

RUNNING LEAN

A systematic process for **iterating** your web application from **Plan A** to a **plan that works**

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The sad statistics of Plan A.

9/10 startups fail

66%

drastically change
their original plans

Not a better Plan A.
But a path to a plan that works.

Running Lean is a systematic process for **iterating**
from **Plan A** to a **plan that works.**

Agenda

1. What is Running Lean?
2. What does a Lean Startup look like?
3. How can you use Lean to define and measure progress?

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About Me

Practice **Trumps** Theory

What is Running Lean

Customer Development

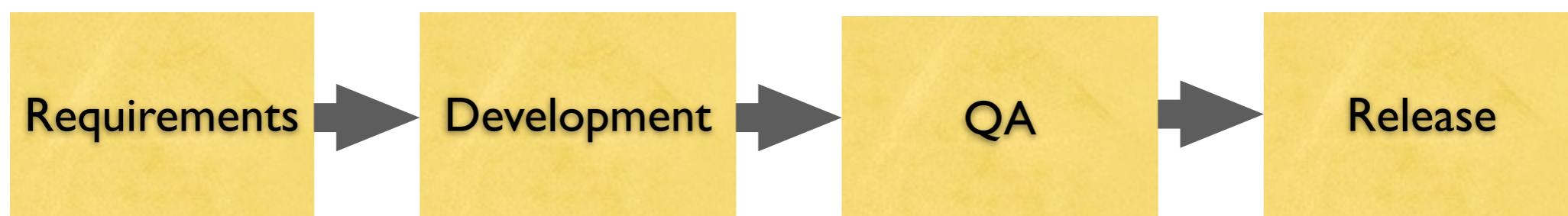
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Lean Startup

