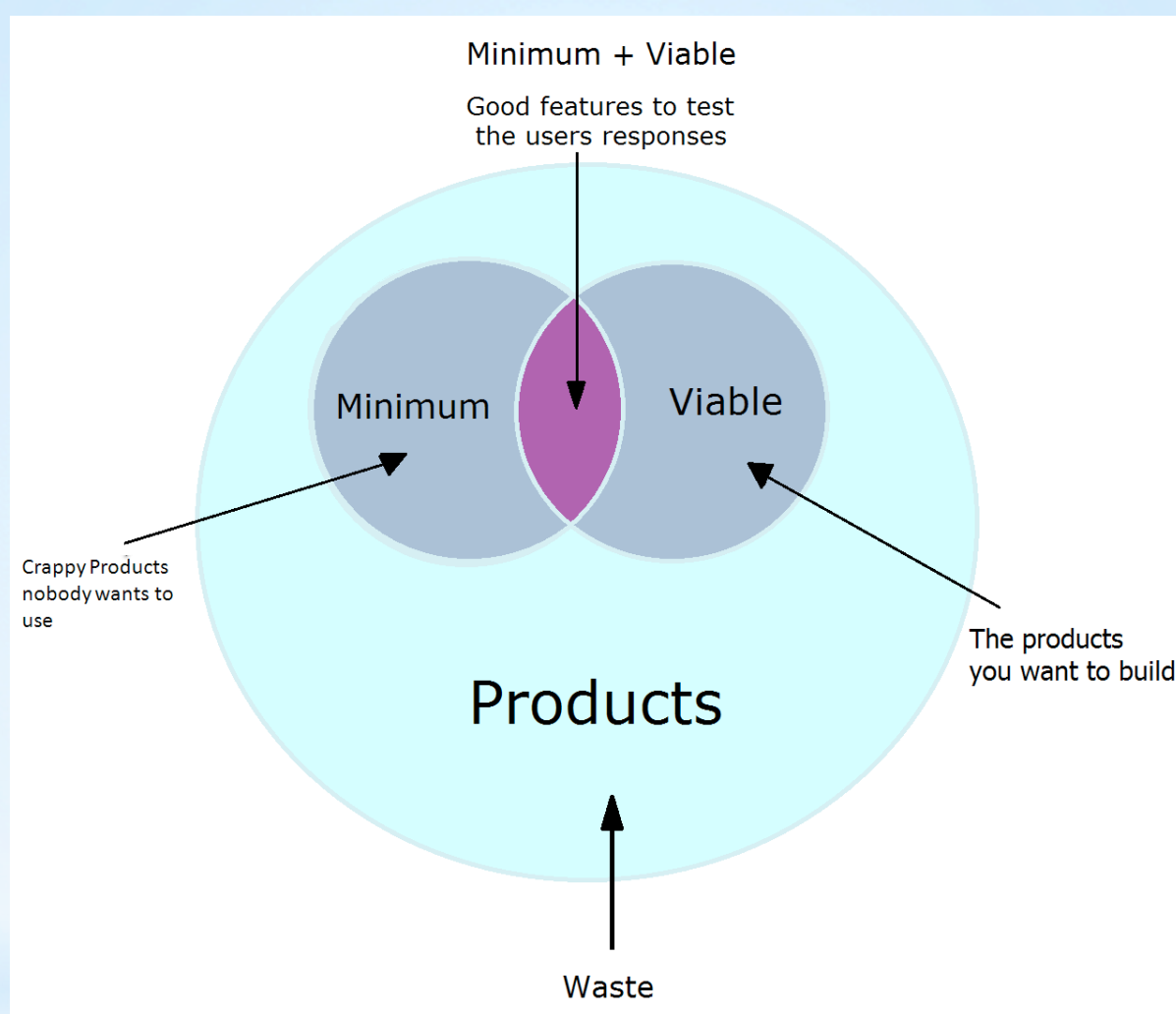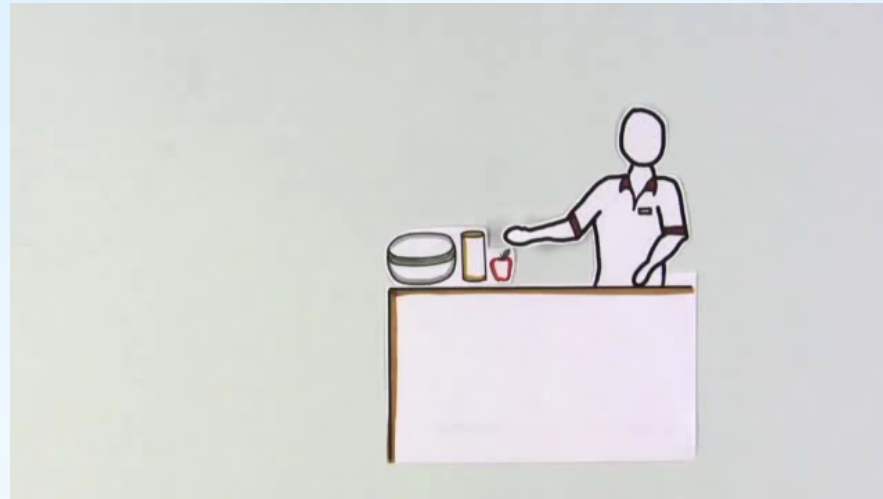1. Business Model Canvas
2. Minimum Viable Product ⬅
3. Customer Validation
4. Pivot as Needed

