

RUNNING LEAN

WORKSHOP

Hashtag: #runninglean

Wifi: DG Guest

Password: leanglobal

ASH MAURYA

@ashmaurya

ash@spark59.com

PracticeTrumpsTheory.com


9/10 *products*
~~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 before running out of resources.

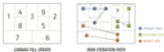


AGENDA

DAY 1


Business Model Creation

PROBLEM <small>List your top 3-5 problems.</small>	SOLUTION <small>Outline a possible solution for each problem.</small>	UNIQUE VALUE PROPOSITION <small>Single, clear, compelling message that states why you are different and worth paying attention.</small>	UNFAIR ADVANTAGE <small>Something that cannot easily be bought or copied.</small>	CUSTOMER SEGMENTS <small>List your target customers and users.</small>
EXISTING ALTERNATIVES <small>List how these problems are solved today.</small>	KEY METRICS <small>List the key numbers that tell you how your business is doing.</small>	HIGH-LEVEL CONCEPT <small>List your X for Y advantage e.g. YouTube = Place for videos.</small>	CHANNELS <small>List your path to customers (direct or indirect).</small>	EARLY ADOPTERS <small>List the characteristics of your ideal customers.</small>
	COST STRUCTURE <small>List your fixed and variable costs.</small>		REVENUE STREAMS <small>List your sources of revenue.</small>	

 **Lean Canvas**
Created by Ash Maurya. Online version available at www.leancanvas.com

DAY 2

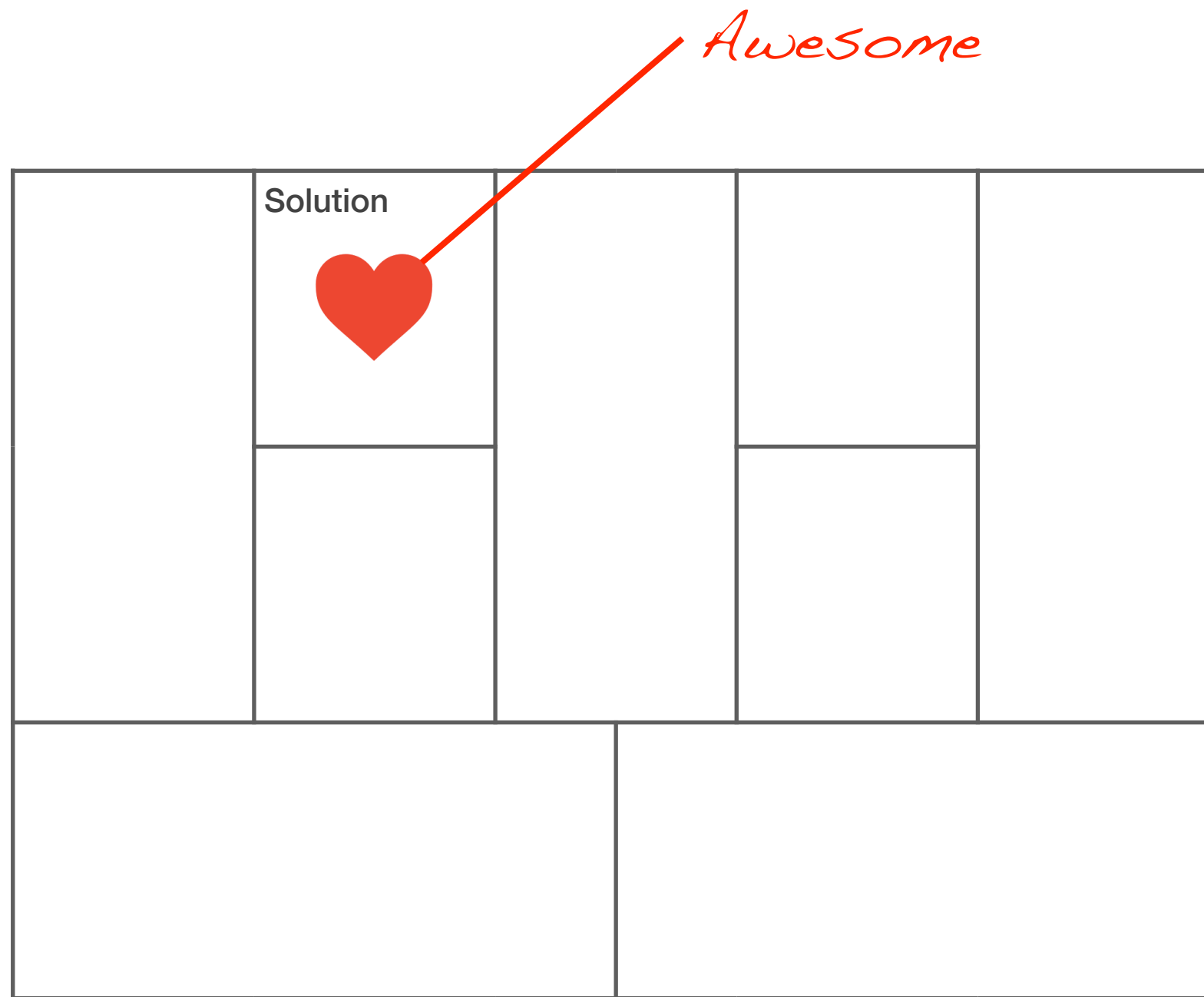
Business Model Validation

SUCCESS METRICS			CURRENT METRICS					
PROBLEM/SOLUTION FIT <small>How well you determine if this is a problem worth solving? What is your early validation criteria? How many customers does that represent? By when?</small>	PRODUCT/MARKET FIT <small>How well you determine if you have built something enough people want? What is your revenue goal? How many customers does that represent? By when?</small>	SCALE <small>How will you scale your business model? What is your engine of growth? What is your revenue goal? How many customers does that represent? By when?</small>	<small>How is your customer funnel performing? Verify your current stage. Get our customer lifecycle (AARRR) metrics.</small> 					
EXPERIMENTS								
KEY OBJECTIVE		ACTIVE EXPERIMENTS			COMPLETED EXPERIMENTS			
<small>Determine right action, right time. What are your riskiest assumptions or steps of faith? What is your next experiment goal? How will you get there? By when?</small>		BUILD	MEASURE	LEARN	1	2	3	4
					5	6	7	8
					9	10	11	12
					13	14	15	16
EXPERIMENT QUEUE								
1	2	3	4					
5	6	7	8					

Lean Dashboard
Lean Stack by leanitall.com

Why *products* are ~~startups~~ hard?

01 The **myth** of the visionary entrepreneur.



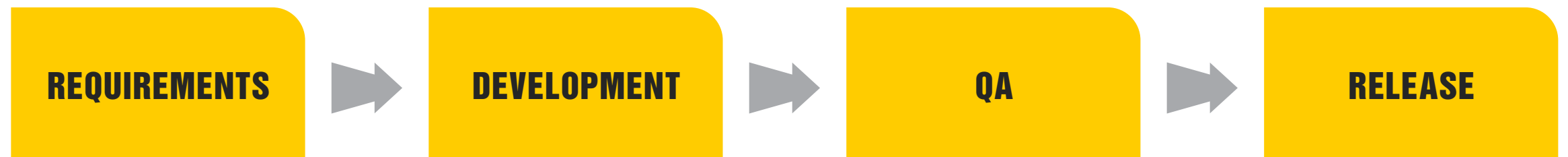
*We built it and we didn't expect it to be a company,
we were just building this because we thought it was **awesome**.*

- Mark Zuckerberg

02 Product development **gets in the way.**

Some learning

Most learning happens here



Very little learning

03 Listening to customers is key, but you have to **know how**.

*If I had asked people what they **wanted**,
they would have said **faster horses**.*

-Henry Ford

*It is not your customer's job to know
what they **want**.*

-Steve Jobs

About Me

“If you can’t describe what you are doing as a process, you **don’t know** what you are doing.”

- Edward Deming

Life's too short to build something
nobody wants.

Disclaimers

Practice **Trumps** Theory

There are no silver bullets

Running Lean does not **guarantee**
success but **raises the odds** for building
a successful product.

01 Document your Plan A

Roadmap

02 Identify the riskiest parts of your plan

03 Systematically test your plan

Separate principles from tactics.

META-PRINCIPLES

- 01 Document your Plan A
- 02 Identify the riskiest parts of your plan
- 03 Systematically test your plan

META-PRINCIPLES

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Reasonably smart people can rationalize anything but entrepreneurs are **especially gifted** at this.

Business Model *versus* Business Plan

Business Model versus **Business Plan**

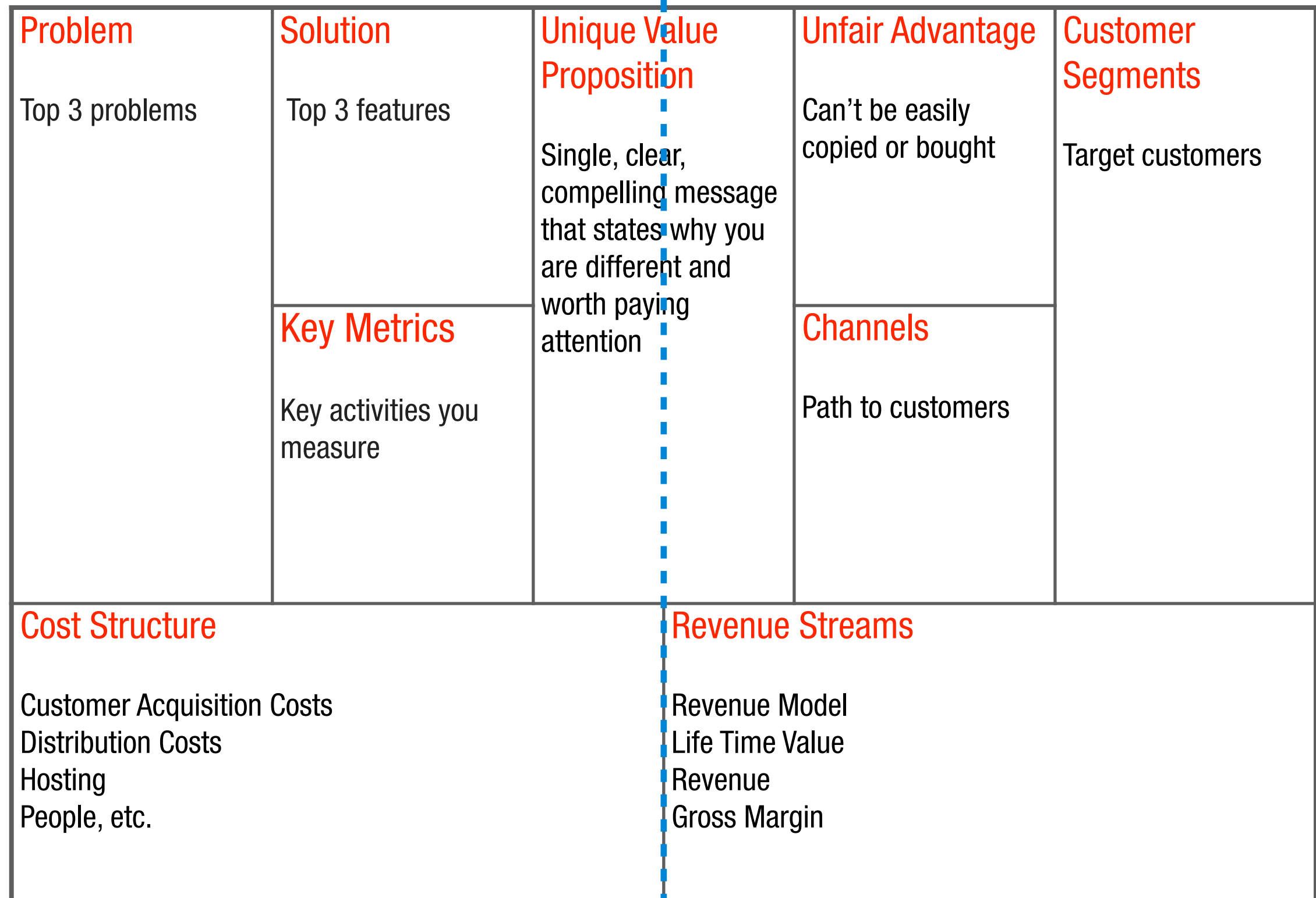


A document investors make you
write that they don't read

Business Model versus **Business Plan**



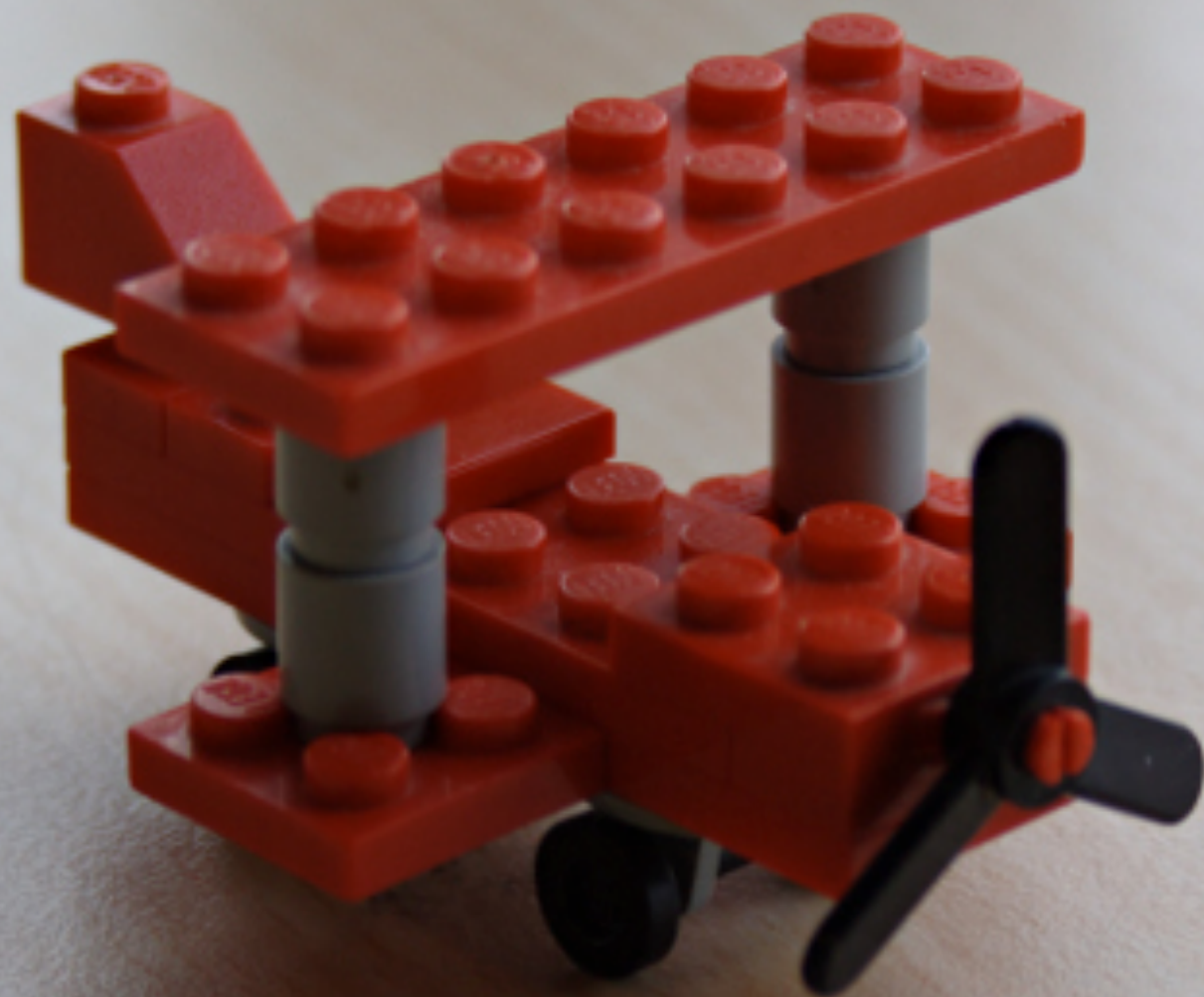
A single diagram of your business












PRODUCT

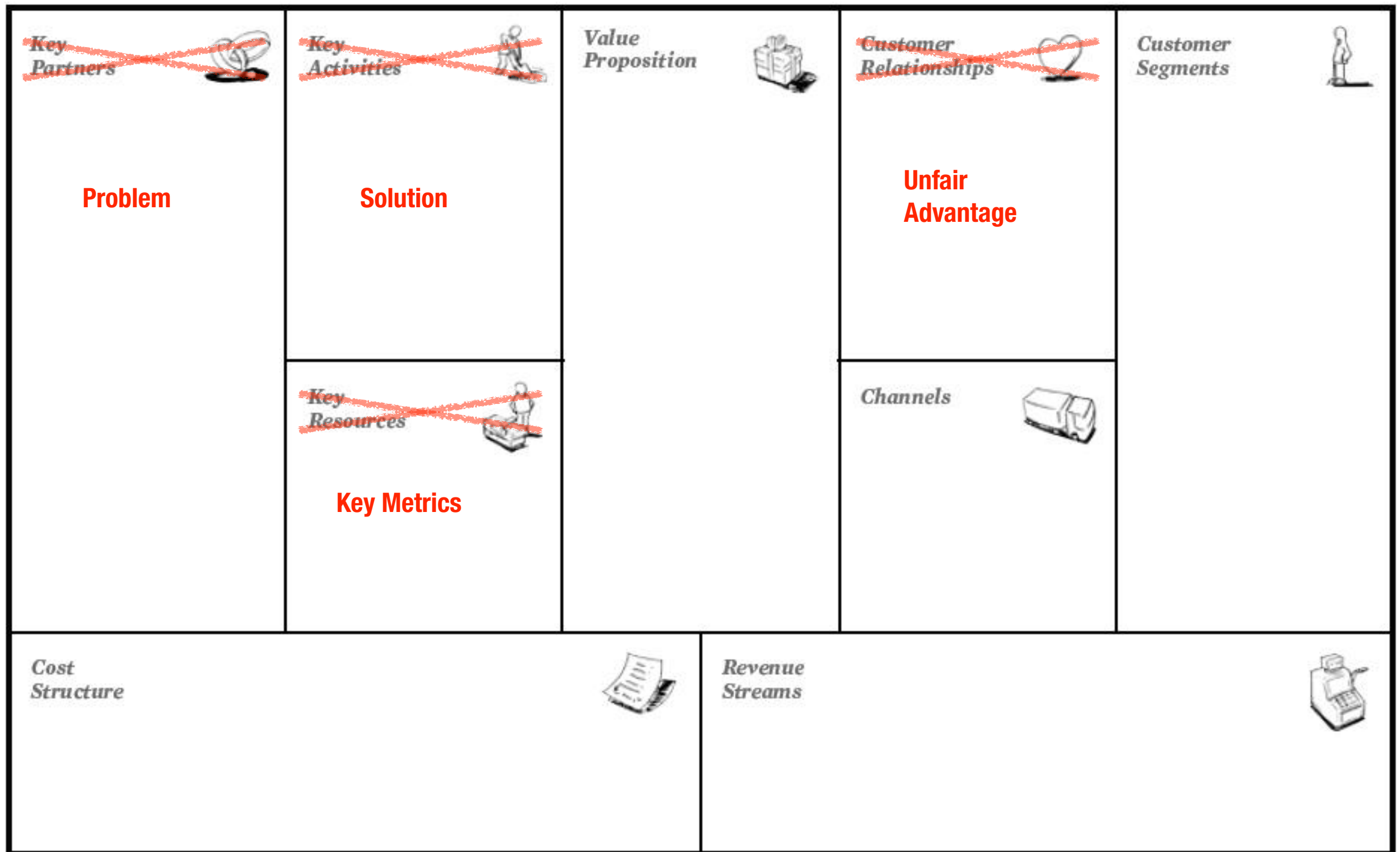
MARKET







Key Partners 	Key Activities 	Value Proposition 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	

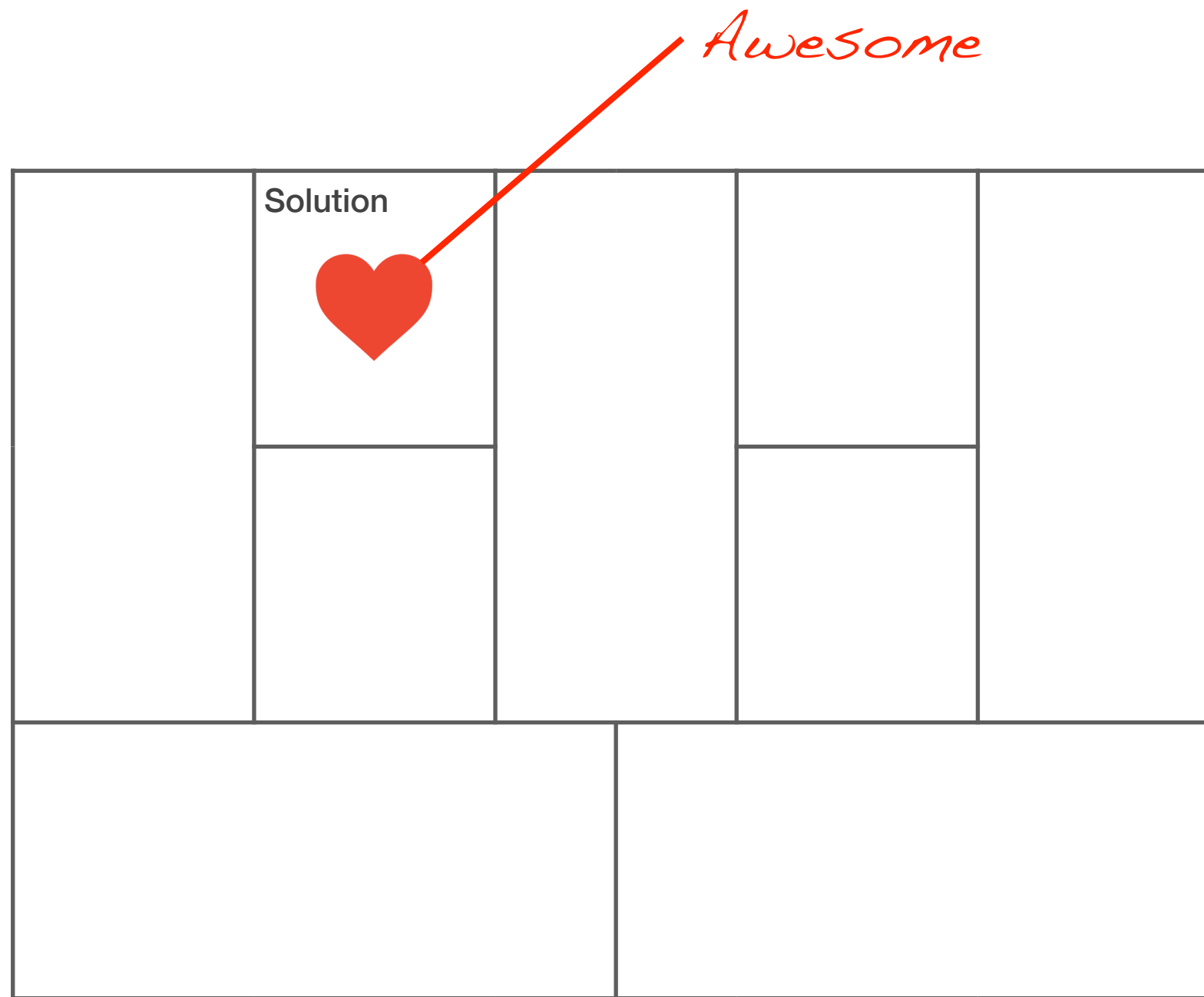


<http://runlean.ly/why-lean-canvas>

META-PRINCIPLES

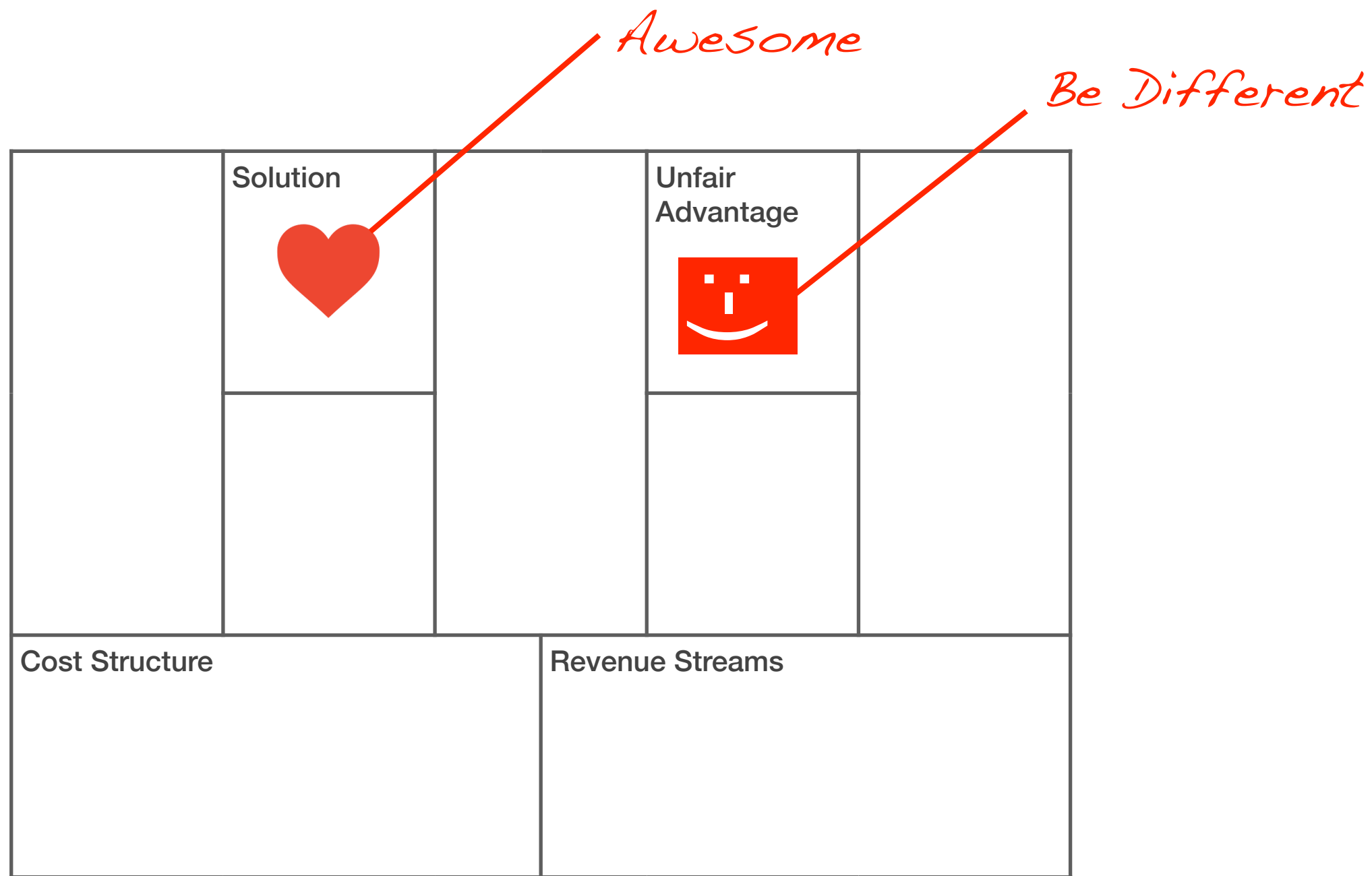
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- 03 Systematically test your plan

Building a successful product is
fundamentally about **risk mitigation**.



*We built it and we didn't expect it to be a company,
we were just building this because we thought it was **awesome**.*

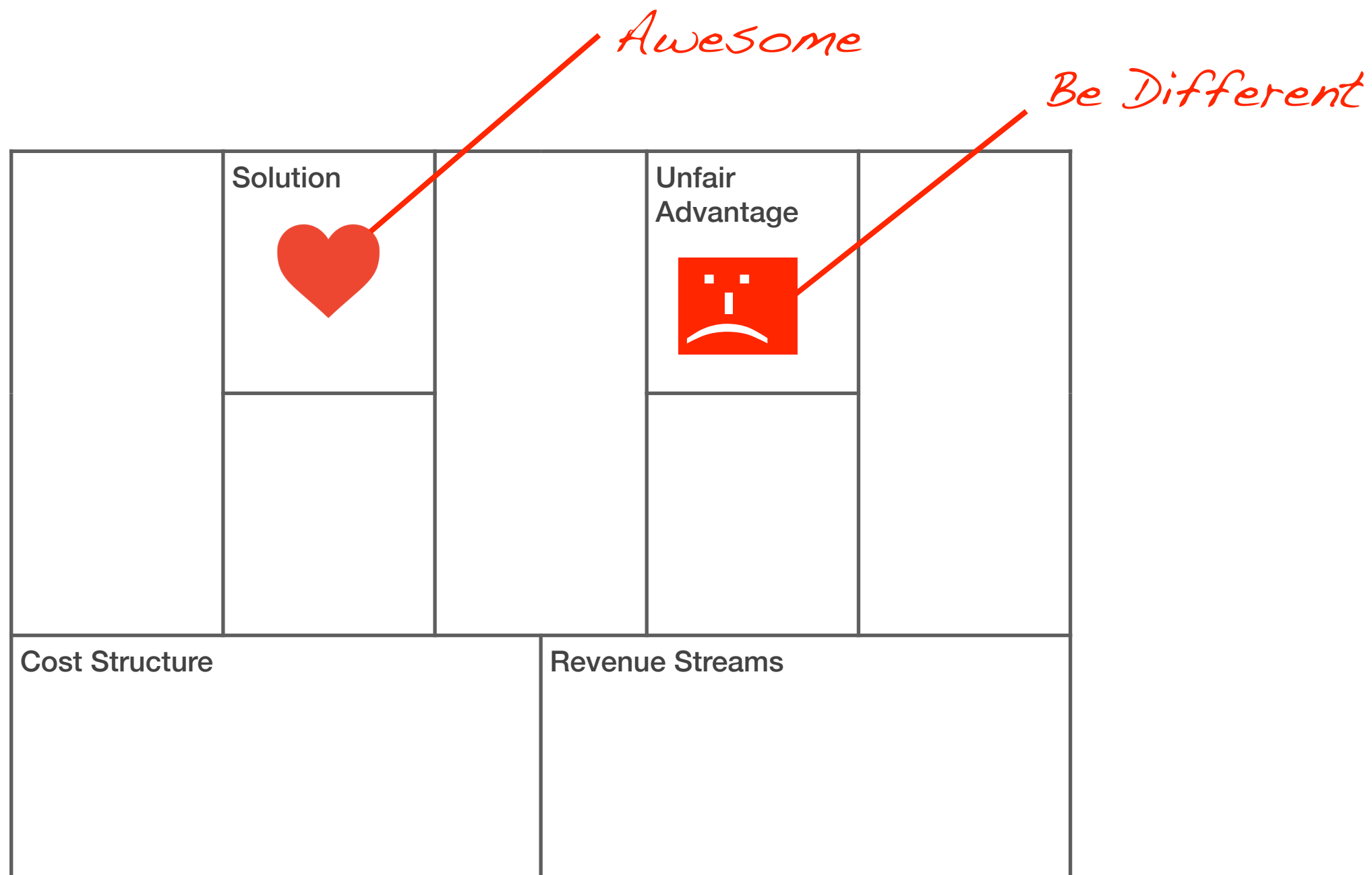
- Mark Zuckerberg

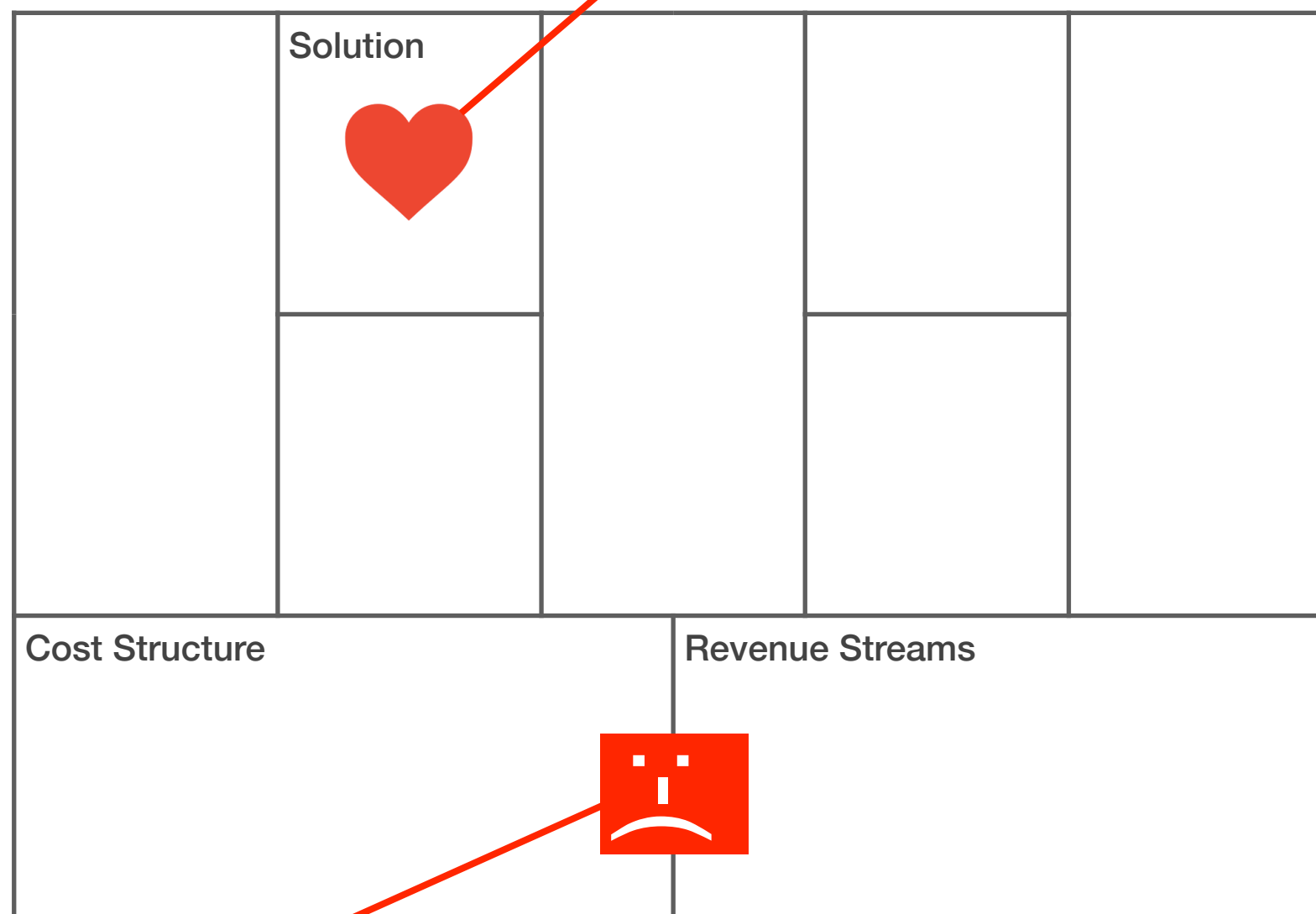


*What about “**first to market**”?*

Toyota, Ford, Apple, Microsoft, Google, Facebook
- weren't first.

They were all “**fast followers**”.






Awesome

Runway



The answer?



