Twitter Thread by Joe Speiser ■■

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@jspeiser

14 mental models that helped me build 10 startups and sell (a bunch of them) for millions.

1) Serviceable Obtainable Market (SOM)

Everyone focuses on the Total Addressable Market (TAM), which gives an unrealistic expectation of your market size.

Instead SOM gives you a more practical estimate.



2) Viral Coefficient

Is the number of new users an average customer generates and a strong indicator of how highly your users like your product.

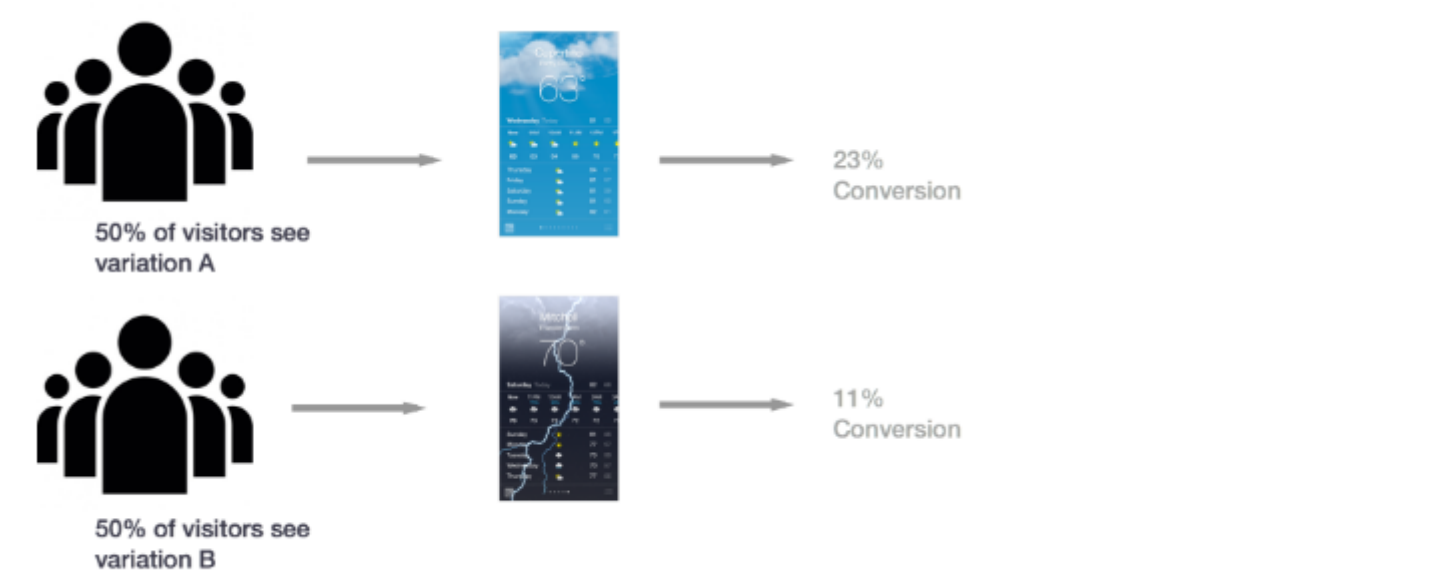
The higher your viral coefficient, the cheaper your acquisition costs.



3) Beta Testing

The process of exposing your users to different versions of the product/ messaging to determine the most effective one.

