



SAAS NORTH

The Five Steps to Product Market Fit

Pablo Srugo

Partner

Mistral



SAAS NORTH

@ SAAS NORTH

How to Find Product Market Fit

Why do cars have brakes?

In Startupland...

Mistakes are
unavoidable.

And avoidable
mistakes,
unaffordable.



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Mistakes are
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And avoidable
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unaffordable.

Super Founders are
6 times more likely
to build a unicorn
than 1st time
founders

For the last decade,
we've focused on one simple mission

We partner with
the best founders
in Canada to build
startups that matter.

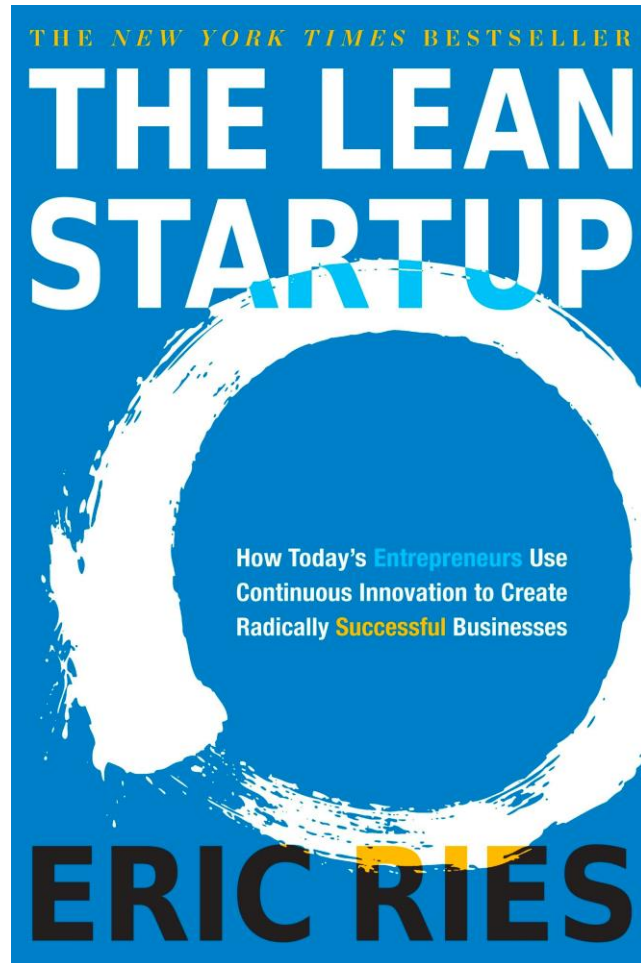
The Product Market Fit Show



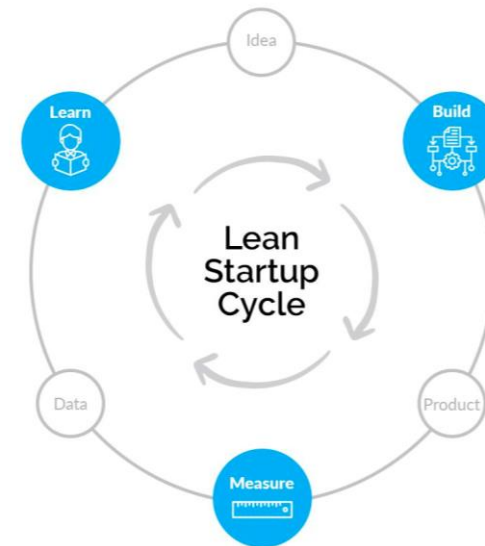
The Five Steps to Product Market Fit



The Lean Startup



Minimum Viable Product



Step 1 - Find Real Problems

Before Startup Mode,
There's Research Mode.

Case Study - Ada



Mike Murchison

378 FTEs

\$190M Raised, US\$1.2B valuation

AI-based customer service chatbot

Customer service chatbot

Step 1: Volley. Social search engine.



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Case Study - Ada



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AI-based customer service chatbot

Customer service chatbot

Step 1: Volley. Social search engine.

Step 2: Raise venture-backed round.



Case Study - Ada



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AI-based customer service chatbot

“We became full-time customer service agents. We were employed by seven different companies at one point all at the same time.

We lived and breathed customer service for the better part of a year.”

- Mike Murchison, CEO



Step 1 - Find Real Problems

Before Startup Mode,
There's Research Mode.

