Finding Product-Market Fit:
Hypothesis & Personas Exercise

Instructions
Use this worksheet to hone in on your insight, list 1-3 hypotheses you want to test with users, and come up with your user personas. The sooner you do this exercise, the sooner you and your teammates will be on the same page.

Forming Hypotheses

Here are some guidelines that you can step you through the process of outlining your hypothesis:
1. What is your core **insight** about the market? Is there some consumer behavior that exists in the world already, but where consumers are running into bad ways to express that? Avoid creating hypotheses that are too generic or vague. A good hypothesis should include:
   a. **Who** is the target customer?
   b. **What** is their unmet need?
   c. **Why** aren't their needs being met today?

   X People can't talk to their neighbors.
   ✓ People have lost touch with their neighbors in the modern busy world.

2. What **data or anecdotal evidence** exists that supports that insight? (e.g. Academic research from Robert Putnam on decline in civic engagement)
3. Based on that insight, what is your **proposed solution**? What new product/service would you introduce to the world?

These questions help you form your hypotheses. These should be the core questions that will shape your product based on validation in the market. They will also become the foundation of your company's pitch to future customers, employees, partners, and potential investors.

Once you've formed your hypotheses, how can you test them as quickly and cheaply as possible? Here is a simple table to help you organize and track progress as you test and learn. I've included an example of what the Nextdoor research would have looked like circa 2011 at the early stages:

Hypothesis	Ways to test	True/False	Learnings
Neighbors have lost touch with each other and want an easier way to talk to each other	Online surveys, 1:1 interviews, analyzing competitive landscape to see if existing tools are adequate	True	Neighbors want to know what is happening in their neighborhood. They currently rely on email listservs and offline news. Overall, unsatisfied with current level of information.
Young adults (age 30-40) are interested in conversing with their neighbors	Targeted surveys to demographic group, research civic group involvement	True	Younger adults want to be more engaged in their local communities than they are today. However, current organizations are offline, hard to attend, run by the older generation, and generally unwelcoming to new generations.
Neighbors want to talk about policy and ballot issues with their neighbors	Show wireframes of proposed solutions, ask users to prioritize functionality, and make tradeoffs	False	Neighbors had a lukewarm reception discussing local ballot measures on a platform. Considered the discussions would be relevant every 3-5 years, not a daily action. However, they had a strong interest in learning about what was happening in the neighborhood, listing items for sale, and trying to find great local service providers. Daily utility mattered in their daily

Forming Personas

Here are some guidelines that you can keep in mind as you come up with those initial personas:

1. **Start with a beachhead of users.** You can branch out later. But if you go too broad early on, you dilute the product and potentially build something that is not useful for any core group. You want to build a product that amazes your early core users (i.e. book customers were the beachhead for Amazon).
2. **Build a strong loyal group of users.** Who are your "die hards" that will help you create a flywheel by evangelizing your product? Build a product that your core enthusiastic users will love. You want to delight them and turn them into promoters among their peers. They will help you design and launch your initial product offering. This group can be small, but they should be influential to a broader audience.
3. To maximize the value of personas you need to bring them to life. Give each persona a real name, photo, and description. Make them visible to everyone on the team. Post them around the office. The detailed personas will help the team align around the customer and make better product tradeoff decisions.

These are examples of the kind of personas we had in the early days at Nextdoor in 2011:

Persona	Age	Use cases	What to build for them
Susan, the supermom	33	Looking for recommendations (gardner, babysitter) and organizing local events with other families.	● Events ● Recommended businesses
Russell, the civic-minded retiree	65	Wants to connect with other neighbors for walking group, park clean-up. Wants to stay informed about city programs	● Groups ● Events ● Local agency updates
Rhonda, the young urban renter	24	Wants to learn about new local businesses, find local deals, and items for sale/free. Not keen on being the neighborhood leader given likeliness to move.	● Classifieds ● Local deals ● Events

It's helpful to flush out your personas as completely as possible. And then you must edit the list and narrow it down to 1-2 personas. One of the tricky things about Nextdoor was that we were building a community of users in a neighborhood. As a result, we had multiple personas that we were attracting earlier in our journey.

In the best case scenario, you should narrow it down to one persona for early launch. The more specific you can be, the easier it will be to prioritize the product roadmap and ensure the entire team is focused on the same single persona.

These exercises are designed to trigger market feedback, internal conversations, and insights that help inform the product strategy and go-to-market strategy. When done correctly, they will lead you towards product-market fit. Equally important, the process will help a nascent team to come together and align around the key hypotheses, market insights, and target personas that will form the foundation of the company and its culture. This will be key as the team grows and the product continues to evolve based on ongoing feedback from the market.