Startup Assumption Framework™

Every startup is built on assumptions. This guide helps you find them. Work through the nine categories below and write down what you are currently taking on trust, before you decide which of those beliefs to test first.

The nine assumption categories

In each box, finish the sentence "We are assuming that...". Anything you cannot evidence today is a belief, not a fact.

1. Problem

- Customers experience this problem frequently.
- The problem is important enough to solve.
- Existing alternatives are inadequate.

2. Customer

- We have identified the right target customer.
- Early adopters exist.
- We know who makes the buying decision.

3. Value proposition

- Our value proposition clearly stands out.
- Customers immediately understand it.
- It resonates with our target audience.

4. Solution

- Our solution addresses the highest priority problem.
- Customers can use it successfully.
- It delivers meaningful value.

5. Acquisition

- We can reach customers effectively.
- Customer acquisition is scalable.
- Acquisition costs are sustainable.

6. Revenue

- Customers are willing to pay.
- Our pricing model is viable.
- Revenue can support sustainable growth.

7. Cost

- The solution can be delivered profitably.
- Costs are manageable.
- The startup can scale economically.

8. Operational

- We can deliver the solution reliably.
- Key activities and processes are in place.
- We can operate at the required quality and scale.

9. Competitive advantage

- We have a meaningful advantage.
- Competitors cannot easily replicate it.
- The advantage can be sustained over time.

How to run the exercise

1 **Set aside thirty minutes**

Do it with a co-founder or an advisor rather than alone. Assumptions are easiest to spot in someone else's thinking.

2 **Write one sentence per box**

Be specific. “Operations managers will pay £199 a month” is testable. “There is demand” is not.

3 **Mark what you can evidence**

Put a tick beside anything backed by real customer behaviour. Everything unticked is open risk.

4 **Look for the load bearing beliefs**

Some assumptions hold up several others. If the customer is wrong, the problem, pricing and channel usually go with it.

> A full list is not the goal. The goal is a short list of beliefs your startup genuinely depends on, written plainly enough that someone could design a test for them.

What happens next

Once the list exists you will have more assumptions than time, so the next job is deciding the order. That is covered in the Assumption and Prioritisation Matrix, which scores each assumption on impact and evidence and tells you what to test first.