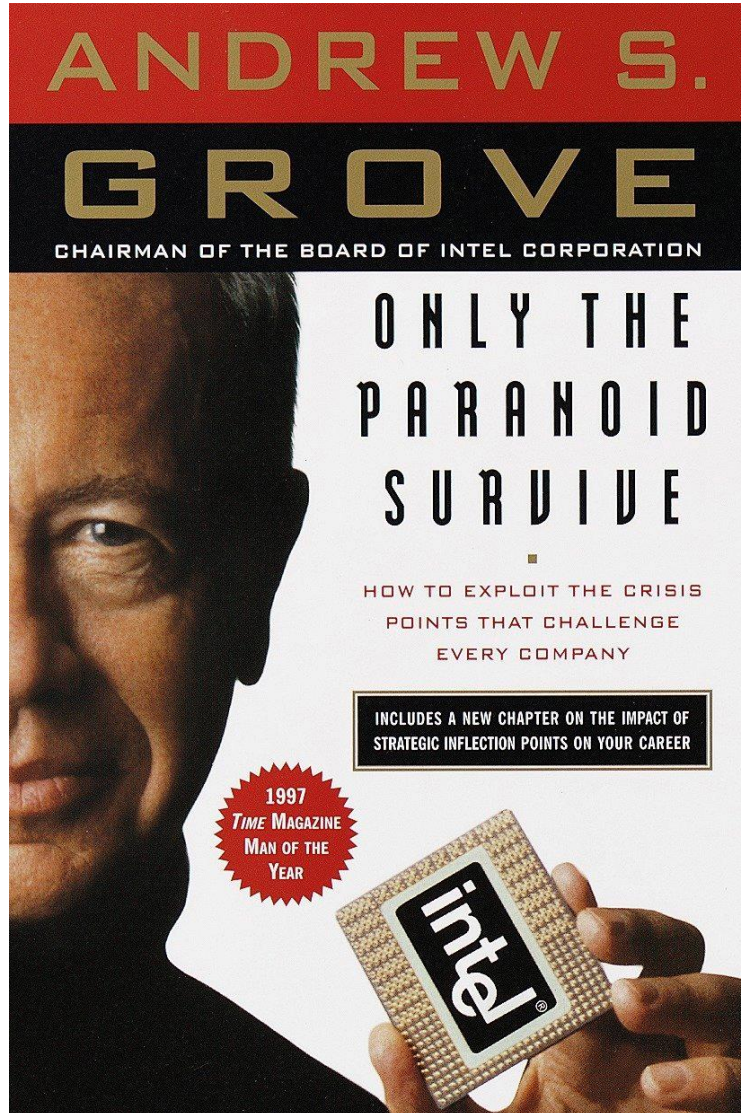
Case Studies

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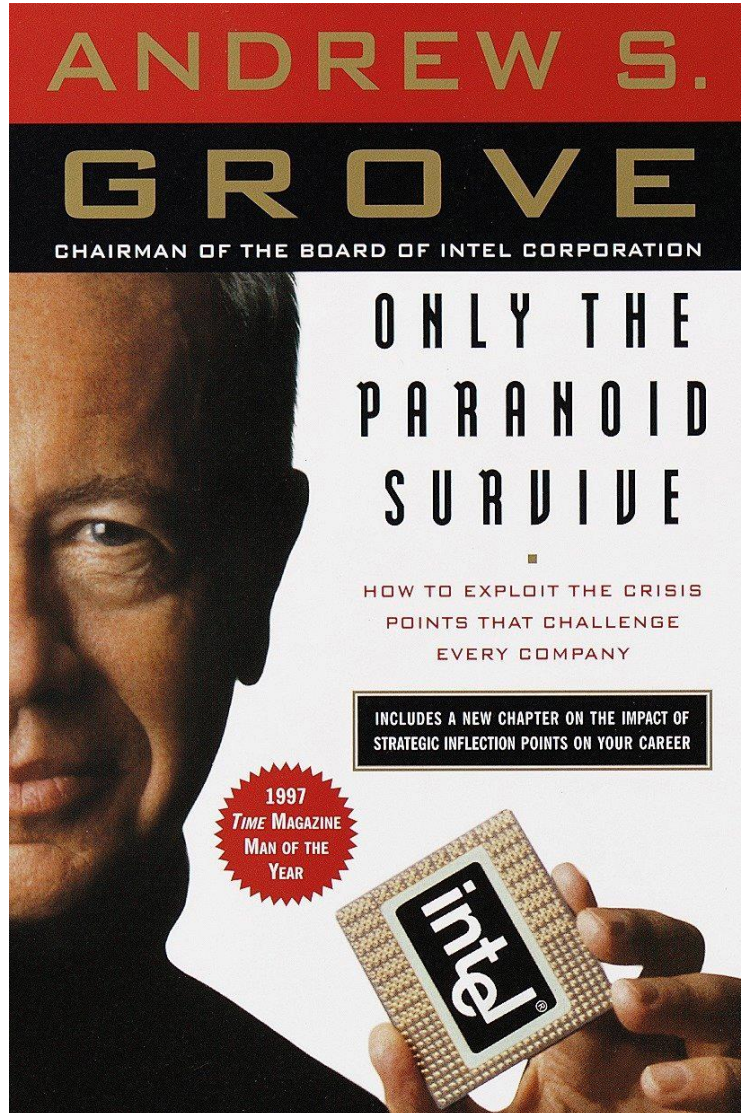
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Only the Paranoid Survive



Only the Paranoid Survive

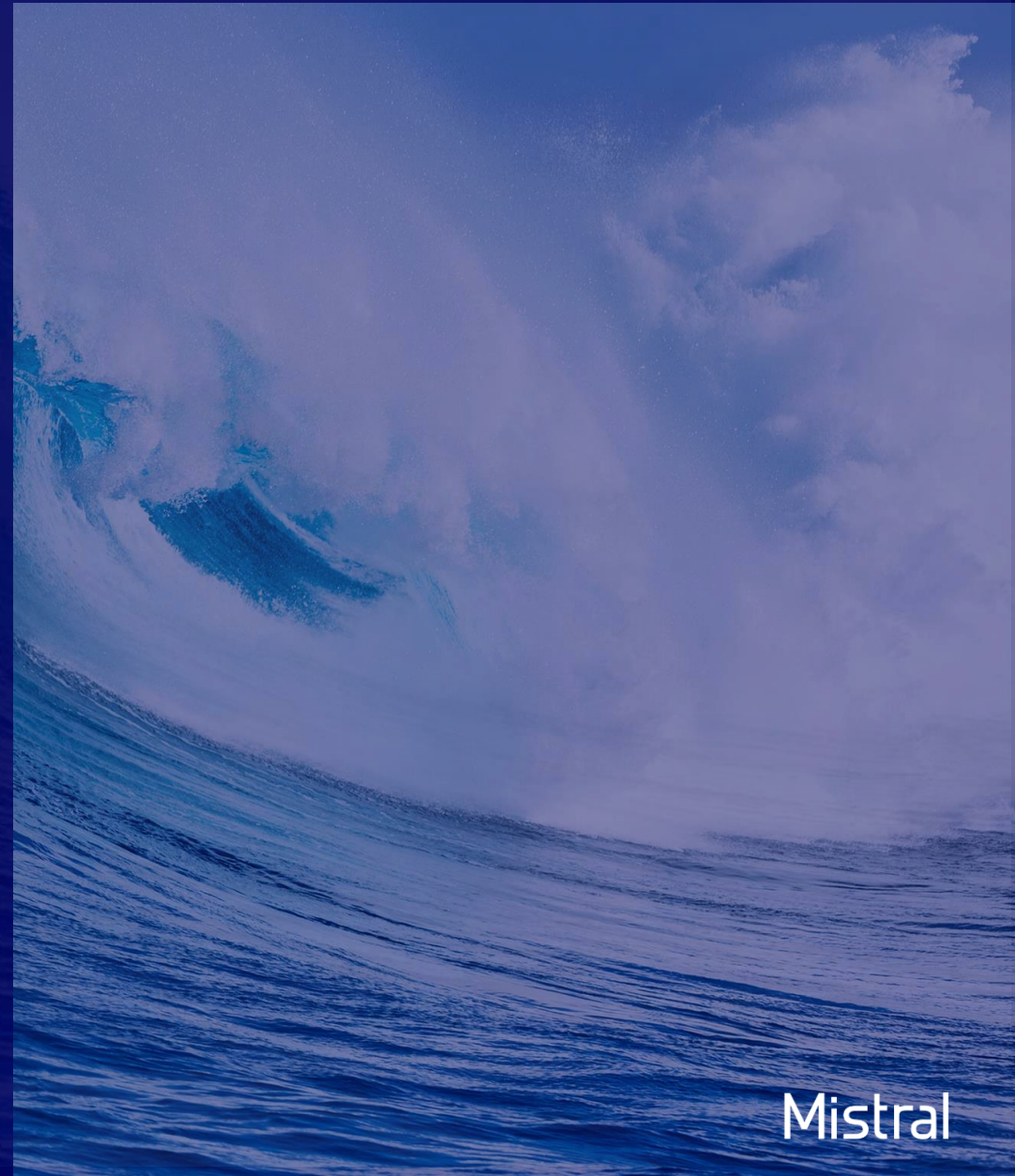


“Success breeds complacency.
Complacency breeds failure.
Only the paranoid survive.”

