

Julia Shalet



the really good idea test



**Get Evidence. Make Decisions.
Move Forward.**

Praise for *The Really Good Idea Test*

‘The need for this book has never been greater. As we live and work in increasingly dynamic environments it is critical to be able to iterate quickly, assimilate opinions and data, evaluate options and decide where to invest your effort. This same challenge is experienced by individuals, entrepreneurs, product managers to people that run mature businesses. Julia manages to synthesise this difficult problem into a simple process for evaluating and acting upon your really good idea!’

**Alastair Moore, Senior Teaching Fellow,
UCL School of Management**

‘Refreshingly straightforward way to put the customer at the heart of everything you do.’

Camilla Tress, Innovation Lead, Oliver Bonas

‘Before new ideas get any investment, they should be put to this test.’

**Ian Merricks, Managing Partner at White Horse Capital,
Chair at The Accelerator Network**

‘An essential DIY toolkit for improving your offering.’

Lauren Bigelow, Chief Product Officer, IMVU

‘Coming up with ideas isn’t the hard part, knowing which to take forward is. *The Really Good Idea Test* is full of valuable insight and practical tips, testament to Julia’s rich experience.’

**Marc Abraham, Head of Product at ASOS,
formerly Notonthehighstreet & World First**

Bring it all together to write your hypothesis

Now the challenge is to bring all four of these parts together: Part 1: Your goal + 2: The idea + Part 3: The people who will benefit + Part 4: The action.

You need to express the hypothesis as a positive statement rather than a negative as that makes it easier to test. You will also feel better about it! Make it as simple a statement as you can.

Here is an example for the potential test traders in the indoor market project. It shows how to bring the four elements together in quite a complicated scenario. It is more complex as there are a few 'actions' here and three different groups of people: the landlord, the trader and the market punter.

Example: Hypothesis for potential test traders in the indoor market project

(Reminder of value proposition: **For** potential new permanent traders **who** have a new shop idea, **our** free test trading period in one of the indoor market's empty shops **gives** a rent-free, reduced rates low-commitment opportunity to see what works, with the additional sales and marketing benefits of being part of a larger overall project, **unlike** other retail opportunities which are mostly standalone and require a commitment to longer term leases with rent and full rates payments chargeable from the outset.)

Our hypothesis is that we can generate full-price rentals in six months from all twenty empty shops if the right mix of traders are given free test trading opportunities within a broader programme of activity.

Here is a breakdown of that hypothesis to see how all four elements are included:

- Goal: To generate the landlord full-price rentals for from all twenty empty shops in six months.
- Idea: To give free test trading opportunities within a broader programme of activity.
- People who will benefit: The landlords who eventually get full-price rentals and the potential test traders, who get to test out if they can afford to rent a shop unit.
- Action: The potential test traders take up free test trading opportunities and can generate enough revenue from market punters to be able to afford the full-price rentals.

Here you can see the overall objective to get all twenty shops leased out at full price. It may not be those same test traders who take up those units, but they will all be rented out at full price. We know that the landlord is the main beneficiary but the traders and punters also benefit from free test trading and from the enjoyment of a revived marketplace. There are a few actions here: The taking up of test trading and the signing up of full-price rentals and the market punters who need to shop. (You can state the hypothesis as 'my' or 'our' hypothesis.)

Here is another hypothesis from the taxi app example. This one is more straightforward and shows that the overall objective is to generate revenue, the idea is to build an app, the beneficiaries are existing taxi and app users and the action you need them to take is to download and start using the app.

Example: Hypothesis for taxi app project

(Reminder of the value proposition: **For** existing taxi and app users **who** find their existing taxi services are unreliable **our** app **gives** them a way to be able to track their driver's arrival time and location in real time, **unlike** today where they can be left waiting without any information.)









My hypothesis is that there is an opportunity to generate revenue within a year, if we create a new taxi app for existing taxi and app users to download that shows drivers' arrival times and location in real time.

Do bear in mind that of course there are a number of different ways you can craft the hypothesis. As long as they contain those four elements in a succinct manner then that is fine. You will have the opportunity to iterate and improve upon your hypothesis at any stage throughout this test.

Completing The Really Good Idea Test templates

Are you working on your own idea as you go through this book?



If so, then have a go for yourself using the CORE template.

 1 <i>WRITE HYPOTHESES</i> Enter Step 1's Four-Part Hypothesis		 4 <i>FIND INTERVIEWEES</i> Enter Step 4's Recruitment Criteria & Mix for Group Profile	
 CORE	 2 <i>IDENTIFY RISKS</i>	 3 <i>CREATE QUESTIONS</i>	 5 <i>MEASURES & TARGETS</i>
Section A: Does the problem, need or desire exist? Section B: Are the existing solutions good enough to solve their problem/meet their needs or desires? Section C: Are they prepared to take the necessary actions to get another solution? Section D: (Optional) How do they feel about your idea?	Enter Step 2's Risky Assumptions	Enter Step 3's Questions	Enter Steps 5's Individual Measures & Write Step 6's Scores  6 <i>CONDUCT INTERVIEWS</i>  7 <i>ANALYSE & DECIDE</i>

Remember that you can download these templates from productdoctor.co.uk.


Right now, you are now on Step 1 (Write hypothesis) and you are ready to write your hypothesis into the highlighted Step 1 box.

CORE template showing Step 1's box

 1 <i>WRITE HYPOTHESES</i> Enter Step 1's Four-Part Hypothesis			
 CORE			
Section A: Does the problem, need or desire exist? Section B: Are the existing solutions good enough to solve their problem/meet their needs or desires? Section C: Are they prepared to take the necessary actions to get another solution? Section D: (Optional) How do they feel about your idea?			

What do I write in this box?

Just write in your hypothesis. Here is an example of a complete Step 1 box for the indoor market project example:




1
WRITE
HYPOTHESES

Our hypothesis is that we can generate full-price rentals in 6 months from all 20 empty shops if the right mix of traders are given free test trading opportunities within a broader programme of activity


Try it for yourself!

Remember you can download the template from productdoctor.co.uk



TOP
TIPS

- Use a ‘people map’ to help you distinguish customers from users and other groups of people
- Write ‘value propositions’ for each of the most important groups of people to help you identify problems, need and/or desires for your hypothesis
- Start to adopt a focus on people who you can add value for, not solutions or features you can deliver



COMMON
PITFALLS

- Failing to differentiate between customers and users (and other involved groups)
- Failing to focus on the suspected problems, desires and needs that exist for customers and users
- Writing a hypothesis that is technical, feature-based or salesy rather than benefits-focused

STEP

2



IDENTIFY RISKS



KEY POINTS

Identify where you have a lack of evidence on high-impacting elements of your hypothesis

Spend time carrying out some desk research to see if there is any other evidence that already exists

Categorise your riskiest assumptions against the four main sections of risk

Many innovators fail to recognise that their early-stage assumptions may contain different levels of risk and likelihood. In some