	Solution 			

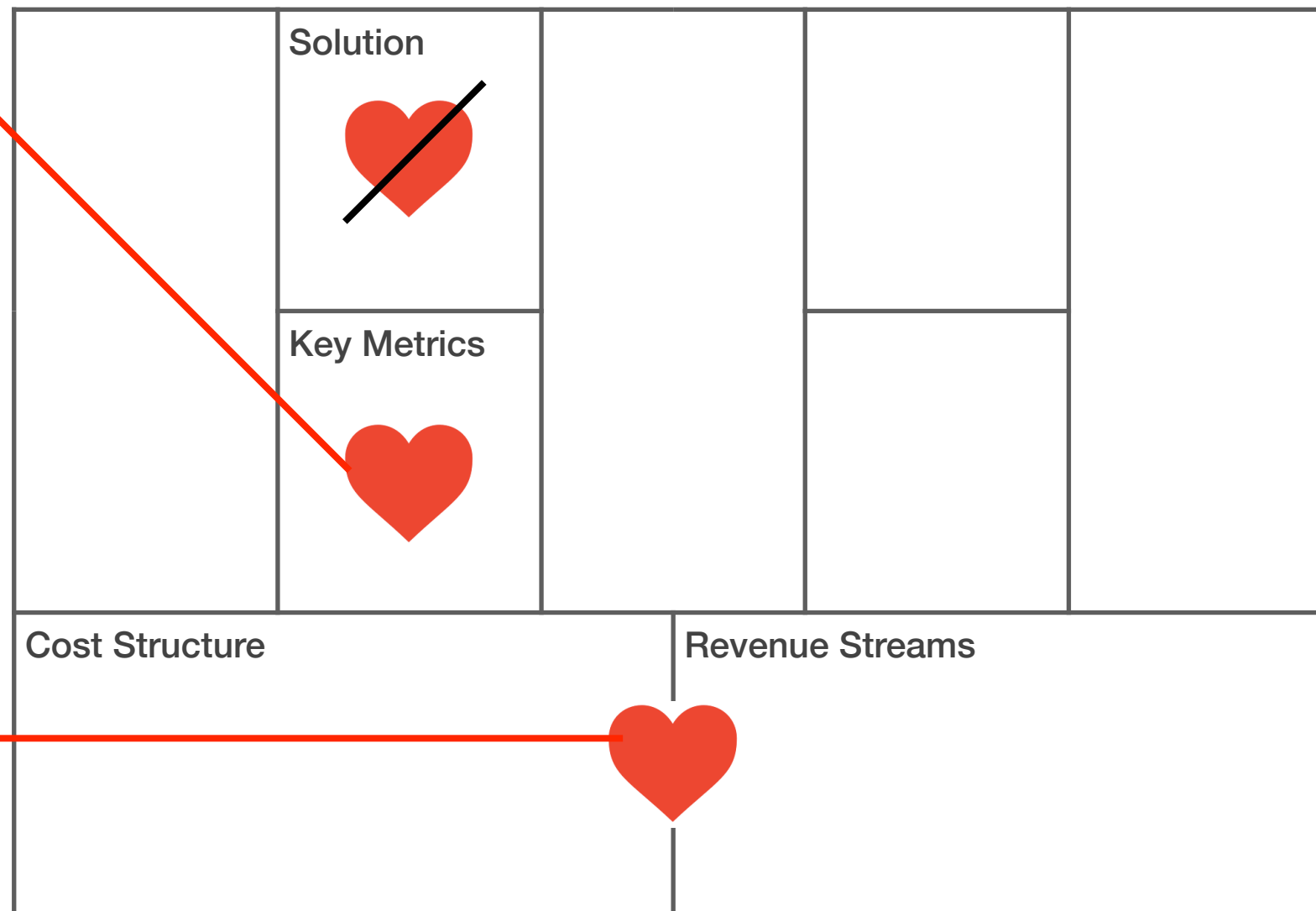


Traction

	Solution 			
	Key Metrics 			



Traction

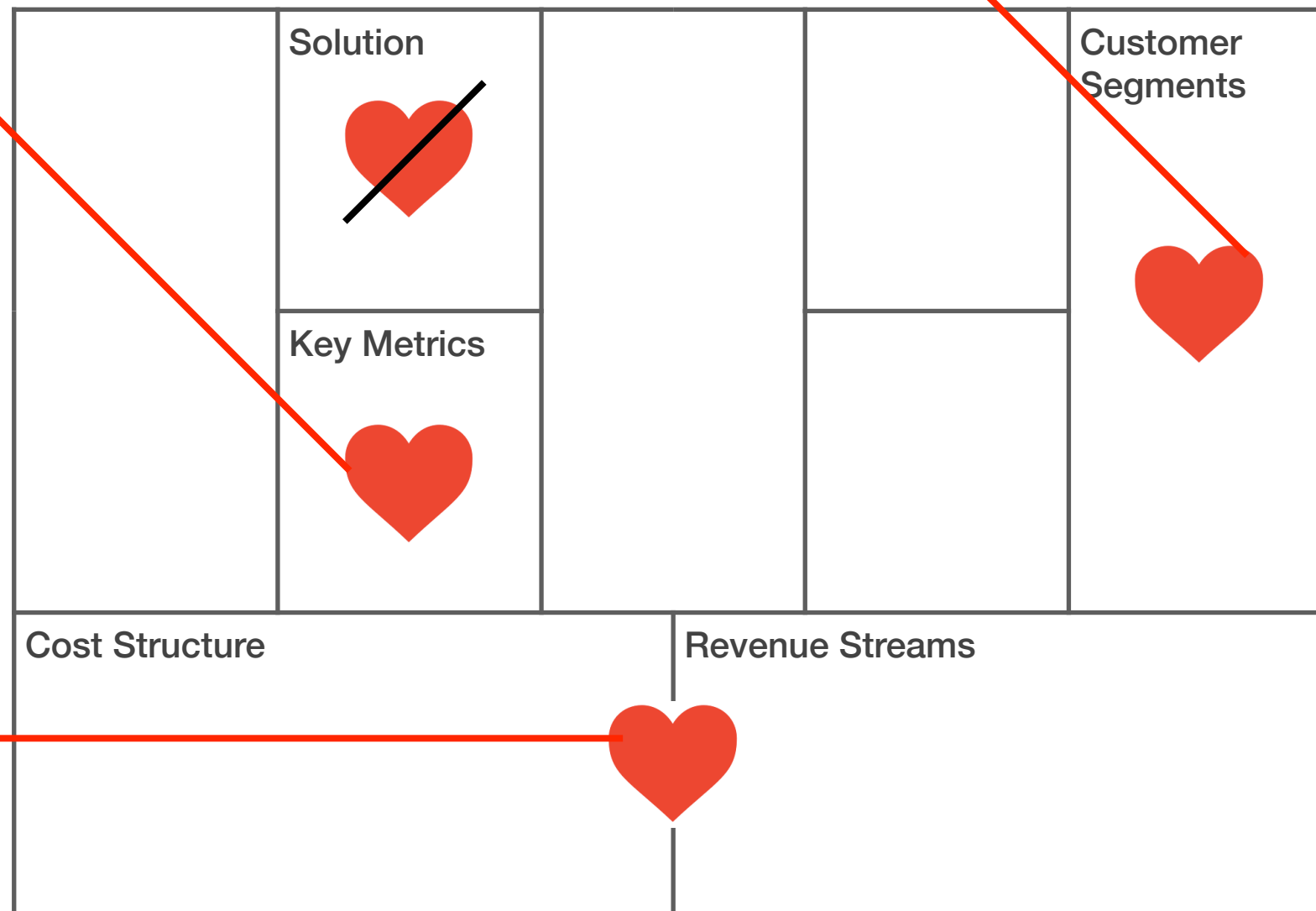


Margins



Traction

Market Size



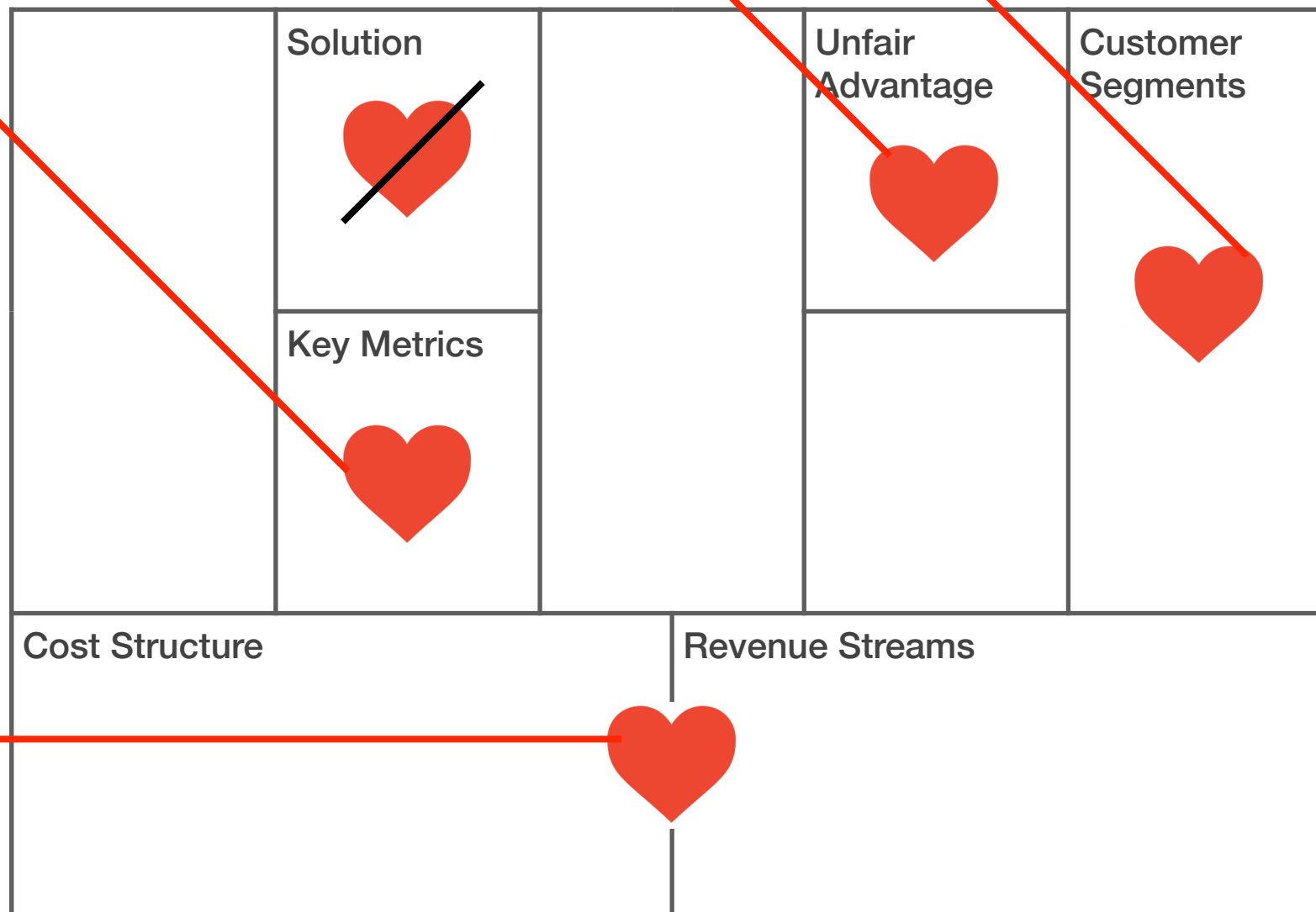
Margins



Defensibility

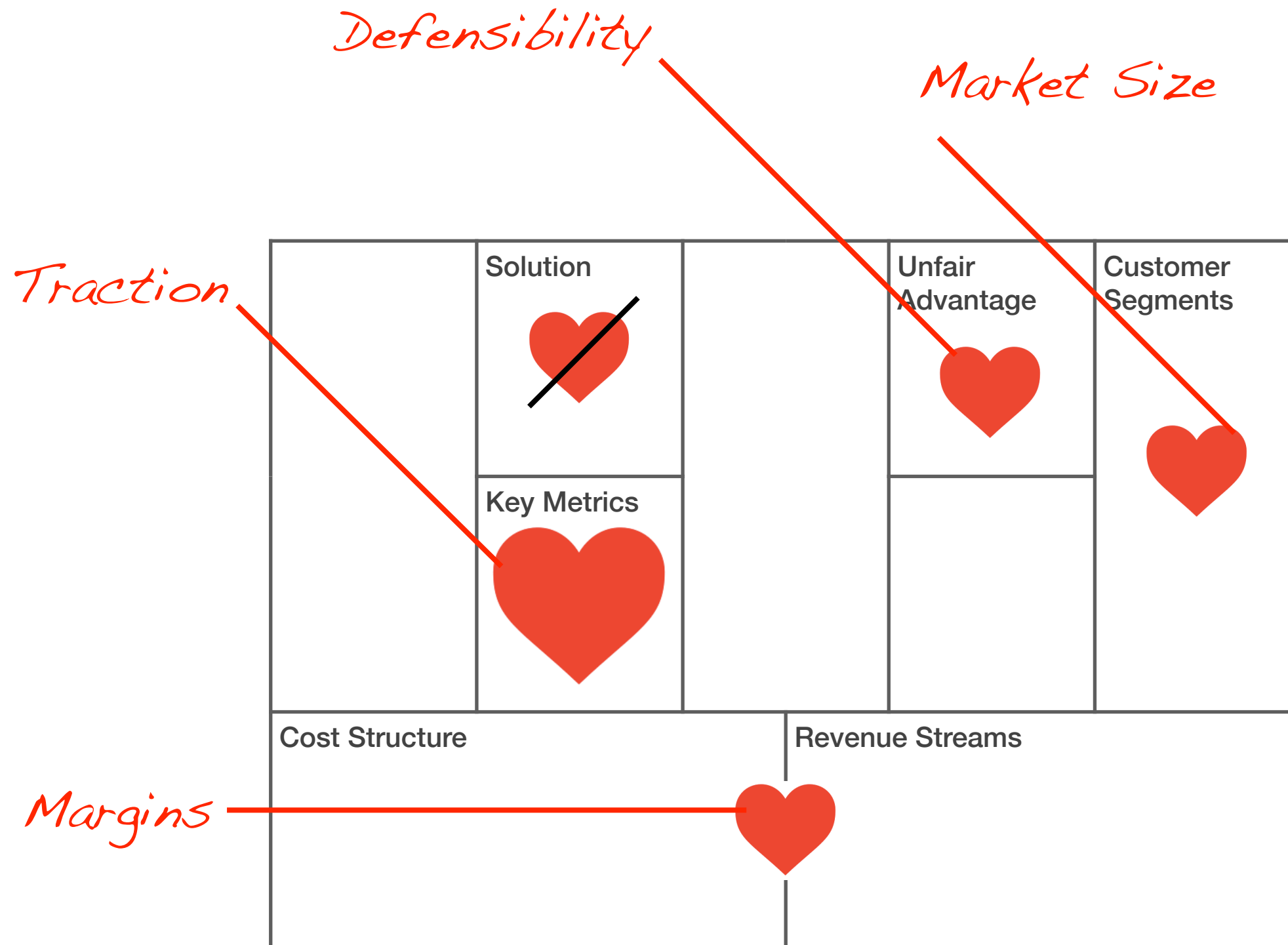
Market Size

Traction



Margins



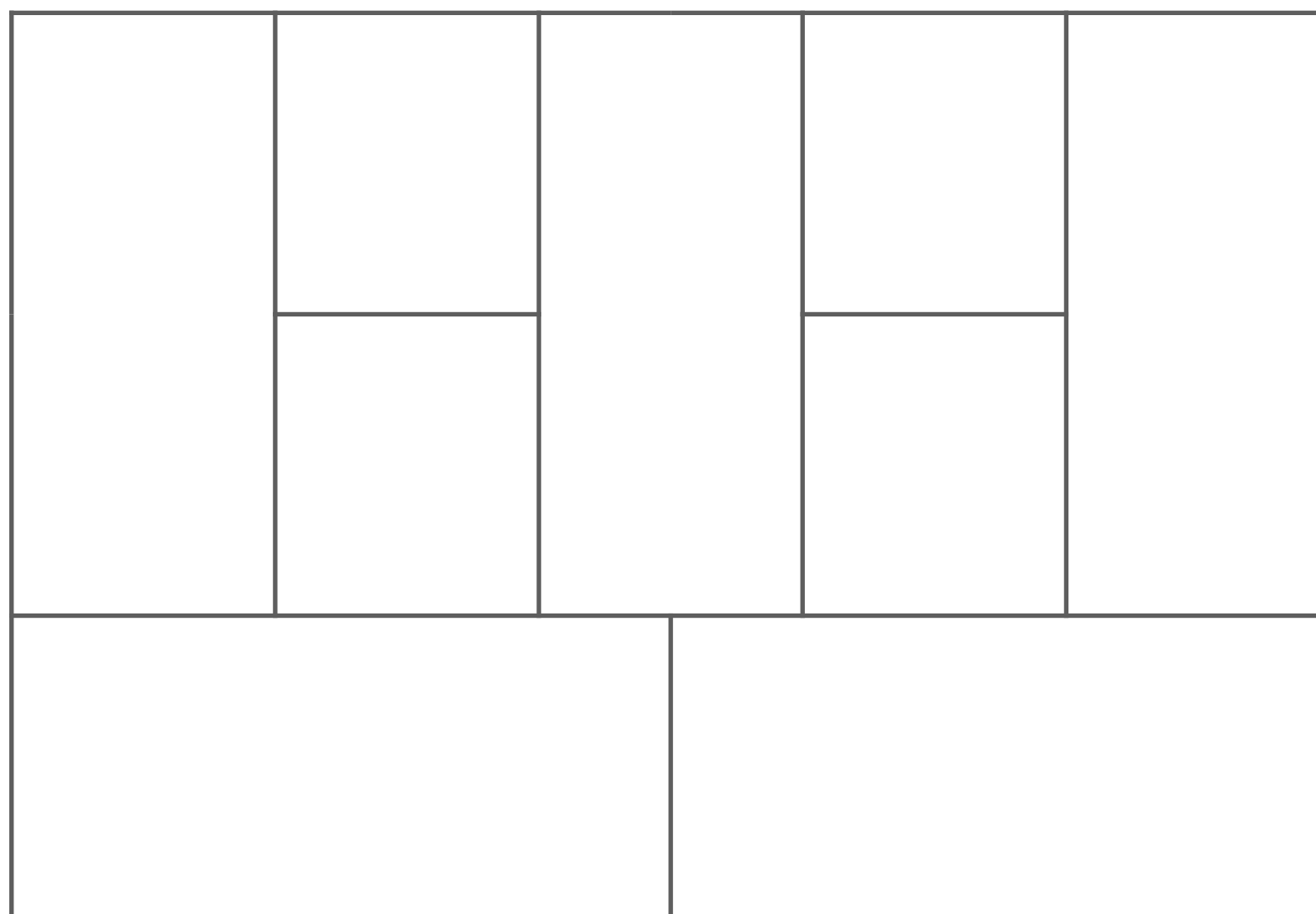



Investors care about traction over everything else.

- Venture Hacks


The better answer



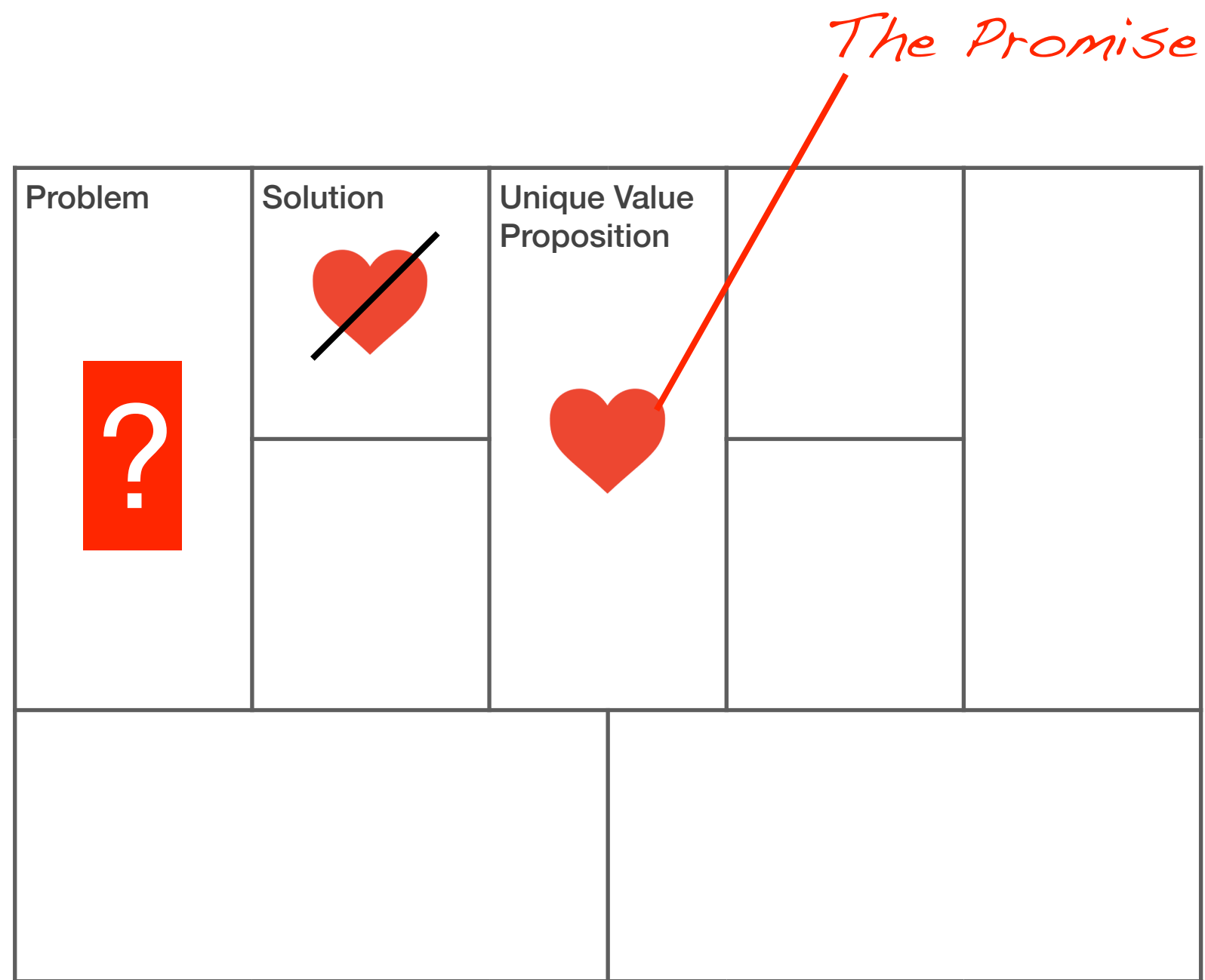


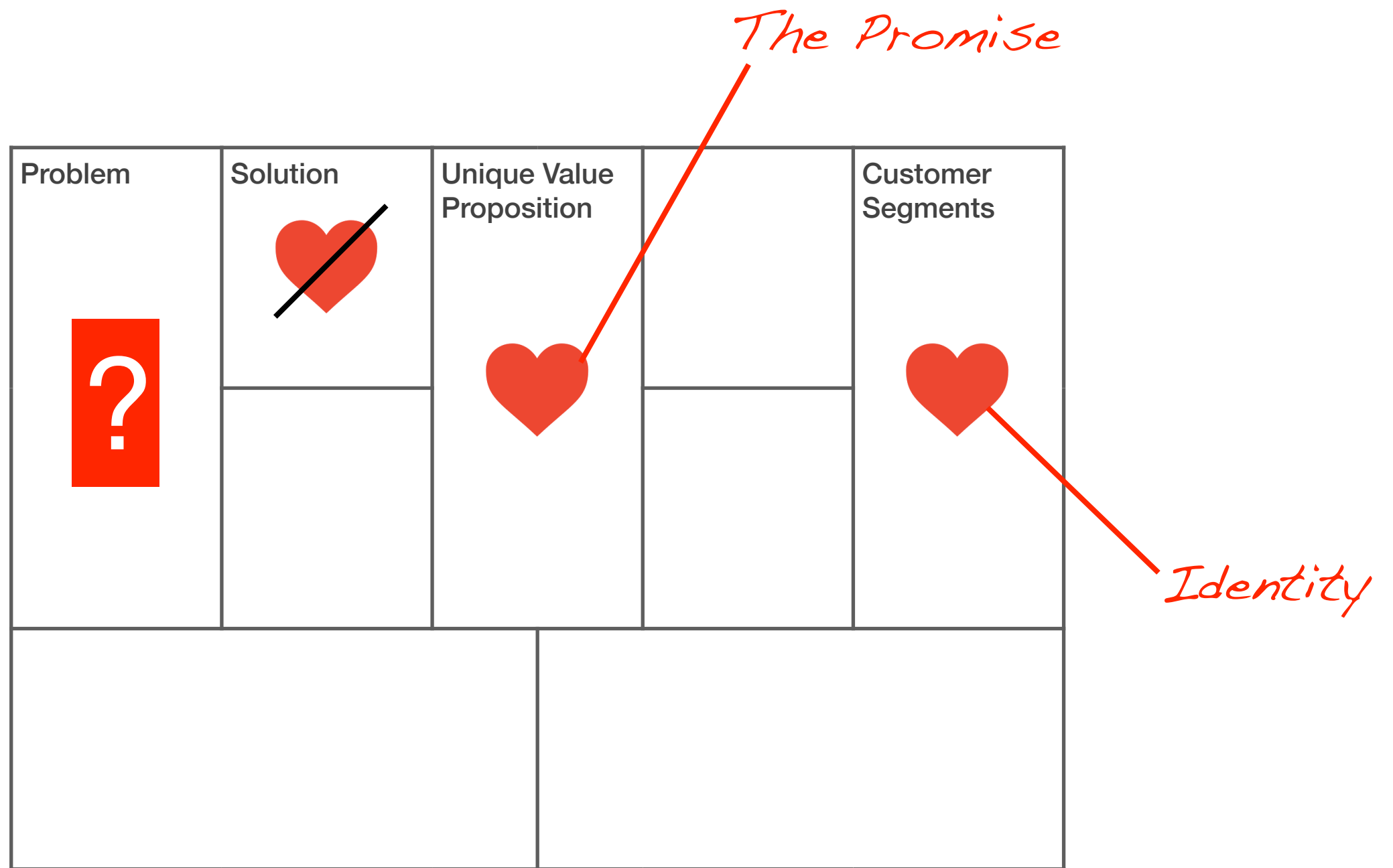
	Solution 			

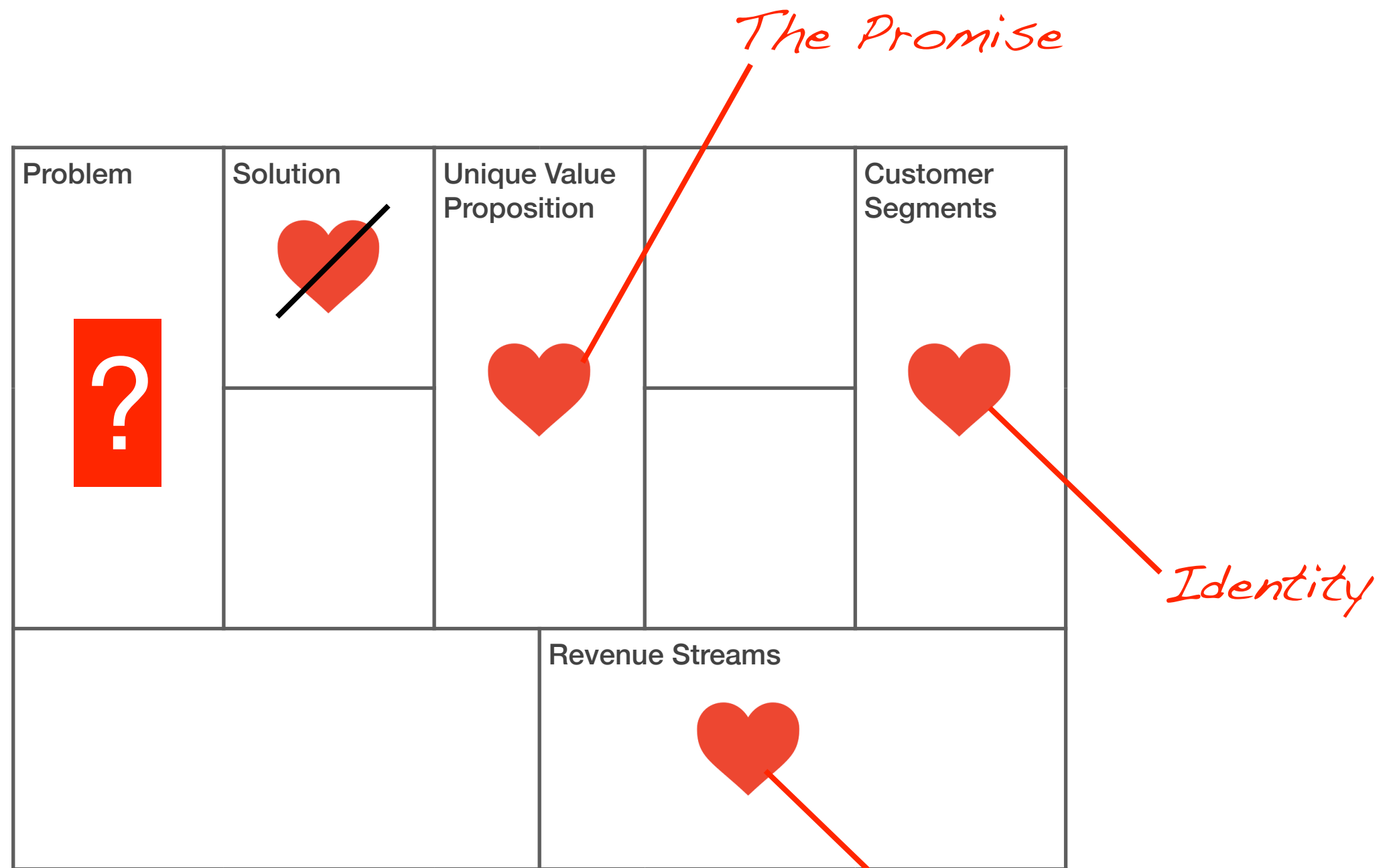


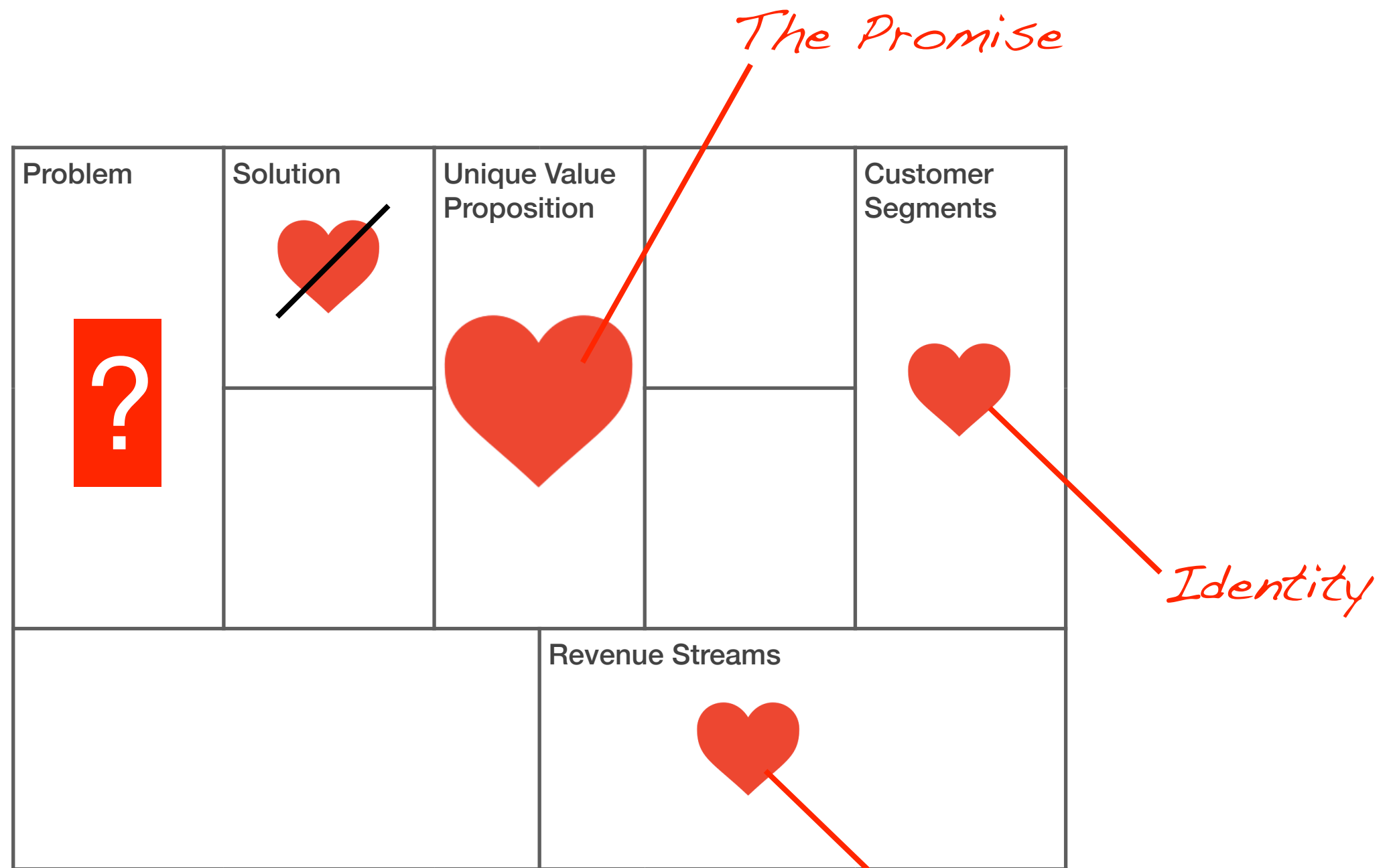
Problem	Solution			
<div>?</div>	<div></div>			