*Executing the Search

Minimum + Viable
Good features to test the users responses

Minimum

Viable

Crappy Products nobody wants to use

The products you want to build

Products

Waste

*Keys to MVP

*Explainer Video (Example: Dropbox)

*MVP Strategies 1

Extracted from:
http://scalemybusiness.com/the-ultimate-guide-to-minimum-viable-products/

* A Landing Page
  * Craft your landing page
  * Set up a Google AdWord campaign and drive traffic to your new landing page. Even here you can let the AdWord engine rotate different messages and test what works best on your prospects
  * Set up Google Analytics. The most important thing to measure is conversions – percent of visitors that sign up (or perform another desired action)
  * Set up a chat to make it easy for the visitors to raise questions
  * Set up a service like Qualaroo to survey your visitors

* MVP Strategies 2

* "Wizard of Oz" MVP
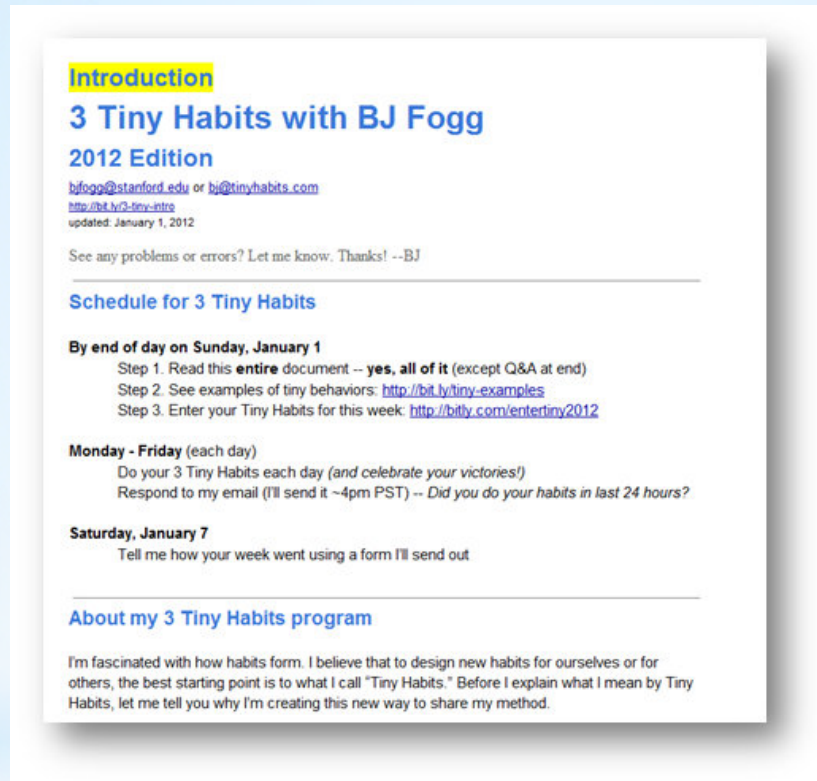   * "Looks like" a real product, but manually fulfilled

