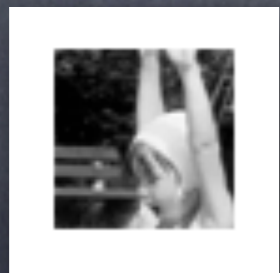
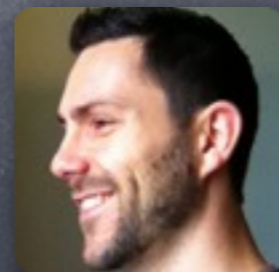


LEAN STARTUP

in Practice



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Agenda: Task Board

Start: 9:15

- Group forming (20 min)
- Theory (40 min)
- Lean Canvas (90 min)
- Prepare problem interview (30 min)

Lunch: 12:45 - 13:45

- Conduct problem interview (30 min)
- Paper mockups (30 min)
- Solution interview (45 min)
- Experiment / MVP (30 min)
- Discussion (30 min)
- Closing (15 min)

End: 17:15

- Bonus (Pirate Metrics, Pivots)

LEAN STARTUP

in Practice

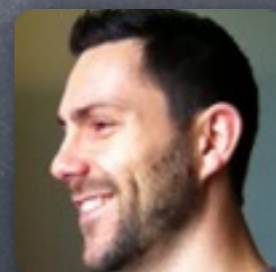
Form a line across the room from least experienced with Lean Startup to most experienced

Form groups with mixed experience

Meet a stranger

- name
- workplace
- job title
- favorite person on the internet
- super power

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LEAN STARTUP

“There is surely nothing quite so useless as doing with great efficiency what should not be done at all.”



LEAN **STARTUP**

Startups are **searching** for a repeatable, scalable and profitable business model

Companies are **executing** on that business model

A MODEL OF GROWTH

everything is a trade off

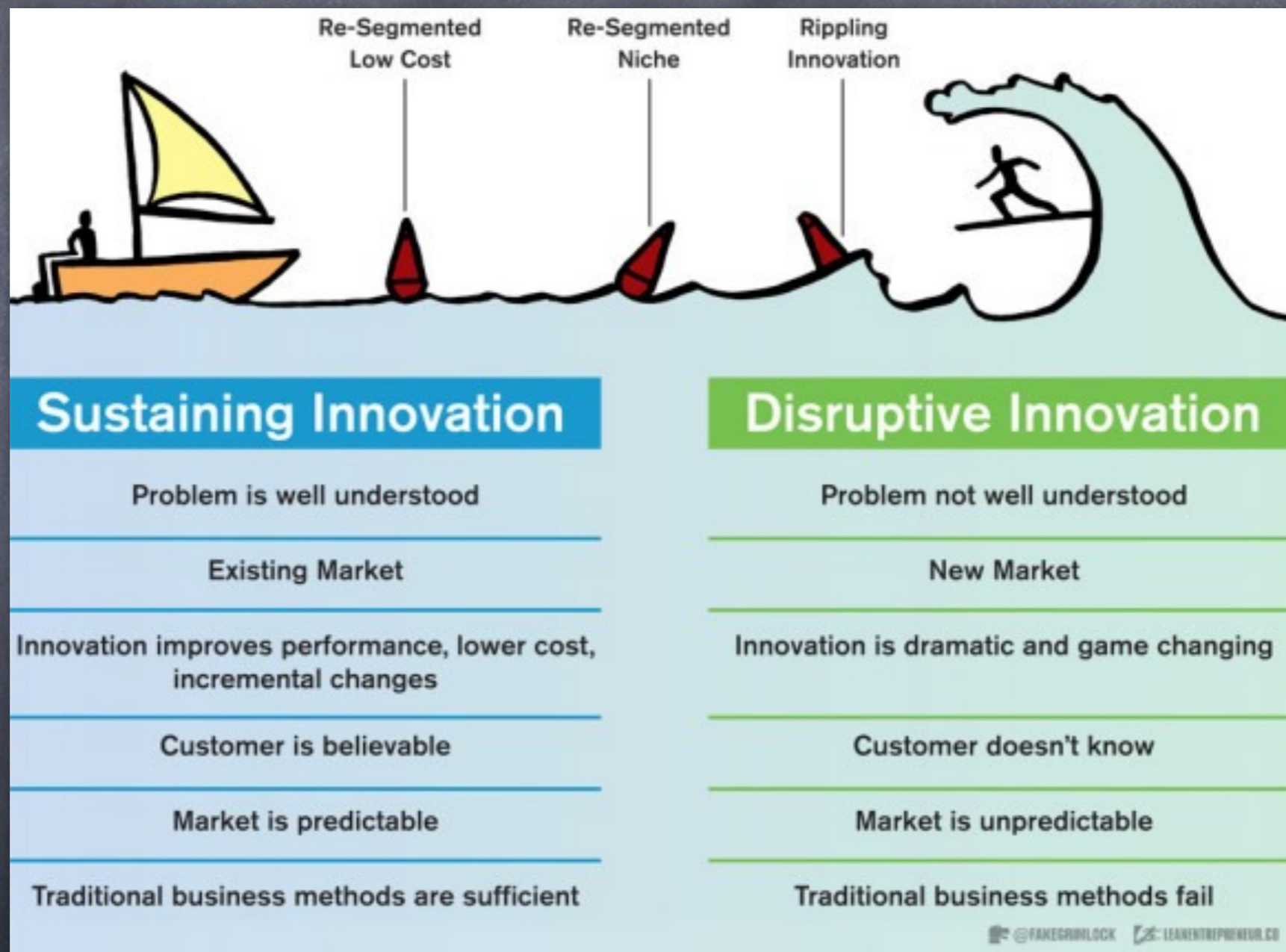
1. *Explore*: optimize for **discovery**

