



Stanford eCorner

Keep Testing Your Core Assumptions

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Video URL: <http://ecorner.stanford.edu/videos/796/Keep-Testing-Your-Core-Assumptions>

Ann Winblad advises entrepreneurs to boil down their business plan and tell everyone in the company the top five assumptions for success. "As time goes on, turn the assumptions into facts," says Winblad. She also reminds entrepreneurs to constantly reevaluate these assumptions as their company moves forward.



Transcript

I had a young entrepreneur come up and talk about adoption and route to market saying we're going to have to water down the integration of our product to make it more acceptable to our core market because they don't really want something so revolutionary. My answer to that was that's fine as long as you know what assumptions you've made to start that you've assumed that your customers will only accept this and keep testing your core assumptions. Boil down your business plan. Tell everyone in your company what your five top assumptions are for success. So that assumptions I consider like a 52-deck of cards that what you hope is over time you could keep turning over those assumption cards and turning them into facts but when you start, they are nothing but assumptions. They are not facts. Many companies start without knowing what are we assuming about our product, about our competition, about our pricing strategy, and about our customer and our go-to-market strategy, nothing more than that. Understand those core assumptions, determine if they're true or false. If they're false, change it. If they're true, keep on going.