* MVP Strategies 3

* Concierge MVP
  * Hand holding and manual until automation takes over

* MVP Strategies 4

*Piecemeal MVP – Blend "Wizard of Oz" and "Concierge"

Introduction

3 Tiny Habits with BJ Fogg

2012 Edition

bjfogg@stanford.edu or bj@tinyhabits.com
http://bit.ly/3-tiny-intro
updated: January 1, 2012

See any problems or errors? Let me know. Thanks! --BJ

Schedule for 3 Tiny Habits

By end of day on Sunday, January 1
   Step 1. Read this **entire** document -- **yes, all of it** (except Q&A at end)
   Step 2. See examples of tiny behaviors: http://bit.ly/tiny-examples
   Step 3. Enter your Tiny Habits for this week: http://bitly.com/entertiny2012

Monday - Friday (each day)
   Do your 3 Tiny Habits each day *(and celebrate your victories!)*
   Respond to my email (I'll send it ~4pm PST) -- *Did you do your habits in last 24 hours?*

Saturday, January 7
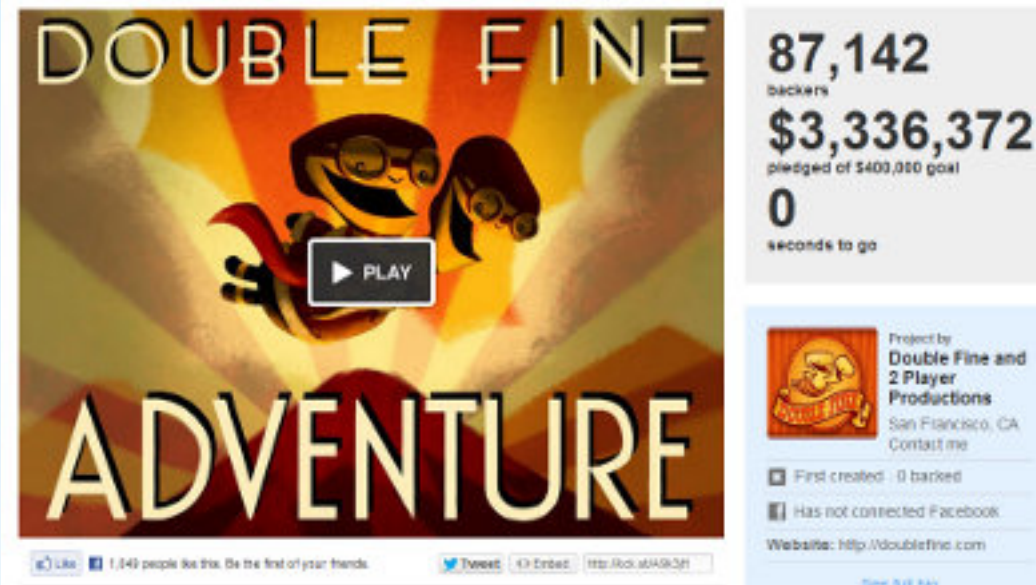   Tell me how your week went using a form I'll send out

About my 3 Tiny Habits program

I'm fascinated with how habits form. I believe that to design new habits for ourselves or for others, the best starting point is to what I call "Tiny Habits." Before I explain what I mean by Tiny Habits, let me tell you why I'm creating this new way to share my method.

*MVP Strategies 5

* Raise Funds from Customers/Crowdfunding
   * "Sell it before you build it"