2. *Stabilize*: optimize for **repeatability**

3. *Commoditize*: optimize for **efficiency**

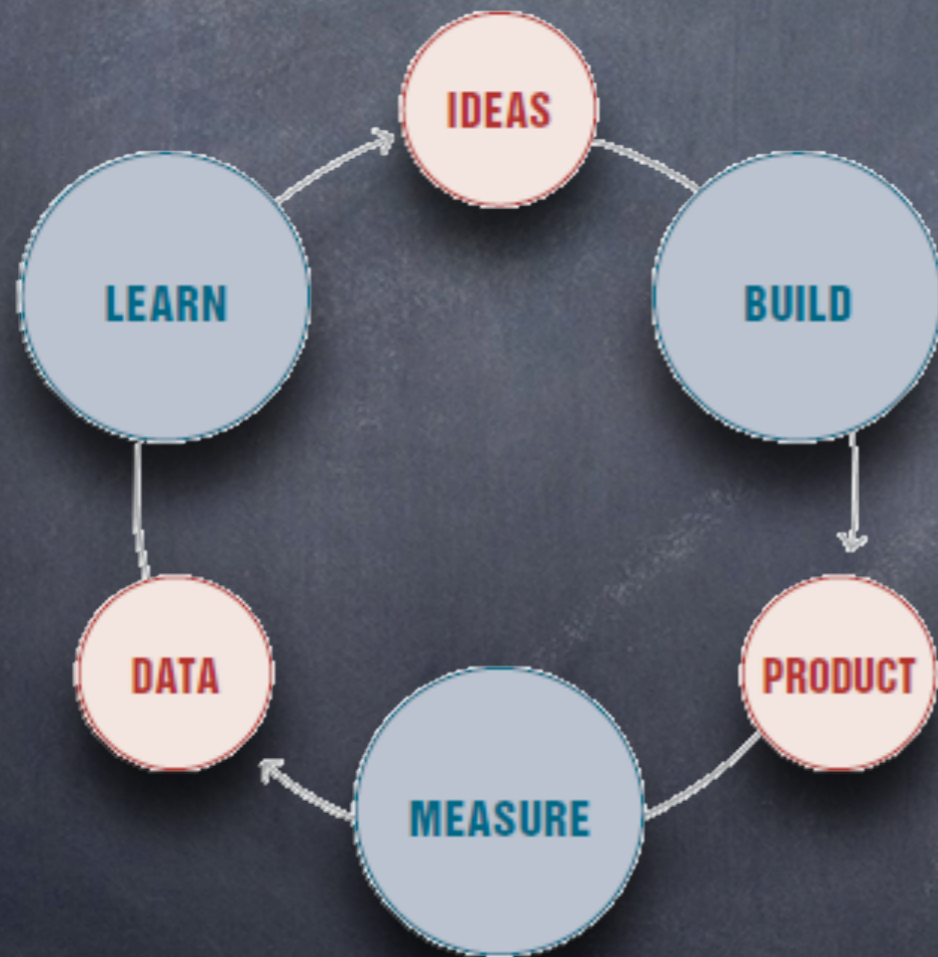
INNOVATION IS A SPECTRUM

where are you?



