

TH!NKLIOS

BUILD YOUR **FUNDABLE APP**

The Complete Guide for First-Time Tech Entrepreneurs



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TH!NKLIONS

ABOUT THINKLIONS

ThinkLions is an expert team of designers, programmers and MVP/Lean-Startup experts.

At ThinkLions, we provide a full suite of app startup services including business plan and startup consultancy, as well as mobile app design and development.

Our team includes Master-level business planners, accountants, researchers, designers, and more.

Since our launch in 2014, we have helped over 300 startup entrepreneurs to meet their app funding and development goals.

PITCHING NIGHTMARES: WHY MOST APPS DON'T GET FUNDED

"Hello, Mr. Investor, my name is Average Entrepreneur and I have the coolest app idea you've ever heard. Basically, it's like an Uber for bike rentals. We're going to launch it here in Michigan, where research says that there are 50,000 frequent bicyclers."

Mr. Investor: "How many bicyclers have signed up?"

Average Entrepreneur: "None, currently we are pre-launch."

Mr. Investor: "Show me a demo of the app."

Average Entrepreneur: "Right now we are pre-development."

Mr. Investor: "Show me your design and the flow of the app."

Average Entrepreneur: "We will be using your investment for our designs."

Mr. Investor: "Wow, well I'm sure you at least have some primary research. How many bicyclers have you surveyed for their opinion and feedback of the concept?"

Average Entrepreneur: "Well none, but my wife and I ride bikes all the time, so we know there is a need."

You may not fit the description of this scenario yourself, but many first-time tech founders approach fund raising for their software concepts in this way. For an investor, a business at this stage doesn't even exist yet; the idea isn't even a solidified concept, and none of your supporting "facts" prove that your app will earn a promising return on their investment. There are many steps between the idea phase and the "ready for funding" stage, many of which are unknown to or skipped by developers and software entrepreneurs. ThinkLions has built, developed and launched several successful apps and tech platforms, and we have worked with numerous startups throughout the funding stage. We believe it is our duty to help you skip some of the learning curve, and show you in a clear way, how to bootstrap your concept and position it for funding.

Here at ThinkLions we can help you avoid becoming Average Entrepreneur, making bootstrapping simple and getting your product into the hands of real-world consumers, as soon as possible.....

...but first let's look at The Lean Startup mechanism, developed by Eric Ries....

THE LEAN STARTUP

Lean Startup is an effective method of bootstrapping your business idea in the most expedient way by building a prototype that sometimes hardly works, then improving it based on the reactions of customers.



Though this sounds mad to an old-tech way of thinking – would an industrialist build a ship that leaked or an automobile without a gearbox? – it is the new way of propelling a digital idea to success by letting customers guide you. Lean Startup is more like an open-outcome scientific experiment using the scientific method, rather than something with a rigid “there is only one right way to do this” approach.

In his book, “The Lean Startup”, Eric Ries says, “The Lean Startup asks people to start measuring their productivity differently.....The goal of a startup is to figure out the right thing to build – the thing customers want and will pay for – as quickly as possible. In other words, the Lean Startup is a new way of looking at the development of innovative new products that emphasizes fast iteration and customer insight, a huge vision, and great ambition, all at the same time.” (The Lean Startup p.20.)

USING LEAN-STARTUP SUCCESSFULLY

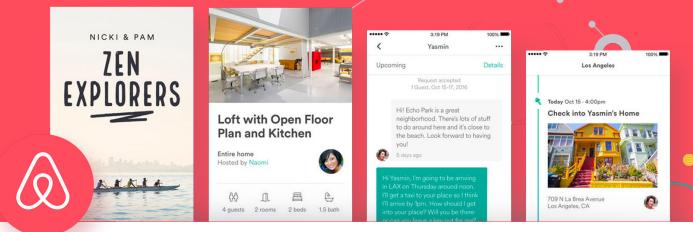
Eric Ries' methods are not just theoretical - they have been adopted by many of the billion dollar tech startups that we've all grown to love today, such as Uber and Airbnb.

UBER

The famous taxi app, Uber, launched a beta version in 2010. It was a very stripped-down site which simply connected drivers with customers using iPhones and took credit card payments. That was all – and it was only available to a small group of people in San Francisco. Nevertheless, this MVP was sufficient enough to prove the concept would work. In October 2010, Uber received \$1.25 million in seed funding. By February of 2011, they had raised \$11 million in capital, which valued the company at \$60 million; and in May that year, they launched the service in New York. That was the beginning of its global rise to prominence in over 66 countries with a current valuation of \$50 billion.



