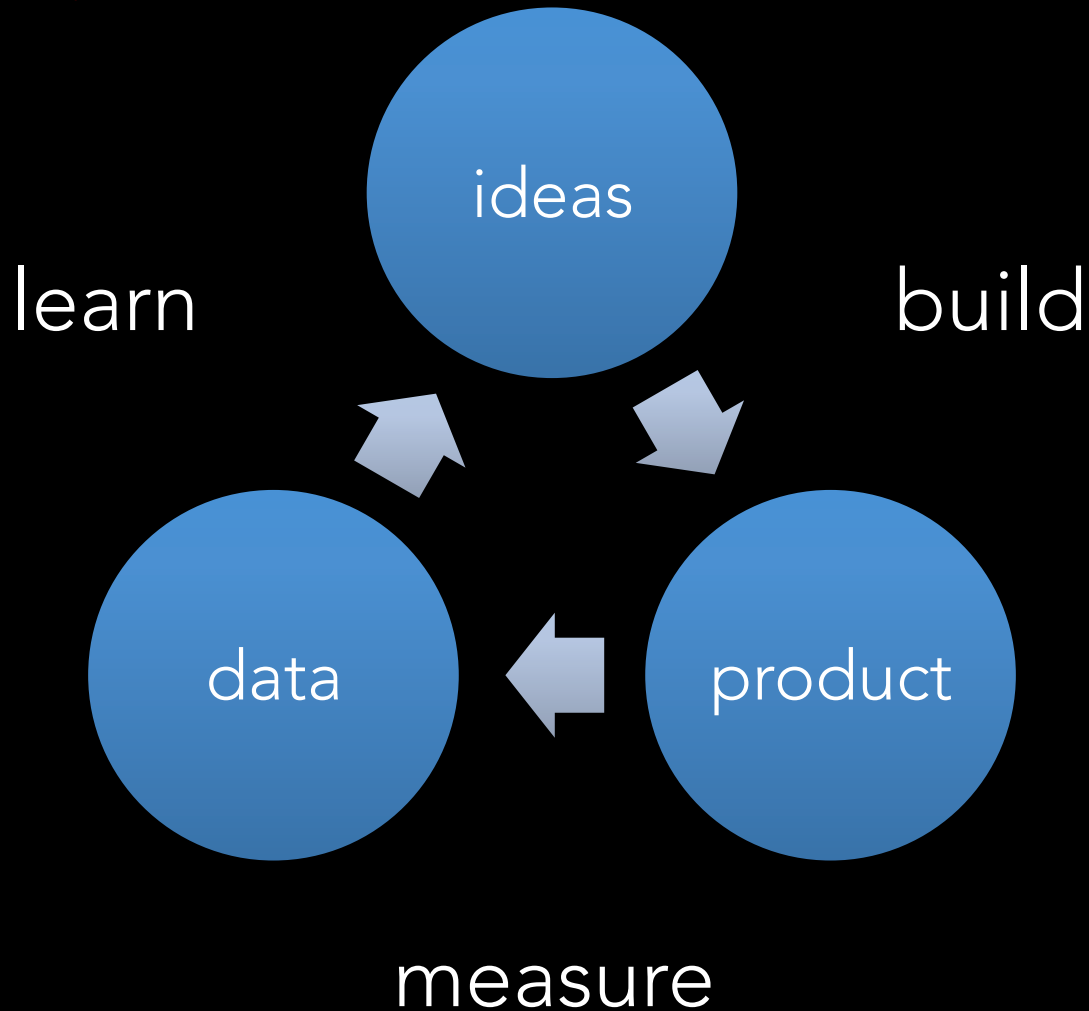# lean
reinard van der leij

my opinions

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a startup is an organization formed to search for a repeatable and scalable business model

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don't make something nobody wants!

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learn

- does the customer know they have a problem?
- if so, do they want to change the way they do things to solve it?
- if so, how much would they pay to solve it?
- will they write a purchase order now, before the product is complete, to be the first to solve their problems?