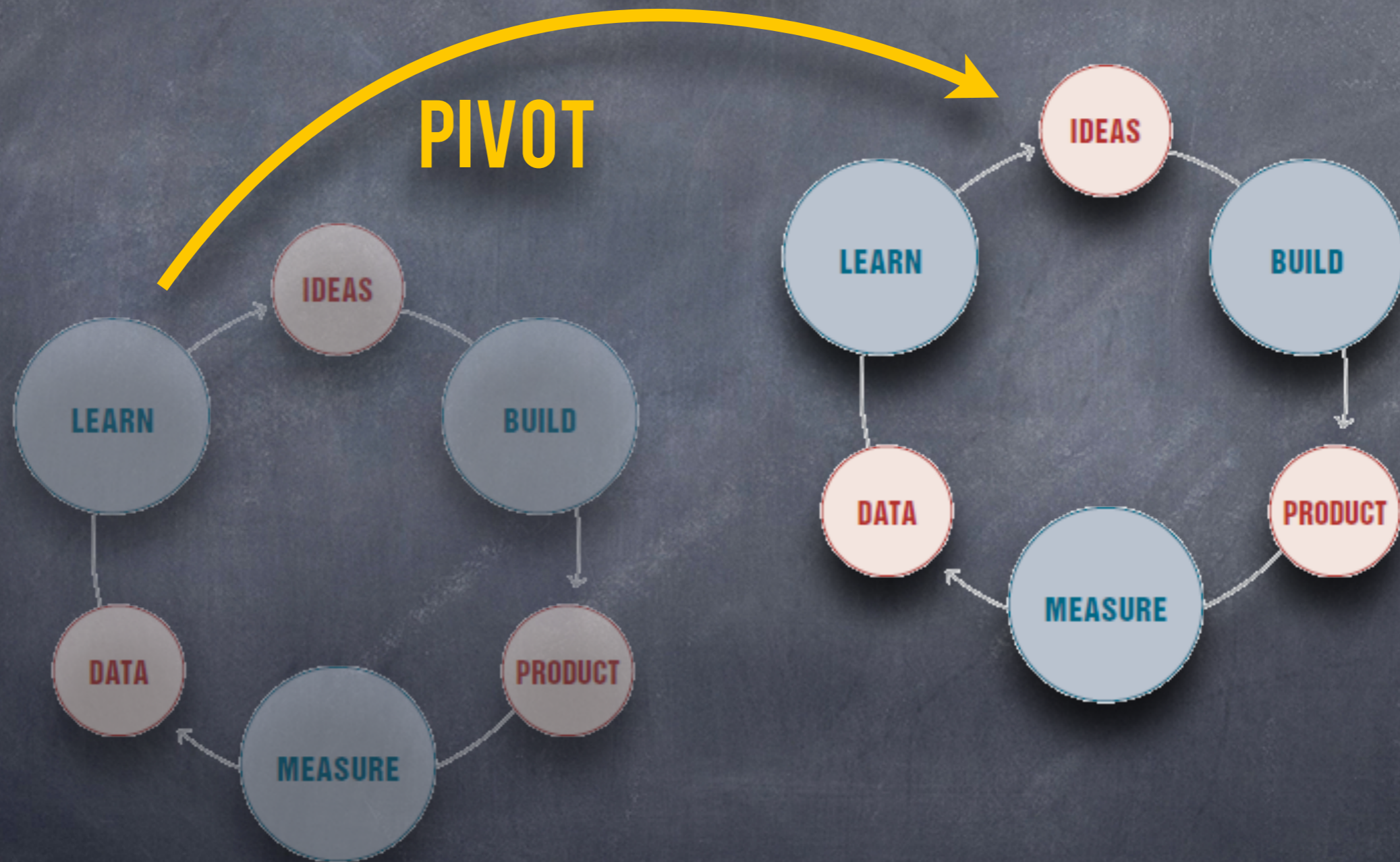
BUILD-MEASURE-LEARN

the core



BUILD-MEASURE-LEARN

the core



STARTUP LIFECYCLE

a suggestion

MAKE A PLAN

SCALE

UNDERSTAND
PROBLEM

DEFINE
SOLUTION

VALIDATE
QUALITATIVELY

VERIFY
QUANTITATIVELY

Problem/Solution Fit

Product/Market Fit

STARTUP MARCH

trying it out



STARTUP MARCH

trying it out in isolation



BUSINESS MODEL CANVAS

become aware of your assumptions

PROBLEM List your top 1-3 problems 1	SOLUTION Outline a possible solution for each problem 4	UNIQUE VALUE PROPOSITION Single, clear, compelling message that turns an unaware visitor into an interested prospect 3	UNFAIR ADVANTAGE Something that can't be easily copied or bought 9	CUSTOMER SEGMENTS List your target customers and users 2
EXISTING ALTERNATIVES List how these problems are solved today	KEY METRICS List the key numbers that tell you how your business is doing 8		HIGH-LEVEL CONCEPT List your X for Y analogy (e.g. YouTube = Flickr for videos)	
COST STRUCTURE List your fixed and variable costs 7		REVENUE STREAMS List your sources of revenue 6		



Startup ideas:
- Learning on the way to work
- Cheap accommodation during conferences



ALEX OSTERWALDER



ASH MAURYA

BUSINESS MODEL CANVAS

become aware of your assumptions



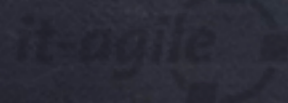
5 Whys root cause analysis

What is the job the customer is hiring you to do?
Usually something he already tried solving himself.

