

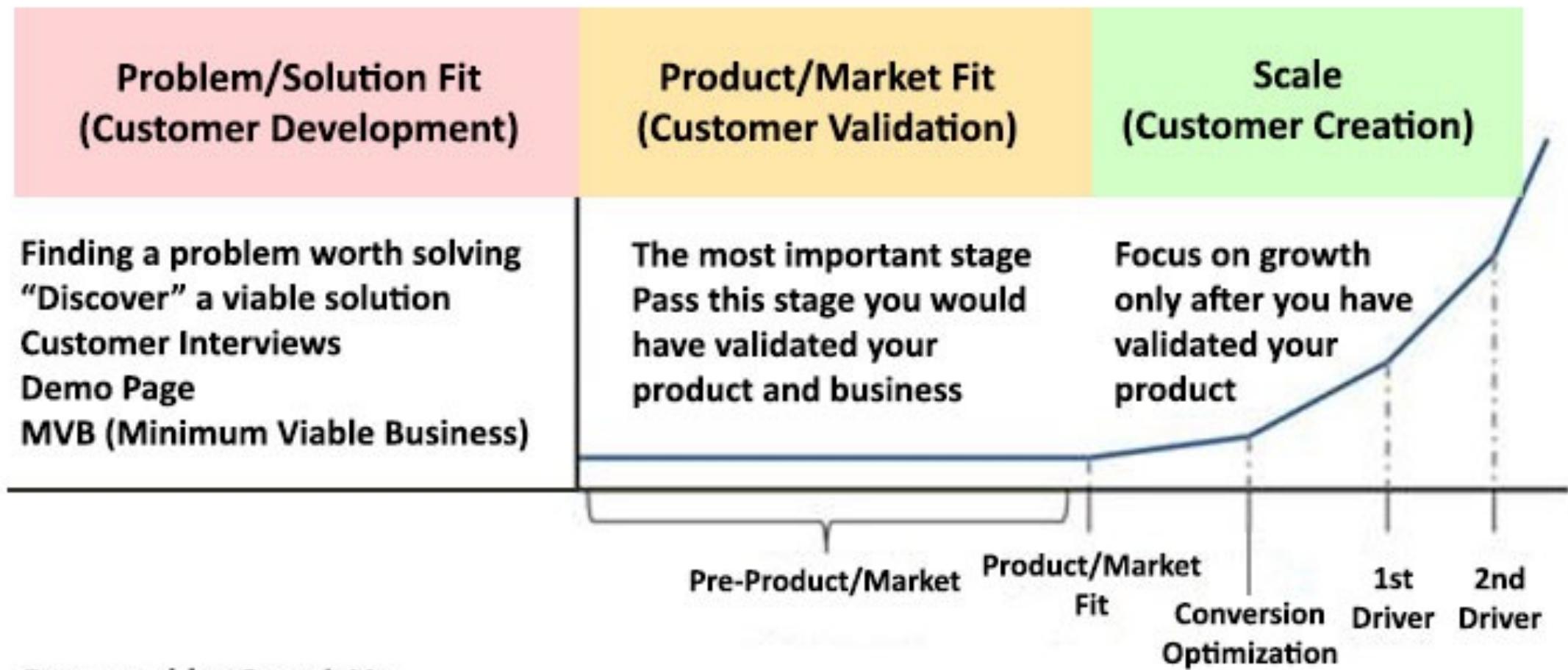
## Phase 2: The Product/Market Fit

# Start Up in ICT /6



# Ready for **Takeoff**

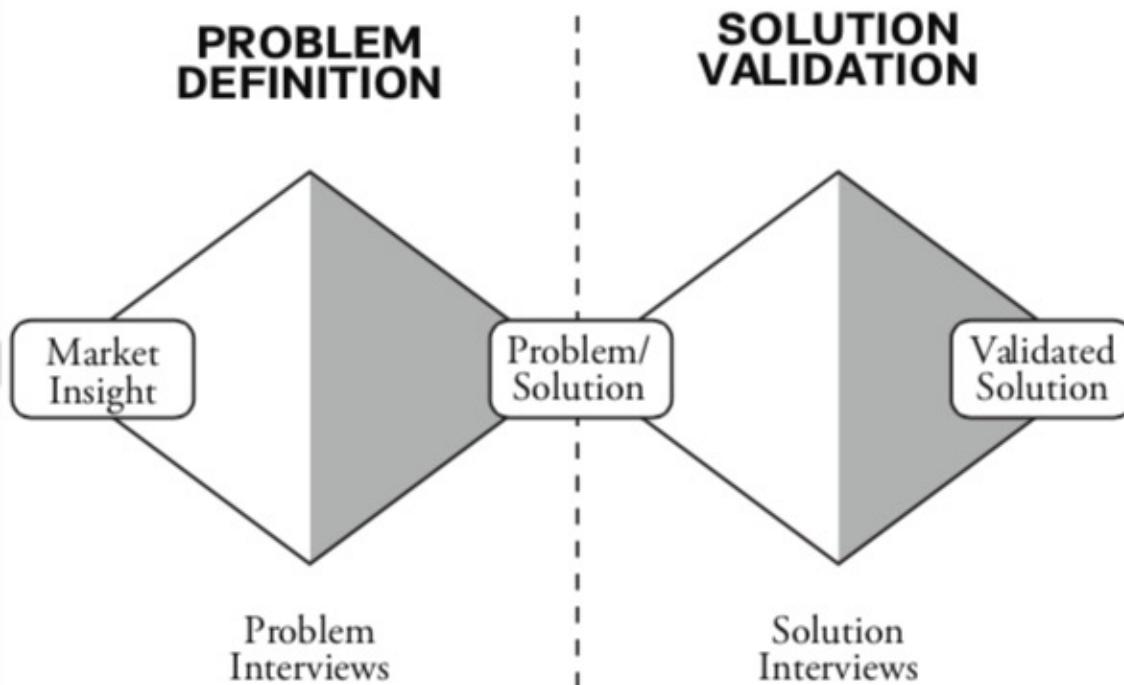
## 3 Stages of a Startup



# Problem/Solution fit **Validation**

**Problem/Solution Fit:** being sure that the problem you identified is the real one («the five whys rule») and that the solution you are thinking at is the best one.

