

Internet – the great knowledge equalizer

Cloud – minimize capital requirement

Social Media & Online Marketing

LeanStartup



MID-20th
Century



"I have
a STACK of
TOOLS for
administering
BIG BUSINESS."



STARTUPS are NOT
just smaller versions
of larger companies!



WHAT about
TOOLS for
STARTING
a business?



Problem Domain

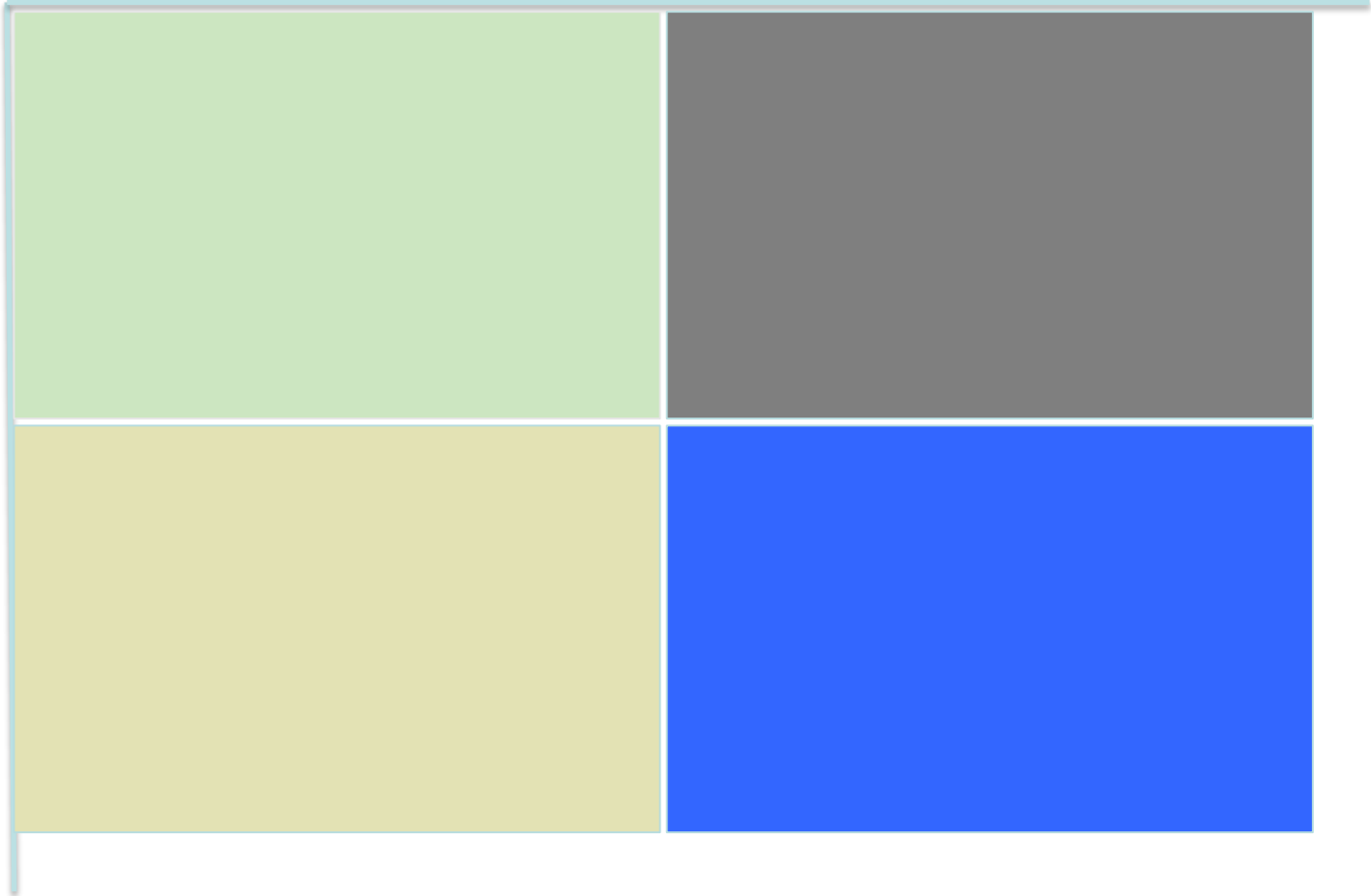
Known

Unknown

Known

Unknown

Solution Domain



Implementation Choice

Problem Domain

Known

Unknown

Known

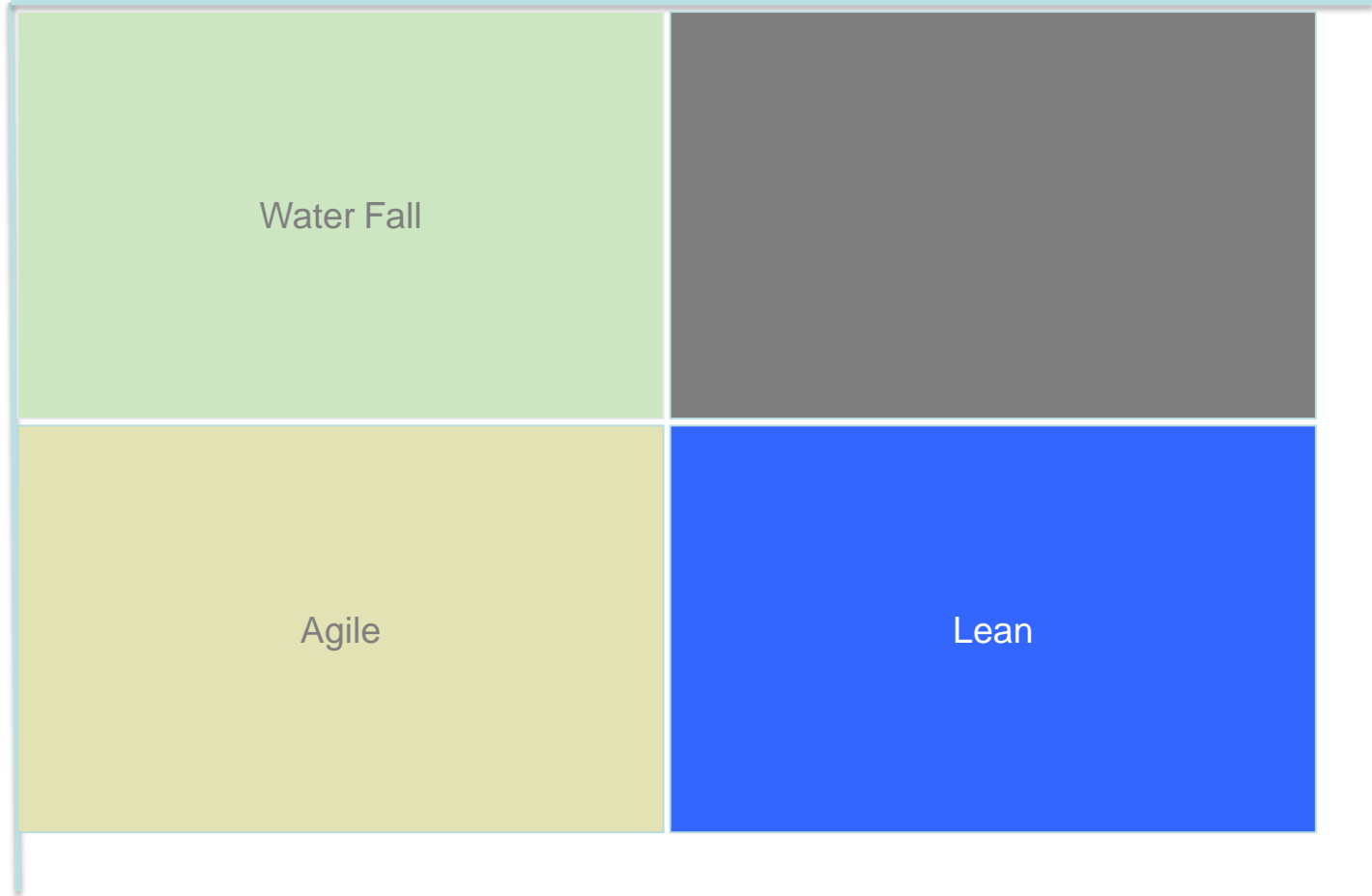
Water Fall

Unknown

Agile

Lean

Solution Domain



Management Style Choice

Problem Domain

Known

Unknown