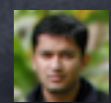
Distinguish between customers and users

Describe your customers current reality

Narrow your early adopters. How do you identify them?



ALEX OSTERWALDER

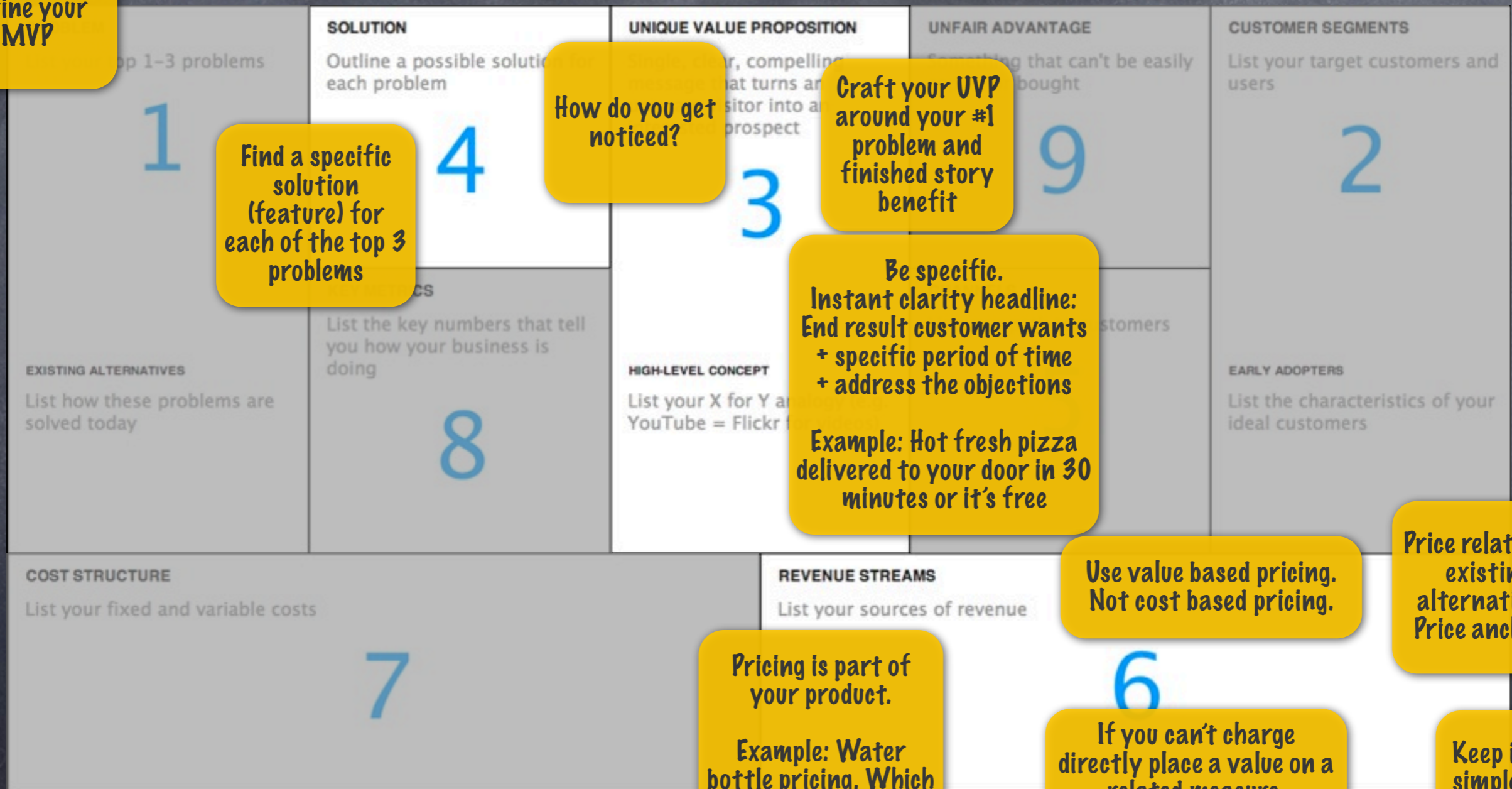


ASH MAURYA

BUSINESS MODEL CANVAS

become aware of your assumptions

These help define your MVP



Find a specific solution (feature) for each of the top 3 problems

How do you get noticed?

Be specific.
Instant clarity headline:
End result customer wants
+ specific period of time
+ address the objections

Example: Hot fresh pizza delivered to your door in 30 minutes or it's free

Use value based pricing. Not cost based pricing.

