

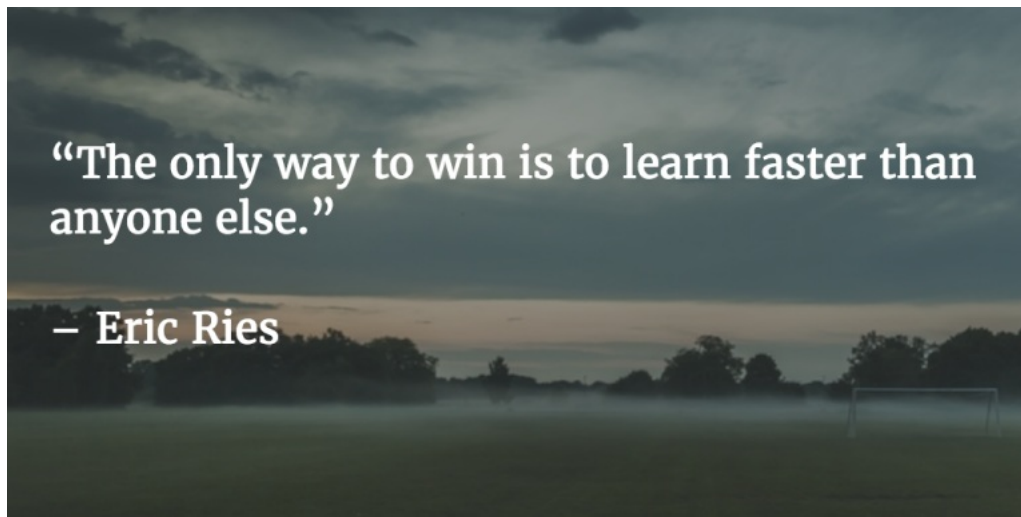
The Lean Startup Summary

 fourminutebooks.com/the-lean-startup-summary

1-Sentence-Summary: *The Lean Startup* offers both entrepreneurs and wantrepreneurs a semi-scientific, real-world approach to building a business by using validation, finding a profitable business model and creating a growth engine.

Read in: 4 minutes

Favorite quote from the author:



My then classmate, now good friend I said he was reading his book, and not sure whether he liked it.

Isn't it funny how prejudiced we are? Just from hearing doubts about someone I had no clue about, some switch in my brain flipped, and I never picked up the book.

When I got my Blinkist subscription, *The Lean Startup* was one of the first books I threw in my library – no harm in reading a summary for free, right? Yet again, it ended up last of the pack and I never read it.

Until now.

I'm really sorry Mr. Ries, it took me a while, but here's what I learned:

1. Find a business model that works through validation.
2. Use split-testing to tell value from waste.
3. Never ever indulge in vanity metrics.

Ready to start a business? I hope you are, because here we go!

Lesson 1: Find a solid business model by validating your idea.

One word is mentioned again and again throughout this summary, and it actually represents the whole book quite well: **semi-scientific**.

It stuck with me and perfectly fits this lesson as well. **Always validate your sh*t.**

Alright, I might be paraphrasing here, but the gist of it is that in order to find a sustainable business model (i.e. one that you can roll with for at least 5 years), you have to (like a scientist) create a hypothesis.

Now that was the easy part. And this is usually where scientists start building huge theories, researching, calling colleagues, and a whole bunch of other things, which won't get them closer to finding out if the hypothesis is valid.

That's why you have to be only semi-scientific, because now you just throw your hypothesis out into the real world.

What does that look like? For Amazon it was a very rudimentary website, and for Zappos, the founder just set up a website with shoe pictures and let people buy. Once they bought, he went to a shoe store, got the actual shoes and shipped them.

Noah Kagan from Appsumo also used a ghetto website where people should just PayPal him \$60 to get started.

The important part is to **get people to pay as early as possible**, because when people say "great idea" or "I'd buy that" that doesn't put a cent in your pocket.

So get out there and instead of calling friends, researching and getting feedback, find people and ask them to buy.

Lesson 2: Tell value from waste with split-testing.

Another semi-scientific approach to then developing your product is split testing.

Nowadays often called A/B-testing, this means you create 2 versions of your product, show both of them to the same amount of people, and in this way figure out which one people like more.

This allows you to **tell the difference between features your customers value, and those they don't want or need**.

Imagine how hard this was a few years ago, where the only way to do this was to create physically different products.

For example if Domino's wanted to change the design of their pizza boxes, they would've had to create 2 different designs, use them to ship pizzas to 1,000 customers each, and ask each customer for feedback on the box.

What a nightmare!

Now, in the world of the interwebs, they could just come up with 2 designs in photoshop and hold a poll on their Facebook page, and would instantly get hundreds of thousands of answers.

Today you can split-test any part of a website for free, for example with Optimizely, so before you add, drop or change features of your products, **learn what the customers want and need.**

Lesson 3: Never ever indulge in vanity metrics.

The data you get from split testing is valuable. The number of your Facebook likes isn't. It's a vanity metric and you must never ever indulge in those.

Getting lots of page views is great, so is being covered in the press and having lots of followers on Twitter.

But none of those pay the bills.

The only metrics you should measure your success with are the ones who tell you if you're profitable or not.

Do users recommend you? How many? Does the rate of recommendations go up or down?

Are existing customers coming back to buy more? Is the cost of your Facebook ads lower than your customer lifetime value?

These are the kinds of metrics you should look at, because they make or break your business.

Just because Jimmy in high school felt super cool when he was the first to get 1,000 Facebook friends, that doesn't make him any more of a success in life.

Facing the truth means facing the right metrics, so **get on with the flattery and focus on numbers that matter.**

The Lean Startup Review

Semi-scientific. That's my takeaway here. Love that word

I really enjoyed The Lean Startup. Eric Ries's approach does rely on careful and strategic planning, but not by sacrificing action and results for it, like a lot of other business books do.

As someone who's been through failed validations, I can 100% vouch for the concept – it saves tons of time and energy. And if you're a blogger, the warning about vanity metrics is all the more appropriate.

We all spend way too much looking at Google Analytics graphs, social shares, and other “feel good” metrics, instead of looking the truth in the eye and admitting: those email subscribers don’t grow as fast as I’d hoped.

I’m expecting the book to be a little more scientific, so I do think the summary on Blinkist is a great place to start for people who want real-world practicality.

What else can you learn from the blinks?

- Why you can’t manage a startup like an established company
- What your value and your growth hypothesis are and why you have to test both early on
- How Dropbox built an MVP and validated it with 75,000 signups (and what an MVP is)
- The build, measure, learn loop you must go through again and again to succeed
- What a pivot for a startup is and when one is necessary
- Three different engines of growth and how many to bet on
- Why you need a few core metrics and what they should be

Who would I recommend The Lean Startup summary to?

The 14 year old with an idea for an app, the 33 year old who thinks it’s too late and too much work to start a business now, and anyone who ever built something people then didn’t like.

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