DOUBLE FINE ADVENTURE

87,142 backers

$3,336,372 pledged of $400,000 goal

0 seconds to go

Project by
Double Fine and 2 Player Productions
San Francisco, CA
Contact me

First created 0 backed

Has not connected Facebook

Website: http://doublefine.com

* MVP Strategies 6

*Single Featured MVP

* *"The key is to restate any hard problem that requires a lot of software into a simple problem that requires much less. You may not be solving exactly the same problem but that's alright. Solving 80% of the original problem for 20% of the effort is a major win. The original problem is almost never so bad that it's worth five times the effort to solve it." - 37 Signals Blog*
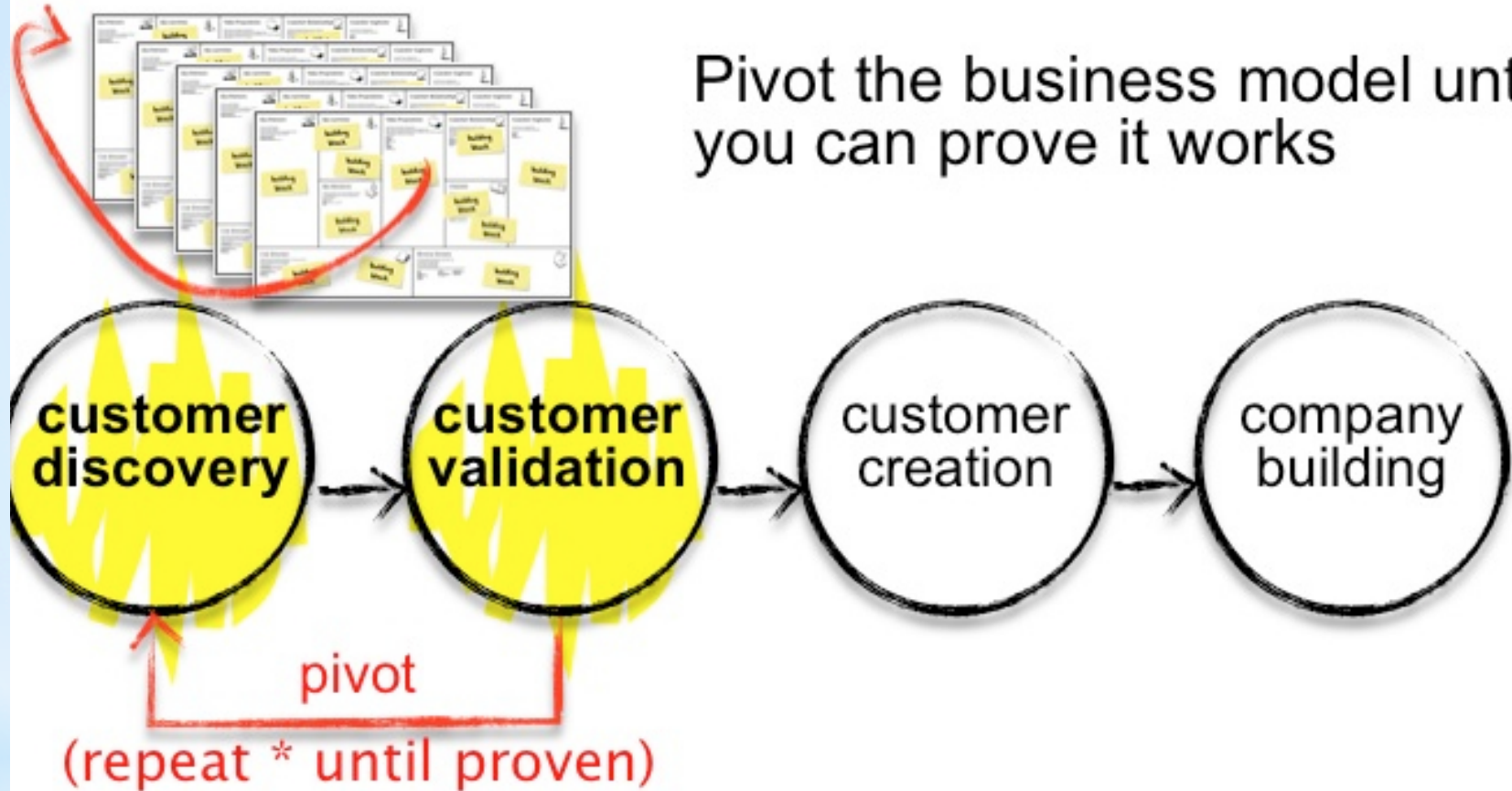

*MVP Strategy 7

1. Business Model Canvas
2. Minimum Viable Product
3. Customer Validation ⬅
4. Pivot as Needed

*Executing the Search

Pivot the business model until you can prove it works

customer discovery → customer validation → customer creation → company building

pivot
(repeat * until proven)