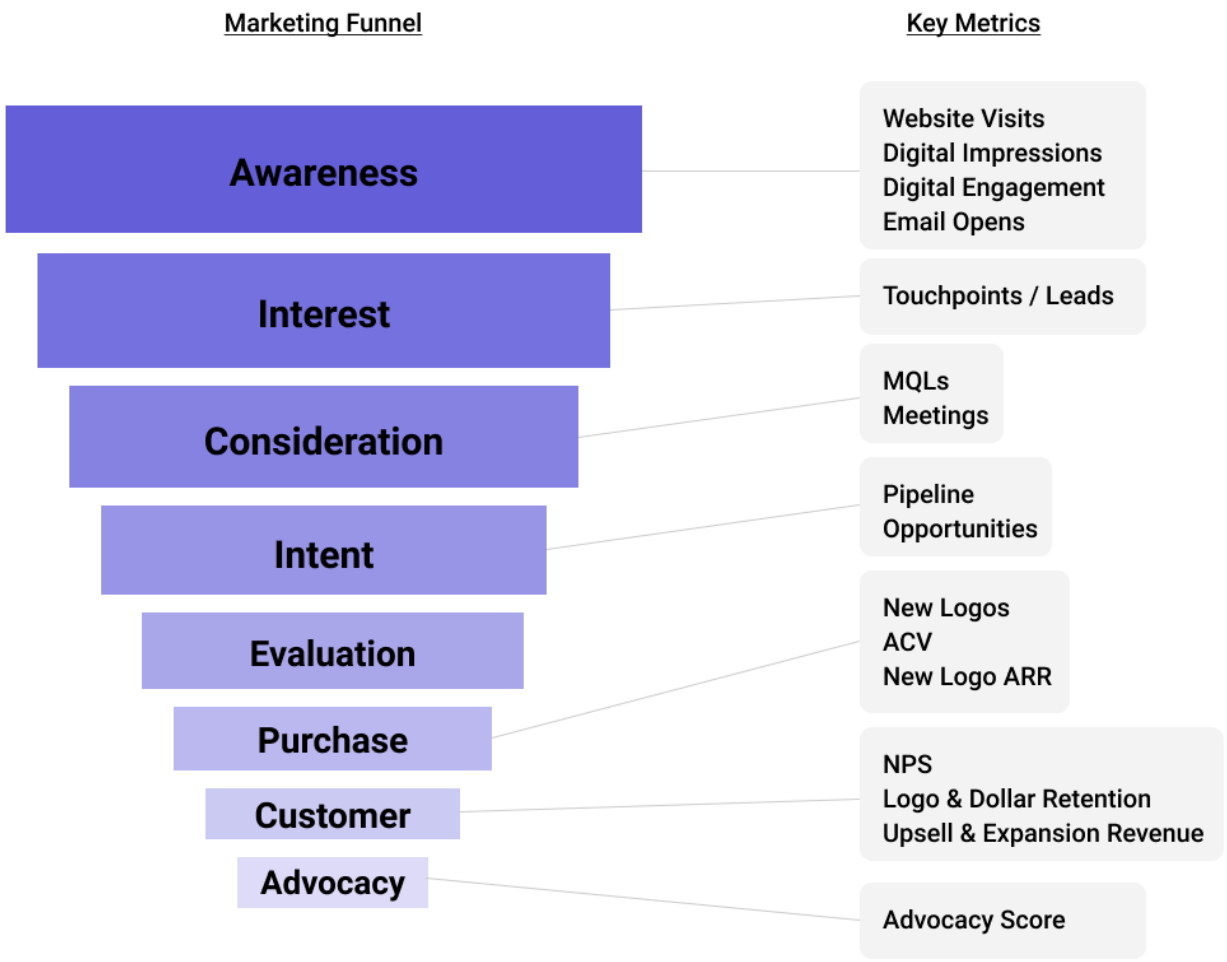
All top companies do this on a regular basis.