- Andy Grove, CEO of Intel

Step 2 - Align your Team

Only the ~~Paranoid~~
Insanely Focused
Survive.



Case Study - Wealthsimple



Mike Katchen

1000+ FTEs

\$1.1B Raised, 3M users, \$100M+ ARR

Insane Focus: Customer Satisfaction

“I used to call every single user within 30 seconds of signing up. Like “Hey, I'm Mike, co-founder of Wealthsimple. I just wanted to say thank you so much for signing up. This is my number. If you ever need anything, you call me directly. Love to hear how you heard about us. Thank you and be in touch.”

- Mike Katchen, CEO

Wealthsimple

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Case Study - GoBolt



Mark Ang

1000+ FTEs

\$150M Raised, \$100M+ ARR

Insane Focus: Customer Service

“We had a 1-800 line, and, of course, it was available 24/7. I was the guy that was answering the calls. I remember taking a call at 2AM.

If my phone rang, I would pick it up whenever because it could have been a sale.”

- Mark Ang, CEO



Step 2 - Align your Team

Only the ~~Paranoid~~
Insanely Focused
Survive.

Case Studies



FORMA.AI™

Wealthsimple



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Step 3 - Discover Unique Insights

You have to be
in the market
to win the market.



Case Study - Wattpad



Allen Lau

1000+ FTEs

Acquired for US\$600M

Niche: Reading classic books on the go

Global Community of Readers and Writers

Step 1: Classic books on the go



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Step 1: Classic books on the go

Step 2: WOM -> Insights -> Flywheel



Case Study - Wattpad



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Step 3: iPhone + AppStore = Mobile Wave



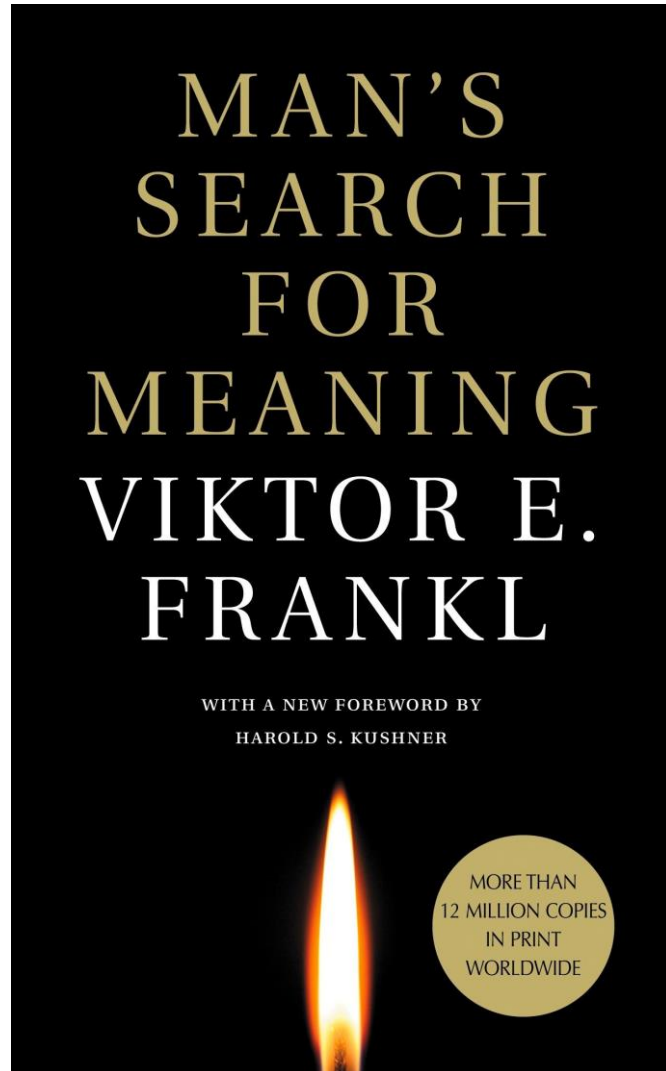
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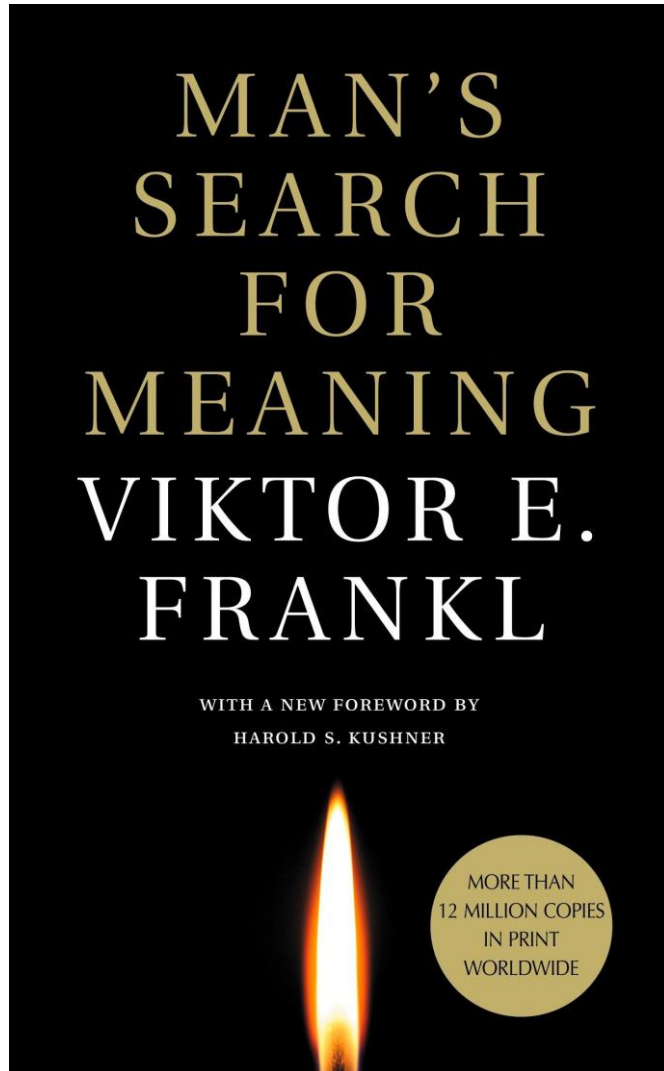
Case Studies



Happiness is a by-product



Happiness is a by-product



“Happiness is, and must remain, a side-effect or by-product, and is destroyed and spoiled to the degree to which it is made a goal in itself.”