**Magic Tools:** the Double Diamond



**Magic Tricks:**

- The «Five Whys» Rule.
- Look for Delight.
- Follow strong signals, not strong numbers.
- Never think at the product.
- The «invalidation» method.
- Canvases.
- Experiments.

# Product/Market fit **Validation**

**Product/Market Fit:** being sure that the product you are planning to develop is something that people will buy.

## **Magic Tricks:**

- The «40% Rule».
- The Bounce Rate
- The Pirate Metrics
- Experiments
- «Wild» Marketing

Wait a second, they look so  
similar...

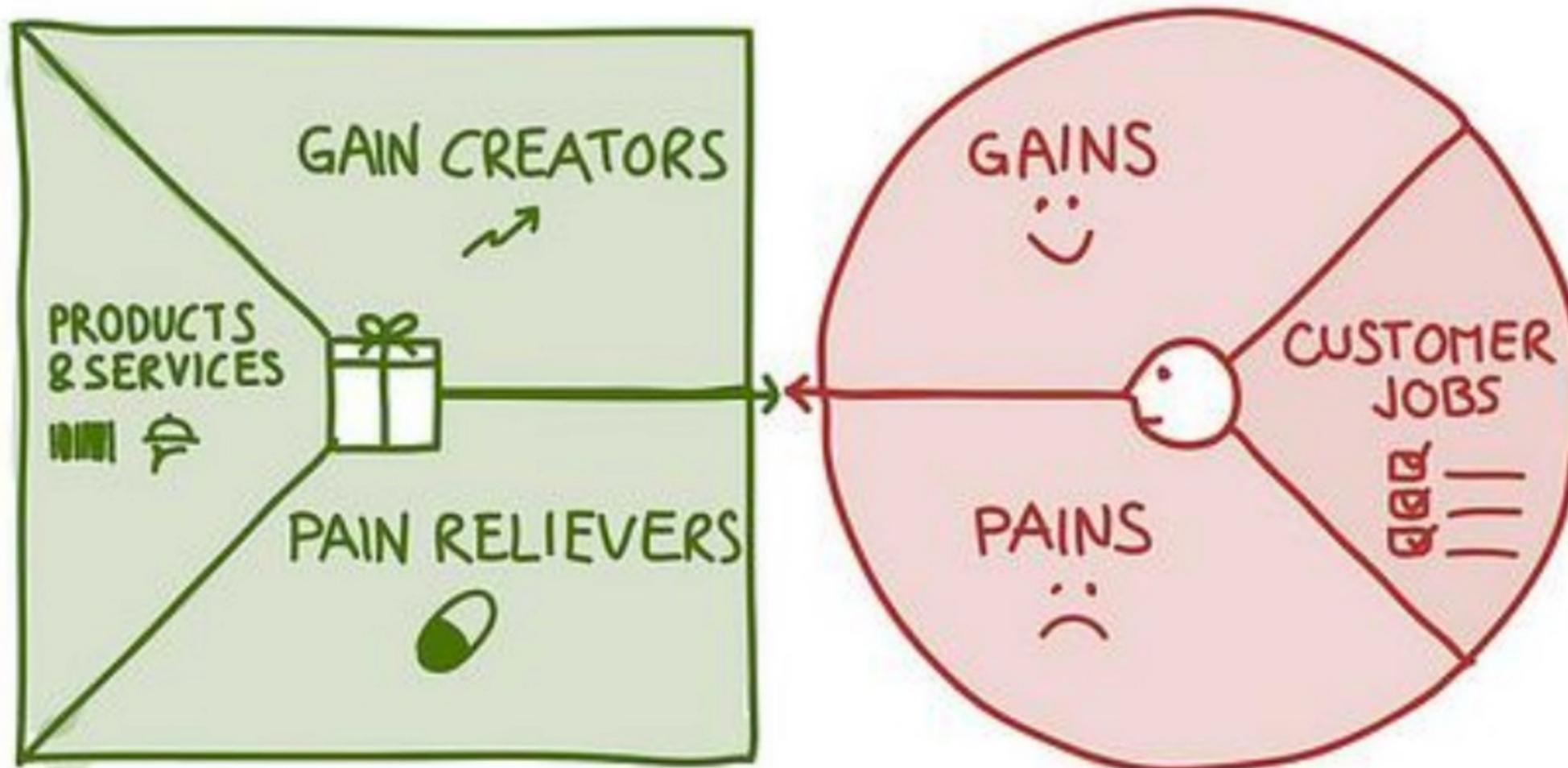
Where's the  
difference?