Price relative to existing alternatives. Price anchors.

Pricing is part of your product.

Example: Water bottle pricing. Which one would you buy?

If you can't charge directly place a value on a related measure.
Example: engagement

Keep it simple.



ALEX OSTERWALDER



ASH MAURYA

BUSINESS MODEL CANVAS

become aware of your assumptions

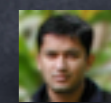
PROBLEM List your top 1-3 problems 1	SOLUTION Outline a possible solution for each problem 4	UNIQUE VALUE PROPOSITION Single, clear, compelling message that turns an	UNFAIR ADVANTAGE Something that can't be easily copied or bought 9	CUSTOMER SEGMENTS List your target customers and users 2
EXISTING ALTERNATIVES List how these problems are solved today	KEY METRICS List the key numbers that show you how your business is doing 8	CHANNELS List your path to customers 5		EARLY ADOPTERS List the characteristics of your ideal customers
COST STRUCTURE List your fixed and variable costs 7	REVENUE STREAMS List your sources of revenue 6			

OK to start with outbound channels:

- friends
- introductions
- emails from landing page
- blog readers
- facebook, twitter, linkedin, xing
- AdWords, FacebookAds
- cold call/email
- user groups

Identify scalable (inbound) channels:

- content marketing
- advertising
- referrals



BUSINESS MODEL CANVAS

become aware of your assumptions



BUSINESS MODEL CANVAS

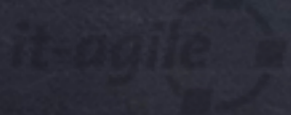
become aware of your assumptions



How long do you need to reach your success metric?

What's your break even point?

Ballpark figures



ALEX OSTERWALDER



ASH MAURYA

BUSINESS MODEL CANVAS

become aware of assumptions

<p>PROBLEM List your top 1-3 problems</p> <p>1</p> <p>EXISTING ALTERNATIVES List how these problems are solved today</p>	<p>SOLUTION Outline a possible solution for each problem</p> <p>4</p>	<p>UNIQUE VALUE PROPOSITION Single, clear message that communicates the unique value of your business to an unaware visitor into an interested customer</p> <p>3</p>	<p>FAIR ADVANTAGE Something that cannot be copied or bought</p> <p>9</p>	<p>CHANNELS Your path to customers</p> <p>2</p>
<p>COST STRUCTURE List your fixed and variable costs</p> <p>7</p>	<p>KEY METRICS List the key numbers that tell you how your business is doing</p> <p>8</p>	<p>HIGH-LEVEL CONCEPT List your X for Y analogy (e.g. YouTube = Flickr for videos)</p> <p>5</p>	<p>RELATIONSHIP WITH CUSTOMERS Ideal customers</p> <p>10</p>	<p>REVENUE STREAMS List your sources of revenue</p> <p>6</p>

Barriers to entry. How do you defend your business against competitors?

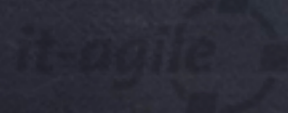
You might not have one right now. This box is usually not tested by yourself, but by your competitors.

These aren't:

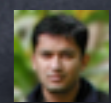
- first to market
- more features
- less features
- better design
- more passion
- more determination

These are:

- insider information
- a dream team
- existing customers
- community
- organic search ranking



ALEX OSTERWALDER



ASH MAURYA

THAT'S IT?

is that what you want to do?



In the Problem interview, you are specifically looking to tackle the following risks:

- **Product risk: What are you solving? (Problem)**
How do customers rank the top three problems?

- **Market risk: Who is the competition? (Existing Alternatives)**
How do customers solve these problems today?

- **Customer risk: Who has the pain? (Customer Segments)**
Is this a viable customer segment?

Interview tips

- Ask about the situation wherein they might discover the problem you're attempting to solve.
Example: "Where are you staying during this conference?" vs. "Did you have a hard time finding affordable accommodation while being at this conference?"

- Open questions
Example: see above

- 2 people interviewing: The second person can listen more attentively while the first one asks questions. Trade off every few questions so that the conversation stays lively and fresh. More time efficient for the interviewee. De-brief the same day. There is value in your first impressions, your shared impressions, and your second opinion.

- Thinking pauses are a good sign. Relax.
- Listen. You should only talk 1/4 of the time.
- One question at a time
- Avoid when and where, prefer how

- 5 Whys
Example: Why are you at this conference?

- Avoid implicit assumptions

- Use a template, but don't religiously stick to it

What are the Problem Interview Exit Criteria?

- Can identify the demographics of an early adopter
- Have a must-have problem
- Can describe how customers solve this problem today

COLLECT

TEL

PROB

EXPLORE CUST

WRAPPING UP (2MIN)

DOCUMENT RESULTS (5 MIN)

objective is to learn

help qualifying early adopters

get them to nod

other missing problems?