This would not have been possible without the simple MVP which proved that the idea would work and attract customers because of the convenience. Surprisingly, in the original MVP it was more expensive to hire a black cab via Uber – it worked because users simply found it more convenient to use their smartphones, and were prepared to pay a premium for the service. Obviously, this changed as soon as Uber scaled up, but this is an example of how customer behavior in the MVP might well be different to what you would expect.



AIRBNB

Airbnb originated as a way of renting out the founders' loft. In 2007, Joe Gebbia and Brian Chesky were struggling to pay their rent. A design conference was coming to San Francisco, and they put up a website with pictures of their apartment and got three paying customers for "Bed and Breakfast". They were testing their assumptions that people would be willing to pay to stay in someone's home rather than a hotel, and that it would not just appeal to poor students or graduates. This was a classic example of what is called a "Concierge MVP" where the founders gave renters an above average experience to really learn about their needs, wants and demands.

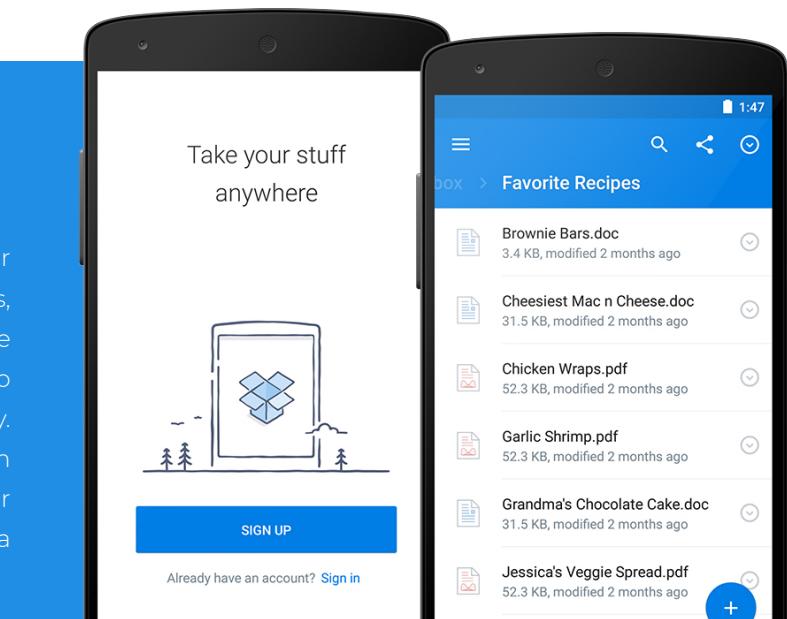
Airbnb initially operated in a niche: bed and breakfast accommodation in cities with business events where hotel availability was limited. They also marketed their service to include business networking opportunities, and offered unique special edition breakfast cereals like "Obama O's" and "Cap'n McCains" which raised more than \$30K for the company's initial funding!

Clearly, the founders were thinking outside the box...of cereal.

Rapid growth ensued and they were able to secure several rounds of investor funding, which fueled their overseas expansion. By 2015, Airbnb generated \$900 million in revenues and it now has over 2,000,000 listings in 34,000 cities in 191 countries.

DROPBOX

This file-sharing website used an explainer video to reach out to their potential users, instead of actually building the software necessary. Their three-minute video showed their intended functionality. The result was sign-ups increasing from 5,000 to 75,000 overnight. This was a clear validation that the product would have a solid user base once released.



