



ATOMIC OBJECT

THE STARTUP PRODUCT ROADMAP

How to Mature your Software Idea into a Scalable Product



You have a great idea for a software product, and you're probably in a rush to get it built.

Before you call a software developer, there's a lot you need to understand about the startup cycle and some very important things you need to do.

The Startup Product Roadmap (SPR) is a step-by-step model for maturing an idea into a scalable product. For each step of the journey, I'll outline some suggestions about what you should be doing, an approximate budget, and the types of people and/or organizations you should be working with.

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BASELINE ASSUMPTIONS

This roadmap assumes that:

- You have a great idea.
- You have some money and time to get things bootstrapped, but you'll also be raising money at some point.
- You don't have the required skills to create everything yourself.

- You're willing to take a scientific approach to mature your product.
- You're willing to listen to the market, kill bad ideas quickly, and double down on good ideas.

What can a roadmap do for you?

1. KEEP YOU MOVING FORWARD

In my 15+ years in the software industry, I've interacted with a lot of startups across various stages of maturity. It's easy for an entrepreneur to be "busy" without getting much done. Networking and sharing your ideas can be good, but they don't move your product forward. Scientific, data-driven experiments do.

The SPR will help you focus on one step at a time. It'll outline who you need to talk to and how you can be testing and improving your product idea. Entrepreneurs are always really busy. I want to help you be busy doing the right things.

