THE LEAN APPROACH

Professor Ethan Mollick
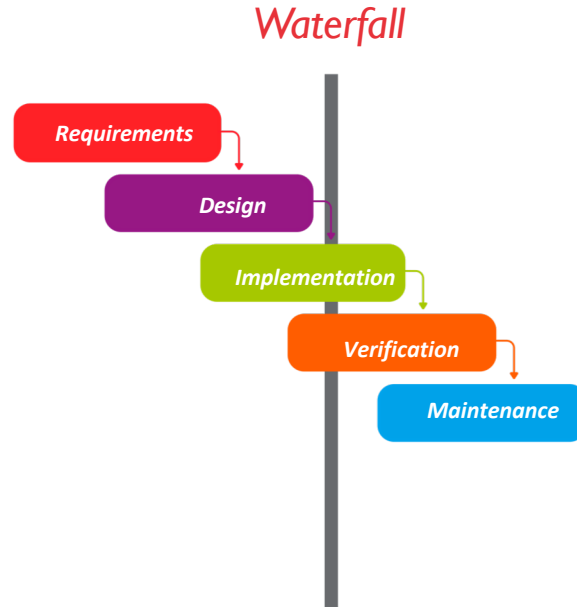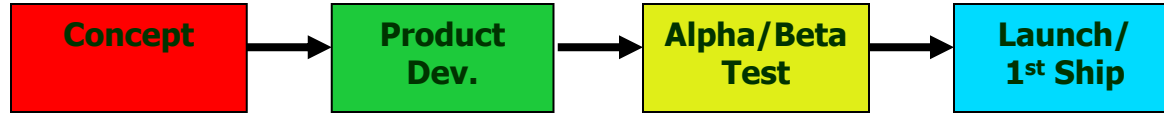
@emollick

Startups change all the time

Kaplan-Meier survival estimates
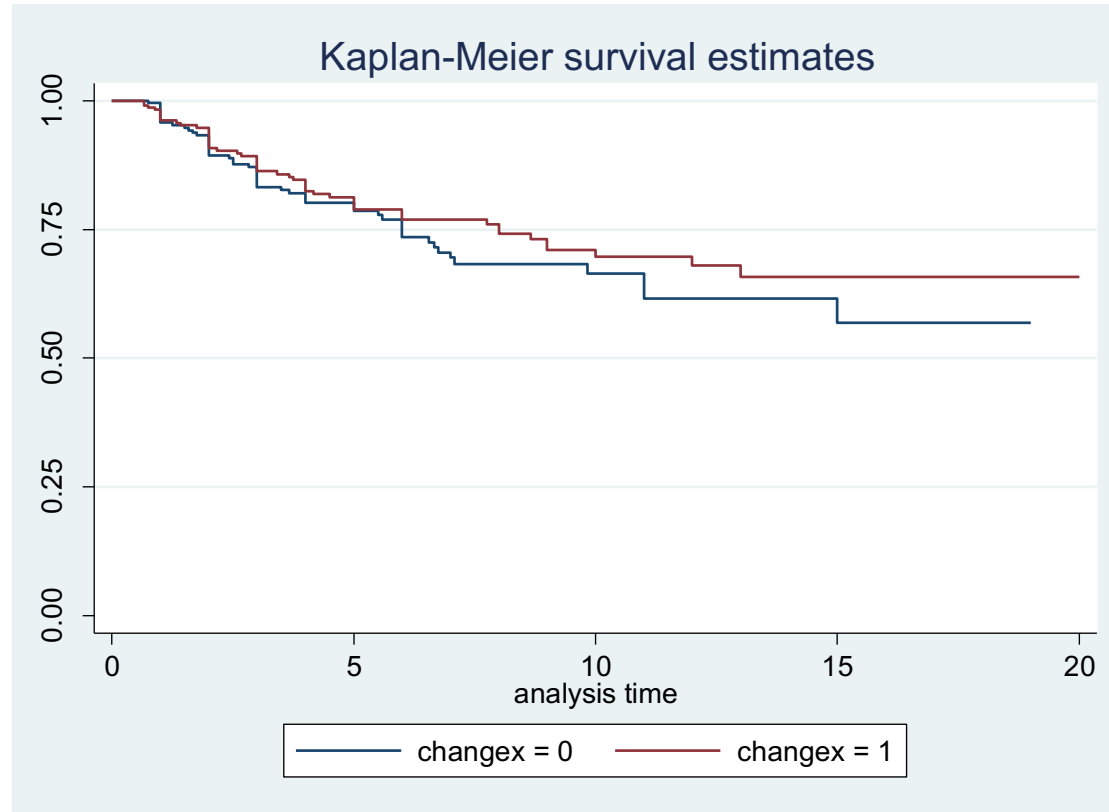
How products are created (in theory)