How are you solving the problems today?

hook + referrals

de-brief

1	4	3	9	2
8	5	7	6	

falsifiable hypothesis:

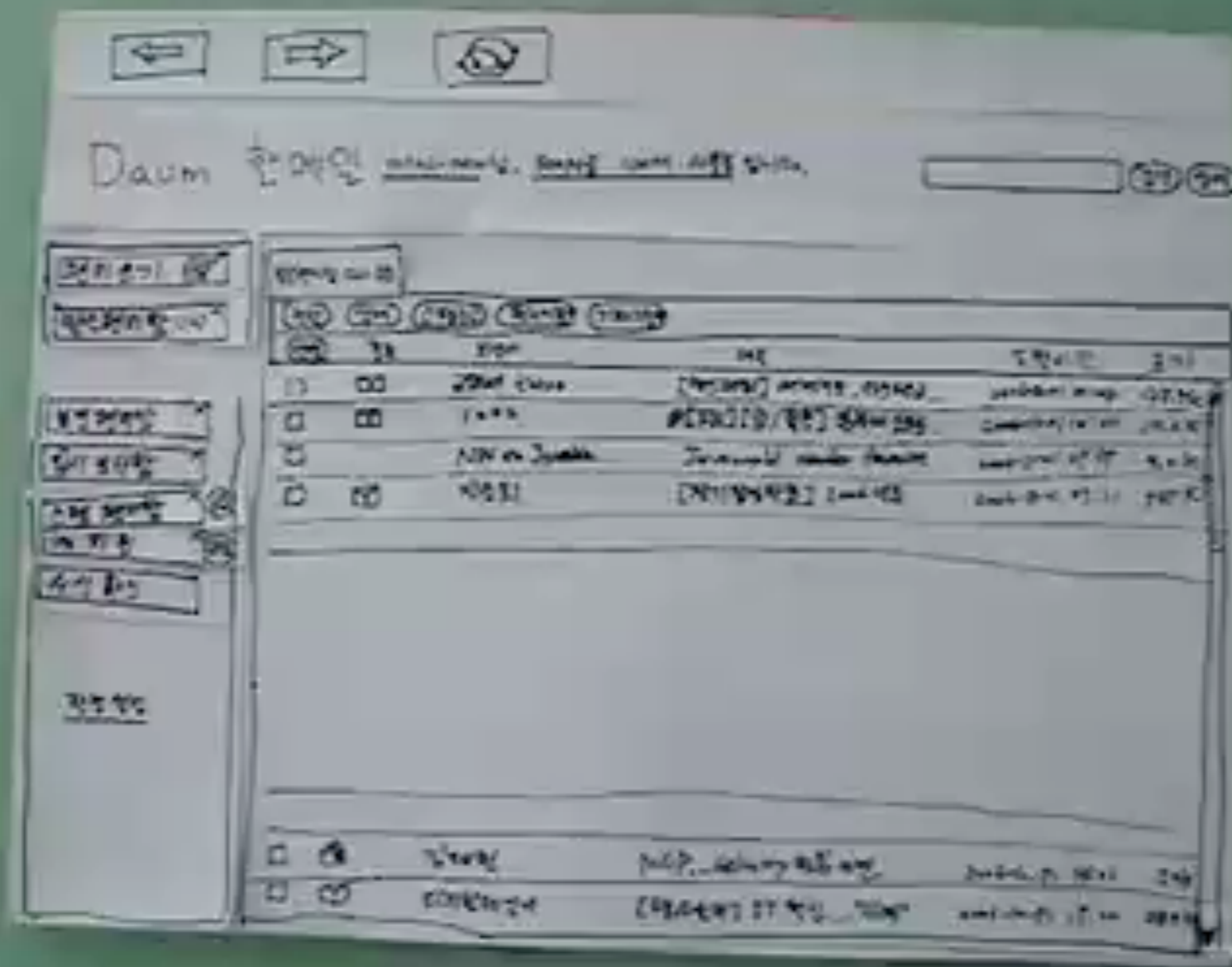
Problem interview will validate

- customer segment
- the identified problems
- existing workarounds



PAPER MOCKUPS

the fast way to test your solution



- Customer risk: Who has the pain? (Early Adopters)
How do you identify early adopters?
- Product risk: How will you solve these problems? (Solution)
What is the minimum feature set needed to launch?
- Market risk: What is the pricing model? (Revenue Streams)
Will customers pay for a solution? What price will they bear?