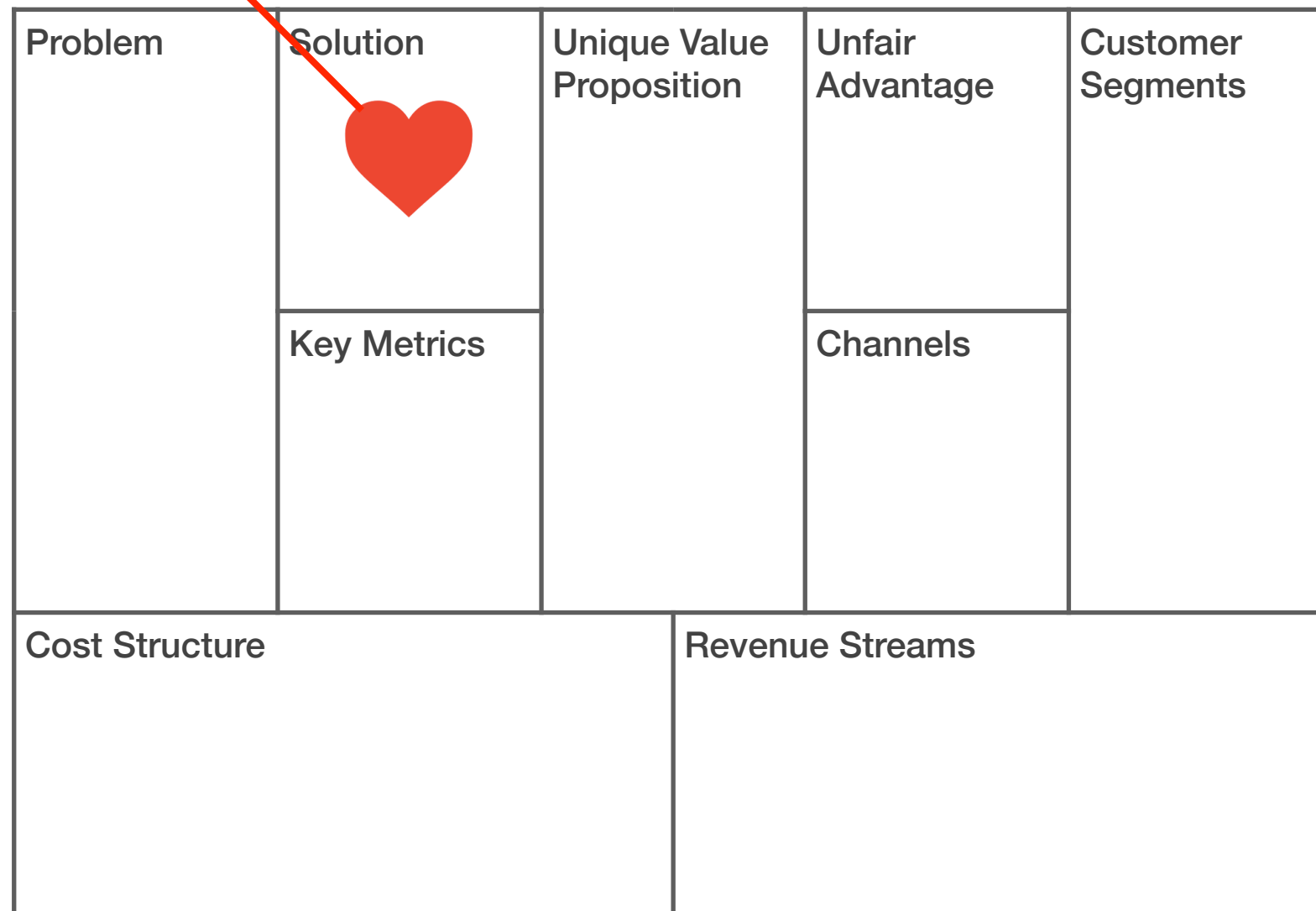






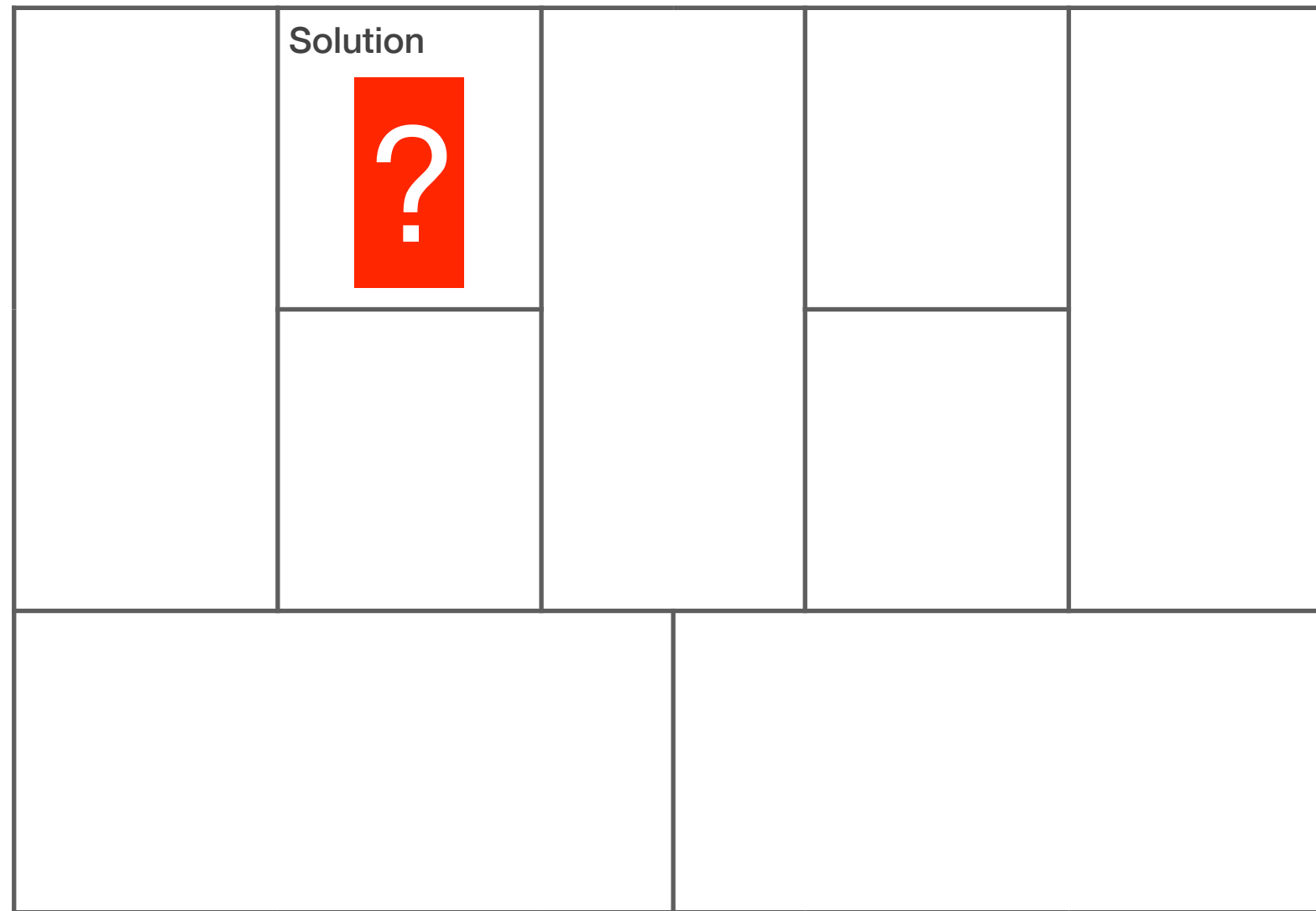
The **true job** of an entrepreneur

Awesome

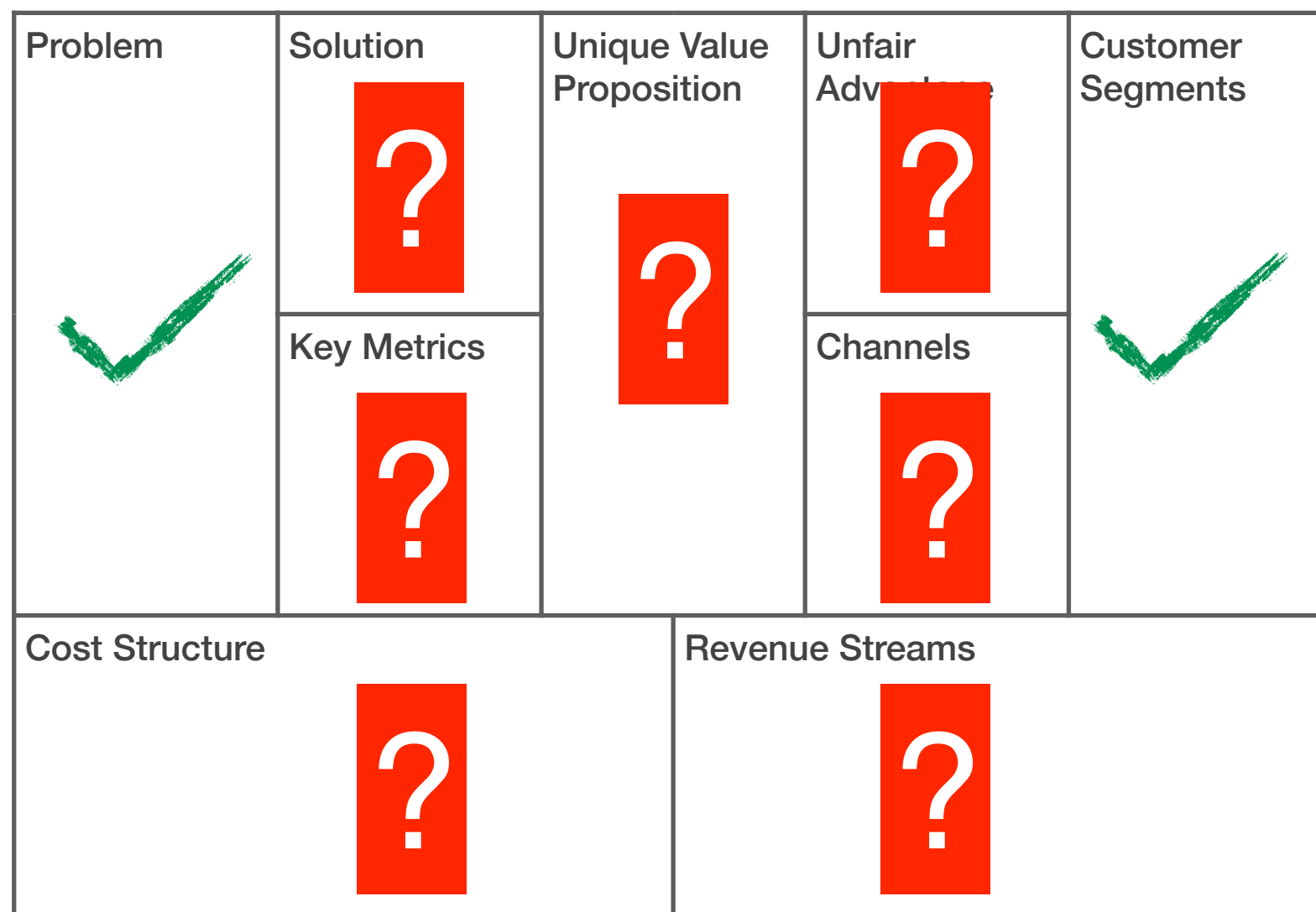


We built it and we didn't expect it to be a company,
we were just building this because we thought it was **awesome**.

- Mark Zuckerberg












Your “solution” is **NOT** the product












Systematically **de-risk** your vision



Problem 	Solution 	Unique Value Proposition 	Unfair Advantages 	Customer Segments 
	Key Metrics 		Channels 	
Cost Structure 			Revenue Streams 	










Systematically **de-risk** your vision



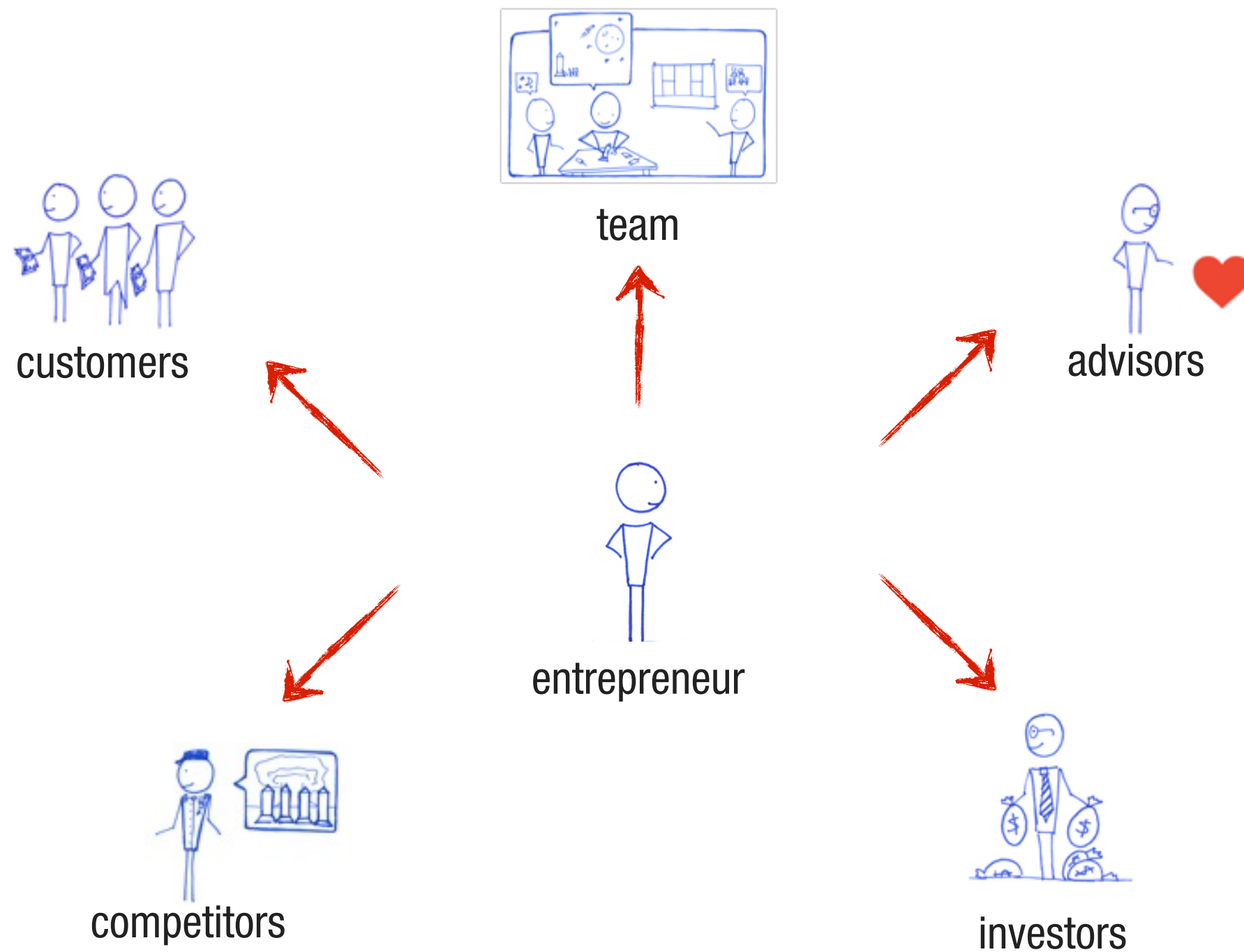
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Systematically **de-risk** your vision



Problem 	Solution 	Unique Value Proposition 	Unfair Advantage 	Customer Segments 
	Key Metrics 		Channels 	
Cost Structure 			Revenue Streams 	

Systematically **de-risk** your vision



Through a series of **conversations**

The 3 Stages of a product

3 Stages of a Product



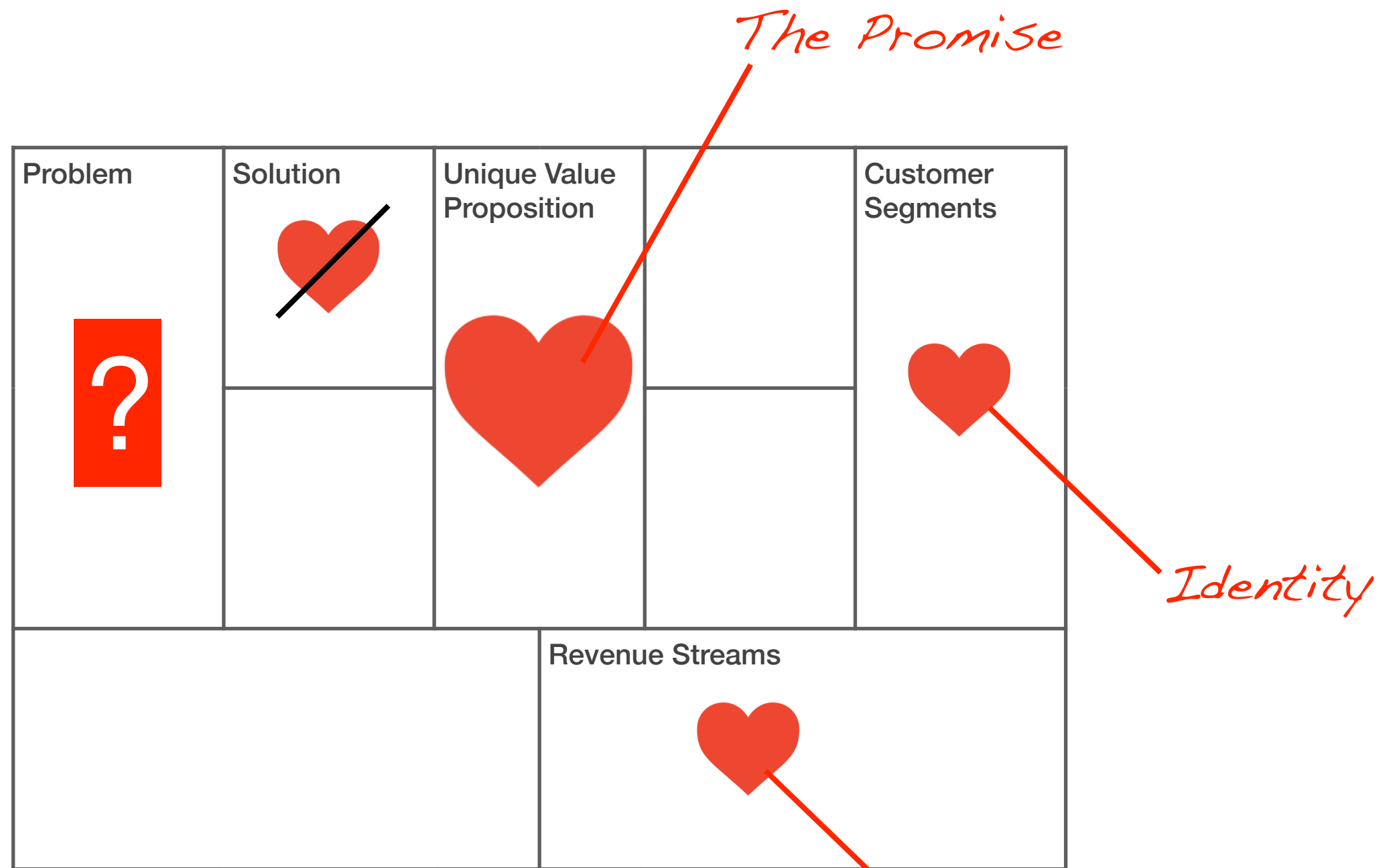
3 Stages of a Product

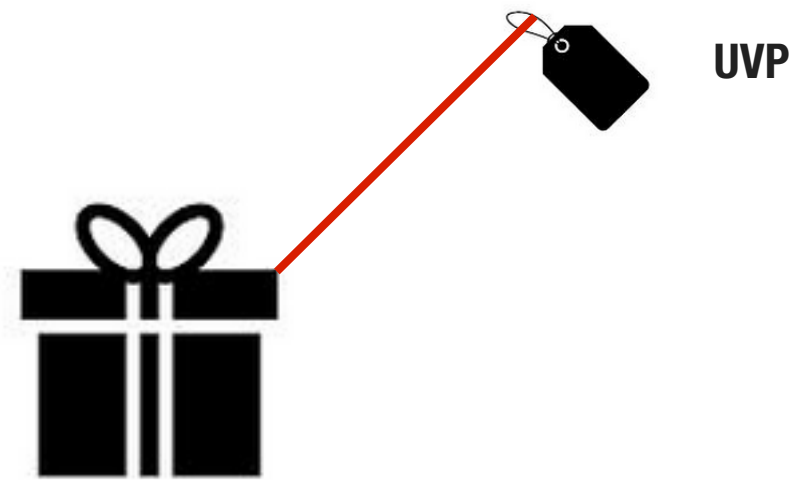


Do I have a problem worth solving?



THE OFFER





DEMO

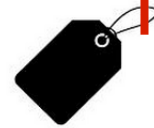


UVP

DEMO



UVP



PRICING



THE OFFER



THE MVP

An MVP is the **smallest** solution that
delivers customer value.

An MVP is the
delivers customer value

(BONUS: And captures customer value.)

3 Stages of a Product



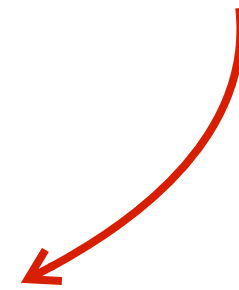
Have I built something people want?

You don't need lots of users.
Just a few **good customers.**

3 Stages of a Product



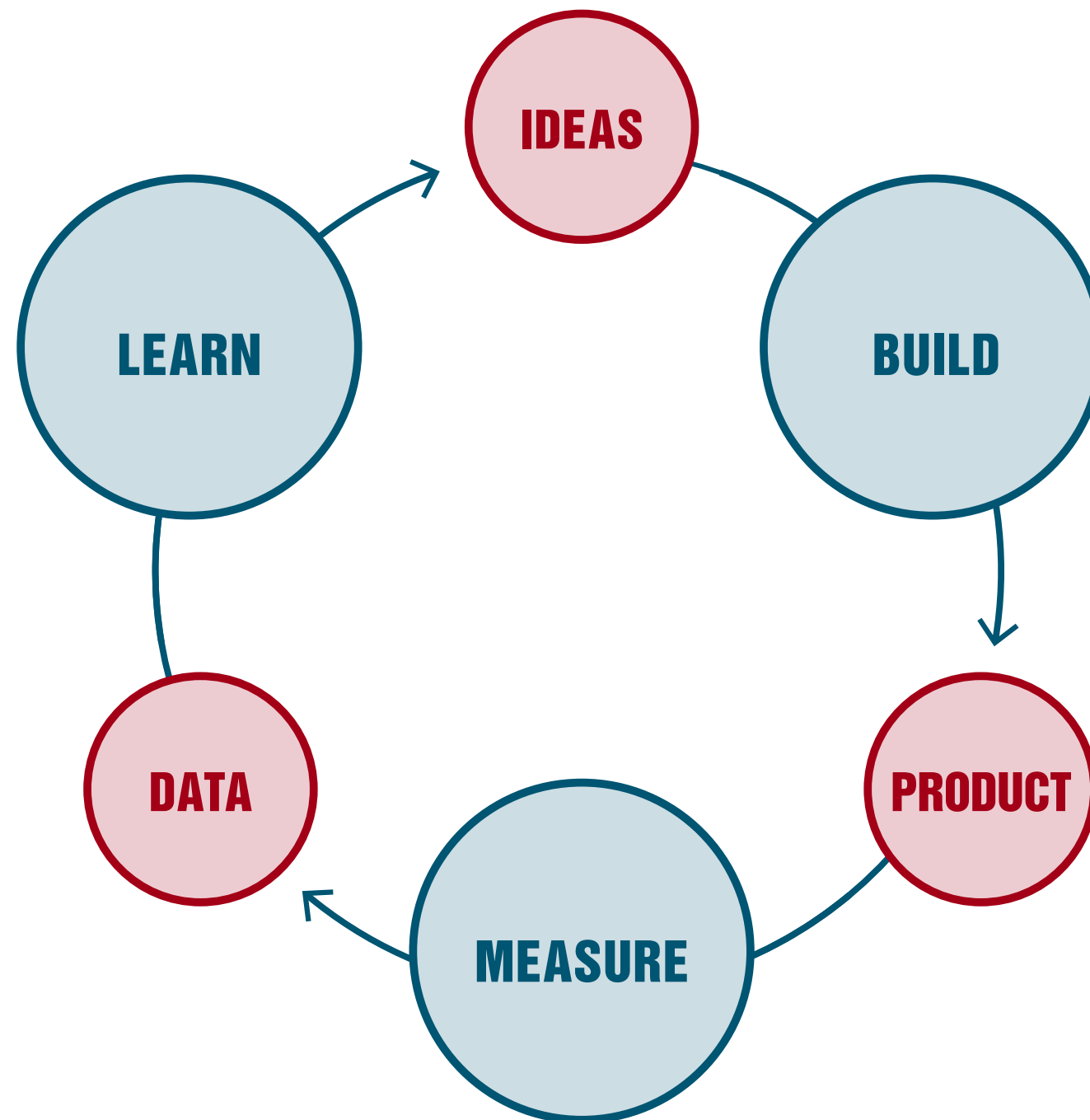
How do I accelerate growth?

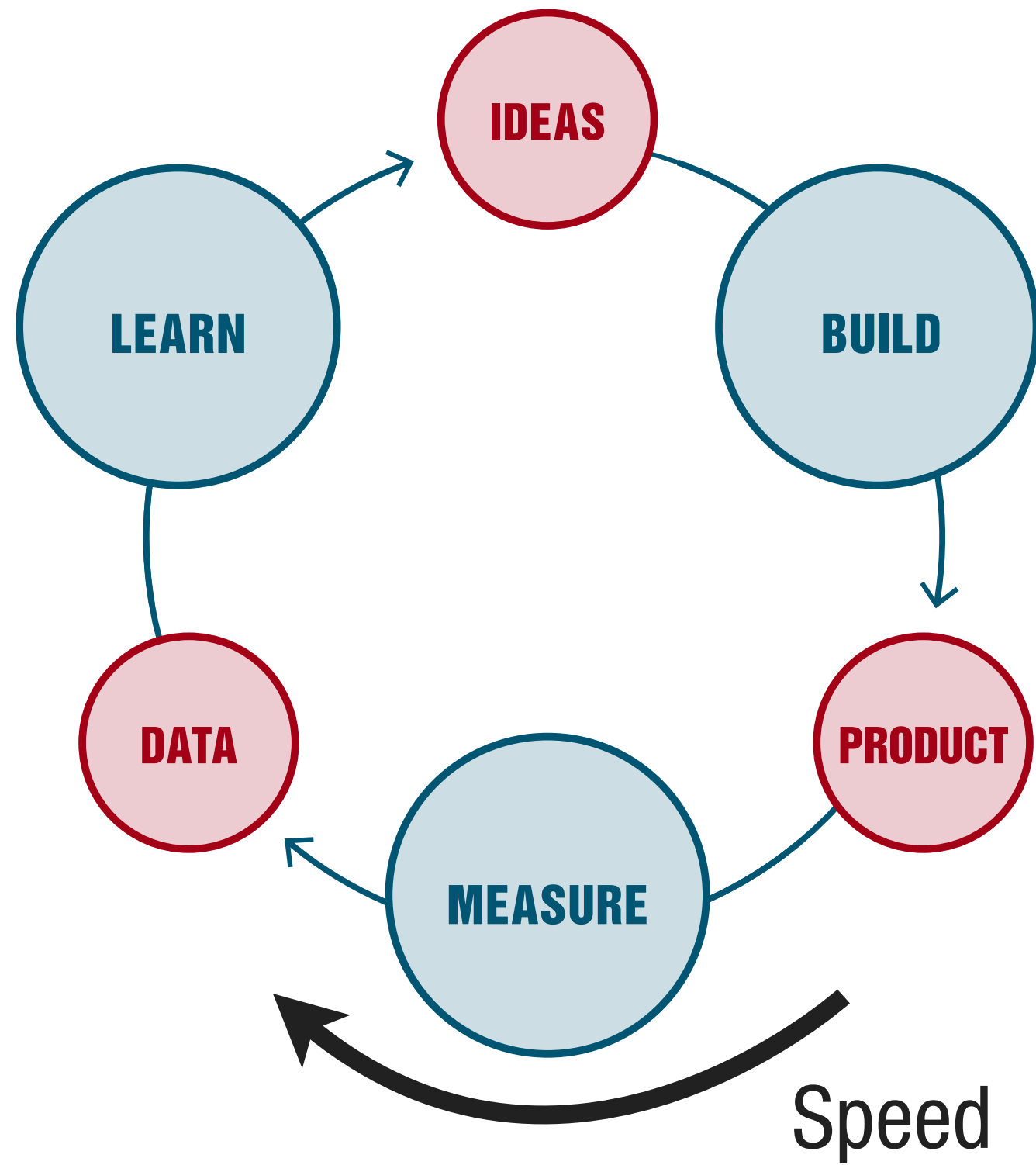


META-PRINCIPLES

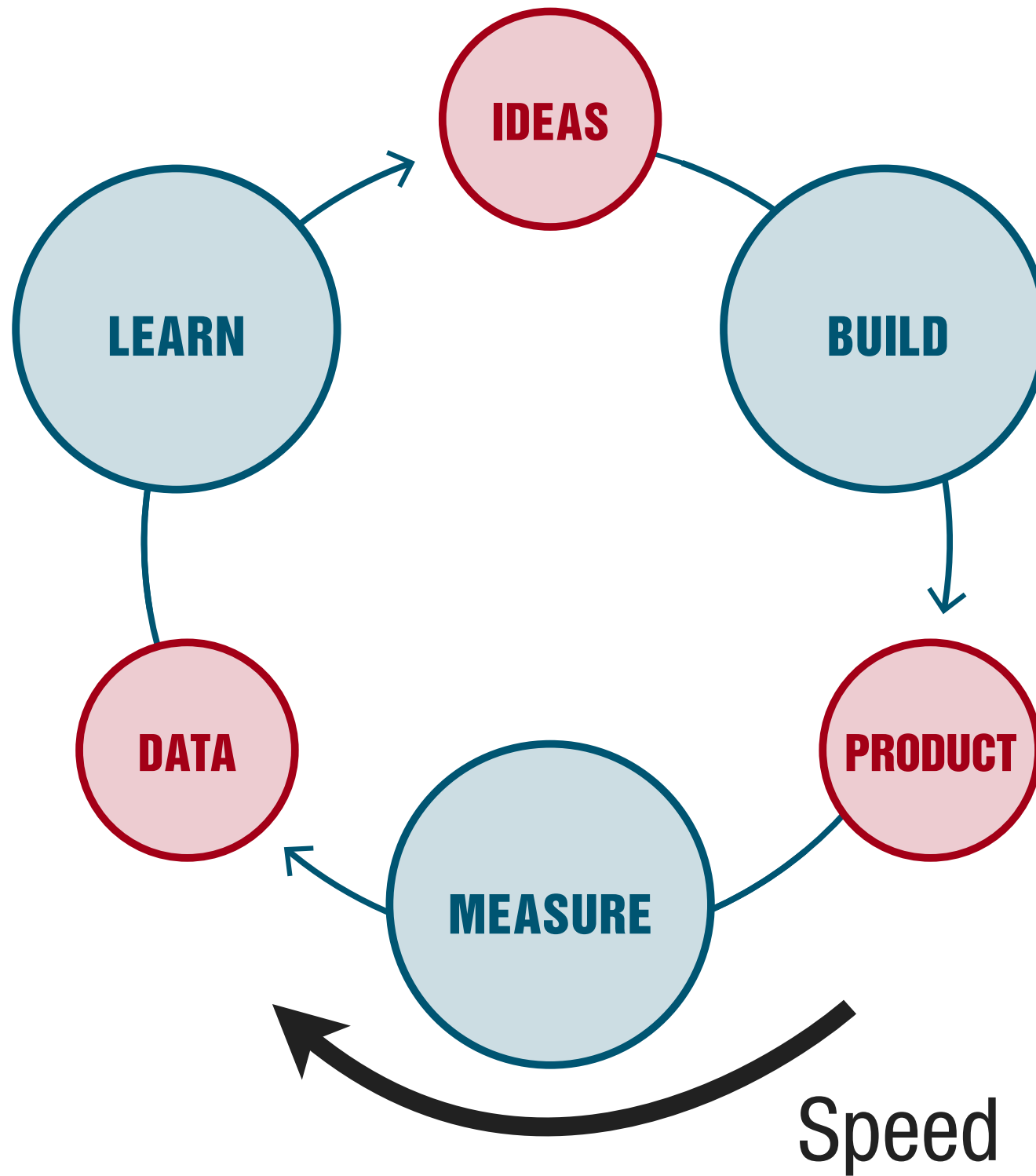
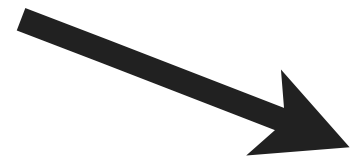
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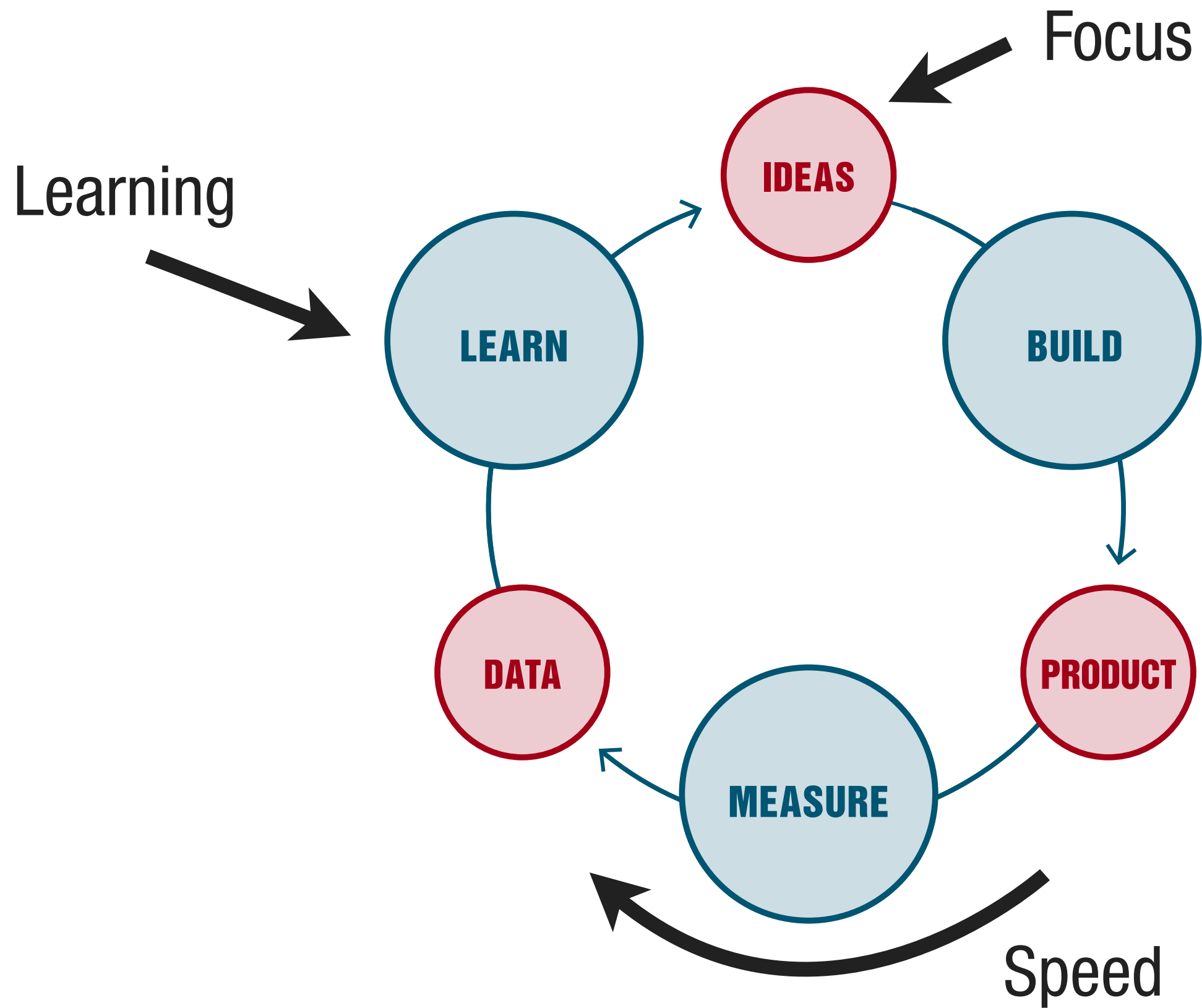
What is an Experiment?

