



LESSON CONTENT TEMPLATE

 <p>Erasmus+</p>	<p>Project funded by: Erasmus+ / Key Action 2 - Cooperation for innovation and the exchange of good practices, Knowledge Alliances.</p>
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1. Lesson Document

Topic 3: Test
Lesson 3

Learn and Decide

Introduction

To learn how to do something you have to be dedicated. Learning is an important factor in your progress, so we will focus on learning and acquiring new knowledge. And when you want to make a good decision, you probably use your knowledge. Let's start by learning new things. In this lesson, we will learn what is evidence, what is the difference between weak and strong evidence, what are insights, what is the confidence level, and how learning is related to decision making.

What is the evidence?

Evidence is anything that can be used to prove something, and what you can use to support or disprove your hypothesis. How can you make the difference between weak and strong evidence?

Weak vs Strong Evidence

<p style="text-align: center;">Opinion</p> <p>When you use words like "I would...," "I think ___ is important,"</p>	<p style="text-align: center;">Facts</p> <p>When you use words such as "Last week I ___," "In that situation I usually ___,"</p>
<p style="text-align: center;">What people say</p> <p>The information that people share with you during an interview is not necessarily what they do in real life.</p>	<p style="text-align: center;">What people do</p> <p>Pay attention to people's behavior. This can help you to find out what is their next step or what they are planning in the future.</p>
<p style="text-align: center;">Lab settings</p> <p>When people know that you are testing something they will act differently just because they are afraid to make a mistake.</p>	<p style="text-align: center;">Real word settings</p> <p>When people don't know that you are searching for something, or doing some testing, just by watching them you will get a lot of information.</p>
<p style="text-align: center;">Small investments</p> <p>When you are signing up for some newsletter to get information about something new.</p>	<p style="text-align: center;">Large investments</p> <p>When you pre-purchase some product.</p>

Always have in your mind that different experiments create different evidence.

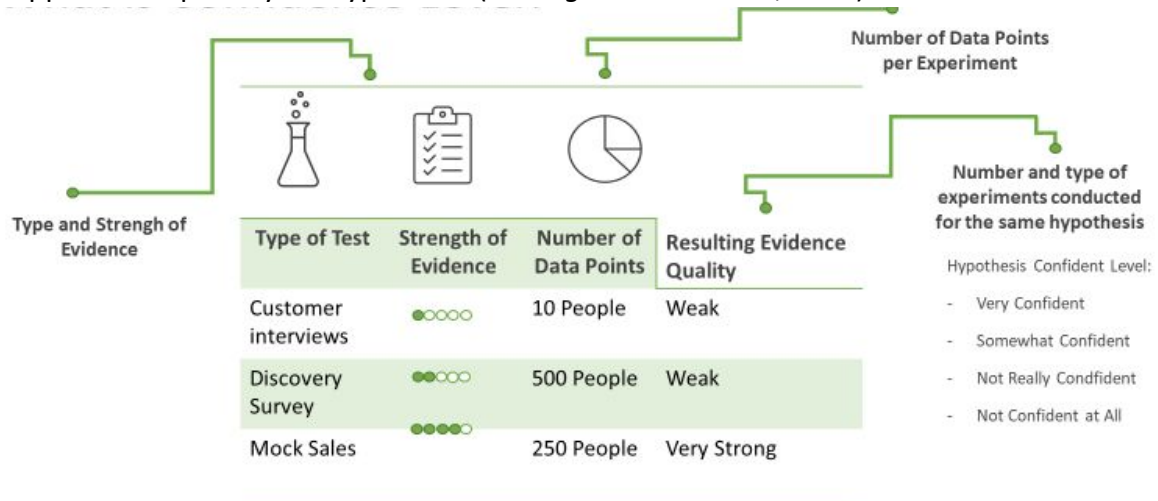
What are Insights?

Insights are everything you have learned:

- from studying evidence,
- about confirming hypotheses,
- about discovering new directions etc.

What is Confidence Level?

The level of confidence is how much you believe your evidence is strong enough to support or disprove your hypothesis (*Testing Business Ideas, 2019*).



There are three dimensions that can help you to find your confidence level (*Testing Business Ideas, 2019*):

1. **Type and strength of evidence** - The type of evidence you have collected for a particular hypothesis will affect how confident you are.
2. **A number of data points per experiment** - The more data you have, the better. When you have a lot of data, it means that you have something to work with.

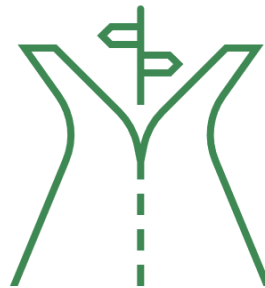
3. **Number and type of experiments conducted for the same hypothesis** - Your confidence level should increase with the number of experiments that you have done on some hypothesis.

Hypothesis Confident Level (*Testing Business Ideas, 2019*):

- **Very Confident** - If you did several experiments of which at least one is a call to action that produces very strong evidence.
- **Somewhat Confident** - If you did several experiments that produce strong evidence of a particularly strong call to action experiment.
- **Not Really Confident** - If you did only interviews or surveys in which people say what they will do. You need to know that they might have different behaviors in the real world.
- **Not Confident at All** - If you did only one experiment that produced weak evidence, such as an interview.

Decide

When you want to make a decision, utilize everything that you learn, and put that knowledge into action. Make a decision to change, give up, or continue testing your idea.



Decide which path is the right one.

Conclusion

Now that we have learned what experiments are, how to distinguish between weak and strong evidence, what insights are, and the level of confidence of the hypothesis, we can apply that knowledge to real examples and make a good decision about business ideas.