

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

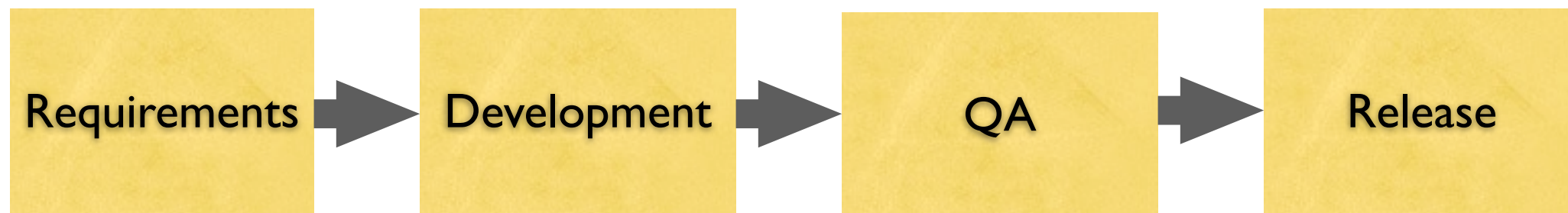
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Lean Startup

+

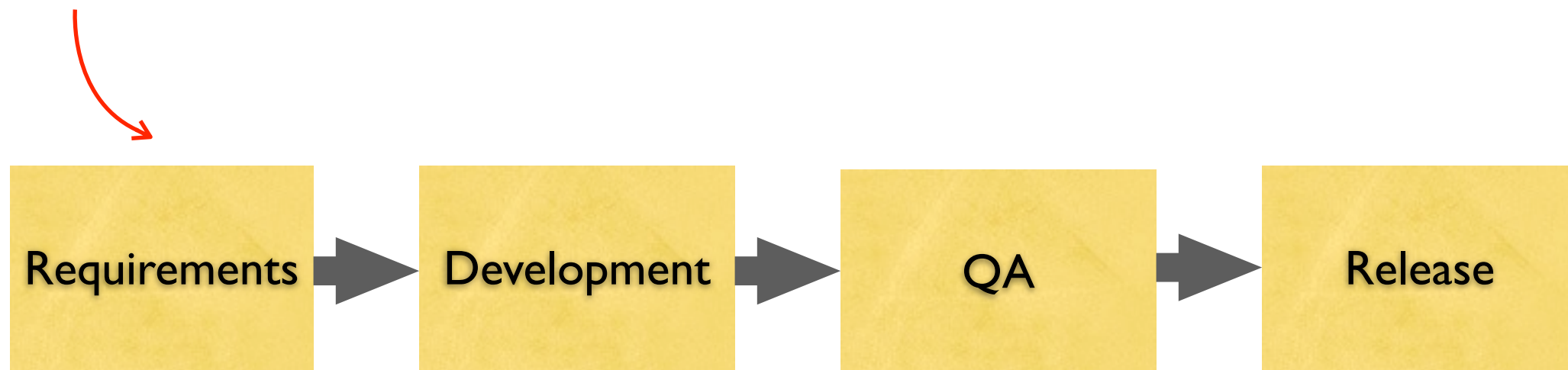
Bootstrapping

Customer Development



Customer Development

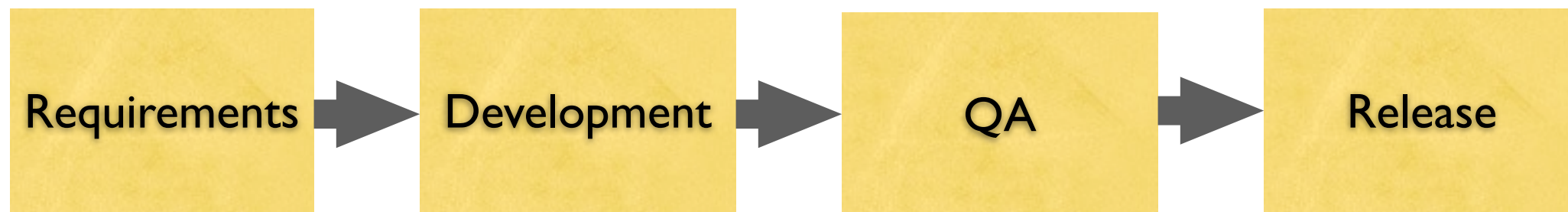
Some learning



Customer Development

Some learning

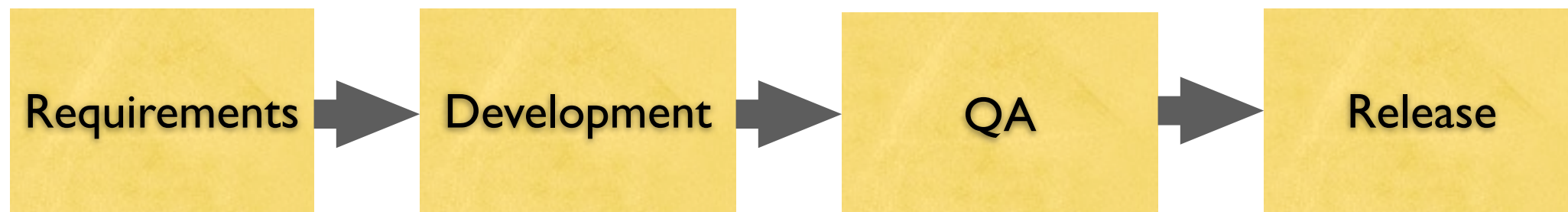
Most learning happens here



Customer Development

Some learning

Most learning happens here



Very little learning

