoff from payment to completion:

1. payment confirmation and terms;
2. onboarding and identity or authority checks where needed;
3. collection of inputs, consent, or access;
4. validation of those inputs;
5. production or service work;
6. quality and safety checks;

7. delivery or handoff;
8. buyer review and acceptance;
9. correction, support, refund, or escalation;
10. records, tax, data retention, and closure;
11. renewal, repeat order, or offboarding.

For each step, record the owner, input, action, time, failure, recovery, and evidence of completion. A simple table is enough.

Mara discovers that "receive the exports" contains 5 steps: give the clinic a data guide, confirm the authorized contact, receive the files through an approved route, inspect for excluded information, and accept or reject the input. The initial 30-minute task becomes a control point that protects privacy, timing, scope, and report quality.

Define Quality Before Delivery

Quality cannot mean "the founder thinks it looks good." Set observable standards linked to the promise.

For a report:

- accepted inputs are complete and within boundary;
- calculations reconcile to the source totals;
- indicators use defined periods and labels;
- limitations and missing data are visible;
- the output arrives before the agreed review;
- the buyer can connect it to the named decisions.

For a live educational clinic:

- participants understand the practice boundary;
- examples do not require confidential disclosure;
- every participant completes the intended practice;
- feedback is specific and actionable;
- materials are accessible in the agreed format;
- the session ends with an observable next action.

For a meal delivery, quality includes safe preparation, labeling, temperature, packaging, order accuracy, arrival window, and a complaint or recall path as required. Taste alone is not the standard.

The quality list tells you which controls must exist before scale.

Validate Inputs Before Work Begins

Bad inputs create late delivery, rework, disagreement, and risk. Define:

- what the buyer must provide;
- accepted format and route;
- deadline;
- completeness and quality checks;
- prohibited or excluded information;
- who has authority to provide it;
- what happens when the input fails.

Do not quietly repair every failed input. It hides the buyer burden and turns a fixed-scope offer into custom work. You may repair a pilot input to learn the variation, but record time, cause, and future rule.

Dev's workflow depends on a tutor creating short post-session capture. If a tutor skips 3 sessions, the weekly retrieval view is incomplete. Dev can remind, reconstruct, or accept the gap. Each response tests a different future product. The delivery rule should state what happens and whether the promise still applies.

Design for Failure

Every delivery system fails. Responsible design decides how failure is detected, contained, communicated, corrected, and learned from.

Create a failure table:

Failure	Detection	Immediate response	Buyer remedy
Invalid input	Intake check	Stop production, notify buyer	Corrected deadline or refund
Late delivery	Schedule alert	Communicate before deadline	New date, credit, or refund
Incorrect result	Quality review or buyer report	Contain and correct	Replacement and impact review

Data exposure	Security process	Contain, document, escalate	Required notice and support
Unsafe or defective item	Safety check or complaint	Stop distribution, isolate units	Replacement, refund, recall route

The exact duties depend on category and jurisdiction. The principle does not: hope is not a recovery process.

Do not write a policy you cannot execute. A no-questions refund means cash must be available, someone must issue it, and the buyer must know how to ask. A response-time promise requires coverage. A backup promise requires a backup that has been restored, not merely created.

Know the Applicable Boundaries

The first sale can trigger obligations involving:

- business registration and tax;
- professional licenses and scope;
- consumer rights, contracts, cancellations, refunds, and shipment;
- advertising, endorsements, earnings, health, safety, or environmental claims;
- privacy, security, records, and individual rights;
- food, product, workplace, premises, or transport safety;
- accessibility and nondiscrimination;
- insurance and liability;
- employment or contractor classification;
- intellectual property and permission to use content or data;
- platform, marketplace, payment, and hosting terms.

This chapter cannot tell you which rules apply. Your location, buyer, product, claim, data, and delivery determine that. Use official sources and qualified advisers.

The correct early question is not “How do I become fully compliant at scale?” It is “What must be true before this exact test can contact, collect, charge, deliver, and retain anything?”

Some requirements can narrow the test. Others make it unavailable until a license, control, or professional partner exists. Record the answer as an operating dependency.

Use Data Minimization as Product Design

Collecting personal data creates obligations and harm if mishandled. A smaller data boundary can make the business easier to operate and easier to trust.

Ask:

- What is the specific purpose of each field or file?
- Can the result be delivered without it?
- Can the buyer redact, aggregate, or keep it in their own system?
- Who can access it and why?
- How long is it needed?
- How will it be corrected, exported, or deleted where required?
- What happens if it is sent to the wrong place?
- Which provider processes or stores it?

Mara excludes clinical notes because the operating indicators do not require them. Dev runs the guided pilot inside tutors' existing documents rather than copying student records into a new system. Lina uses fictional cases. These boundaries are not missing features. They are part of the candidate's value and risk design.

Do not collect contact information "for later" without a defined purpose and applicable basis. Delivery contact, research participation, and marketing can be different purposes.

Test the Human Work

Founders document automated steps and ignore judgment. Mark where a person must:

- interpret an ambiguous input;
- decide whether a case is inside scope;
- assess quality or safety;
- communicate bad news;
- handle an exception;

- make a recommendation;
- protect confidential information;
- resolve a complaint;
- decide whether to refund or stop.

These are not necessarily inefficiencies. Judgment may be the value. It must be priced, trained, bounded, and covered.

If only the founder can perform the critical judgment, the current capacity is founder capacity. Do not call it a scalable product. You may still have an excellent specialist business.

Do Not Automate an Unknown Process

Automation should remove a repeated, understood constraint. It should not freeze uncertainty or conceal risk.

Before automating a step, ask:

1. Has the step repeated under similar conditions?
2. Are inputs and outputs defined?
3. Are exceptions visible and bounded?
4. Can quality be checked?
5. Does automation reduce the actual bottleneck?
6. What new security, reliability, support, or maintenance duty appears?
7. How does a human recover when it fails?

Dev may be tempted to automate capture reminders. If the real failure is that tutors do not see enough value in capture, reminders may create annoyance rather than reliability. The pilot should reveal the mechanism before a notification system is built.

Close the Exchange

Delivery is incomplete until the buyer and business can leave cleanly.

At closure:

- confirm what was delivered and any unresolved limitation;
- provide the buyer's copies or exports;
- explain support, correction, and refund windows;
- return or delete data according to the agreed and applicable rule;

- reconcile payment, expenses, and tax records;
- request feedback without pressuring for praise;
- request separate permission for any testimonial or case use;
- record whether another exchange is appropriate.