ZAPPOS



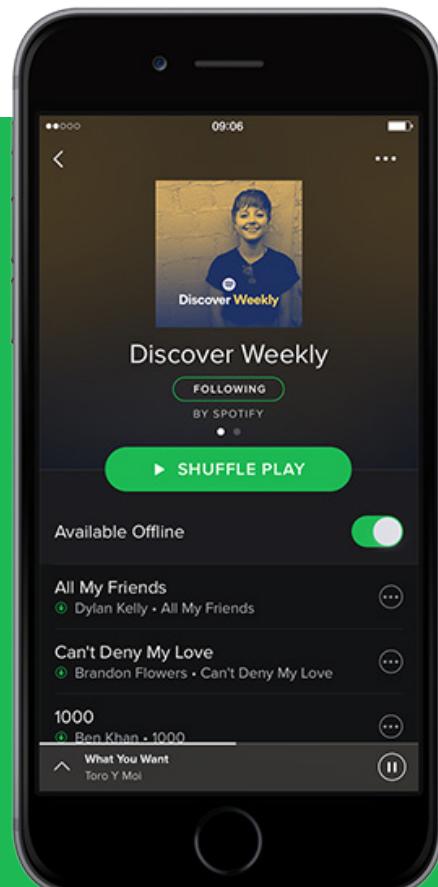
The online shoe store had sales of over \$1 billion when it was bought by Amazon in 2009 for \$1.2 billion. What most people don't know is that it started off in the most minimal way. Founder Nick Swinmurn went out and photographed shoes in local shoe stores, put the images up on his webpage, and when people ordered them, he went back to the shoe stores and bought the shoes!

Instead of investing in software, and stocking shoes in a warehouse, he was testing the concept that an online shoe store would attract people who wanted to purchase footwear. This validated his idea, and gave him the insight he needed to move forward and create a billion dollar global ecommerce powerhouse.

SPOTIFY

Swedish-based Spotify launched in 2009 with a landing page, focusing on the single feature that mattered most to their audience: music streaming. With their desktop apps, they were able to test the market in a limited beta run, giving them time to build momentum to tackle the music industry licensing issues which could prevent them from reaching their full potential.

Even though they have now grown to a worldwide company with over 100 million active users, they still use a lean and agile process to develop their software, using MVPs and many small iterations to ensure that the product is working and marketable before releasing it.



BOOTSTRAPPING SUCCESS STORY: THE BEER EXCHANGE (BEX)

The Beer Exchange (BEX) is an online craft beer marketplace that enables consumers to purchase any craft beer they want, from anywhere in the country, and have it delivered to their door.



BEX started in February of 2014 as a beer trading platform, designed to streamline craft beer trading and make rare brands more accessible. Viral word of mouth, growth, and a superior product led them to become the leading online dedicated beer trading platform. In November of 2015, they launched an ecommerce integration, allowing their partner brick and mortar retail stores to list their inventory on the BEX marketplace and sell directly to consumers. Once an order is placed, the individual partner stores automatically receive payment for the beer, along with an invoice; the order is then packaged and shipped to the customer.

The vision for the BEX platform was to create a B2B analytics dashboard leveraging consumer and sales data to help retailers, distributors, and breweries to better serve the craft beer consumer. ThinkLions worked with BEX to develop all necessary features and functions for the first version web platform. We launched their MVP, and then worked with BEX on an ongoing basis - supplying maintenance, and testing and launching new versions. The project developed through many iterations - at least a dozen since its first version. By implementing an agile development approach, BEX has now positioned themselves as a dominant competitor within their industry.

Nithil Jose, CTO of ThinkLions says, "BEX was a huge and challenging project. With no successful competitors in the market at the time of launch, we didn't have any example to look to and customer testing was critical. By approaching the project in an agile manner, we were able to generate considerable customer feedback; which allowed us to continually develop the exact product that customers in the market were seeking."



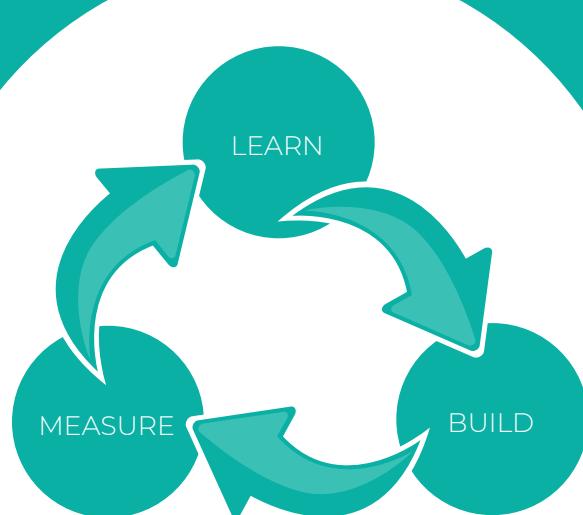
Today, BEX has over 25,000 active members; which is major for an app that serves a very small and niche market.