1. **There are no facts inside your building, so get outside**
2. Pair customer development with agile development
3. **Failure is an integral part of the search for the business model**
4. **If you're afraid to fail, you're destined to do so**
5. **Iterations and Pivots are driven by insight**
6. **Validate your hypotheses with experiments**
7. Success begins with buy-in from investors and co-founders
8. **No business plan survives first contact with customers, so use a BMC**
9. Not all startups are alike
10. Startup metrics are different from existing companies
11. **Agree on market type – it changes everything**
12. Fast, fearless decision-making, cycle time, speed and tempo
13. **If it's not about passion, you're dead the day you opened your doors**
14. Startup titles and functions are very different from a company's
15. Preserve cash while searching. After it's found, spend
16. Communicate and share learning
17. **Startups demand comfort with chaos and uncertainty**

* The Customer Development Manifesto

Courtesy of Steve Blank

*How I Learned to Stop Worrying and Love Talking to Customers

- Build a framework around learning, not pitching
- Create a script (Will be several as model evolves)
  - Problem Interview
  - Solution Interview
  - Pre-launch Interview
  - Etc.
- Start with people you know
- Take someone along with you
- Record your learning

PROBLEM INTERVIEW SCRIPT DECONSTRUCTED

WELCOME
2 min • Set the Stage

COLLECT DEMOGRAPHICS
2 min • Test customer segment

THE SETUP
IDENTIFY EARLY ADOPTERS

TELL A STORY
2 min • Set problem context

PROBLEM RANKING
4 min • Test Problem

TEST PROBLEM

EXPLORE CUSTOMER'S WORLDVIEW
15 min • Test Problem

WRAPPING UP
2 min • The Ask

PERMISSION TO FOLLOW-UP
REFERRALS

DOCUMENT RESULTS
5 minutes

DOCUMENT RESULTS

From: "The Achilles Heel of Customer Development" by Ash Maurya

1. One person at at time
2. **Know your goals and questions ahead of time**
3. Separate behavior and feedback in discussion
4. **Get psyched to hear things you don't want to hear**
5. Disarm "politeness" training
6. **Ask open ended questions**
7. Focus on actual behavior, not speculative or abstract feelings
8. **Listen, don't talk**
9. Follow your nose and drill down
10. **Parrot back or misrepresent to confirm**
11. **Ask for introductions**
12. Write up your notes as quickly as possible