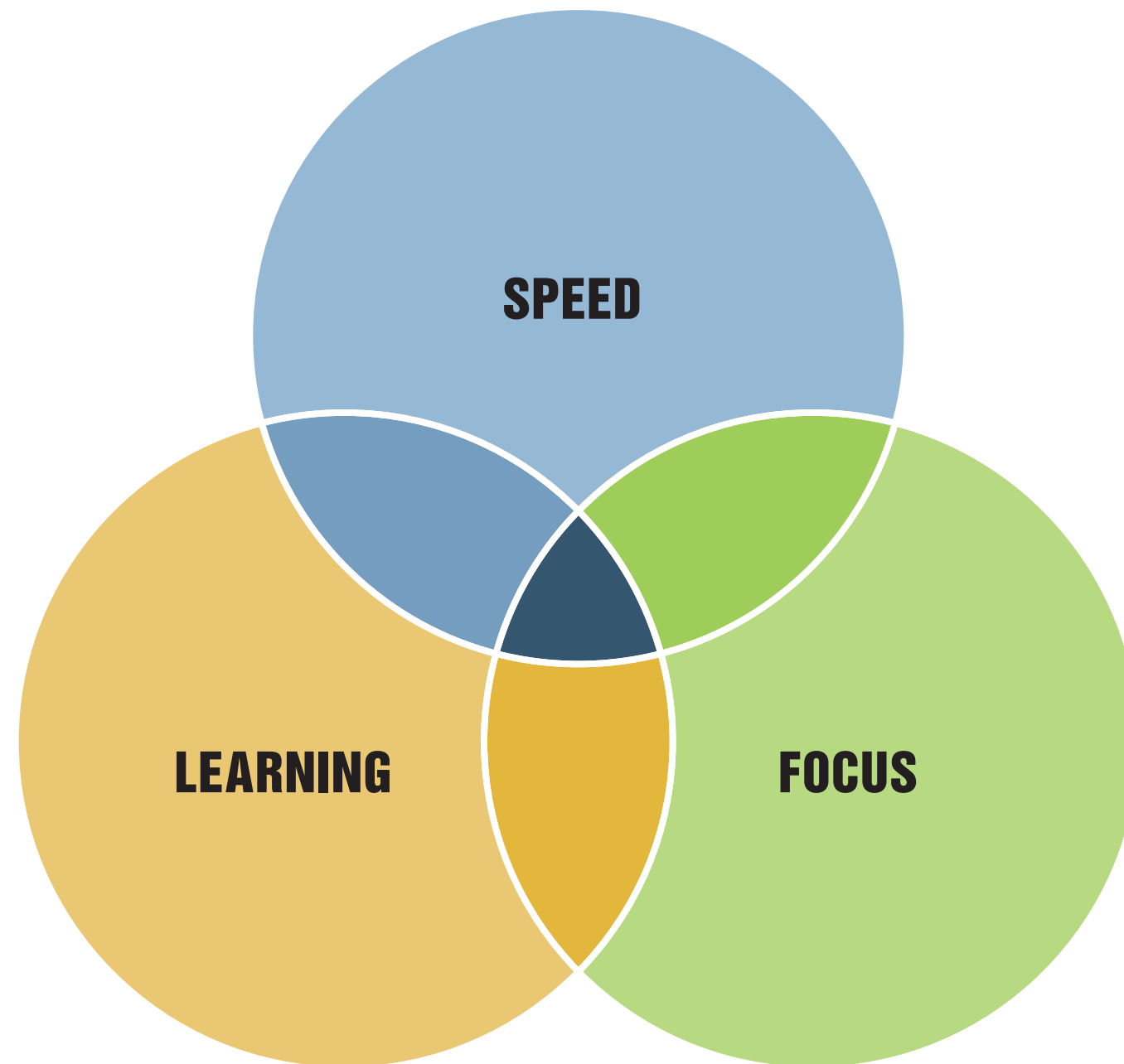


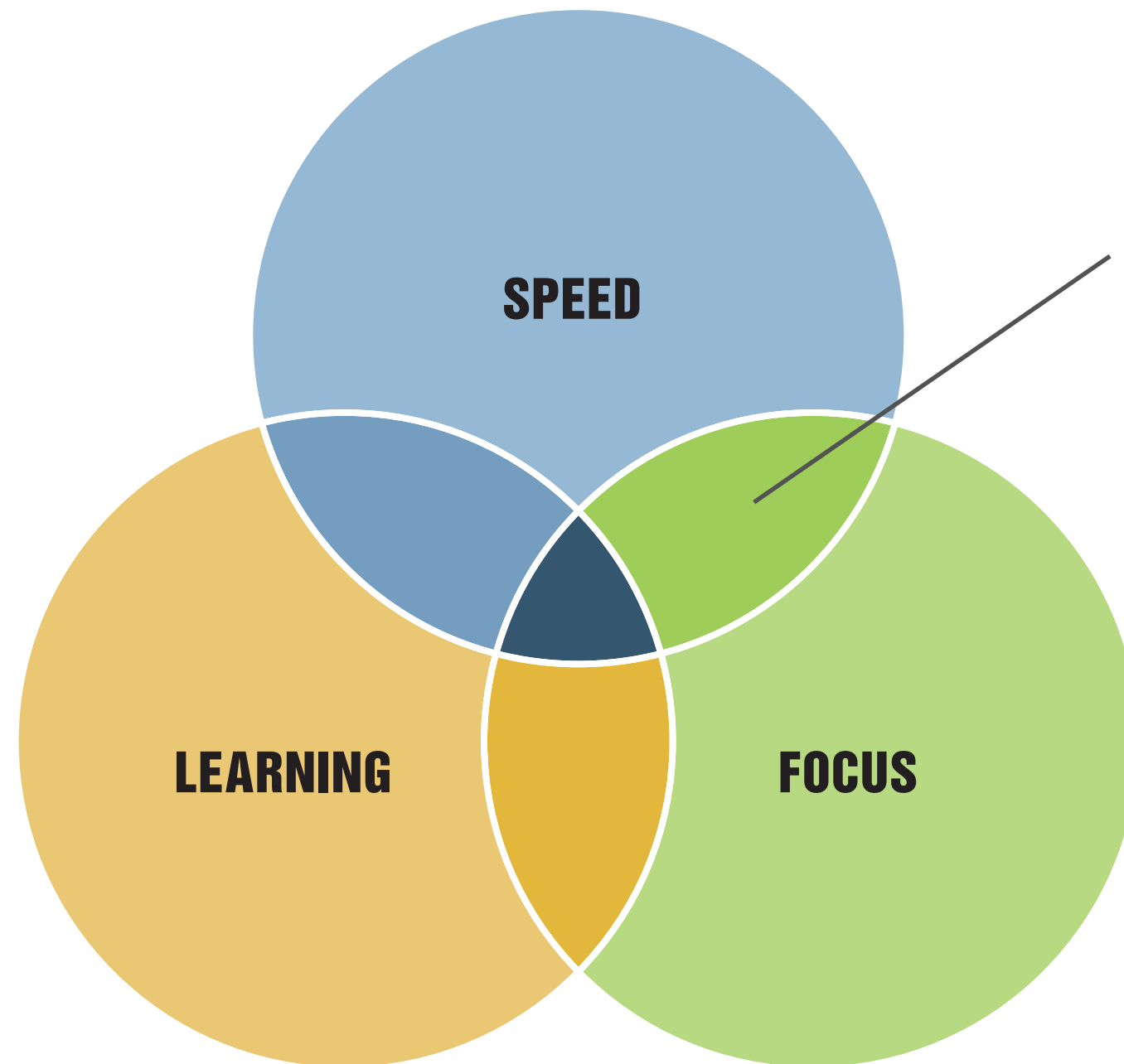


Learning

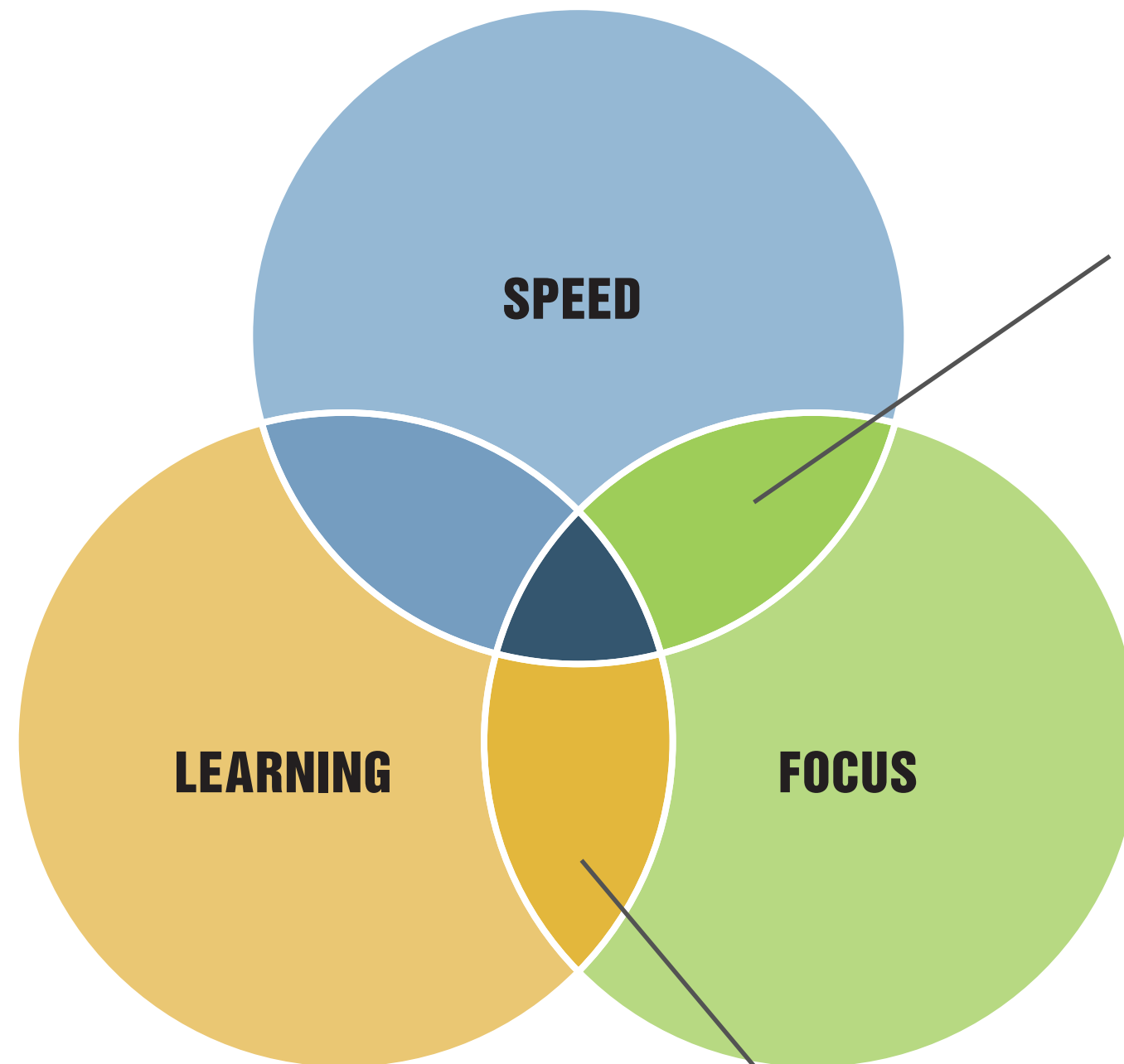








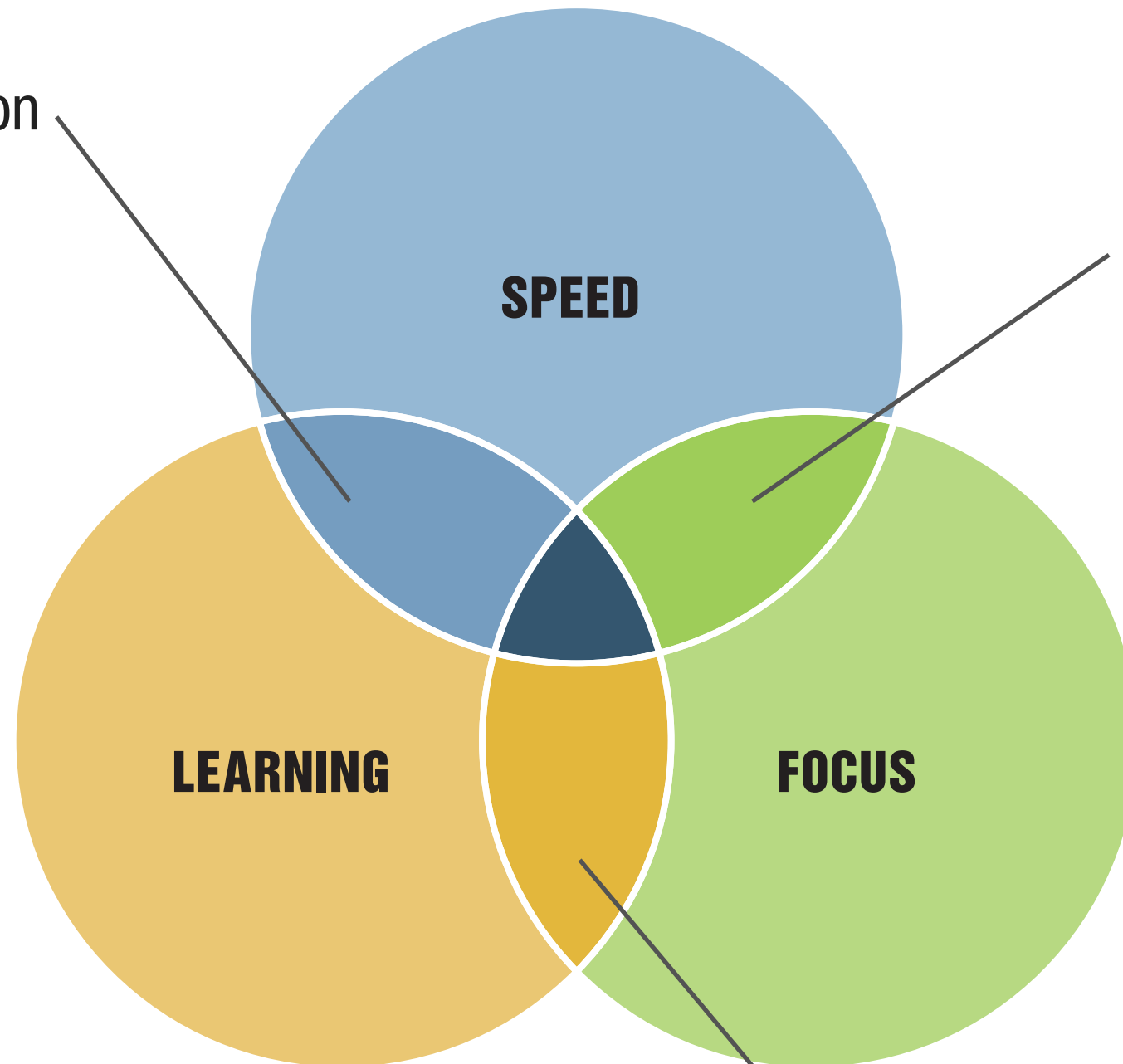
Chasing your tail



Chasing your tail

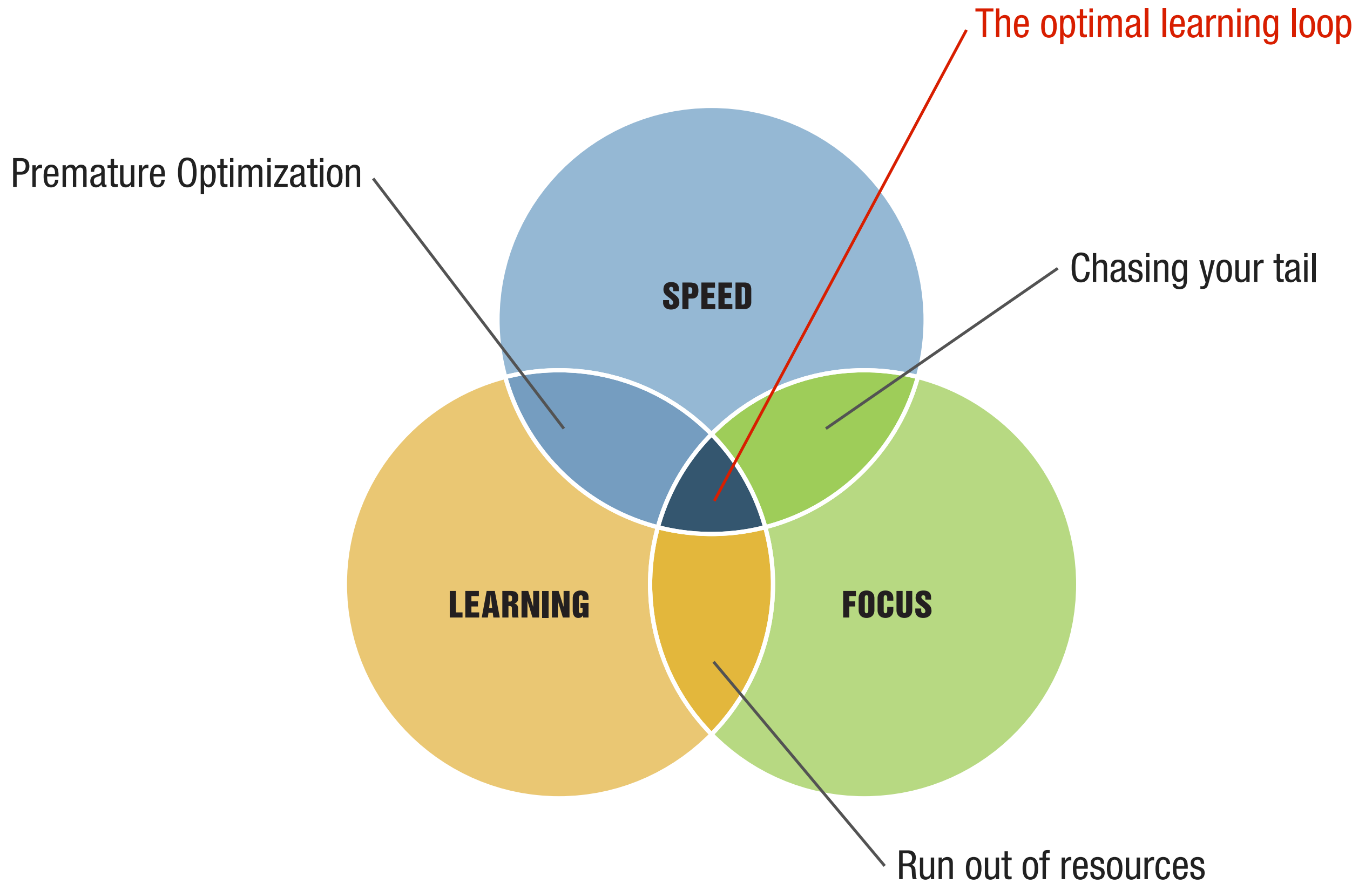
Run out of resources

Premature Optimization



Chasing your tail

Run out of resources



Iterated

How I ~~Wrote~~ My Book

RUNNING LEAN

Illustrated



Iterated

How I ~~Wrote~~ My Book

Blog



Time

Oct
2009



Iterated
How I ~~Wrote~~ My Book



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Getting Lean

Learn how to apply bootstrapping, customer development, and lean startup techniques to pivot your way to product/market fit.



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- What is Running Lean?
- About the Author
- Disclaimers

Running Lean Roadmap

- The 3 Stages of a Startup

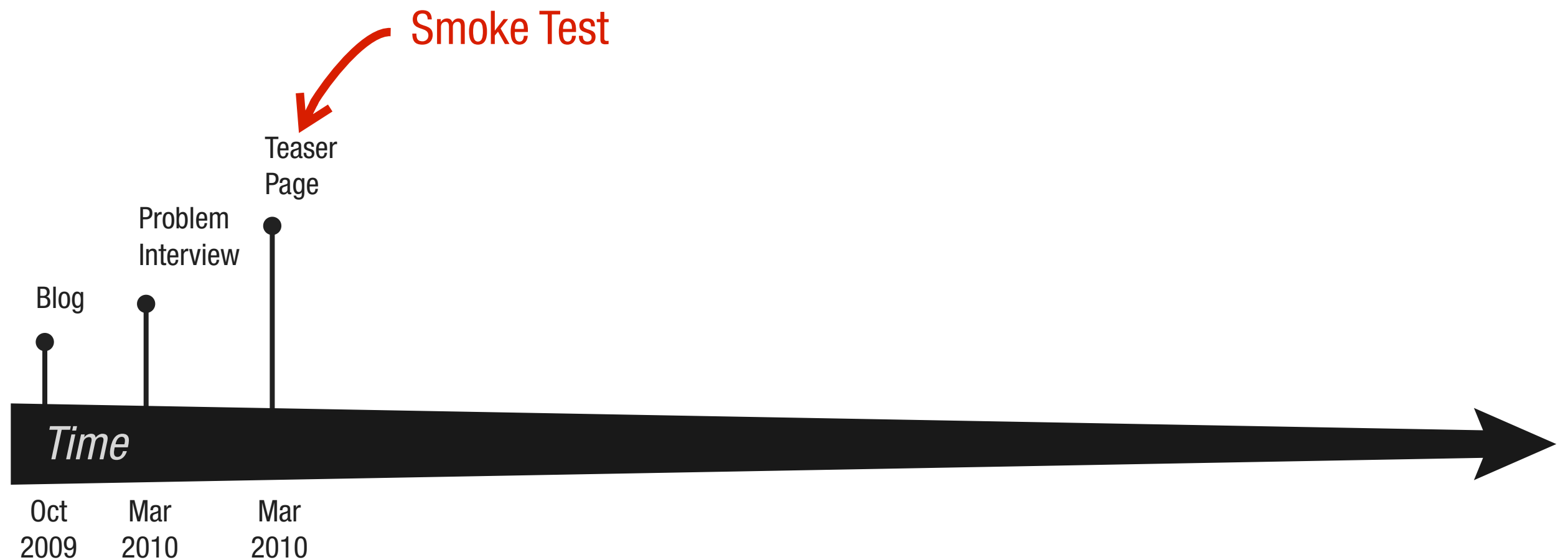
STEP 3: Pivot to Product/Market Fit

Pivot, Don't Optimize

- What is a Pivot?
- The 3 Facets of a Pivot
- The Pivot Litmus Test
- Always Focus on the Right Macro

Iterated

How I ~~Wrote~~ My Book



Coming Soon: Getting Lean – the book

Written by [Ash Maurya](#)



Based on encouragement from readers, I've decided to undertake writing a short book on applying bootstrapping, customer development, and lean startup techniques to web startups. The book will cover practical techniques for iterating a web application to product/market fit and (like my blog) will build on the works of Steve Blank, Eric Ries, Dave McClure, Sean Ellis, and others.

You can find the landing page with the first cut of the table of contents here: [Getting Lean – the book](#).

What do you think? Please leave any comments, feedback, or questions below:

Running Lean

Learn how to apply bootstrapping, customer development, and lean startup techniques to pivot your way to product/market fit.

COMING THIS SUMMER

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RUNNING LEAN

HOW TO PIVOT YOUR WEB
APPLICATION TO PRODUCT/MARKET FIT

ASH MAURYA

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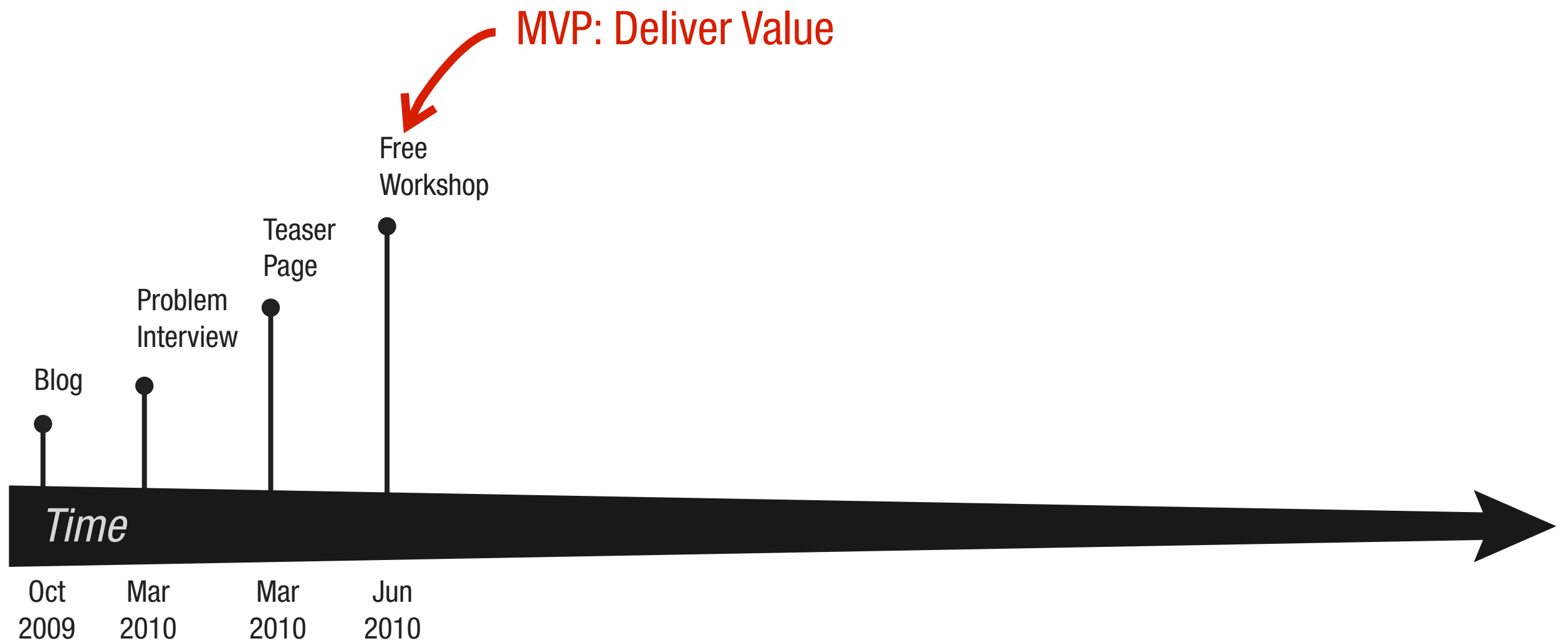
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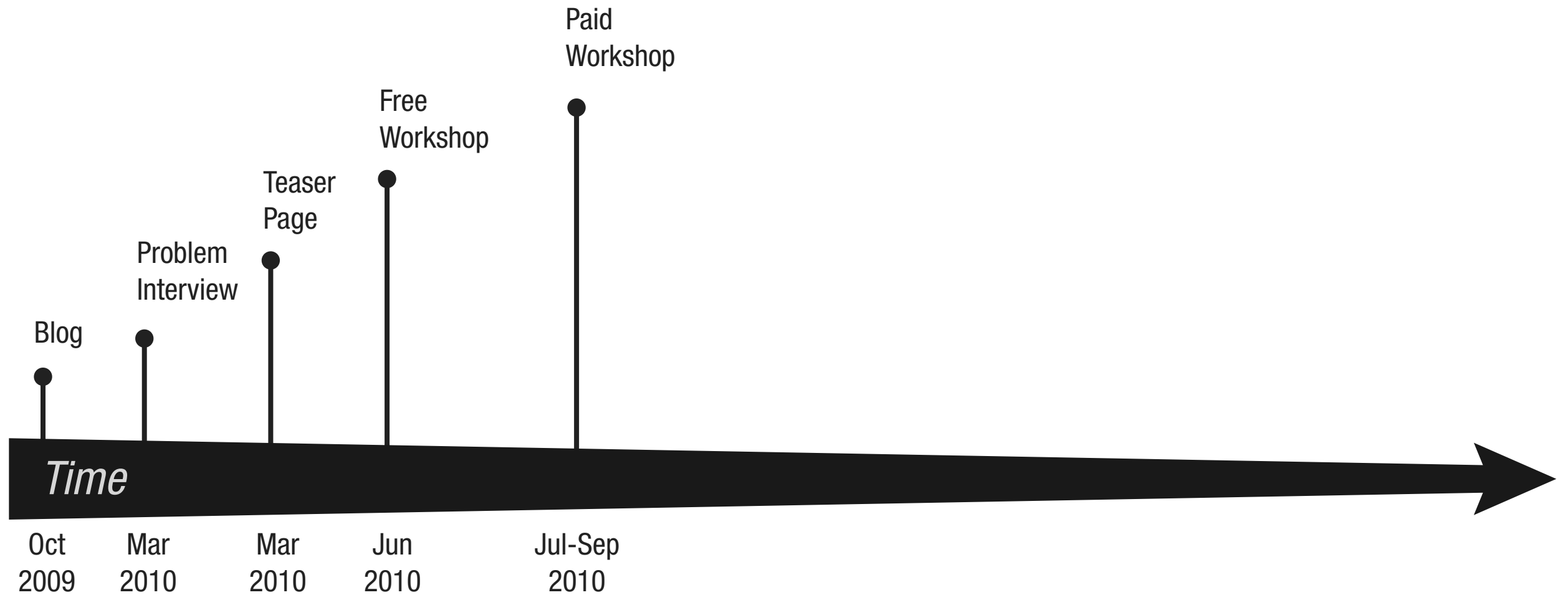
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MVP: Deliver Value



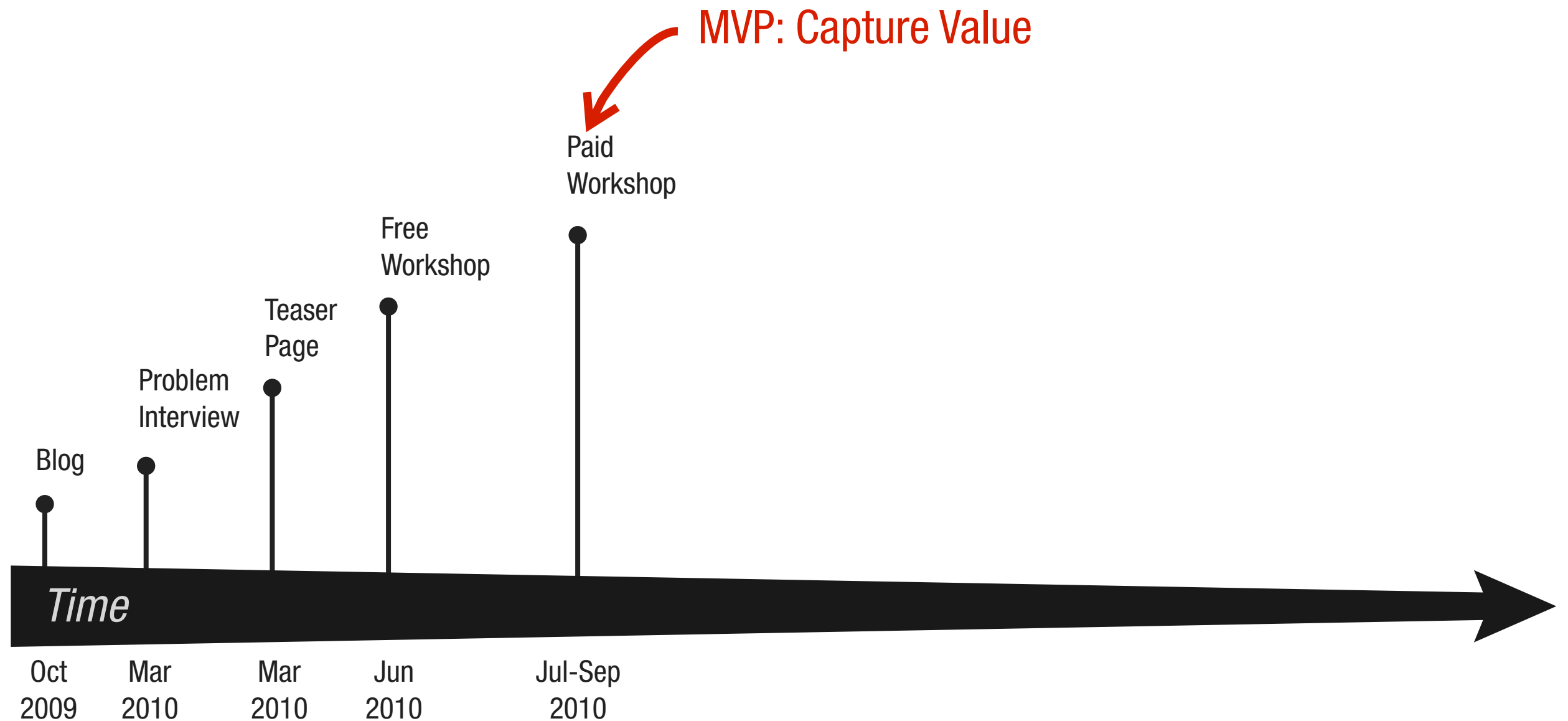
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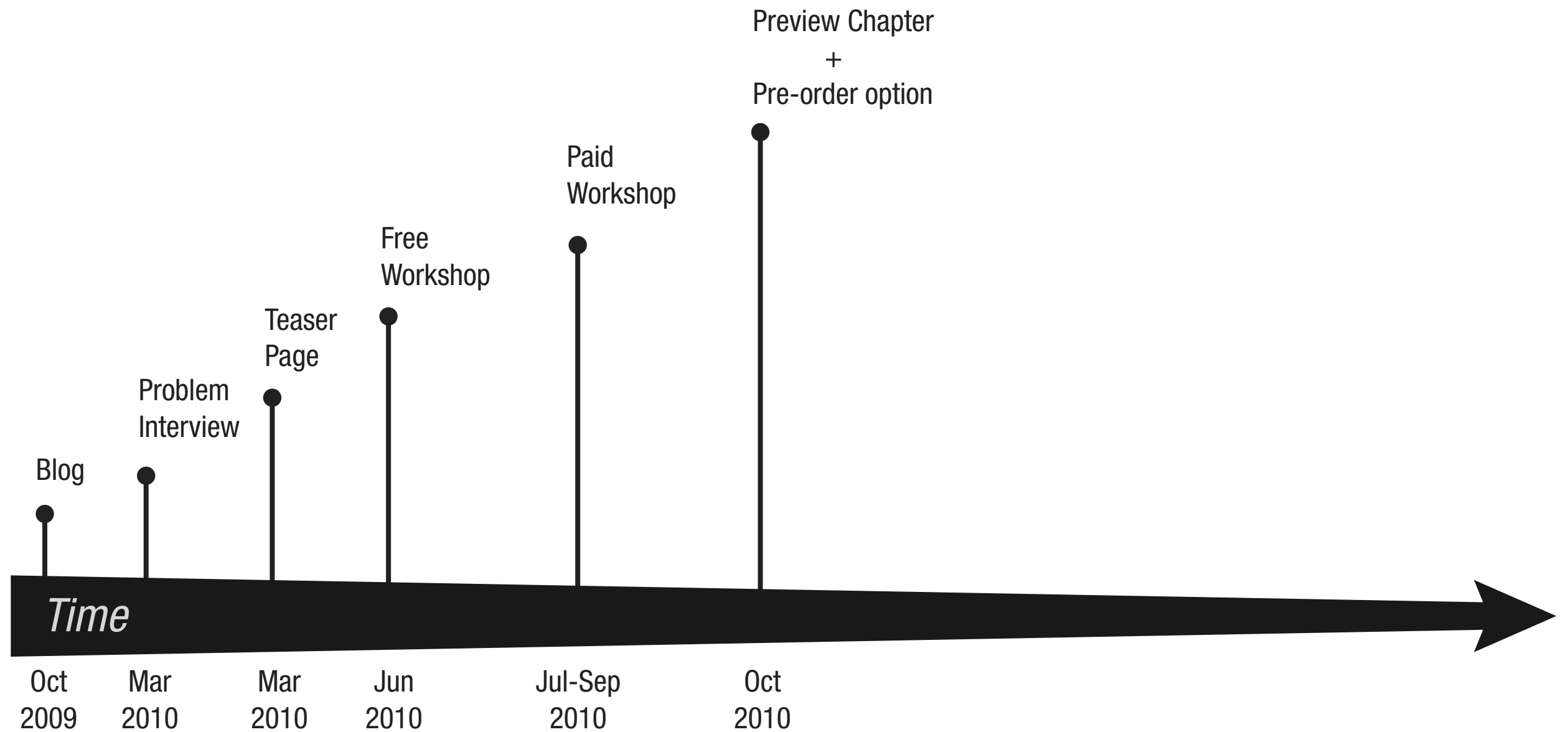
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Running Lean

Learn how to apply bootstrapping, customer development, and lean startup techniques to pivot your way to product/market fit.