Mark Lafrate, the founder of BEX says, "Simply put, we couldn't have done this without the ThinkLions team. The team acted as our CTO partner, consulting with us often and helping us strategically plan the launch of our MVP. Since we were bootstrapping initially, we needed a solution that ensured that we eliminated any waste, and that we built our solution right the first time. ThinkLions was a critical piece of our launch, and is critical to our operation still today."

THE LEAN STARTUP

CREATED BY ERIC RIES

startuplessonslearned.blogspot.com



MEASURE FASTER

- | | |
|------------------------|-----------------------|
| Split Tests | Funnel Analysis |
| Clear Product Owner | Cohort Analysis |
| Continuous Development | Net Promoter Score |
| Usability Tests | Search Engine |
| Real-time Monitoring | Marketing |
| Custom Liaison | Real-Time Alerting |
| | Predictive Monitoring |

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

DEVELOPING SUCCESSFUL APPS: **THE TH!NKLIOS METHOD**



TH!NKLIOS

At Thinklions, we have worked with dozens of software of tech startups, helping them to bring their app ideas to life using Lean Startup methodology. During this process, we implement effective strategies to build apps in the most agile way possible.

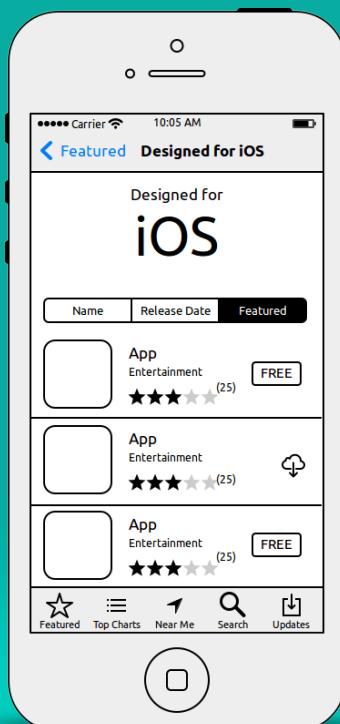
Obviously, every startup is different - but we typically build apps using the following process:

1. Strategy and Idea Definition
2. Wireframe, Blueprint and Design
3. Prototype/Demo
4. MVP (Minimal Viable Product)
5. Monitoring Testing, User Analytics and Ongoing Support

By building each new feature using this process, we are able to streamline the development process - bringing our client's apps to fruition, while minimizing waste and ensuring customer satisfaction.

WIREFRAME

A wireframe is a schematic diagram or model of how your app or app feature will flow, and where different elements will be laid out on the page. Creating a wireframe allows you to visualize features and try out customer pathways in a "sandbox" environment where the costs will be kept to a minimum; compared to fully featured software, where changing things can become extremely expensive.



There are many advantages to building a wireframe before going into the design & development stages. Some of the major benefits include:

- It shows your ideas in a simple visual format, where the flow and functionality can be understood clearly.
- It demonstrates to investors and other parties that your idea could in fact be converted into an application.
- It provides a visual that can be shown to potential customers during preliminary surveys and when collecting customer data.

Mike Sims, CEO of ThinkLions, says, "However much preliminary analysis and research you have done, you always learn something by putting a product in the hands of real users."

MINOR SOCIETY: THE BLUEPRINT

MinorSociety is a musician-led app project which aims to provide an income stream for musicians by teaching other musicians through online tutorials. Currently, the application is in development while the founding team is focused on securing initial investment.

MinorSociety's wireframe allowed the owners to easily showcase how the app would work and function. During the wireframe, the Company's founders realized that their original plan wouldn't work, and several changes were made. Had they skipped this step and went on to development, these changes would have been extremely expensive in both time and money. The wireframe provided the fine details on how each page would flow, and allowed the founders to see where each page element would be placed.



DESIGN AND FLOW CHART

Once the wireframe has been finalized, design becomes much easier and more efficient; as all interface elements will have already been plotted and planned. We typically estimate around 5 to 10 pages for a first version application, which includes all main screens; as well as some often forgotten about screens like payment pages and registration pages. The design stage finally gives the app idea a visual life, gives the brand a personality... and sets the stage for a successful development process.

Once we have completed a design, we create a design flow chart, which details and displays how each feature on each page interacts with one another. The design flow chart is not only great for design purposes, but it also brings the entire project into perspective, and creates a visual plan for user experience and development.