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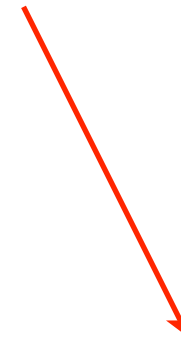
1. Document your Plan A
2. Systematically Test your Plan A

There is an “I” in Vision

Smart people can rationalize anything.

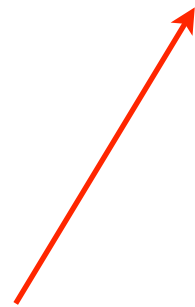
Business Model vs Business Plan

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

The 3 Stages of a Startup



Validate Problem/Solution Fit



Do I have a problem worth solving?

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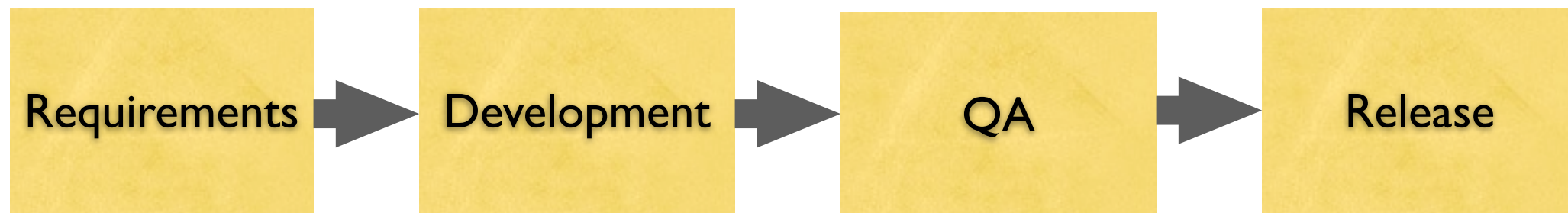
Achieve Product/Market Fit



