



Learn The One Universal Goal That Drives Every Successful Business



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Practice Trumps Theory

by Ash Maurya

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April 21, 2015

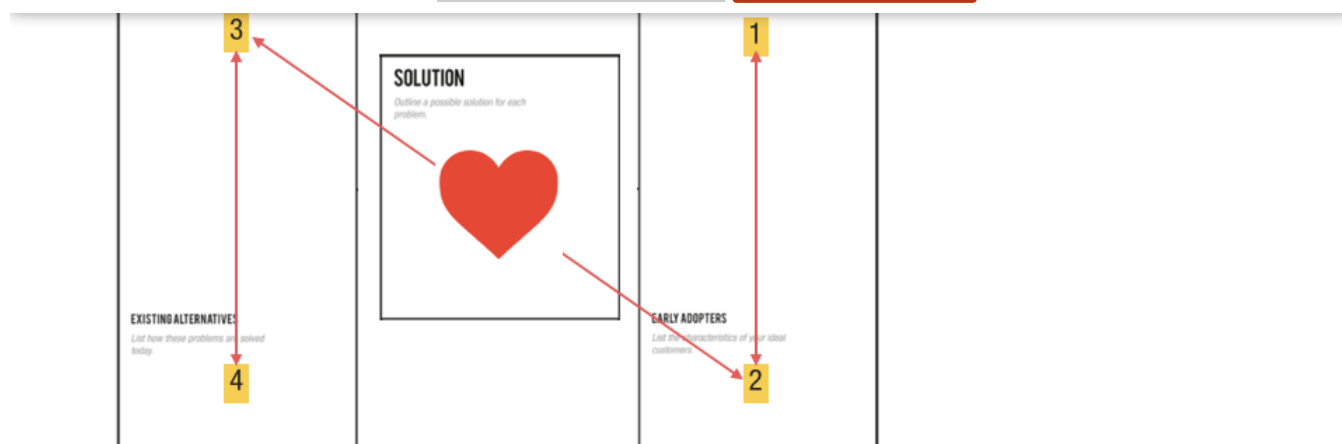
Written by [Ash Maurya](#)

How to Avoid the Innovator's Bias for the Solution

I've previously described the importance of uncovering problems worth solving early in your business modeling, but how do you avoid the innovator's bias for the solution? The recommended path for filling out a Lean Canvas is starting with the problem/customer segment quadrant but if you already carry a picture of a hammer in your head, the danger is framing all problems as nails. Today's post is about avoiding this trap.



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March 23, 2015

Written by [Ash Maurya](#)


No Problems in Your Business Model is a Problem

A manager at Toyota is delivering a quarterly update to an executive. He's enthusiastic because all the metrics are trending up and to the right. They shipped on time – sales, and customer satisfaction numbers are up too. The executive patiently listens until the manager is done and then asks: "So where are the problems?"

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The manager explains that it was a great quarter and that there are no problems to report. The executive shakes his head and says: "No problems is problem".

This is the famous Toyota "no problems is problem" story that is often retold by lean consultants to highlight one of the key tenets of



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Problem	Solution		Unfair Advantage	
	Key Metrics		Channels	
Cost Structure			Revenue Streams	

February 5, 2015
Written by [Ash Maurya](#)

Customers Need to Fire Something Before They Can Hire Your Product

I’ve [previously described](#) the importance of nailing your customer’s problem as the initial battle. But it’s about way more than just getting their attention. When you can describe your customer’s problems clearly and succinctly – even better than they can, there is an automatic transference where they believe you also have the solution for them. This is what Jay Abraham calls the “**Strategy of Preeminence**”. This same phenomenon is also at work at the doctor’s office where after correctly diagnosing you, you are more open to the prescription.

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January 22, 2015

Written by [Ash Maurya](#)

Playing Lean – The Game

This is a guest post written by Simen Fure Jørgensen. He runs a consulting firm, Iterate in Norway, and is the creator of a new board game, Playing Lean, that promises to teach Lean Startup principles.



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January 15, 2015

Written by [Ash Maurya](#)



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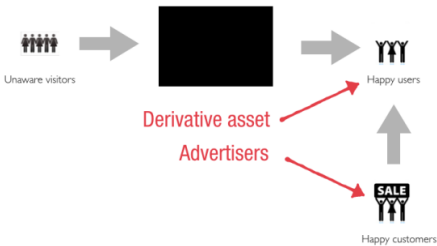
made :

I often get asked to weigh in on the age-old question of whether entrepreneurs are born or made? I believe that true entrepreneurs are born – not made. Startups are inherently uncertain and a lot like roller coasters. One day, you could be on top of the world, full of confidence, and believe that your [...]

