



Course: MGT1022 Lean Start-up Management
Winter Semester 2021-22
Digital Assignment 2

Maximum Marks :25
Due date: 11th March 2022

Task –

1. Watch a video online from anyone on lean Start-up idea/management? Write down summary of the video / lecture. [10]
2. Write down 5 important points (at least 5) to be consider if one is planning for start-up? [5]
3. Now recall your idea from your Assignment 1 and explained how can you implement these 5 points to improve your start-up idea. [10]

Video viewed: [Lean Start-up: Why it Rocks far more than Agile Development • Joshua Kerievsky • GOTO 2012](#)



Joshua Kerievsky has been a professional programmer since 1987 and is the founder of Industrial Logic, an Extreme Programming firm (XP). Industrial XP, a cutting-edge blend of XP and Agile Project Management, is the brainchild of Kerievsky. He is a long-time member of the XP and patterns communities, as well as the author of Refactoring to Patterns.

Joshua Kerievsky created this fantastic table outlining the differences between Agile and Lean Startup.

This is fantastic because it demonstrates how much more genuine everything is in a Lean Startup.

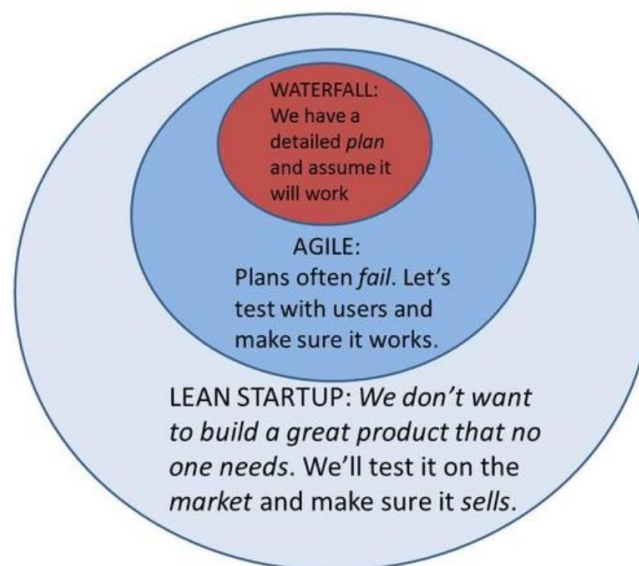
Take, for example, Velocity vs. AARRR (Dave McClure's startup metrics that track things like how many people visit your site, buy your product, and so on). We use Velocity to track progress in Agile, and we ask, "How much software did we build this week?" "Who the hell cares how much software we built this week – how many people bought our product or utilised our software," says Lean Startup, referring to the things that matter to us.

Here's a table to show some of the changes.

Agile	Lean Startup
Product Roadmap	Business Model Canvas
Product Vision	Product Market Fit
Release Plan	Minimal Viable Product
Sprint	Kanban
Sprint Review	Pivot or Persevere Decision
On-Site Customer	"Get Out Of The Building"
User Story	Hypothesis
Backlog	"To Learn" List
Definition of Done	Validated Learning
Red-Green-Refactor	Build-Measure-Learn
Customer Feedback	Customer Validation
Acceptance Test	Split Test
Velocity	AARRR
Mock Object	Feature Fake
Continuous Integration	Continuous Deployment
Certified Scrum Master	Customer Success Manager

"Lean Startup makes the best parts of Agile more lean and combines them with the brilliant Customer Development process."

The terms Agile, Lean, and Lean Startup are not interchangeable. While it may be fashionable to refer to a team or organisation as "agile" or "lean," these terms refer to different techniques that address different types of problems. Knowing these distinctions will make it easier to determine which of these tactics is best applicable to your company.



What exactly is Agile?

Agile has its origins in the IT sector. IT projects are so complex that evaluating what needs to be done before performing it is nearly impossible. For example, you might replace your ERP system and discover that development issues turn a three-month project into a nine-month waste of time. The project budget has blown out, and the project remains a failure. Prioritizing high-value functions and testing them with users throughout the development process is key to the Agile methodology. This early prototyping detects and corrects faults. Assume you're constructing a bicycle. Don't wait until the end of the project to see if it works; test as you go. Make sure the wheels are turning by spinning them. Allow people to try out the seat. Is it a pleasant experience? Agile is best for projects with a clear end goal and a lot of moving parts.