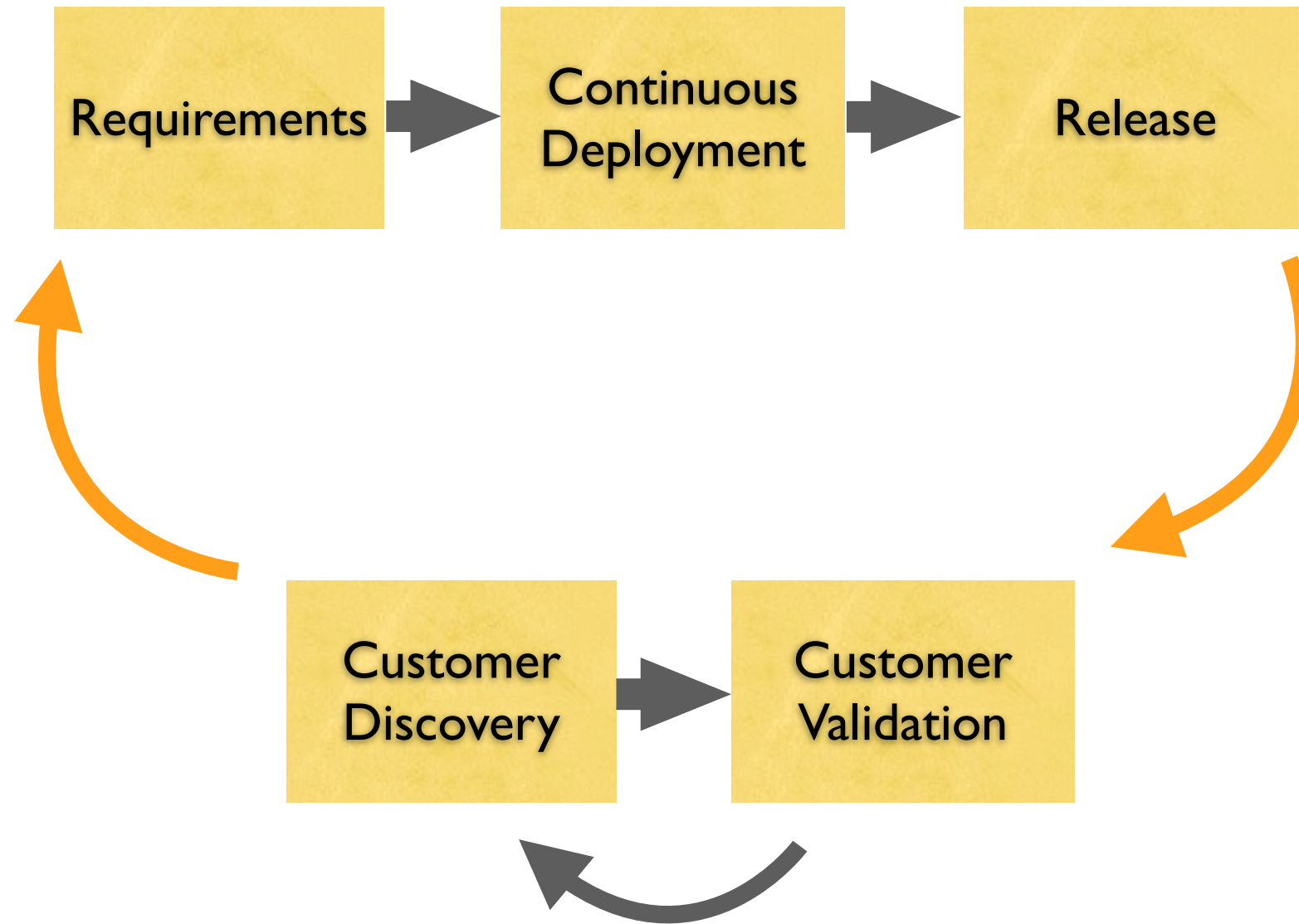
Have I built something people want?

Some learning

Most learning happens here



Very little learning



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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Optimize for Scale