4) Conversion Funnel

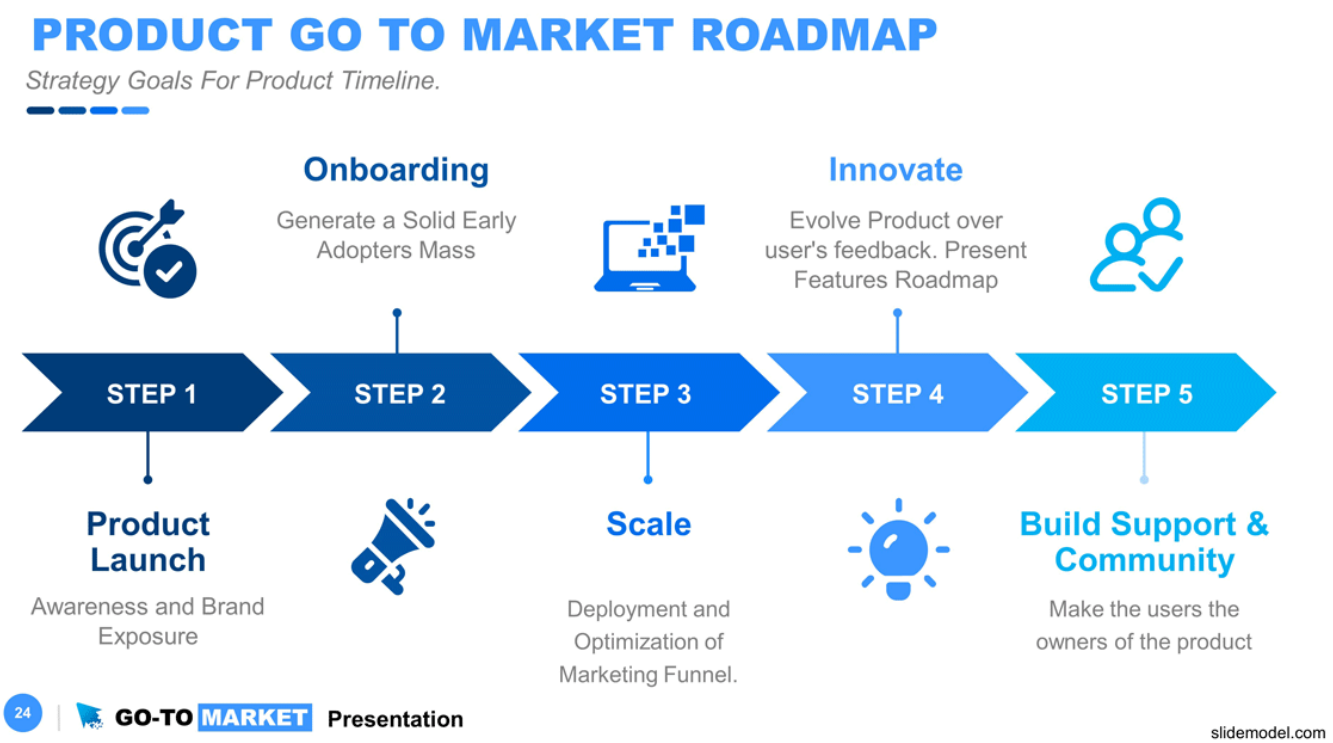
The different stages that a buyer goes through before making a purchase.

Understanding what stage they're in helps you strategize your marketing accordingly.