- Victor Frankl

Before PMF, revenue is a by-product



Growth
“Happiness is, and must remain, a side-effect or by-product, and is destroyed and spoiled to the degree to which it is made a goal in itself.”

Step 4 - Deliver Value

Forget Growth.
Find Value.



Case Study - Clio



Jack Newton

850 FTEs

\$386M raised. US\$1.6B valuation.

KPI: Highly Engaged Beta Customers

Legal Tech Platform

Step 1: Define objective of beta



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Step 1: Define objective of beta

Step 2: Add friction to the funnel



Case Study - Clio



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KPI: Highly Engaged Beta Customers

“The question we asked ourselves is ‘how can we really create a hurdle to get into the beta?’”

“We approached the beta as something that we would rather have a small handful of very highly engaged customers.”

- Jack Newton, CEO



Case Study - Clio



Jack Newton

850 FTEs

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KPI: Highly Engaged Beta Customers

Legal Tech Platform

Step 1: Define objective of beta

Step 2: Add friction to the funnel

Step 3: Deliver clear value.



Step 4 - Deliver Value

Forget Growth.
Find Value.

Case Studies



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Step 5 - Solve a #1 Problem

Pivot Harder,
Faster.



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Case Study - Noibu



Rob Boukine

100 FTEs

**Second fastest-growing company in
Canada**

2 years to \$2K MRR, 2 years to \$200K

E-commerce Checkout Errors



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E-commerce Checkout Errors

Step 1: Sell 3D storefronts, because it's cool.



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Case Study - Noibu



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E-commerce Checkout Errors

Step 1: Sell 3D storefronts, because it's cool.

**Step 2: Land 15 customers, \$3K MRR... in 2
years**



Case Study - Noibu



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“The retailer came back to us a couple of weeks after. I remember the day, this was February 27th, 2019. They said ‘Hey we were reviewing our budget for this year, and we had to make some adjustments.

We’ll reconsider you next year.”

- Rob Boukine, CEO



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Case Study - Noibu



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NOIBU

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E-commerce Checkout Errors

Step 1: Sell 3D storefronts, because it's cool.

Step 2: Land 15 customers, \$3K MRR, 2 years

Step 3: Realize they're not a top priority. Pivot.



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E-commerce Checkout Errors

Step 1: Sell 3D storefronts, because it's cool.

Step 2: Land 15 customers, \$3K MRR, 2 years

Step 3: Realize they're not a top priority. Pivot.

Step 4: Solve a top-of-mind pain point.

Become 2nd fastest growing company in the
country.



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Step 5 - Solve a #1 Problem

Pivot Harder,
Faster.

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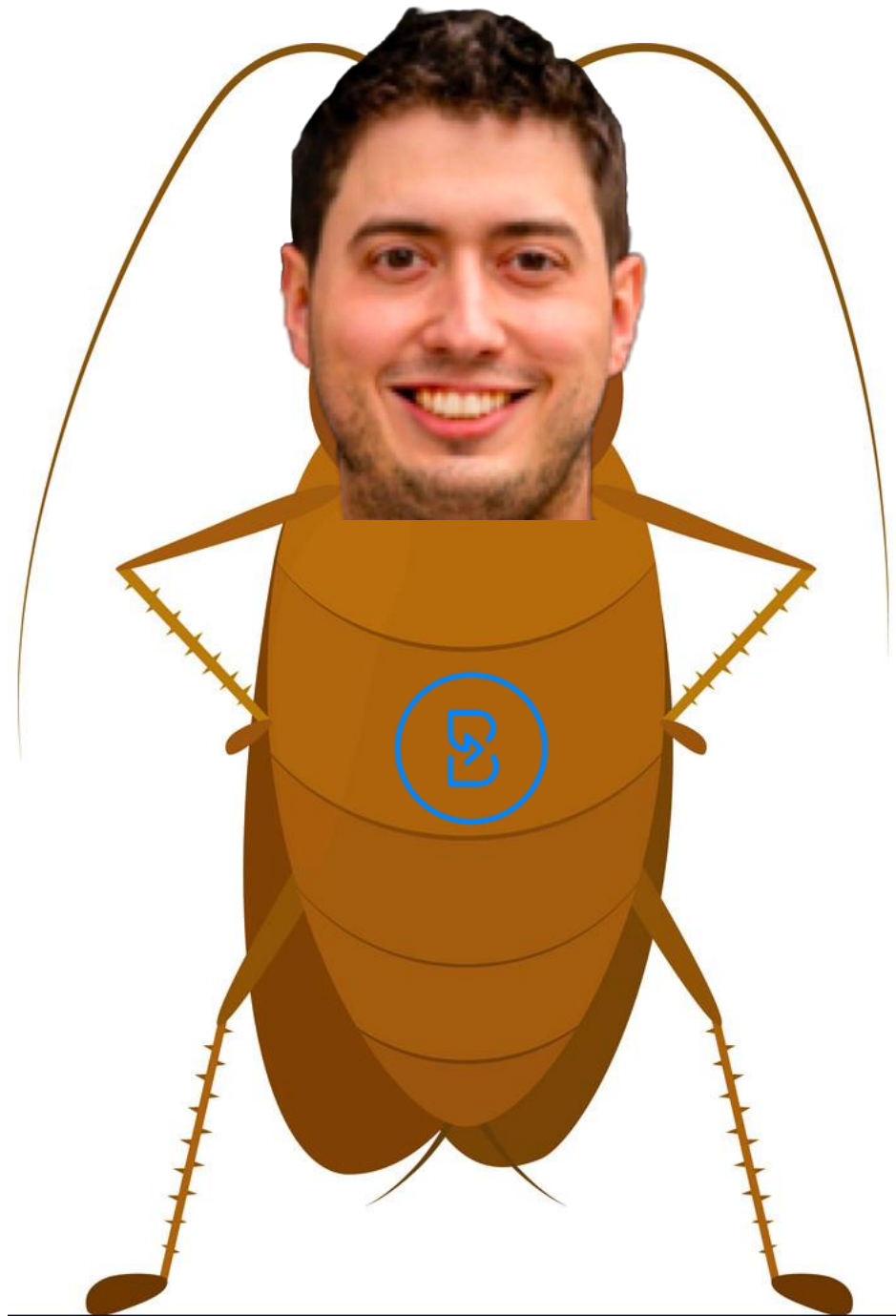
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The Five Steps to Product Market Fit

1. Before Startup Mode, There's Research Mode —> Become an expert to find problems worth solving.
2. Only the Insanely Focused Survive —> Focus all your resources to do more with less.
3. You have to be in the market to win the market —> Use niche markets to discover unique insights.
4. Forget Growth. Find Value. —> Optimize for value delivery and growth will follow.
5. Pivot Harder, Faster —> As soon as you realize you're not solving a #1 problem, pivot.