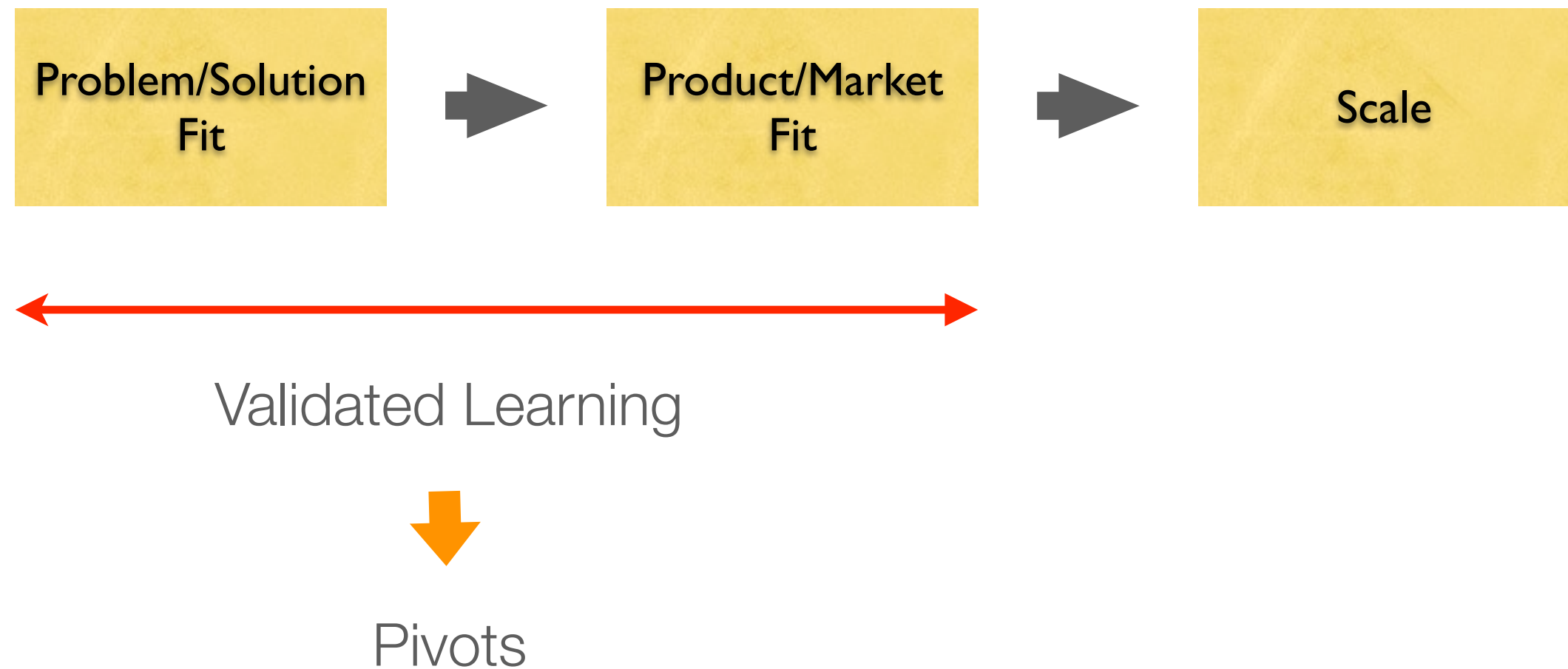


How do I accelerate growth?