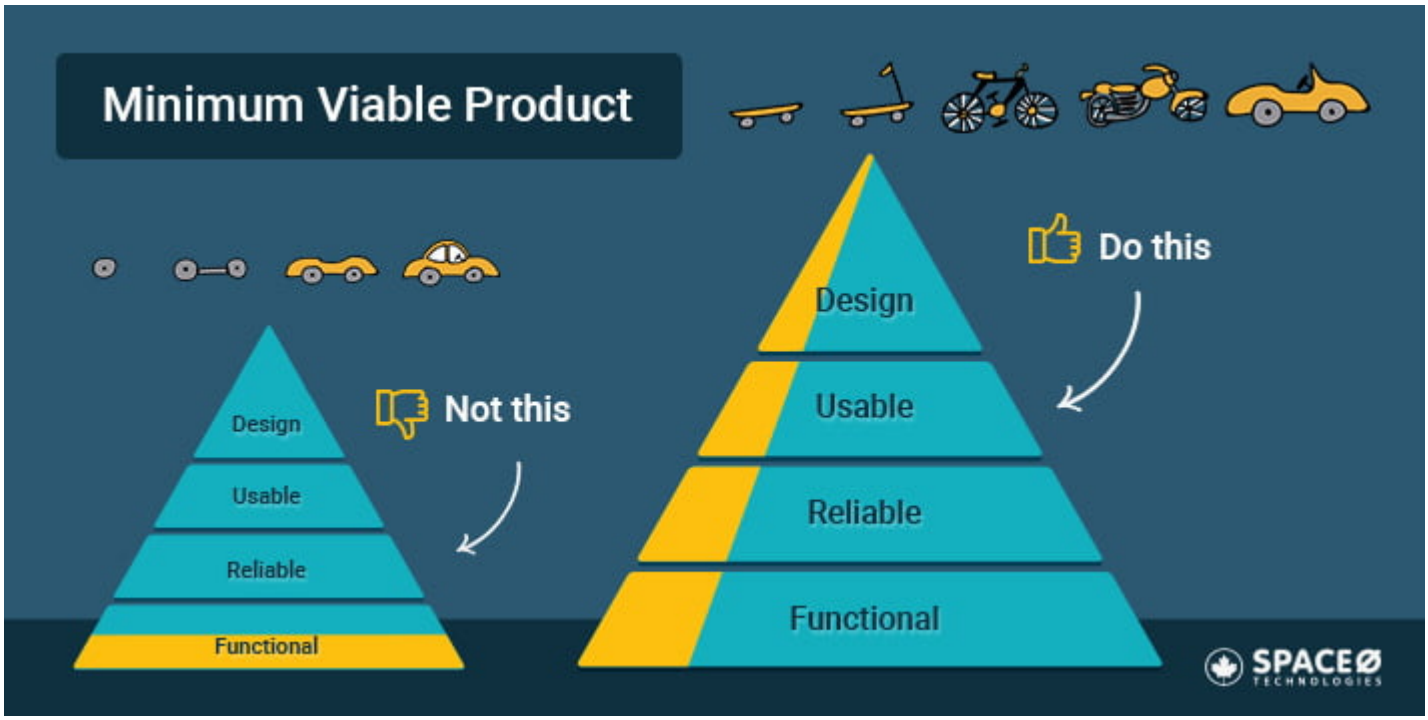
5) Go-To-Market (GTM) Strategy

A comprehensive step-by-step plan that companies deploy to bring a new product/ service into the market.



6) Minimum Viable Product (MVP)

The basic version of your product with core functionality that's just enough to launch and gather feedback.



7) Market Penetration

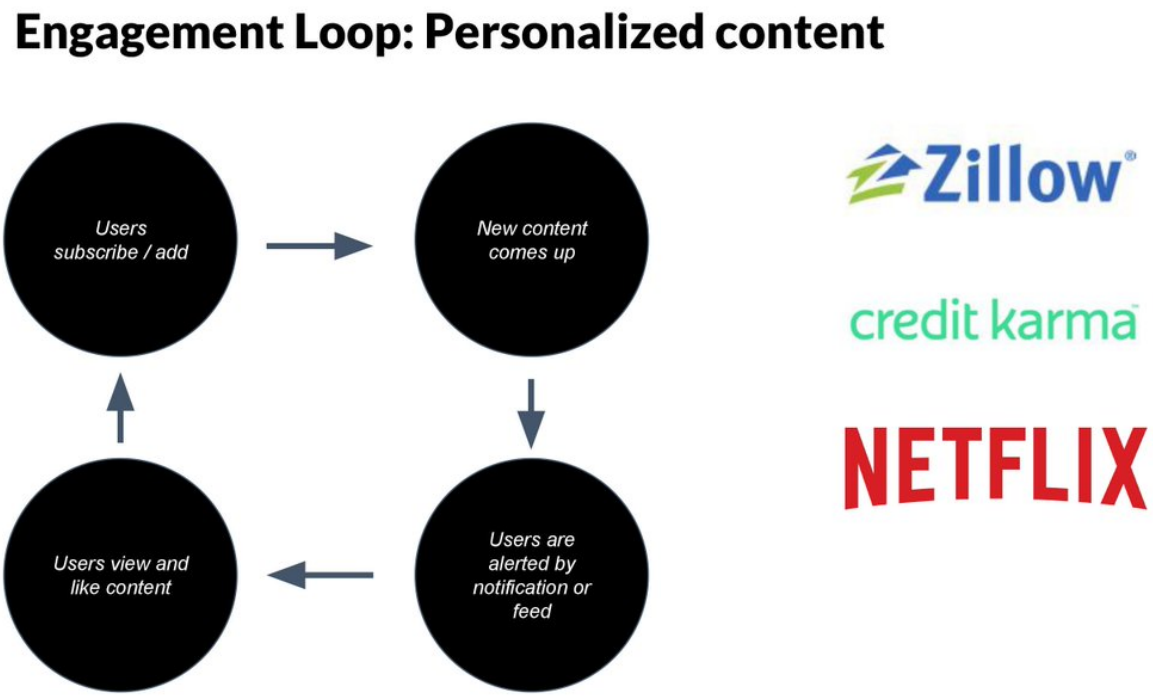
A measure of how much your product/ service is being used relative to the total market.