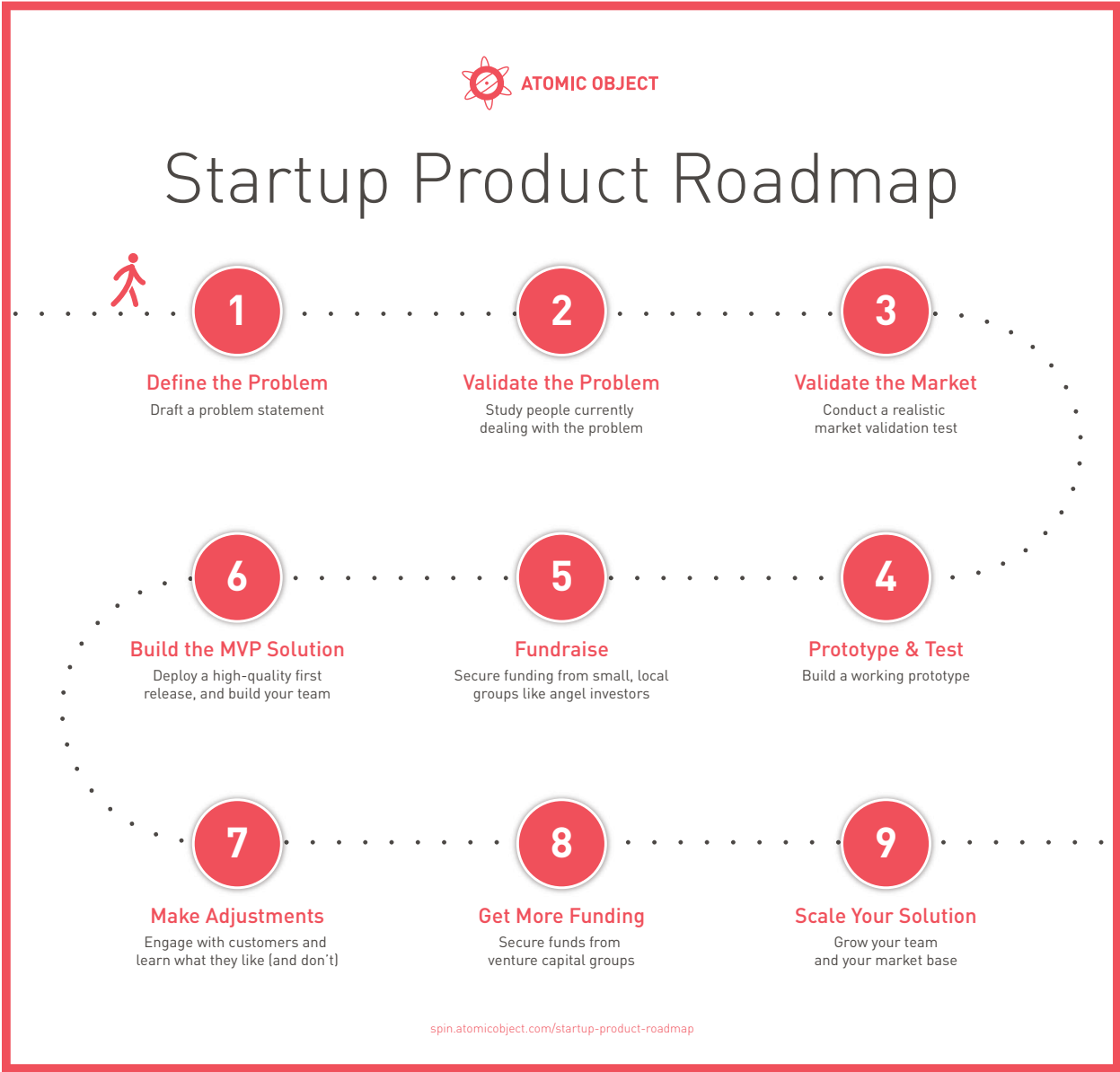
2. HELP YOU REFINE YOUR IDEA

No matter how good your idea is, it still needs work. And now—before you've hired software developers at \$125+/hour—is the time to make your mistakes. Now is the time to test and refine. This roadmap is a step-by-step guide to doing just that.

Think of the Startup Product Roadmap as the scientific method for maturing your product. During each step, you create a hypothesis, then build an experiment to prove or disprove your question. If you get the results you want, you move to the next step—testing your next hypothesis

with more confidence and a more expensive experiment. If you don't get the results you want, you pivot and repeat the step with another hypothesis (or kill the idea altogether).

The SPR helps you start simply and invest the appropriate amount of time and effort on each step.