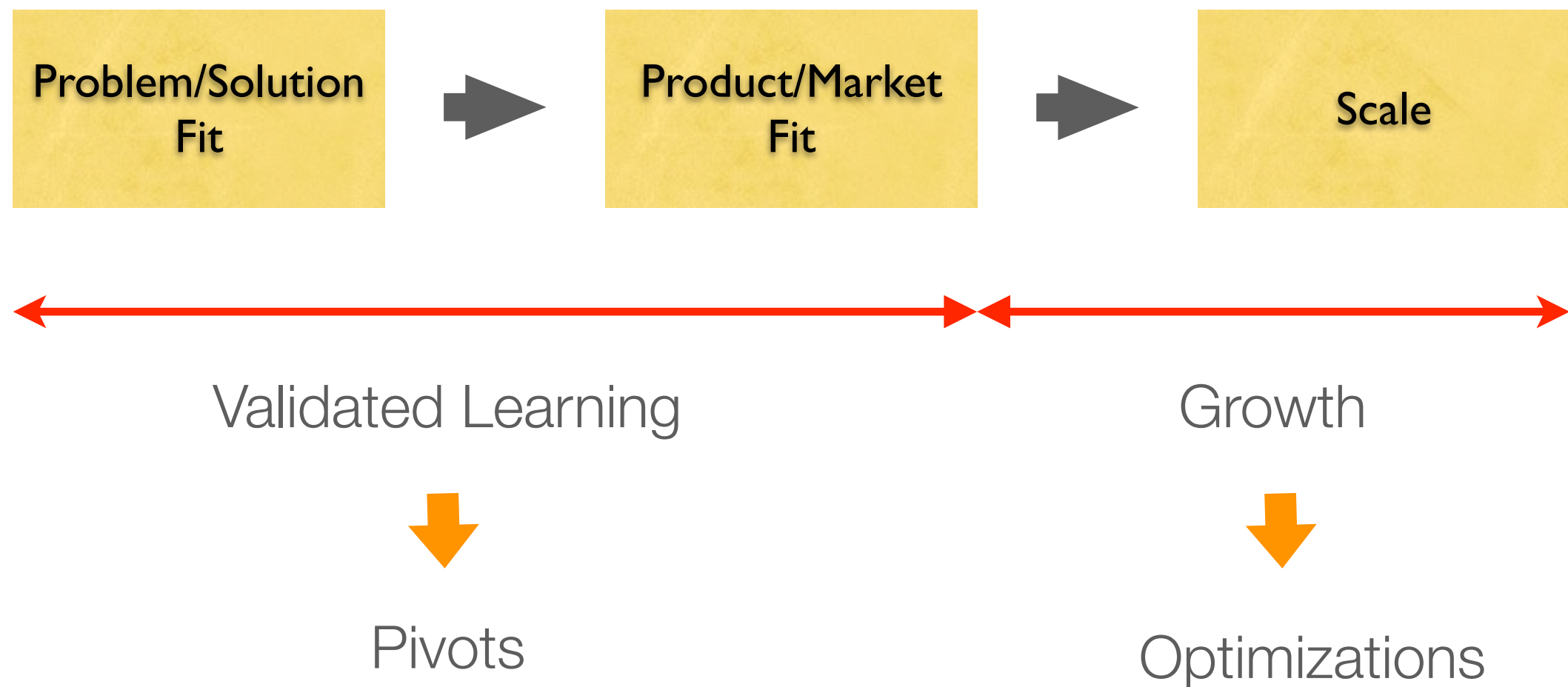


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Before Product/Market Fit

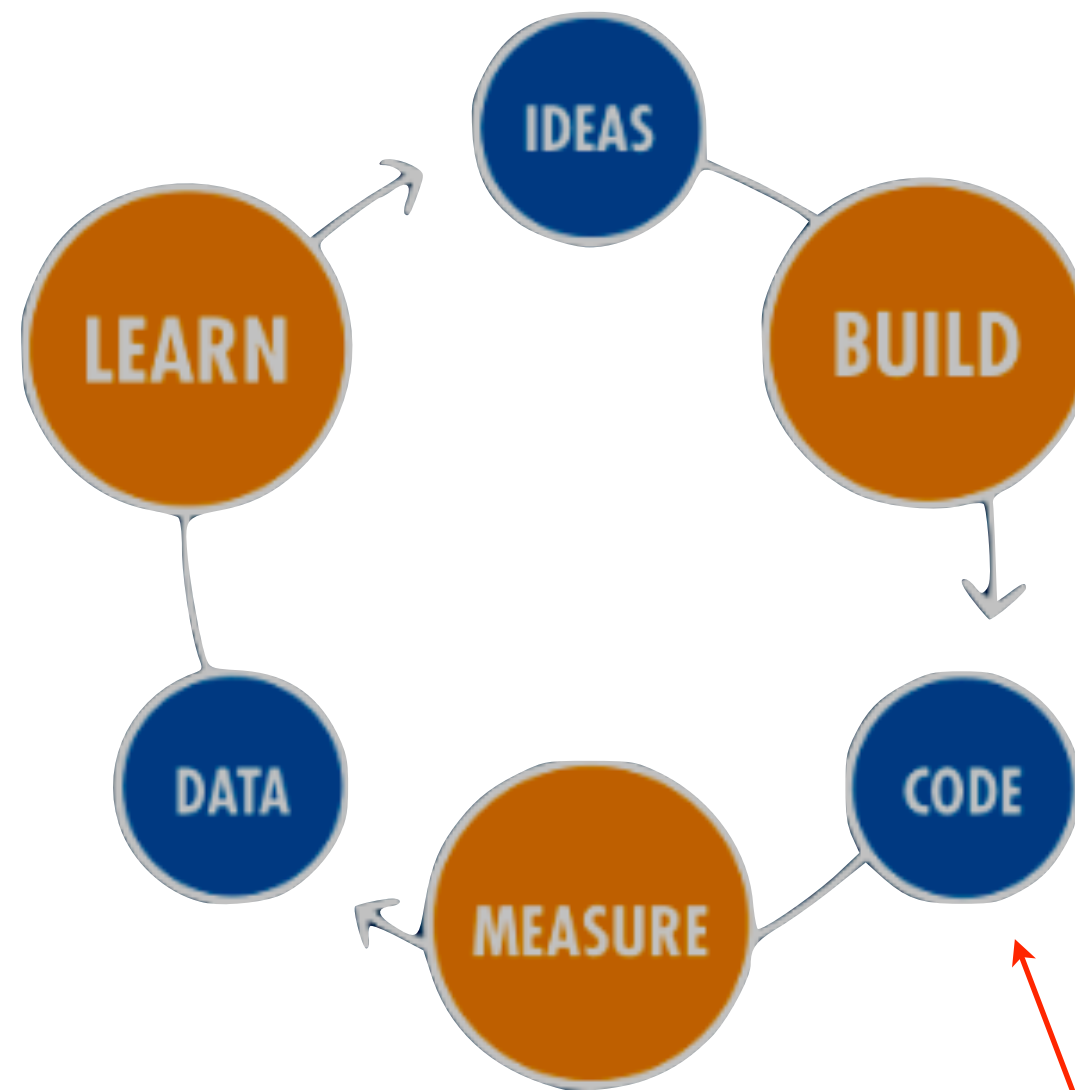


After Product/Market Fit



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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.