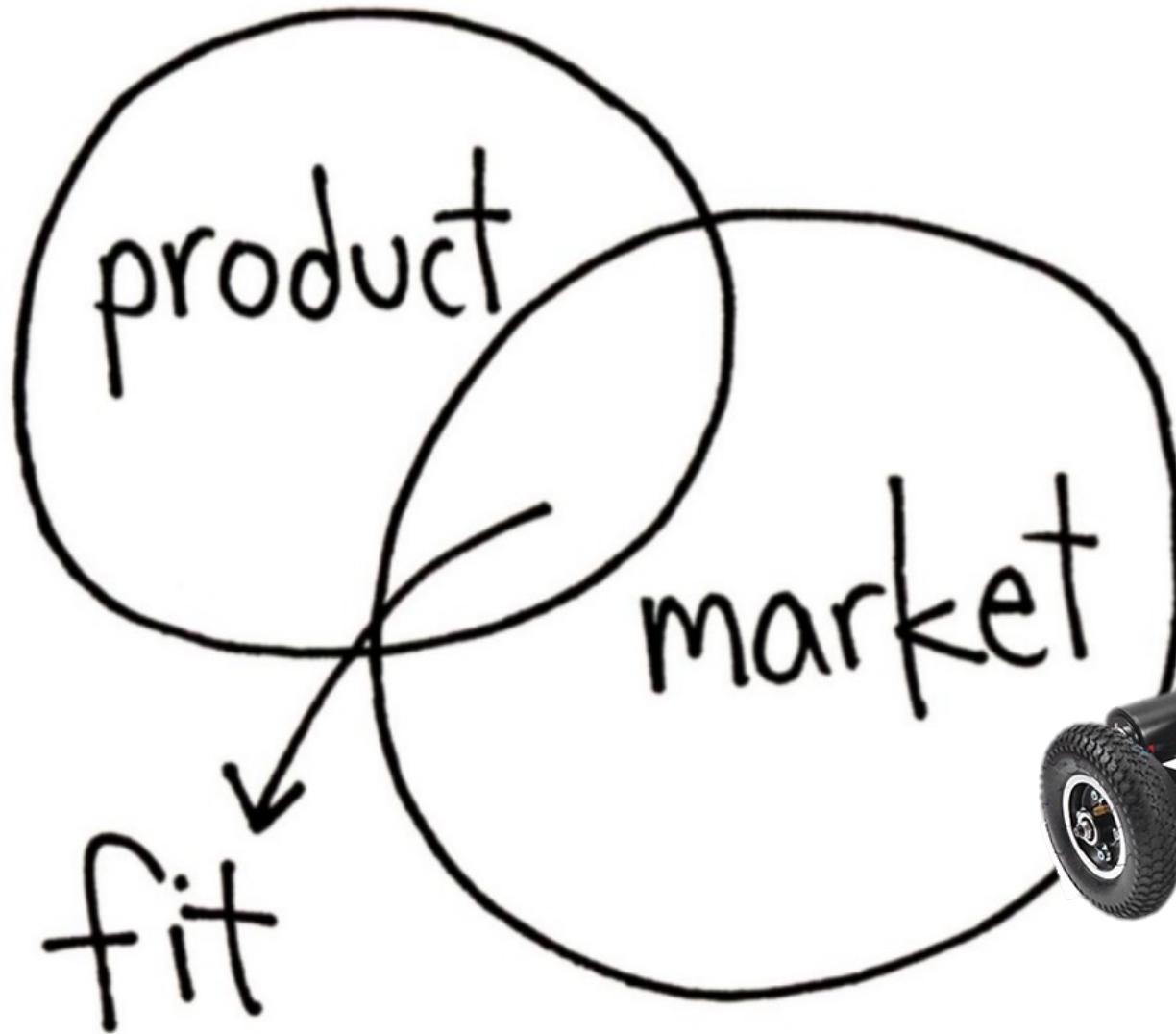
# Product/Market fit



Do I have a problem worth solving? (ie Value Proposition Canvas)



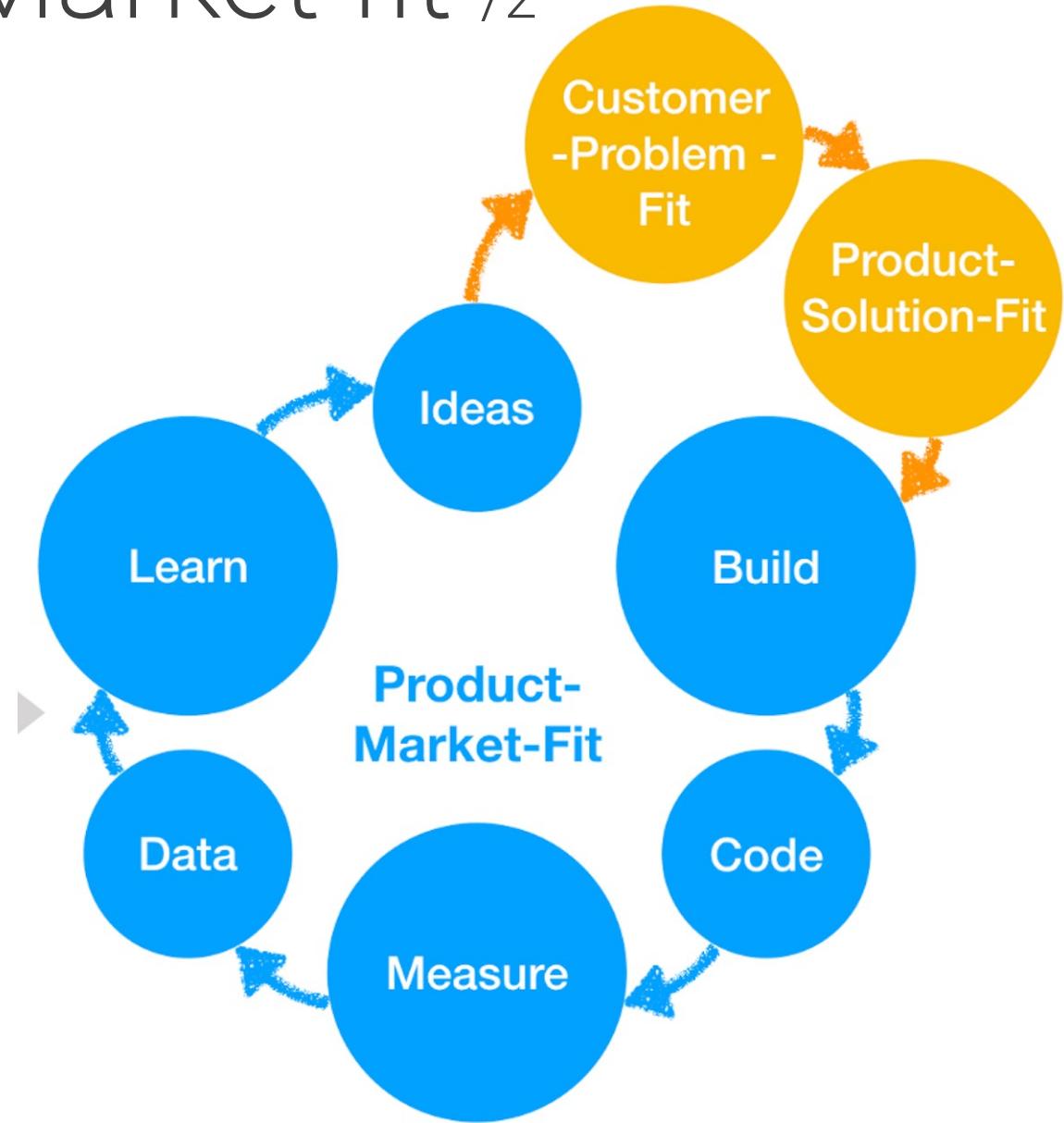
# Product/Market fit



"Product/market fit means being in a good market with a product that can satisfy that market."



