


# The Structured Start-Up

## WORKBOOK

 **MODULE 6: INITIAL  
CUSTOMER  
RELATIONSHIPS AND  
RETENTION, ALPHA  
AND BETA  
CUSTOMERS, FINDING  
AND ATTRACTING  
NEW CUSTOMERS**

### TOPICS COVERED:

How initial customers can help you to test your MVP and give insight about how your company needs to grow.

**LEARN WHAT  
MATTERS  
MOST**

# HOW ARE YOU GOING TO GET YOUR FIRST DOLLAR?

“You can put lipstick on a pig, but it is still a pig.”

— Barack Obama

A journey of a thousand miles begins with a single step. Now that you have your story and a MVP, how do you move forward on that journey? What is the next step that you can and should do to get started? Usually, this involves finding initial customers. For consumer companies, this next step may take the form of a pop-up shop or a test at an open-air market. For business companies, this may be finding an alpha or beta customer.

In any new endeavor, your idea or concept remains largely untested. You may have discussed your idea with close associates, friends, and even people with industry insight. But until you have someone paying for your goods or services, you cannot know for sure. The path to dollar one is different for each business. On one end, you can open up a lemonade stand today. On the other end, your pharmaceutical drug may take 5-plus years and 100 million dollars.

This pathway to the first dollar -- what has to be done -- offers a lot of clues about how you can and should go about operating, financing, and staffing your business. But irrespective of the course, the amount of the labor, the capital, and/or the time or the effort, a company is viewed differently pre-revenue than post-revenue.

# REAL WORLD EXAMPLES

INFLCR's alpha customer was UAB Athletics. INFLCR's period of examining the market and determining how their technology fit into it happened to coincide with UAB's decision to return to football. Searching for better ways to manage and harness the power of social media, UAB Athletics took a chance on this young Birmingham start-up. As a result, INFLCR was able to better develop their product and UAB got in with a high-growth company at their start.

You don't know what you don't know. A business plan is only as good as the paper it's written on, and everyone, according to Mike Tyson, has a plan until they are hit in the face. Often, the impulse is to just get started.

However, planning is essential. Abraham Lincoln is wrongly attributed as saying, "Give me eight hours to cut down a tree and I will spend six sharpening the saw." Although it's anyone's guess as to who actually said that, the sentiment has merit. Inevitably, when you look at business failures, you will often find easy tests that could and should have been done to better gauge the market.

# CONFLICTING DYNAMIC

# QUESTIONS TO CONSIDER

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**1. Now that you have your story, how do you propose going forward? What is your organization's next step towards gaining customers?**

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**2. What is your plan for getting your first (or next) dollar?**

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# QUESTIONS TO CONSIDER

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**3. Who is your first customers? Do you have a current relationship with those customers or do you need to develop one?**

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**4. What concessions will you be giving, if any, to get feedback from the customer?**

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# QUESTIONS TO CONSIDER

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**5. What concessions will you be giving, if any, because the first customer takes the risk (real or imagined) that your product or service will not meet expectations?**

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**6. What is your plan for getting your next ten customers?**

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