+

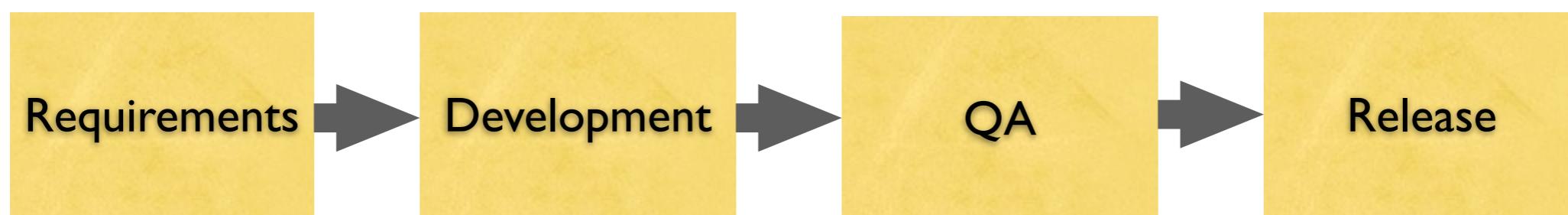
Bootstrapping

Customer Development

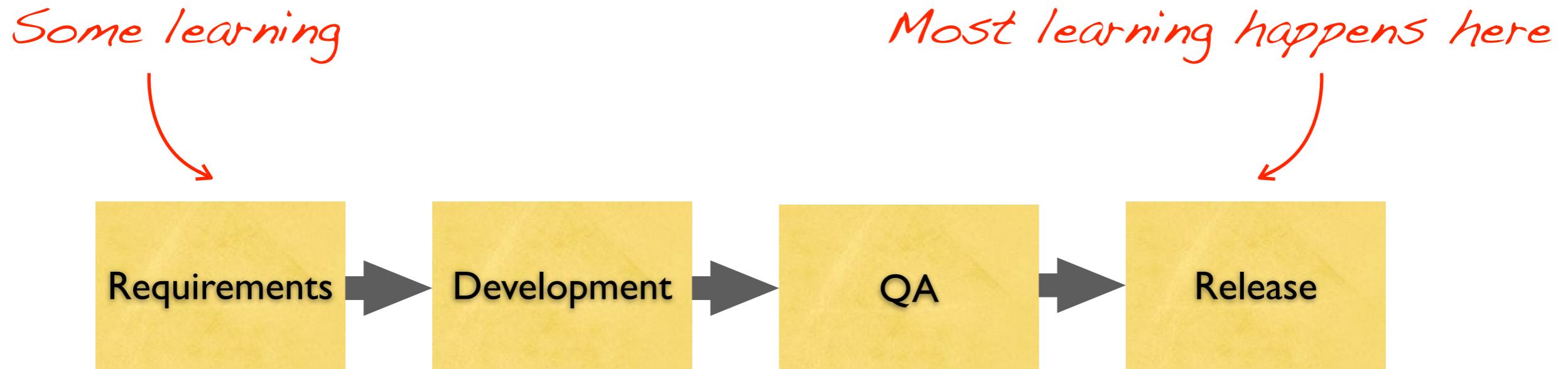


Customer Development

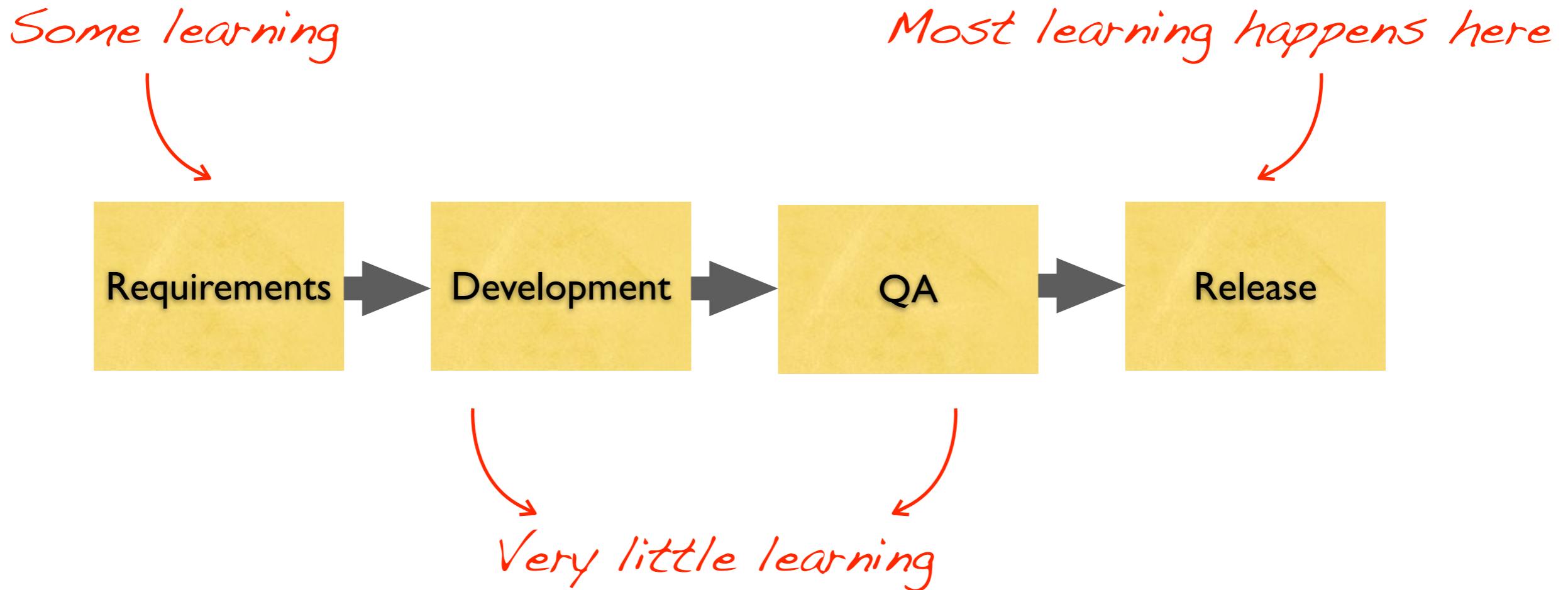
Some learning



Customer Development



Customer Development



Lean Startup

A synthesis of Customer Development, Agile,
and Lean Thinking.

Bootstrapping

Funding with customer revenue.

Speed

Startups that succeed are those that manage to **iterate** enough times **before running out** of resources.

- Eric Ries

Learning

Get out of the building.

- Steve Blank

Focus

Right Action, Right Time.

- Bijoy Goswami

Speed, Learning, Focus.

There are no **silver bullets**

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1. Document your Plan A
2. Systematically Test your Plan A

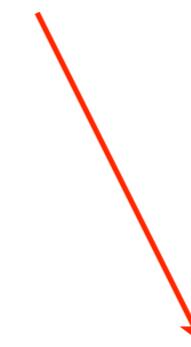
There is an “I” in Vision

Smart people can **rationalize** anything.

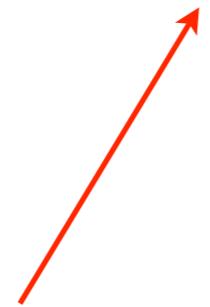
Business Model vs Business Plan

A document investors make you write
that they don't read

Business Model vs Business Plan



Business Model vs Business Plan



A single diagram of your business

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 Activity Activity that drives retention/revenue		Channels Path to customers	
Cost Structure	Revenue Streams			
Customer Acquisition Costs Distribution Costs Hosting People, etc.	Revenue Model Life Time Value Revenue Gross Margin			