SOLUTION INTERVIEW

validate your solution

- What are the Solution Interview Exit Criteria?
- Can identify the demographics of an early adopter
 - Have a must-have problem
 - Can define the minimum features needed to solve this problem
 - Have a price the customer is willing to pay
 - Can build a business around it (using a back-of-the-envelope calculation)

1	4	3	9	2
8	5	7	6	



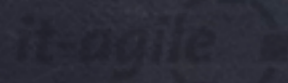
demo solution for each problem, what resonates, what's missing

Prizing, Scarcity, Anchoring, Confidence tell, don't ask

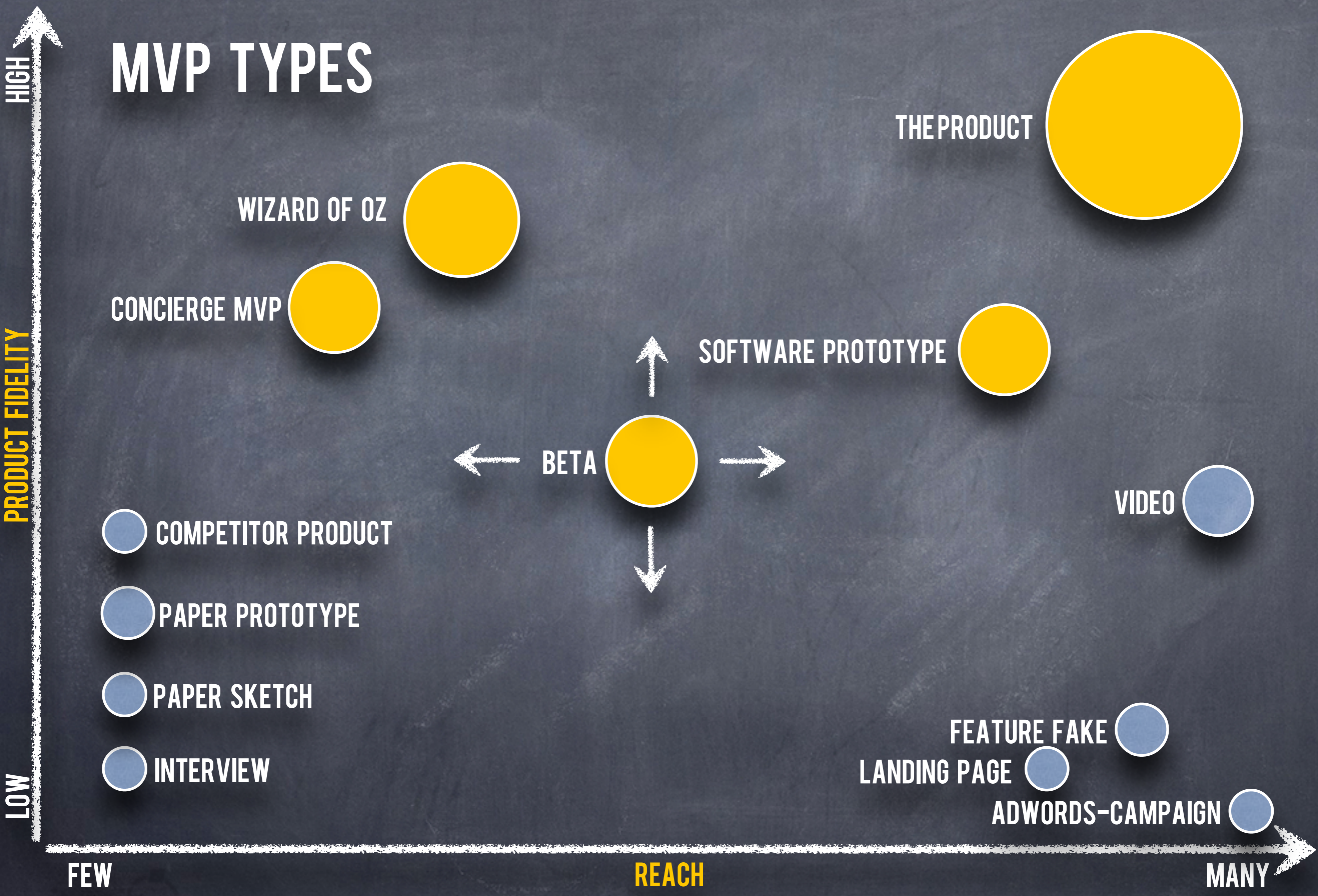
falsifiable hypothesis:

Solution interview will validate

- minimal feature set
- early adopters
- pricing model



MVP TYPES



MVP TYPES



the **smallest solution** that **delivers customer value**

- ASH MAURYA



the **smallest possible set of activities** required to rigorously **test a business model hypothesis**