# Product/Market fit /2



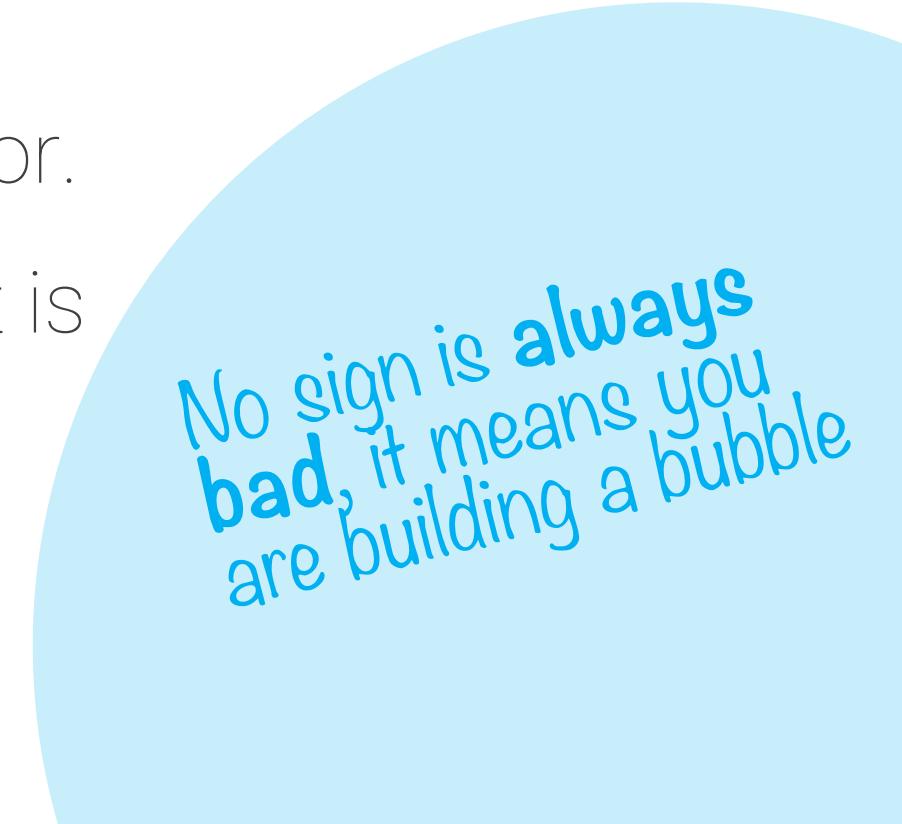
# Test, Test, and Test. Again!

Constantly **look for signs of activity**  
(both good and bad)

Ask customers whether or not your offering is something they would pay for.

Ask a user **to pay money** for a Product is the simplest way **to Validate it**

Test your Product. Test your business theory. **Pivot!**



No sign is always bad, it means you are building a bubble

# Product-Market Fit: Money Wins.

The biggest **clue** that you are **solving a real pain point for your customers** is that you are **being paid for your product or services.**

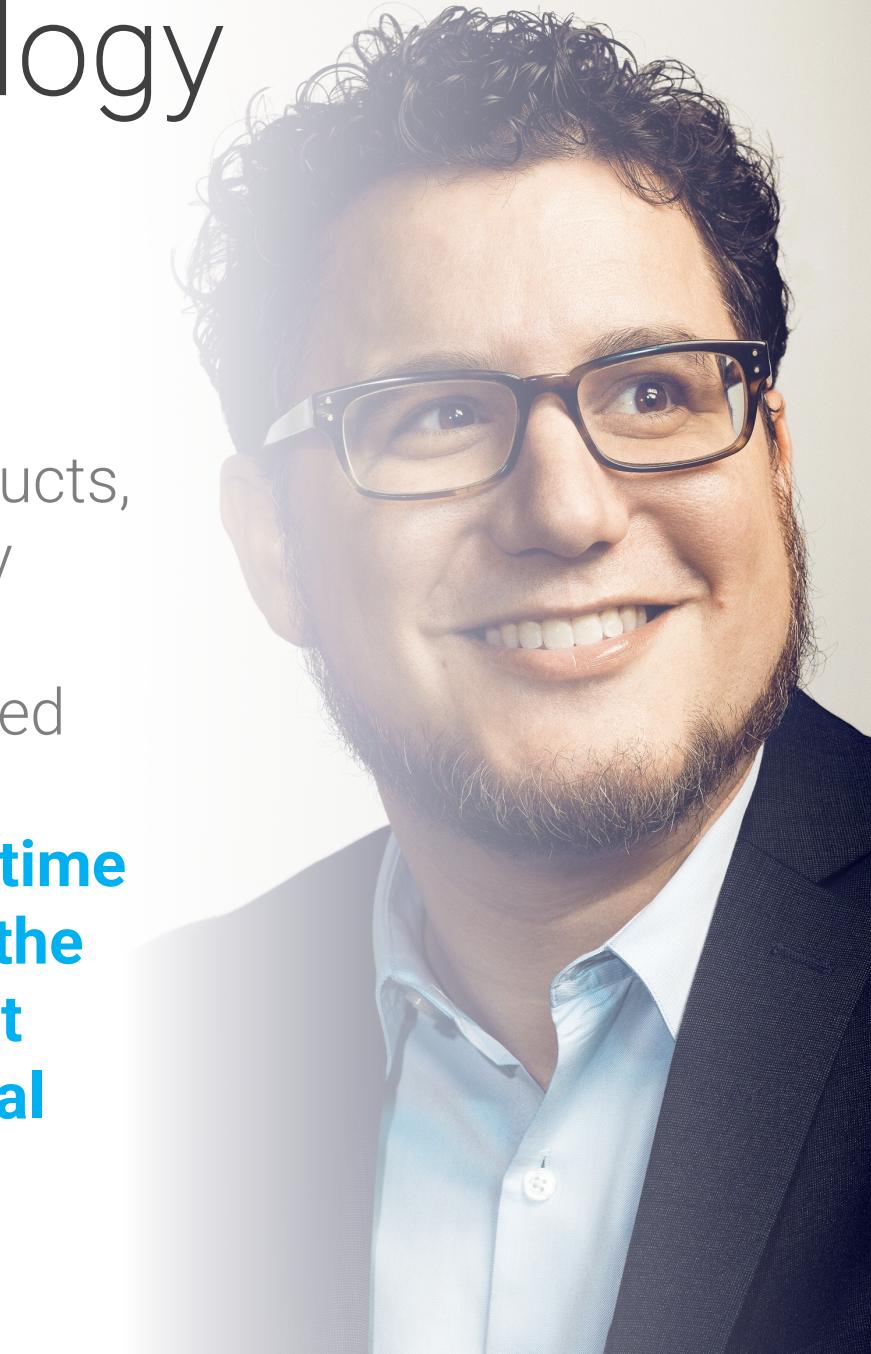
# The Lean Startup



# The Lean Startup Methodology

Eric Ries (2008/2011) -  
[theleanstartup.com/principles](http://theleanstartup.com/principles)

