The Lean Startup

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Intro

Why startups fail?

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Achieving failure

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"Just do it" school of startups

If management is the problem , chaos is the answer!

Vision Start

- ☐ Cross-functional teams, accountable to what we call *learning milestone*.
- ☐ The goal of a startup is to figure out the right thing to build.
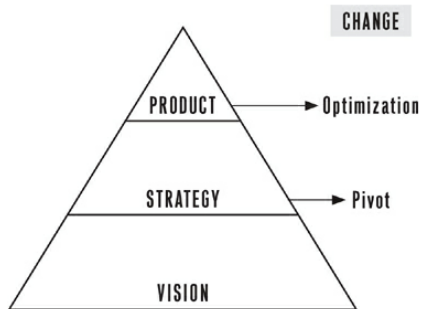
Vision Define

Entrepreneur

From young visionaries with little backing but great ideas to seasoned visionaries within larger companies.

Startup

Human institution designed to create a new product or service under conditions of extreme uncertainty.

Is my company is making progress toward creating a successful business?
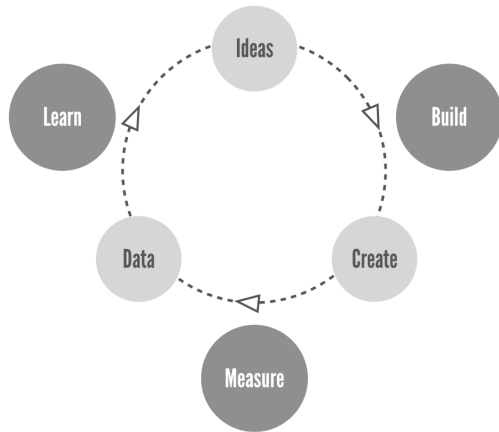
Is my company is making progress toward creating a successful business?

- ☐ Measure → Validate learning.
- ☐ Value / Waste.
- ☐ Example IMVU: throw a lot of work away (plugin, pivot).

□ Think big, start small.
□ An experiment is a product.
□ Validate hypothesis.

Steer Leap

- [ ] Strategy based on assumptions, two core hypothesis:
    1. Value Hypothesis.
    2. Growth Hypothesis.
- [ ] Beyond "The right place at the right time".
- [ ] Value and growth,
- [ ] Genchi Gembuchu.
- [ ] Analysis paralysis.

- ☐ Well known MVP's
  - ○ Groupon
  - ○ Dropbox
- ☐ Different types of MVPs
  - ○ Video
  - ○ Concierge
  - ○ Wizard of Oz
- ☐ Quality? → **Early adopters!**

- ☐ Three learning milestone:
    - ○ Establish the baseline.
    - ○ Tuning the engine.
    - ○ Pivot or persevere.
- ☐ Product progress $\neq$ Business results.
- ☐ Vanity metrics $\rightarrow$ Cohort analysis.
- ☐ 3 A's: Actionable, Accessible, Auditable.

Steer Pivot or Persevere

☐ Startup runway (number of pivots left).

☐ Pivot or persevere meeting.

☐ Pivot require courage → This is a strategic hypothesis.

☐ Famous pivots: Zoom-in, Zoom-out, Customer Segment, Engine of Growth, …

- ☐ Lean Manufacturing: *"single piece flow"*.
- ☐ Andon cord → Just in time production.
- ☐ Continuous Deployment.
- ☐ Large batch death spiral, silos organisation.

☐ 3 engines of growth:
- 1 **Sticky:** attract and retain customers.
- 2 **Viral:** new customers attract new ones.
- 3 **Paid:** company pays to attract new people (traditional).

☐ Engine of growth determine metrics to watch, and product/market fit.

Accelerate Adapt

- ☐ 5 Why's → Natural speed regulator.
    - ○ Be tolerant of all mistakes the first time.
    - ○ Never allow the same mistake to be made twice.
- ☐ Employees get more creative if fear of risks go down.
- ☐ Example: writing documentation.

- ☐ Becoming the status quo.
- ☐ Creating an innovation sandbox.
- ☐ Do not hide innovation inside the Black Box.
- ☐ Holding internal teams accountable $\rightarrow$ a product team can be seen as a startup.

☐ **DANGER:** Putting the system first.

☐ Product Development PseudoScience.

☐ Evaluating manager on *"vanity"* metrics.

That's all folks

Questions?

github.com/lxDay/talks/the-lean-startup