The 3 Stages of a Startup



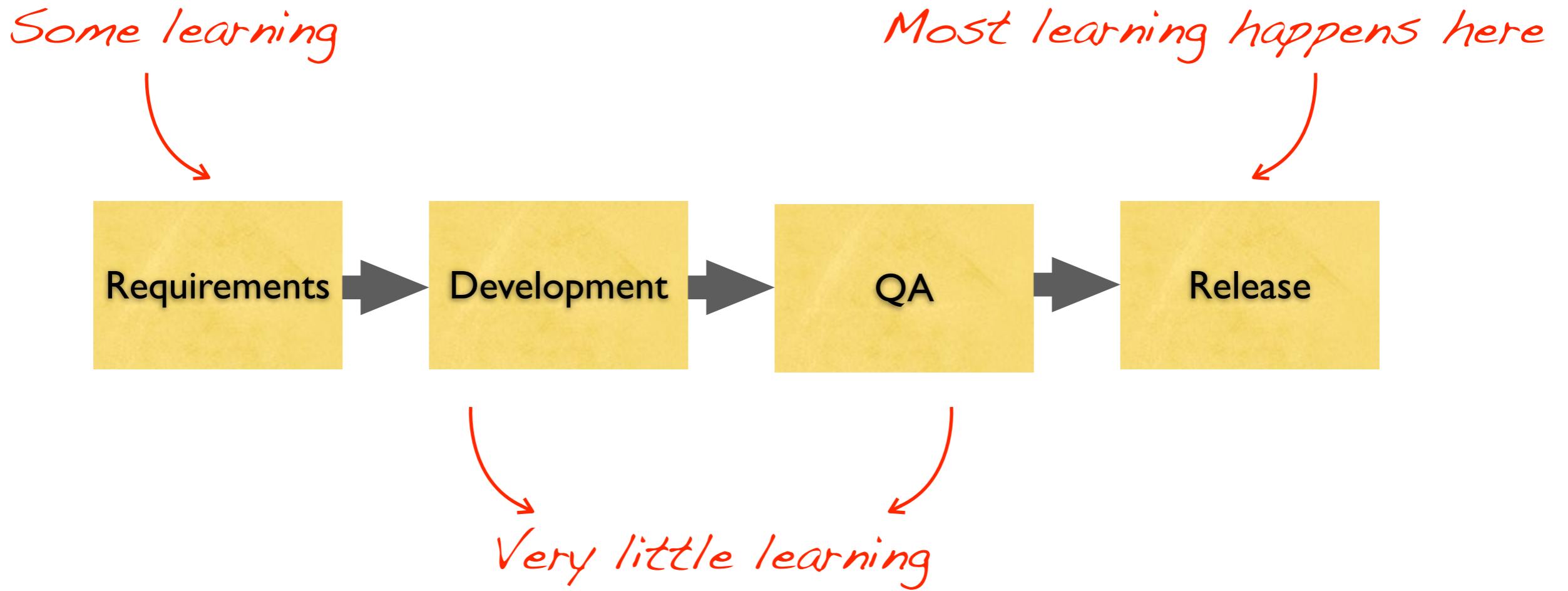
Validate Problem/Solution Fit

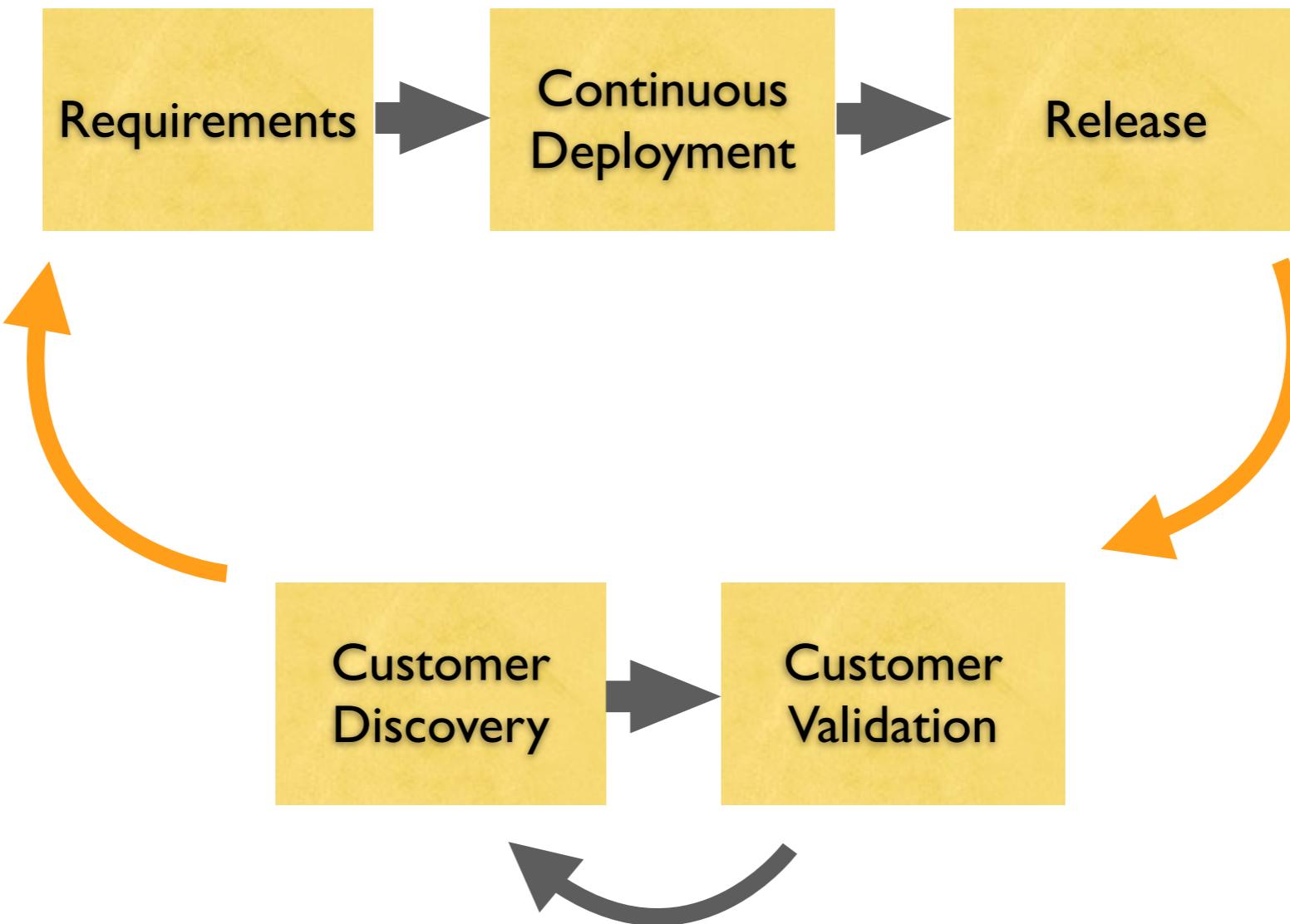


Problem Top 3 problems	Solution Top 3 features	Unique Value Proposition Single, clear, compelling message that states why you are different and worth buying	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
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Achieve Product/Market Fit







Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
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Activity that drives retention/revenue		Path to customers		
Cost Structure		Revenue Streams		
Customer Acquisition Costs Distribution Costs Hosting People, etc.		Revenue Model Life Time Value Revenue Gross Margin		

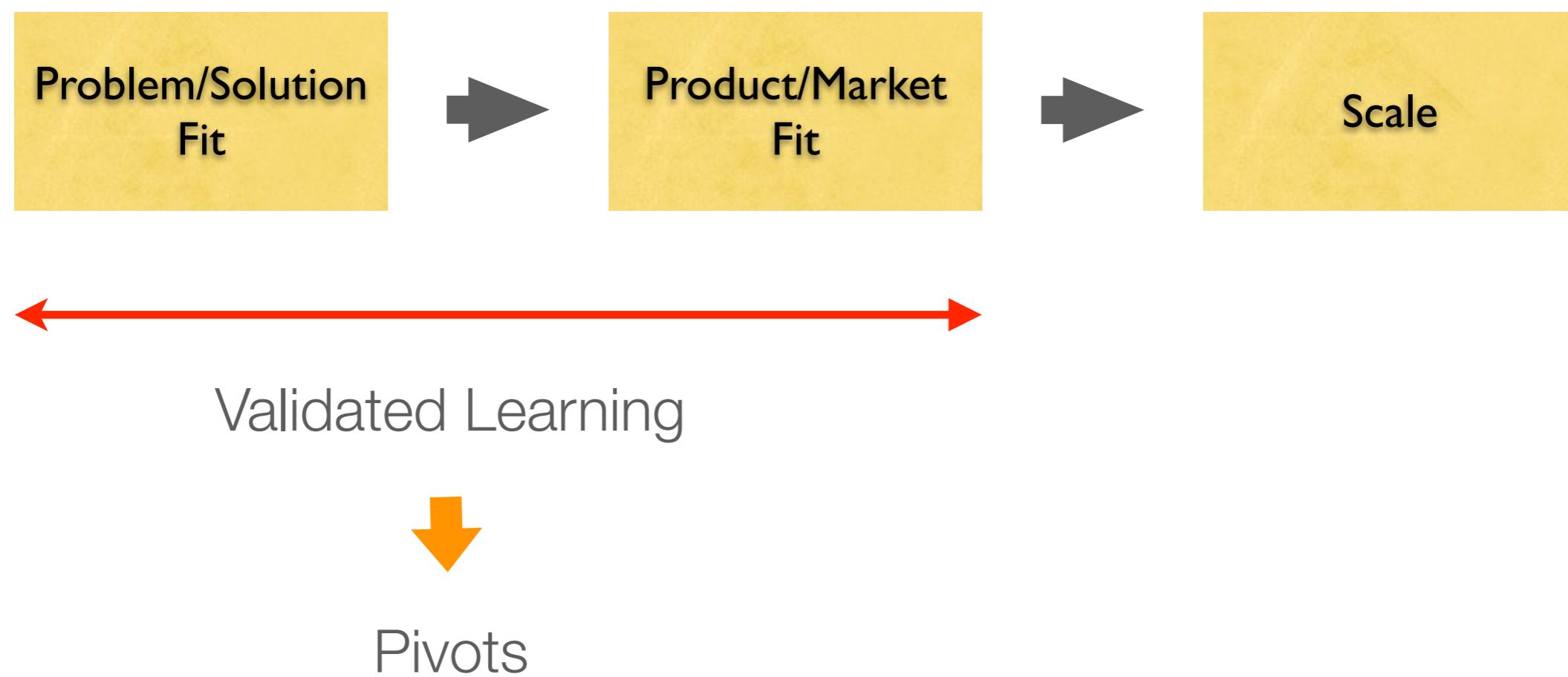
Optimize for Scale



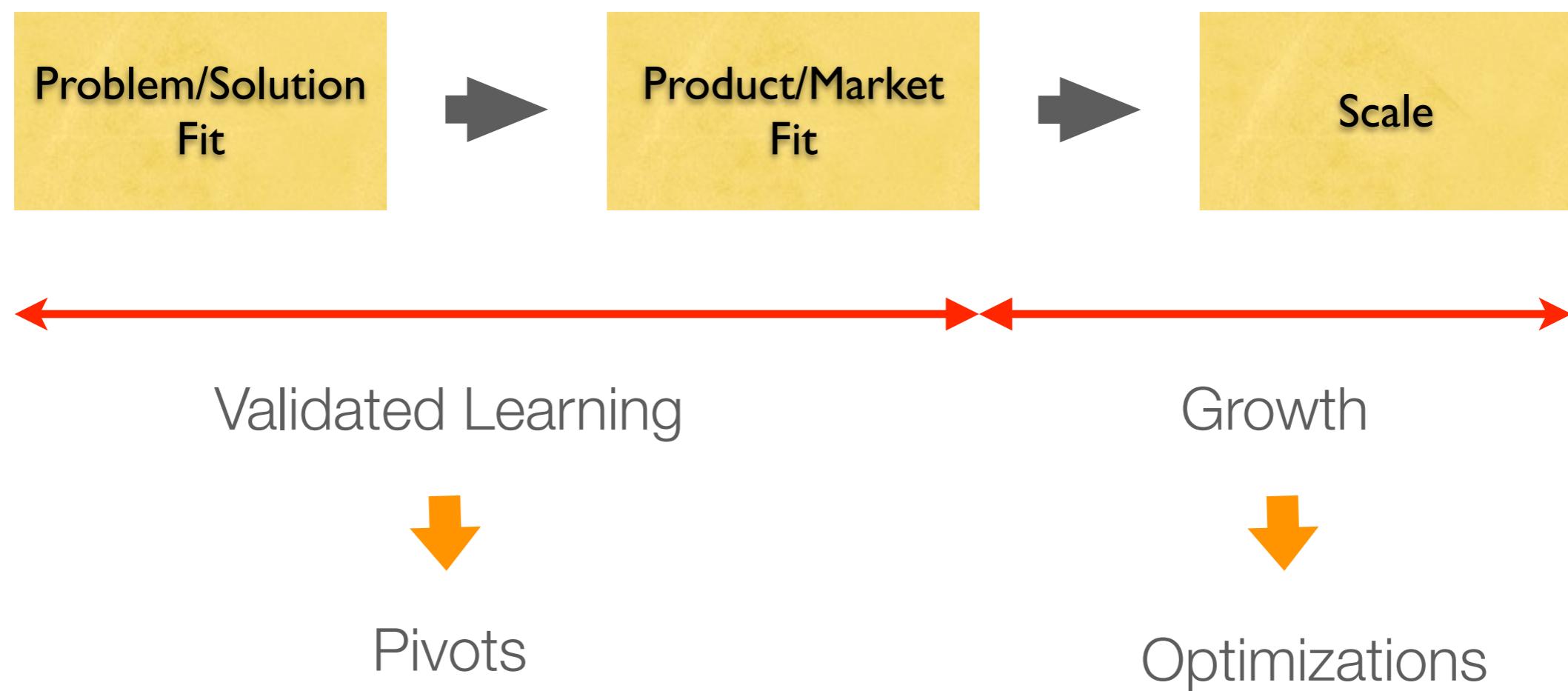
How do I accelerate growth?