PROTOTYPE

With prototypes, ThinkLions takes the designs and builds a non-functional HTML version in an online iPhone (or Android) mobile phone mockup. Prototypes display how each screen connects to one another and simulates the functionality of a normal user experience. For example, if a client was building an app like YouTube, they might have ten screens designed in the prototype. These might show the sign-in screen, allow users to log in, and allow them to choose from a set number of pre-selected videos - instead of a fully functional product, there may only be five videos loaded for the user to choose from; simply to show how the app would function if it were built out.

This process allows developers and tech entrepreneurs to showcase the functionality and flow of their app, in a partially functional environment, without having to build a whole product (or even an MVP). With a prototype, app entrepreneurs can showcase their vision and simulate a user's experience.

While a prototype won't support active users, they do give entrepreneurs the ability to show potential investors how the app will function, and to identify any issues in user experience before moving on to the coding stages.

MINIMUM VALUE PRODUCT (MVP)

A MVP is a bare-bones, minimal-feature version of a product, or in this case, a mobile application. As a functional product, the Minimal Viable Product can be launched to early adopters, allowing clients to test their solutions in a real market; adapting features and functions based upon the behavior of actual customers/users. So if, as in the previous example, ThinkLions were building a YouTube-type service, and didn't know if people would actually use it, the most effective method would be to create a less-functional MVP to test the hypothesis of "would users use an app to stream and watch videos?" before embarking on complex and costly full development.

Or, maybe we wouldn't code anything at all. Instead, we could run what's referred to as a "smoke test". Instead of creating our video sharing application, we'd create a few designed screens and put them on a landing page with a sign up form. We could simply spend a couple hundred dollars on ads and send targeted traffic to the

page to gauge whether people are interested enough to sign up. If they aren't interested in signing up after reading about the service on the landing page, is the app even worth putting the resources into building? Smoke tests are simple, but highly effective.

Eric Ries says, "I come across many startups that are struggling to answer the following questions: which customer opinions should we listen to, if any. How should we prioritize the many features we could build? Which features are essential to a product's success and which are ancillary?"



When building a startup, especially a software startup, entrepreneurs must make many assumptions about their consumers. The MVP route validates these assumptions through data collected by the behavior of actual users; allowing entrepreneurs to continually optimize their product to serve their customer as effectively as possible.

Eric Ries' first MVP was the startup, IMVU; an instant messaging service which allowed users to create 3D avatars. Initially, the development team expected the idea to catch on quickly - assuming that users would be immediately compelled to invite their friends to participate. Unfortunately, when they tested it, they found that users weren't comfortable inviting their friends, because they weren't sure whether the app was "cool enough yet". By pivoting and iterating their MVP however, it was realized that users were more than comfortable communicating with people that they had never met - since their identity was anonymous. The way customers wanted to use the application was totally different to how the app team assumed that they would want to use it.

This happens quite often, and further supports why building a MVP is a more effective approach than launching a full-fledged mobile application. It allows developers and entrepreneurs to validate their assumptions and gather the data necessary to decide what features and functions are truly important to users.



MVP IN ACTION: GROCKIT

Grockit is a great example of a successful company that launched with just a bare-bones MVP. Grockit, an online social learning game company, prepares students for the SAT, ACT, GMAT, LSAT and GRE standardized exams. With this solution, students can take practice tests while collaborating online with other users.

Grockit was founded in 2006 by Farbood Nivi. His concept was that students can learn more effectively in a co-operative, P2P environment than in the traditional heirarchical environment of teacher and pupil. Grockit raised \$44.72m in seven rounds from thirteen investors and was acquired by Kaplan Inc. in 2013.

Originally a teacher himself, and winner of the Teacher of the Year award, Nivi says "To me, it's really all about the students and I didn't feel like the students were being served as well as they could. I felt like technology and the web were taking off at a fantastic pace and things were happening. The educational space was just not doing much to keep up. I figured we could get ahead and drive this out. I wanted to build my dream learning environment."

Instead of launching a full fledged app, he started off with just a simple online form as his MVP. It asked the user to enter their name and email and asked a single question, "Why are you interested in Grockit LSAT?" Two options were available: "I'm studying for the LSAT" or "Other" with an optional box to explain further.

