WHAT IS THE LEAN STARTUP METHODOLOGY?

- Provides scientific approach to creating and managing startups to deliver desirable products to customers faster
- Borrows ideas from Lean Manufacturing
- Prescribes how ideas should go from inception to implementation
- Can be used in any type of organisation - startups and large companies alike
- Claims there are no 'born' entrepreneurs
- Views starts ups as an experiment that attempts to answer a question
- Provides structured process to focus on problem and through rapid experimentation and testing, find the best solution and build a product that responds to user needs

WHAT PROBLEM IS LEAN STARTUP TRYING TO SOLVE?

- 'Every business plan fails the first time it makes contact with the customer' – Steve Blank
- Supports building a business on a problem rather than a solution
- Many startups begin with an idea for a product they think people want, and spend time perfecting the product without ever showing the product to the future customer – when they fail to gain a large customer base, it is often because they never spoke to prospective customers and determined whether or not the product was interesting
    - o When customers ultimately communicate that they don't care about the idea, the startup fails

THE LEAN STARTUP METHODOLOGY

ERIC RIES

"Startups success can be engineered by following the process, which means it can be learned, which means it can be taught." ERIC RIES

PROCESS

THE LEAN STARTUP METHOD
teaches you how to drive a startup-how to steer, when to persevere and grow a business with maximum acceleration."

LEARN
Split tests,
Customer interviews
Customer development
Five Why's Root Cause analysis
Customer Advisory Board
Falsifiable Hypotheses
Product Owner Accountability
Custom Archetypes
Cross-functional Teams
Smoke tests

IDEAS

Minimize the total time through the loop.

BUILD
Unit tests
Usability tests
Continuous integration
Incremental deployment
Free & Open Source Components
Cloud Computing
Cluster Immune System
Just-in-time Scalability
Refactoring
Developer Sandbox

CODE

DATA

MEASURE
Split tests, Clear product owner.
Continuos Deployment, Usability tests,
Real-time monitoring, Customer Liason,
Funnel Analysis, Cohort Analysis,
Net promoter Score, Search Engine Marketing,
Real time Alerting, Predictive Monitoring.

MVP
(MINIMUM VIABLE PRODUCT)

"A core component of Leaning Startup methodology is the Build-Measure-Learn feedback loop. The first step is figuring out the problem that needs to be Sold and then, developing a Minimum Viable Product to begin the process of learning as quickly as possible."

PRINCIPLES

ENTREPRENEURS ARE EVERYWHERE

ENTREPRENEURSHIP IS MANAGEMENT

BUILD-MEASURE-PLAN

VALIDATE LEARNING

INNOVATION ACCOUNTING