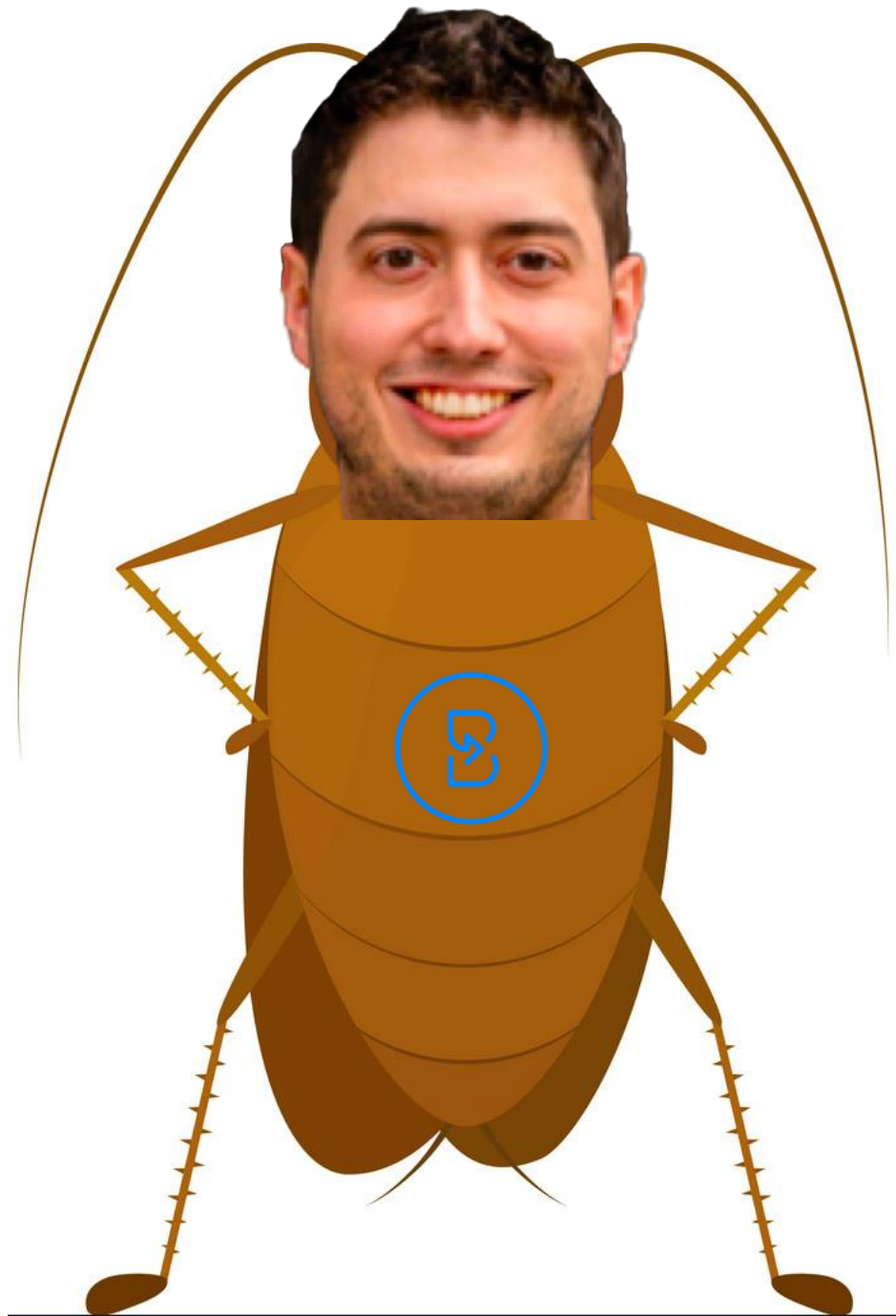


Marty-Kratky Katz

The Founder Cockroach

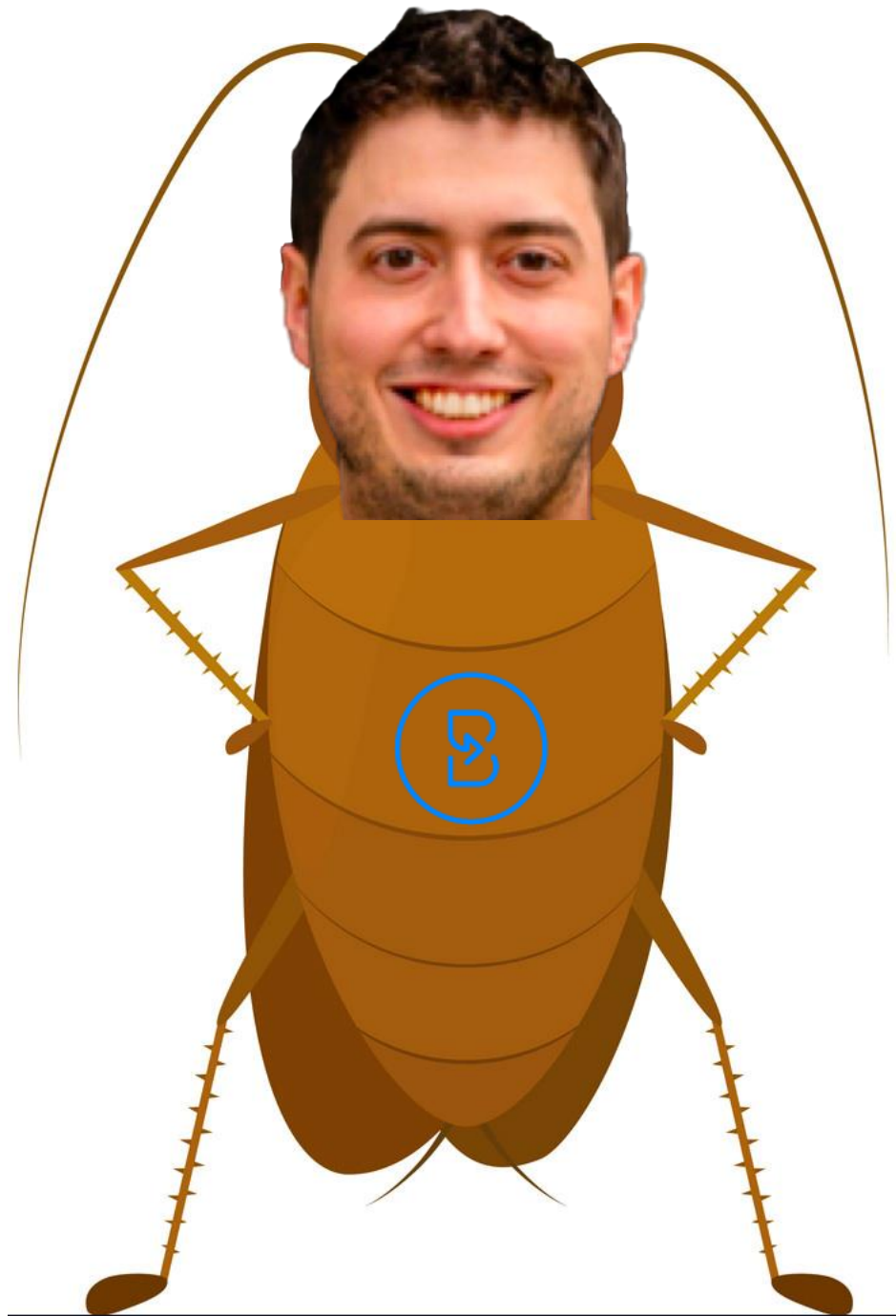


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2010 - first startup. Fail.