Look for patterns and apply judgment

* Tips for Customer Development Interviews

By Giff Constable

http://giffconstable.com/2012/12/12-tips-for-early-customer-development-interviews-revision-3/
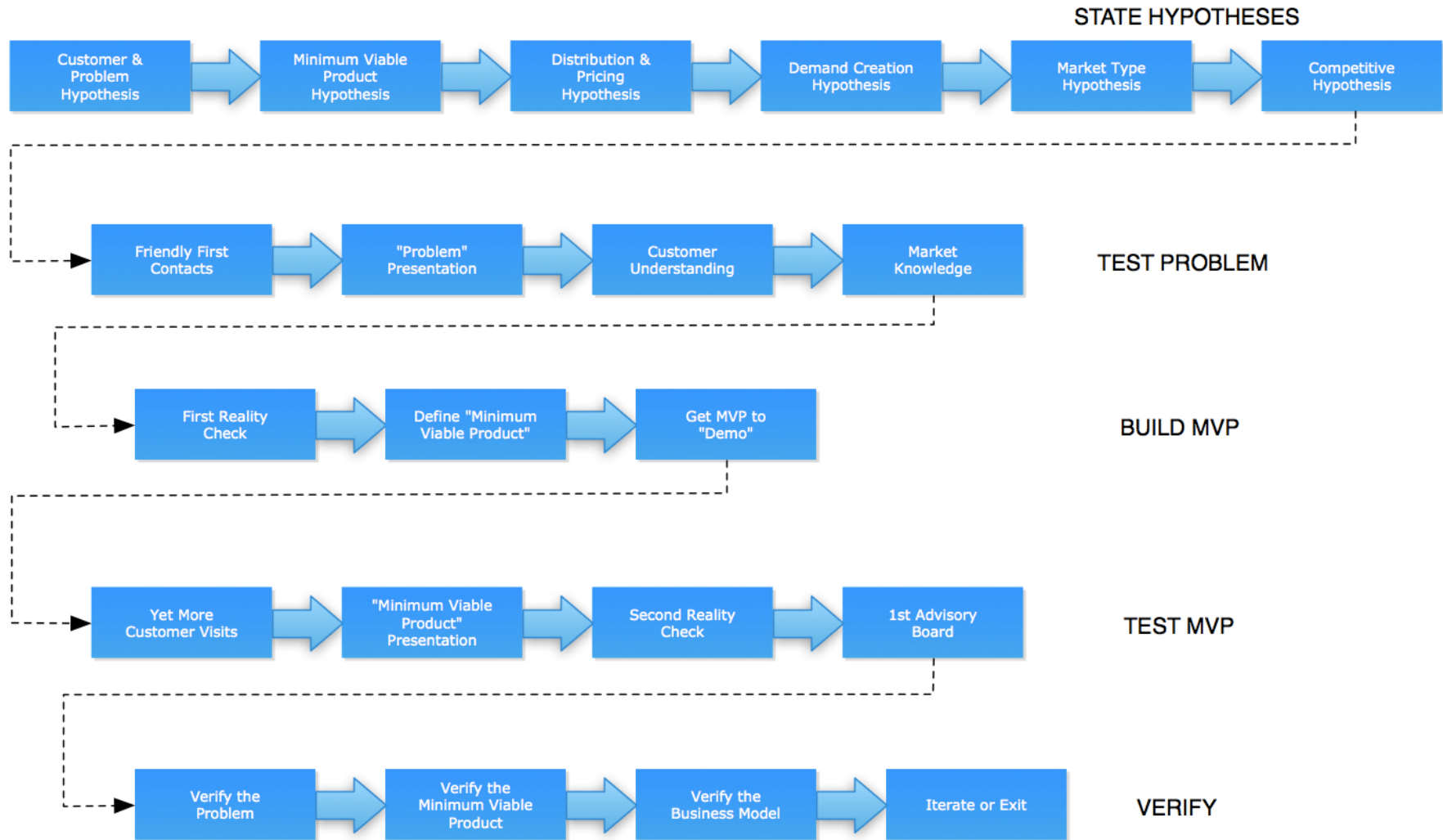
1. **Go Fish Where the Fishes Swim**
2. Have a Plan
3. Talking to Strangers is Unnatural
4. **Ask Open Ended Questions**
5. **Ask "Why?" (And Other "W" Words)**
6. Avoid Hypotheticals, Lengthy or Creative Descriptions
7. **Show, Don't Explain**
8. Listening is Uncomfortable
9. **Love the Uncomfortable Silence**
10. Keep Them Talking
11. Stop Them Talking
12. They (Could Be) a Customer

* Tips for Customer Development Interviews
by Marc McNeill

http://www.dancingmango.com/blog/2012/12/14/twelv-tips-for-customer-development-interviews/
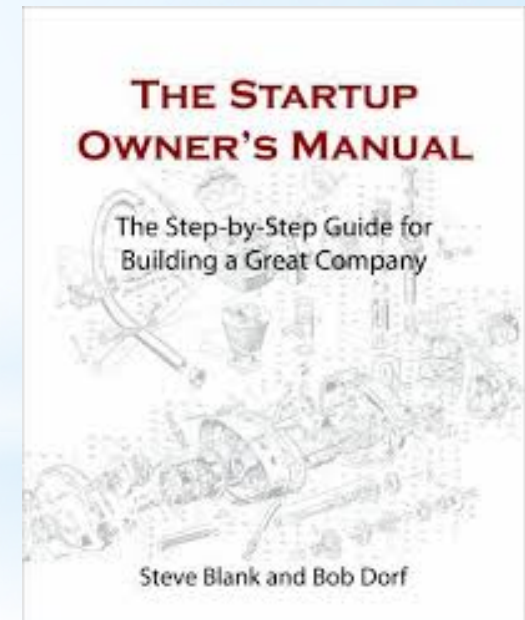
Customer Discovery for a Web Startup

STATE HYPOTHESES

Customer & Problem Hypothesis → Minimum Viable Product Hypothesis → Distribution & Pricing Hypothesis → Demand Creation Hypothesis → Market Type Hypothesis → Competitive Hypothesis

TEST PROBLEM

Friendly First Contacts → "Problem" Presentation → Customer Understanding → Market Knowledge

BUILD MVP

First Reality Check → Define "Minimum Viable Product" → Get MVP to "Demo"

TEST MVP

Yet More Customer Visits → "Minimum Viable Product" Presentation → Second Reality Check → 1st Advisory Board

