* The Lean Startup uses a different unit of progress, called validated learning: With scientific learning as our yardstick, we can discover and eliminate the sources of waste that are plaguing entrepreneurship.
* Comprehensive theory of entrepreneurship should address all the functions of an early-stage venture:
  + vision and concept
  + product development
  + marketing and sales
  + scaling up
  + partnerships and distribution
  + Structure and organizational design
* 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.
* Instead of making complex plans that are based on a lot of assumptions, you can make constant adjustments with a steering wheel called the **Build-Measure-Learn** feedback loop. Through this process of steering, we can learn when and if it’s time to make a sharp turn called a pivot or whether we should persevere along our current path.
* Startups also have a true north, a destination in mind: creating a thriving and world-changing business. I call that a **startup’s vision**
* To achieve that **vision**, startups employ a strategy, which includes a business model, a **product** road map, a point of view about partners and competitors, and ideas about who the customer will be. The product is the end result of this strategy
* Products change constantly through the process of optimization, what I call **tuning the engine**
* Less frequently, the strategy may have to change (called a **pivot**)
* What Mark was missing was a process for converting the raw materials of innovation into real-world breakthrough successes.
* Entrepreneurs who operate inside an established organization sometimes are called **“intrapreneurs”** because of the special circumstances that attend building a startup within a larger company
* I use the term entrepreneur, I am referring to the whole startup ecosystem regardless of company size, sector, or stage of development.
* **The Lean Startup** is a set of practices for helping entrepreneurs increase their odds of building a successful startup
* A **startup** is a human institution designed to create a new product or service under conditions of extreme uncertainty
* The word institution connotes bureaucracy, process, even lethargy
* Companies like Intuit fall into the trap described in Clayton Christensten’s The Innovator’s Dilemma: they are very good at creating incremental improvements to existing products and serving existing customers, which Christensen called **sustaining innovation**, but struggle to create breakthrough new products—disruptive innovation—that can create new sustainable sources of growth.
* “island of freedom” where they could experiment as necessary
* In other words, cultivating entrepreneurship is the responsibility of senior management
* the prevailing management paradigm he and his company (Scott and Intuit) had been practicing was inadequate to the problem of continuous innovation in the modern economy
* A company’s only sustainable path to long-term economic growth is to build an **“innovation factory”** that uses Lean Startup techniques to create disruptive innovations on a continuous basis.
* Developing these experimentation systems is the responsibility of senior management; they have to be put in by the leadership. It’s moving leaders from playing Caesar with their thumbs up and down on every idea to—instead—putting in the culture and the systems so that teams can move and innovate at the speed of the experimentation system.
* “learning” is the oldest excuse in the book for a failure of execution
* Validated learning is a rigorous method for demonstrating progress when one is embedded in the soil of extreme uncertainty in which startups grow. Validated learning is the process of demonstrating empirically that a team has discovered valuable truths about a startup’s present and future business prospects. It is more concrete, more accurate, and faster than market forecasting or classical business planning. It is the principal antidote to the lethal problem of achieving failure: successfully executing a plan that leads nowhere.
* Metcalfe’s law: the value of a network as a whole is proportional to the square of the number of participants. In other words, the more people in the network, the more valuable the network.
* Lean thinking defines value as providing benefit to the customer; anything else is waste.
* **Learning** is the essential unit of progress for startups
* This is true startup **productivity**: systematically figuring out the right things to build.
* It is often easier to raise money or acquire other resources when you have zero revenue, zero customers, and zero traction than when you have a small amount
* Zero invites imagination, but small numbers invite questions about whether large numbers will ever materialize.
* This is one of the most important lessons of the scientific method: if you cannot fail, you cannot learn
* The two most important assumptions entrepreneurs make are what I call the **value hypothesis** and the **growth hypothesis**
* **The value hypothesis** tests whether a product or service really delivers value to customers once they are using it.
* **Growth hypothesis** tests how new customers will discover a product or service
* **Concierge minimum viable product** (described in detail in Chapter 6), Caroline could make sure the first few participants had an experience that was as good as she could make it, completely aligned with her vision.
* an **experiment** is more than just a theoretical inquiry; it is also a first product.
* As Cook says, “Success is not delivering a feature; success is learning how to solve the customer’s problem.
* planning is a tool that only works in the presence of a long and stable operating history