How to build a validated learning loop

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Qualitative



Start here

Quantitative



Verify with data

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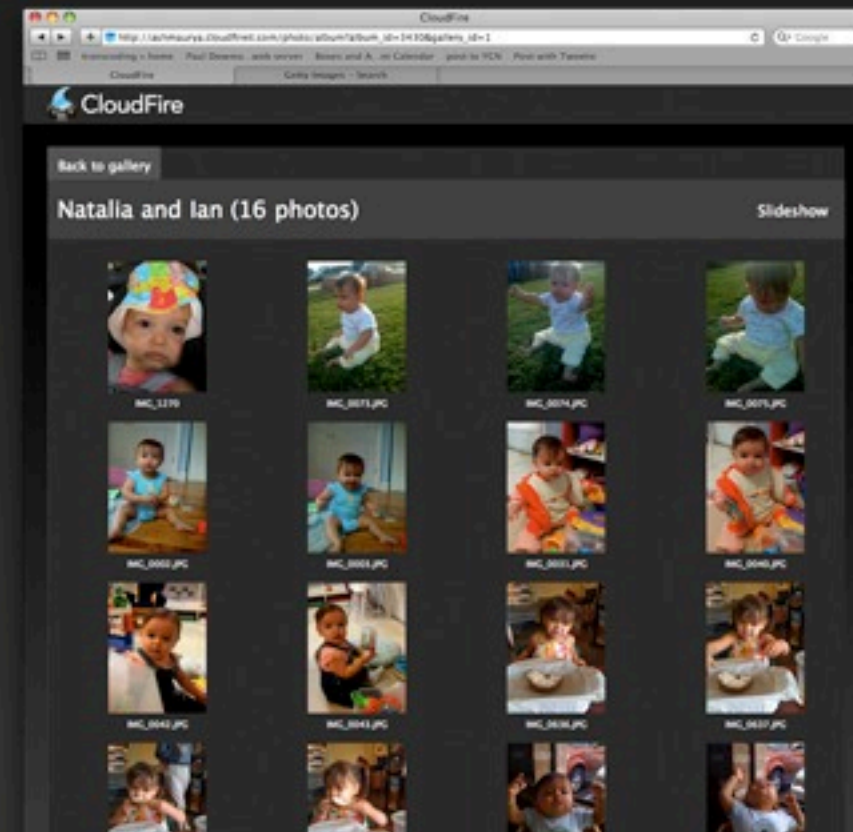