Do not make offboarding deliberately difficult to manufacture retention. A buyer who stays because leaving is obstructed is weak evidence of value.

Mara's process becomes the product

The pilot reveals 7 stable steps: qualify the clinic, confirm the review cycle, validate 2 exports, reject excluded information, prepare 3 indicator views, run the owner review, and close the files. The report is the visible artifact. The controlled chain is the actual service. Mara can now price and improve the right thing.

Put It to Work

- ☐ Map every handoff from payment to offboarding.
- ☐ Define observable quality standards before the next delivery.
- ☐ Validate buyer inputs and define the failure path.
- ☐ Identify legal, tax, privacy, safety, insurance, claim, and platform questions for the exact test.
- ☐ Record human judgment and founder rescue work.
- ☐ Automate only a repeated, bounded constraint.
- ☐ Close the exchange with clear records, data handling, remedies, and permissions.

Decision: Is delivery a system or a rescue?

Review the last exchange. Mark every moment when the founder used unplanned time, personal access, or hidden judgment to save it. If removing those rescues breaks the promise, the current process has not earned scale. Standardize, reprice, narrow, or stop before adding buyers.

CHAPTER 17

Founder Fit Without Founder Worship

An attractive market can still be a poor business for a particular founder. This is not a judgment about courage, intelligence, or ambition. Businesses require recurring commitments: selling, delivery, uncertainty, capital, support, public claims, management, travel, care, or conflict. The founder must be able and willing to carry those commitments long enough to learn and improve.

Founder-fit conversations often drift into personality myths. You are told to find passion, think big, tolerate risk, or become relentless. Those phrases hide the practical question: what life and work does this business shape create under ordinary and difficult weeks?

> *Do not ask whether you are "an entrepreneur." Ask whether you can sustain the next 12 months of this specific exchange without violating a non-negotiable boundary.*

Separate Skill, Access, and Willingness

For each critical task, assess 3 things.

Skill

Can you perform or responsibly oversee the work? Skill can be learned, hired, partnered, or removed through design. Some tasks require qualification or licensure, not confidence.

Access

Can you reach the buyers, suppliers, partners, talent, facilities, capital, or information the model requires? Access may be developed. It may also be structurally limited.

Willingness

Do you want to perform the repeated work and accept its consequences? You may be capable of sales calls and unwilling to build a business around them. You may love teaching and dislike managing a membership community. You may enjoy cooking and reject early-morning production and weekend procurement.

Do not treat unwillingness as a flaw to overcome automatically. It is design information. You can change the shape, role, partner structure, or candidate.

Audit the Repeated Week

Imagine the business after the novelty fades. Write the ordinary week in hours and actions:

- buyer research and sales;
- delivery and quality control;
- customer communication and support;
- marketing or publishing;
- administration, invoices, tax, and records;
- suppliers, partners, contractors, or team;
- maintenance and correction;
- learning and product improvement;
- buffer for failure and interruption.

Then write the bad week: 2 late inputs, one complaint, a refund, illness, a failed supplier, or a payment delay. Which tasks remain? Who can cover them? What promise has no substitute?

Mara may enjoy analysis and owner reviews but dislike recurring sales. A referral-led productized service might fit if partner access is real. A broad agency requiring constant outbound selling might not. Dev may enjoy building and avoid support, yet early workflow customers need guided setup. The software shape does not remove that need merely because he dislikes it.

Map Time Honestly

Time availability is not the number of hours left after work on paper. Include energy, fragmentation, predictability, and obligations.

Ask:

- Which hours are reliably available each week?
- Which tasks require uninterrupted attention or specific times?
- What happens during employment peaks, exams, caregiving, illness, or travel?
- What recovery time is needed after delivery?
- Which hours are already supporting income, health, or relationships?
- What can be stopped without creating a different crisis?

A founder may have 15 theoretical hours and only 5 reliable hours that fit buyer calls or food production. Build the test around reliable capacity.

Do not use sleep, health, and every weekend as a permanent variable-cost subsidy. A short sprint can be a deliberate exception. It is not a business model.

Set the Cash and Risk Boundary

Write how much cash can be lost without harming obligations, how long income can be uncertain, and which debts or guarantees are unacceptable.

Include:

- household expenses and dependents;
- existing debt and emergency reserves;
- income that the candidate would replace or interrupt;
- upfront business costs and working capital;
- refund, liability, and failure exposure;
- insurance and professional-advice costs;
- currency or payment delay;
- the cost of returning to the previous path.

This is not personal financial advice. It is a prompt to obtain it where necessary and stop using a generic “risk tolerance” label.

Never resign merely to prove commitment to an untested candidate. Employment can provide runway, information, skills, and the ability to reject bad deals. If employment creates a conflict, intellectual-property question, non-compete issue, confidentiality duty, or time restriction, resolve that boundary before testing.

Check Ethical Fit

A model can be legal and still ask you to behave in ways you reject. Examine:

- claims you must make to sell;
- data you must collect or infer;
- attention or vulnerability you must exploit;
- lock-in or cancellation friction;
- labor conditions and supplier treatment;
- environmental or community impact;
- outcomes the business rewards;
- people who bear risk without receiving value.

If the candidate works only when buyers misunderstand the outcome, when a platform is gamed, or when hidden labor carries the cost, that is a failed candidate, not a clever growth model.

Ethical fit also includes domain competence. A founder may care about health, legal, financial, or educational problems while lacking authority to provide the implied advice. Change the promise, obtain qualified partnership, or leave the category.

Distinguish Learning from Permanent Role

In an early pilot, the founder may perform every task to understand the system. That does not mean every task must remain with them. Mark each repeated activity as:

- founder judgment that defines the value;
- founder learning that should later be documented;
- standard work that can be delegated;

- product behavior that may be automated;
- specialist work that requires qualified support;
- work the business should not do.

The classification prevents 2 mistakes. One is assuming automation will remove relationship or judgment that buyers value. The other is keeping routine work because the founder has not designed a handoff.

Mara's owner review may be the high-value judgment. Export-format checks can be documented. Legal and security advice may require specialists. Clinical interpretation remains outside scope. This role design changes the model without changing the promised result.

Test Founder Fit with Behavior

Do not complete a passion questionnaire. Run a bounded version of the work and record your behavior.

For 4 weeks, track:

- planned and actual hours;
- work postponed or avoided;
- energy before and after core tasks;
- mistakes under pressure;
- conflict with employment, study, care, health, or relationships;
- which tasks improved with repetition;
- which tasks produced value buyers noticed;
- what you would remove even if it reduced revenue;
- what you want to deepen.