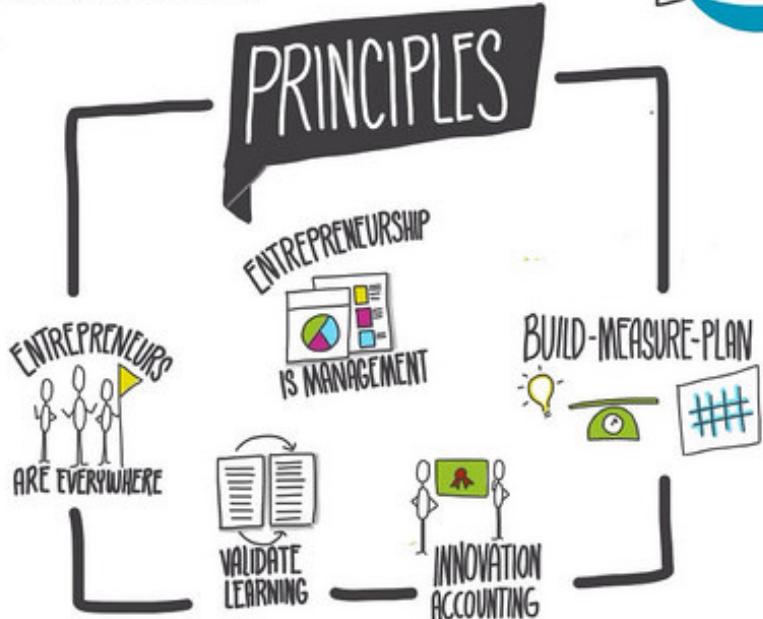
New methodology for developing businesses and products, which aims to **shorten product development cycles** by adopting a combination of business-hypothesis-driven experimentation, iterative product releases, and validated learning. The central hypothesis of the lean startup methodology is that **if startup companies invest their time into iteratively building products or services to meet the needs of early customers, they can reduce the market risks and sidestep the need for large amounts of initial project funding and expensive product launches and failures.**



# THE LEAN STARTUP

METHODOLOGY ERIC RIES

“THE LEAN STARTUP METHOD teaches you how to drive a startup—how to steer, when to persevere and grow a business with maximum acceleration.”



## PROCESS

IDEAS



## LEARN

- Split tests, Customer interviews
- Customer development
- Five Why's, Root Cause analysis
- Customer Advisory Board
- Falsifiable Hypotheses
- Product Owner Accountability
- Customer Archetypes
- Cross-functional Teams
- Smoke tests

## BUILD



</>

## MEASURE



- Split tests, Clear product owner.
- Continuous Deployment, Usability tests.
- Real-time monitoring, Customer Liaison.
- Funnel Analysis, Cohort Analysis.
- Net promoter Score, Search Engine Marketing.
- Real-time Alerting, Predictive Monitoring.



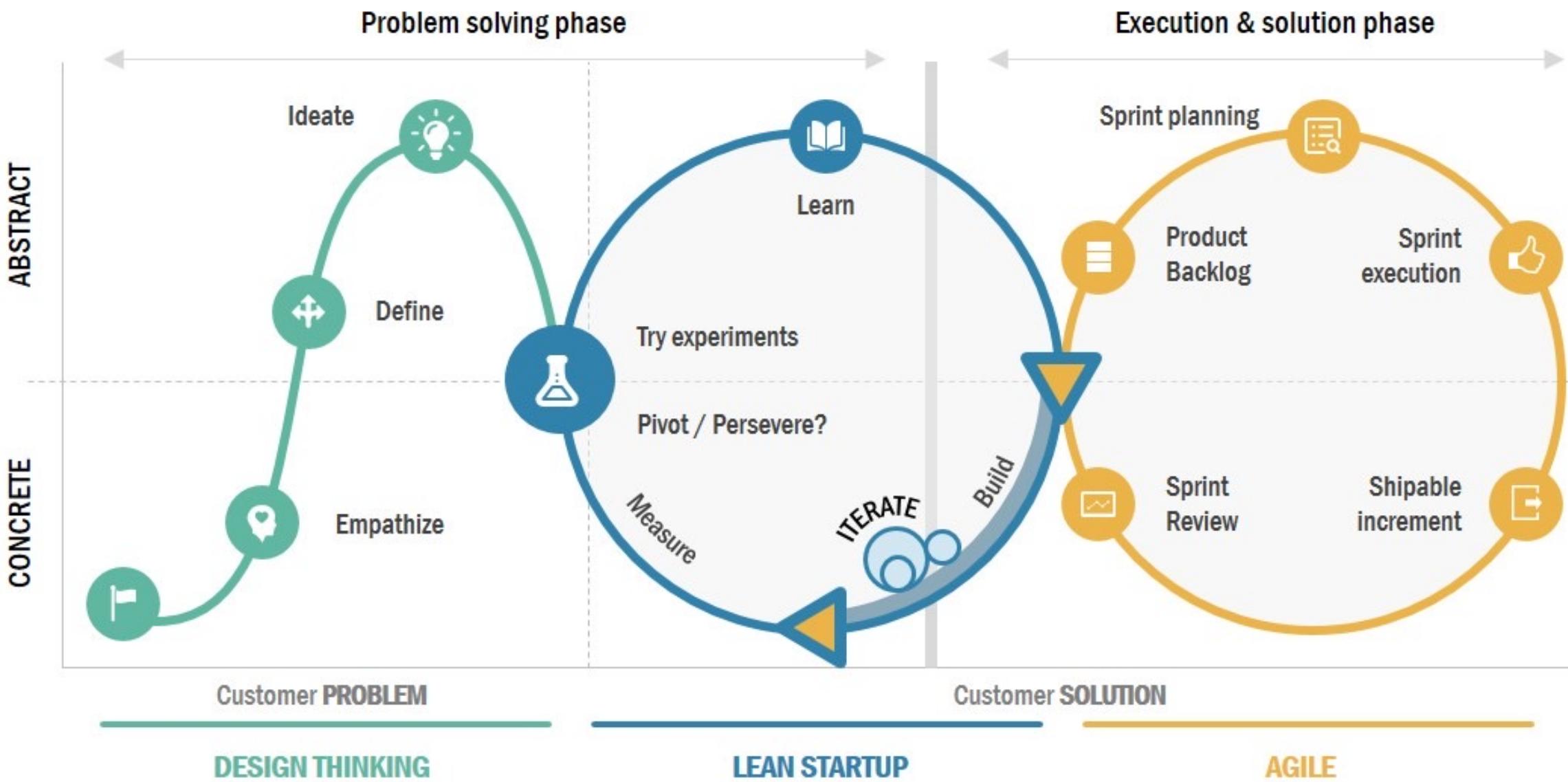
**MVP**  
(MINIMUM VIABLE PRODUCT)

