

# Startups Need Both Profound Beliefs and Customer Input

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In the early stages of a startup your hypotheses about all the parts of your [business model](https://www.youtube.com/watch?v=QoAOzMTLP5s) (https://www.youtube.com/watch?v=QoAOzMTLP5s) are your profound beliefs. Think of profound beliefs as “strong opinions loosely held.” You can't be an effective founder or in the C-suite of a startup if you don't hold any.

Here's how I learned why they were critical to successful customer development.

I was a smart, aggressive, young and a very tactical VP of marketing at [Ardent](http://steveblank.com/category/ardent/) (http://steveblank.com/category/ardent/), a supercomputer company. At the time I really had no clue about the relationship between profound beliefs, customer discovery and strategy.

One day the CEO called me into his office and asked, “Steve I've been thinking about this as our strategy going forward. What do you think?” And he proceeded to lay out a fairly complex and innovative sales and marketing strategy for our next 18 months. “Yeah, that sounds great,” I said.

He nodded and then offered up, “Well what do you think of this other strategy?” I listened intently as he spun an equally complex alternative strategy. “Can you pull both of these off?” he asked looking right at me. By the angelic look on his face I should have known that I was being set up. I replied naively, “Sure, I'll get right on it.”

## Ambushed

Decades later I still remember what happened next. All of a sudden the air temperature in the room dropped by about 40 degrees. Out of nowhere the CEO started screaming at me, “You stupid x?\*&!x. These strategies are mutually exclusive. Executing both of them would put us out of business. You don't have a clue about what the purpose of marketing is because all

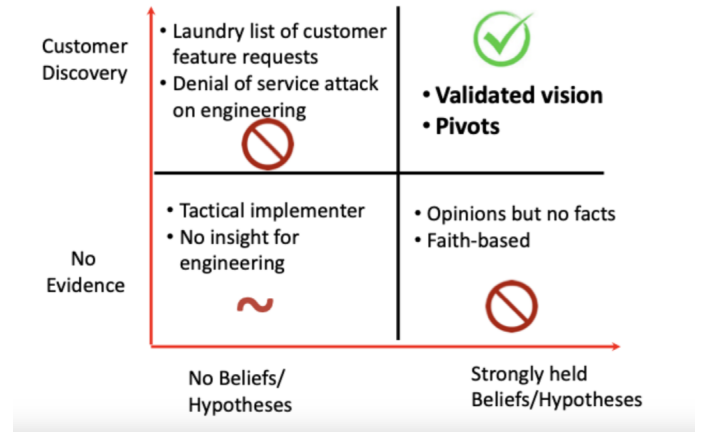
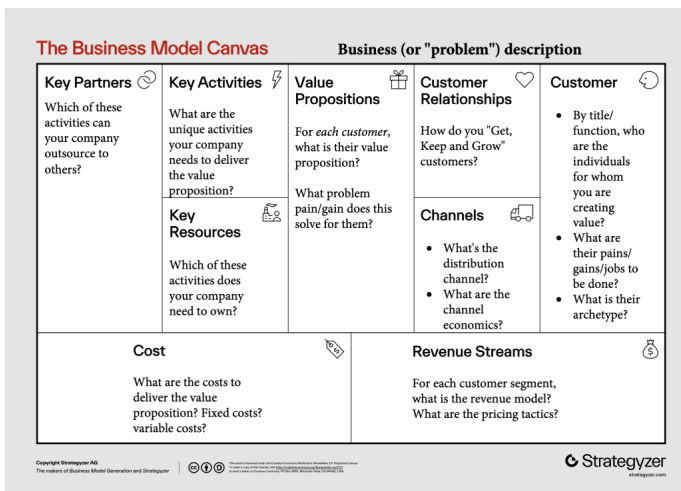
you are doing is giving engineering a list of feature requests and executing a series of tasks like they're like a big To Do list. Without understanding why you're doing them, you're dangerous as the VP of Marketing, in fact you're just a glorified head of marketing communications. You have no profound beliefs.”