Problem Top 3 problems	Solution Top 3 features	Unique Value Proposition Single, clear, compelling message that states why you are different and worth buying	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
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Before Product/Market Fit

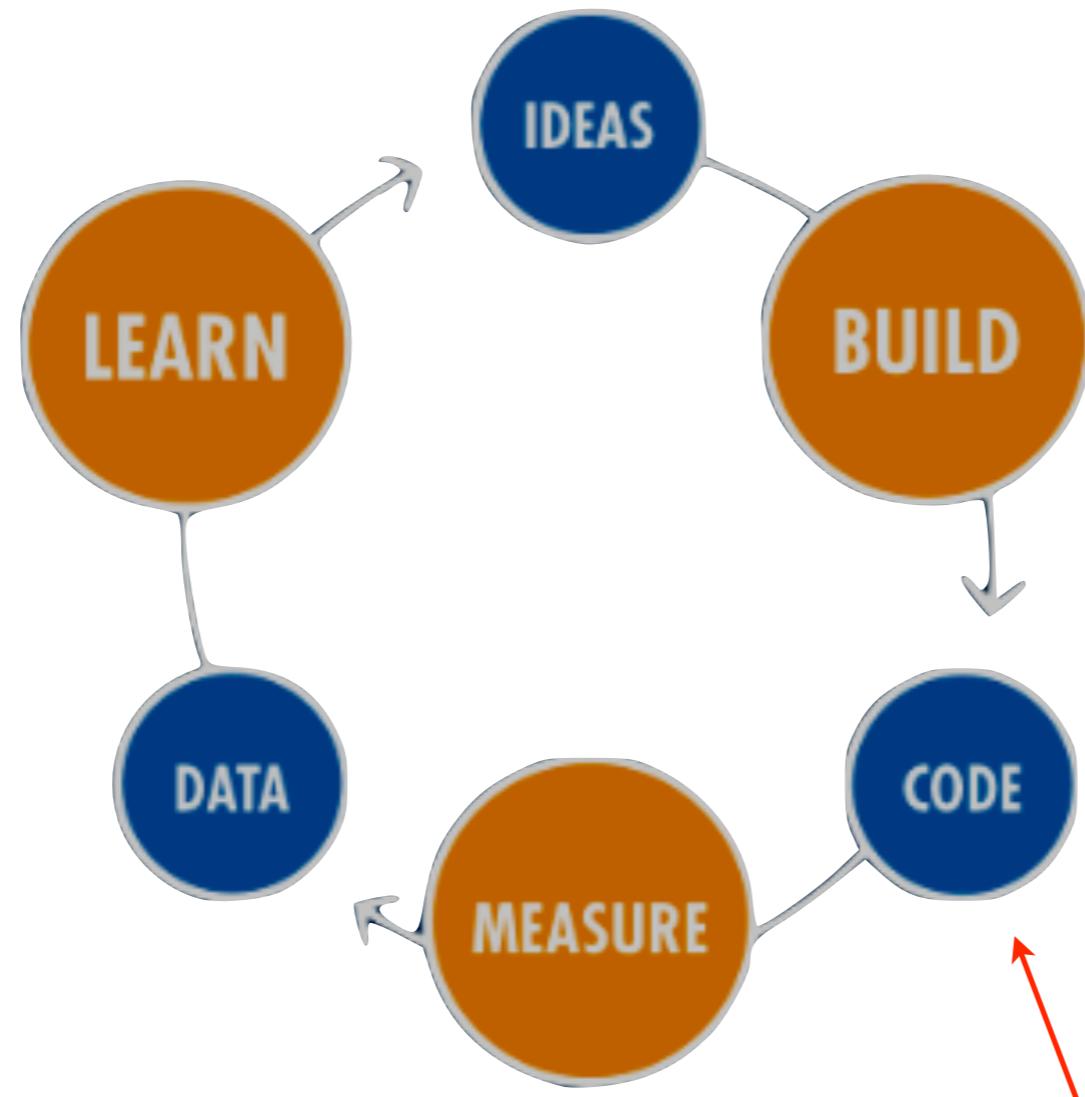


After Product/Market Fit



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Not just limited to code

Speed, Learning, Focus.

