

According to Buxmann et al., software development strategies can be classified into three main categories: ad-hoc, agile and plan-driven. Each of these categories has its own advantages and disadvantages, depending on the characteristics of the software project, such as the size, complexity, uncertainty, and quality requirements.

Ad-hoc methods are characterized by a lack of formal structure, documentation, and planning. They are often used by small teams or individuals who work on simple or experimental projects, where speed and flexibility are more important than reliability and maintainability. Ad-hoc methods can be useful for exploring new ideas and markets, but they also pose many risks, such as poor quality, low customer satisfaction, and high technical debt.

Agile methods are based on the principles of iterative and incremental development, customer collaboration, and adaptive planning. They are suitable for projects that face high uncertainty and changing requirements, where feedback and learning are essential. Agile methods emphasize the delivery of working software in short cycles, the involvement of customers and users in the development process, and the continuous improvement of the team and the product. Agile methods can increase customer satisfaction, quality, and productivity, but they also require a high level of commitment, communication, and discipline from the team and the customer.

Plan-driven methods are based on the principles of sequential and structured development, contract negotiation, and predictive planning. They are suitable for projects that have well-defined and stable requirements, where quality and reliability are critical. Plan-driven methods rely on the upfront analysis, design, and documentation of the software, the formal verification and validation of the product, and the strict control and monitoring of the project. Plan-driven methods can ensure high quality, reliability, and efficiency, but they also require a lot of time, resources, and bureaucracy, and they are not very responsive to changes.

However, a fourth category could also be considered, as some software teams may choose to combine different development approaches to suit their specific needs and contexts. This is called a hybrid software development strategy, which is any combination of agile and traditional approaches that an organizational unit adopts and customizes. A hybrid strategy can help the team to balance between predictability and adaptability, and to leverage the strengths of both agile and plan-driven methods.

For the case of a software startup that is working in an area where the customer and customer problem are not yet known, I would suggest using an agile method, such as Scrum or Kanban, as the most suitable development strategy. This is because agile methods can cope with the high uncertainty and variability of the market and the customer needs, and they can enable the startup to deliver value quickly and frequently, and to learn and adapt from the feedback and data. Agile methods can also foster a culture of innovation, collaboration, and customer orientation, which are essential for the success of a software startup.

One of the main challenges of using an agile method for the case is how to gather and feed the requirements into the development, and how to find and solve the customer problem. Since the startup does not have a clear understanding of the customer and the customer problem, it cannot rely on traditional techniques, such as interviews, surveys, or focus groups, to elicit the requirements. Instead, it needs to use more exploratory and experimental techniques, such as prototyping, testing, and analytics, to discover the requirements. It also needs to use a lean approach, such as the lean startup method, to validate the assumptions and hypotheses about the customer and the problem, and to measure the outcomes and impacts of the product.

The development strategy that I suggest for the case is based on the following steps:

- Define the vision and the value proposition of the product, and identify the target customer segment and the main problem that the product aims to solve.
- Build a minimum viable product (MVP) that delivers the core value of the product and tests the most critical assumptions and hypotheses about the customer and the problem.
- Release the MVP to a small group of early adopters and potential customers, and collect feedback and data on the usage, behavior, and satisfaction of the customers.
- Analyze the feedback and data, and learn from the results. Validate or invalidate the assumptions and hypotheses, and identify the strengths and weaknesses of the product.
- Based on the learning, decide whether to persevere, pivot, or perish. Persevere means to continue with the current vision and value proposition, and to improve the product by adding new features or enhancing existing ones. Pivot means to change the vision and value proposition, and to modify the product by adding, removing, or changing features. Perish means to abandon the product and the market, and to start over with a new idea or a new problem.
- Repeat the steps from building a MVP to to persevere, pivot, or perish until the product achieves a product-market fit, which means that the product satisfies a large and growing market, and that the customers are willing to pay for the product.

In general, this essay has demonstrated how software development strategies can be influenced by the software business context, and how different strategies can have different impacts on the success of the product and the company. By choosing a suitable development strategy, a software startup can increase its chances of achieving a product-market fit and creating a sustainable, innovative, and customer-oriented business.