Avoid interpreting every hard task as poor fit. New skills are tiring. Early operations are messy. Look for repeated conflict between the business's essential work and your non-negotiable boundaries.

Likewise, enjoyment does not prove commercial fit. You may love the work and still face weak payment or economics. Founder fit is one of 6 claims, not the rescue for the other 5.

Include the Household and Partners

Business commitments affect people who did not choose the idea. If income, time, space, travel, debt, caregiving, or reputation is shared, involve the affected people before the commitment.

Discuss specifics:

- cash ceiling and review date;
- hours and protected time;
- use of home, vehicle, equipment, or shared accounts;
- confidentiality and customer contact;
- what happens during a bad week;
- conditions for stopping;
- what support is requested and what is not assumed.

Agreement is not an inspirational blessing. It is an operating input. A candidate that requires hidden household subsidy has incomplete economics.

Write the Founder Constraint Sheet

Use one page:

- **Reliable weekly hours**
- **Cash-loss ceiling**
- **Income or runway requirement**
- **Non-negotiable health, care, employment, and ethical boundaries**
- **Critical current skills**
- **Skills to learn**
- **Qualified work to buy or partner for**
- **Repeated work wanted**
- **Repeated work rejected**
- **Bad-week coverage**
- **Review and stop date**

Compare the sheet with the delivery map and small economics. A mismatch is not solved by affirmation. Change the shape, scope, role, partner, price, timing, or candidate.

The candidates confront fit

Mara wants specialist analysis and owner reviews but not a general agency, so she keeps a strict productized scope and partner-led acquisition hypothesis. Dev discovers that guided support is essential and must decide whether he wants a support-heavy early business before building software. Lina values live teaching but rejects confidential case handling, so the practice boundary remains central. Omar finds that early production and delivery conflict with his reliable hours; the current operation stops even if a narrower menu could improve the margin.

Put It to Work

- ☐ Separate skill, access, and willingness for every critical task.
- ☐ Write the ordinary week and the bad week.
- ☐ Set reliable-time, cash-loss, income, risk, and ethical boundaries.
- ☐ Classify repeated work as founder value, learn-and-document, delegate, automate, specialist, or exclude.
- ☐ Run a 4-week behavior-based founder-fit test.
- ☐ Discuss shared commitments with affected household members or partners.

Decision: Does the candidate require a life you reject?

Name the 3 most important recurring commitments. If one violates a non-negotiable boundary, do not assume scale will remove it. Show the mechanism by which the work changes and the evidence that mechanism can work. Otherwise change or stop the candidate.

Part V

Decide

CHAPTER 18

Stop, Change, or Continue

At the end of validation, you do not possess certainty. You possess a record: who acted, what they accepted, what was delivered, what it cost, what failed, what repeated, and which conditions remain unknown. The final skill is making a decision that respects that record.

The decision is difficult because every candidate contains more than evidence. It contains identity, hope, sunk work, promises made to other people, and an imagined future. These do not disappear when you open the ledger. They are reasons to use a clear process.

This chapter does not ask whether the idea is good. It asks what the current candidate has earned.

> *Continue only into a commitment that the weakest structural claim can support.*

Lock the Candidate Version

Before reviewing evidence, write the exact candidate being judged:

- buyer and situation;
- progress and observable result;
- business shape and delivery mechanism;
- price basis and current amount;
- primary access route;
- scope and exclusions;
- founder role and boundaries;
- test period and offer version.

This prevents favorable evidence from one version rescuing another. Dev's paid guided workflow is not evidence that a self-serve tutor application will sell. Lina's live clinic is not evidence for a recorded course. Omar's grouped office route is not evidence for citywide consumer delivery.

You may decide to change from the tested candidate to a new one. Name the change and reset the affected evidence.

Review the 6 Claims

For each business-candidate claim, write an answer, the strongest evidence, the strongest contrary evidence, and current confidence.

Buyer

Can you identify who uses, buys, approves, benefits, operates, and blocks? Does the defined group share a coherent situation and buying route? Who was excluded from the tests?

Progress

Did recent behavior show a consequential desired change? What current alternative survives, and why? Did the buyer recognize the promised result after delivery?

Access

Can the business reach matched buyers through a welcome, permitted, and economically plausible route? How much trust, founder work, partner burden, or channel dependency did the test require?

Payment

Did buyers pay or make a relevant financial commitment under clear terms? Which price, discount, relationship, approval path, and payment method applied? Did anyone renew, repeat, or refer after value was delivered?

Delivery

Could the business produce the result with acceptable quality, timing, risk, buyer effort, support, and failure recovery? Which founder rescues, exceptions, data, permissions, or controls remain structural?

Founder fit

Can the founder sustain the essential work, cash timing, risk, ethics, and ordinary or bad week? Which role or commitment must change before another cycle?

Rate confidence low, medium, or high using the ledger definitions. Then identify the weakest structural claim. The candidate cannot advance beyond it.

Check the Evidence Chain

A business candidate is a chain:

> coherent buyer → consequential progress → reachable offer → payment → responsible delivery → founder-sustainable repeat.

Look for breaks and hidden substitutions.

Maybe users were interviewed and a different buyer was supposed to pay. Maybe buyers paid but received founder effort that cannot repeat. Maybe the result was delivered but the channel depended on one personal relationship. Maybe economics work only if the founder remains unpaid. Maybe the founder can deliver but will not accept the required lifestyle.

Do not average the chain. Five strong links and one missing structural link do not produce an 83-percent business. They produce a candidate whose next decision is controlled by the missing link.

Make a Stop Decision

Stop the current candidate when:

- the fatal assumption failed under a valid test;

- the buyer's progress is too weak relative to switching;
- the only accepted price is below responsible delivery cost;
- access requires behavior, capital, trust, or control you cannot obtain or accept;
- the promised result cannot be delivered safely, lawfully, or honestly;
- buyer participation is structurally too weak;
- the founder's non-negotiable boundary conflicts with essential work;
- a prewritten kill criterion was met.

Write what stops. It may be:

- the full candidate;
- a buyer group;
- a mechanism;
- a channel;
- a price basis;
- a scope or promise;
- a founder role;
- a launch date.

Stopping should close obligations. Refund money owed, complete or cancel work under the agreed terms, return or delete data, notify partners, reconcile records, and avoid implying that the product remains available.

Archive the ledger and decision memo. Do not destroy the evidence because the outcome is disappointing.

Make a Change Decision

Change when the broader progress remains supported but the tested exchange does not.