- Unit tests
- Usability tests
- Continuous integration
- Incremental deployment
- Free & Open Source Components
- Cloud Computing
- Cluster immune System
- Just-in-time Scalability
- Refactoring
- Developer sandbox

“Startups success can be engineered by following the process, which means it can be learned, which means it can be taught.” ERIC RIES

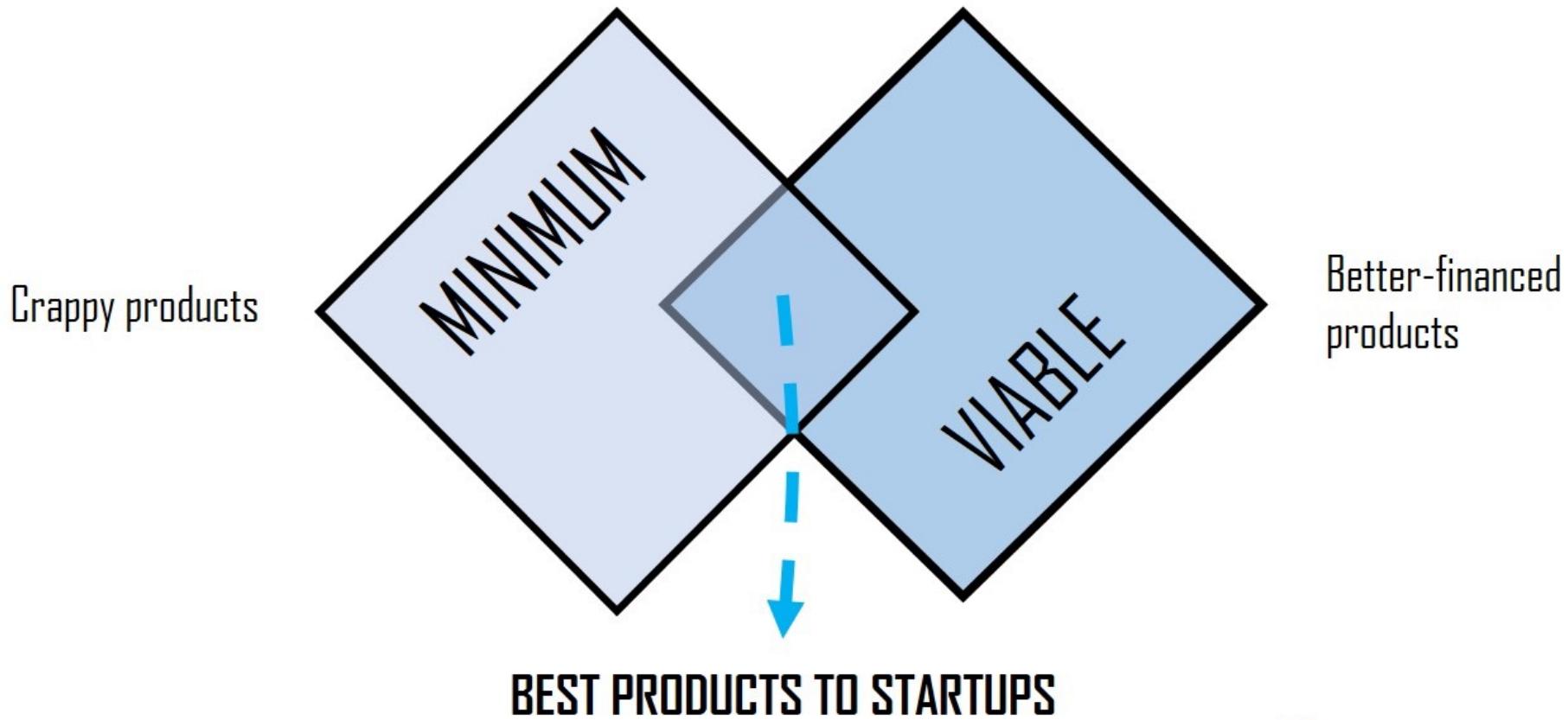
“A core component of Lean Startup methodology is the Build-Measure-Learn feedback loop. The first step is figuring out the problem that needs to be solved and then, developing a Minimum Viable Product to begin the process of learning as quickly as possible.”