Concept → Product Dev. → Alpha/Beta Test → Launch/1st Ship

Waterfall

Requirements → Design → Implementation → Verification → Maintenance

Steve Blank's Insight

Product Introduction Model

Concept	→	Product Dev.	→	Alpha/Beta Test	→	Launch/ 1st Ship
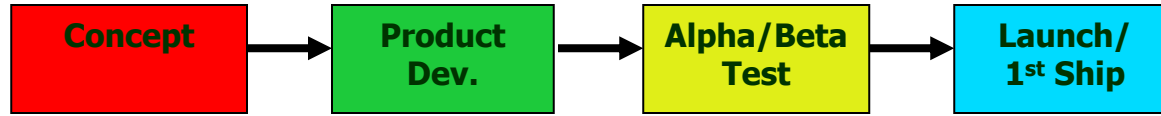
Customer Development

Customer Discovery → **Customer Validation** → **Customer Creation** → **Company Building**

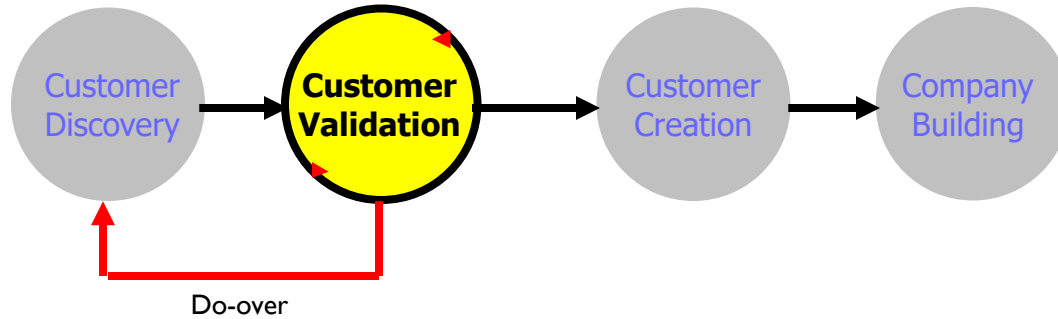Entrepreneurship
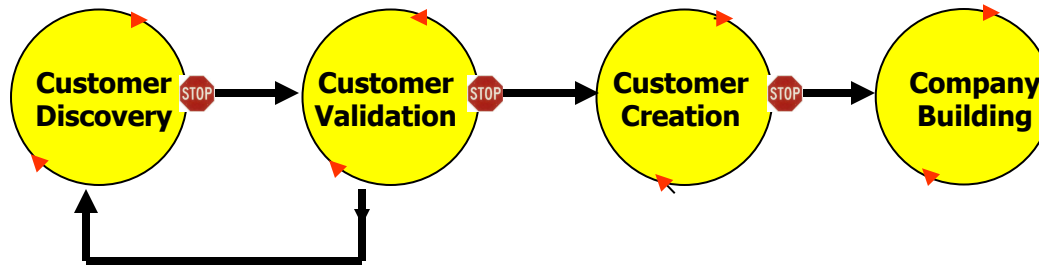
Customer Discovery
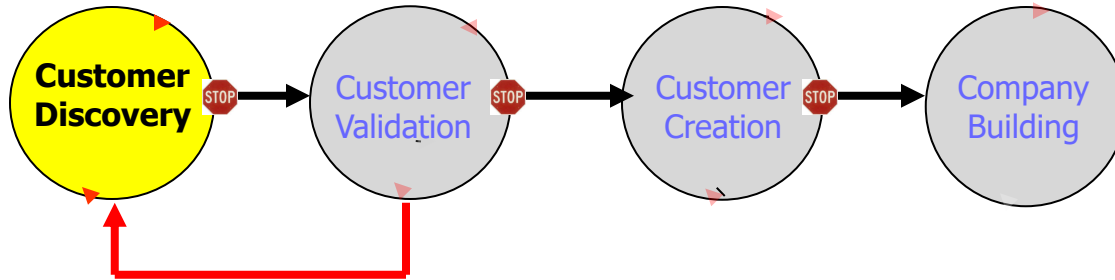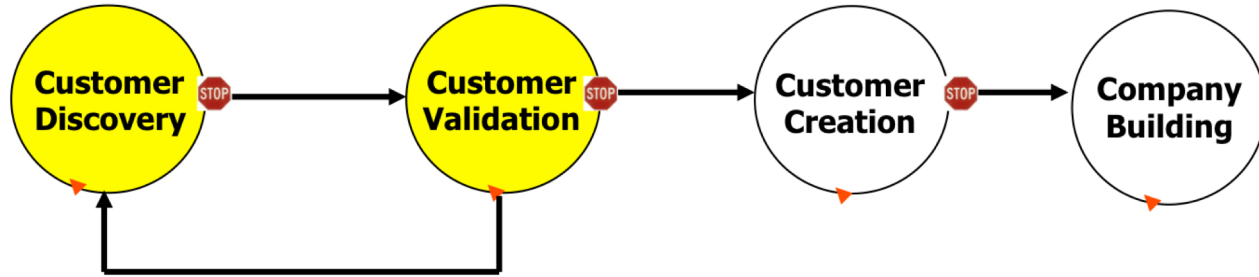