A valid change has 4 parts:

1. the evidence that requires the change;
2. the exact component being changed;
3. the evidence that can still travel;
4. the new fatal assumption and test.

Omar's broad-choice lunch route fails because menu variation creates waste and route time removes contribution. He might test a limited rotating menu with a larger grouped minimum. The payment and timing evidence from the original buyers may travel. Preference for 3 menu choices does not. The new fatal assumption is whether enough buyers accept the narrower choice to support the route.

Do not call a complete change of buyer, progress, mechanism, and channel a pivot that has "validated learning." It is a new candidate informed by the old one. That is enough.

Limit changes per cycle. If you change everything at once, you lose interpretability and may recreate the original idea under new language.

Make a Continue Decision

Continue when the tested candidate meets its thresholds and no unresolved blocker makes the next action irresponsible.

Continue should identify a bounded commitment such as:

- run 10 more paid deliveries through a less founder-dependent channel;
- repeat the pilot at the intended price;
- standardize an input and quality process;
- test renewal after the first value cycle;
- specify the smallest software behavior that removes an observed bottleneck;
- obtain the required professional, legal, or operational control;
- document a partner route and test it with a second partner;
- increase capacity to the next known step without jumping beyond demand evidence.

The next commitment should have its own ceiling and decision rule. Validation is not a gate you pass once. Larger commitments create new assumptions.

Mara can continue the productized reporting service with 5 more clinics that have a defined review cycle, a named operator, and accepted input structure. She should not build software yet. Her next question is whether partner-led access and the standardized intake can repeat without custom data cleanup.

Protect Against Escalation of Commitment

Sunk work has no power to improve the next unit. A domain, prototype, course recording, equipment purchase, public announcement, or months of effort can make stopping emotionally expensive. It does not make the candidate stronger.

Use 5 protections:

1. show the decision memo to someone who did not build the idea;
2. evaluate the next commitment as if the previous spend were unrecoverable;
3. compare the candidate with the best current alternative use of time and cash;
4. enforce the prewritten resource ceiling;
5. write what evidence would make you advise another person to stop.

Avoid the opposite error: stopping because early work feels awkward. The method protects against stubbornness, not effort. If the threshold is unmet because the test was invalid, repair the test. If the buyer evidence is strong and a delivery step is merely new, learn it inside the ceiling.

Use the Business-Candidate Scorecard

For each claim, score 0 to 3:

- **0: unsupported.** No relevant evidence or contrary evidence dominates.
- **1: plausible.** Opinion, analogy, or limited past behavior.
- **2: supported.** Repeated relevant behavior or commitment in the defined group.
- **3: demonstrated.** Payment and successful delivery under conditions close to the proposed next exchange, with repeat evidence where the claim requires it.

Score buyer, progress, access, payment, delivery, and founder fit. Add 2 separate gates:

- **Permission gate:** all legal, safety, privacy, tax, licensing, insurance, and professional questions required for the next action have a responsible path.

- **Economics gate:** one honest unit covers variable cost and creates a defensible path to sustainable founder compensation, fixed cost, and failure.

Do not total the score. Use the lowest structural score and the 2 gates. A score of 3 for demand cannot compensate for 0 in delivery or a failed permission gate.

The scorecard is a snapshot. Attach dates and evidence. A platform change or cost increase can move a score down.

Run the 30-Day Validation Sprint

The sprint turns the decision process into one bounded month. It is designed for a candidate that has not yet completed an end-to-end paid test.

Days 1 to 3: Define

Complete the buyer card, progress statement, exchange sentence, assumption ledger, priority queue, founder constraint sheet, and escalate-now list. Choose one fatal assumption.

Days 4 to 8: Recover behavior

Conduct 5 event-based conversations with matched participants. Map roles, alternatives, triggers, approval, existing spend, inputs, and unacceptable tradeoffs. Update the candidate.

Days 9 to 11: Resolve the boundary

Use official sources and qualified advisers to resolve what must be true before contact, data collection, payment, and delivery. Narrow the test where necessary. Stop if the permission gate cannot be met inside the ceiling.

Days 12 to 15: Build the offer

Create the exchange sentence, scope, sample deliverable, terms, price hypothesis, payment route, quality standard, failure path, and test card. Build no infrastructure beyond the artifact needed for real delivery.

Days 16 to 20: Recruit and sell

Present the fixed offer to a matched sample through the chosen primary channel. Record exposure, response, questions, authority, payment, and decline reasons. Do not negotiate the offer into a different product without versioning it.

Days 21 to 27: Deliver

Run the bounded paid exchange. Time every step, validate inputs, enforce boundaries, observe buyer work, measure progress, record cost, handle failures, and close cleanly.

Days 28 to 30: Decide

Update the 6 claims, small economics, founder-fit record, and decision memo. Execute stop, change, or continue. Choose one next bounded commitment or close the candidate.

The schedule is adjustable. A regulated or organizational sale may take longer. Keep the sequence and ceilings even when the calendar changes.

The 4 Final Decisions

Mara: continue manually

The buyer, progress, payment, delivery, and founder-fit claims have support inside a narrow clinic profile. Access and input variation remain mixed. Mara continues with 5 more productized service deliveries through 2 bookkeeping or software partners. She does not build software until the intake, repeated decisions, and partner route are stable.

Dev: continue the workflow, defer the build

The guided workflow creates progress for 3 of 5 paid tutors. Capture reliability and support remain weak. Dev changes the capture mechanism once and runs a second paid cohort. Software remains deferred. If participation stays below the threshold, the tool candidate stops even if tutors like the interface.

Lina: change the format

Managers pay and practice, but the group boundary restricts real application. Lina changes from a broad course to a preparation kit with private paired practice and a clear exclusion for disciplinary cases. The result and buyer evidence travel; the group-delivery evidence does not.

Omar: stop the current operation

Buyers pay and like the result. The compliant route, menu waste, reliable hours, and bad-week coverage do not fit the proposed price and founder boundary. Omar stops the current candidate, closes the pilot cleanly, and keeps the evidence. He does not buy equipment to make the decision feel reversible.

The 4 outcomes are not ranked. A clean stop can be more valuable than a vague continue. A manual continuation can be more disciplined than premature software. A change can preserve the buyer's progress without defending the founder's first mechanism.

Write the Next Commitment

End with one sentence:

> Because we observed *specific evidence* under *specific conditions*, we will commit *time, cash, scope, and risk* to *one next action* until *a date or threshold*; we will not yet commit to *larger actions the evidence does not support*.

This sentence is the purpose of the entire book. It does not promise that the candidate will succeed. It ensures that the next risk is deliberate.