PHASE 1

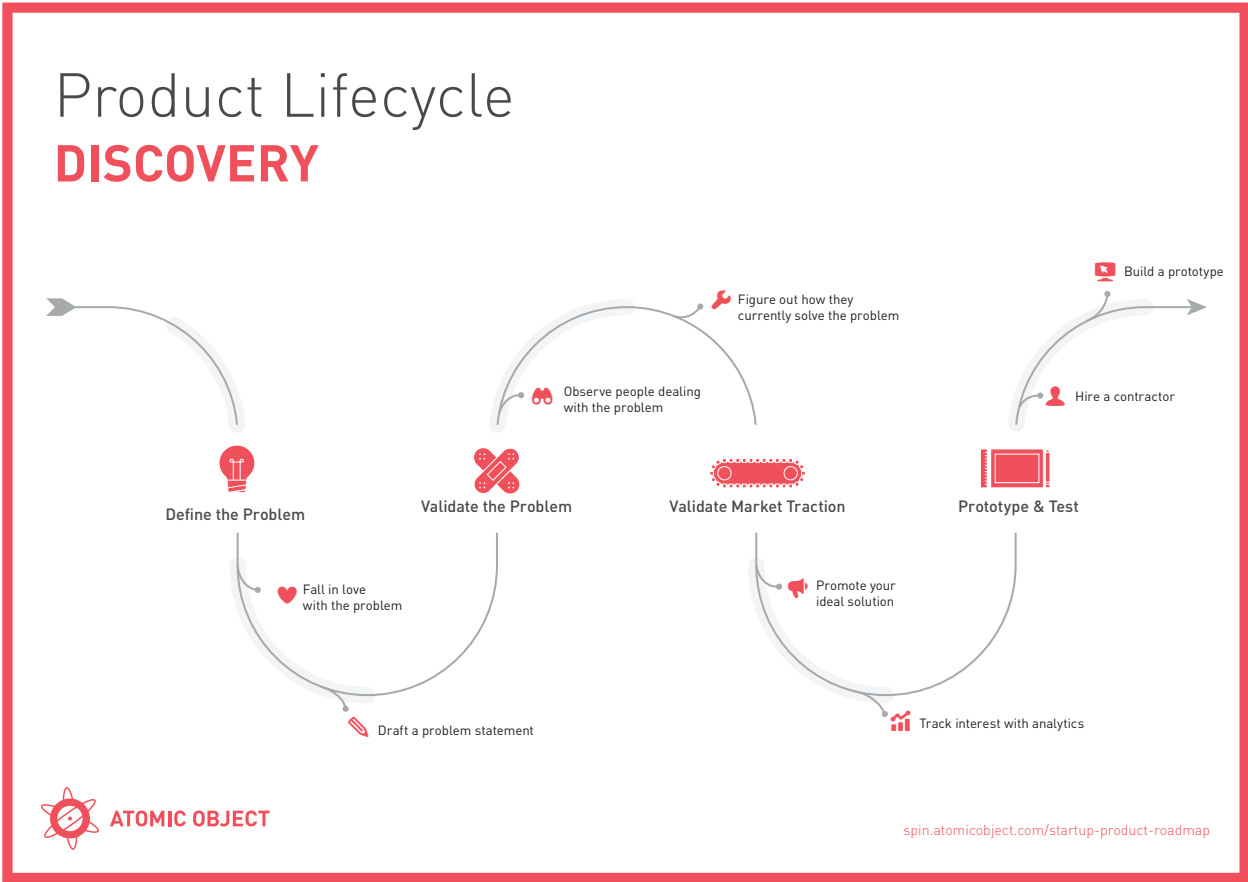
Product Discovery

The Product Discovery phase is about determining that you're solving the right problem, and starting to validate and de-risk your solution.

This phase of effort is arguably the most difficult of your product's lifecycle. Each day can be an emotional rollercoaster of extreme excitement and frustrating lows.

Staying laser focused, being flexible to change, and keeping the faith are the keys to progressing through this phase.

On our Startup Product Roadmap, Product Discovery phase has 4 steps. You must answer the key questions in each step before moving on to the next one.



Step 1 – Problem Statement

This is a step that many entrepreneurs overlook. They have a great idea, but it likely makes a lot of assumptions. And it may have other flaws as well.

So start by divorcing yourself from your wonderful idea, and instead fall in love with the problem that you're solving for your customers. This is difficult to do, but it's healthy. Not being in love with the solution empowers you to neutrally evaluate feedback and make the best possible decisions for your future customers.

KEY QUESTION

What is the problem?

ACTIVITY/EXPERIMENT

Draft a problem statement. Identify the issue that needs to be fixed and the people who benefit.

BUDGET

A little bit of your time.

OUTSIDE INVOLVEMENT

None.

Step 2 – Problem Validation

It's time to dig in and really validate the problem. That's best done by talking to and observing people... a bunch of people.

If a problem is real, it's likely that people are currently solving it in an inefficient manner. Find out how they're solving it. Ask a lot of questions. Without disclosing your solution, try to get an idea of what someone would be willing to exchange with you (e.g. money, time, something else) for making the problem go away.

KEY QUESTIONS

Is the problem real? How painful is the problem?

ACTIVITY/EXPERIMENT

1. Identify the people that struggle with your problem.
2. Figure out how they currently solve the problem. If they haven't tried to address the problem, it really isn't that painful.
3. Take a lot of notes. Synthesize the notes for key themes and takeaways.

Consider researching potential competitors using a site like Startup Competitors. It could save you a lot of time and effort.

BUDGET

A bunch of your time and ~\$X00. (You're likely self-funding this step.)

OUTSIDE INVOLVEMENT

The people you observe.

Step 3 – Market Validation

It's time to start sharing your solution and testing people's appetite to engage. This usually means validating the market with supporting materials that make the product seem real, then meticulously tracking how much it costs to generate real interest.

Create a simple website that describes the product and entices the viewer to learn more by clicking a button. If the user clicks the button to learn more, the site then communicates that the product is in development and requests that the user shares their email address to learn more as the product matures. This type of simple site creates a conversion funnel that you can track with Google Analytics. Driving traffic to a site like this will also likely require purchasing Facebook or Google Ads. Track how much it costs to get people to the site, and then monitor the funnel fall off. Continue to tweak the marketing message if things aren't resonating at first.

If you hit a wall and still can't get traction, consider if you're target audience is the right audience for your solution. It's possible that your solution is the right one for the problem, but your initial target customer isn't correct. If this is the case, re-run this step and target the new customer.

KEY QUESTIONS

Does your solution resonate? How much will it cost to acquire a customer?

ACTIVITY/EXPERIMENT

Build a realistic market validation test.

BUDGET

~\$X,000 (You're likely self-funding this step.)

OUTSIDE INVOLVEMENT

Hire a design-savvy independent contractor to help. Insist that they take advantage of preexisting tools to help. You could also try to piece it together yourself using an existing SaaS product like ClickFunnels.