What exactly is Lean?

Lean manufacturing is a form of production that focuses on reducing waste. With his work with Toyota, W. Edwards Demming pioneered this strategy in Japan. The goal is to create a basic production system that can be measured and improved continuously. Most notably, Lean was opposed to the concept of a big factory line that only produced one product. Lean manufacturing emphasised the ability to quickly shift between activities, making work not only efficient but also adaptable. They also had the famed "stop" button, which allowed employees to halt production if they encountered a significant problem. This implies that any problems with the production process are addressed right away. If you construct bikes this way, you'll be able to continually optimise your procedures and increase efficiency. In other words, you'll be able to produce more high-quality bicycles. Lean is a fantastic principle that can be applied to any industry, although it has historically proven most successful in manufacturing.

What is a Lean Startup, exactly?

Agile and lean are combined with customer development in the Lean Startup. Agile puts the product through its paces with real users. The Lean Startup methodology compares the product to the market. Agile's main objective is not to create a product that doesn't work. The goal of Lean Startup is to avoid making a product that no one wants. First, identify a problem worth solving and create a business model around it. The Lean Startup method entails making a list of a business model's assumptions and testing the most risky ones first. The purpose isn't to make money or even to produce. The purpose is to gain knowledge. Is it true that no one wants to ride a bicycle anymore? If the answer is no, you can put your money aside and come up with a better concept. The Lean Startup method is helpful for entrepreneurs and companies who are still looking for a viable business strategy. Large organisations can also use it if they have the flexibility to react fast to fresh information and listen to client wants.

Finally, which option is the best?

It is debatable. These are many ways that have been developed to address various issues. I would never choose an IT company that did not use Agile development methods. I wouldn't want to work for a manufacturer that didn't follow at least some lean concepts. I would definitely use Lean Startup if I launched my own company or joined a tiny startup. They are not, however, mutually exclusive.

To assist your organisation better address its difficulties, you can combine all of these tactics.

-----END OF QUESTION 1-----

Question 2

We need more than simply an idea when we first start out. You must demonstrate that you are a visionary and a leader. You must bring something tangible to the table.

I'm going to start by thinking about the following 5 phases in order (or not), which should be a decent place to start:

Step 1

- produce a lean business model canvas
- create the draft of your business plan (mainly just the executive summary)
- mission statement
- values statement
- vision statement
- product vision

Step 2

- recruit mentors
- conduct user research
- conduct user interviews
- conduct competitive research
- map user flows of competitive products and alternatives
- define user stories
- run initial validation tests

Step 3

- core assumptions
- devise your monetization strategy
- go to market strategy
- more validation tests

Step 4

- product road map
- features outline
- product specifications
- more validation tests
- update your business plan

Step 5

- MVP outline
- produce wireframes of key screens and most critical user flows
- run more validation tests
- update your business plan

-----END OF QUESTION 2-----

Question 3

RECALL IDEA FOR ASSIGNMENT 1:

ARCELIA will be a specialised cycling store that sells five different types of high-quality, high-performance bicycles through web. Our bicycle company will give excellent client service, including accurate bike fittings, usage instructions, and safety advice. Repairs, upgrades, adjustments, and tune-ups are available for all types and sizes of bicycles. ARCELIA will also have a large selection of the top cycling components, accessories, clothes, and shoes available in the business.



In 2019, the worldwide bicycle market was valued at USD 65.43 billion. COVID-19 has had an unprecedented and devastating worldwide impact, with bicycles experiencing a positive demand shock across all regions as a result of the epidemic. According to our calculations, the worldwide bike market will expand by 48.55 percent by 2020. In the period 2020-2027, the market is expected to increase at a CAGR of 6.1 percent, from USD 97.20 billion in 2020 to USD 147.24 billion in 2027. The abrupt drop in CAGR is due to this market's demand and growth, which will recover to pre-pandemic levels once the pandemic is ended [1].