Known

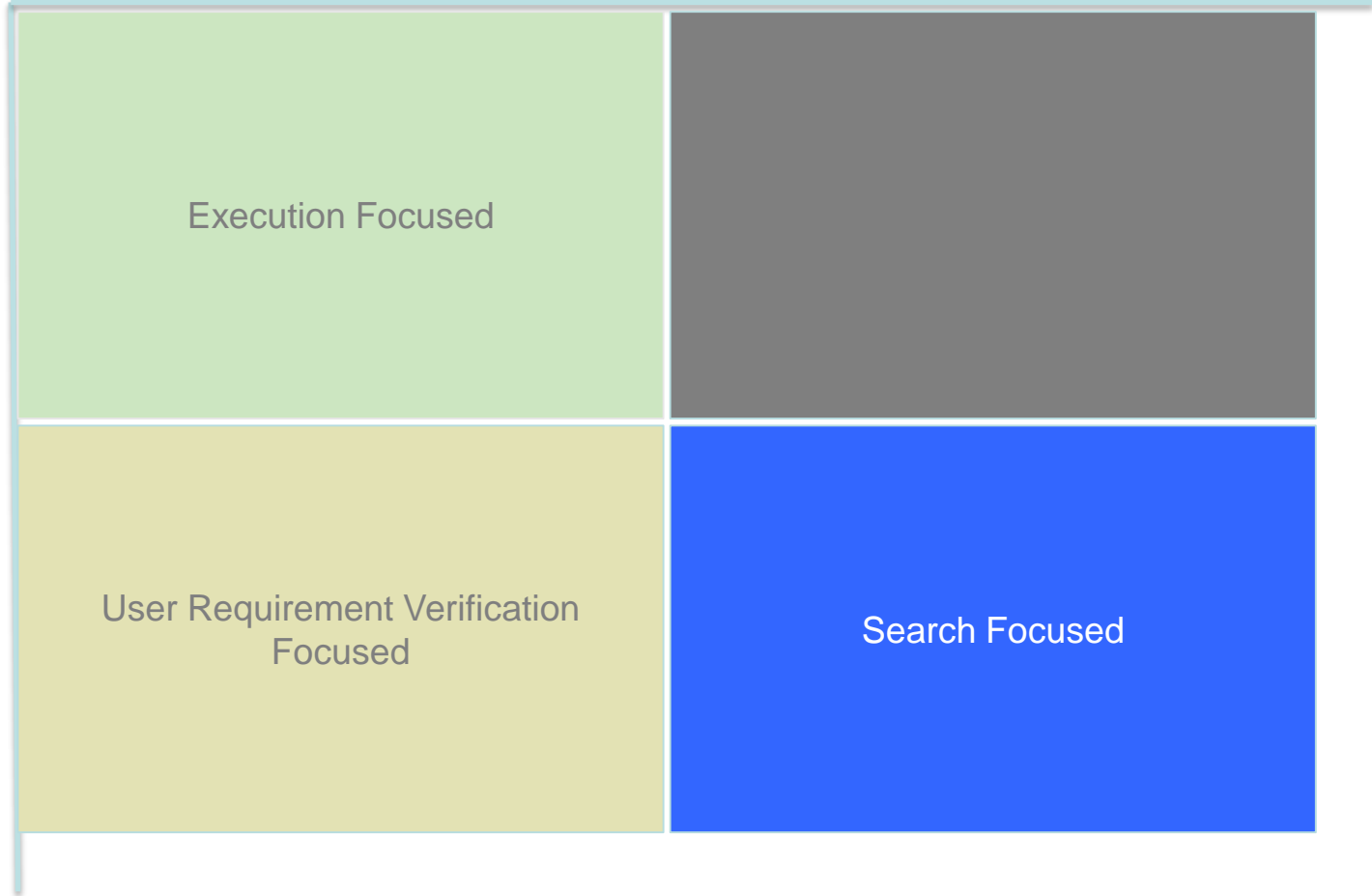
Execution Focused

Unknown

User Requirement Verification
Focused

Search Focused

Solution Domain



Desired Outcome

Problem Domain

Known

Unknown

Known

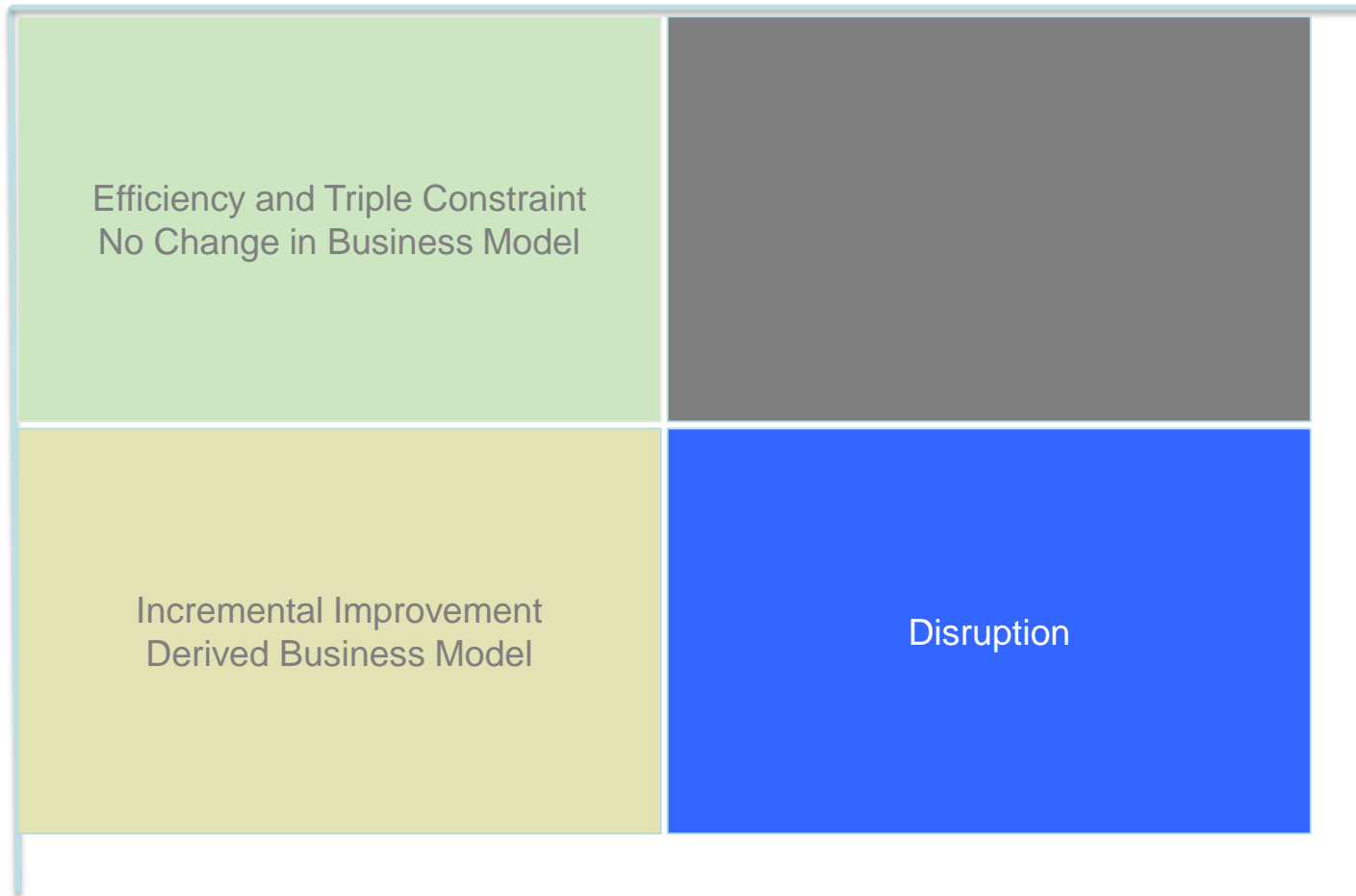
Efficiency and Triple Constraint
No Change in Business Model

Unknown

Incremental Improvement
Derived Business Model

Disruption

Solution Domain



What is a Startup?

“A human institution designed to create something new under conditions of extreme uncertainty. And, of course, the importance of disruptive innovation in creating something that is truly different than what came before.”