- Not about selling, about listening
- Test your hypotheses
- Continuous Discovery and Feedback
- Done by founders…outside the building

Customer Validation

- Have you achieved "product-market fit"?
  - Demonstrated demand from adopters in your beach head market
  - Customers passionate about your solution
- Return to Discovery absent passionate key adopters

The Pivot

- Pivot
  - Based on feedback heard by founders
  - Fast, agile and opportunistic
  - (Almost) celebrate failure…whenever it's instructive
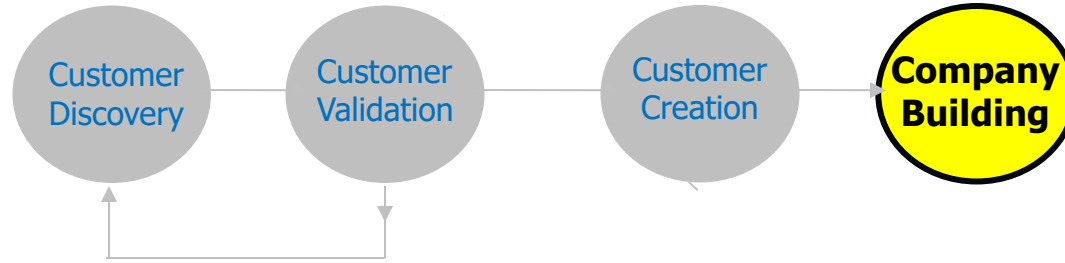
Entrepreneurship