# Connecting all dots...



# The MVP

## MINIMUM VIABLE PRODUCT



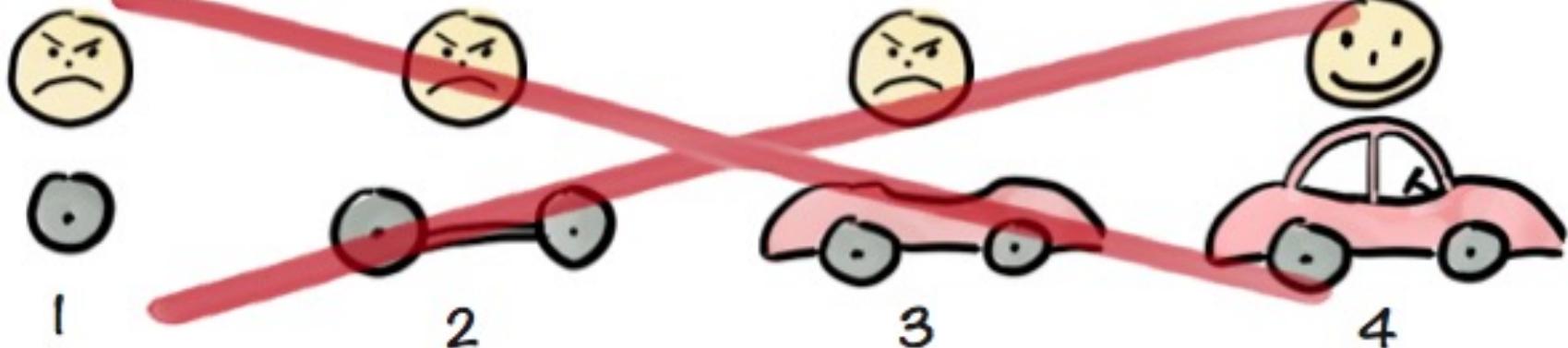
# The MVP

An MVP (Minimum Viable Product) is the version of a new product which allows a team to collect the

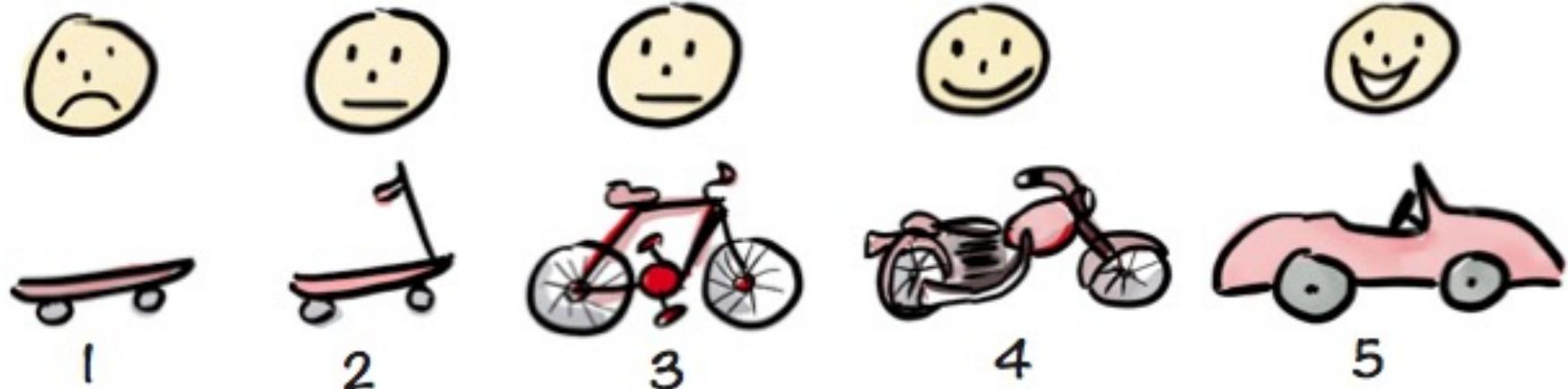
**maximum amount of validated learning** about customers with the **minimum effort**.

# The **MVP**

Not like this....



Like this!



# Bringing your startup to **Cruise Speed** :

## Validate, validate and then quickly scale up!

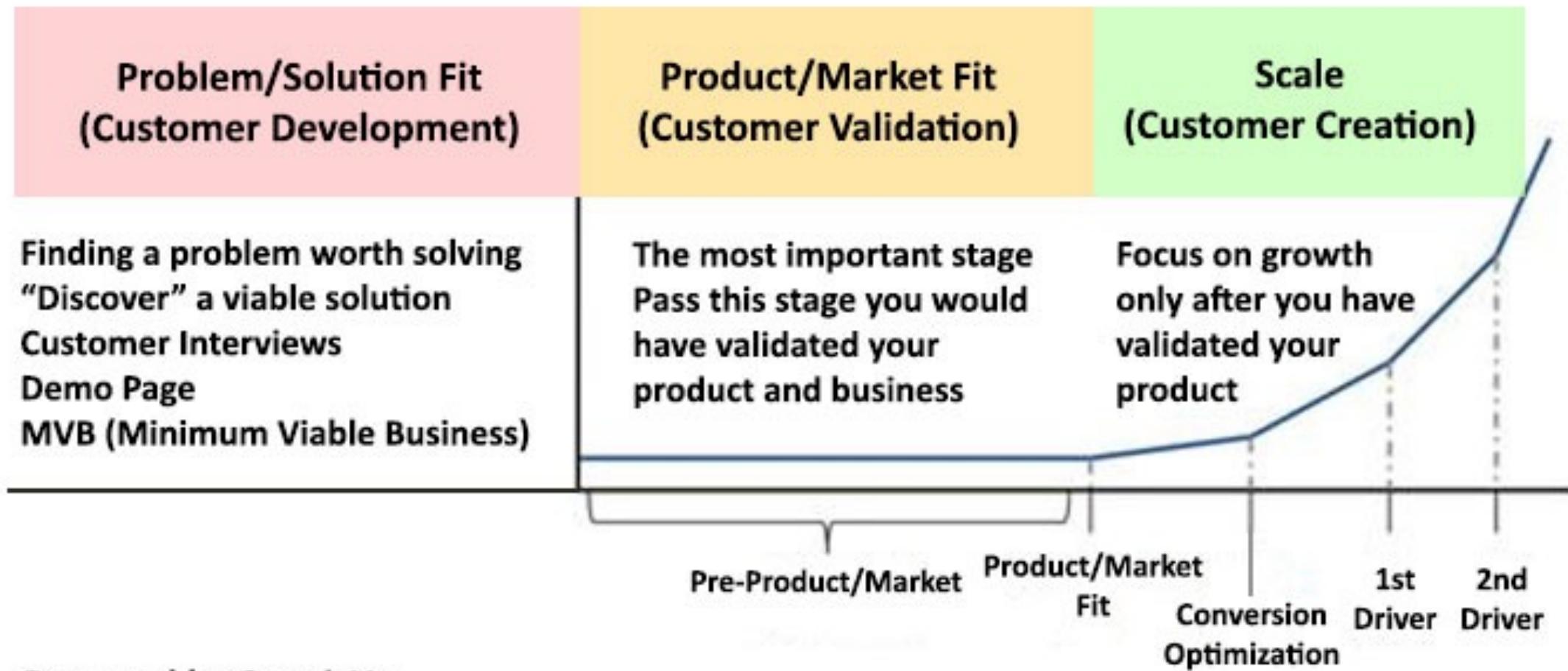
- 
1. Problem/Solution Fit
  2. Market/Product Fit
  3. Scale up