How to build a validated learning loop

1. Formulate falsifiable hypotheses
2. Time-box experiments
3. Validate Qualitatively, Verify Quantitatively
4. Create accessible dashboards
5. Communicate learning early and often

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Leap of Faith: Being known as an “expert” will drive early adopters



Hypothesis: Blog post will drive >100 early sign-ups

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Time is more **valuable** than money.

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Qualitative



Start here

Quantitative



Verify with data

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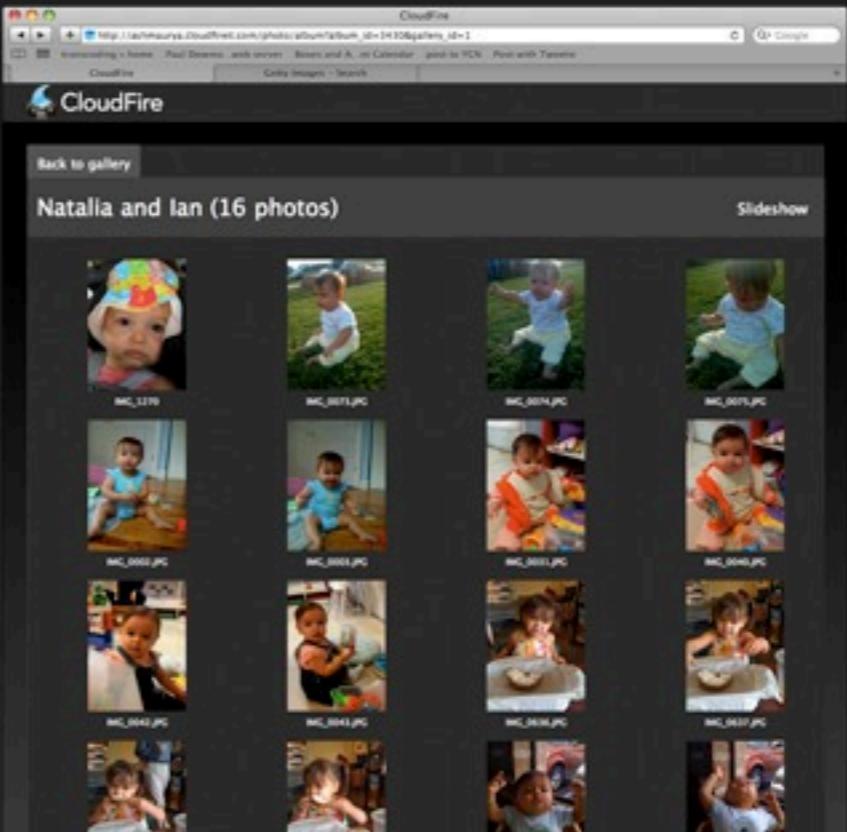


Photo and Video Sharing for Busy Parents.

Get back to the more important things in your life. Faster.

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Got questions: 1-800-381-7241 or [email](#)



Words matter

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A photograph of a woman with dark hair tied back, wearing a black top, holding a young child in a white onesie. She is leaning over a dark-colored kitchen counter, looking at a silver laptop computer. A small clear plastic container with a yellow liquid sits next to the laptop on the counter. The background shows a modern kitchen interior with light-colored cabinets.

A red line with an arrow points from the word "Busy" in the headline to the photograph of the woman holding the baby.

Images matter

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5. Communicate learning early and often

CH Personal authority will drive early adopters

Hypotheses	Metrics	Week 1	Week 2
Blog post will drive >100 early sign-ups	Number of teaser page sign-ups	72	20
Conduct 30-50 customer interviews within 4 weeks	Number of customer interviews	5	9

CS Early adopters will primarily be pre-product/market fit companies

Hypotheses	Metrics	Week 1	Week 2
80% of Early Adopters will be founders	Percentage of interviewees that fit this description	4/5	6/9

P Problem Fit

Hypotheses	Metrics	Week 1	Week 2
80% of Early Adopters will vote problem as must-have	Number of must-have votes from customer interviews	3/3	7/9