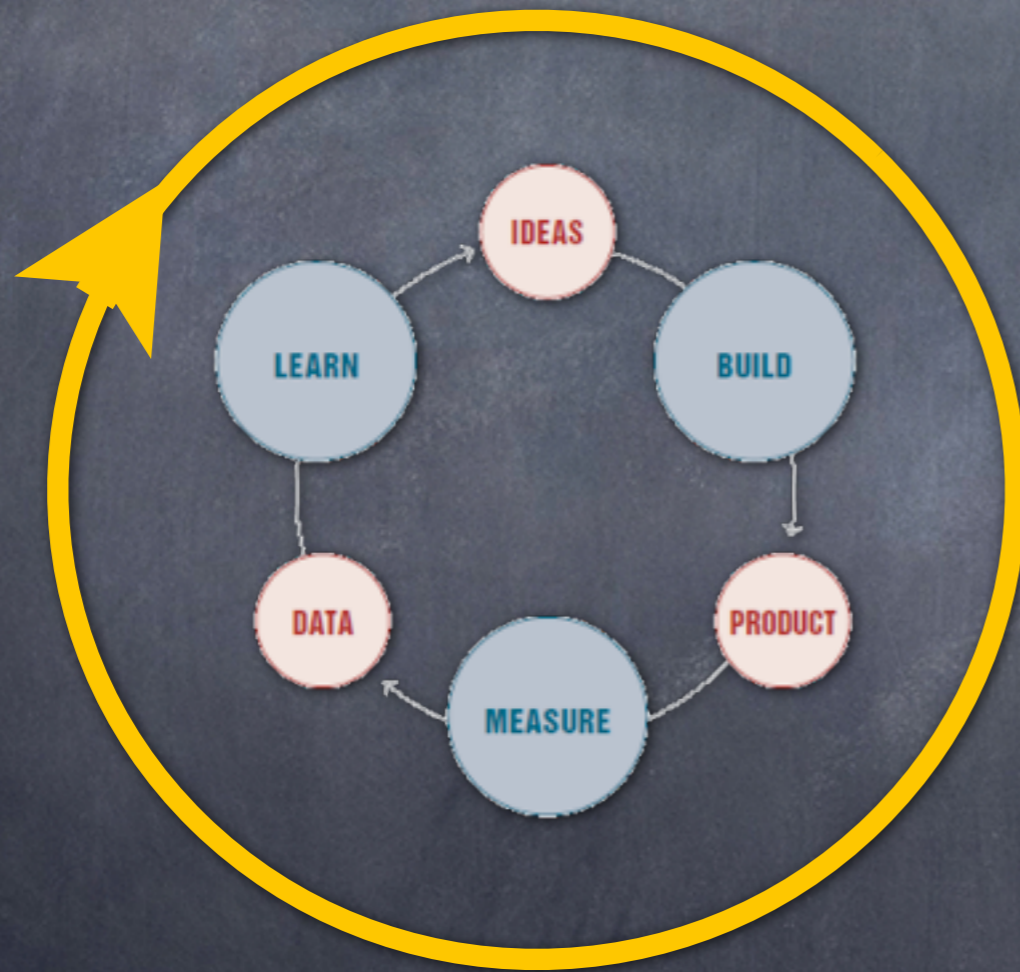
- TOM EISENMANN

HIGH
PRODUCT FIDELITY
LOW

FEW REACH MANY

EXPERIMENTS

how to learn



Experiment



Annahme:

MVP:

Erfolg/Misserfolg:

Bis wann:

Ergebnis:

DISCUSSION

Would this approach work in your environment?

Facilitate discussion and
note things on flip
charts

Copy pictures of flip
charts here

PIRATE METRICS

HOW DO USERS FIND YOU ?

DO USERS HAVE A GREAT FIRST EXPERIENCE ?

DO USERS COME BACK ?

HOW DO YOU MAKE MONEY ?

DO USERS TELL OTHERS ?

A CQUISITION

A CTIVATION

RETENTION

REVENUE

REFERRAL



PIVOTS

changes in strategy

ZOOM-IN PIVOT

BUSINESS ARCHITECTURE PIVOT

ZOOM-OUT PIVOT

PLATFORM PIVOT

TECHNOLOGY PIVOT

CUSTOMER SEGMENT PIVOT

CHANNEL PIVOT

CUSTOMER NEED PIVOT

VALUE CAPTURE PIVOT

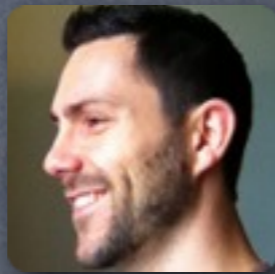
ENGINE OF GROWTH PIVOT

THANK YOU

Please feel free to get in touch

Feedback round

- what was good?
- what should be improved?



Manuel Küblböck
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@manuelkublbock

Slides will be on Speakerdeck later

announced on twitter
with conference hashtag

I am a
link



SMART PERSON