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customer validation

customer interviews and surveys, focus groups
open ended questions & qualitative research – why, how, when, who, what if
landing page test + google adwords
social media conversations
how would you validate?

diving deeper...
who is the customer?

who has the problem? how significant is it? what do they do about it know?
in the target market, who in the organisation suffers the problem?
who would authorise the purchase?

getting real

set criteria for suitable respondents
get referrals, from colleagues, contacts and networking sources (linkedin)
prepare guiding questions, starting broad/undirected,
then narrowing down to explore themes

listen for the problem and avoid pitching your product
don't suffer selective hearing – report good and bad
can my product really help here?

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Validation Board

Track Pivots	Start	1st Pivot	2nd Pivot	3rd Pivot	4th Pivot
Customer Hypothesis	Tip: For two-sided m... ...er side first				
Problem Hypothesis		Remember: Limit one sticky-... Write in ALL CAP... Do not write mor...			
Solution Hypothesis	Tip: Do NOT define a solution until you've validated the problem				

Design Experiment

Tip: ... a after each e...

Core Assumptions
Assumptions that must be validated for the business to work

Ri... As...

Learn:
Which Core Assumption has the
highest level of uncertainty?

M...

Build: Which MVP experiment
will effectively test your RA?
Explo...

M... Su... Cr...

Measure:
What is the weakest outcome
we will accept as validation?

Results

GET OUT OF THE BLDG

Invalidated

Only put ...
from an ...

Record data & learnings separately

Pivot at least one Core Hypothesis

	2
3	4
5	6

Validated

Brainstorm and test the next Riskiest Assumption

	1		2
	3		4
	5		6
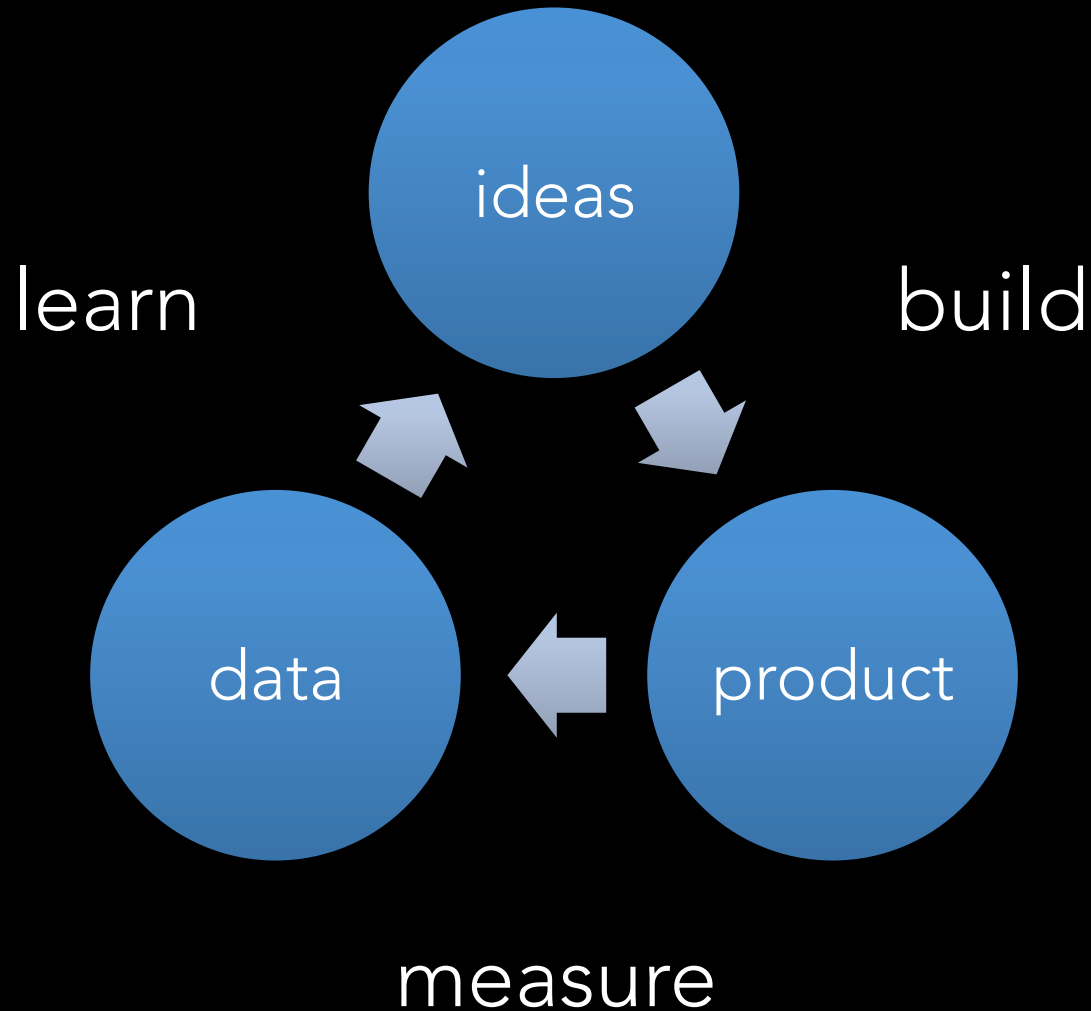
- mvp: what is the simplest product I can make? what is the core feature?
- are mvp products necessarily poorer quality than big budget products?
- do you always need to build something?