Put It to Work

☐ Lock the candidate version before reviewing evidence.

- ☐ Review buyer, progress, access, payment, delivery, and founder fit with contrary evidence visible.
- ☐ Check the permission and economics gates.
- ☐ Execute a stop, named change, or bounded continue decision.
- ☐ Close buyer, data, payment, partner, and record obligations.
- ☐ Write the next-commitment sentence and its decision date.

Decision: Is this a business?

If all 6 claims have relevant evidence, the permission gate is open, one honest unit creates room, and the founder can sustain the next cycle, you have a business candidate that has earned operation. Call it a business when it repeatedly accepts payment and delivers value.

Until then, keep the label smaller than the hope and the commitment smaller than the evidence. That is not hesitation.

It is how useful businesses begin.

Part VI

The Test Pack

CHAPTER A

Business-Candidate Scorecard

Use this scorecard after an end-to-end test and at every material change of buyer, promise, price, channel, or delivery shape. It is an evidence snapshot, not a personality assessment.

How to Score

For each claim, use the lowest level whose full description is supported.

- **0: unsupported.** No relevant evidence or contrary evidence dominates.
- **1: plausible.** Opinion, analogy, general research, or limited past behavior.
- **2: supported.** Repeated relevant behavior or commitment in the defined buyer group.
- **3: demonstrated.** Payment and successful delivery under conditions close to the proposed next exchange, with repeat evidence where required.

Do not total the 6 scores. The weakest structural claim controls the next commitment.

Buyer

- **0**: "Everyone" or a broad population; roles and authority unknown.
- **1:** A plausible group with some relevant conversations.
- **2:** Repeated matched events reveal user, buyer, approver, operator, and trigger.

- **3:** Defined buyers repeatedly enter the tested exchange through the expected decision path.

Evidence: ______________________________

Strongest contrary evidence: ______________________________

Score and date: ______________________________

Progress

- **0:** The problem is generic, inactive, or defined by the proposed mechanism.
- **1:** Buyers describe the situation and desired result but little consequence.
- **2:** Recent behavior shows meaningful cost, workaround, priority, or trigger.
- **3:** Buyers recognize and use the promised result after paid delivery.

Evidence: ______________________________

Current alternative and why it survives: ______________________________

Score and date: ______________________________

Access

- **0:** No ethical, permitted, or practical route to matched buyers.
- **1:** Buyers can be found through exceptional personal access or weakly matched attention.
- **2:** A defined route repeatedly produces relevant conversations or offers.
- **3:** The route produces paid, successfully delivered exchanges at a cost and burden compatible with the next stage.

Evidence: ______________________________

Trust, permission, or partner dependency: ______________________________

Score and date: ______________________________

Payment

- **0:** Praise, survey intention, or free use only.
- **1:** Relevant prior spend or meaningful commitment, but no tested payment.
- **2:** Matched buyers pay or place real deposits under clear pilot terms.
- **3:** Payment repeats at terms close to the proposed exchange after value is delivered.

Evidence: ______________________________

Price, terms, discount, and approval path: ______________________________

Score and date: ______________________________

Delivery

- **0:** Result not delivered or requires unsafe, unlawful, or misleading work.
- **1:** Prototype, sample, or founder rescue suggests feasibility.
- **2:** Paid delivery succeeds with documented inputs, quality, timing, and failure handling, but exceptions or founder subsidy remain.
- **3:** The controlled process repeats with acceptable quality, cost, buyer work, risk, and recovery.

Evidence: ______________________________

Founder rescue or unresolved exception: ______________________

Score and date: ______________________

Founder Fit

- **0:** Essential work violates a time, cash, skill, ethical, household, or risk boundary.
- **1:** The work is plausible but tested mainly as a short burst.
- **2:** The founder completes a realistic cycle and understands the ordinary and bad week.
- **3:** Essential work and coverage repeat inside stated boundaries, or a proven role design removes the conflict.

Evidence: ______________________

Non-negotiable boundary: ______________________

Score and date: ______________________

The 2 Gates

Permission gate

List the legal, tax, license, privacy, safety, insurance, professional-scope, claim, and platform questions required for the next action. Mark each resolved, controlled, escalated, or blocking.

Economics gate

Record the honest unit, price, variable cash cost, founder minutes, contribution, current capacity, and bad-week result.

Decision

Weakest structural claim: ______________________________

Decision: **STOP / CHANGE / CONTINUE**

Next bounded commitment: ______________________________

What the evidence does not support yet: ______________________

Decision date or threshold: ______________________________

CHAPTER B

Assumption Ledger Template

Use one row per claim. Write claims so they can be wrong. Preserve disproved claims and date every material update.

Ledger Fields

- **ID:** a stable reference such as B-01 for buyer or D-03 for delivery.
- **Family:** buyer/progress, access, payment, delivery, economics, or risk/fit.
- **Claim:** actor, behavior or condition, context, and decision threshold.
- **Evidence:** observations only, with sample and conditions.
- **Interpretation:** what the evidence may imply.
- **Alternative explanation:** strongest plausible rival interpretation.
- **Confidence:** low, medium, or high.
- **Consequence:** local, material, or structural if wrong.
- **Immediacy:** later, soon, or now.
- **Next test or escalation:** smallest relevant action.
- **Decision affected:** what commitment changes.
- **Status:** open, supported, weakened, disproved, escalated, or deferred.
- **Date and owner:** who updates the row and when.

Blank Ledger

ID	Claim	Evidence and conditions	If wrong	Next action

Assumption Sweep Prompts

Buyer and progress

- Who notices the trigger, uses the result, buys, approves, benefits, operates, and blocks?
- What recent event shows consequence?
- What alternative is used and why does it survive?
- What result counts as good enough?
- What tradeoff is unacceptable?

Access

- Where does the buyer notice, name, search, trust, approve, and act?
- Which route is welcome and permitted?
- What trust or partner dependency exists?
- What cash and founder work does the route require?
- What changes between the first 10 and the next 100 buyers?

Payment

- What is the price basis?
- Who controls the budget and payment method?
- What existing spend anchors the decision?
- Which terms, discounts, refund rights, or approval steps apply?
- What evidence would support repeat value?

Delivery

- What buyer input and behavior is required?
- What are the quality, timing, safety, and completion standards?
- Where does human judgment enter?
- What fails, how is it detected, and what remedy follows?
- What must be returned, retained, deleted, or documented at closure?

Economics

- What is one honest unit and any connected route or cohort unit?

