Market & Customer Definition in 8 Steps



Founders Hive

Step 1: Introduction & Goal

Turn the customer segments from your business model into a tested decision about who buys first.

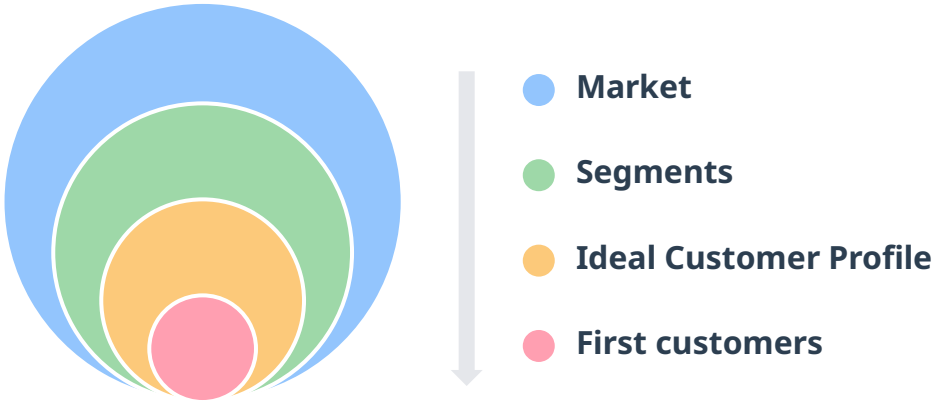
Why define your market now?

Business Model Design asked you to name your customer segments. Most early teams name too many. Work through Steps 1 to 8 in order; each worksheet feeds the next.

What you will produce

- A segment table and an Ideal Customer Profile
- A readiness and maturity check for real prospects
- A focus decision: where you start and what comes next

FROM MARKET TO FIRST CUSTOMERS



Pro Tip

Write every market statement as a hypothesis you can prove wrong, and give each one a test and a deadline. A segment you have not tested with real customers is still a guess, however good your desk research looks.

Founder Insight

"We just tested the market with the product to see who has more acceptance, who feels the pain more and who gains more from our solution. From the four customer profiles, we then identified which one is the starting point and which one we should go to next."

Dr. Poorya Amini, Risklick

Market Hypothesis Card

Output: your starting hypotheses

We believe that	We test it by	We are right if	Deadline
e.g. Profile A hurts most	*Test with all profiles*	*A reacts fastest*	

Step 2: Segment Your Market

Split your market into groups of customers who share a need and can be reached the same way.

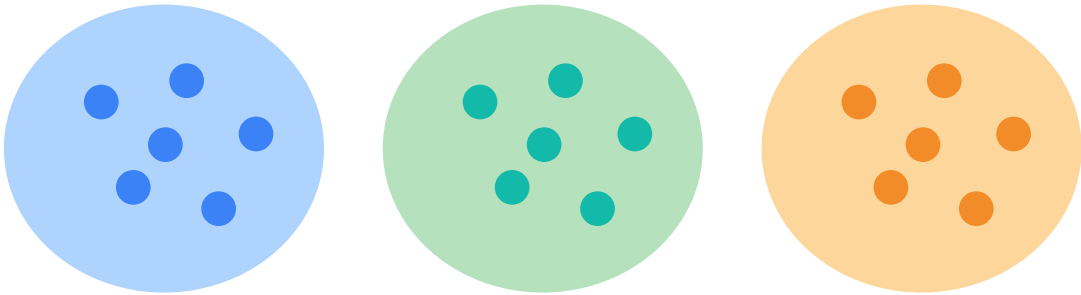
Ways to Segment (B2B)

Company profile: industry, company size, location
Needs-based: the job the customer needs done
Behavioral: how they buy and who decides

Test: Is This One Segment?

- Customers buy similar products in a similar way
- They have a similar sales cycle
- They know and reference each other

ONE MARKET, THREE SEGMENTS



Segment A **Segment B** **Segment C**

Pro Tip

Size each segment bottom-up: count the customers you can actually reach and multiply by realistic annual revenue per customer. That is the market you can actually serve (SAM). Top-down figures from industry reports are a cross-check, not your plan.