Step1:

The Lean Canvas is the perfect one-page format for brainstorming possible business models, the blocks guide you through logical steps starting with your customer problems right through to your unfair advantage (often the hardest block to answer) for a bicycle startup.

Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
Top 3 problems	Top 3 features	Single, clear, compelling message that states why you are different and worth buying	Can't be easily copied or bought	Target customers
	Key Metrics Key activities you measure		Channels Path to customers	
Cost Structure Customer Acquisition Costs Distribution Costs Hosting People, etc.			Revenue Streams Revenue Model Life Time Value Revenue Gross Margin	
PRODUCT			MARKET	

Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.

Our company statement is defined as an action-based statement that declares the purpose of an organization and how they serve their customers. And our ARCELIA has a sole mission of serving people's fitness needs.

Step2:

Our company will **recruit mentors** from Top universities from this country to help us and guide us through problems.

We'll conduct **research on our potential users**, the cycling enthusiasts and the people that use motor vehicles and comply if they will resort to using bicycles ever.

Our **competitive research** on our competitors mentioned in previous assignment will contain lots of proprietary information which shall be provided by going undercover in their firm. It's an essential tactic for finding out what your competitors are doing and what kind of threat they present to the success of your company.

We'll first start in a neighbourhood where there are lots of young people living close by their workplaces. We'll conduct **tests on product-market fit** of our products there.

Step3:

Our **core assumptions** are that people will want to use bicycles over motor vehicle for short/long distances depending on the user.

Our **monetization strategy** is the plan to generate revenue from a certain platform, audience, or type of content. There are many different types of monetization strategies that ARCELIA can implement, a few including: Selling ad placements, including display, native, affiliate, and text ads.

ARCELIA will launch Smart Coach, a premium service and personal training app, that integrates with the user's FitBit. We began our **Go-To-Market strategy** with a few simple goals in mind, such as: Subscription revenue growth Increasing brand recognition Increasing the pace of subscriber attachment to reach the target population, the campaign "Get More With ARCELIA" used both sponsored and owned channels (which consisted of people who owned ARCELIA wearable devices and smartphones). Retargeting display advertising that directed potential customers to a landing page were the most used paid channels. We also reached out to potential clients using push notifications, social media profiles, and newsletters.

Step4:

A **product roadmap** is a high-level visual overview of our product offering's vision and trajectory through time. A product roadmap explains why and how we're building something. A roadmap is a strategic document that also serves as a plan for carrying out the product strategy.

The product roadmap has several ultimate goals:

- Describe the vision and strategy for fitness-crazy riders
- Provide a guiding document for executing the strategy to brainwash customers
- Get internal stakeholders in alignment to raise the prices of IPO
- Facilitate discussion of options and scenario planning to beat competitors
- Help communicate with external stakeholders, including customers.

A **product specification** is a blueprint that outlines the product we will be building, what it is going to look like, and its specific requirements and functions. So in our instance, ARCELIA will have 3 categories of bicycle that will vary for ages of male adult, female adult and kids. These 3 categories will have its own features different from the other category bikes. But at its core the product shall contain 250W brushless DC motor that drives this beast in all types of roads and even to destinations of your adventures. It is a multi-terrain e bikes. Take it wherever your heart says. Be it a beach, a desert, a hilly ride, or to your favorite beaches. The ebikes don't have big engines and gearboxes, the motor is compact and powerful. This will allow you to toy with different shapes and dimensions of the road. Our bike comes with various battery options making it the best e bike in the market. ARCELIA will be with you.

Step5:

A minimal viable product is a version of a product with just enough features for early consumers to use and provide feedback for future product development. Developers can potentially save lengthy and unneeded work by focusing on producing an MVP.

ARCELIA's **Minimum-Viable-Product** bikes have a large engine in the front, and you have a gearbox, which is cumbersome. Our electric bikes do not have these problems, the motor is much smaller, and the battery is much more powerful. This will allow you to play with different shapes and dimensions of the roads. ARCELIA bike comes with various better options.

1. MXE- 36 Volt, 8.7AH & 36 Volt, 9.6 AH
2. XE & XE+ – 48 Volt, 11.6 AH & 48 Volt, 14.5

-----End of Question 3-----