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HOW TO PIVOT YOUR WEB
APPLICATION TO PRODUCT/MARKET FIT

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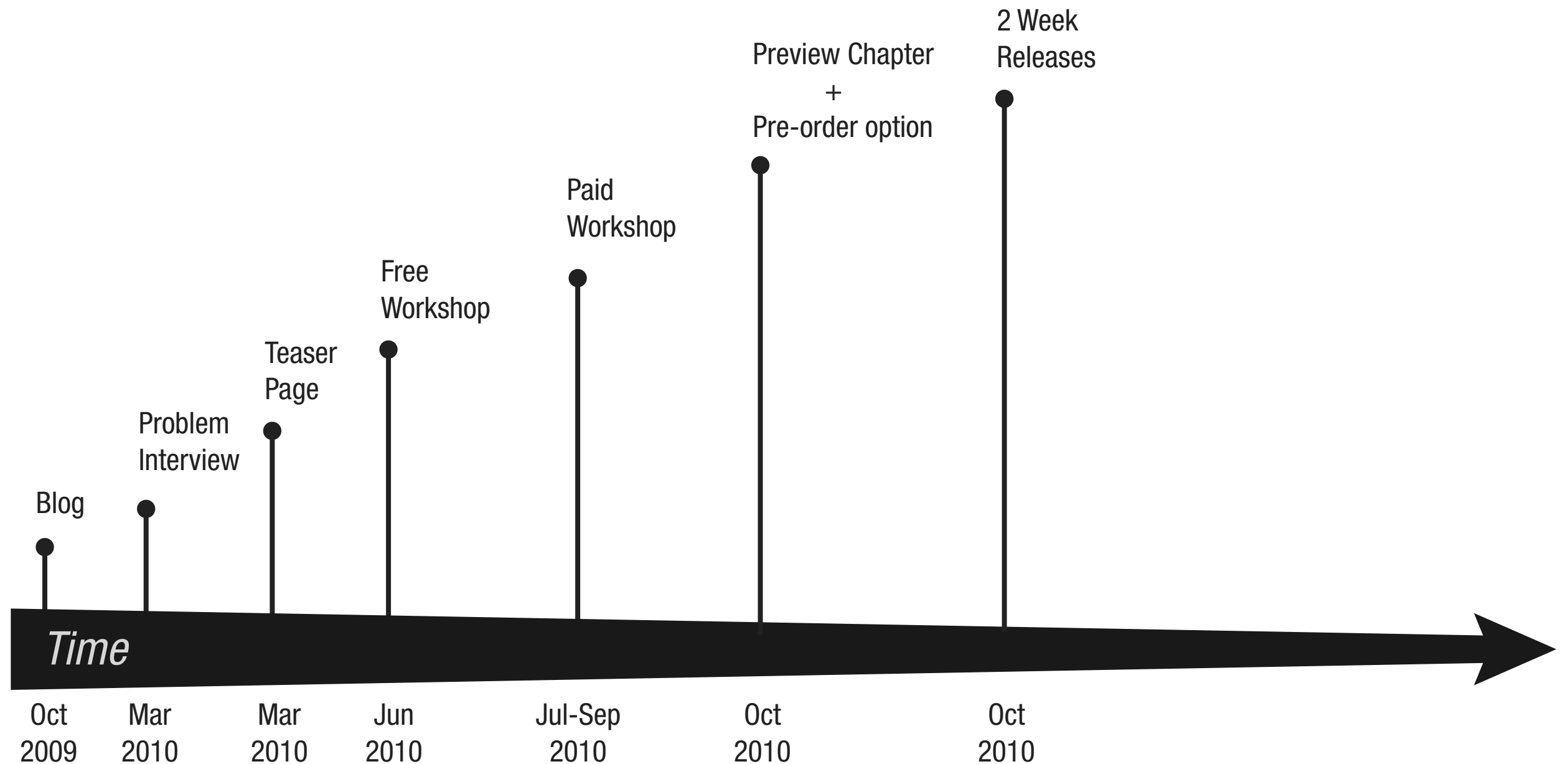
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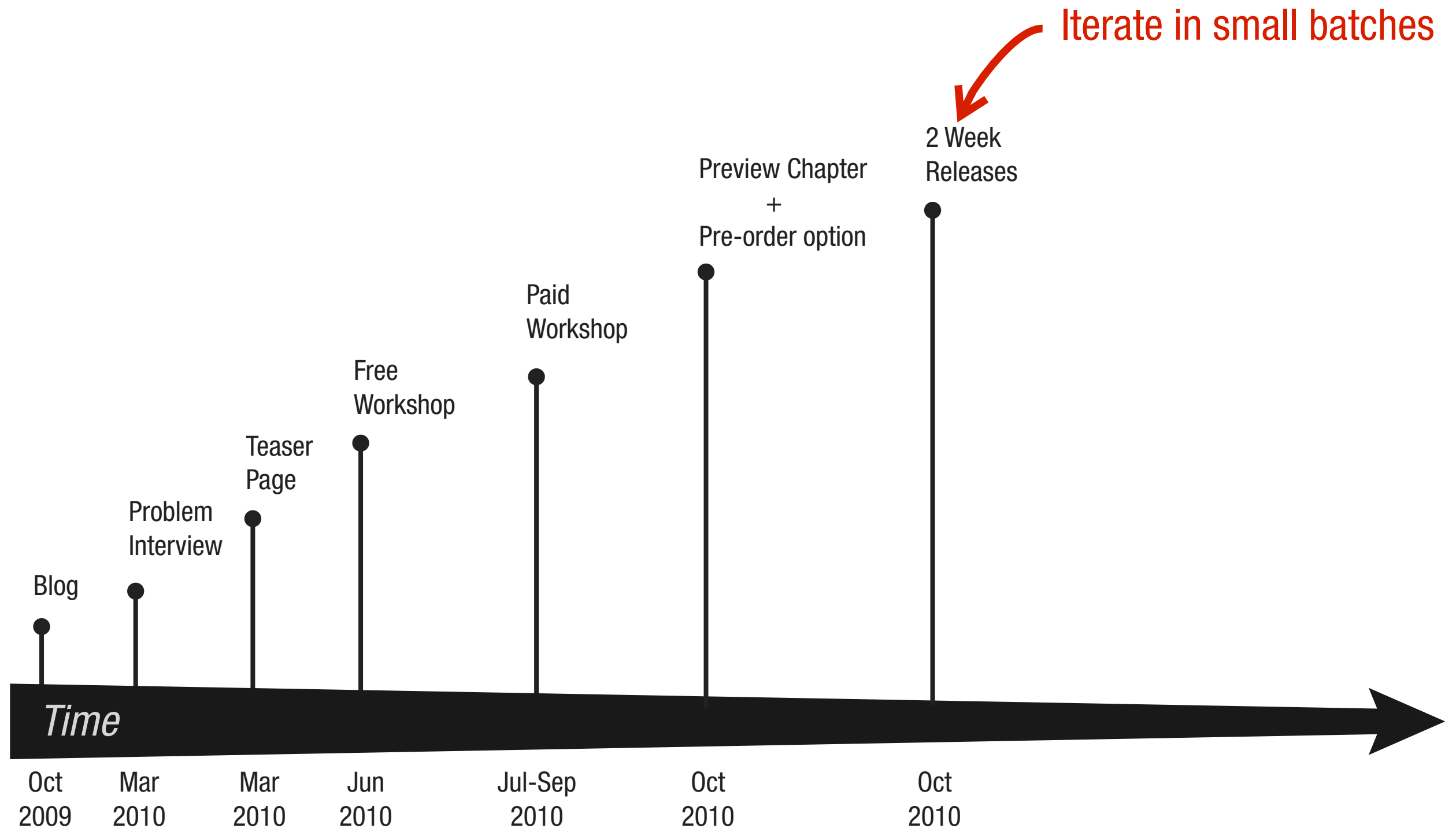
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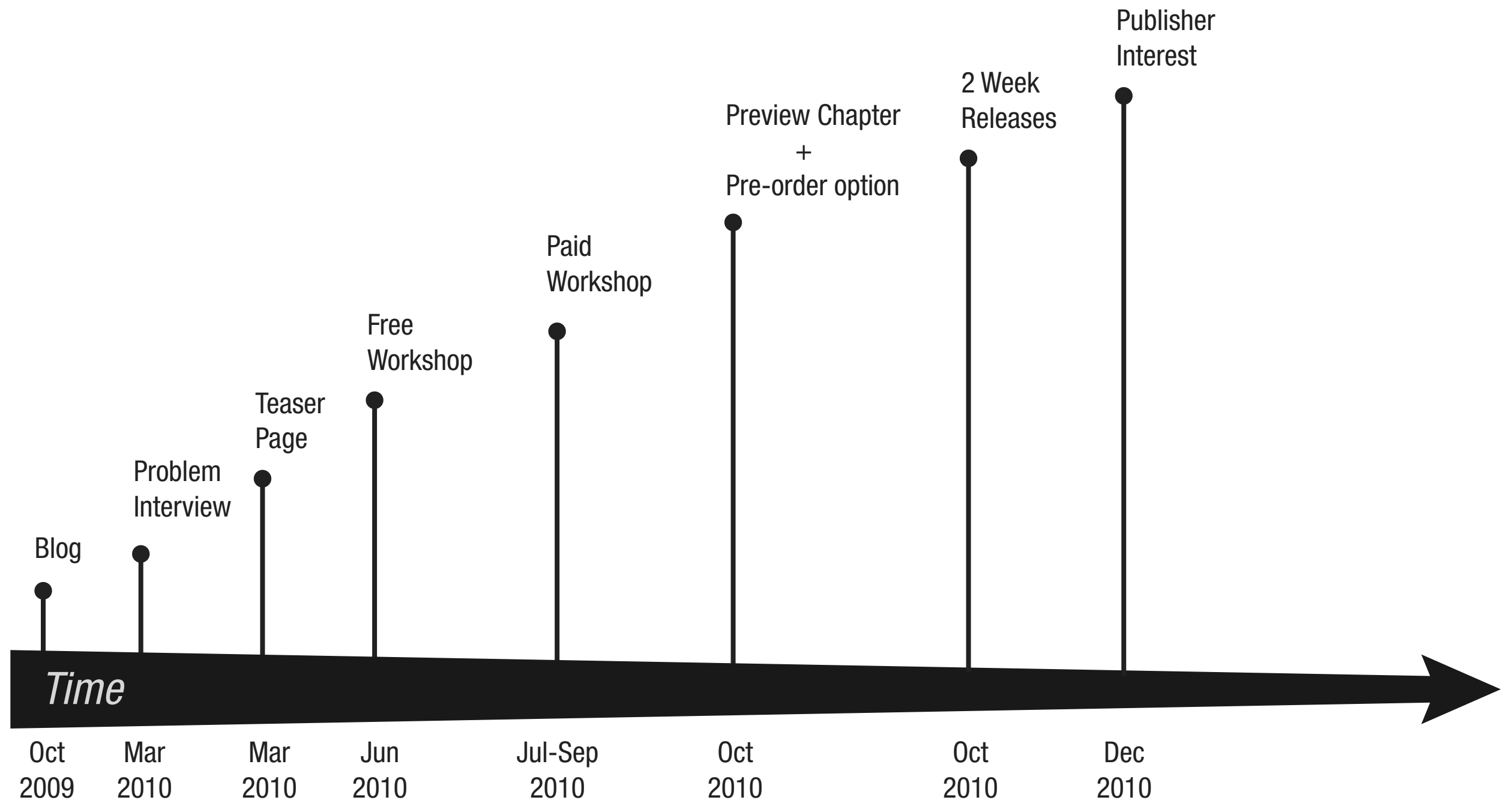
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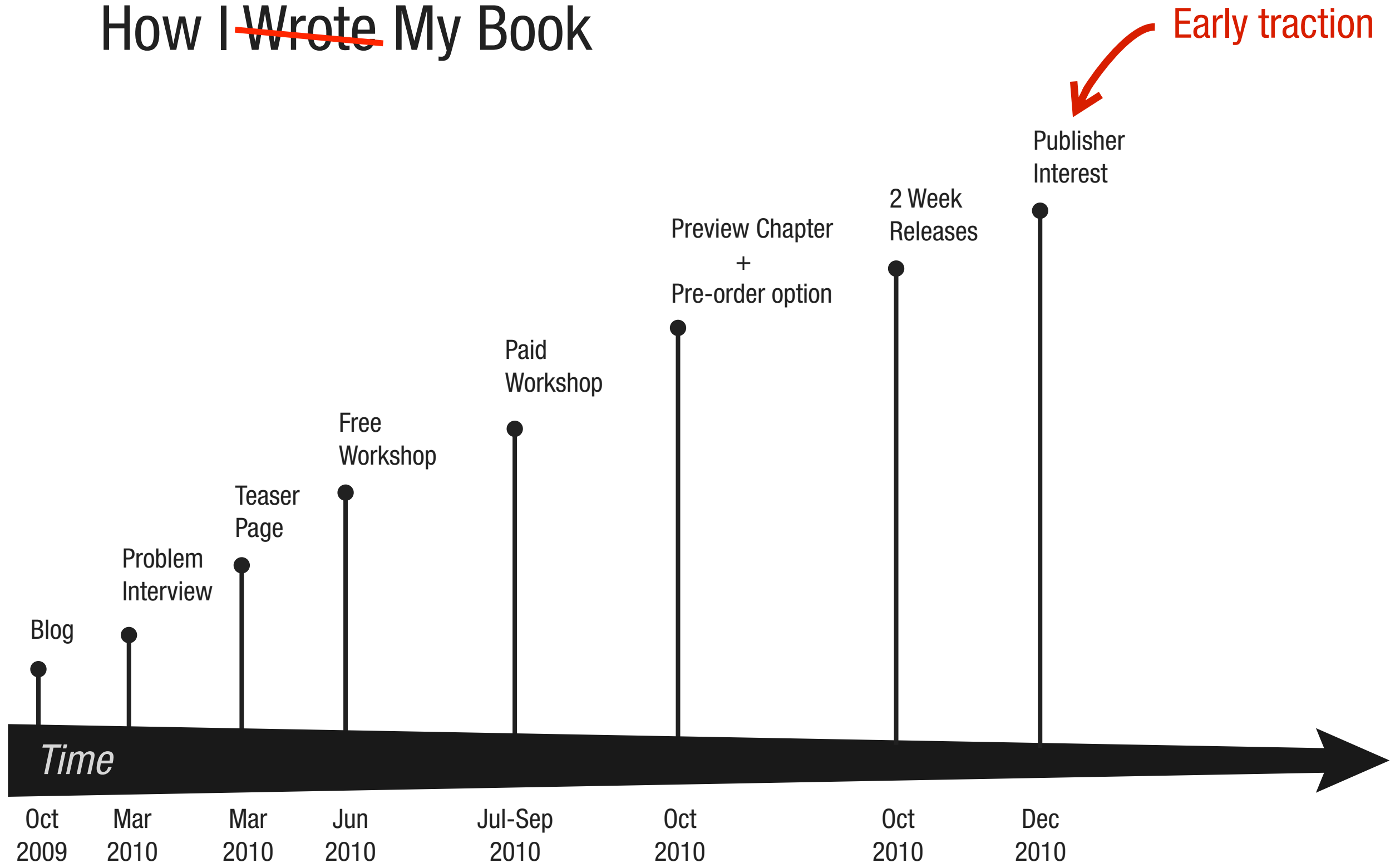
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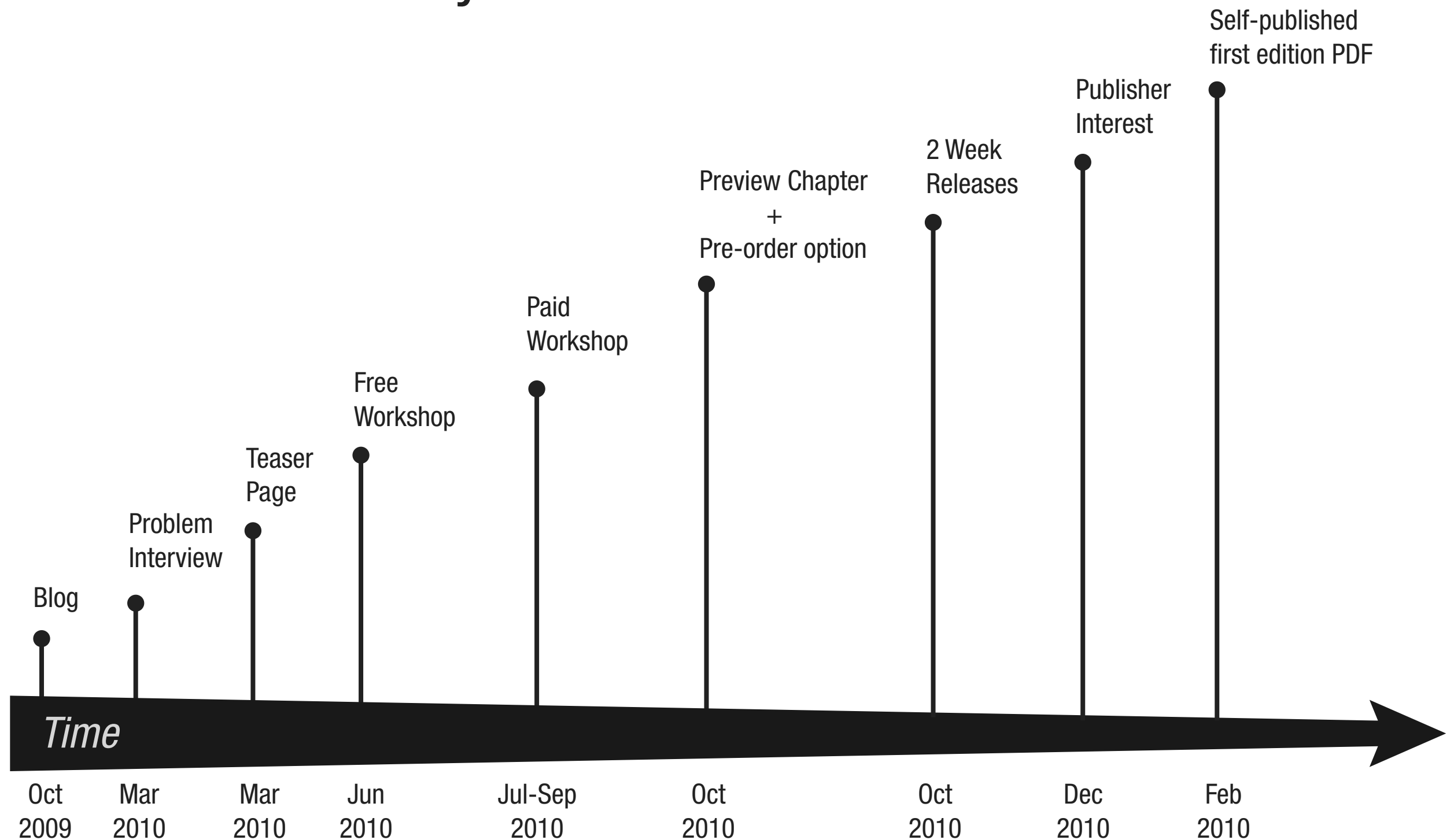
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Life's Too Short to Build Something Nobody Wants.

Join over 10,000 entrepreneurs like you who have discovered Running Lean - the better, more systematic way for building successful products. A book by Ash Maurya.

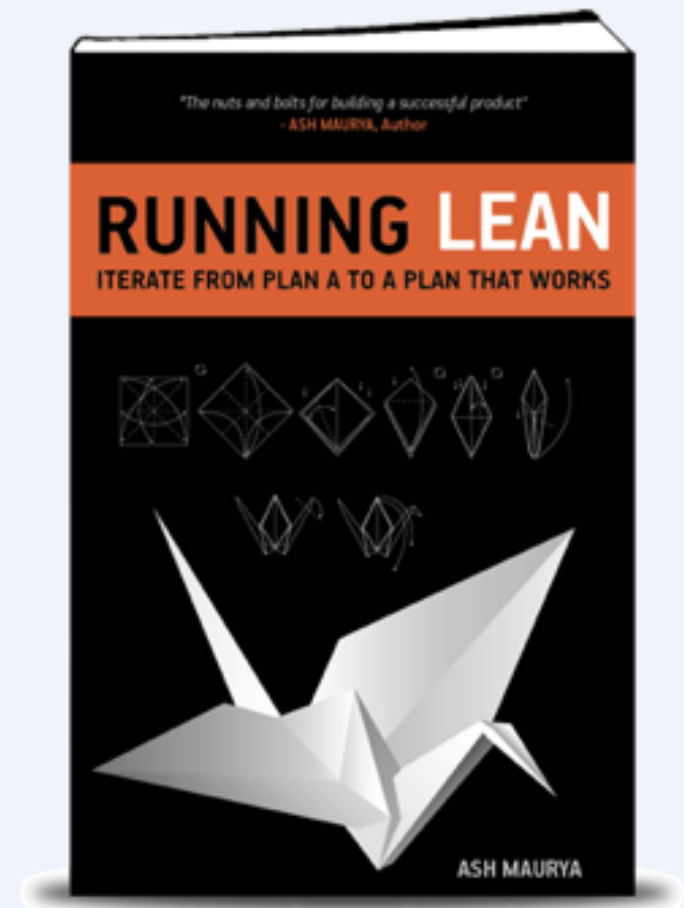
Most startups fail. Not because they fail to launch what they set out to build, but because they waste time building the wrong product.

Running Lean was developed through rigorous testing of Lean Startup, Customer Development, and Bootstrapping techniques on dozens of products. Buy the book to learn how to raise your odds for building a successful product while reducing wasted time, effort, and money.

Pay with a Tweet*

or [Buy the Book - \\$19](#)

* Send a tweet and get a 20% discount code

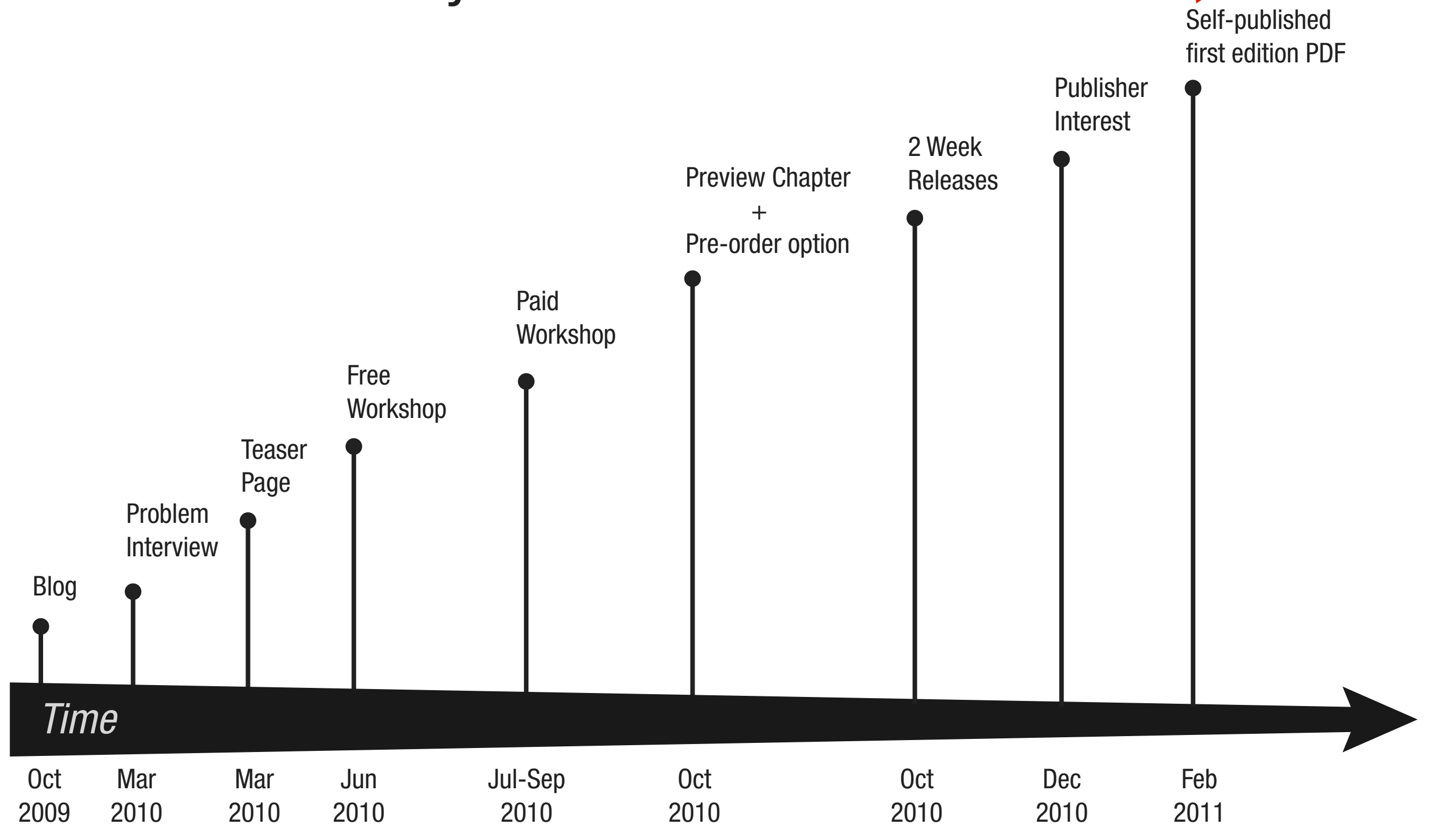


Over 10,000 copies sold!

**"Of all the material out there for entrepreneurs to read,
this book stands out as being one of the very best."**

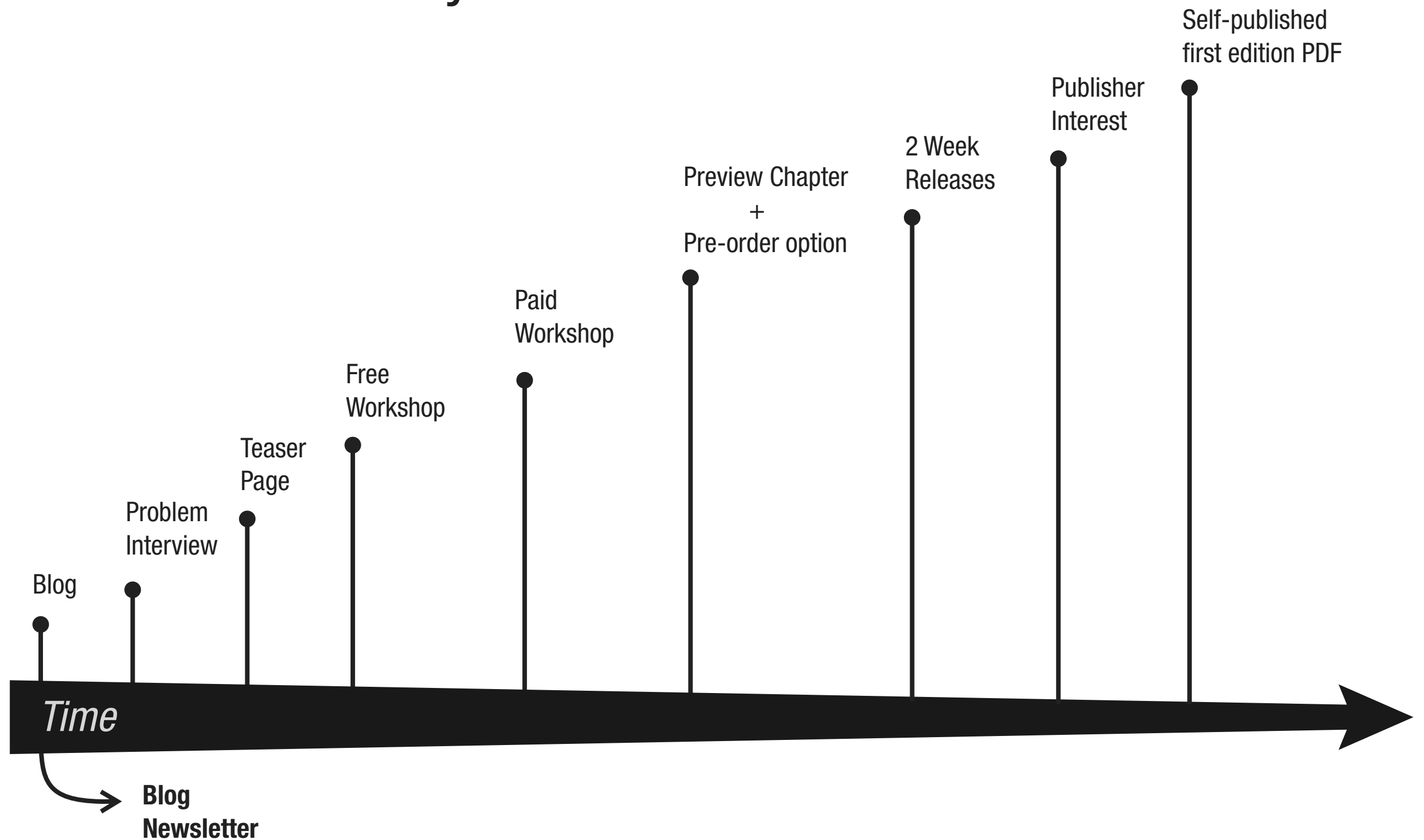
David Skok, Matrix Partners

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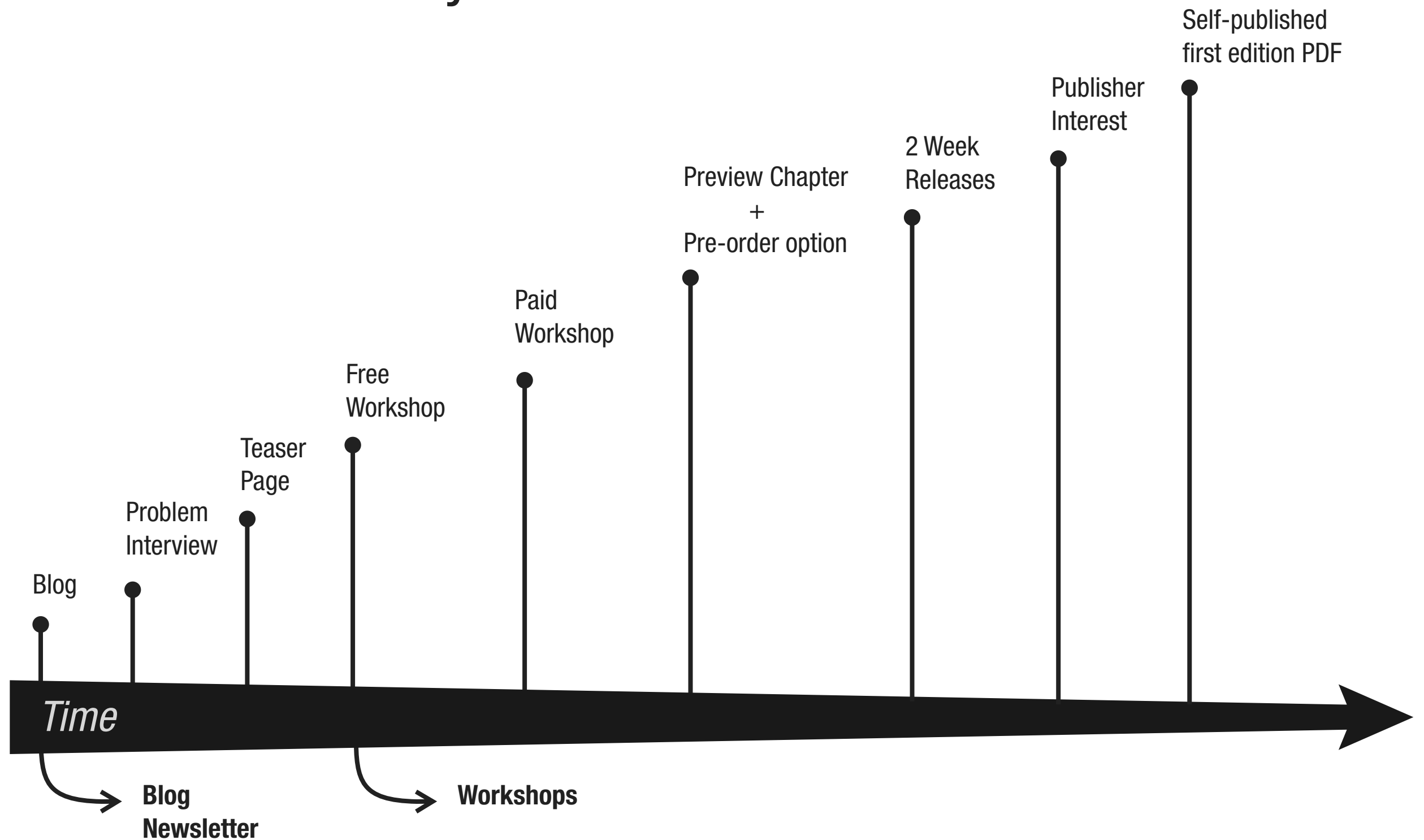
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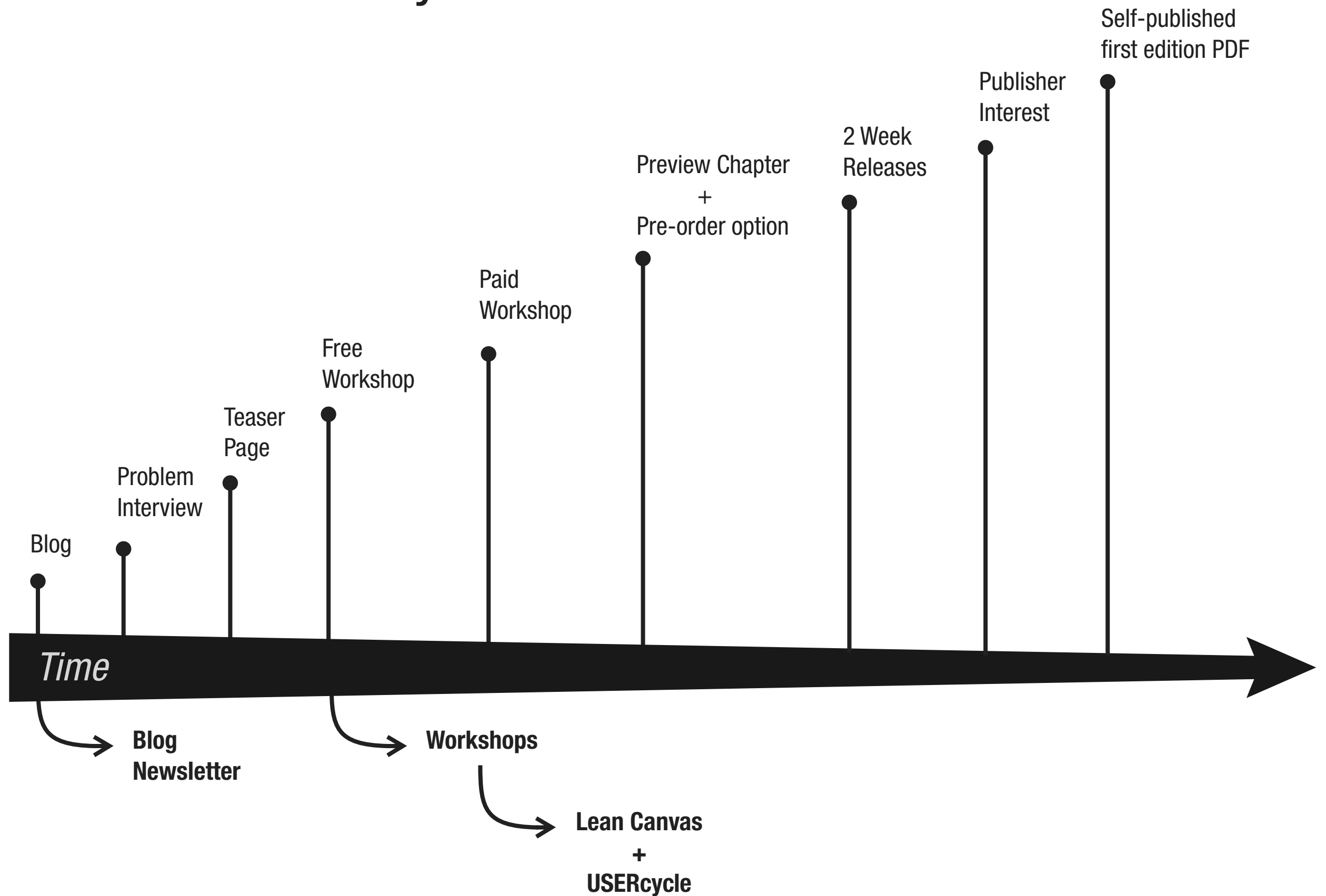
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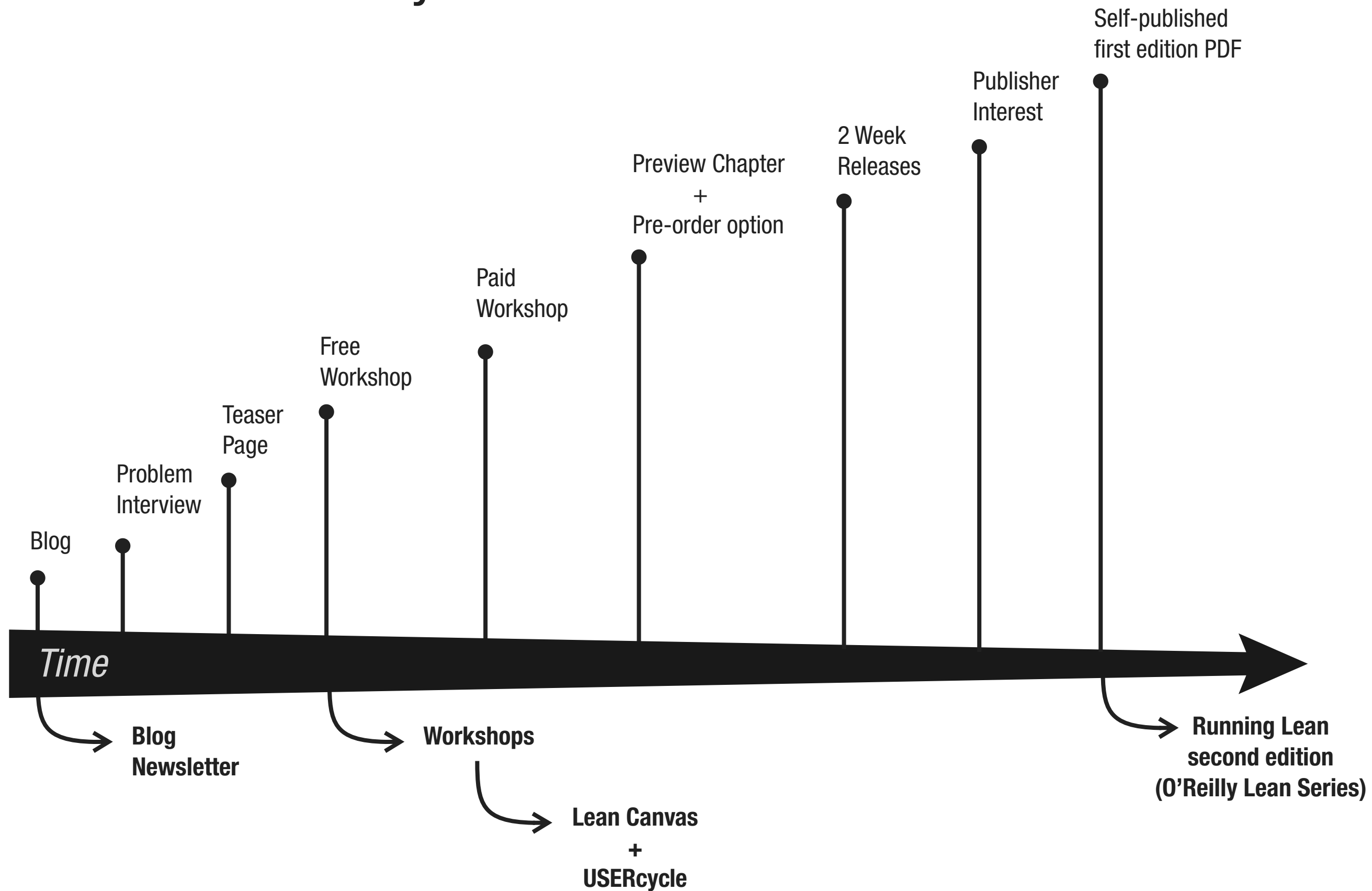
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Iterated

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4.8 out of 5 stars on 150+ Amazon reviews.