Nivi said, "Most startups just gather a list of email addresses. But Grockit measures the customer's intent: 'Why do you want to use our product?'" Gathering this information proved to be extremely valuable for Nivi, enabling him to conduct qualitative research on the intent of users. When seeking funding, he had a package full of data that he collected before ever writing a line of code for the actual solution.

Grockit had a base of over 1 million users when it was acquired by Kaplan. At the time of acquisition, the team was in the midst of developing Learnist - a Pinterest for education. With this solution, teachers and students could post content from the web to a digital clipboard, which could then be commented on and shared with others. Through lean-startup, Grockit's developers were able to use their knowledge of the education market to pivot and expand with a new product.



TESTING, MEASURING AND ONGOING SUPPORT

The point of launching an MVP is to gather the critical data that you need to continue moving the startup forward. After launching an MVP, we bring real users to the app - and critically monitor and analyze all user behavior. As more insights are gathered, the strategy can be optimized to either stay on course or pivot to better serve the final consumer.

Each test exists to answer a particular question such as, "Would people pay to access professional courses?" or "How much would an individual pay to find dates through an app?". By trialing an MVP with real customers, user behavior can be monitored to gain valuable insights including whether customers engage with the feature or quickly bounce off - and whether your assumption can be validated or not.

Based upon what the data uncovers, an MVP may be updated frequently (even as quickly as every few days) to present new tests, and validate new hypothesis and assumptions. In this phase, we focus on the "Measure" and "Learn" factors, so we can cycle back around and ensure that we "Build" the right features!

PIVOTING

One of the major benefits of launching lean is that startups can change direction, or pivot, relatively easily. However, some entrepreneurs are so focused on proving that their original idea was right, that they can miss the opportunity to effectively pivot their solution into something that consumers actual want. With lean startup, entrepreneurs must lose their tunnel vision, and their determination to be "right". Lean startup is about testing your assumptions, and building your business based upon the results of those tests.

PIVOTING IN ACTION: Groupon

Groupon is the perfect example of how a simple MVP can become a mega success. Originally, Andrew Mason started a website called “The Point”; aimed at bringing people together for social activism purposes. The project wasn’t gaining steam the way he expected, but he did realize that several users were banding together to secure discounts from retailers. This realization caused the brand to pivot their concept and capitalize on user’s demand for pooling together for group discounts.

Using the same domain, the team set up a customized WordPress blog called The Daily Groupon – meaning “Group Coupon” - and began manually uploading deals each day. Their first one was for half-price pizzas from a nearby restaurant. When someone signed up for a particular deal, the team would generate a PDF document and email it using Apple Mail. This simple website that they pieced together proved that there was a market for a group discount service; resulting in a pivot, or a change in direction, of their services.

In just a year and a half, Groupon grew from a staff of a few dozen to over 350. Revenue also grew swiftly and the company was valued at over \$1 billion after just sixteen months in business; the fastest company ever to reach this milestone. Fueled by this rapid growth, Groupon went public on November 4, 2011. It was the biggest IPO by an internet company since Google in 2004.

Since then, Groupon has grown massively to become one of the most successful e-commerce businesses in the world. While they may have had some moderate success with their original idea, a lean startup approach allowed them learn what customers really wanted.

The lesson is, it is important to be flexible and to pivot when necessary. Successful software solutions don’t just rely on a “great idea”, they continually build, measure and learn until the optimal consumer product is developed.



CONCLUSION

The lean startup approach is the most effective way to bring an app project to the market - building a bare-bones MVP and testing it with actual users. At ThinkLions, we have the experience and knowledge to help you bring your app idea to life.

If you have an app startup idea, we know what it takes to help you reach the market (and revenues) quickly and effectively. By using lean startup methodology, we can help you develop your MVP and gain the insights you need to maximize the success of your project.

Mike Sims, CEO of ThinkLions says, "It's all about getting to the market as quickly as possible. Get traffic to an MVP and interact effectively with as many clients as possible. The more you know, the more you'll grow. With our expertise, you can get your project where it needs to be - the right way!"

ARE YOU READY FOR APP SUCCESS?

Congratulations on finishing this ebook - you've already made your first step towards launching an effective app startup! As a reward, and to help you get started making your app dreams come true, we're offering you a 10% discount on our wireframe package!

E-mail me directly at Mike.Sims@thinklions.com and use the following code in the subject line to receive your discount:

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