- What revenue, usable cash, variable cost, founder time, and contribution occur?
- What fixed and step costs appear?
- What creates the capacity bottleneck?
- What happens in a bad week?

Risk and fit

- What permission, license, tax, privacy, safety, insurance, claim, or professional-scope question must be resolved first?
- Which tasks require qualified support?
- What time, cash, household, employment, health, and ethical boundaries apply?
- Which repeated work does the founder want or reject?
- Who covers the promise during interruption?

Evidence Update

After each test, attach a short update:

1. Observation, sample, and conditions.
2. Invalidating events or missing data.
3. Interpretation and alternative explanation.
4. Confidence before and after.
5. Stop, change, or continue threshold.
6. Decision executed.

CHAPTER C

Customer Conversation Guide

This guide supports a 25- to 35-minute event-based conversation. Use only questions relevant to the priority assumption. Do not collect sensitive information you cannot responsibly handle.

Recruitment Note

> I am researching how [defined buyer] handles [specific situation]. I am not selling on this call. I would like to ask about one recent event and the tools or people involved. The conversation will take about [time]. Please do not share names, records, or confidential details. [Explain recording, compensation, data use, retention, and contact choice where applicable.]

Opening

1. Confirm the person's role and why they fit the buyer or operator definition.
2. Restate the purpose, time, privacy boundary, recording choice, and right to stop.
3. Say that you will ask about a recent event rather than seek approval of an idea.

Event Reconstruction

- Take me to the last time this situation occurred.
- What happened immediately before you noticed it?
- What did you do first?
- What did you open, read, make, ask, or buy?
- Who else became involved?
- What happened next?
- Where did the process slow, fail, or change?
- How did it end?

Consequence and Alternative

- What did the event cost in money, time, risk, attention, relationship, or opportunity?
- What happened when it was left alone?
- What workaround did you use?
- What does that workaround do well enough?
- What have you tried before, and why did you continue or stop?
- What outcome would have counted as good enough?
- What tradeoff would make a solution unacceptable?

Roles and Authority

- Who experienced the problem?
- Who decided what to do?
- Who approved money, access, or change?
- Who had to operate the solution?
- Who could block it, and why?
- How did the last comparable purchase move from interest to payment?

Money and Commitment

- What have you paid for to handle this situation?
- Where did that budget come from?
- What else competed for the same money?

- What made the amount feel acceptable or unacceptable?
- When did you stop paying or renew?
- What non-cash commitment did the current approach require?

Inputs and Delivery

- What information, material, access, or behavior would a new approach require from you?
- Which of those can you provide, and which require someone else?
- What must not be collected, shared, or changed?
- What timing or quality standard matters?
- What failure would create the most harm?
- What support or recovery would you expect?

Neutral Follow-ups

- What do you mean by that?
- Can you give me a recent example?
- Was that this event or what normally happens?
- What happened immediately before and after?
- How did you decide?
- Who saw it differently?
- What made you stop?

Closing Commitment

Choose one action appropriate to the stage. Make refusal easy.

- Introduce the buyer, approver, or operator.
- Review the exchange sentence.
- Describe or share a safely redacted input structure.
- Schedule a second event review.
- Consider a real written offer.
- Join a bounded paid pilot.
- Decline and state the main reason.

Post-Conversation Notes

Participant match	
Recent event	
Trigger	
Sequence and artifacts	
Consequence	
Current alternative	
Roles and authority	
Past spend	
Unacceptable tradeoff	
Observation	
Interpretation	
Alternative explanation	
Next question or commitment	

CHAPTER D

Experiment Menu and Inference Limits

Choose from this menu only after the assumption and decision are written. The final column is the most important one.

Experiment	**Useful for**	**Observed behavior**	**Cannot prove alone**
Event interview	Trigger, alternative, roles, consequence	Reconstructed past behavior	Payment, adoption, delivery
Message review	Comprehension and expectation	Explanation, objection, next-step choice	Market demand
Matched outreach	Access route and trigger response	Delivered contact and relevant reply	Scaled acquisition
Partner interview	Intermediary fit and burden	Referral criteria and operating conditions	Repeatable partnership
Search or directory scan	Buyer language, alternatives, visible intent	Query and result patterns	Demand for your offer
Landing page	Message and source-specific action	Click, sign-up, call, or checkout action	Payment unless accepted

Sample deliverable	Expectation, quality, and usefulness	Buyer interpretation and task response	Repeated delivery
Paper prototype	Sequence and language	Task completion and confusion	Technical feasibility
Clickable prototype	Interaction and information design	Task behavior in simulated flow	Reliability, demand, security
Concierge test	Progress, inputs, judgment, buyer work	Real result through manual delivery	Automation or scale
Wizard-of-Oz test	Interaction before full automation	Behavior through partly manual system	Undisclosed capability
Paid pilot	Payment, delivery, participation, economics	End-to-end exchange	Broad market or long retention
Deposit	Financial commitment and priority	Money accepted under terms	Delivery or full-price repeat
Preorder	Commitment before final delivery	Paid order under stated conditions	Ability to fulfill
Limited physical run	Production, quality, price, and handoff	Paid units and delivery failures	Stable supply at volume
Second purchase	Repeat value	Buyer pays after first delivery	Long-term retention
Referral request	Recognized value and trust	Buyer introduces a matched person	Repeatable channel economics
Price-scope choice	Tradeoff between 2 real offers	Purchase or decline by version	Precise population sensitivity
Cancellation or offboarding test	Exit clarity and operational duty	Buyer leaves, exports, refunds, closes	Acquisition or demand

Test Card

Assumption: ______________________________

Decision affected: ______________________________

Qualified participants and exclusions: ______________________________

Behavior observed: ______________________________

Price, channel, timing, mechanism, and support conditions: ________

Stop threshold: ______________________________

Change threshold: ______________________________

Continue threshold: ______________________________

Invalidating conditions: ______________________________

Risk controls and required escalation: ______________________________

Time, cash, founder-hour, and scope ceiling: ______________________________

What the test cannot prove: ______________________________

Test owner and decision date: ______________________________

CHAPTER E

Small-Economics Calculator

Use actual values from a paid pilot as soon as possible. Label every estimate. Keep the unit, route or cohort, and monthly views separate.

One-Unit View

Line	Amount or time
Unit definition	
List price	
Discount	
Tax collected	
Cash received	
Payment fee	
Materials, ingredients, or inventory	
Packaging, shipping, or route allocation	
Per-unit contractor or license cost	
Expected refund, return, waste, or failure cost	
Other variable cash cost	
Variable cash cost total	
Contribution per unit	
Contribution margin	
Acquisition and sales minutes	

Onboarding minutes	
Delivery minutes	
Support and correction minutes	
Administration and closure minutes	
Founder minutes total	
Sustainable labor value per hour	
Contribution after sustainable labor view	

Contribution per unit = unit revenue − variable cost.
Contribution margin = contribution per unit ÷ unit revenue.