Step 4 – Prototype and Testing

Create a workable solution that helps a select group of customers. Be scrappy, cut corners, use off the shelf components and systems where possible. Your goal is to test the solution, not provide the final polished product.

If the problem is real, customers will tolerate a less-than-ideal solution. Pay close attention to the customer feedback that you get, and quickly rev the solution to address concerns. You should ultimately plan on throwing away the prototype if your tests are successful.

KEY QUESTION

Does your solution solve the problem?

ACTIVITY/EXPERIMENT

Partner with a developer, and deploy a working prototype.

BUDGET

~\$X0,000

OUTSIDE INVOLVEMENT

Raise money from friends and family to fund this step. (This can be tricky. Here's some advice from Forbes and more from Entrepreneur.com.)

Hire an independent contractor who has experience prototyping solutions. Avoid sharing substantial equity if possible. It's highly likely that the independent contractor will be a wonderful fit for building and testing a prototype but a poor long-term development partner fit.

A Word of Warning

Entrepreneur communities are great places to learn, share ideas, and be excited for each other's products. They can also be echo chambers of optimistic encouragement and not real proof of product market fit. Leverage the good from these communities, but also force yourself out of your comfort zone.



PHASE 2

Pilot Release

Congratulations! You have a working prototype that's solving a problem. Things are about to get real, really fast. It's time to take the leap and build your Pilot Release.

The Pilot Release phase is where you fund and build your MVP, bring it to market, learn what works and what doesn't, and start gaining real market traction.

Step 5 – Outside Fundraising

Building custom software is an expensive game, and an interesting dynamic. Unlike durable goods, custom software has a high fixed cost and a low variable cost. That means providing a high-quality solution for your first customer is very expensive, but the variable cost to deliver that same product to each future customer approaches \$0.

It's highly likely that you'll need outside capital at this point to fund the required MVP development.

Investors envision your product as a black box. They want to see proof that if money goes into the box, more money eventually comes out. This money will be used to develop your high-quality MVP solution and fund your marketing effort.

Hopefully, your prior work helps prove that the investment risk is worth it. Now it's time to identify Angel groups and make your case. You'll likely be looking to raise around \$500k.

Most startups choose the high-growth approach, which gives a lot of control over to investors. If you'd rather be a slow-growth, sustainable business,

you need to lay the groundwork now. Be clear about your goals, and find investors who are happy with the slow approach.

KEY QUESTION

Is someone else willing to invest in solving the problem with your solution?

ACTIVITY/EXPERIMENT

Find local Angel groups or smaller funds. Most mid-size and larger cities have these groups. Reach out to a bunch of them. It's good to get a lot of lines in the fire. Angel groups are amazing because most are happy to provide both capital and mentorship.

BUDGET

A bunch of your time. It'll take a lot longer than you think.

OUTSIDE INVOLVEMENT

Since you've done so much pre-work, there will be lots of experienced business and technical folks that are happy to review and critique your pitch. Search them out and leverage their feedback. They likely won't charge you for limited amounts of their time.

Step 6 – Quality MVP Solution

You've done an excellent job defining, refining, and testing your solution.

It's now time to build a high-quality release. This production code base will be the technical foundation for your product. During this phase, it'll also be a good idea to start building your own internal technical capability. After all, you're creating a software company—you'd better have some in-house competency.

KEY QUESTION

Does your generic solution work for many people?

ACTIVITY/EXPERIMENT

Find a high-quality design and technical partner. Look for a team with a solid process and proven track record. Request that they help technically vet potential developer candidates for you, and are willing to augment their team with your developer.

Finding a firm with a strong and open process is extremely important. It's likely that you'll model your eventual internal product development process after this partner's process. Your high-quality partner will provide you with more than the UX and technical solution. They'll help define the foundation for your company.

BUDGET

~\$X00,000 (use your outside fundraising dollars).

OUTSIDE INVOLVEMENT

Leverage the services of a high-quality custom software design and development firm. Also, begin your search for your own internal hire.

Atomic Object is an ideal partner for this step. Check out our service, work, and culture at atomicobject.com.

