

Customer discovery & lean innovation.

This guide accompanies the *First Hundred* simulation. It puts ideas from the lean-startup and customer-development traditions into practice without reproducing trademarked canvases or step-lists. The terms it uses — value hypothesis, beachhead segment, customer-problem fit — are common parlance. Follow the links below to study the source material directly.

OVERVIEW

What is customer discovery?

Customer discovery is the practice of leaving your desk to learn who your customer really is and what problem actually hurts them. Instead of guessing what people want and then trying to convince them, you ask, watch, and test — and you let the answers reshape the idea.

What is lean innovation?

Lean innovation is a way of building new things that treats every assumption as a small experiment. You write down what you believe, design a cheap test, look honestly at the result, and then decide whether to keep going or change direction — before you spend the money.

- **Talk to real people early** — evidence beats opinion, even your own.
- **Watch behavior, not words** — what people *do* is more honest than what they say.
- **Be specific about who** — a narrow first group of customers beats a vague big market.
- **Hunt for what's wrong** — finding out you're wrong cheaply is the whole point.

CATEGORY · 01

Problem discovery

Defining who the customer is and what problem actually hurts them — before you write a line of code or a line of copy.

Steve Blank · *The Four Steps to the Epiphany*

The book that named customer discovery. Argues the answers aren't at your desk — go meet the people you think you're building for.

[Author site & blog](https://steveblank.com/) — <https://steveblank.com/>

[Customer development tools](https://steveblank.com/tools-and-blogs-for-entrepreneurs/) — <https://steveblank.com/tools-and-blogs-for-entrepreneurs/>

Steve Blank · *How to Build a Startup (Udacity, free)*

Free ~8-hour video course walking through customer discovery end to end. Best single starting point if you prefer video over books.

[Take course](https://www.udacity.com/course/how-to-build-a-startup--ep245) — <https://www.udacity.com/course/how-to-build-a-startup--ep245>

Michael Skok · *4 Steps to Building a Compelling Value Proposition*

Forbes long-read on how to frame the customer's problem in plain language — useful before you start interviewing.

[Read article](https://www.forbes.com/sites/michaelskok/2013/06/14/4-steps-to-building-a-compelling-value-proposition/) — <https://www.forbes.com/sites/michaelskok/2013/06/14/4-steps-to-building-a-compelling-value-proposition/>

Eric Migicovsky (YC) · *How to Talk to Users*

30-minute talk from the founder of Pebble: who to talk to first, what to ask, and how to keep the conversation honest.

[Watch on YouTube](https://www.youtube.com/watch?v=MT4lg2uqjTc) — <https://www.youtube.com/watch?v=MT4lg2uqjTc>

CATEGORY · 02

Evidence

Separating signal from noise: how to run interviews and read what customers actually do, instead of what they politely say.

Rob Fitzpatrick · *The Mom Test*

Short, practical book on asking questions that surface real behavior — even from people who would normally lie to be nice (like your mom).

[Book site](https://www.momtestbook.com/) — <https://www.momtestbook.com/>

[Summary \(PDF\)](https://www.momtestbook.com/TheMomTest-Excerpt.pdf) — <https://www.momtestbook.com/TheMomTest-Excerpt.pdf>

Cindy Alvarez · *Lean Customer Development*

Interview scripts, recruiting tactics, and templates you can copy straight into your first ten conversations.

[Author site](https://www.cindyalvarez.com/) — <https://www.cindyalvarez.com/>

Alexander Osterwalder & Yves Pigneur · *Value Proposition Design*

A structured way to map what you hear in interviews — customer jobs, pains, and gains — to the product you're considering building.

[Strategyzer](https://www.strategyzer.com/library/value-proposition-design) — <https://www.strategyzer.com/library/value-proposition-design>

CATEGORY · 03

Falsification

Treating your idea as a guess to be disproven cheaply. The faster you find out you're wrong, the more runway you keep.

Eric Ries · *The Lean Startup*

The case for running a venture as a series of small experiments. Where the build-measure-learn loop and 'validated learning' come from.

[Author site](http://theleanstartup.com/) — <http://theleanstartup.com/>

[Principles](http://theleanstartup.com/principles) — <http://theleanstartup.com/principles>

Marc Andreessen · *The Only Thing That Matters*

The original essay defining product/market fit — the signal you're trying to falsify your way toward.

[Archived essay](https://pmarchive.com/guide_to_startups_part4.html) — https://pmarchive.com/guide_to_startups_part4.html

Sean Ellis · *The Product/Market Fit Survey*

A simple, widely-used test for whether you've found fit: ask users how they'd feel if your product disappeared.

[Overview](https://pmfsurvey.com/) — <https://pmfsurvey.com/>

CATEGORY · 04

Iteration

What to do once you have evidence: change direction, pick a beachhead, do unscalable work, and grow from a narrow base outward.

Paul Graham · *Do Things That Don't Scale*

Why your first hundred users almost always come from manual, unscalable founder effort — not growth hacks or ads.

[Read essay](http://paulgraham.com/ds.html) — <http://paulgraham.com/ds.html>

Geoffrey Moore · *Crossing the Chasm*

On picking a narrow beachhead segment and the gap between early adopters and the mainstream market that follows.

[Author site](https://www.geoffreyamoore.com/) — <https://www.geoffreyamoore.com/>

Michael Seibel (YC) · *How to Plan an MVP*

20-minute talk on scoping your first build to one segment's must-have problem, then iterating from real use.

[Watch on YouTube](https://www.youtube.com/watch?v=1hHMwLxN6EM) — <https://www.youtube.com/watch?v=1hHMwLxN6EM>

Paul Graham · *Startup = Growth*

On how a sharply-defined segment shapes growth rate — and why a vague market makes iteration impossible to measure.

[Read essay](http://paulgraham.com/growth.html) — <http://paulgraham.com/growth.html>

Y Combinator · *Startup School*

Free library of founder lectures on talking to users, picking a market, and iterating once you've shipped.

[Browse library](https://www.startupschool.org/library) — <https://www.startupschool.org/library>

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