Route, Cohort, or Project View

Use this when a fixed delivery cost is shared across units.

Line	Amount or time
Shared unit definition	
Number of individual units	
Total revenue	
Total individual variable cost	
Shared preparation cost	
Shared delivery, venue, travel, or platform cost	
Shared founder minutes	
Failure and buffer allowance	
Shared-unit contribution	
Minimum individual units to cover shared cost	

One-Month View

Line	Amount or time
Expected paid units under current evidence	
Total revenue	
Total variable cost	
Total contribution	
Fixed tools and services	
Rent, insurance, professional, or license cost	
Baseline contractors or staff	
Other fixed cost	
Step cost triggered in this range	
Founder hours required	
Reliable founder hours available	
Operating remainder before tax and owner draw	
Cash received this month	
Cash paid this month	
Refund or failure reserve	
Usable cash at month end	

Break-even View

For a stable single-product model:

> Break-even units = fixed costs ÷ (price per unit − variable cost per unit).

Fixed costs per period: ______________________________

Price per unit: ______________________________

Variable cost per unit: ______________________________

Contribution per unit: ______________________________

Break-even units: ______________________________

Can the current channel and capacity produce those units? ____________

Does break-even compensate founder work? ______________________

Three Scenarios

Line	Base	Bad week	Capacity edge
Paid units			
Average price			
Variable cost			
Refunds or failures			
Contribution			
Fixed and step costs			
Founder hours			
Late cash			
Usable cash			
Quality or timing result			

Economics Decision

Honest unit: ______________________________

Current bottleneck: ______________________________

Hidden founder subsidy: ______________________________

Cost most likely to rise: ______________________________

Step cost and trigger: ______________________________

Price, scope, cost, mechanism, buyer, or candidate change required: ____

Next economic assumption and test: ______________________

CHAPTER F

30-Day Validation Sprint

This sprint is a decision cycle, not a launch countdown. Extend the calendar when rules, organizational approval, or responsible delivery require more time. Do not change the order.

Days 1 to 3: Define

Put It to Work

- ☐ Write the buyer card and exclusions.
- ☐ Write the before-and-after progress statement.
- ☐ Choose a provisional business shape.
- ☐ Write the exchange sentence.
- ☐ Complete the first assumption sweep.
- ☐ Rank consequence, uncertainty, and immediacy.
- ☐ Choose one fatal assumption.
- ☐ Set time, cash, founder-hour, and risk ceilings.

Deliverable: one-page candidate definition and priority ledger.

Days 4 to 8: Recover Behavior

Put It to Work

- ☐ Recruit 5 matched participants.
- ☐ Run event-based conversations.
- ☐ Map trigger, sequence, artifact, alternative, consequence, roles, and authority.

☐ Record past spend and unacceptable tradeoffs.
☐ Separate observations, interpretations, and alternative explanations.
☐ Revise the buyer, progress, and exchange sentence.

Deliverable: conversation evidence table and revised candidate version.

Days 9 to 11: Resolve the Boundary

Put It to Work

☐ List legal, tax, license, privacy, safety, insurance, claim, and platform questions.
☐ Use current official sources for the exact test.
☐ Obtain qualified advice where the decision requires it.
☐ Reduce data, risk, scope, or participants where possible.
☐ Mark every question resolved, controlled, escalated, or blocking.
☐ Stop if the permission gate cannot open inside the resource ceiling.

Deliverable: signed-off test boundary and escalation record.

Days 12 to 15: Build the Offer

Put It to Work

☐ Write buyer, trigger, result, mechanism, scope, buyer work, price, proof, and next action.
☐ Create a sample deliverable with safe fictional or authorized inputs.
☐ Write terms, exclusions, refund, cancellation, and failure paths.
☐ Define quality standards and input checks.
☐ Choose the price basis, amount, and payment route.
☐ Complete the test card and prewrite stop, change, and continue rules.
☐ Build only what the buyer needs to experience the result.

Deliverable: versioned offer, sample, terms, and test card.

Days 16 to 20: Recruit and Sell

Put It to Work

- ☐ Choose one primary and one learning channel.
- ☐ Present the fixed offer to a matched sample.
- ☐ Track identified, reachable, delivered, relevant response, offer, and payment counts.
- ☐ Record buyer questions, authority, comparisons, and decline reasons.
- ☐ Keep the offer version stable or mark a new version.
- ☐ Accept payment only when the test can be responsibly fulfilled.

Deliverable: access and payment evidence with exact conditions.

Days 21 to 27: Deliver

Put It to Work

- ☐ Confirm payment, scope, identity, authority, and valid inputs.
- ☐ Run the full delivery chain.
- ☐ Time acquisition, onboarding, production, support, correction, and closure.
- ☐ Apply quality and safety controls.
- ☐ Record buyer participation and recognized progress.
- ☐ Handle failure, refund, or correction under the stated terms.
- ☐ Close records, data, payment, support, and marketing permissions separately.

Deliverable: end-to-end delivery record and one-unit economics.

Days 28 to 30: Decide

Put It to Work

- ☐ Update every priority ledger row.
- ☐ Score buyer, progress, access, payment, delivery, and founder fit.

- ☐ Check the permission and economics gates.
- ☐ Compare result with prewritten thresholds.
- ☐ Execute stop, named change, or bounded continue.
- ☐ Complete obligations to buyers and partners.
- ☐ Write the next-commitment sentence and review date.

Deliverable: signed decision memo.

Daily Log

Use one line per material action.

Day	Action	Observation	Decision effect
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

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30

Decision Memo

Candidate and version:

Fatal assumption:

Test, sample, price, and conditions:

Primary observations:

Invalid or missing evidence:

Threshold result:

Decision: **STOP / CHANGE / CONTINUE**

Next bounded commitment:

Evidence that would reverse this decision: ____________________

Decision owner and date: ____________________

CHAPTER G

Questions to Escalate Before You Act

This checklist helps you identify where current official guidance or qualified professional advice is required. It does not answer the questions. Rules vary by location, category, customer, claim, data, employment structure, and delivery method.