Founder Insight

"We realized that some customers, who keep the solar plant on their balance sheet for a longer period, were more interested in using our software. But there are customers who build solar plants and wait for them to be sold to someone else. They were not my customer, and that took me time to understand."

Govinda Upadhyay, SmartHelio

Segment Table

Input: hypotheses from Step 1

Segment	Need	Size (customers x CHF/yr)	How we reach them
e.g. Long-term plant owners	*Plant performance*		*Exhibitions*

Step 3: Test Segments in the Field

Find out which segment feels the most pain and moves fastest.

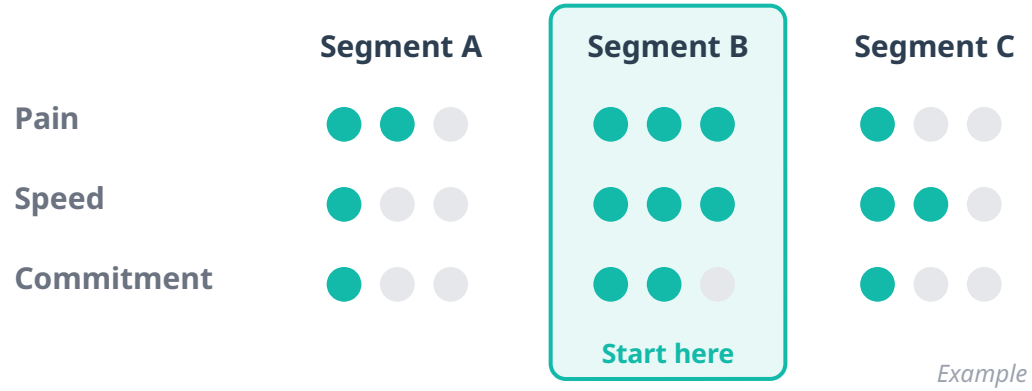
Run Fast Tests

- Test the same offer in two or more segments
- Start with customers you can reach and visit easily
- Agree on success criteria before a pilot starts

Signals to Watch

Pain: they describe the problem without prompting
Speed: they agree to a test within weeks
Commitment: they invest time, data or money

WHICH SEGMENT RESPONDS?



Example only

Pro Tip

For every test, write down the two main reasons it advanced or stalled. A simple spreadsheet is enough; you do not need sales software yet. Keep tests cheap for you, but do not run pilots for free: the customer should at least cover your costs.

Founder Insight

"At the beginning, we approached customers close by, like police organizations and hydropower station users around Switzerland, so we could test and iterate fast without spending a lot of money. We are still doing the same: approaching people who are open to test our solution not in half a year, but maybe in three weeks."

Jonas Wüst, Tethys Robotics

Segment Test Log

Input: segments from Step 2

Segment	Test	Signals seen	Why advanced or stalled
e.g. Hydropower users	*On-site demo*	*Test within weeks*	*Urgent need*

Step 4: Define Your Ideal Customer Profile

Describe the type of organization that gains the most from your solution.

ICP and Personas

ICP: the type of organization you target

Personas: the people inside it who use, pay and decide

Build Your ICP

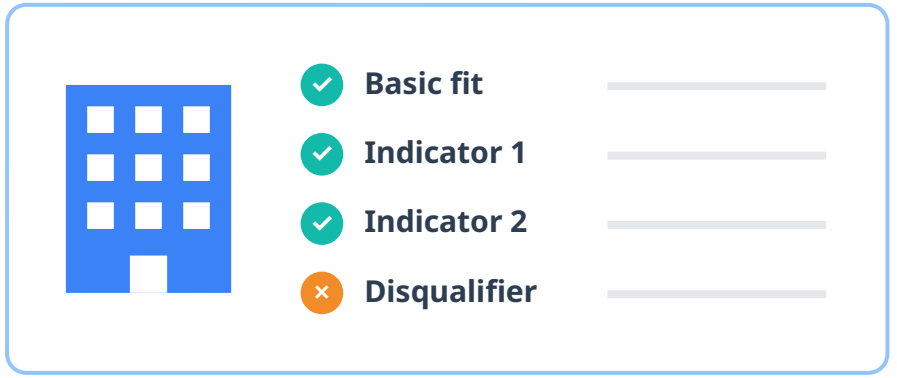
- Basic fit: industry, size, region
- Indicators: observable signs of an urgent need
- Disqualifiers: signs that a customer will not buy

Founder Insight

"There are two indicators. First, the customer should have a large portfolio that is growing fast; if they are installing a lot of solar plants, they need more automation. Second, they lack people in operations, and everyone says: I don't have enough people to maintain my solar plants."

