Phase 1: Ideation

Getting Started with Concept Testing

The Social Venture Academy follows a lean-startup model. This means we guide you through figuring out as much as you can about your venture before you build it. In fact, figuring this out is how you build it so that it actually works. Phase 1 is all about testing your concept from the very start.

Testing, testing...

Phase 1 is all about testing, but tests you administer, not tests you take. In this Phase, you'll do three tests. **Read the full descriptions for each of these before you start.** The full descriptions are attached, but here is a brief summary:

**Idea Summary** — (Page 3)
Otherwise known as the "Do you know what you want to do (and can you explain it)?" test. The essence: explain your idea simply, so that anyone can understand it.

**Pain Test** — (Page 4)
You make think you know the problem—stuff like school kids with no books, too much garbage, or fathers drinking too much—but it's guaranteed that you don't know it as well as the people with the problem. The Pain Test helps you figure out the whats and, just as important, the whys behind the problem you want to solve.

**Solution Test** — (Page 5)
If you knew how many people asked the question, "Why don't they just do it this way?" only to fall flat doing it "this way," you'd be excited to conduct the Solution Test. Usually our idea to fix something is at least partly wrong. This test helps you work out the major kinks.

**Risk Test** — (Page 6)
No one likes to be the bearer of bad news, so this test is designed to squeeze it out of them. Why would you want bad news? Because it's better to get in now than later. All kinds of looming terrors can sink your venture and the Risk Test is the floodlight that helps you find them.

**Wrap Up** — (Page 7)
A chance to review what you've learned, figure out if anything still isn't right, and prepare to move to Phase 2. Onwards and upwards!

Once you've finished these tests, you'll know what you're talking about. (And you'll have the evidence to prove it!)
Some Guidelines

Because social ventures can take on all shapes and sizes, it's hard to be too specific with this curriculum. Still, these general guidelines will help you along the way through Phase 1.

**Take good notes.** Each test directs you to write things down. Because of the way the SVA works, you won't be turning in any documents to your navigator to pass through Phase 1. The only thing you'll have is your notes. Whether you do it on your computer or in a journal or notebook, take good notes. You'll be showing these notes to your navigator.

**Combine tests if you want.** In some cases, it will make a lot of sense to combine Tests 1, 2, and 3. This way you don't have to schedule multiple interviews with the same person. That said, don't be afraid to go back and ask more questions if you need to.

**Be a good listener.** Everything you do in the coming tests involve getting information. Be a great listener. Whatever you do, don't argue with your interviewees. You don't know what they know.

Additional Requirements

To go to Phase 2, you'll need to do the following:

1. Complete your idea summary and review it with your navigator.
2. Complete all three tests and review them with your navigator.
3. Recruit an additional team member. The sooner you do this the better. You'll need a lot of help doing all of the work in Phase 1.
4. Meet with your navigator and review your Phase 1. Don't do this all at the end. Do it throughout the process.

Extra Resources

*Nail It then Scale It*, by Nathan Furr and Paul Ahlstrom
Idea Summary

Write your idea down

Here is where you get started. With this very first step, you'll test the essence of your idea by boiling it down into a brief explanation. Think of this step as your admissions test to the SVA.

The way an idea sounds in your head usually makes a lot more sense to you than it does when you explain it to someone else. That's why your first step is writing your idea down.

The goal here is to make sure 1) you know what your idea is, and 2) you can explain it to someone else. (You'd be surprised how many people struggle with one or both of these.) To help you get started, we recommend the following outline for your idea summary:

1. Write a three-sentence summary of your idea
   Make this as clear and direct as you can. How easy would it be for someone else to draw a picture of what you've written?

2. What problem does your idea solve?
   Be specific when you describe the problem. Saying that, "Our educational system is inadequate" doesn't really mean anything. Saying that, "There are too many at-risk teens who fail to prepare for college" means a lot.

3. How does your idea fix the problem?
   Based on your explanation, it should be clear why the people with the problem will want your idea.

4. Why do you want to fix the problem?
   This will probably be a hard question to answer clearly, but the "why" is sometimes the only thing that keeps social entrepreneurs going.

Do not write more than this. If you feel a need to explain why you're the best person to solve the problem, how much money you plan to earn or fundraise, or even what you're naming your venture and why, then stop writing. Those things are important, but they're not as important as the idea itself, simply expressed.

If you've used more than two pages, then you've written too much. The majority of good ideas can be expressed in just one page. Pare it down before you turn it in to us.
Test 1

Know the Pain

Have you ever gotten advice from a friend before they even understood your problem? You’d almost prefer they didn’t try to help at all instead of trying to fix a problem you don’t actually have. Now imagine your friend offering to invest hundreds of thousands of dollars to solve your problem as they understand it. You’d call them crazy.

And yet, in social entrepreneurship, this kind of thing happens all the time. We don’t hear about the ones running off to solve the wrong problems because they invariably fail, and we don’t talk much about the failed ones. We don’t want you to fail.

You probably know more about the problem you’re trying to solve than most other people. But you may not know it as well as you think you do. After you’ve done this step, you’ll be sure that you understand the problem and you’ll be able to point to evidence that supports you. (This helps you and it helps your future funders.)

