

The Unusual Field Guide

Creating a Value Hypothesis

TL;DR

- The value hypothesis tests whether your product truly delivers value to a specific, desperate customer.
- It answers three questions: What are you building, Who is it for, and How will you monetize it?
- Until you can prove your value hypothesis, nothing else matters.

Every great startup starts with an insight and a hypothesis, not a plan. And that value hypothesis is the foundation for everything else. It's how you translate your insight into an experiment that can be tested in the real world.

As Eric Ries put it:

“The value hypothesis tests whether a product or service really delivers value to customers once they are using it.”

At Unusual, we break this into three questions:

- **What** — What are you building, based on your unique insight?
- **Who** — Who feels the pain so deeply they'll take a risk on an unreferenceable solution?
- **How** — How will you price and distribute it?

These three elements form the blueprint for all your early learning.

01.

The leap of faith

Every value hypothesis incorporates a leap of faith assumption — something that must be true for your business to work.

- For Airbnb, it was that strangers would trust each other enough to share their homes.
- For Mulesoft, it was that enterprises would adopt open-source integration software.
- For MongoDB, it was that developers would build applications on a NoSQL database.

These beliefs were non-consensus at the time.

That being said, your goal isn't to prove your hypothesis is right. It's to learn as fast as possible whether it *could* be right.

02.

Iterating on the Who, not the What

Founders often make the mistake of iterating on the product instead of the customer.

Adding features feels productive. But that's changing the What. When you change the What, you lose the authenticity of your insight.

When you change the Who, you're iterating on your hypothesis for the desperate customer.

Iteration should start with who is desperate for the outcome we deliver. Find the subset of the market that can't live without your product.

As one founder told us:

“When customers start reaching across the table to get what you're offering, you know you've hit desperation.”

Founder takeaway: Start with a clear hypothesis — What, Who, How — and a willingness to test it rigorously. The faster you learn, the more valuable your insight becomes.