Business and Tax

Put It to Work

- ☐ What business registration or legal structure applies before trading?
- ☐ Which tax registrations, collection, invoices, records, and filings apply?
- ☐ Does selling across states, provinces, or countries create additional obligations?
- ☐ What must be separated between business and personal finances?
- ☐ What accounting treatment applies to deposits, preorders, refunds, and marketplace payments?
- ☐ Which records must be retained, for how long, and where?

License and Professional Scope

Put It to Work

- ☐ Does the product, advice, service, location, equipment, or occupation require a license or permit?

- ☐ Does the promise imply legal, financial, health, educational, employment, engineering, or another regulated professional judgment?
- ☐ What can the founder provide, and what requires a qualified professional?
- ☐ Do local premises, zoning, home-business, transport, or event rules apply?
- ☐ Does a partner's license cover the work, and under what supervision or agreement?

Consumer Rights and Contracts

Put It to Work

- ☐ What information must be provided before purchase?
- ☐ What cancellation, cooling-off, return, refund, replacement, warranty, or shipment rights apply?
- ☐ Are terms clear, fair, accessible, and consistent with the main promise?
- ☐ What happens when delivery is delayed, changed, unsafe, unavailable, or defective?
- ☐ How are subscriptions renewed, canceled, and confirmed?
- ☐ Can the business execute every stated remedy?

Advertising and Claims

Put It to Work

- ☐ What express and implied claims does the whole offer create?
- ☐ What evidence supports performance, health, safety, financial, earnings, environmental, or comparative claims?
- ☐ Are qualifications and limitations close enough to the claim to be understood?
- ☐ Do testimonials reflect honest experience and carry necessary disclosures?

- ☐ Are material relationships, incentives, affiliate interests, or paid endorsements clear?
- ☐ Does urgency, scarcity, a comparison, or a reference price reflect a real condition?

Privacy and Security

Put It to Work

- ☐ What personal or sensitive data will be collected, observed, inferred, stored, shared, or deleted?
- ☐ What specific purpose and legal basis apply to each use?
- ☐ What notice, consent, contract, rights, retention, and transfer obligations apply?
- ☐ Can data be minimized, redacted, aggregated, or kept in the buyer's system?
- ☐ Who is controller, processor, service provider, or authorized user?
- ☐ What security controls, access limits, backups, deletion, and incident response exist?
- ☐ How will access, correction, export, deletion, objection, or complaint requests be handled where applicable?
- ☐ Are delivery contact, research, and marketing treated as distinct purposes where needed?

Safety and Product Responsibility

Put It to Work

- ☐ What health, food, product, workplace, transport, child, event, or premises standards apply?
- ☐ What hazards, allergens, contraindications, age limits, warnings, or instructions must be communicated?
- ☐ How are suppliers, materials, equipment, storage, temperature, testing, and quality controlled?

- ☐ How will an unsafe, defective, contaminated, or mislabeled item be contained and recalled?
- ☐ What complaint, incident, reporting, and emergency process is required?
- ☐ What training, supervision, and records must exist before the first pilot?

Insurance and Liability

Put It to Work

- ☐ What general, professional, product, cyber, vehicle, premises, employer, or event cover is appropriate?
- ☐ Which activities, locations, claims, people, or territories are excluded?
- ☐ Do contracts create obligations not covered by insurance?
- ☐ Can the business fund deductibles, refunds, replacements, and uninsured loss?
- ☐ Do partners, venues, landlords, marketplaces, or customers require proof of coverage?

People and Work

Put It to Work

- ☐ Is a worker an employee, contractor, volunteer, partner, trainee, or participant under the applicable rule?
- ☐ What pay, tax, working-time, safety, leave, nondiscrimination, accessibility, and record duties apply?
- ☐ Who owns work product and intellectual property?
- ☐ What confidentiality and data access are appropriate?
- ☐ Can the business supervise, cover, and pay the role responsibly?

Intellectual Property and Permission

Put It to Work

- ☐ Do you own or have permission to use every name, image, text, dataset, code component, design, recording, and testimonial?
- ☐ Does a license permit commercial use, modification, distribution, and the intended format?
- ☐ Do employment, client, university, partner, or platform agreements affect ownership?
- ☐ Is confidential or proprietary information being reused?
- ☐ Are releases or separate marketing permissions required?

Platforms, Payments, and International Sales

Put It to Work

- ☐ Do marketplace, payment, hosting, advertising, app-store, email, community, or social terms permit the activity?
- ☐ What holds, reserves, disputes, chargebacks, prohibited categories, and identity checks apply?
- ☐ What happens to buyers and data if the provider suspends the account?
- ☐ Do consumer, tax, privacy, export, sanctions, accessibility, or language duties change across buyer locations?
- ☐ Can the test be narrowed to one responsible location or route first?

Escalation Record

Question	Authority or adviser	Status and date	Effect on test

Permission gate owner: ______________________________

Status: **OPEN / CONTROLLED / BLOCKED**

Action allowed: ______________________________

Action not allowed: ______________________________

Source Notes

The framework in this book is an original synthesis built for small, founder-led businesses. It sits alongside, rather than replacing, established work on customer development, effectuation, lean experimentation, business models, and entrepreneurial finance.

The chapter-level source ledger supplied with the production package records the evidence used for factual and regulatory claims. The following sources are especially important:

- U.S. Small Business Administration, *Business Guide*, including market research, startup-cost, business-plan, and break-even guidance.
- U.S. Federal Trade Commission, *Advertising and Marketing Basics*, *Advertising FAQs: A Guide for Small Business*, and the business guide to the Mail, Internet, or Telephone Order Merchandise Rule.
- European Data Protection Board, *Data Protection Guide for Small Business*.
- European Commission guidance on lawful, transparent, purpose-limited, and minimized processing of personal data.
- David J. Bland and Alexander Osterwalder, *Testing Business Ideas*.
- Eric Ries, *The Lean Startup*.
- Steve Blank, customer-development writing and teaching.
- Saras D. Sarasvathy, research on effectuation and entrepreneurial expertise.

Official guidance is used as an example of the questions a founder must ask, not as universal law. Jurisdiction and business category control the actual rule.

About the Author

Gaurav Tiwari builds, teaches, publishes, and runs small digital businesses. His work spans education, software, content, and services, which is why this book treats delivery and distribution as part of the idea rather than as departments that appear after validation.

He writes at gauravtiwari.org.

Continue the Work

If your candidate survives the tests in this book, continue with *The Working Founder*. It begins where validation ends: shaping the offer, finding customers, managing cash, and delivering consistently.

If the candidate does not survive, keep the ledger. A stopped idea is not wasted work when it leaves behind a better model of the buyer, the channel, or your own constraints.