R\$ People will pay for this product

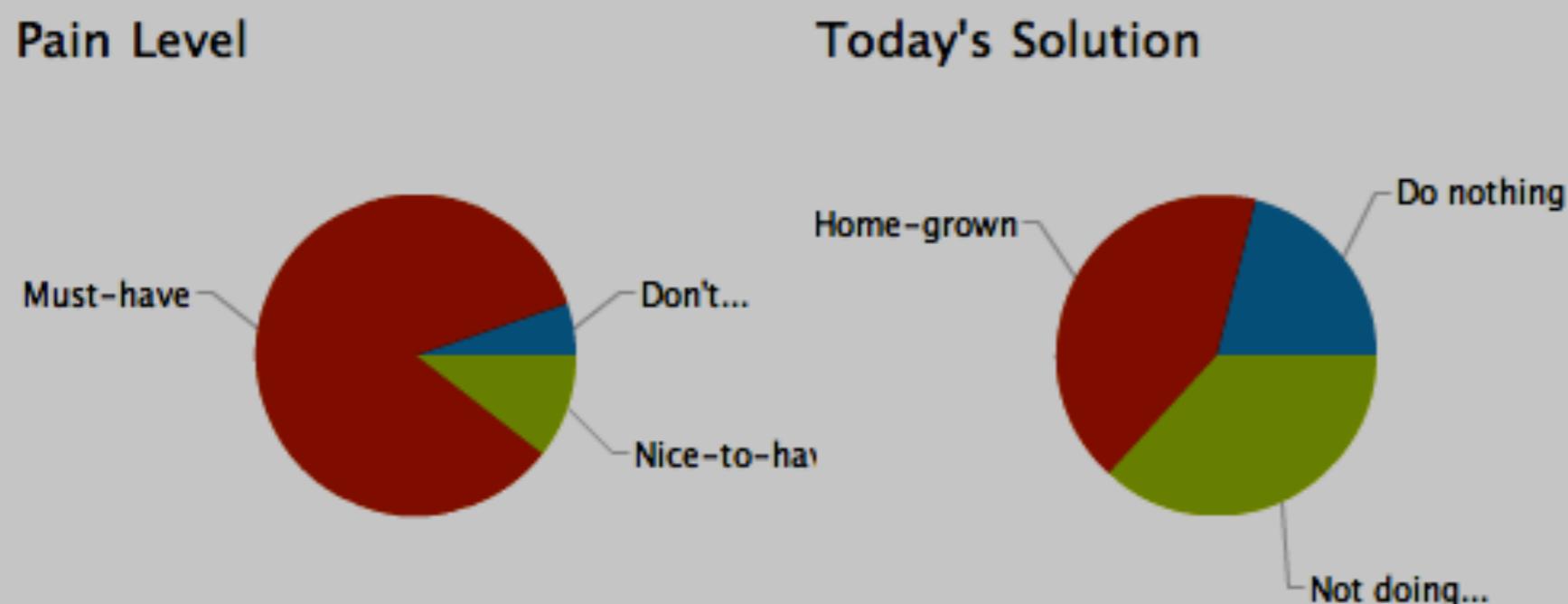
Problem Report

[See interview notes](#)

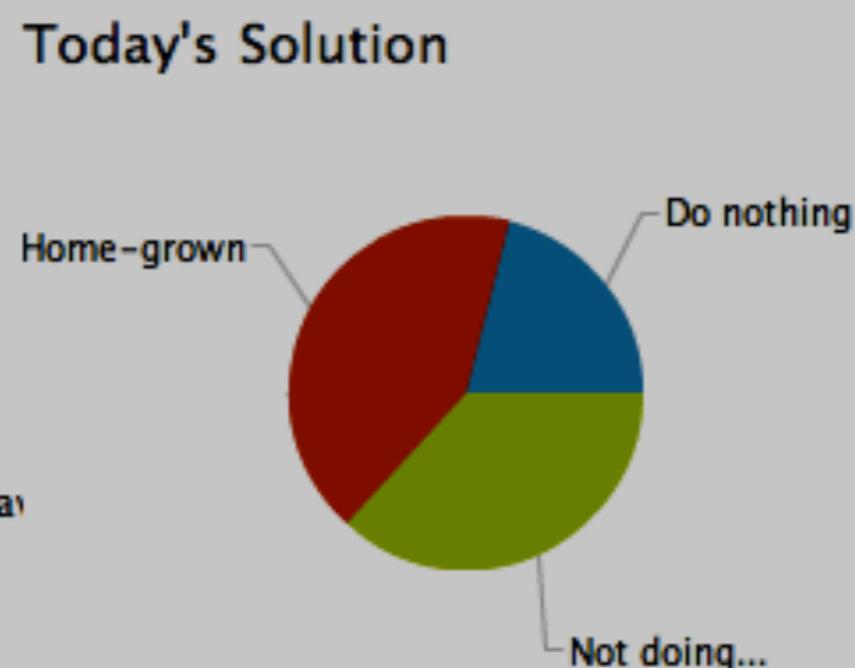
What is the #1 Problem?

Lifecycle Messaging: Right Message, Right Audience, Right Time.