Govinda Upadhyay, SmartHelio

IDEAL CUSTOMER PROFILE



Pro Tip

Keep your ICP to two or three indicators you can verify before the first call. Then name three people: who uses it, who pays and who decides. The budget often sits higher up than the user.

ICP Card

Input: best segment from Step 3

Attribute	Our ICP	How we verify
Basic fit		
Indicator 1	*e.g. Portfolio growing fast*	
Indicator 2	*e.g. Too few operations staff*	
Disqualifier		

Step 5: Assess Customer Readiness

Check whether one named customer can adopt your solution now, not only whether they need it.

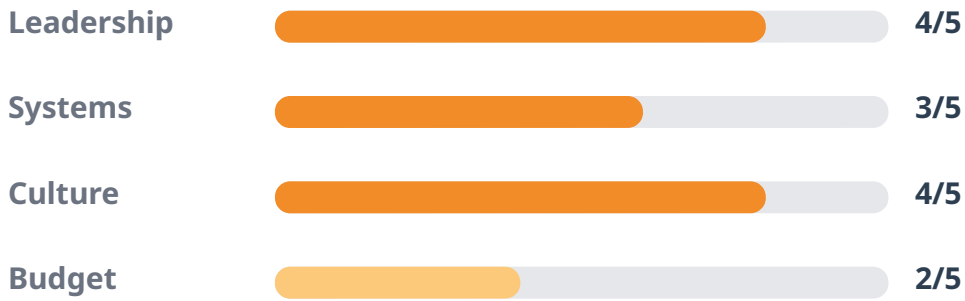
Readiness Dimensions

Leadership: management prioritizes the topic
Systems: IT and processes can integrate you
Culture: teams want to work differently
Budget: someone owns a budget for it

Where to Find Signals

- Their public communication and positioning
- Trade fairs and industry events
- Planned upgrades or system replacements

IS THIS CUSTOMER READY?



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Pro Tip

Contact customers when they change a core system anyway: adding your solution then costs little extra effort. Start with customers whose system you already integrate with.

Founder Insight

"Customers who digitize the patient journey need a certain readiness. Management must have a focus on that topic. The internal system landscape and the architecture must be ready. And there must be a culture that wants to provide this digital interaction to patients. That speaks of a certain profile of hospitals and clinics."

Regula and Matthias Spühler, heyPatient

Readiness Scorecard

Input: one prospect that fits your ICP

Dimension	Score (1 = no, 5 = yes)	Evidence
Leadership	*e.g. 4*	*e.g. Public communication*
Systems		
Culture		
Budget		

Step 6: Define Maturity Levels

In emerging markets, define how far a customer is on the path to needing you.

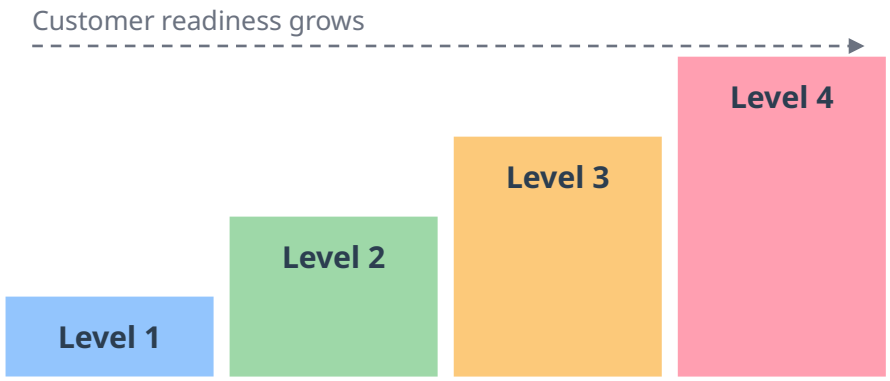
Why Maturity Matters

- Established market? Buyers and budgets are visible; skip this step
- In emerging markets, roles and budgets are still forming
- A maturity model shows which stage you are facing

Build Your Ladder

Criteria: a few yes/no questions you can ask
Levels: three or four stages with clear signs
Offer: what each level needs from you

MATURITY LADDER



Pro Tip

Expect only a few prospects at the top of your ladder: in adoption research (Rogers), innovators and early adopters are about 16% of a market. Use your criteria as first-call questions.