Eg: Netflix has a 21% share in the streaming services market in the US.



8) Engagement Loop

The activities that a user performs repeatedly while engaging with your app, reinforcing them to use it again, and again.



9) Customer Journey Map

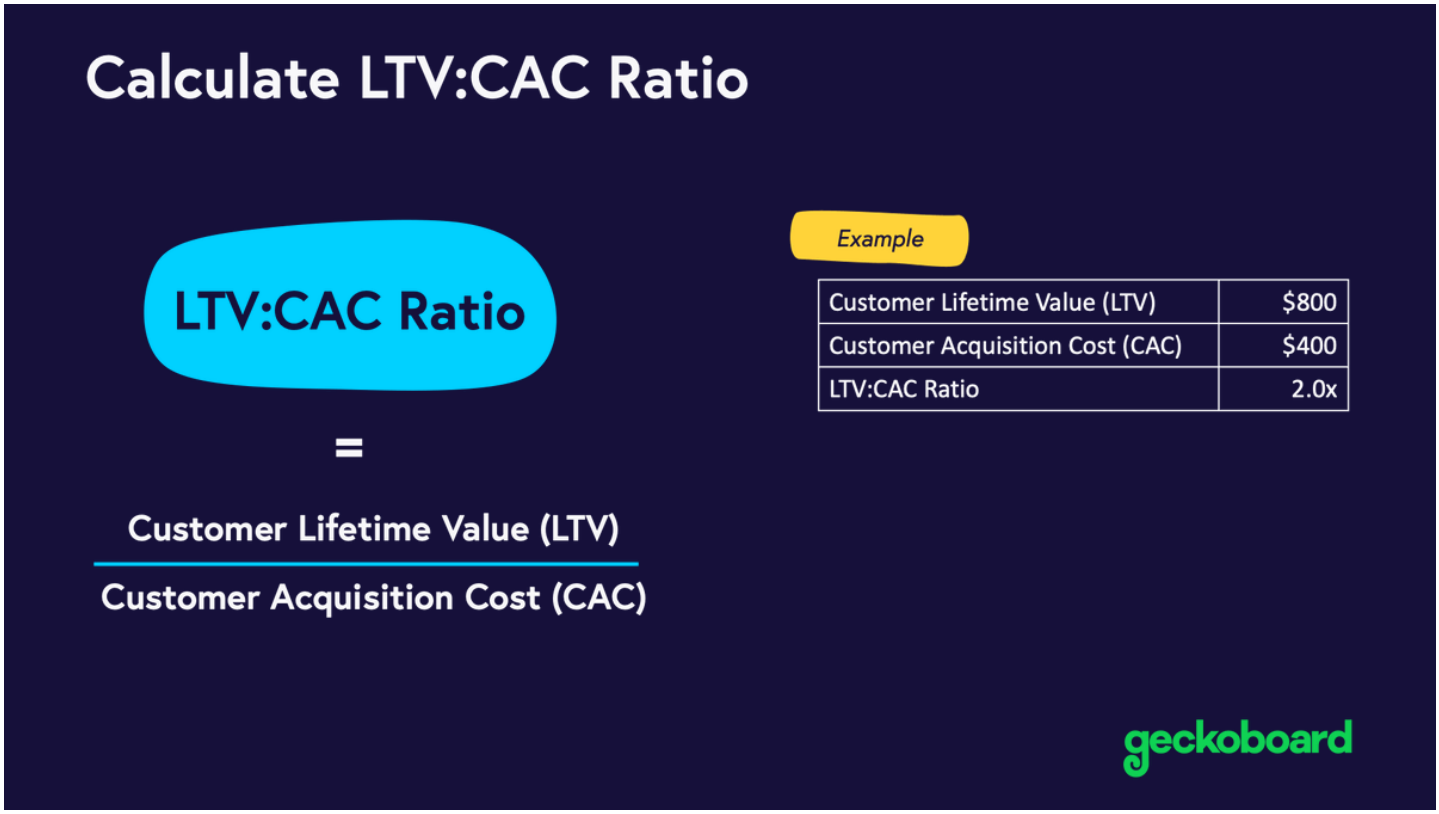
It comprises the different touchpoints that take a person from a complete stranger into a happy customer.