build

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mvp

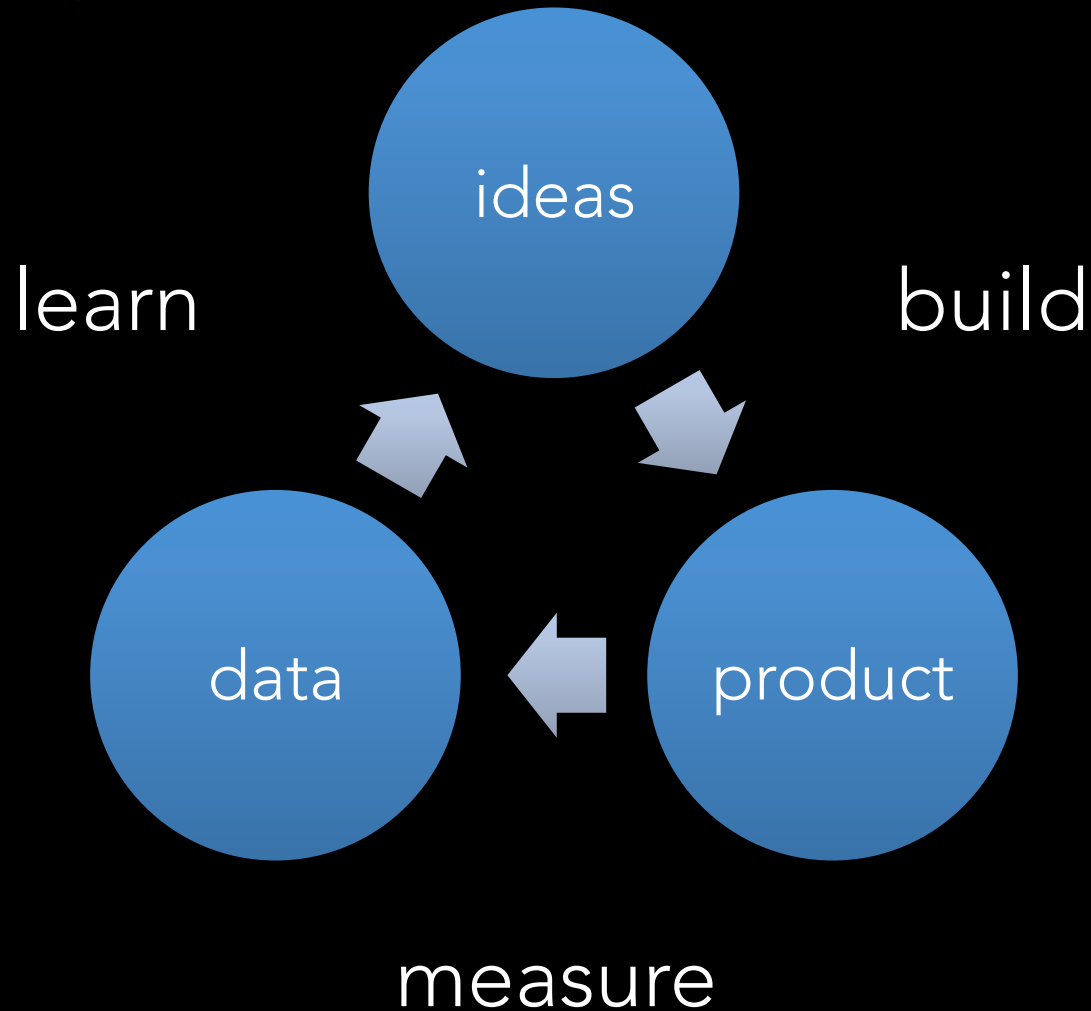minimum viable product

getting real

do you need to build the product in software? sometimes, yes.
can you build it on paper, or with paper?

tech cofounder / tech employees / outsourcing / hacked-together

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video

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metrics

measure

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USER BASE
- Registrations (Customers who completed the registration process during the month)
- Activations (Customers who had activity 3 to 10 days after they registered. Measures only customers that registered during that month)
- Activation/Registrations %
- Retained 30+ Days