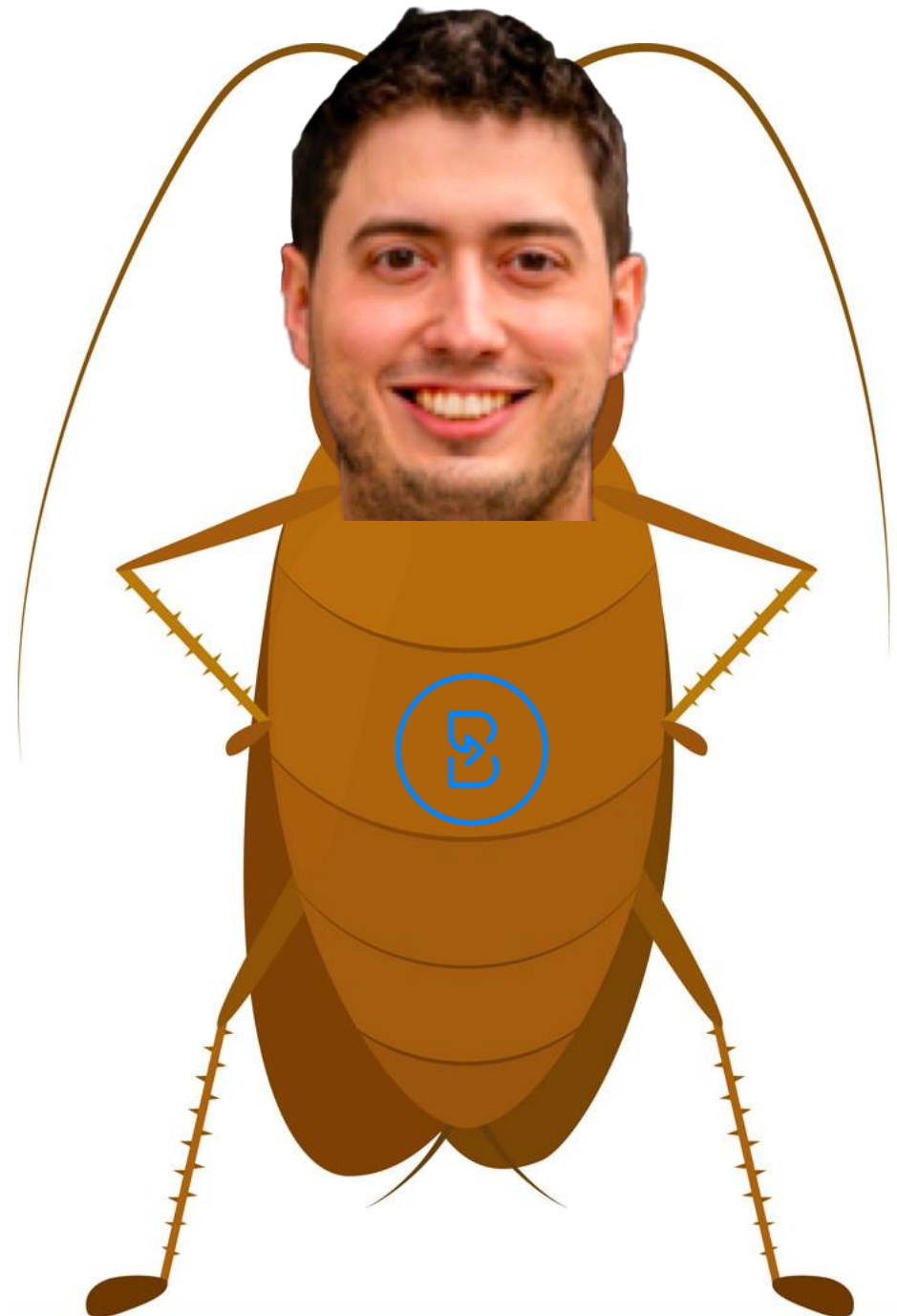




2010 - first startup. Fail.

2013 - second startup.