Eric Ries

Startups versus existing companies

- That startups begin with a series of unknowns (**mostly**)
 - They **Search**
- That existing companies deal with execution of knowns (**mostly**)
 - They **Execute**
- The insight is that management tools built to execute do not work in search
- Early stage ventures need their own tools

? What is
a **STARTUP?**

A **TEMPORARY**
organization



Designed to **SEARCH...**
For a **REPEATABLE**
and **SCALABLE...**
BUSINESS MODEL.

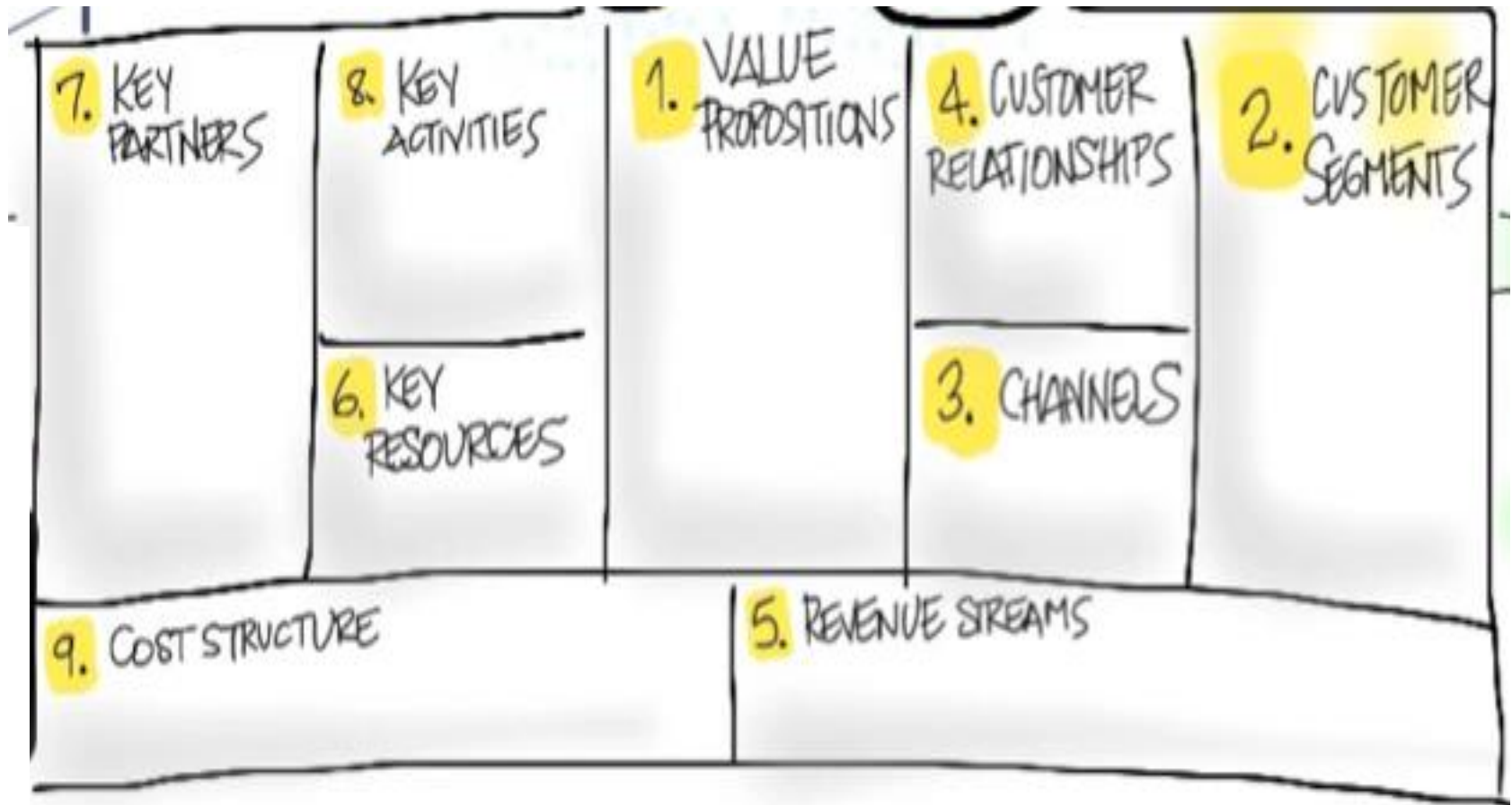


Startups Search
Companies Execute

SEARCH

EXECUTION

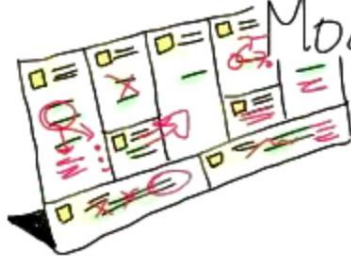
Search the Business **Models** First



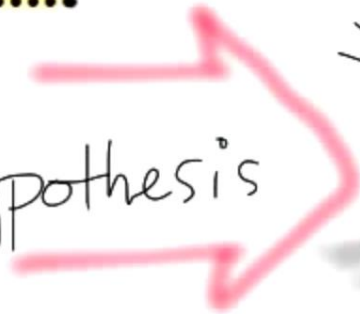
SEARCH

EXECUTION

● STRATEGY



Business
Model Hypothesis



SEARCH

EXECUTION

STRATEGY

Business Model Hypothesis

Operating Plan + Financial Forecasts

PROCESS

Customer Development, Agile Development

Product Management Agile or Waterfall Development



SEARCH

EXECUTION

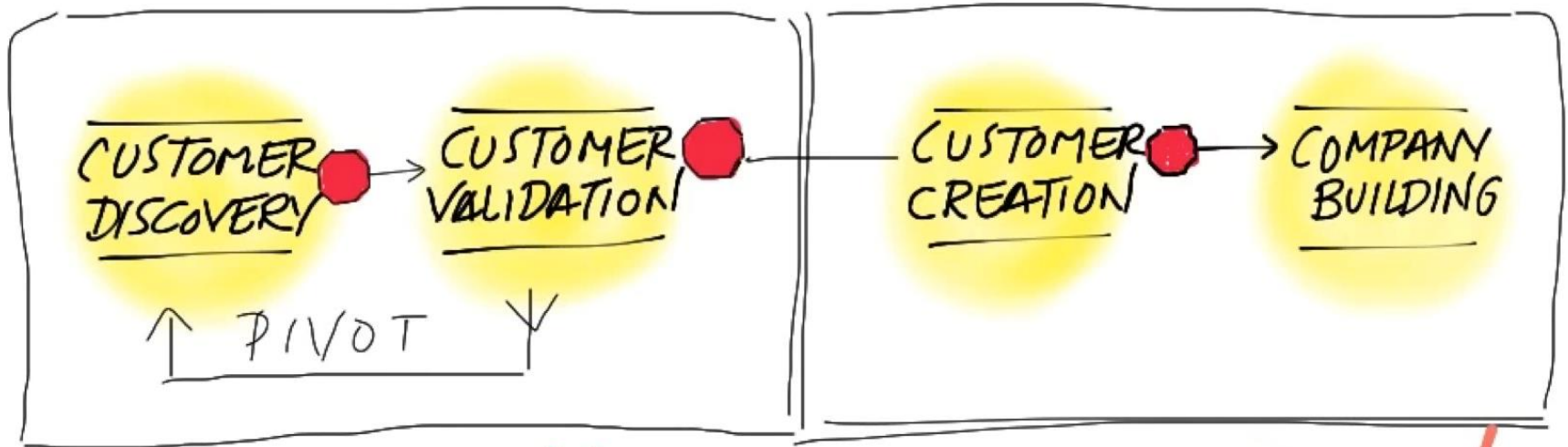


EXTREME PROGRAMMING

+



EXTREME PROGRAMMING



SEARCH

EXECUTION

SEARCH

EXECUTION

STRATEGY

Business Model Hypothesis



PROCESS

Customer Development, Agile Development



Product Management Agile or Waterfall Development



ORGANIZATION

Customer Development Team, Founder-Driven



In a startup
Founders run a
Customer Development Team

No sales, marketing and business
development

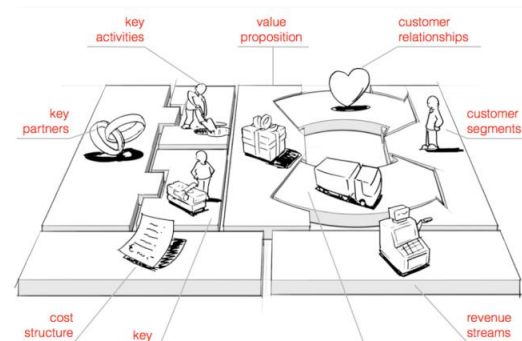
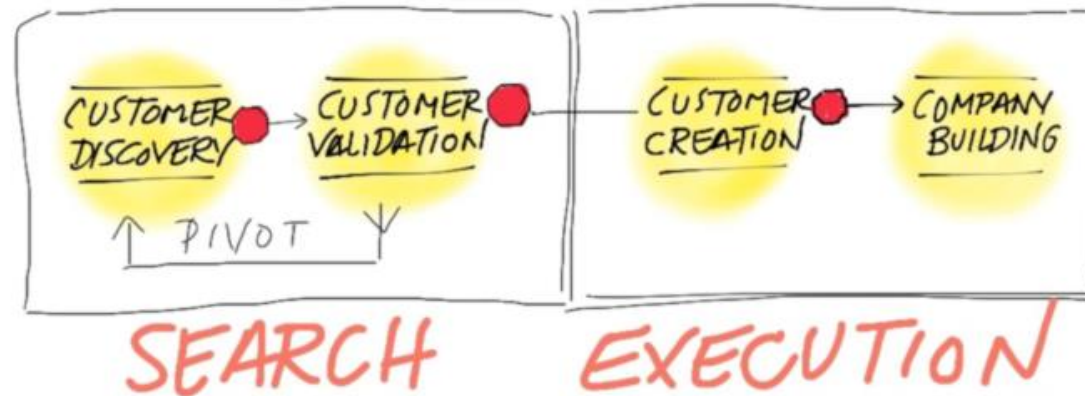
Start here brainstorming hypothesis. Pull to right to start experiment	Experiments	1	2	3	4