10) LTV:CAC Ratio

It measures how much a customer is worth relative to the cost of acquisition.

If it's less than 1, you're burning your cash by bringing in more customers.



11) Churn Rate

The percentage of customers who cancel/quit your product relative to the total number of customers.

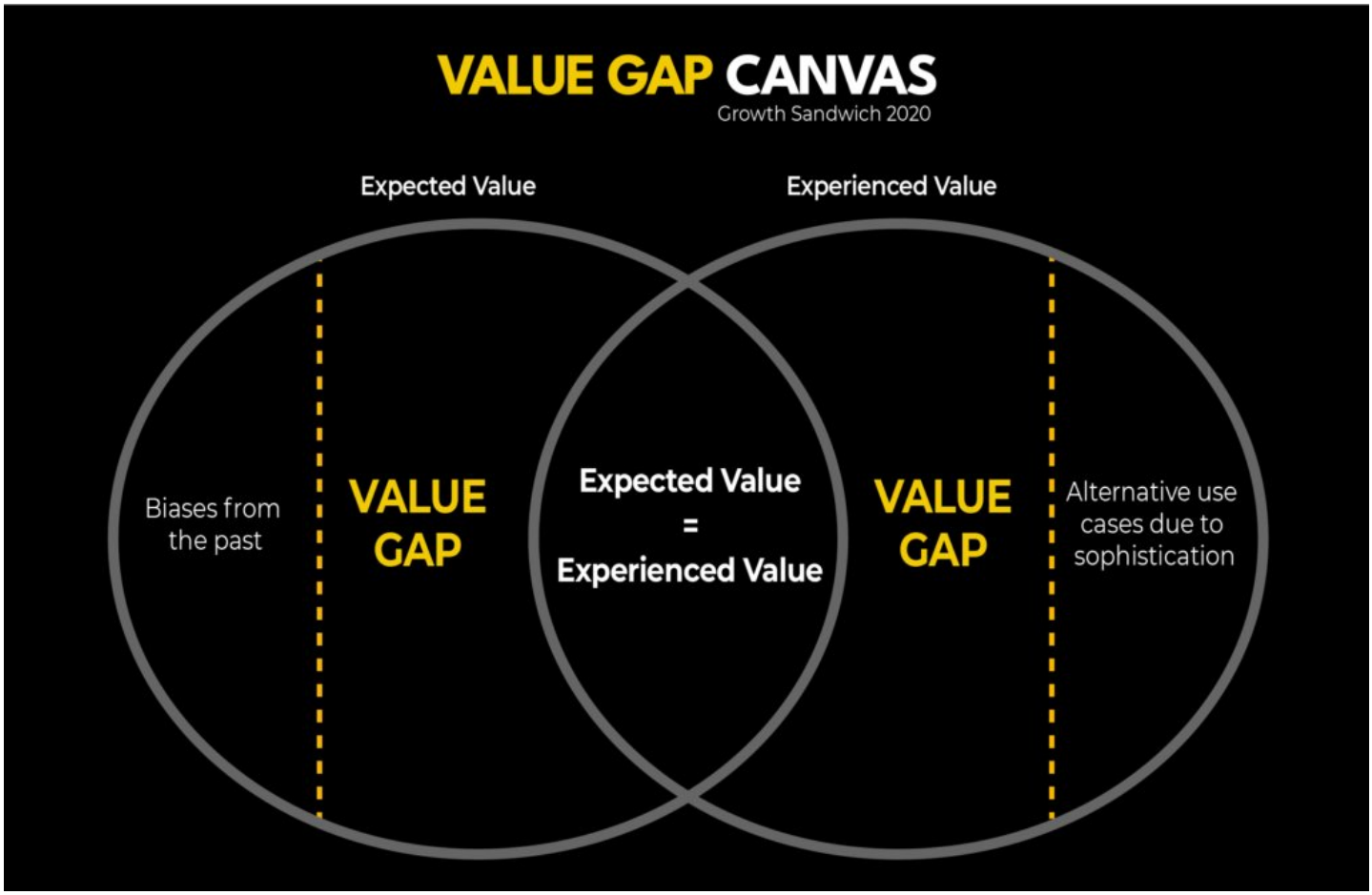
To increase LTV, you need to have a lower churn rate.