We live in an age of unparalleled opportunity for innovation. We're building more products than ever before, but most of them fail — not because we can't complete what we set out to build, but because we waste time, money, and effort building the wrong product.

What we need is a systematic process for quickly vetting product ideas and raising our odds of success. That is the promise of Running Lean.

[Buy now](#)

"If you are starting a company, Running Lean is a must read."

— **Brad Feld**, *Managing Director of Foundry Group*

Objection:

I can see how this can work for **X**.

But it won't work for me because I do **Y**.

Iterated

How I ~~Wrote~~ My Book

RUN LEAN WITH ANY PRODUCT



B2C

Objection:

How is talking to just 10 people **statistically significant?**

B2B

Objection:

How do I deal with **long sales cycles**?

LOW TECH







HARDWARE

A vehicle with efficiency,
safety, and unmatched stability.



Now it's your turn

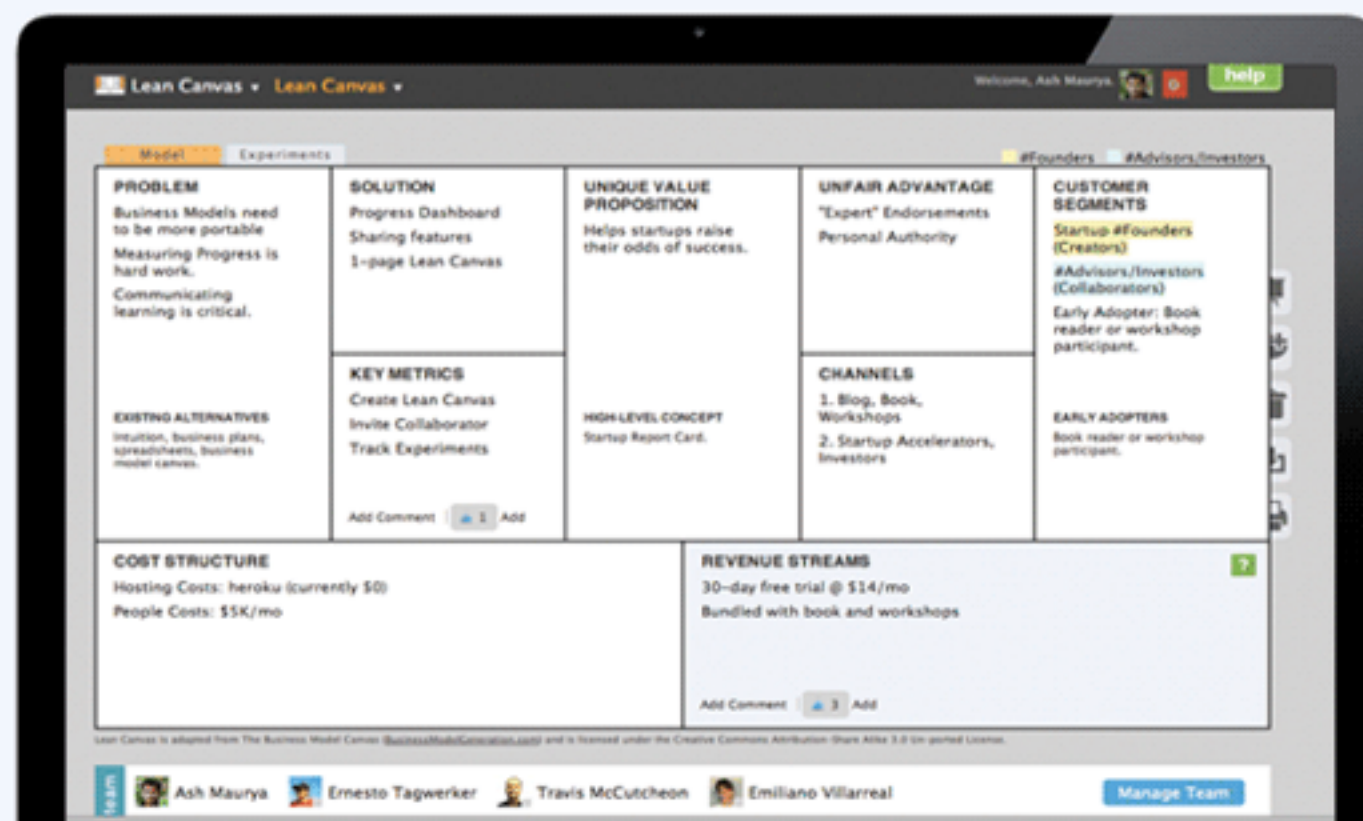
Lean Canvas - Your Startup Blueprint

Join thousands of startups like you who have discovered Lean Canvas - the faster, more effective way to communicate your business model with internal and external stakeholders.

Business plans take too long to write, are seldom updated, and almost never read by others but documenting your hypotheses is key.

Canvas solves this problem using a 1-page business model. Sign up now to create a business model that will be read by more people, be more easily updated, and let you focus on building your business - faster.

Create your first canvas



"Lean Canvas changed the way I think about my own startup."

Sean Ellis. Founder of CatchFree & author of Startup Marketing Blog.

Based on Alex Osterwalder's Business Model Canvas.

Optimized for Lean Startups.

Model

PROBLEM

List your top

Roadmap

Step 1: Document your Plan A (your initial business model)

PROBLEM Sharing life of photos/videos is time consuming. Your proofing sites only support low-res thumbnails.	SOLUTION Instant no-upload sharing. Aperture/Lightroom/Photos integration. Cloud storage of originals.	UNIQUE VALUE PROPOSITION The Fastest Way to Share Your Photos and Videos.	UNFAIR ADVANTAGE Community.	CUSTOMER SEGMENTS Photographers (creators). Clients (viewers).
EXISTING ALTERNATIVES SmugMug Pro, Photo Share.	KEY METRICS Created free gallery. Shared an album and/or video. Invited clients.	HIGH-LEVEL CONCEPT Photo and video sharing without the uploading.	CHANNELS 1-degree network. Cold calling. Photography events.	EARLY ADOPTER Wedding Photographers, Sports Photographers, Portrait Photographers.
COST STRUCTURE Hosting costs - Heroku (currently \$0). People costs - \$0/hr * \$50/hr = \$100/mo.		REVENUE STREAMS 30-day free trial @ \$100/mo. Break-even point: 500 customers.		

Pick a name for your canvas

**Not sure? You can change it later.*

+ Create Canvas

Step 2: Identify the riskiest parts of your plan

Step 3: Systematically test your plan

COST STRU

List your fix

01 Split broad customer segments into **smaller** ones.

Case-Study: CloudFire

(Photo and video sharing service)

Possible Customers List

Really broad category: Anyone that shares lots of photos and videos.

Case-Study: CloudFire

(Photo and video sharing service)

Possible Customers List

Really broad category: Anyone that shares lots of photos and videos.

More Specific:

1. Photographers
2. Videographers
3. Graphic Designers
4. Architects
5. Doctors
6. Parents
7. Consumers

02 **Pick** your strongest customer segment.

Case-Study: CloudFire

(Photo and video sharing service)

Possible Customers List

Really broad category: Anyone that shares lots of photos and videos.

More Specific:

1. Photographers
2. Videographers
3. Graphic Designers
4. Architects
5. Doctors
6. Parents
7. Consumers

03 Label your actors.

PROBLEM

#buyer problems

#seller problems

SOLUTIONOnline marketplace
for collectibles**UNIQUE VALUE
PROPOSITION**#buyer value
proposition#seller value
proposition**UNFAIR
ADVANTAGE**

common advantage

**CUSTOMER
SEGMENTS**

#buyer

#seller

**EXISTING
ALTERNATIVES**

ebay

KEY METRICSnumber of items
sold**HIGH-LEVEL
CONCEPT**Ebay for
collectibles**CHANNELS**

#buyer path

#seller path

**EARLY
ADOPTERS**

Manga, comics

COST STRUCTURE

Hosting: \$X

People: \$Y

REVENUE STREAMS

#buyer pays \$X

#seller pays \$Y



Model

Experiments

PROBLEM

List your top 1–3 problems

2

EXISTING ALTERNATIVES

List how these problems are solved today

SOLUTION

Outline a possible solution for each problem

4

KEY METRICS

List the key numbers that tell you how your business is doing

8

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that turns an unaware visitor into an interested prospect

3

HIGH-LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

9

CHANNELS

List your path to customers

5

CUSTOMER SEGMENTS

List your target customers and users

1

EARLY ADOPTERS

List the characteristics of your ideal customers

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

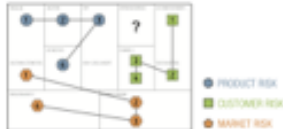
List your sources of revenue

6

PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
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CANVAS FILL ORDER



RISK ITERATION PATH

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

PROBLEM <i>List your top 1-3 problems.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
EXISTING ALTERNATIVES <i>List how these problems are solved today.</i>	EARLY ADOPTERS <i>List the characteristics of your ideal customers.</i>

Who is the customer?

PROBLEM <i>List your top 1-3 problems.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
EXISTING ALTERNATIVES <i>List how these problems are solved today.</i>	EARLY ADOPTERS <i>List the characteristics of your ideal customers.</i>

Who is the customer?

How will you qualify/identify early adopters?

What are their
top 3 problems?

PROBLEM

List your top 1-3 problems.

EXISTING ALTERNATIVES

List how these problems are solved today.

CUSTOMER SEGMENTS

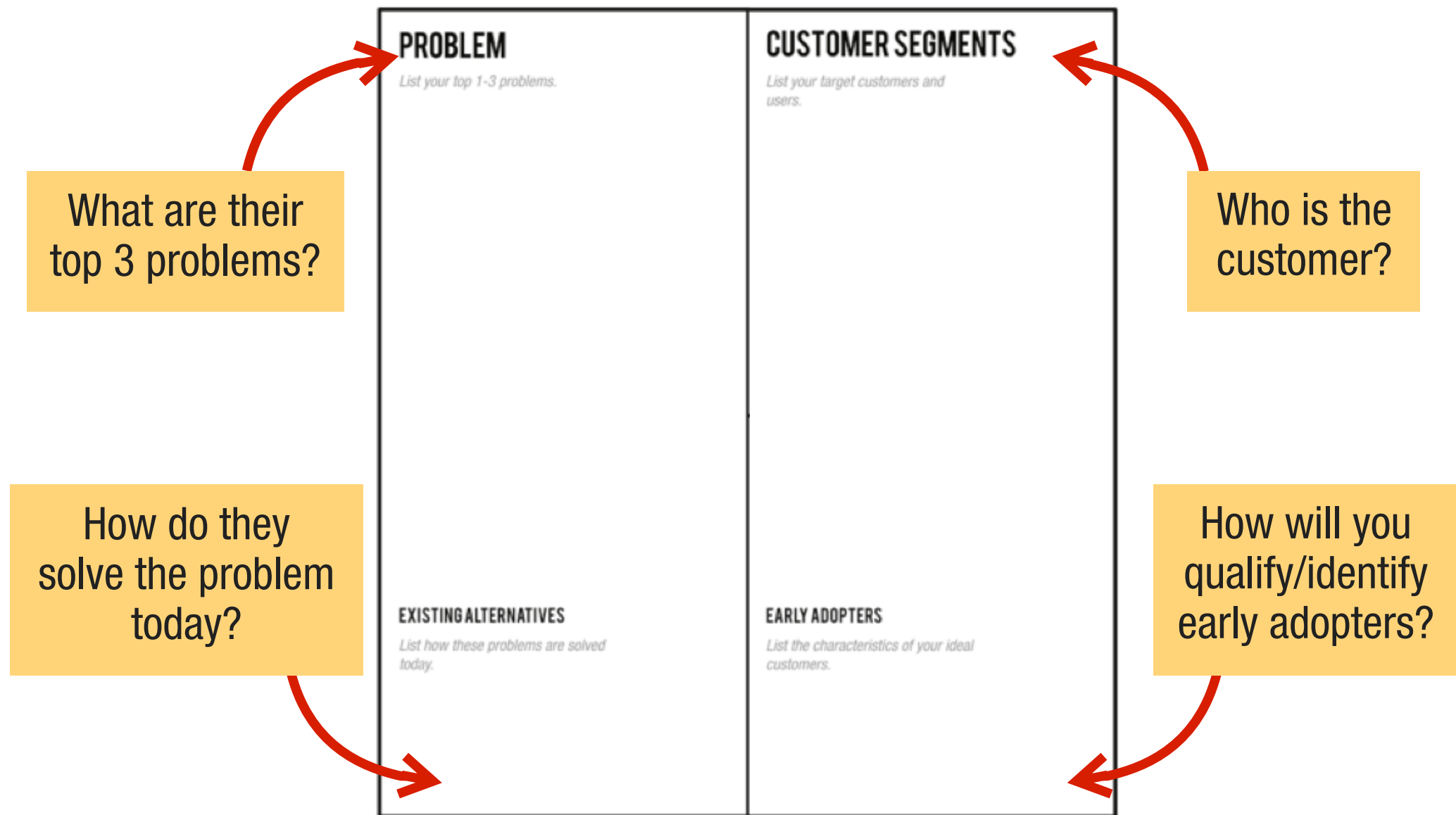
List your target customers and users.

EARLY ADOPTERS

List the characteristics of your ideal customers.

Who is the
customer?

How will you
qualify/identify
early adopters?



Customer-centric Approach

Already have inkling of C-P-S

PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

1

EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

1



EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

2

PROBLEM

List your top 1-3 problems.

3

EXISTING ALTERNATIVES

List how these problems are solved today.

CUSTOMER SEGMENTS

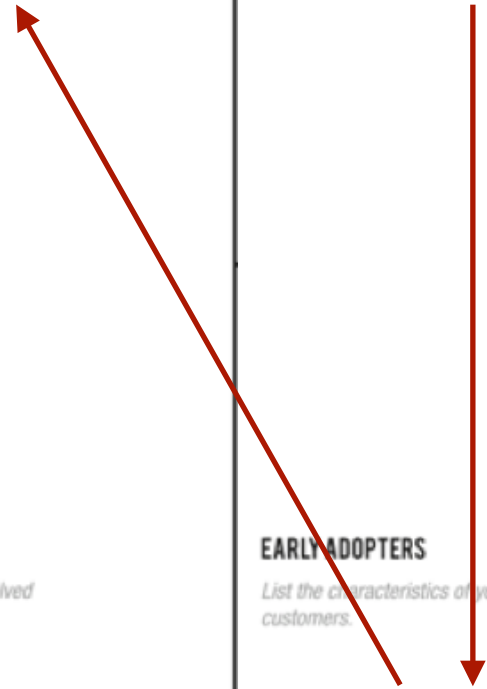
List your target customers and users.

1

EARLY ADOPTERS

List the characteristics of your ideal customers.

2



PROBLEM

List your top 1-3 problems.

3

EXISTING ALTERNATIVES

List how these problems are solved today.

4

CUSTOMER SEGMENTS

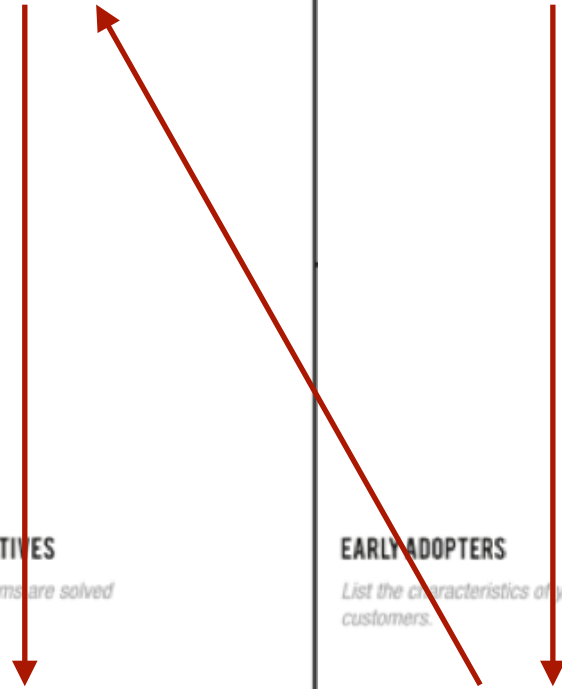
List your target customers and users.

1

EARLY ADOPTERS

List the characteristics of your ideal customers.

2



Big Problem Approach

Impact Driven

Find a **cure** for cancer

Increase **child mortality** rates in
subsaharan Africa

PROBLEM

List your top 1-3 problems.

1

EXISTING ALTERNATIVES

List how these problems are solved today.

CUSTOMER SEGMENTS

List your target customers and users.

EARLY ADOPTERS

List the characteristics of your ideal customers.

PROBLEM

List your top 1-3 problems.

1



CUSTOMER SEGMENTS

List your target customers and users.

2

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PROBLEM

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CUSTOMER SEGMENTS

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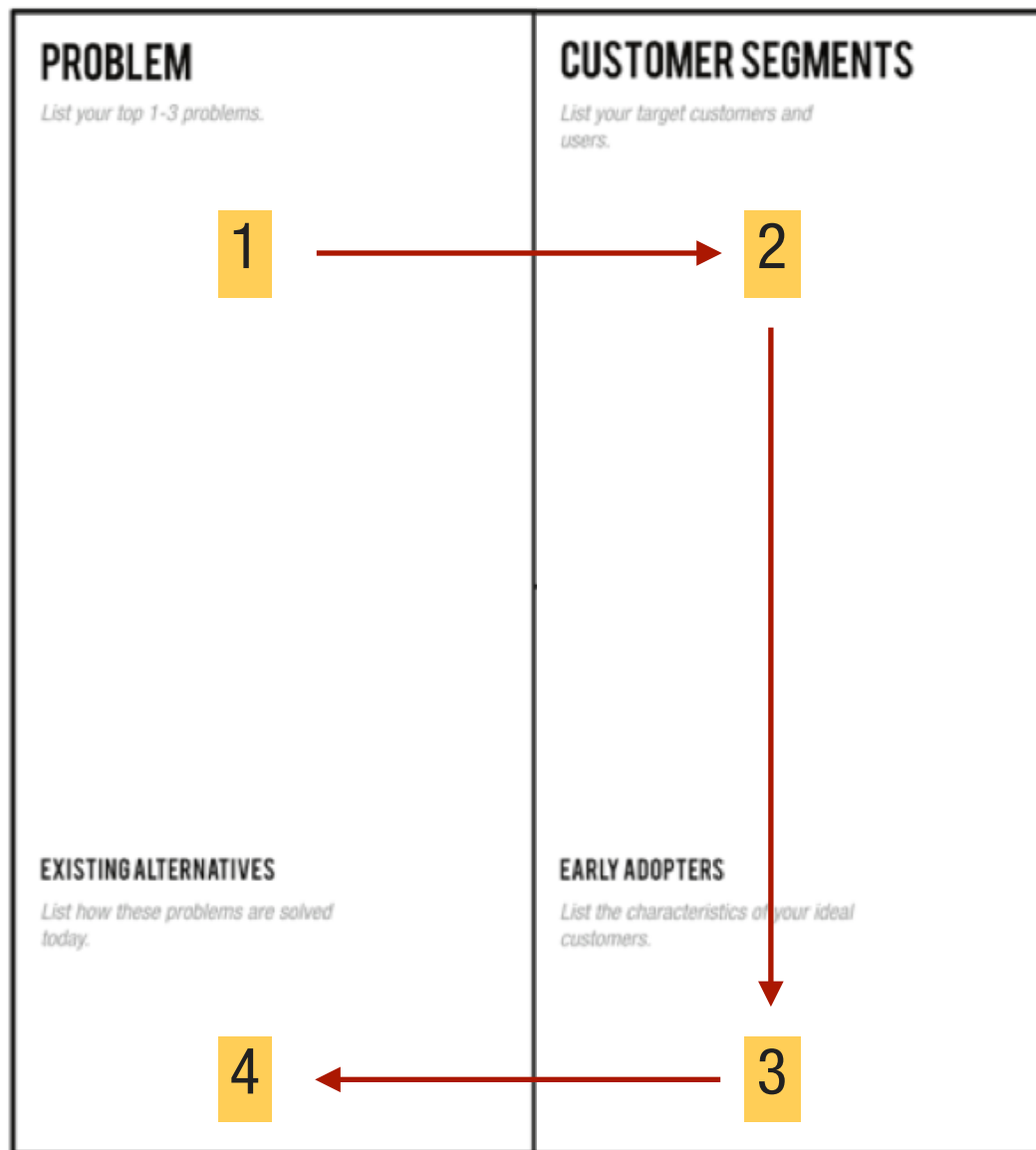
List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

3





Jobs-to-be-done Framework

What is your customer hiring your product to do?

**What Job Causes You to Hire
a Milkshake?**



How do you communicate a
disruptive product?

*If I had asked people what they **wanted**,
they would have said **faster horses**.*

-Henry Ford



“It’s so much intimate than a **laptop** and so much more capable than a **smartphone**.”

- Steve Jobs

Jobs are timeless

Jobs transcend categories



Same job, different everything.





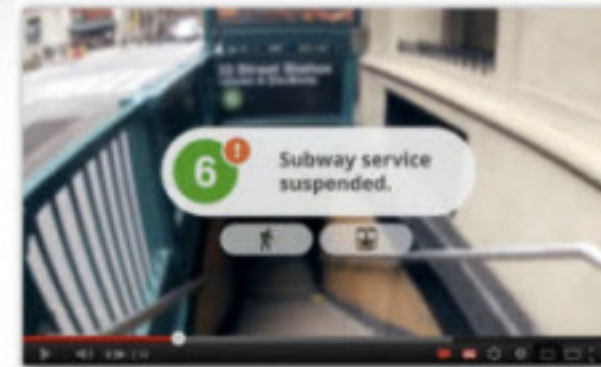




Google



Project Glass





PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

1

PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

2

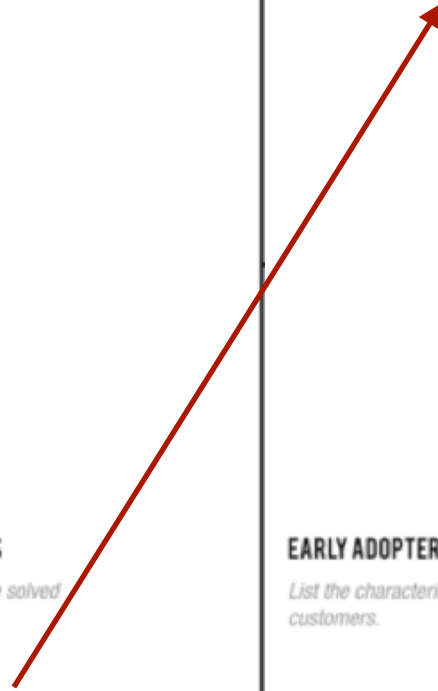
EXISTING ALTERNATIVES

List how these problems are solved today.

EARLY ADOPTERS

List the characteristics of your ideal customers.

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PROBLEM

List your top 1-3 problems.

CUSTOMER SEGMENTS

List your target customers and users.

EXISTING ALTERNATIVES

List how these problems are solved today.

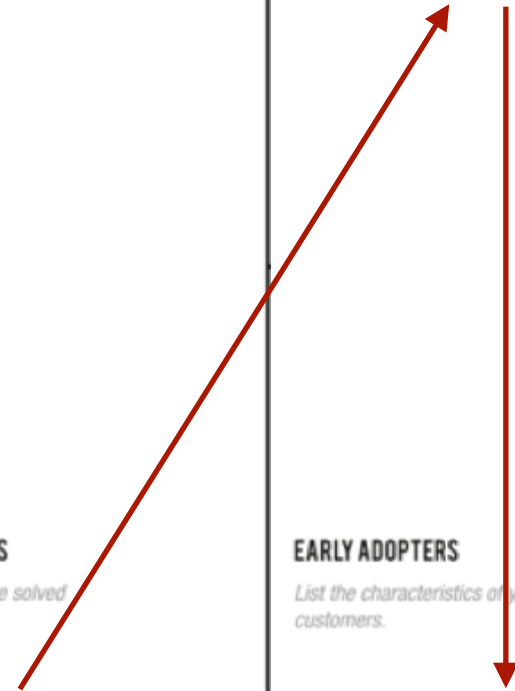
EARLY ADOPTERS

List the characteristics of your ideal customers.

1

2

3



PROBLEM

List your top 1-3 problems.

4

EXISTING ALTERNATIVES

List how these problems are solved today.

1

CUSTOMER SEGMENTS

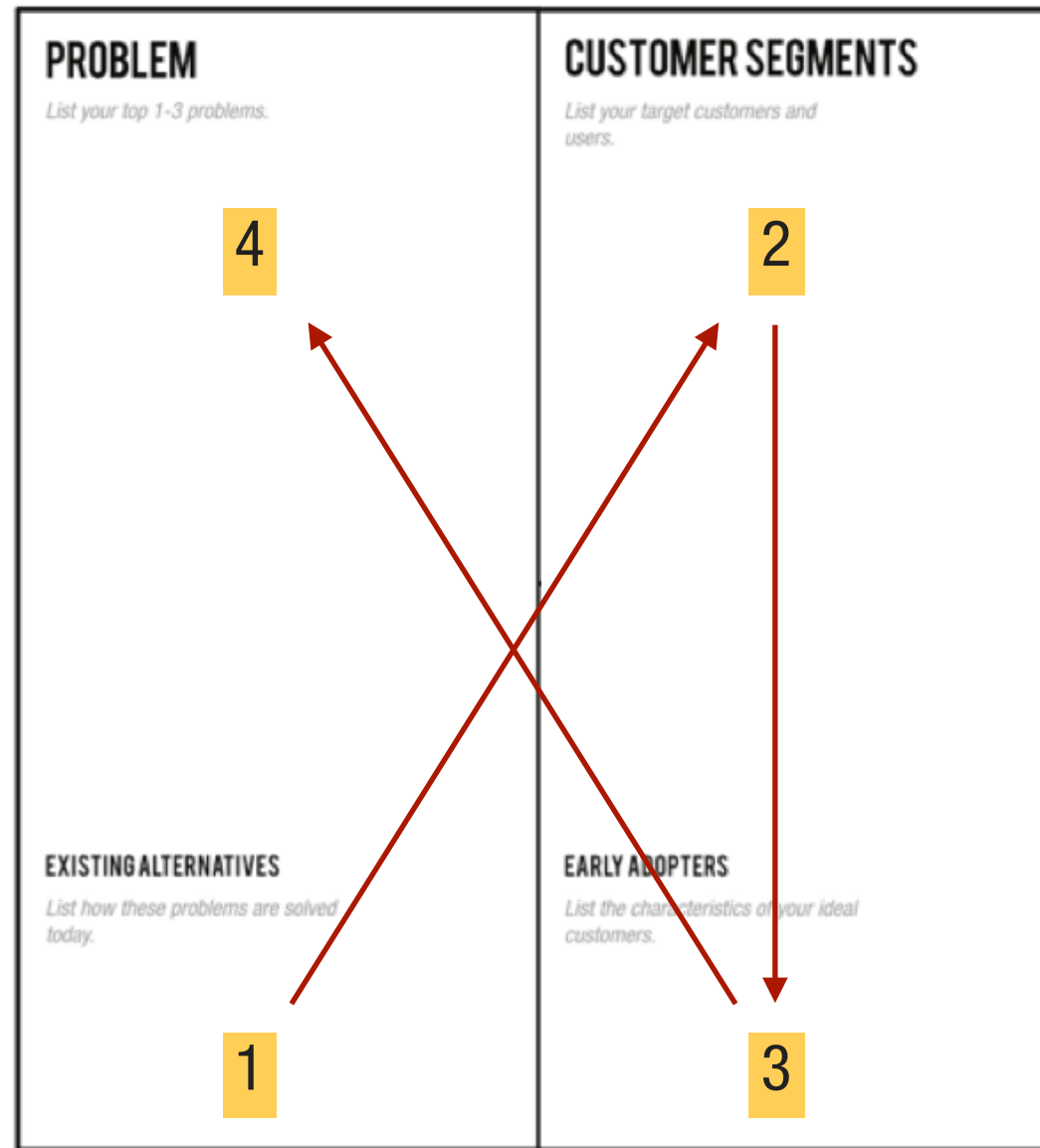
List your target customers and users.

2

EARLY ADOPTERS

List the characteristics of your ideal customers.

3



Apply Different Frameworks

Tell a compelling story

PROBLEM

List your top 1-3 problems.

3

EXISTING ALTERNATIVES

List how these problems are solved today.

4

CUSTOMER SEGMENTS

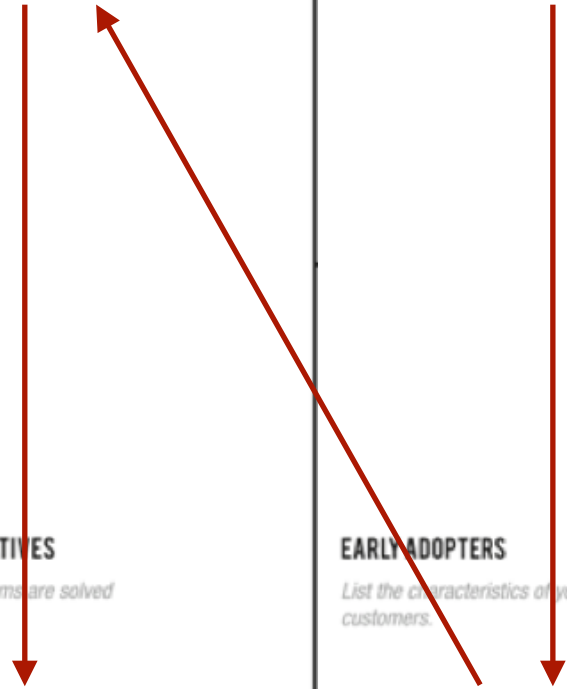
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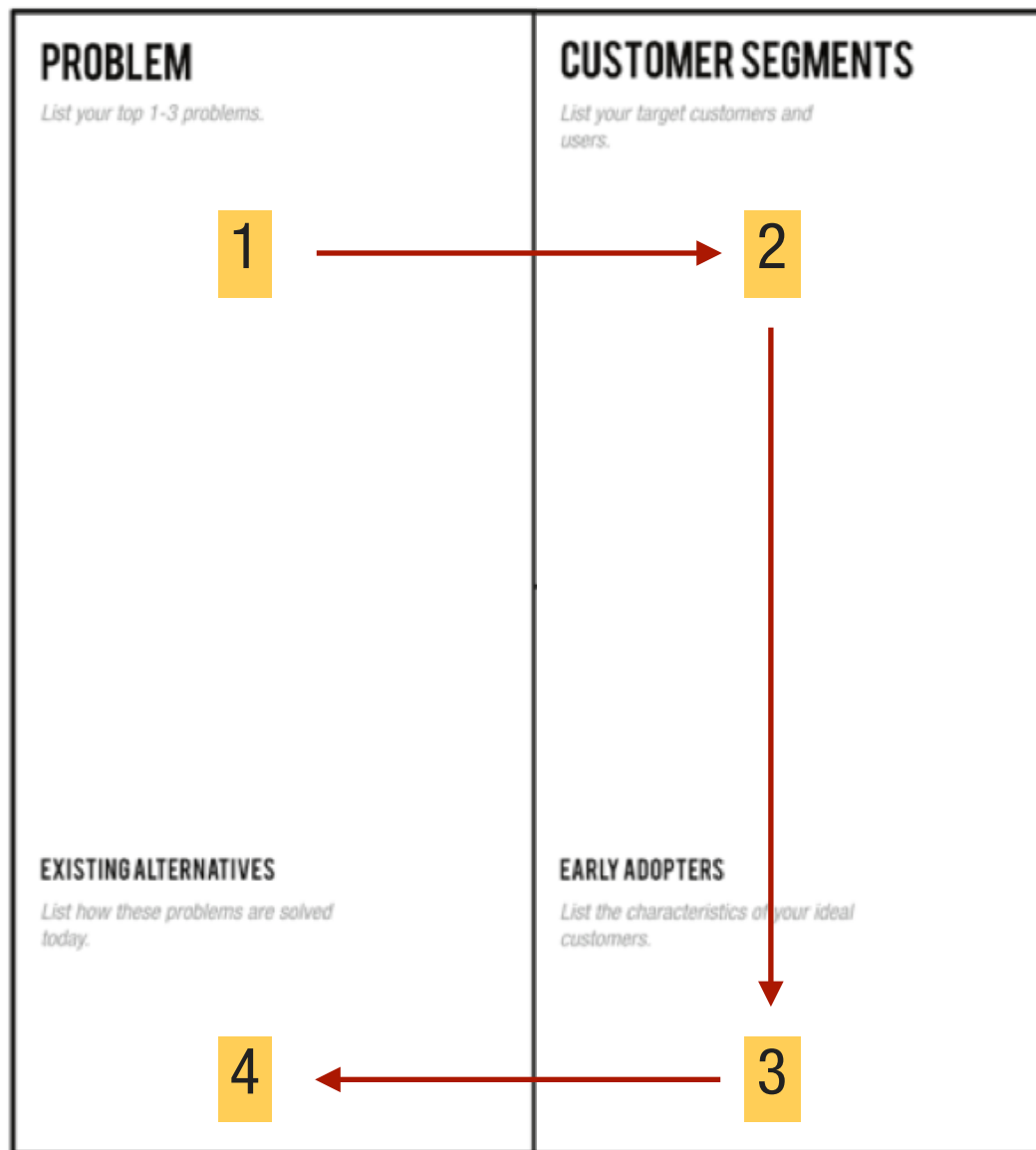
1

EARLY ADOPTERS

List the characteristics of your ideal customers.

