

Handout 001: 2020

How Quicken Achieved Product Market Fit – Dan Olsen The Lean Product Playbook

A great example of a product that achieved product-market fit while entering an already crowded market is Intuit's Quicken personal finance software. Scott Cook and Tom Proulx practiced Lean principles even though they founded Intuit years before Lean Startup ideas were put forth. When they launched Quicken, there were already 46 personal finance products in the market. However, after conducting customer research, the cofounders concluded that none of the existing products had achieved product-market fit. The products didn't meet customer needs and were difficult to use. The cofounders had a hypothesis that a checkbook-based design would do well, since everyone at the time was familiar with writing checks.

Their hypothesis proved right: the UX they built using the checkbook conceptual design resonated with customers and Quicken rapidly became the leading personal finance software. A large part of Quicken's success was the fact that Intuit adopted principles that would be called Lean today.

The company pioneered the use of customer research and user testing to inform software development. They routinely conducted usability testing of each version before launching it and organized public betas years before those ideas became mainstream. They invented the “follow me home” concept, where Intuit employees would go to retail stores, wait for customers to buy a copy of Quicken, and then ask to follow them home to see how they used the software. This helped immensely in understanding the customer's initial impressions of the product.

Let's assess Quicken using the Product-Market Fit Pyramid. There were many customers in its market, and the product definitely addressed real customer needs: People needed help balancing their checkbook, tracking their balances, and seeing where their money was going. Computer software was well suited to help on that front, but despite 46 products in the market, customer needs were still underserved. By talking with customers, the cofounders ensured Quicken's feature set addressed those needs. Their design insights led to an innovative UX that customers found much easier to use. This dramatic improvement in ease of use was, in fact, the main differentiator in Quicken's value proposition. By achieving product-market fit, Quicken succeeded in the face of stiff competition, which led the founders to joke about having “47th mover advantage.”