12) Value Gap Canvas

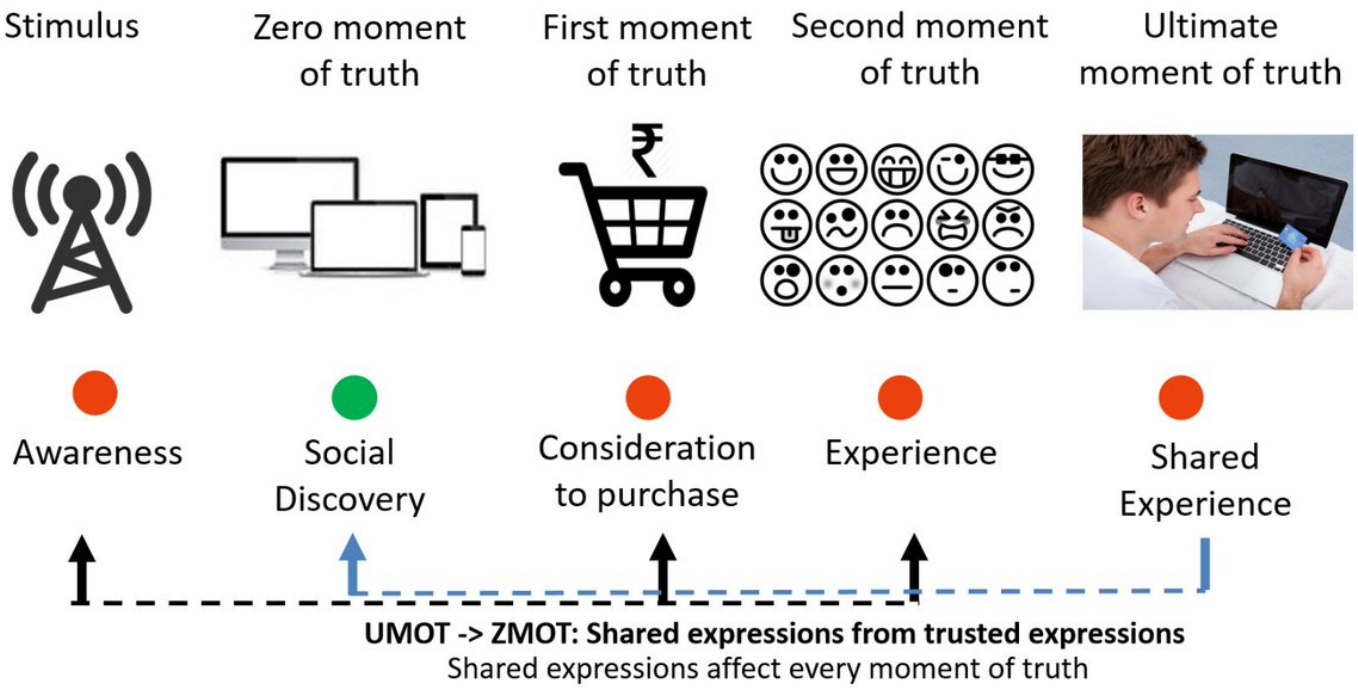
The gap that exists between a user's problem and the value delivered by the solution.

The higher the gap, the more you can charge.