Pain Level



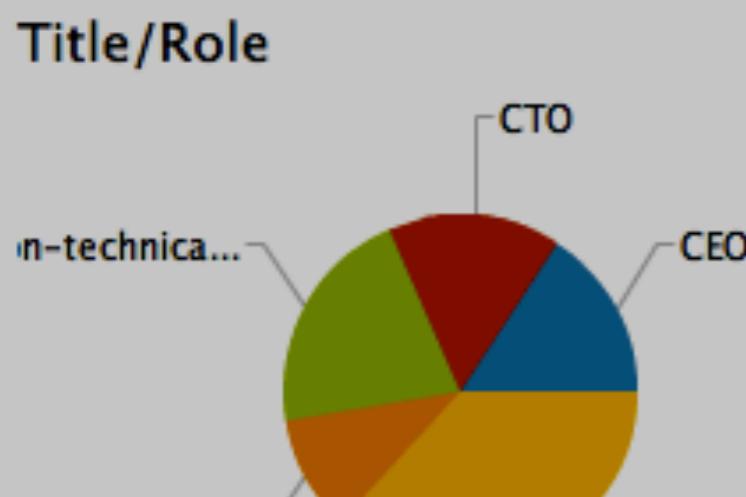
Today's Solution



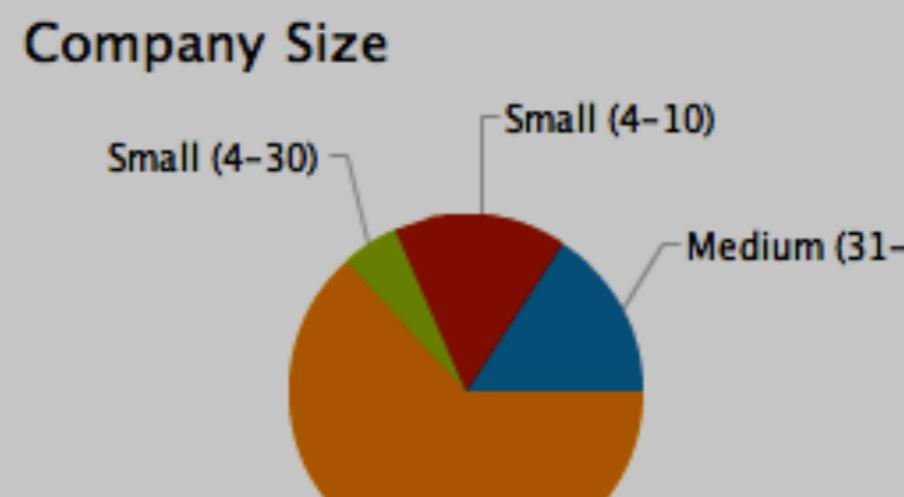
Interviews
19

Who is the Customer?

Title/Role



Company Size



Business Model



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Results from last iteration

We thought (Hypotheses):

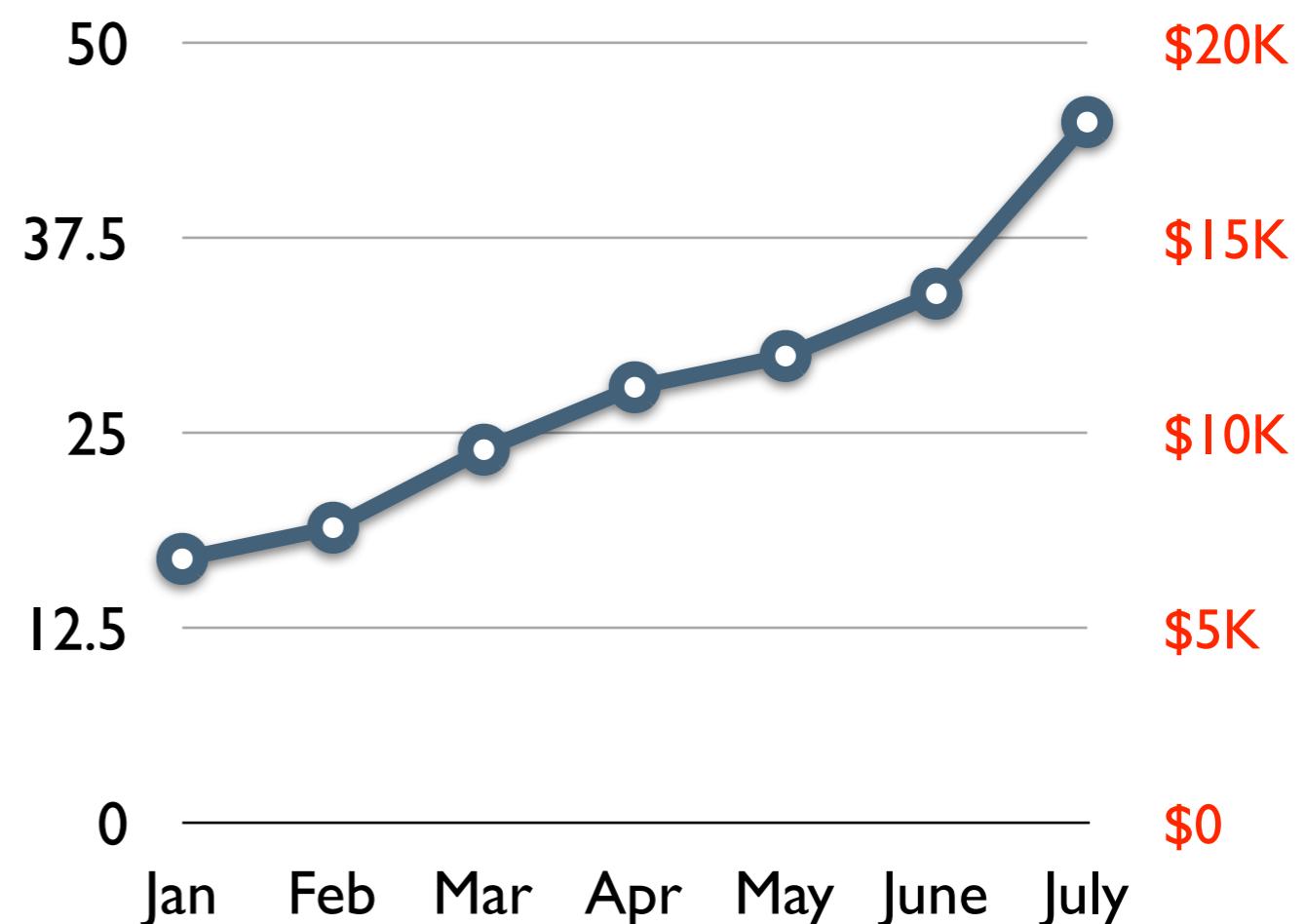
- Personal Authority would be a viable channel to early adopters
- Customers would vote the problem as “must-have”
- Customers would pay \$49/mo

Our Customers told us (Insights):

- Most early adopters did come through blog and twitter
- Customers voted #3 problem as “must-have”. Others as nice-to-have
- \$49/mo works for customers with early traction

Next Steps (Future Experiments):

- Test MVP based on “must-have” problem
- Test a “Free” model



Not a better Plan A.
But a path to a plan that works.

Thanks!

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Running Lean - the book
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from **plan A** to a **plan that works**

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