Who are your customers?	Customer	1. Who are your customers?	2. Who are your customers?	3. Who are your customers?	4. Who are your customers?
What is the problem?	Problem	1. What is the problem?	2. What is the problem?	3. What is the problem?	4. What is the problem?
Define your solution only after its proven that the problem is worth solving	Solution	1. Define your solution only after its proven that the problem is worth solving	2. Define your solution only after its proven that the problem is worth solving	3. Define your solution only after its proven that the problem is worth solving	4. Define your solution only after its proven that the problem is worth solving
List all assumptions that must hold true for your hypothesis to be proven true	Riskiest Assumption	1. List all assumptions that must hold true for your hypothesis to be proven true	2. List all assumptions that must hold true for your hypothesis to be proven true	3. List all assumptions that must hold true for your hypothesis to be proven true	4. List all assumptions that must hold true for your hypothesis to be proven true
Need help, use this sentences to construct your experiment					
To form a Customer/Problem Hypothesis: I believe my customer has a problem achieving this goal.	Success Criteria	1. To form a Customer/Problem Hypothesis: I believe my customer has a problem achieving this goal.	2. To form a Customer/Problem Hypothesis: I believe my customer has a problem achieving this goal.	3. To form a Customer/Problem Hypothesis: I believe my customer has a problem achieving this goal.	4. To form a Customer/Problem Hypothesis: I believe my customer has a problem achieving this goal.
To form your Assumptions: In order for hypothesis to be true, assumption needs to be true.	Get out of the Building	1. To form your Assumptions: In order for hypothesis to be true, assumption needs to be true.	2. To form your Assumptions: In order for hypothesis to be true, assumption needs to be true.	3. To form your Assumptions: In order for hypothesis to be true, assumption needs to be true.	4. To form your Assumptions: In order for hypothesis to be true, assumption needs to be true.
Determine how you will test it: The least expensive way to test my assumption is...	Results & Decision	1. Determine how you will test it: The least expensive way to test my assumption is...	2. Determine how you will test it: The least expensive way to test my assumption is...	3. Determine how you will test it: The least expensive way to test my assumption is...	4. Determine how you will test it: The least expensive way to test my assumption is...
Determine what success looks like: I will run experiment with # of customers and expect a strong signal from # of customers.	Learning	1. Determine what success looks like: I will run experiment with # of customers and expect a strong signal from # of customers.	2. Determine what success looks like: I will run experiment with # of customers and expect a strong signal from # of customers.	3. Determine what success looks like: I will run experiment with # of customers and expect a strong signal from # of customers.	4. Determine what success looks like: I will run experiment with # of customers and expect a strong signal from # of customers.