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Words matter

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Images matter

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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](#)

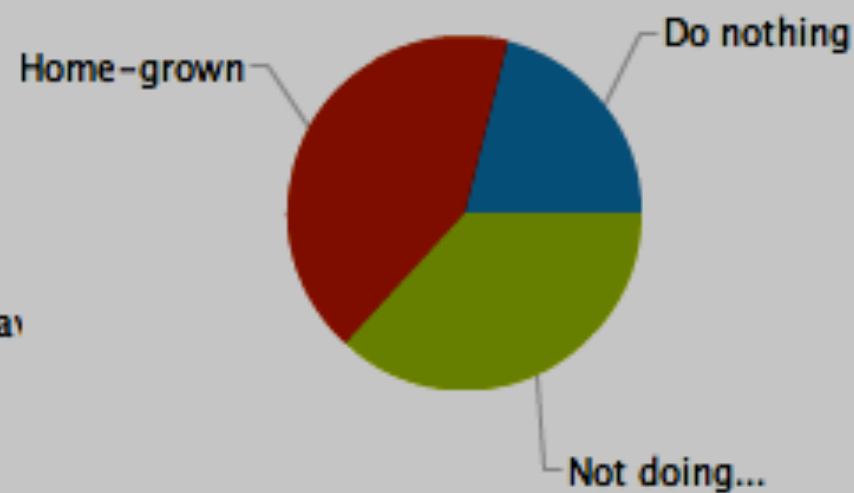
What is the #1 Problem?

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

Pain Level



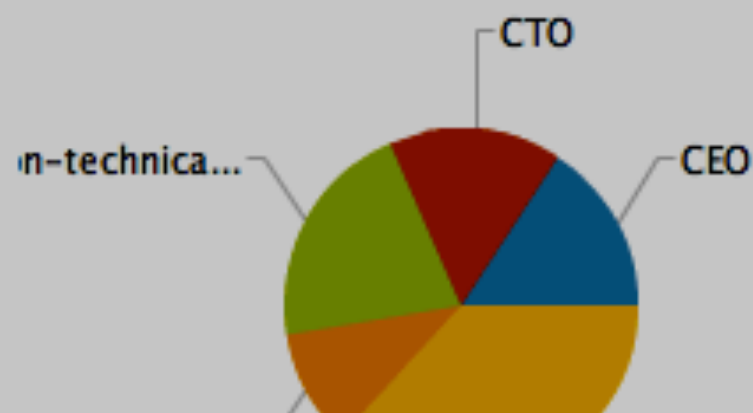
Today's Solution



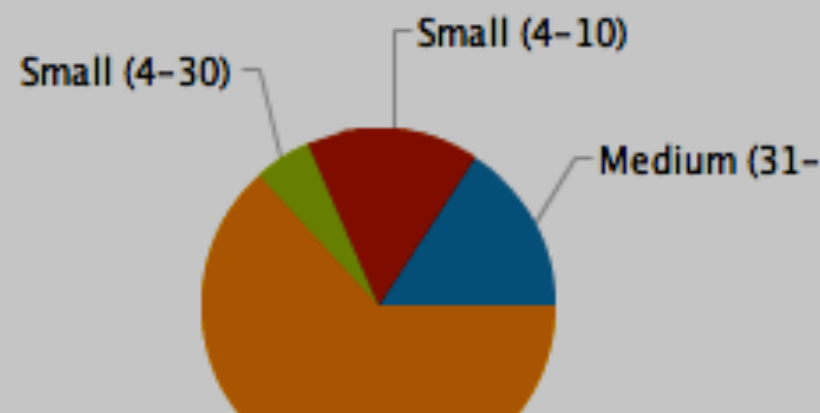
Interviews
19

Who is the Customer?