# Scaling Up

There is a dramatic shift in the mind attitude from Problem/Solution and Product/Market fit stages, where the focus is qualitative, to Scale-up where the focus is quantitative.

# Ready for **Takeoff**

## 3 Stages of a Startup



# **GROW** at all costs, Healthy!

## **1. Recruit. Users. Manually.**

1-by-1. Door-by-door.

A/B Test. Observe which kind seem enthusiastic. Seek more the like.

## **2. Discern.**

Understand the difference between **Who is paying** and **Who is using**.

**Map Needs** and **Intentions** of the Parties

Heavy lifting  
Make them love the product

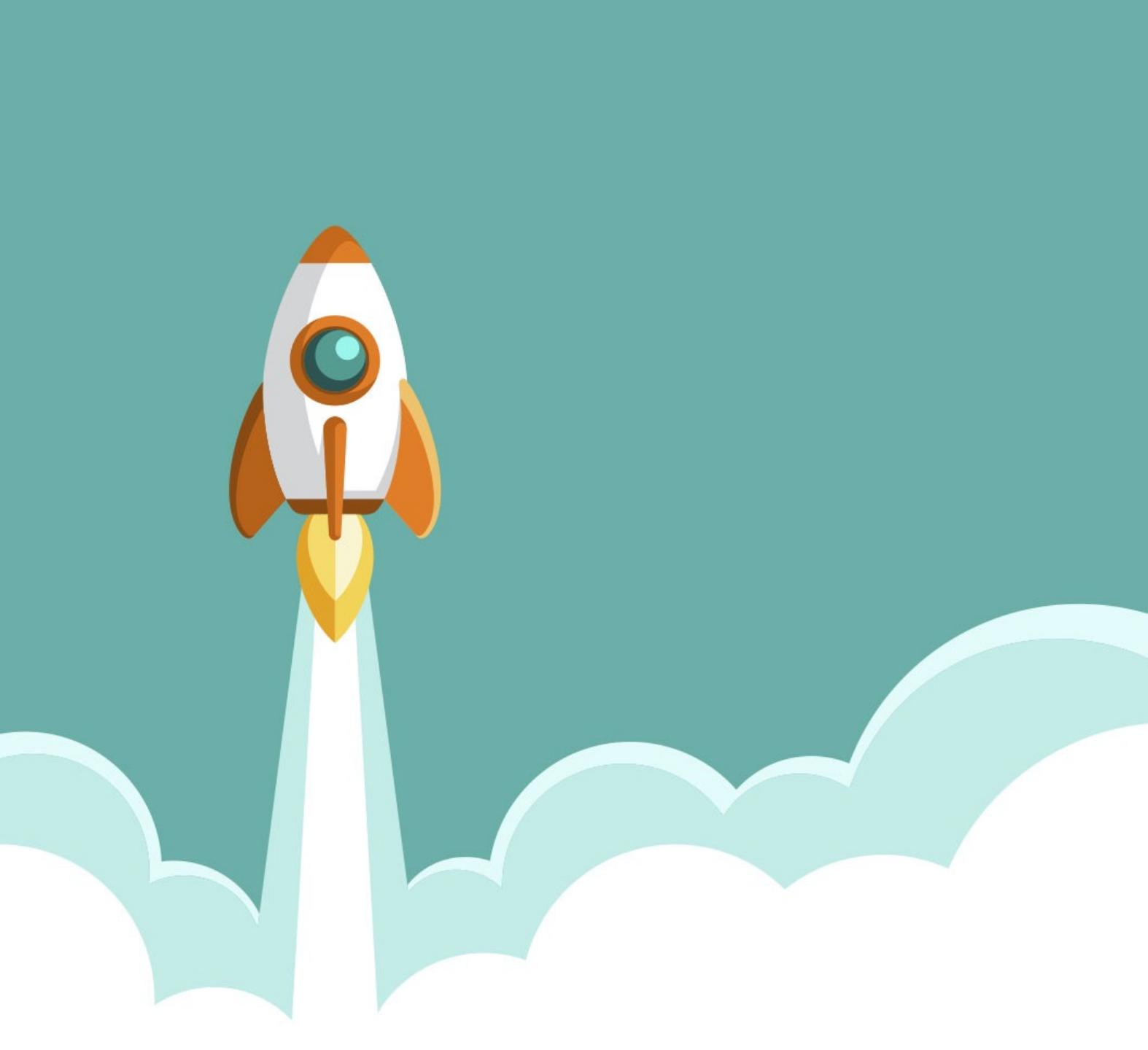
Compound Growth Rate will  
(later) do the amaze

Revenue is not relevant,  
yet, understanding who  
pays for what, is.

... As it's much **easier to scale the few** (who love you), than trying to **get 1M who like you to love you**

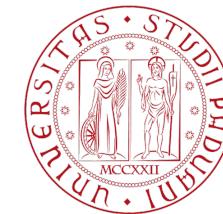
**Brian Chesky**, founder and CEO of AirBnB  
**Eric Schmidt**, former CEO of Google

There's no shortcut: this way is going to be faster, than you should not follow this path. If you can get even 1 person to love you, then you can take the challenge to replicate and scale that.



StartUp in ICT  
University of Padua  
February-June, 2023

WhatsApp group



---

MEI

Fabio d'Alessi  
fabio.dalessi@unipd.it  
338 3518240