October 23, 2014
Written by [Ash Maurya](#)

How to Ballpark a Multi-sided Business Model

Last time, I showed you how to model a multi-sided business using a Lean Canvas. In this post, I’m going to show you get more specific and **ballpark** these types of business models to test if its a model worth pursuing.



Note: This is a members only article
Only Practice Trumps Theory members can access this content.



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September 30, 2014
Written by [Ash Maurya](#)

How to Model a Multi-sided Business

Today I am going to show you how to model a multi-sided business using a [Lean Canvas](#). Products like Facebook, Google, Twitter, and YouTube all fall into this category. Unlike a direct business model where your users become your customers, a multi-sided business model is a **multi-actor model** where your users and customers are distinct segments.

Facebook - Advertisers + College Students (with numbers)					
PROBLEM Existing online social networks fail to deliver on core promise and are inconvenient for: 1. Friends to tag/invite into groups 2. Low quality of conversations 3. Low user engagement	SOLUTION Instead of trying to create a new social network, connect existing social networks such as those on college campuses	UNIQUE VALUE PROPOSITION Connect and Share with Your Friends (and Strangers) Here Provide a highly segmented audience of college users with a high ROI Audience	UNFAIR ADVANTAGE Network effects High user engagement Network effects (scale) Audience	CUSTOMER SEGMENTS College Student (User) ADVERTISERS (Advertiser) EARLY ADOPTERS No longer students dealing with network effects Advertisers that want to reach college students Audience	
EXISTING ALTERNATIVES Facebook, MySpace, Friendster, etc. (Social networks) Value Audience	KEY METRICS Active students in 7 years Avg. Message (Daily) CPM CPA, CPE Avg. user metrics Influenced Page Views	CHANNELS Facebook for college students Facebook	CHANNELS Email, social media, Facebook Search by keyword, website, Facebook AdWords, Google Analytics Direct online Advertiser		
COST STRUCTURE Program \$1 Hosting costs \$1 Other \$2	REVENUE STREAMS Optimized Content: 10% savings monthly page views per Advertiser Advertising revenue: \$1 CPM, \$1 CPE, \$1 CPA Advertiser Distribution: Content Exchange Rate: 10% User Referral value: 10% * 10% savings monthly page views per Advertiser				

Lean Canvas is adapted from The Business Model Canvas ([http://businessmodelcanvas.com](#)) and is licensed under the Creative Commons Attribution-ShareAlike 3.0 Unported License.

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September 3, 2014
Written by [Ash Maurya](#)

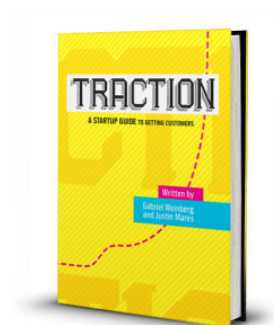


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If you're starting a company, chances are you can build a product. Almost every failed startup has a product. What failed startups don't have are enough customers. Justin Mares, Co-author of **Traction** shares lessons on when and how to pursue channel building while running lean in this guest post.



August 19, 2014

Written by **Ash Maurya**

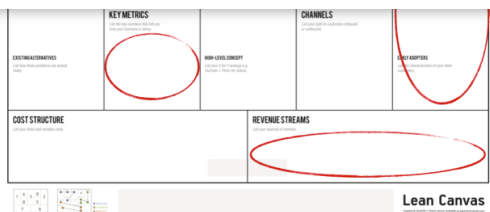
How to Test Whether Your Business Model is Worth Pursuing

Last time I emphasized getting specific on your revenue streams – down to the customer segment, pricing model, and customer lifetime assumptions. If you don't have a “big enough” problem worth solving (that's not even plausible on paper), then why expend any effort on it. In this post, I'm going to show you how to use these simple inputs to ballpark your business model and test whether it's worth pursuing.

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August 12, 2014

Written by [Ash Maurya](#)


There is No Business Model Without Revenue

I created the Lean Canvas back in 2009 as a way to more effectively document my most critical business model assumptions for my products which were predominantly SaaS software products at the time.

Lean Canvas is now taught at over 200 universities (including high schools), close to 100 startup accelerators, and used at hundreds of businesses (including large enterprises). We just crossed the 125K users and 175K canvases mark with our [online Lean Canvas tool](#).

But with expansion comes challenge.


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Ash Maurya



Author of **Running Lean** and creator of **Lean Canvas**.

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