Title/Role



Company Size



Business Model



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Results from last iteration

We thought (Hypotheses):

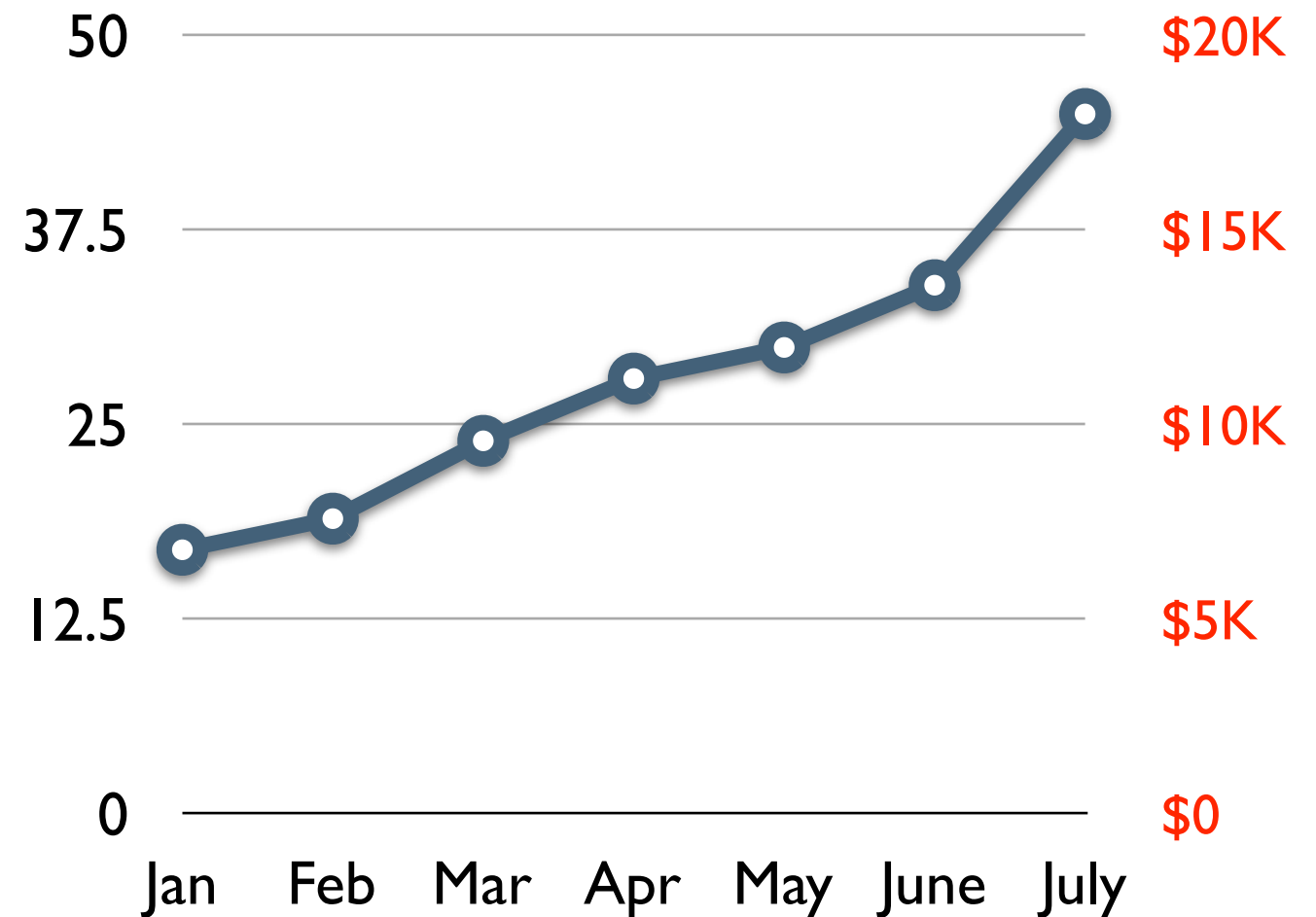
- Personal Authority would be a viable channel to early adopters
- Customers would vote the problem as “must-have”
- Customers would pay \$49/mo

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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blog: <http://www.ashmaurya.com>



Running Lean - the book

Systematically **iterate** your product
from **plan A** to a **plan that works**

<http://www.RunningLeanHQ.com>