VERIFY

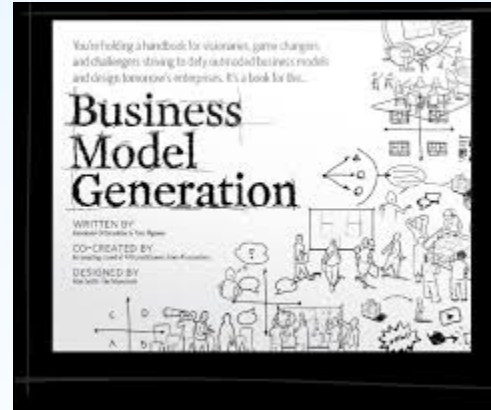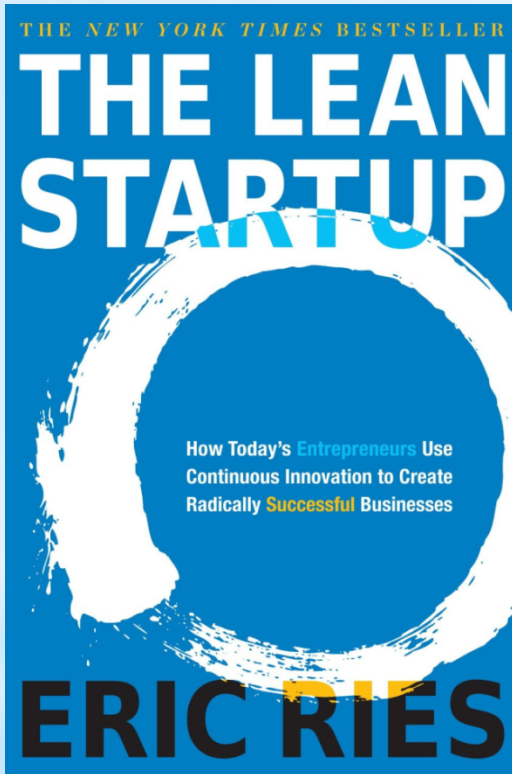Verify the Problem → Verify the Minimum Viable Product → Verify the Business Model → Iterate or Exit

* Pick a business, startup or existing, that you're familiar with
* Quickly fill in a Business Model Canvas
  * At least one entry in each of the 9 areas
* Hypothesize an MVP and describe it
* Create 5 questions you'd ask in an Customer Validation Interview
* You have 20 minutes, and then I'll take volunteers to describe what they came up with

* Exercise

Lean	Traditional
Strategy	
Business Model Hypothesis-driven	Business Plan Implementation-driven
New-Product Process	
Customer Development Get out of the office and test hypotheses	Product Management Prepare offering for market following a linear, step-by-step plan
Engineering	
Agile Development Build the product iteratively and incrementally	Agile or Waterfall Development Build the product iteratively, or fully specify the product before building it
Organization	
Customer and Agile Development Teams Hire for learning, nimbleness, and speed	Departments by Function Hire for experience and ability to execute
Financial Reporting	
Metrics That Matter Customer acquisition cost, lifetime customer value, churn, viralness	Accounting Income statement, balance sheet, cash flow statement
Failure	
Fix by iterating on ideas and pivoting away from ones that don't work	Exception Fix by firing executives
Speed	
Rapid Operates on good-enough data	Measured Operates on complete data

*What Lean Start-ups Do Differently

Extracted from "Why the Lean Startup Changes Everything"
Harvard Business Review, May, 2013

*Key Sources

* [Udacity On-line Course](#)
* [Steve Blank's Startup Tools Site](#)
* [Why/How Lean Startup Sucks for Startups](#)
* Business Model Canvas Web site: [http://alexosterwalder.com/](#)
* Harvard Business Review, May 2013 - **Why the Lean Start-up Changes Everything:** [https://archive.harvardbusiness.org/cla/web/pl/product.seam?c=25903&i=25905&cs=f85785d3580feb87e2bce1535af10c2f](#)
* Lean Start-up web site: [http://theleanstartup.com/](#)
* Printable Business Model Canvas (PDF): [http://www.businessmodelgeneration.com/downloads/business_model_canvas_poster.pdf](#)
* LinkedIn Group: "Lean Startup Circle"

* Additional Resources

*Discussion/Questions/Comments

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