The lean marketing framework



VALIDATION BOARD

GROWTH HACKING

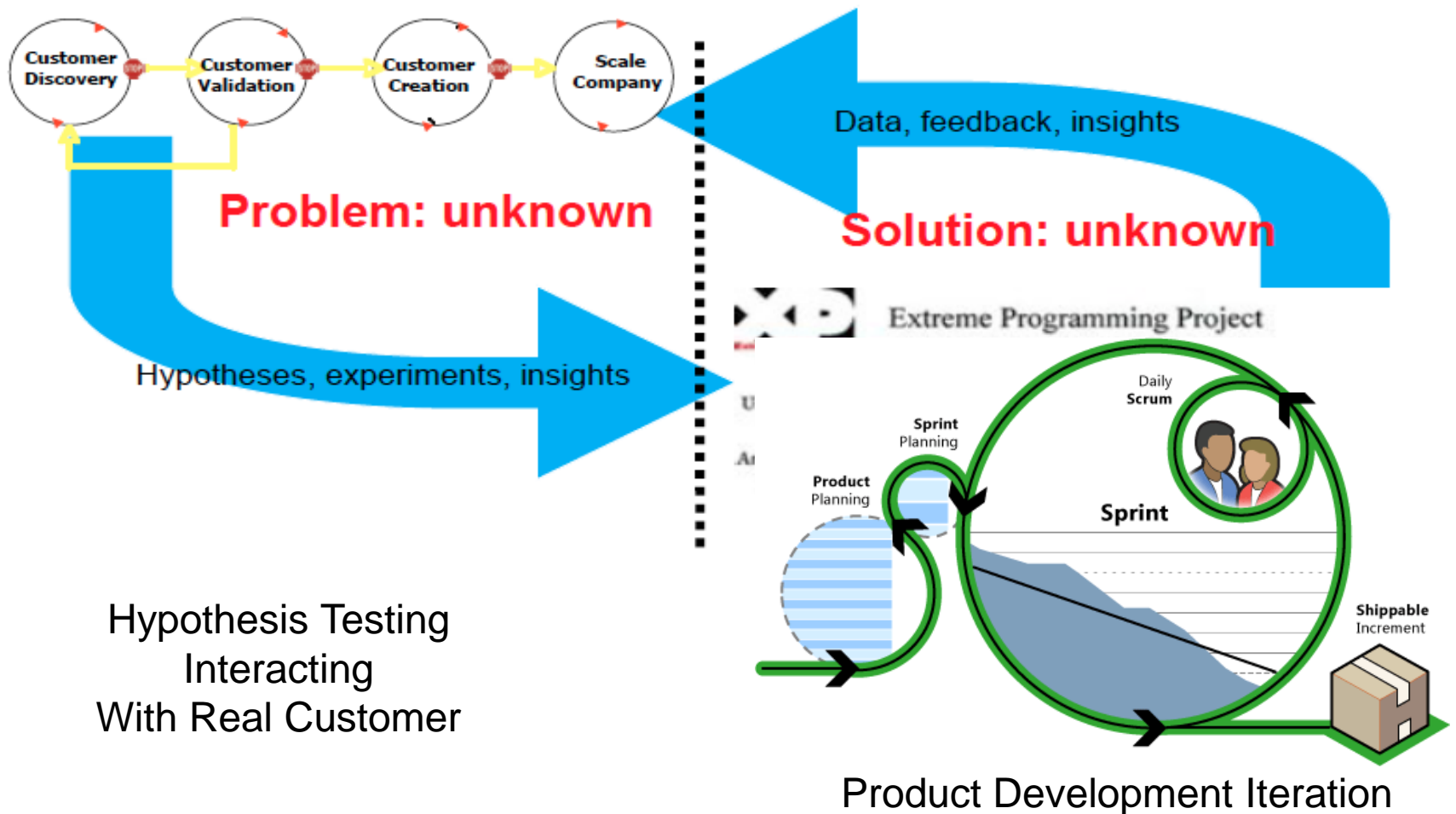


Keeping Track Using BMC

Product Development at Lean Startup

Assumes Customers and Markets are Unknown

Customer Development Engineering



Validate the Problem



Validate the Initial Customer Segment



Validate the Solution



Acquire Customer



Build Company