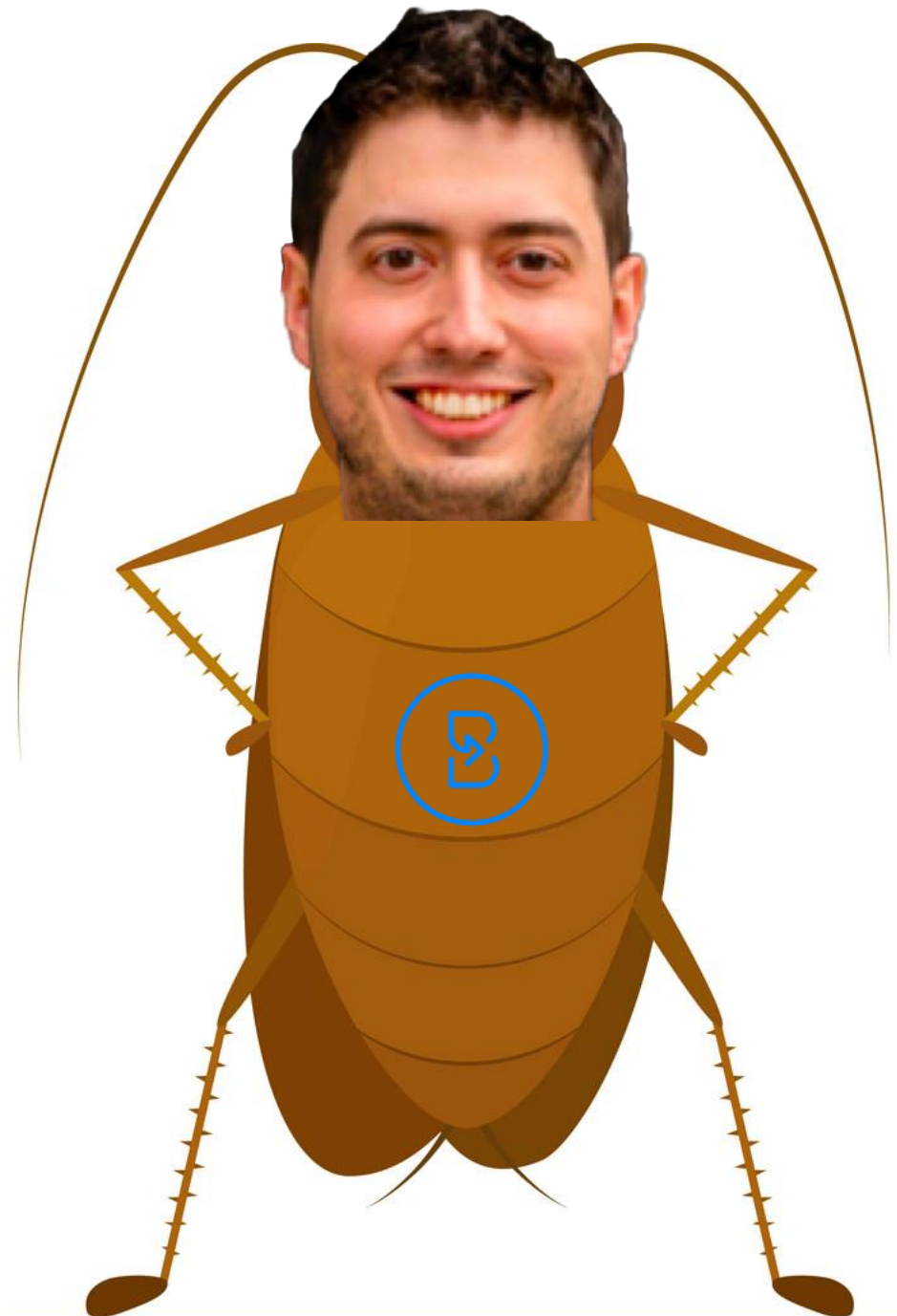




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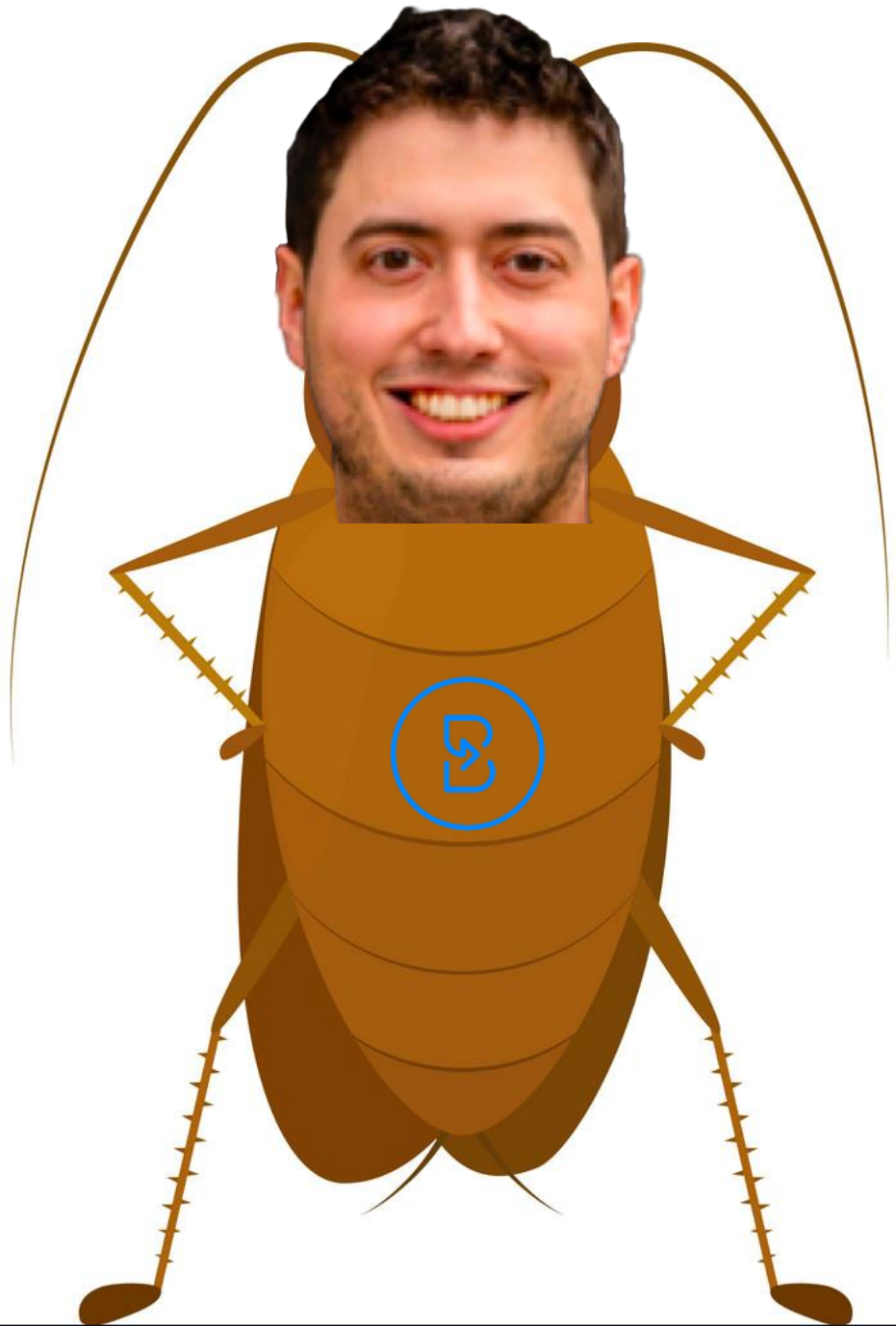


