Title: Lean Startup
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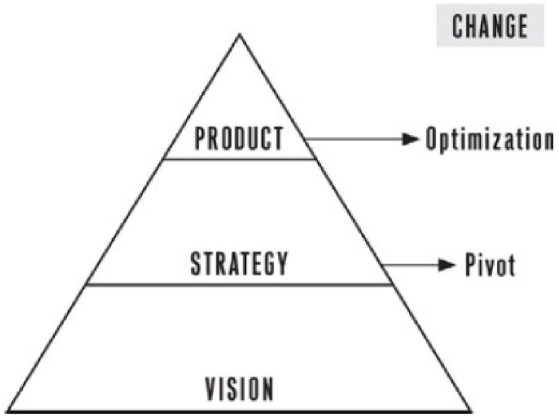
Part 1: Vision

1. Start
    a. Optimization Pyramid



2. Define
    a. Create learning milestones to keep track of product, influence, feedback, etc.
3. Learn
    a. We must learn what customers really want, not what they say they want or what we think they should want.
    b. Validated Learning
    c. Value vs. Waste
        i. Lean thinking defines value as providing benefit to the customer; anything else is waste.
4. Experiment
    a. Experiment immediately
    b. Value Hypothesis: whether a product or service really delivers value to customers once they are using it
    c. Growth Hypothesis: how new customers will discover a product or service
    d. Questions for Product Development Phase
        i. Do consumers recognize they have the problem you are trying to solve?
        ii. If there was a solution, would they buy it?
        iii. Would they buy it from us?
        iv. Can we build a solution for that problem?

Part 2: Steer

- 3 step process: Build-Measure-Learn Feedback Loop
    - Minimum Viable Product (MVP): version of product that can go through whole loop with minimum time and effort that you can get to real customers to try and measure impact, even without some key features

- Vanity vs. actionable metrics

1. Leap: Get out there, get to know your customers. high risk → high reward
    a. Innovation accounting: startup should have and maintain a quantitative financial model that can be used to evaluate progress
    b. You cannot fully understand a business problem until you experience it firsthand
2. Test: Start learning process asap w/ MVP
    a. Early adopters accept - and sometimes prefer - 80% solution to capture interest
    b. Principle: If we do not know the customer, we do not know what quality is
    c. When building MVP, remove any feature, process or effort that does not contribute directly to the desired learning
    d. The only way to win is to learn faster than anyone else
3. Measure
    a. MVP can help establish where company is NOW for baseline to compare to
    b. Learn first, then optimize
    c. Cohort Analysis: Customer Flow and why, are improvements correlated with increased customer usage and/or satisfaction
    d. Kanban principle/board for product prioritization process, no more than 3 projects in each bucket, cannot move to the next stage w/o validated learning. If not validated, feature is removed

KANBAN DIAGRAM OF WORK AS IT PROGRESSES
FROM STAGE TO STAGE

(No bucket can contain more than three projects at a time.)

BACKLOG	IN PROGRESS	BUILT	VALIDATED
A B C	D E	F	

Work on A begins. D and E are in development. F awaits validation.

BACKLOG	IN PROGRESS	BUILT	VALIDATED
G H I	 B C	D E A	F

F is validated. D and E await validation. G, H, I are new tasks to be undertaken. B and C are being built. A completes development.

BACKLOG	IN PROGRESS	BUILT	VALIDATED
 H → I →	G B → C →	D E A	F

B and C have been built, but under kanban, cannot be moved to the next bucket for validation until A, D, E have been validated. Work cannot begin on H and I until space opens up in the buckets ahead.

e. Split tests can improve hypothesis testing
f. Three A's
    i. Actionable: if no clear cause & effect → vanity metric, not actionable
    ii. Accessible: if results and conclusions are not easily understood by all members of the team and not available for people to access directly, then need to work on reporting
    iii. Auditable: Data must be considered "credible" to employees to establish trust, value and input rather than just "taking someone's word for it"

4. Pivot (or Persevere)
    a. Innovation accounting (initial MVP → optimization) can lead to faster pivots and decreased losses (comparison of metrics before vs. after pivot)
    b. Types of Pivots (Strategic Hypothesis)
        i. Zoom-in Pivot
            1. Single feature becomes whole product
        ii. Zoom-out Pivot
            1. Whole product becomes single feature
        iii. Customer Segment Pivot
            1. Right product, wrong customer. Targeting new CS

iv. Customer Need Pivot
    1. Product hypothesis is partially confirmed, target customer has a different problem than that which was originally anticipated (i.e. Potbelly antiques w/ selling sandwiches to increase traffic → potbelly sandwiches)
v. Platform Pivot
    1. Change from application to platform or vice versa
vi. Business Architecture Pivot
    1. High margin, low volume (i.e. B2B, enterprise sales) → consumer product/mass market. Low margin, high volume (mass market) → high margin, low volume due to long/expensive sales cycles
vii. Value Capture Pivot
    1. Changes in monetization or revenue models, and way that company captures value
viii. Engine of Growth Pivot
    1. Three primary engines of growth: Viral, Sticky, Paid. Change growth strategy to seek faster, more profitable growth
ix. Channel Pivot
    1. Change in way of delivering solution to customers for greater effectiveness
x. Technology Pivot
    1. Same solution, different technology. More common in established businesses, with sustainable innovation with small improvements for existing customer base ease of access, UI, etc.

Part 3: Accelerate

1. Batch
2. Grow
3. Adapt
4. Innovate