Founder Insight

"We had to define a notion of AI governance maturity ourselves, because it's an emerging market: Do they have a team assigned to this? Have they defined their AI governance rules? How many use cases have they deployed? Once you define this, it's quite systematic. Within 30 seconds, I could predict a prospect's stage and needs."

Dr. Petar Tsankov, LatticeFlow AI

Maturity Ladder

Input: prospects from Step 5

Level	Typical signs	What they need	Our offer
Level 1	*e.g. No team, no rules*		
Level 2			
Level 3			
Level 4			

Step 7: Evaluate Opportunities Systematically

Score every opportunity with the same criteria, so data decides, not your last good meeting.

Criteria to Score

Opportunity: one named prospect or deal
Value: how much value you can add
Access: can you reach the decision maker
Effort: time and cost to win and deliver (5 = high)
Leverage: does this win open further deals

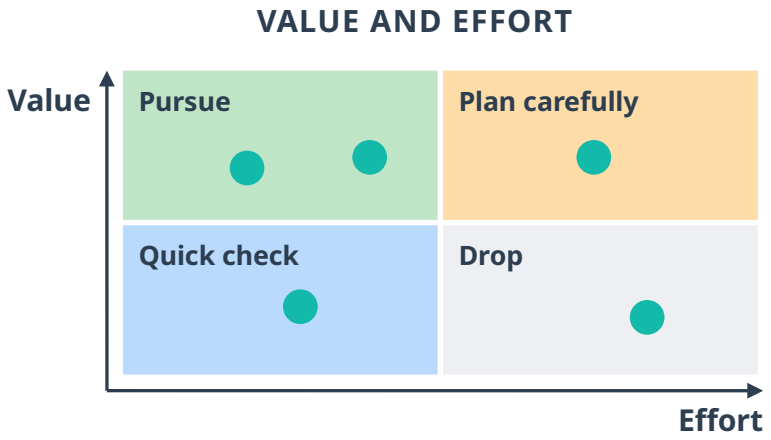
Keep It Simple

- A spreadsheet is enough at this stage
- Plot Value and Effort in the matrix
- Use Access and Leverage to break ties

Founder Insight

"There is no difference between a deal with a corporation of 100,000 employees and a bakery shop, because it's still one person. With small business owners, it would take us a month or two to convince them. So I said: there's no point. Let's go to the biggest ones, because it's going to take the same amount of time."

Mateusz Wojdyło, Stellos AG



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Pro Tip

Agree in your team what a 1 and a 5 mean for each criterion before you score. Then weigh effort against deal size: a small customer can take as long to win as a large one.

Opportunity Evaluation Sheet

Score 1 to 5. Input: Steps 4 to 6

Opportunity	Value	Access	Effort	Leverage
e.g. Largest real estate owner				

Step 8: Focus or Expand

Win one first segment, your beachhead, before you expand into the segments it opens up.

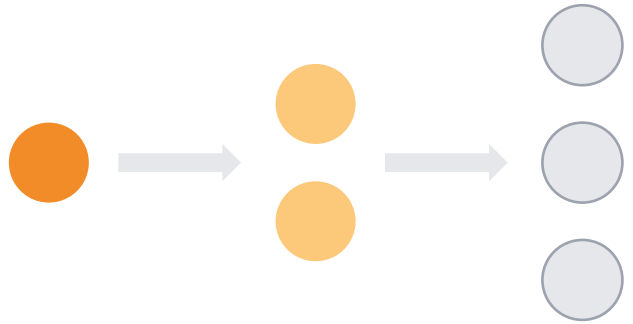
Choose Your Beachhead (First Segment)

- Customers can pay and you can reach them
- You can deliver a complete solution today
- A win there leads into neighboring segments

Expand Step by Step

Adjacent: a segment that uses the same product
References: proof from your first segment
Reuse: keep product and sales approach largely the same

WIN ONE SEGMENT, THEN THE NEXT



Pro Tip

Win several customers in one segment before you add the next. Customers in one segment talk to each other, so references spread; a few customers across many segments do not (Moore, Crossing the Chasm).