Step 7 – Tweaking and Honing

Your MVP is live, and now things are starting to get interesting. At this point, you'll want to slow down the burn with your high-quality technical partner because their cost will be too high to sustain as you learn how people use your product. You'll also want to ramp up your marketing efforts. During this time it'll be valuable to collect lots of information, personally connect with users, and gather as much information as possible.

Your user base will likely still be small at this step—overnight success stories generally happen over the course of many years. Look at your limited user base as a great opportunity to learn, and really nail the experience for them before you scale it.

Future investors won't care about how much money and energy you've invested. They care about 1) lifetime customer value, 2) cost of acquisition, and 3) the ratio between these two.

KEY QUESTION

How long can I get existing clients to stay with the platform? How low can I make my per-customer acquisition costs?

ACTIVITY/EXPERIMENT

Ramp down your team, ramp up your marketing, and engage with your customers. Now that people are using your product, you can watch their real behaviors and gather their feedback. Leverage this information to:

Lower Acquisition Costs – Figure out why prospects leave your pipeline before buying/subscribing, and tweak your process/marketing to get more customers.

Improve Lifetime Value – Figure out why clients leave after a period of time, and improve your product to better meet their needs (or identify and prioritize improvements for future funding).

BUDGET

~\$X0,000 on platform tweaks, ~\$X0,000 on marketing (use your outside fundraising dollars).

OUTSIDE INVOLVEMENT

Depending on your go-to-market strategy, consider engaging with a marketing services firm.



PHASE 3

COMMERCIALIZATION

Commercialization is focused on scaling your product and growing value. Since this is the first major product offering for your company, it's also about creating a viable long-term entity.

You've been absolutely killing it! You've identified and validated a problem, built a prototype, and been live with an MVP product that the market loves.

Sell, Scale, or Sustain?

Now you have a choice to make. You have 3 options:

1. You could look to sell your product today. You've likely created something that can fit into someone else's product portfolio. This option would likely provide a decent return for you and your investors.
2. You could double down on the value that you've created and look to scale your company: service more clients, provide more products, continue to grow your value. Doing that likely means raising more money—a lot more money. It's a path that many other companies before you have taken.
3. You aim for slow, sustainable growth with little to no more outside investment (sometimes called a Lifestyle Business). If you're happy with modest gains and you'd rather focus on running the business than on constantly raising more money, this is the route for you. Of course, this is only possible if your existing investors are happy with this scenario, or if you can buy them out.

Step 8 – More Fundraising (If Needed)

If you've chosen option 2 above, it's time to find investors. You have a clear, repeatable model; now you need a lot more money for marketing, scaling your team, and growing the product suite.

The capital required at this phase generally comes from Venture Capital (VC) firms. VCs primarily exist in big cities. They're run by bankers, and they want you to grow fast.

It's likely that you'll be raising millions of dollars at this point. It's also likely that you'll be taking money from people that live in a different geography. These folks are professional fund managers. They understand complex deal structures and they care about making money.

Be aware: If you decide to raise money from VCs, you've chosen the path of aggressive growth. From now on, "success" means selling the business or taking it public.

KEY QUESTION

Is it worth it to pour gas on the fire?

ACTIVITY/EXPERIMENT

Find VC groups. Reach out to a bunch of them. It's good to get a lot of lines in the fire.

BUDGET

~\$X0,000 in various legal and deal fees and a bunch of your time. It'll take a lot longer than you think.

OUTSIDE INVOLVEMENT

The deal structure will most likely be complex. Hire a good lawyer and accountant who have experience negotiating these types of deals. It's possible that you'll need to hire help from a major city where these types of investments are more common.

Step 9 – Scaling

Grow, grow, grow.

You'll need to scale your development team, your marketing, and sales ability. Hiring the right people and setting up the right infrastructure will be invaluable.

It'll likely make sense to continue using your design and development consultancy for additional quality capacity as you scale. Talent will be your bottleneck.

It's likely that you'll continuously cycle between steps 8 and 9 until you sell the company.

KEY QUESTION

Can you grow more value?

SUGGESTION

Build out your company, grow your team, and grow your client base.

BUDGET

~\$X,000,000+ (Use the money raised during your VC rounds, or cash flow if you don't need the additional money).

OUTSIDE INVOLVEMENT

Work towards bringing your core competencies inside your company, and leveraging service providers for all other services.

Good luck with the journey. Remember to stay focused and create experiments that help you quantitatively learn.

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