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2015 - Starts Blockthrough





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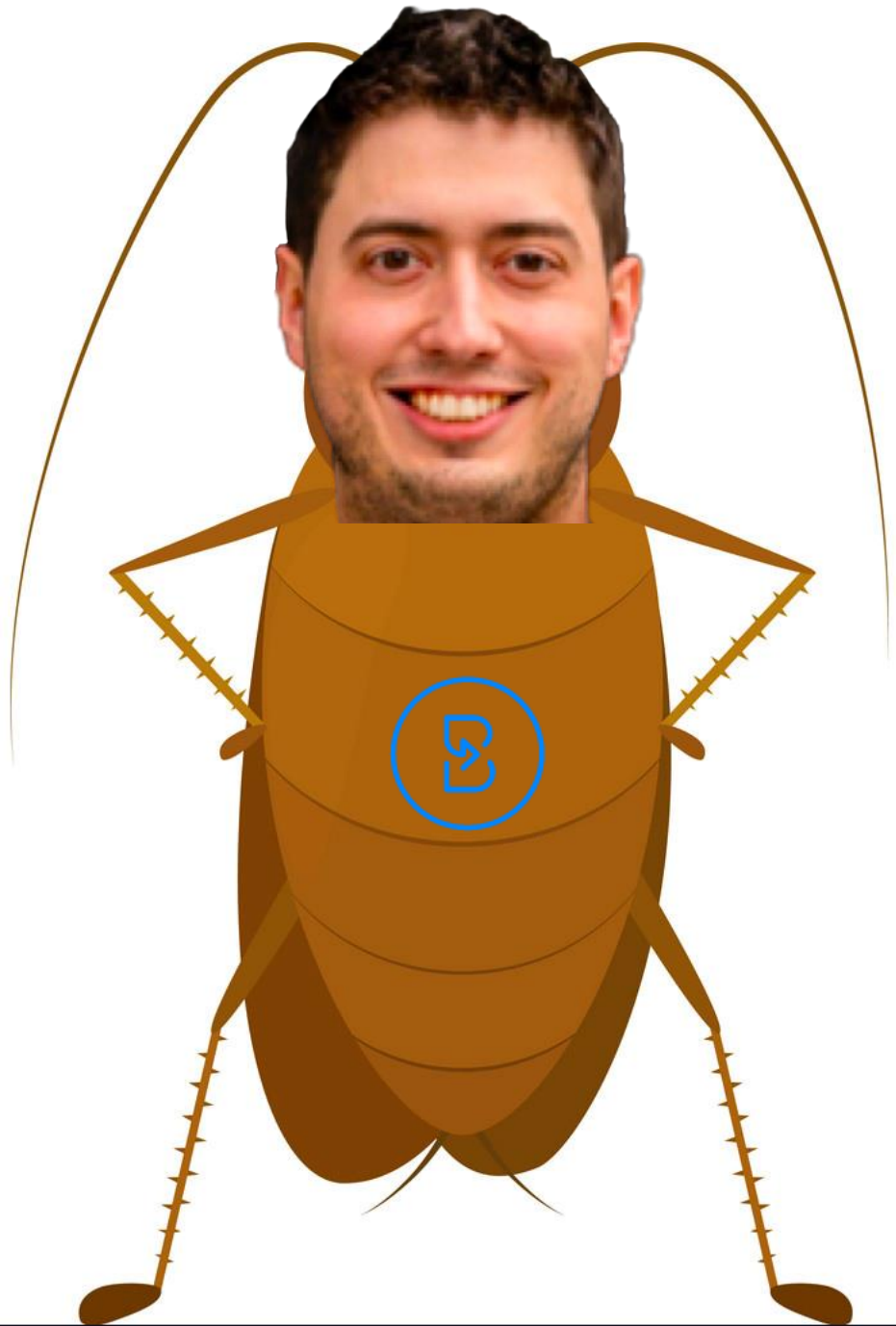
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2015, 2016, 2017... nothing!

8 years of work. 0 success.





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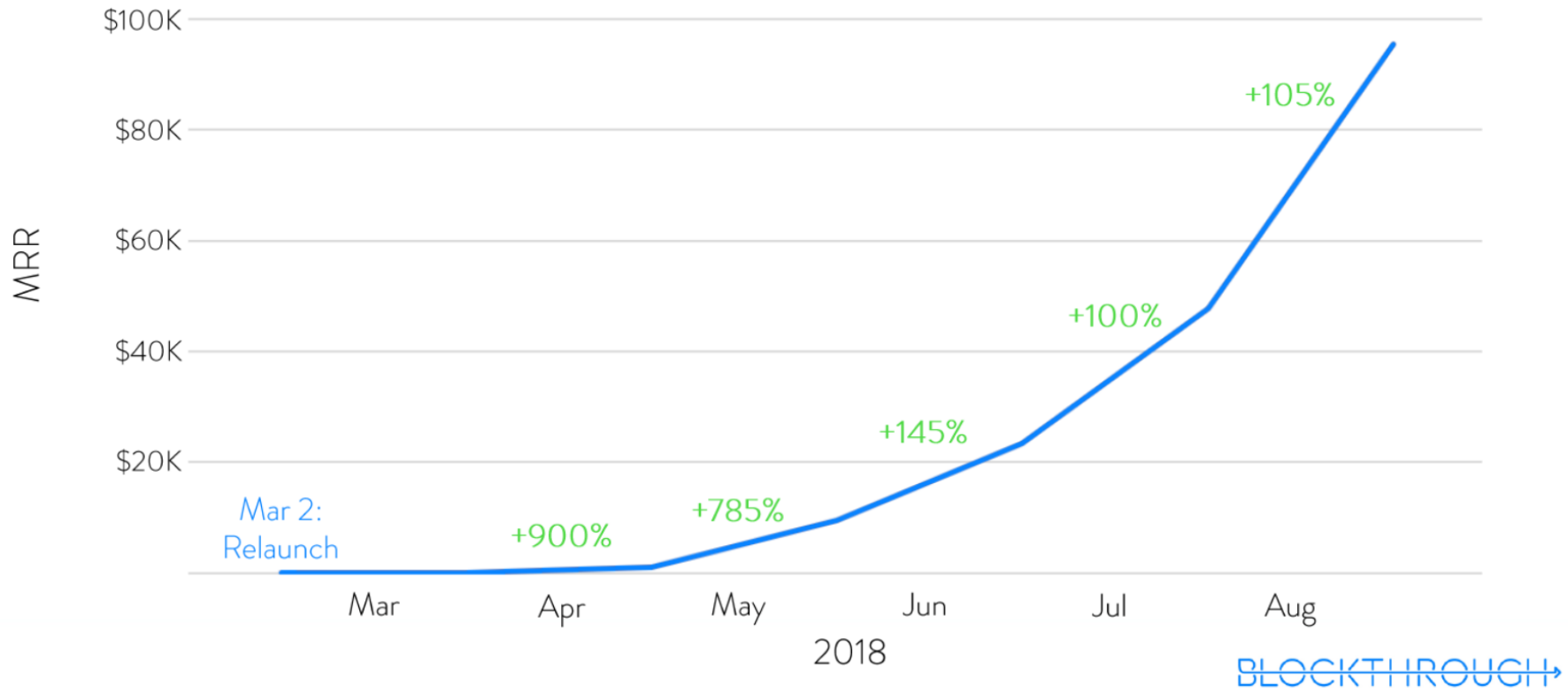
8 years of work. 0 success.

4 weeks of runway...



Explosive Growth

>100% MoM growth every month since relaunch



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