I left in a daze, angry and confused. There was no doubt my boss was a jerk, but I didn't understand the point. I was a great marketer. I was getting feedback from customers, and I'd pass on every list of what customers wanted to engineering and tell them that's the features our customers needed. I could implement any marketing plan handed to me regardless of how complex. In fact I was implementing three different ones. Oh...hmm... perhaps I was missing something.

I was executing a lot of marketing “things” but why was I doing them? The CEO was right. I had approached my activities as simply a task-list to get through. With my tail between my legs I was left to ponder: What was the function of marketing in a startup? And more importantly, what was a profound belief and why was it important?

## Hypotheses about Your Business Model = Your Profound Beliefs Loosely Held





Your hypotheses about all the parts of your business model are your profound beliefs. Think of them as strong opinions loosely held. You can't be an effective founder or in the C-suite if you don't have any. The whole role of customer discovery and validation outside your building is to inform your profound beliefs. By inform, I mean use the evidence you gather outside the building to either validate your beliefs/hypotheses, invalidate or modify them. Specifically, what beliefs and hypotheses? Start with those around product/market fit: Who are your customers, and what features do they want? Who are the payers? Then march through the rest of the business model. What price will they pay? What role do regulators pay? Etc. The best validation you can get is an order. (BTW, if you're creating a new market, it's even OK to ignore customer feedback, but you have to be able to articulate why.)

The reality of a startup is that on day one most of your beliefs/hypotheses are likely wrong. However, you will be informed by those experiments outside the building, and data from potential customers, partners, regulators, et al will modify your vision over time.

It's helpful to diagram the consequences between hypotheses/ beliefs and customer discovery.

If you have no beliefs and haven't gotten out of the building to gather evidence, then your role inside a new venture is neutral. You act as a tactical implementer because you add no insight or value to product development.

If you've gotten out of the building to gather evidence but have no profound beliefs to guide your inquiries, then your role inside a new venture is negative. You'll collect a laundry list of customer feature requests and deliver them to product development, without any insight. This is essentially a denial of service attack on engineering's time. (I was mostly operating in this box what I got chewed out by our CEO.)

The biggest drag on a startup is those who have strong beliefs but haven't gotten out of the building to gather evidence. Meetings become opinion contests and those with the loudest voices (or worse "I'm the CEO and my opinion matters more than your facts") dominate planning and strategy. (He may be right, but Twitter/X is an example where Elon is in the box on the bottom right of the diagram.)

The winning combination is strong beliefs that are validated or modified by evidence gathered outside the building. These are "strong opinions loosely held."

## Strategy is Not a To-Do List; It Drives a To-Do List

It took me awhile, but I began to realize that the strategic part of my job was to recognize that (in today's jargon) we were still searching for a scalable and repeatable business model. Therefore my job was to:

- Articulate the founding team's strong beliefs and

hypotheses about our business model.

- Do an internal check-in to see if a) the founders were aligned and b) if I agreed with them.
- Get out of the building and test our strong beliefs and hypotheses about who were potential customers, what problems they had; and what their needs were.
- Test product development's/engineering's beliefs about customer needs with customer feedback.
- When we found product/market fit, marketing's job was to put together a strategy/plan for marketing and sales. That should be easy. If we did enough discovery, customers would have told us what features were important to them, how we compare to competitors, how we should set prices, and how to best sell to them.

Once I understood the strategy, the tactical marketing To Do list (website, branding, PR, trade shows, white papers, data sheets) became clear. It allowed me to prioritize what I did and when I did it, and instantly understand what would be mutually exclusive.

## Lessons Learned

- Profound beliefs are your hypotheses about all the parts of your business model.
- No profound beliefs but lots of customer discovery ends up as a feature list collection, which is detrimental to product development.
- Profound beliefs but no customer discovery ends up as opinion contests, and those with the loudest voices dominate.
- The winning combination is strong beliefs that are validated or modified by evidence gathered outside the building. These are "strong opinions loosely held."