- Retained 30+/ Total Actives %
- Retained 90+ Days
- Retained 90+/Total Actives %
- Paying Customers (How many customers made $ purchases that month)
- Paying/(Activations + Retained 30+)

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USER BASE
- Financials
- Revenue
- Contribution Margin

CASH
- Burn Rate
- Months of cash left

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CUSTOMER ACQUISITION
Cost Per Acquisition Paid
Cost Per Acquisition Net
Advertising Expenses
Viral Acquisition Ratio

WEB METRICS
Total Unique Visitors
Total Page Views
Total Visits
PV/visit

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collecting metrics

google analytics – free
mixpanel
kissmetrics
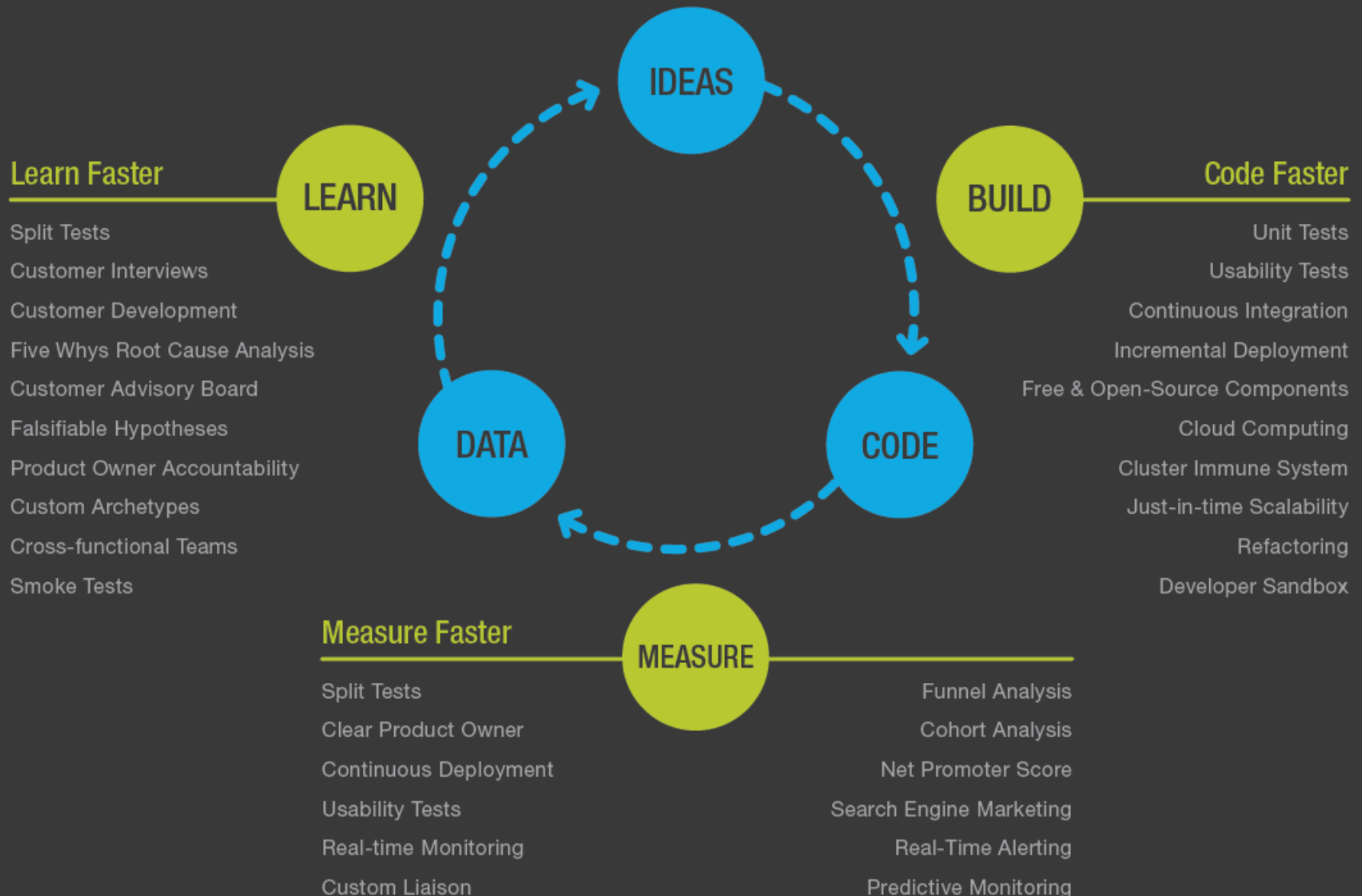
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pivot?