2





PROBLEM

List your top 1-3 problems.

4

CUSTOMER SEGMENTS

List your target customers and users.

2

EXISTING ALTERNATIVES

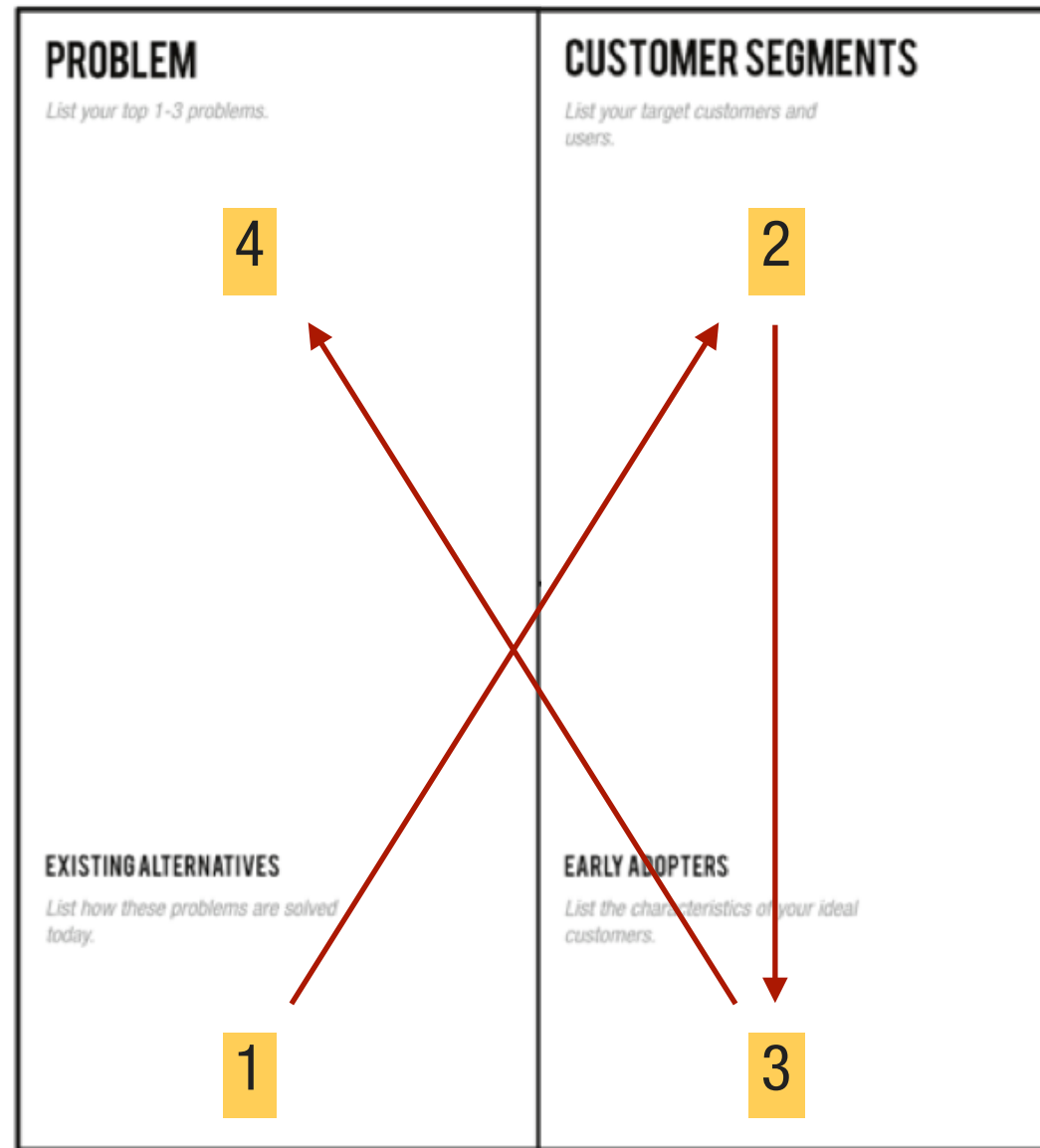
List how these problems are solved today.

1

EARLY ADOPTERS

List the characteristics of your ideal customers.

3



5-Whys Framework

Root cause analysis



1. Why



1. Why



2. Why



1. Why



2. Why



3. Why



1. Why



2. Why



3. Why



4. Why



1. Why



2. Why



3. Why



4. Why



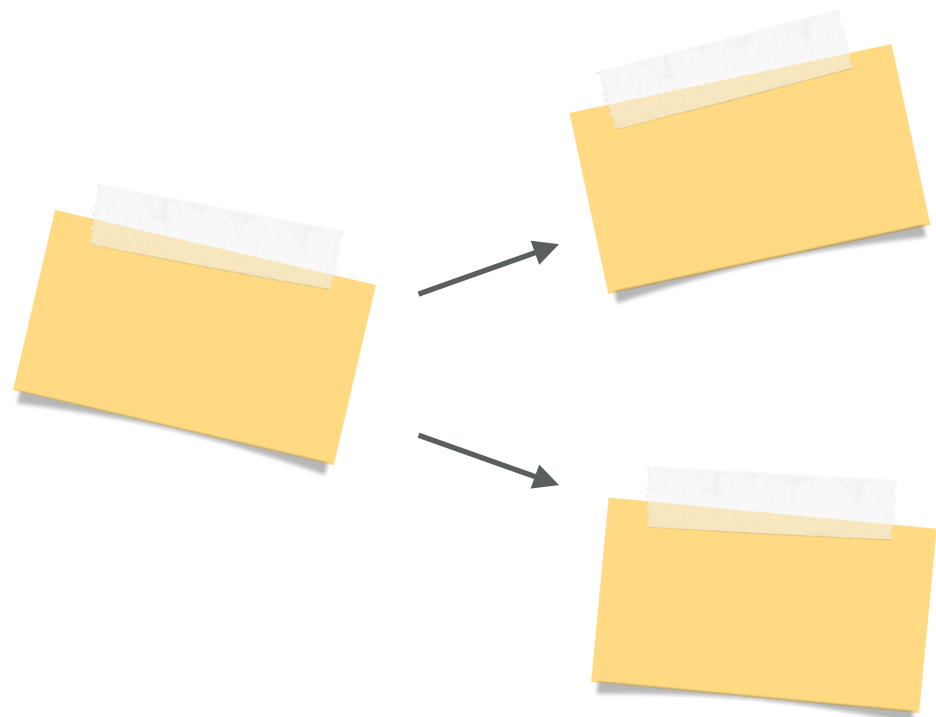
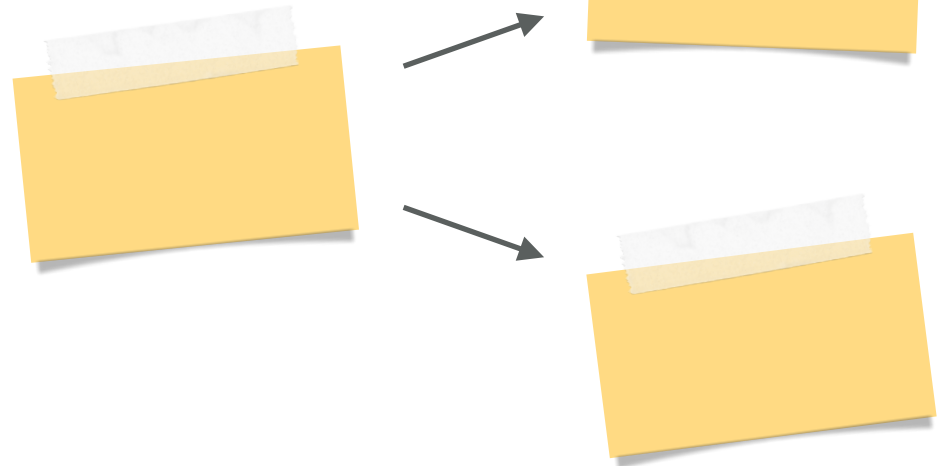
5. Why

1. Why



1. Why

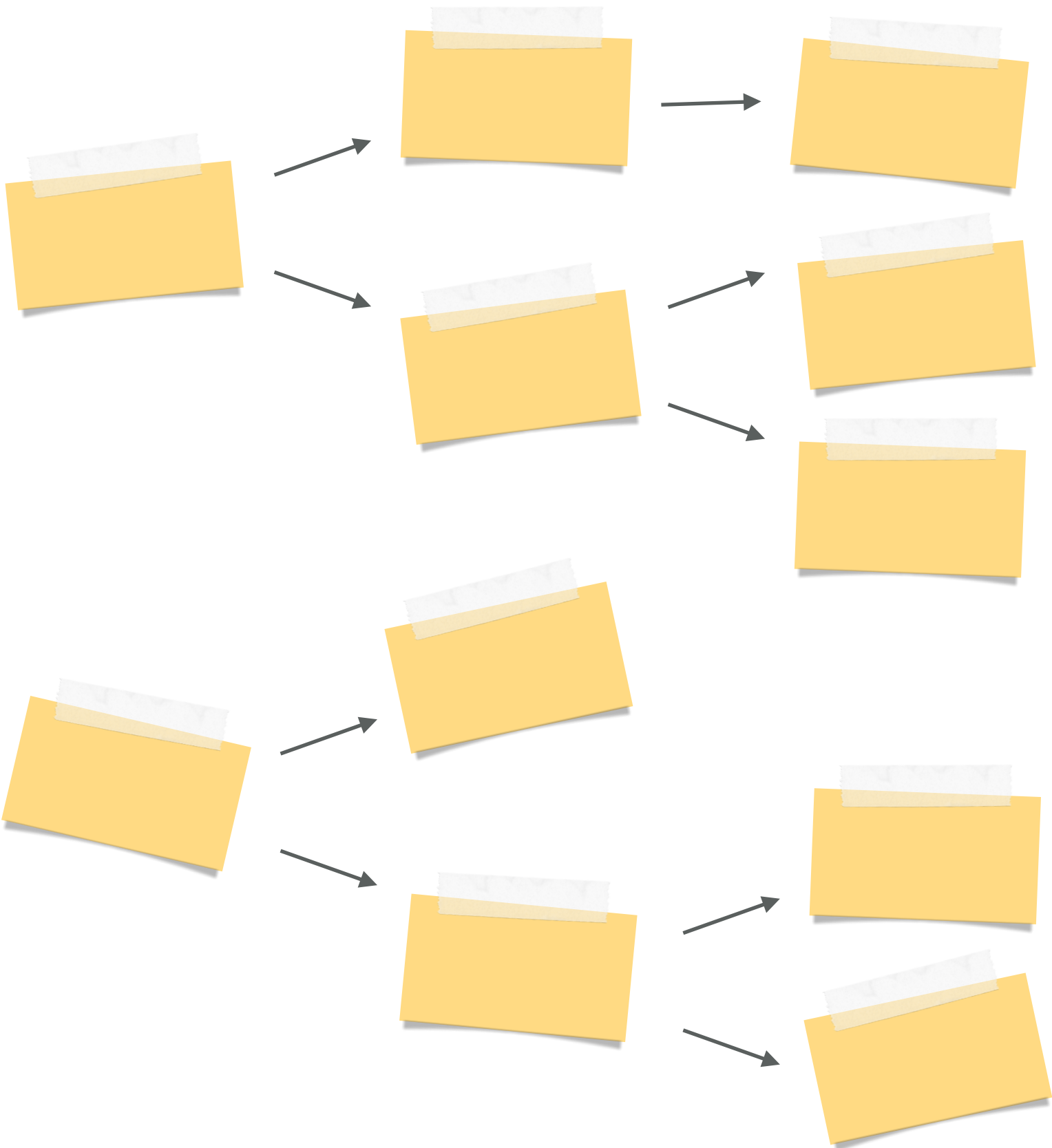
2. Why



1. Why

2. Why

3. Why

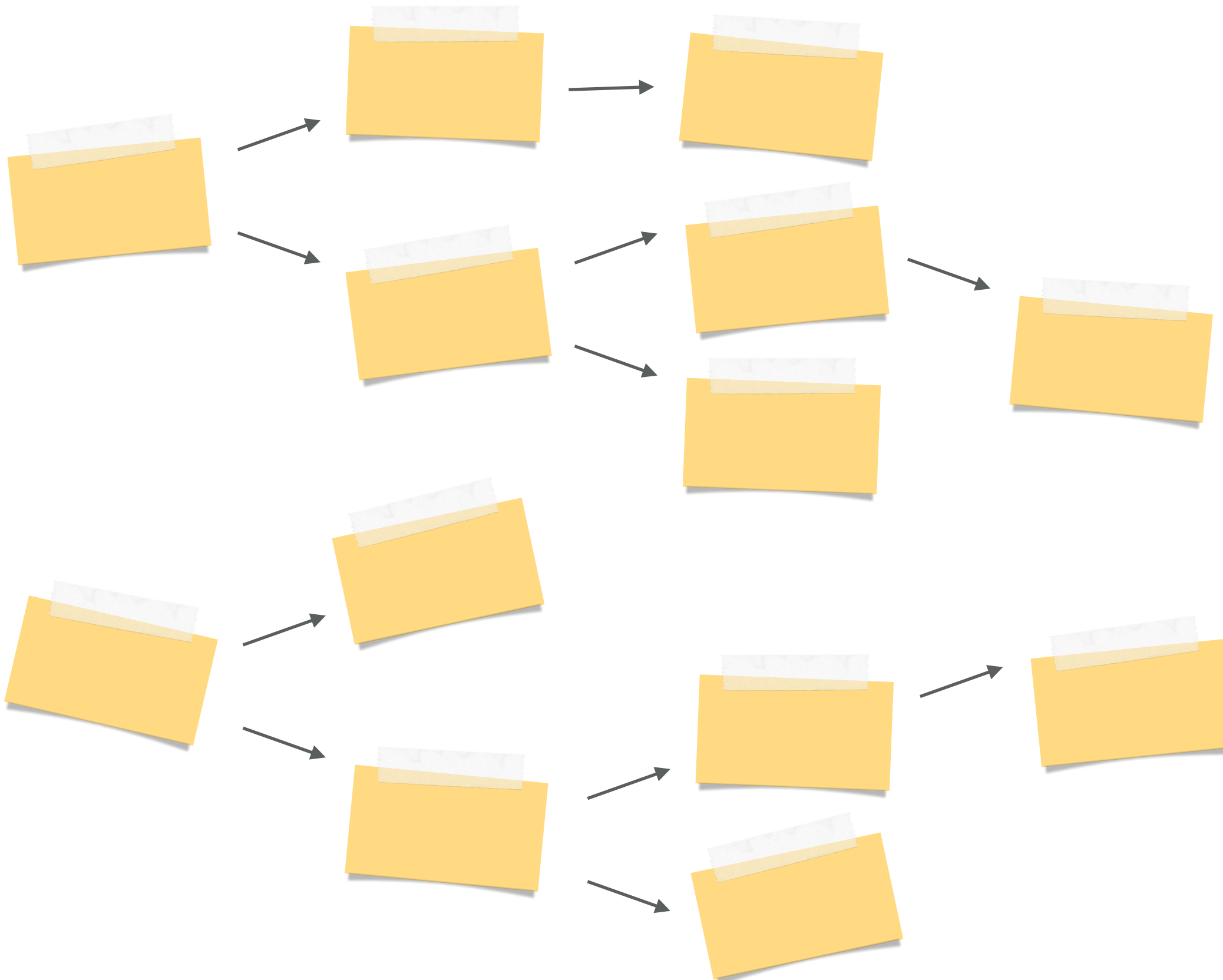


1. Why

2. Why

3. Why

4. Why



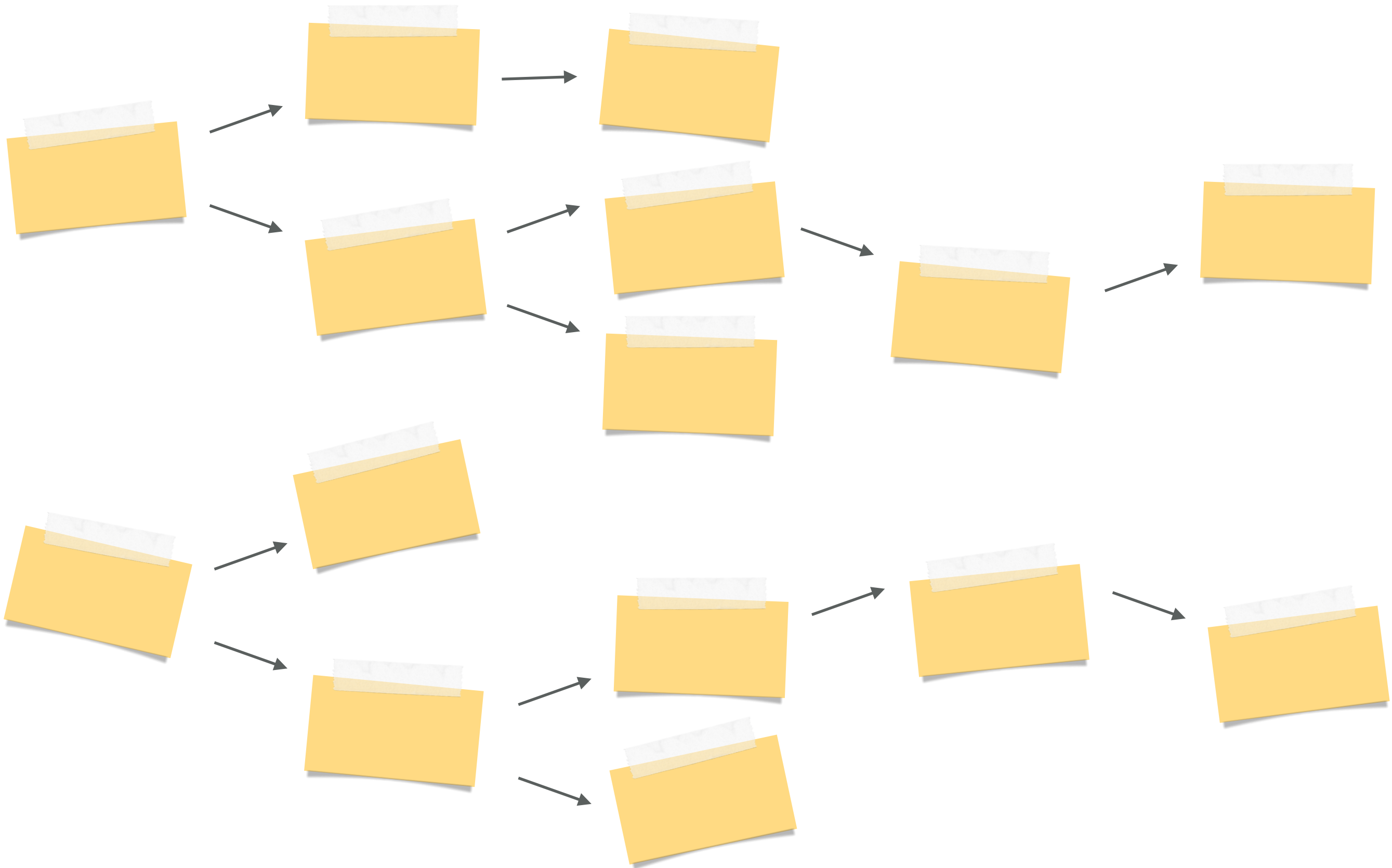
1. Why

2. Why

3. Why

4. Why

5. Why



Sharing photos and videos is hard

1. WHY is this a problem

It's time-consuming.

2. WHY is this a problem

There are lots of baby pictures.

3. WHY is this a problem

Organizing and uploading takes time.

4. WHY is this a problem

Parents have no free time.

5. WHY is this a problem

There is lots of external demand from family.



Model

Experiments

PROBLEM

List your top 1–3 problems

2

EXISTING ALTERNATIVES

List how these problems are solved today

SOLUTION

Outline a possible solution for each problem

4

KEY METRICS

List the key numbers that tell you how your business is doing

8

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that turns an unaware visitor into an interested prospect

3

HIGH-LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

9

CHANNELS

List your path to customers

5

CUSTOMER SEGMENTS

Parents (customer)
Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

List your sources of revenue

6



Model

Experiments

PROBLEM

Sharing lots of photos/videos is time-consuming.

Parents have no free time.

There is lots of external demand on this content.

EXISTING ALTERNATIVES

Flickr Pro, SmugMug, Apple MobileMe, Facebook.

SOLUTION

Outline a possible solution for each problem

4

KEY METRICS

List the key numbers that tell you how your business is doing

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PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
	KEY METRICS <i>List the key numbers that tell you how your business is doing.</i>		CHANNELS <i>List your path to customers (inbound or outbound).</i>	
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COST STRUCTURE <i>List your fixed and variable costs.</i>			REVENUE STREAMS <i>List your sources of revenue.</i>	



CANVAS FILL ORDER



RISK ITERATION PATH

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

SOLUTION

Outline a possible solution for each problem.

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

HIGH-LEVEL CONCEPT

*List your X for Y analogy e.g.
YouTube = Flickr for videos.*

REVENUE STREAMS

List your sources of revenue.

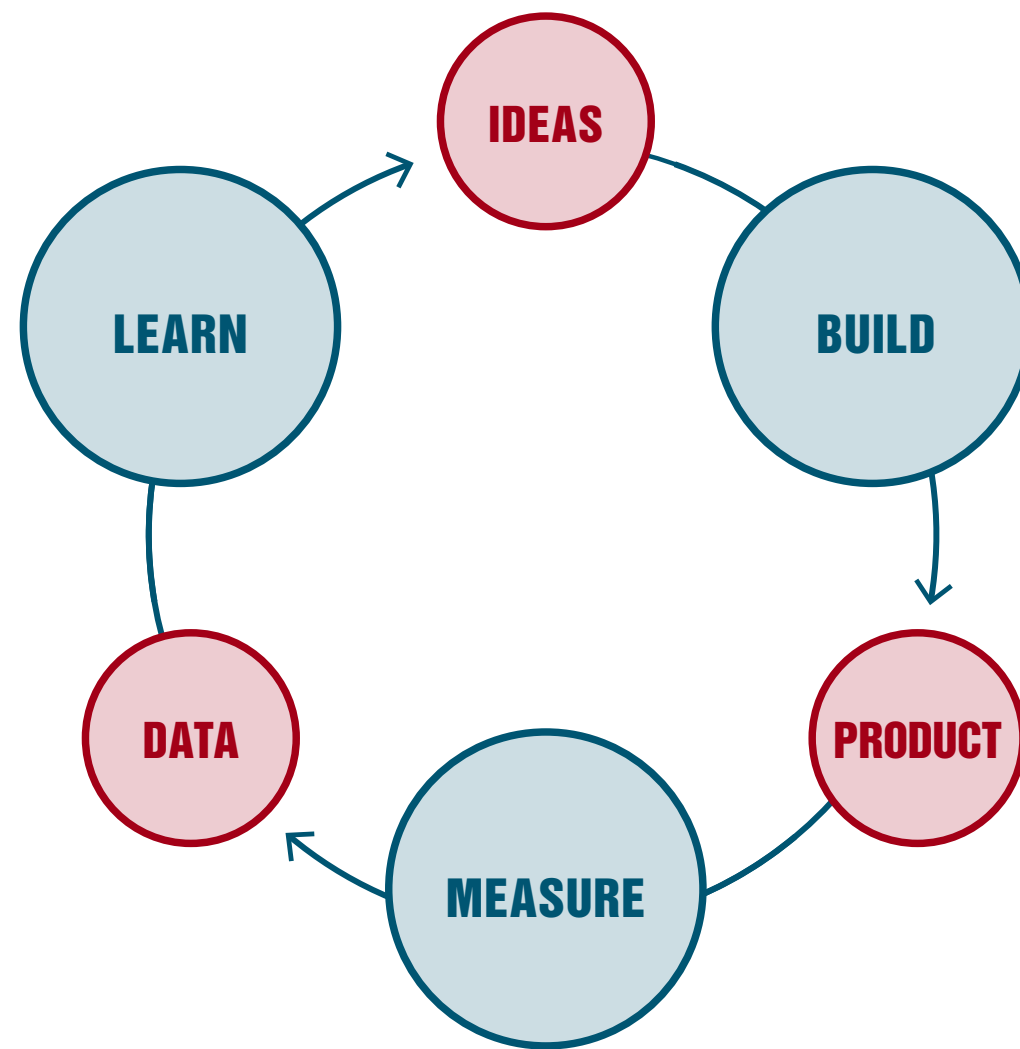
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Minimum Viable Product

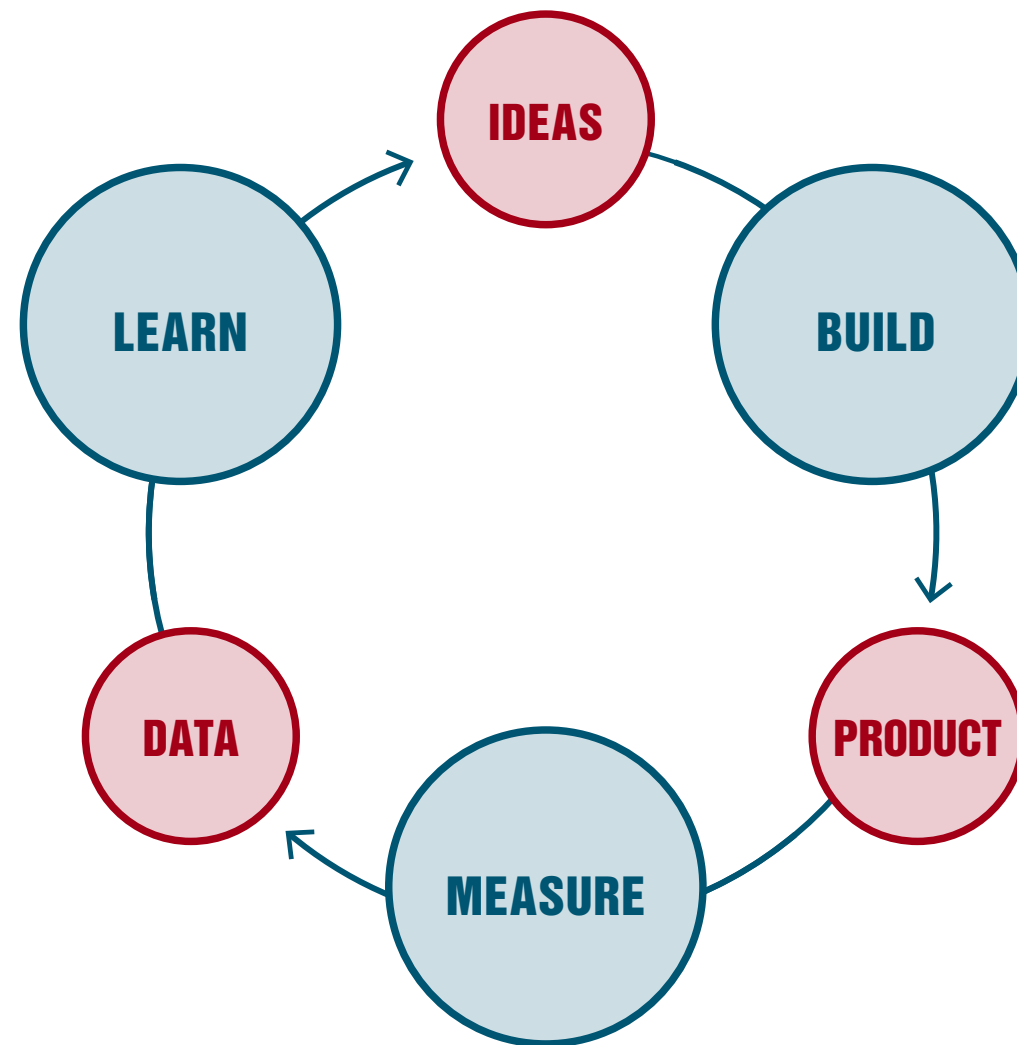
What is an MVP?

...the **fastest** way to get through the Build/Measure/Learn loop with the **least amount of effort**.



Customer Interviews
Demos
Teaser Pages
Smoke Tests
Release 1.0
Concierge MVP
Wizard of Oz MVP

An MVP is the **smallest** solution that
delivers customer value.



- ~~Customer Interviews~~
- ~~Demos~~
- ~~Teaser Pages~~
- ~~Smoke Tests~~
- Release 1.0
- Concierge MVP
- Wizard of Oz MVP

An MVP is the
delivers customer value

(BONUS: And captures customer value.)

How **fast** is fast?

How about 2 weeks!

APPSUMO

*We promote great products to help
you kick ass at work.*

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APPSUMO

We promote great products to help
you kickstart your business

Get our free newsletter

Your email

SUBMIT

Already a member? [Login](#)

**Built and tested
in a weekend**



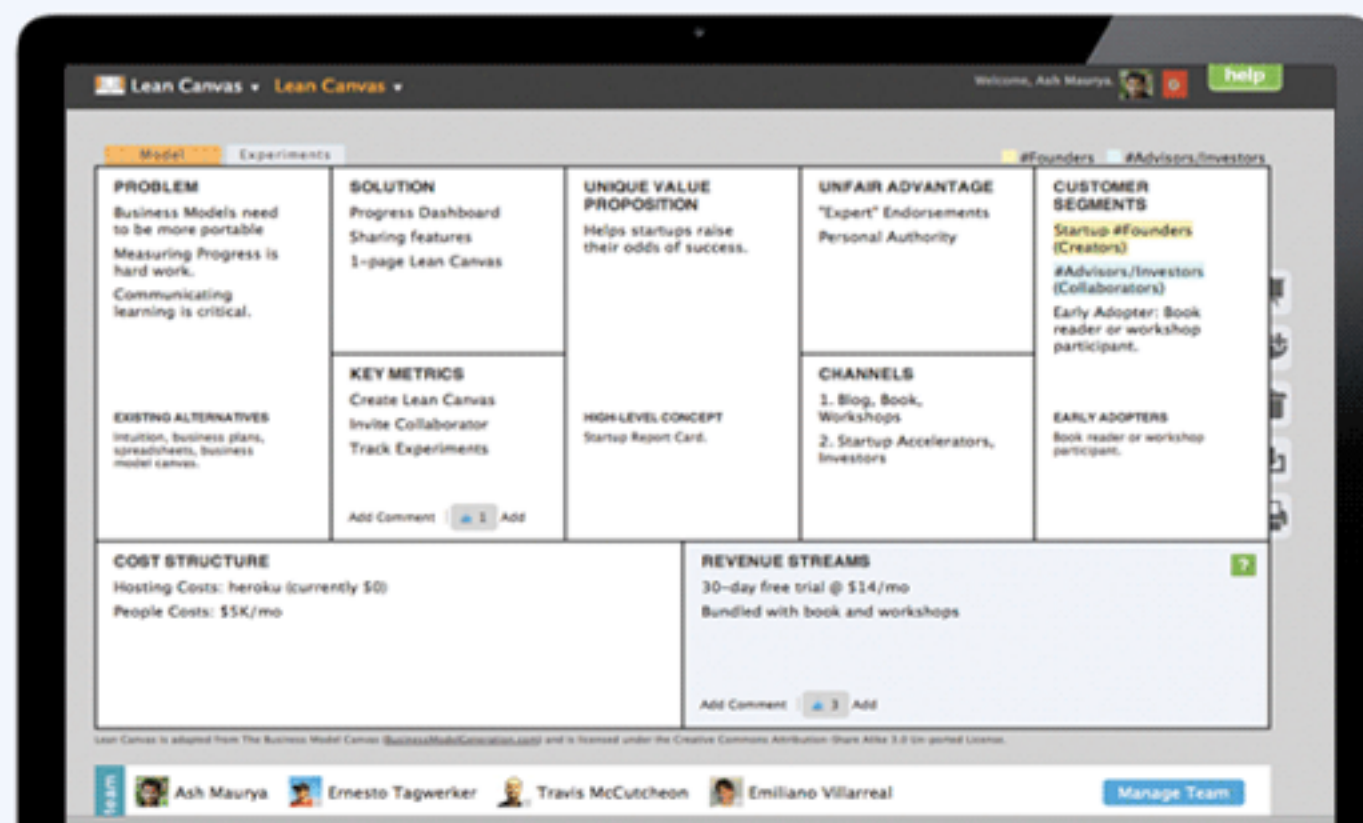
Lean Canvas - Your Startup Blueprint

Join thousands of startups like you who have discovered Lean Canvas - the faster, more effective way to communicate your business model with internal and external stakeholders.

Business plans take too long to write, are seldom updated, and almost never read by others but documenting your hypotheses is key.

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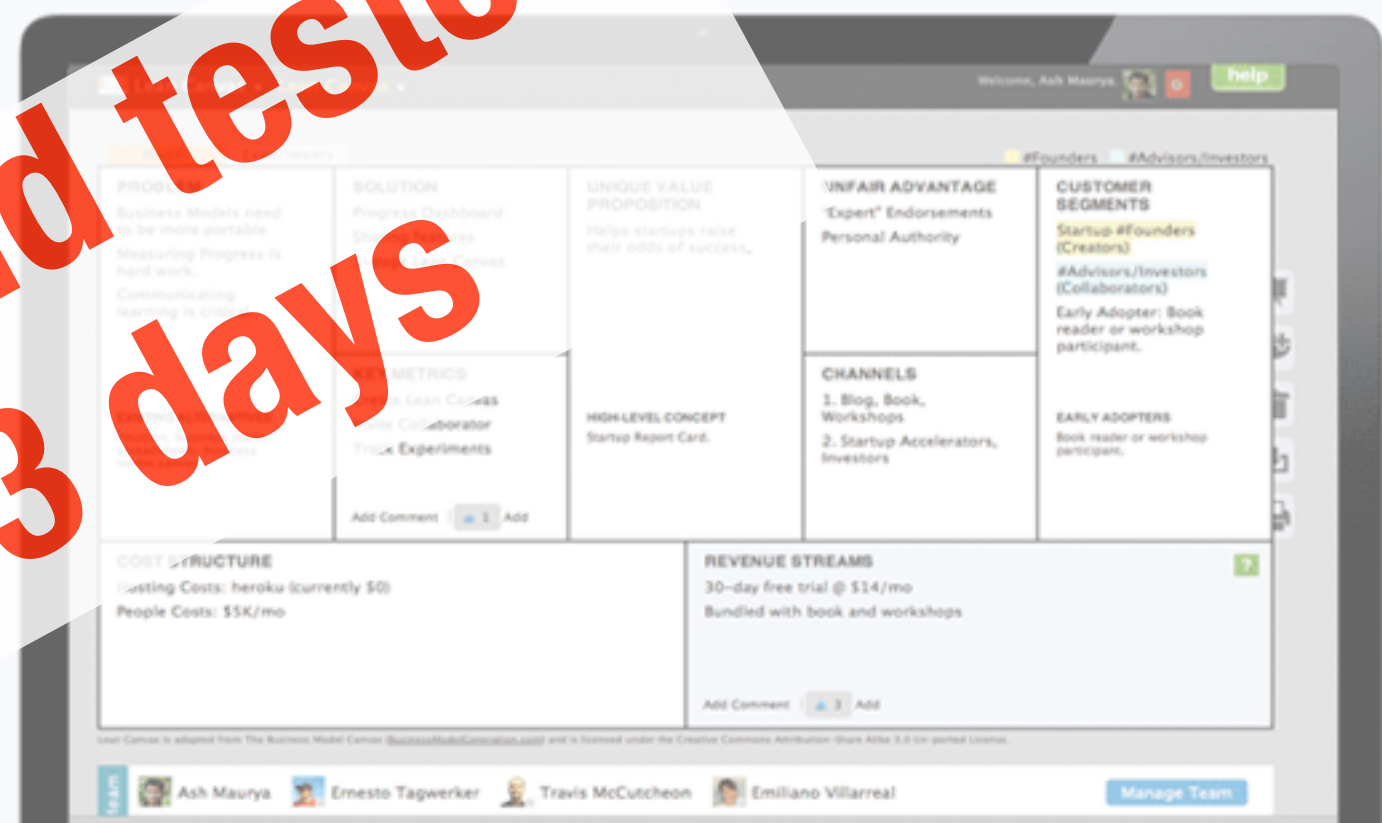
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Built and tested in 3 days



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Sean Ellis. Founder of CatchFree & author of Startup Marketing Blog.