Customer Creation
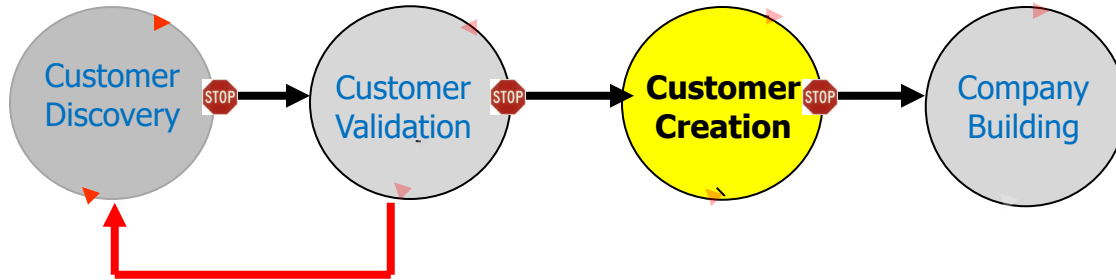
- Creation comes after proof of sales
- Spend to scale based on facts, not guesses
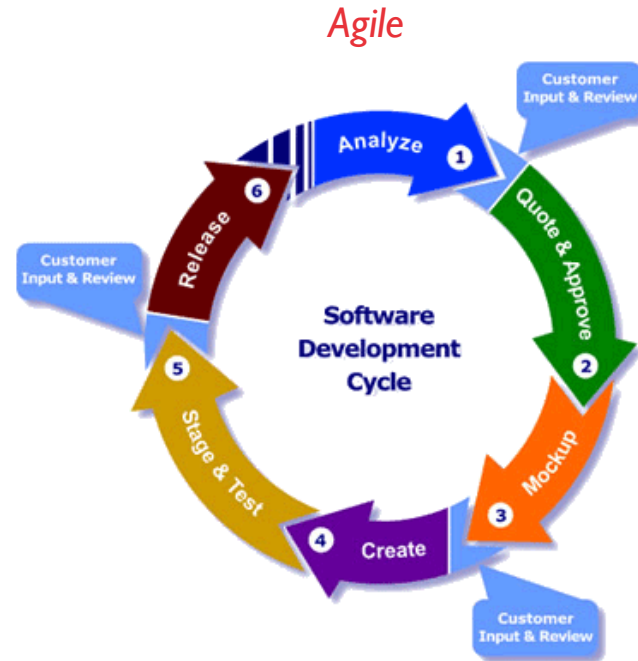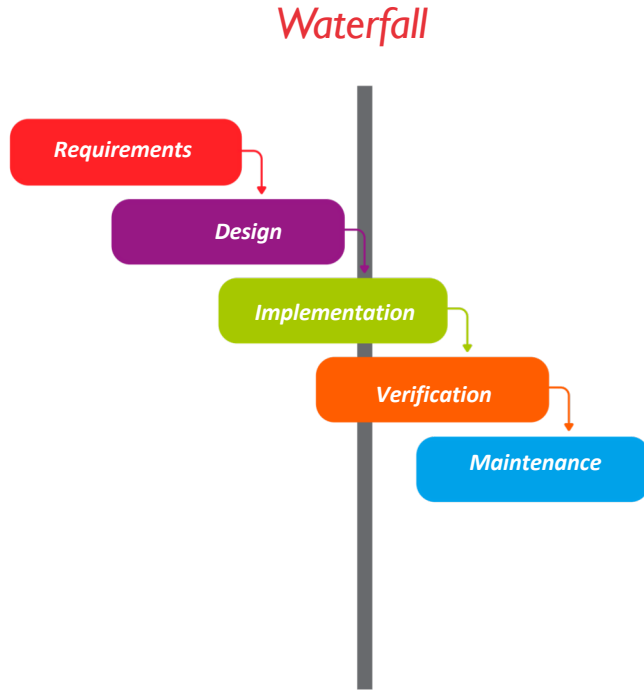- Begins only with repeatable, scalable processes for sales, marketing, demand creation
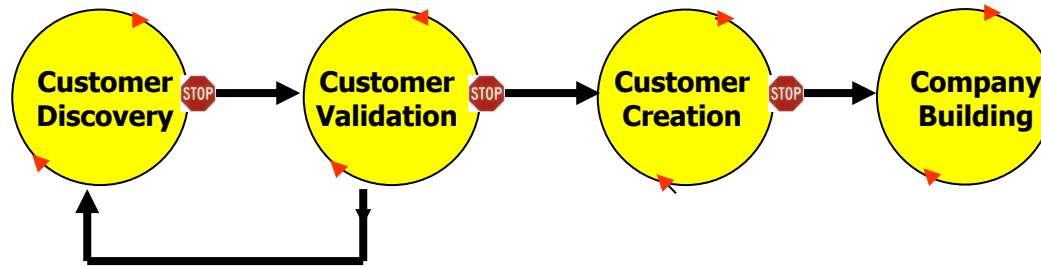
Company Building

- Traditional lean approach puts company at the end, but….

Entrepreneurship

Eric Ries's Insight

"Lean Startups"

Entrepreneurship
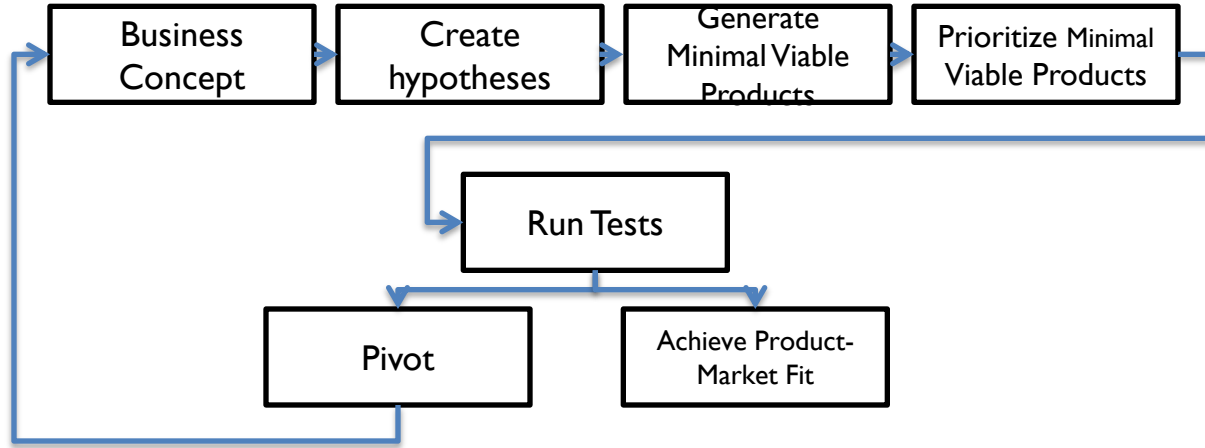
Positives and negatives

- Any flexible approach is good, you don't need to be lean

- If you are creating a new drug or a new car, lean may not be right

- Lean can be hard!

Implementing this approach

Flowchart based on material develop by Eric Reis and Tom Eisenman