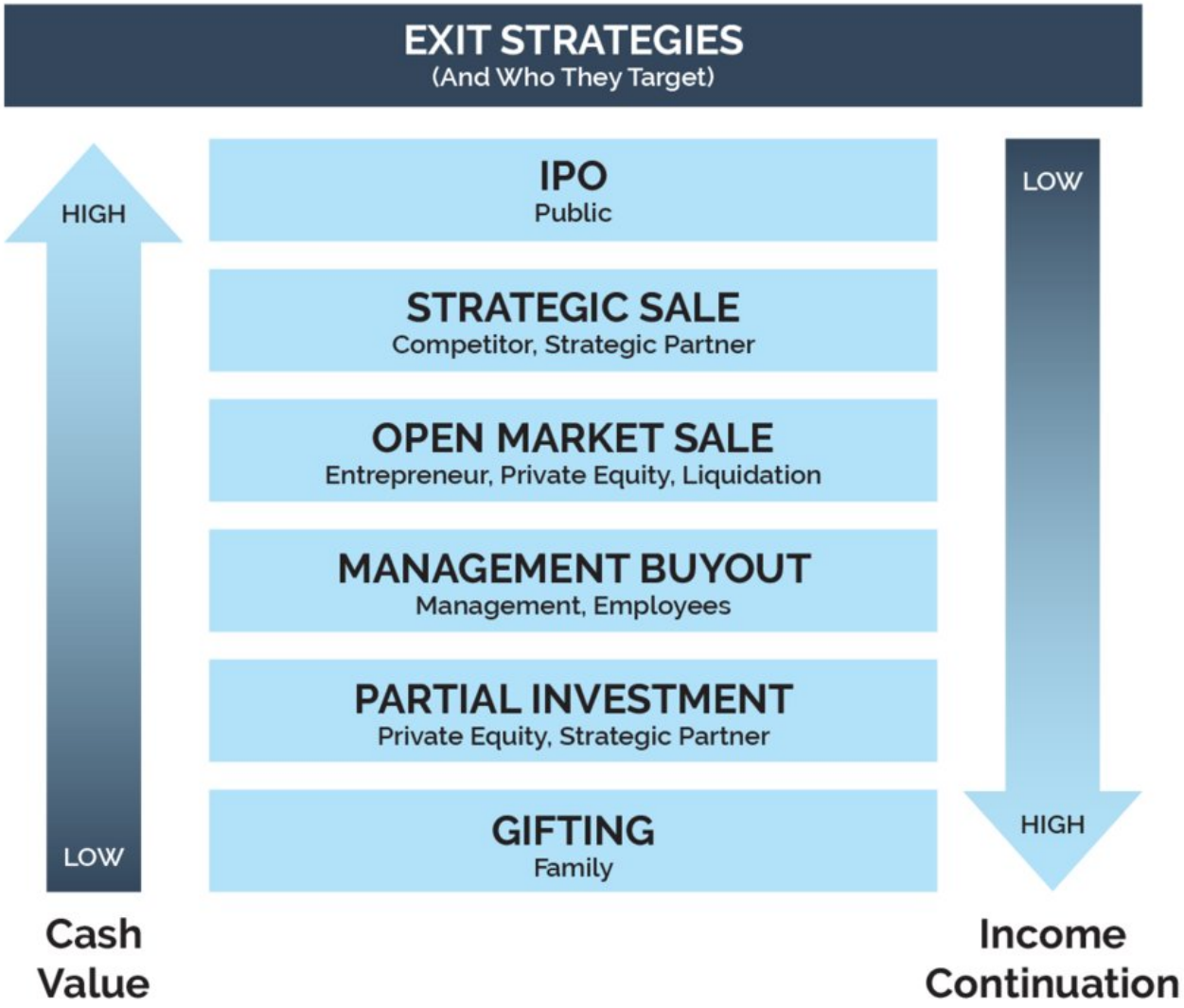
13) Moment of Truth

Refers to the interaction that makes the users realize the value of the product or causes them to change their impression of the brand.



14) Exit Strategy

A plan designed to help owners/ shareholders sell their ownership partially/ completely.



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>
> — Joe Speiser \u26a1\ufe0f (@jspeiser) October 24, 2022