Identify Your Assumptions

Write down exactly what you think the problem is. This gives you something to test. Do this specifically by answering the following questions:

1. What causes the problem?
   To answer this question well, channel your inner four-year-old and ask a 5-question "why" chain: "Why is there a problem?" "Why is that the cause?" "Why is that the cause of the cause?" and so on.

2. Think about the people with the problem. What are they currently doing, or willing to do, to solve it?

3. What are all of the current solutions to the problem? Why aren’t they good enough?

4. How long has it been a problem?

5. How easily could something change to make the problem go away?

Validate Your Understanding of the Problem

Now you get to experiment. How many people do you know that have the problem? Do you know any experts in the problem? Do you have a wide variety of sources documenting the problem? If the answers are none, no, and no, then you need to get to work.

Find market participants (people with the problem), experts, and other sources. Once you’ve done this, get to work asking them the same five questions you just answered. How well do their answers match yours?

You might wonder how many people you should ask. The most useful answer is to start with at least five market participants, two experts, and two sources. Once you’ve done all of that, keep going until you get answers that no longer surprise you. Your Navigator will go over the outcome of Test 1 when you’ve finished it. Feel free to ask any questions along the way.
Test 2

Test Your Solution
At this point, your idea needs to get out of your head and into the world. Your goal with this test is to explain your solution to the people who might use it and then get their feedback. What they tell you will probably surprise you.

*You don't need a complete, final product for this test.* To the contrary, the whole point of this test is to help you avoid the cost and time involved in developing a product nobody wants.

Describe Your Solution
Describe your solution for the problem you're addressing. (Write it down, because the way it looks in your head looks different when it's on paper.) Try to keep your description to a single page. Do this specifically by answering the following questions:

1. What does your solution do?
2. How does it work?
3. Why would someone want it?
4. If helpful, draw a picture of your solution.

That's it. If you find you can't limit your description to those questions, or to a single page, then you probably need to simplify it.

Verify Your Solution
Now that you have your description, it's time to talk to people again. Because you're working on a social venture, it's likely that there is more than one kind of person involved. (For example, if you're serving at-risk teens, then you might need to talk to teens, parents, and schools.)

Make a list of the people you need to talk to, then show them your solution and ask them questions like these:

1. Would you use this? Why or why not?
2. If you used something like this, what are the top three things it would need to do for you?
3. What have I shown you that you don't need or want?
4. If you like this solution, what would you be willing to do to get it?
5. If you were in charge of the solution, what is the first thing you would do with it?
6. What have I got wrong?

Whatever you do, listen and take good notes. This is the best chance you have to fix major problems with your idea. Take advantage of it. *Your Navigator will go over the outcome of Test 2 when you've finished it. Feel free to ask any questions along the way.*
Test 3

Find the Risks

Even if you understand the problem well and have a solid idea for fixing it, that doesn't guarantee your success. The environment in which you launch your venture matters as much as the idea itself. This test will help you figure out what might stand in your way before you get started. (And you can count on something trying to stand in your way. Know what it will be.)

Describe What Risks Could Sink Your Idea

You probably already have some idea of what risks could keep you from succeeding, but take the time to answer these questions. Write your answers down.

1. Is someone else already working on this problem? If so, how are they doing?
2. If others have failed in solving this problem, why did they fail?
3. Is there anyone who doesn't want this problem solved and can they stand in my way?
4. Are there any laws or regulations that stand in my way?
5. What will happen if I try to solve the problem and fail?

Verify Your Understanding of the Risks

Now just like in Test 1, you want to talk to people with the problem, experts on the problem, and anyone else who can help you understand the risks you might face. Ask them to answer the same five questions you just answered.

Do your answers match theirs? If not, evaluate where you see things differently than them. Take the time to verify things they've told you if they don't seem right. Take good notes because you'll almost certainly need them later. Once again, keep asking until you get answers that no longer surprise you. Your Navigator will go over the outcome of Test 3 when you've finished it. Feel free to ask any questions along the way.
Phase 1 Wrap-up

Ready to launch?

You'll be answering four related questions below, but they all point to your answer to this question: Are you ready to launch a real organization? Based on what you've made, are you ready to commit not just your time and money, but the time and money of people who trust you?

How well do you understand the problem?
In Test 2, you wrote down how you understood the problem, then you asked customers, experts, and others to describe the problem for you. Now do this:

1. Write down all of the things you had right about the problem.
2. Write down all of the things you had wrong about the problem. (If this list is longer than the first one, you probably did a good job gathering information.)

How well designed is your solution?
In Test 3, you had people evaluate your solution. Based on their feedback, answer these questions in writing:

1. What specific things do people like best about your solution?
2. What do people like the least (stuff they hate and stuff they don't care about)?
3. What changes did people recommend for your solution?
4. What are people willing to do to get your solution?

How well can you address the risks?
Test 3 helped you better understand the risks involved. Now you need figure out if you can address them. *Don't skip this step.* Don't trust that everything will work out. Make sure you're realistic about your answers.

1. Write down each risk you researched.
2. Under each one, write down how you will address that risk.

Now, are you ready to make something? If you are, get started on Phase 2. *Your Navigator will go over the outcome of Phase 1 when you've finished it. Feel free to ask any questions along the way.*