Founder Insight

"We developed a system for the niche in the niche. Everybody would tell you: are you crazy to develop a niche product when you are already in a complex, fragmented market? But it could get us a really high market share in this niche, and that strength can have positive effects on the other markets."

Myriam Lingg, macu4

Focus Decision Grid

Input: results of Steps 3 to 7

Segment	Win now? (yes/no)	Leads to	Decision (now/later/drop)
e.g. Niche in the niche	*Yes, high share*	*EU partner markets*	*Now*

Next Steps



Complete Your Customer Profile

Fill in the worksheets in order. Your ICP Card and Focus Decision Grid are the core results for your next sales conversations.



Test & Refine

Your segments will shift as you learn. Update your ICP after every pilot and every lost deal.



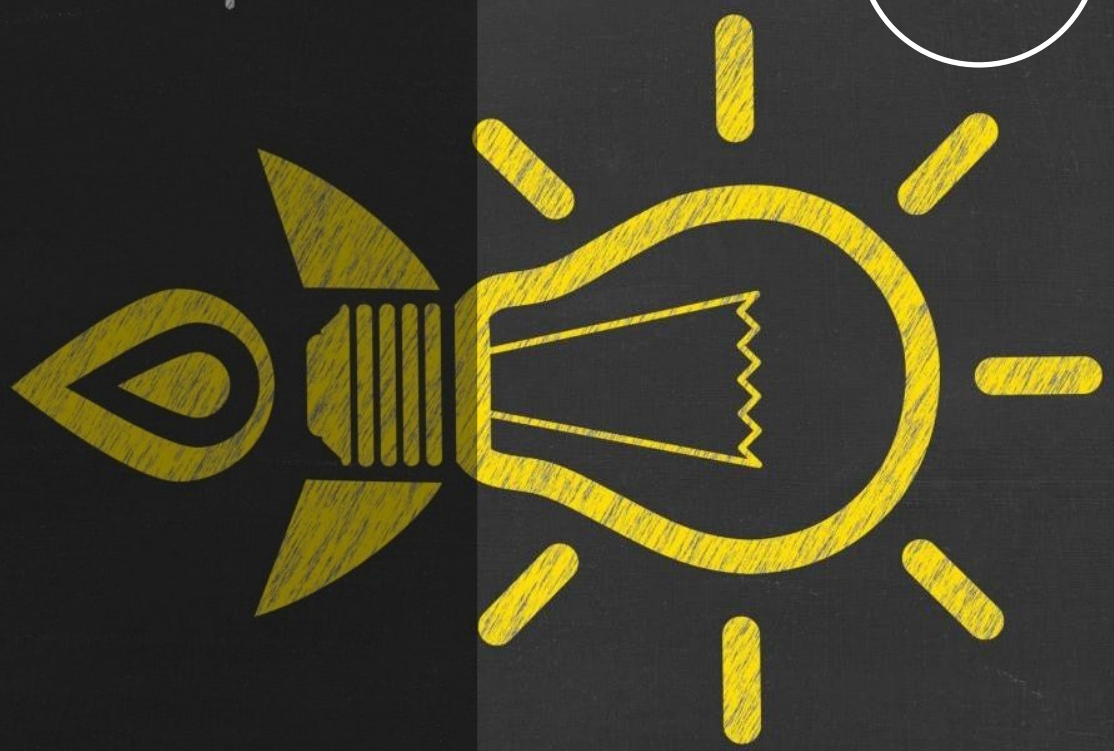
Seek Feedback

Share your ICP and beachhead choice with coaches, mentors and early customers. Ask them what you are missing.

Additional Resources

Business Model Design Go-to-Market Strategy Sales Funnel & Lead Qualification Growth Hacking & Experiments Innosuisse Training

Let's Bring Your Idea to Life



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