Zoom-in
Zoom-out
Customer segment
Platform
Business architecture
Etc…

THE LEAN STARTUP
Created by **Eric Ries** - startuplessonslearned.blogspot.com

Designed by **KISSmetrics**

IDEAS

LEARN

BUILD

DATA

CODE

MEASURE

Learn Faster

Split Tests
Customer Interviews
Customer Development
Five Whys Root Cause Analysis
Customer Advisory Board
Falsifiable Hypotheses
Product Owner Accountability
Custom Archetypes
Cross-functional Teams
Smoke Tests

Code Faster

Unit Tests
Usability Tests
Continuous Integration
Incremental Deployment
Free & Open-Source Components
Cloud Computing
Cluster Immune System
Just-in-time Scalability
Refactoring
Developer Sandbox

Measure Faster

Split Tests
Clear Product Owner
Continuous Deployment
Usability Tests
Real-time Monitoring
Custom Liaison

Funnel Analysis
Cohort Analysis
Net Promoter Score
Search Engine Marketing
Real-Time Alerting
Predictive Monitoring

THE CUSTOMER DEVELOPMENT

[MANIFESTO]

A STARTUP IS A TEMPORARY ORGANIZATION DESIGNED TO SEARCH FOR A SCALABLE AND REPEATABLE BUSINESS MODEL

There **are no facts inside** your building, so get outside Pair Customer Development with Agile Development Failure is an integral part of the search **If you are afraid to fail** **you are destined to do so** Iterations/pivots are driven by **insight** from continuous "pass/fail" **tests** [**Success** begins with buy-in from investors, and co-founders] **No business plan survives** first contact with customers Validate hypotheses with customer experiments [Not all start-ups are alike] **Agree on Market Type** it changes everything Start-up metrics differ from those in existing companies [Track progress converting hypotheses into facts] **Fast & fearless** decision-making, cycle time, [speed and tempo] A startup **without** driven, **passionate** people **is dead** the day it opens Startup functions/titles are different from companies Preserve cash while searching for the business model **After** it's found, **spend** [**Communicate** & share learning] Startups demand **comfort with uncertainty**, **chaos** and change

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case studies

failure

success

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let's build a validated startup!

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tools

basic image editor – free
outsourcing websites – 99designs, freelancer, odesk, elance
launchrock – free
surveymonkey – free
google analytics – free
mailchimp – free
wordpress – very low cost ($10's of dollars)

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demo

vidcat

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what about you?

what is your core feature?
what would your mvp look like?
who is your customer?
how will you validate assumptions? what questions will you ask?
how early will you do this? how often?

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A journey of a thousand miles begins with a single step.

Lao Tzu

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consistency

questions?

follow me @reinards

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