Based on Alex Osterwalder's Business Model Canvas.

Optimized for Lean Startups.





**Built in
12 weeks**



Types of MVP

Release 1.0 MVP

Minimum feature set that delivers value.



Introducing iPhone

iPhone combines three amazing products — a revolutionary mobile phone, a widescreen iPod with touch controls, and a breakthrough Internet communications device with desktop-class email, web browsing, maps, and searching — into one small and lightweight handheld device. iPhone also introduces an entirely new user interface based on a large multi-touch display and pioneering new software, letting you control everything with just your fingers. So it ushers in an era of software power and sophistication never before seen in a mobile device, completely redefining what you can do on a mobile phone.



Widescreen iPod ➔



Revolutionary Phone ➔



Breakthrough Internet Device ➔



High Technology ➔



Watch "Hello" ➔

Watch the Keynote ➔

Sign-up to Learn More ➔

DECEMBER 1, 2007

TIME

SPECIAL
TECHNOLOGY ISSUE



**2007
INVENTION
OF THE YEAR**



Introducing iPhone

iPhone combines three amazing products — a revolutionary mobile phone, a widescreen iPod with touch controls, and a breakthrough Internet communications device with desktop-class email, web browsing, maps, and searching — into one small and lightweight handheld device. iPhone also introduces an entirely new user interface based on a large multi-touch display and pioneering new software, letting you control everything with just your fingers. So it ushers in an era of software power and sophistication never before seen in a mobile device, completely redefining what you can do on a mobile phone.



Widescreen iPod ➔



Revolutionary Phone ➔



Breakthrough Internet Device ➔



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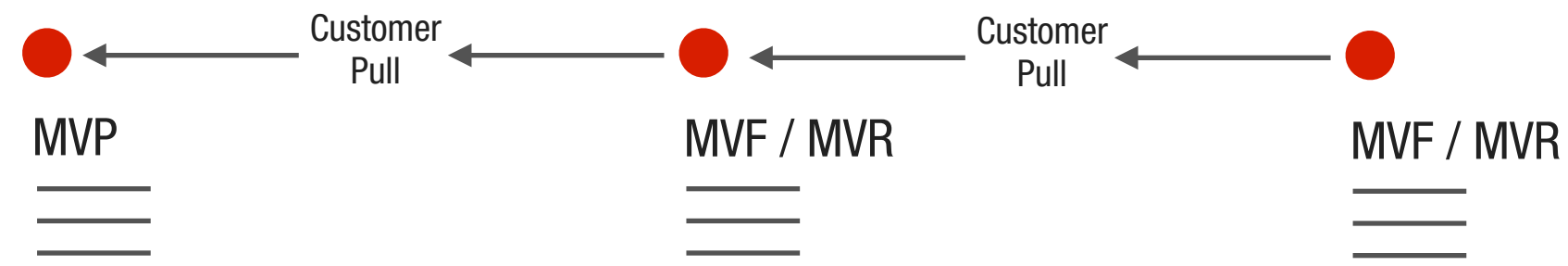
Sign-up to Learn More ➔



1st gen, 2007



5th gen, 2012

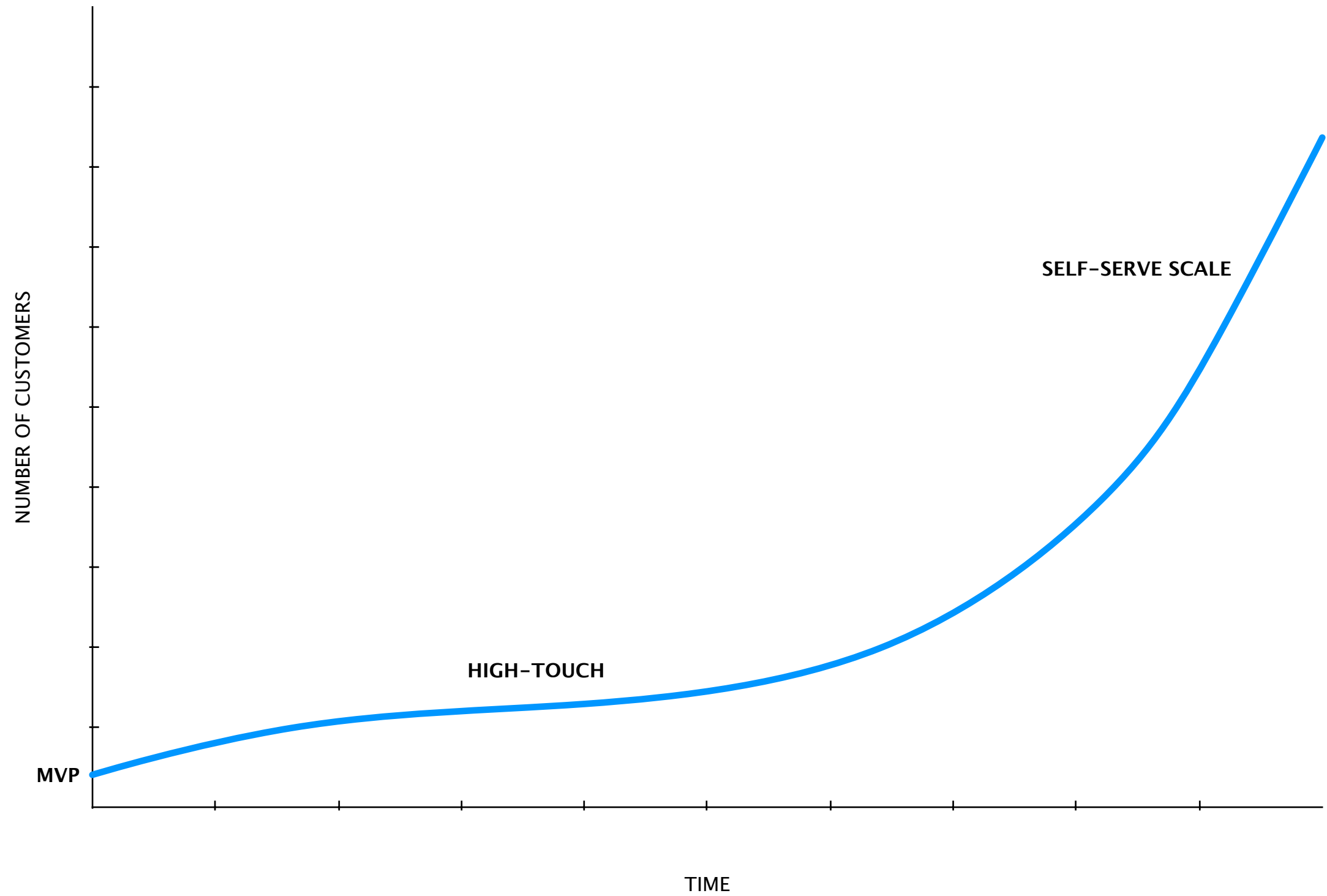


Go **big** on vision but **small** on solution
(product roadmap).

Concierge MVP

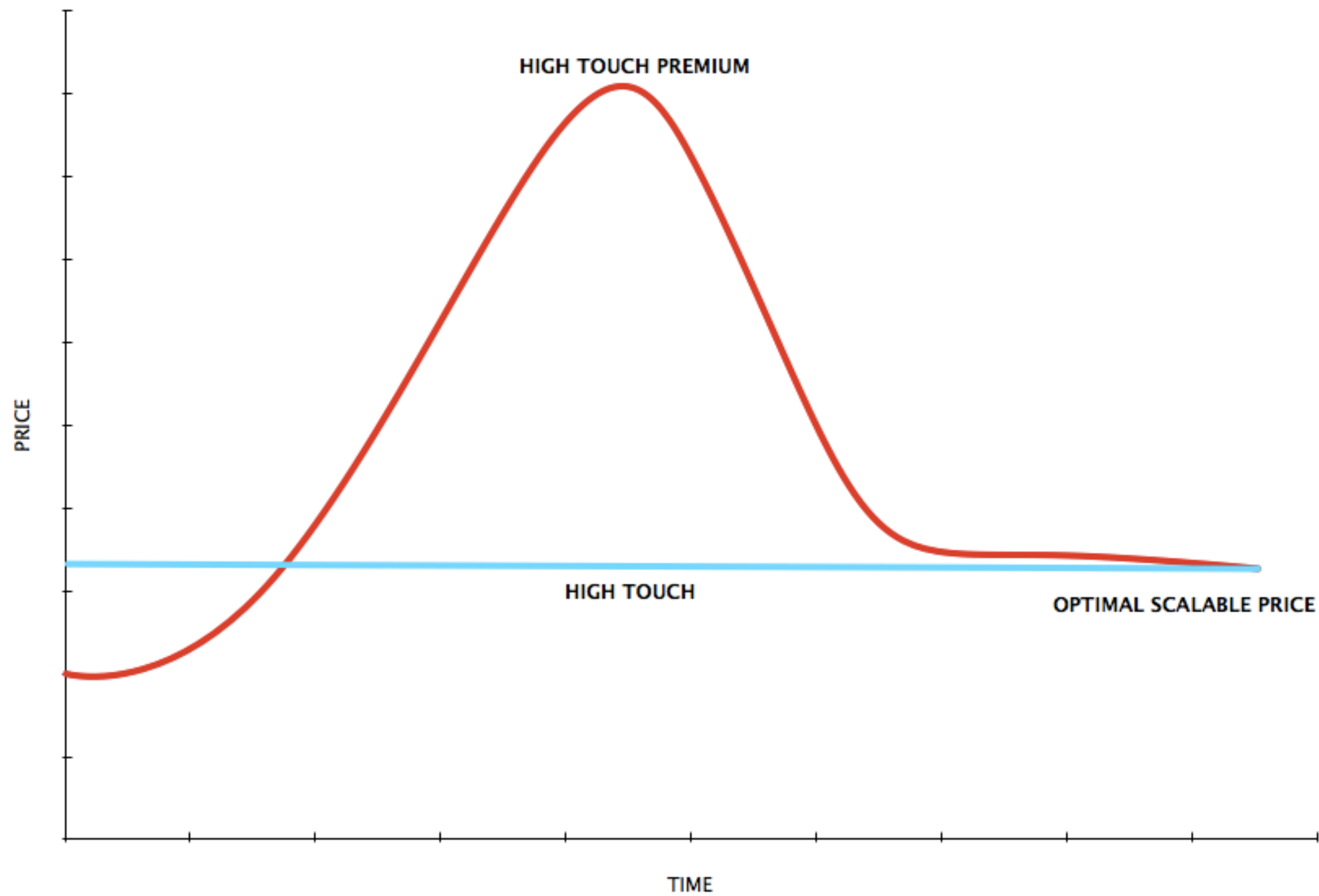
High-touch model for maximizing learning while delivering value.

Deliver value through **consulting** by
becoming the **first user** of your solution.



01 Charge a premium.

02 Charge your **scalable optimum price**.



Free!

The Better Way To Plan Meals And Save Money



organized
grocery list

+



weekly
meal plan

+



fast recipes
kids will love

+



savings at your
grocery store

=



happy family



Start Meal Planning

Free to use, sign up in 60 seconds.

or take the tour

Family Meal Planning in Minutes

Create a meal plan for your family using chef-approved recipes that everyone will like.

Take Advantage of Grocery Sales

We find the sales at your neighborhood supermarket so you don't have mess with the circular.

Create Organized Grocery List

Get in and out of the store easily with a printable grocery list organized by department.

Wizard of Oz MVP

Deliver value by faking it until you're
ready to make it.


Value Stream



Don't pay attention to the man
behind the curtain.

February 12, 2010: Aardvark joins Google! [Read all about it...](#)

Tap the knowledge of people in your network!

 Ask a question and I'll find someone to answer



What's the best...

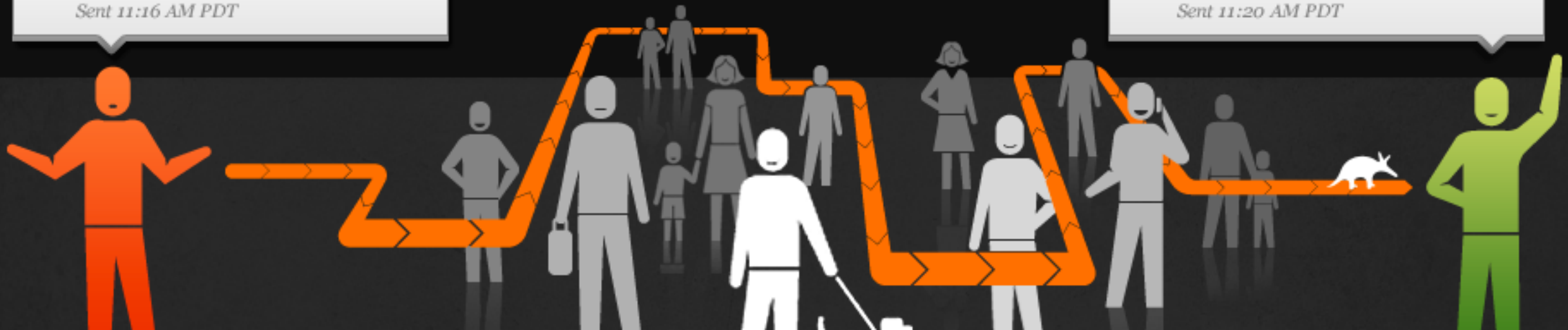
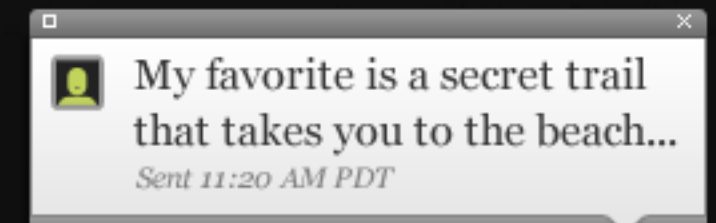
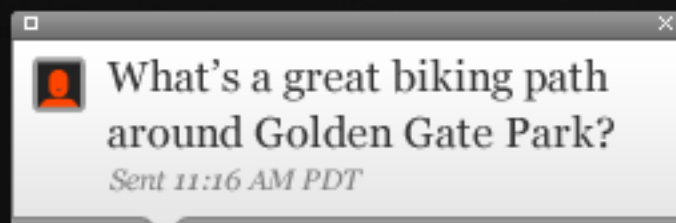
 [Example questions](#)

[Ask someone](#)

1. Send Aardvark a question

2. Aardvark finds the perfect person to answer

3. Get their response in a few minutes



SHOES: *Now conveniently sold in pairs.*

WOMEN'S SHOES

Sandals
Heels
Boots
Sneakers & Athletic Shoes
Flats
Clogs & Mules
Loafers
Slippers
Oxfords
Boat Shoes
Insoles & Accessories
Climbing
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MEN'S SHOES



APPSUMO

*We promote great products to help
you kick ass at work.*

Get our free newsletter

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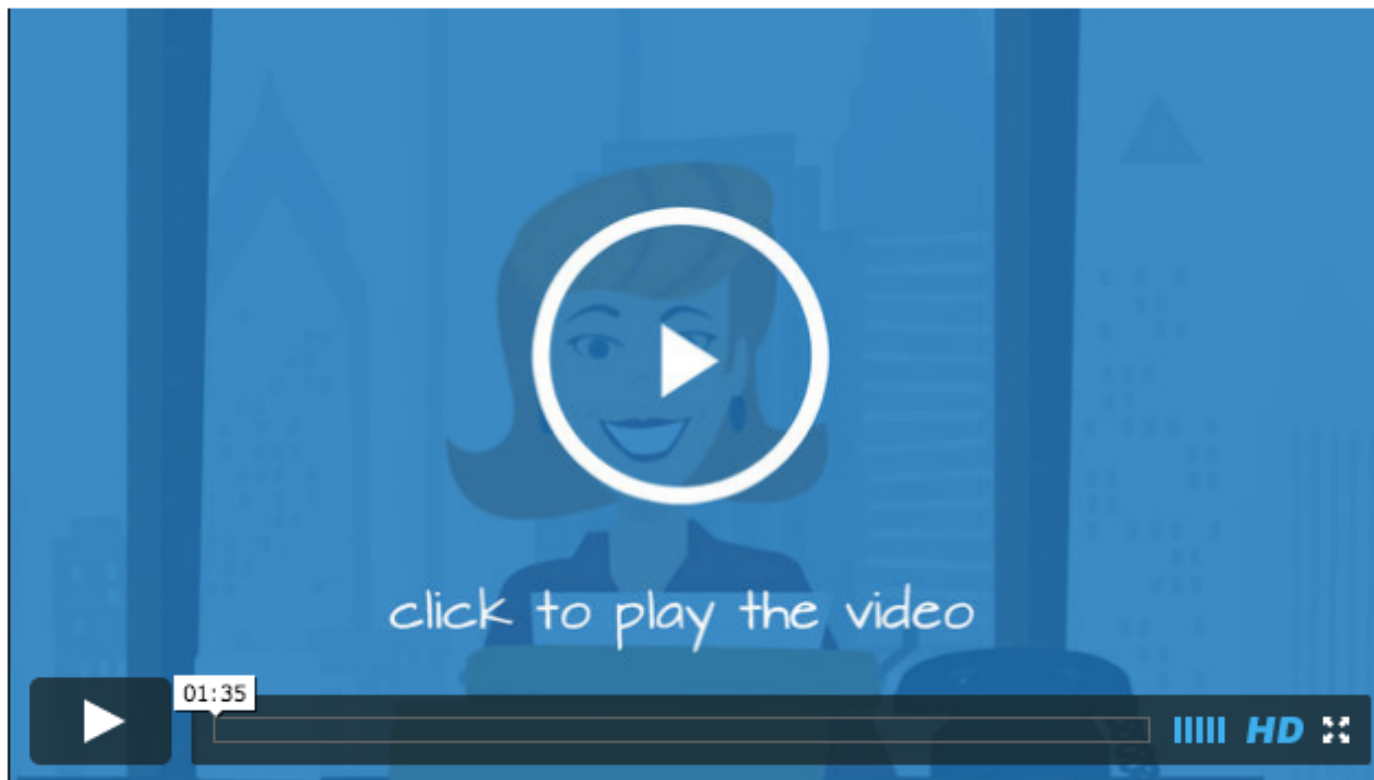


Byproduct MVP

Deliver value incidentally or accidentally as
a side-effect of doing something else.

Smarter is Better

Solutions for *Smarter* Content Marketing



Here's what we've got for you:

- ✓ 15 high-impact ebooks on content marketing, SEO, email marketing, landing pages, keyword research, and more.
- ✓ A 20-part Internet marketing course that lays out a comprehensive path for your own online strategy.
- ✓ An organized reference guide to the **“best of the best”** of Copyblogger.com, and how it all profitably fits together.

Here's everything we offer, soup to nuts.



Basecamp®

Manage Projects

As easy as email, just way more powerful.



Highrise®

Manage Contacts

Over 20,000,000 contacts managed with Highrise.



Campfire™

Work in Real-Time

Private group chat rooms for your business.

Our services

We Work Remotely

Find a job where you can work remotely.

37signals Speaks

Videos of our keynotes and interviews.

Feature stories

Bootstrapped & Proud

We profile successful small businesses.

Exit Interviews

Interviews with companies post-acquisition.

Our books

REMOTE

Office not required.

REWORK

Our take on building a great business.

Our open-source contributions

Ruby on Rails

A powerful & simple web app framework.

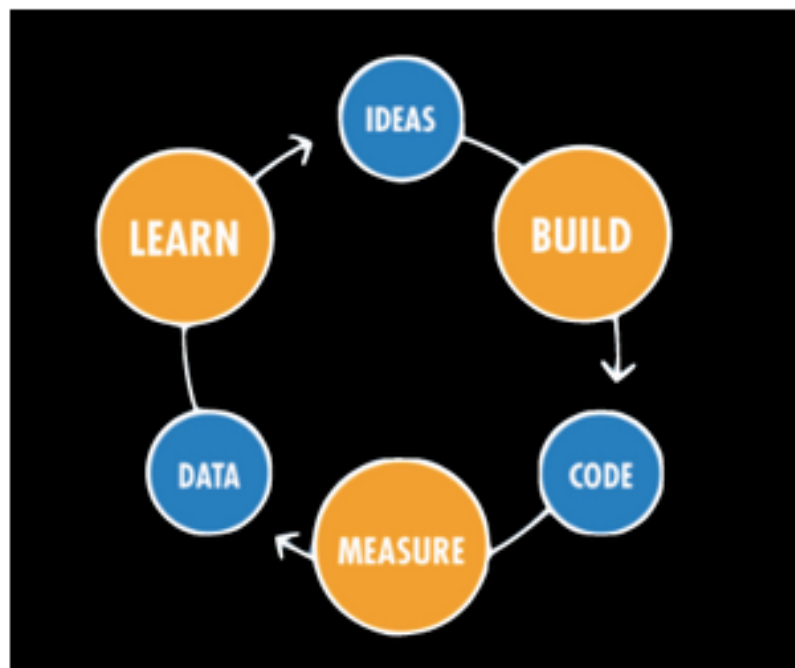
Open Source

A list of projects we've released & contributed to.

Lean Canvas – How I Document my Business Model

Written by [Ash Maurya](#)

The validated learning loop is the fundamental feedback loop that drives a lean startup:



Even though, this diagram shows “CODE” as the artifact of BUILD, I subscribe to a much looser interpretation of BUILD that applies to anything you create for the purpose of learning from customers. So, a problem presentation, landing page, and even components of your business model are all examples of BUILD artifacts.

The most significant goal of a startup is finding a **scalable and repeatable business model** and the process for doing so follows the same validated learning

About Ash Maurya



Founder of [Spark59](#)
and Author of
[Running Lean](#).



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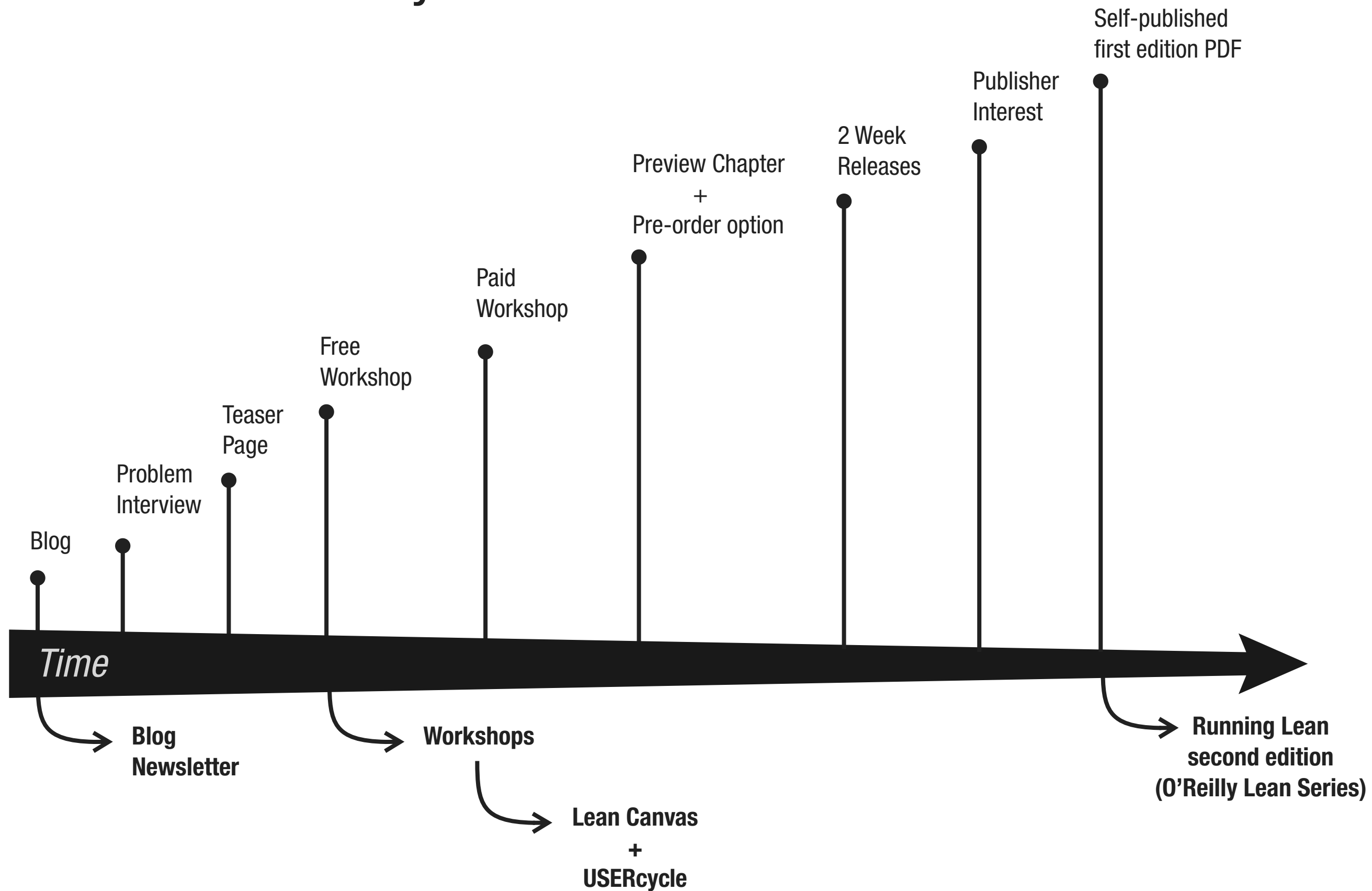
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FREE Courses

Raise Your Odds of Building
Successful Products

Iterated

How I ~~Wrote~~ My Book



“Don’t build a better [x],
build a better [user of x].”

- Kathy Sierra



RELEASE 1.0 MVP



CONCIERGE MVP



WIZARD OF OZ MVP



BYPRODUCT MVP

The MVP directive:

Race to deliver customer **value**.

How will you
deliver value?

SOLUTION

Outline a possible solution for each problem.

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

HIGH-LEVEL CONCEPT

*List your X for Y analogy e.g.
YouTube = Flickr for videos.*

REVENUE STREAMS

List your sources of revenue.



Model

Experiments

PROBLEM

Sharing lots of photos/videos is time-consuming.

Parents have no free time.

There is lots of external demand on this content.

EXISTING ALTERNATIVES

Flickr Pro, SmugMug, Apple MobileMe, Facebook.

SOLUTION

Instant, no-upload sharing

iPhoto/folder integration

Better notification tools

KEY METRICS

List the key numbers that tell you how your business is doing

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that turns an unaware visitor into an interested prospect

HIGH-LEVEL CONCEPT

List your X for Y analogy (e.g. YouTube = Flickr for videos)

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

CHANNELS

List your path to customers

CUSTOMER SEGMENTS

Parents (customer)

Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

List your fixed and variable costs

REVENUE STREAMS

List your sources of revenue

3

9

8

5

7

6

SOLUTION

Outline a possible solution for each problem.

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

HIGH-LEVEL CONCEPT

*List your X for Y analogy e.g.
YouTube = Flickr for videos.*

REVENUE STREAMS

List your sources of revenue.

How will you deliver value?

How will you get the customer's attention?

For new products, the initial battle is
getting noticed at all.

01 **Craft** your UVP around your #1 problem and finished story benefit.

02 *Avoid* empty marketing promises.

03 Be specific.

Instant Clarity Headline

End Result Customer Wants + Specific Period of Time +
Address the Objections.

Examples:

1. Hot fresh pizza delivered to your door in 30 minutes or it's free.
2. Get your dream job in 30 days.
3. Not more numbers, but actionable metrics.

04 Create a high-concept pitch.



Model

Experiments

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Parents have no free time.

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Flickr Pro, SmugMug, Apple MobileMe, Facebook.

SOLUTION

Instant, no-upload sharing

iPhoto/folder integration

Better notification tools

KEY METRICS

List the key numbers that tell you how your business is doing

8

UNIQUE VALUE PROPOSITION

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

Share your entire photo and video library in under 5 minutes.

HIGH-LEVEL CONCEPT

Photo and video sharing without the uploading.

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

9

CHANNELS

List your path to customers

5

CUSTOMER SEGMENTS

Parents (customer)

Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

List your sources of revenue

6

The Fastest Way To Share Your Photos And Videos.

Helping parents share their photos and videos instantly.

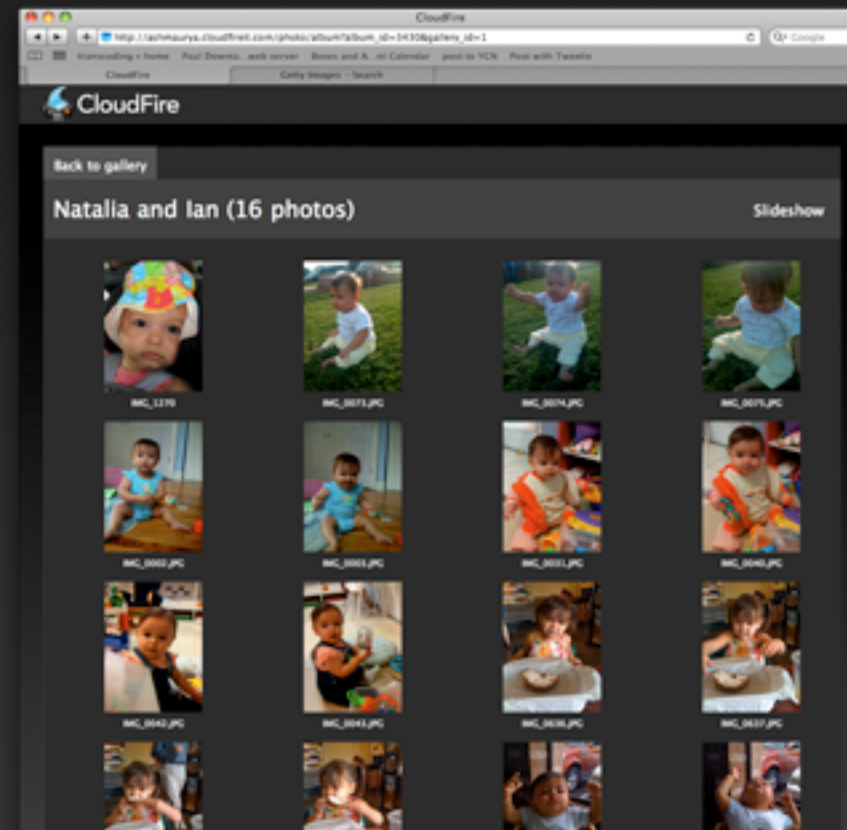


[Watch a 2-min tour of CloudFire](#)



Download CloudFire

Try us for Free. Windows and Mac OS X



Words matter

Photo and Video Sharing for Busy Parents.

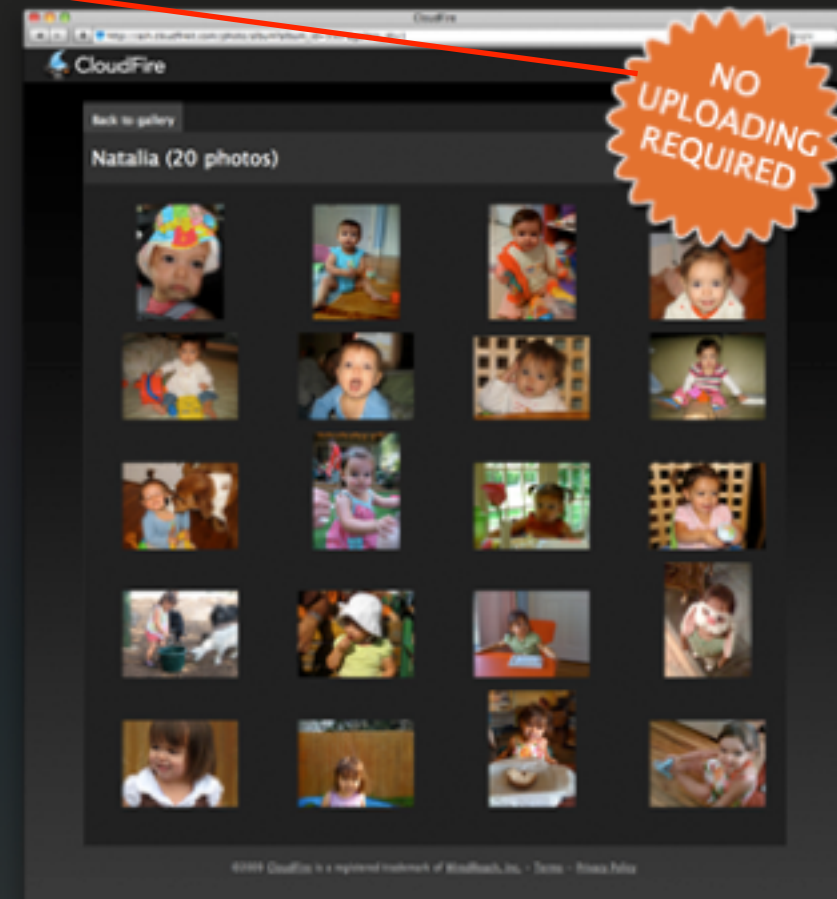
No uploading. No reorganizing. No hassle.

CloudFire lets you share your photos and videos instantly without having to babysit the sharing process. So you can go back to the more important things in your life.

[View a Demo](#)

[Try us for Free](#)

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



Words matter

Photo and Video Sharing for **Busy Parents.**

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

[Try us for Free](#) or [Take the tour](#)

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



Images matter

SOLUTION

Outline a possible solution for each problem.

UNIQUE VALUE PROPOSITION

Single, clear, compelling message that states why you are different and worth paying attention.

HIGH-LEVEL CONCEPT

*List your X for Y analogy e.g.
YouTube = Flickr for videos.*

REVENUE STREAMS

List your sources of revenue.

How will you deliver value?

How will you get the customer's attention?

How will you "price" your offer?

Pricing is **part** of your product.

Pricing **determines** your customers.

01 Price **relative** to existing alternatives.

02 Keep it simple.

03 Place a value on **derivative** currencies like attention if you aren't directly charging.



Model

Experiments

PROBLEM

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Parents (customer)

Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

30-day free trial then \$49/yr.

Get the workshop kit here:

URL: <http://PracticeTrumpsTheory.com/workshop-access>

Password: RL-2013

Ash Maurya | ashmaurya.com | spark59.com | @ashmaurya

*Life's too short to build something **nobody** wants.*

PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
	KEY METRICS <i>List the key numbers that tell you how your business is doing.</i>		CHANNELS <i>List your path to customers (inbound or outbound).</i>	
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COST STRUCTURE <i>List your fixed and variable costs.</i>			REVENUE STREAMS <i>List your sources of revenue.</i>	



CANVAS FILL ORDER

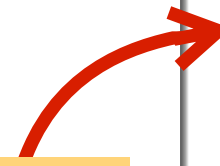


RISK ITERATION PATH

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

How will you
build a path
to customers?



CHANNELS

*List your path to customers (inbound
or outbound).*

01 Okay to start with **outbound channels** to jumpstart learning.



Finding initial prospects (outbound)

1. Make a list of 1 degree contacts
2. Ask for introductions
3. Email list from teaser page
4. Blog readers
5. Facebook, LinkedIn, twitter
6. Adwords, Facebook Ads
7. Cold Call/Email
8. Sponsor groups/events
9. Other

02 Identify a few **scalable channels** you might employ.



Building scalable channels (inbound)

1. Content Marketing
2. Advertising
3. Sales force
4. Referrals



Model

Experiments

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Sharing lots of photos/videos is time-consuming.

Parents have no free time.

There is lots of external demand on this content.

EXISTING ALTERNATIVES

Flickr Pro, SmugMug, Apple MobileMe, Facebook.

SOLUTION

Instant, no-upload sharing

iPhoto/folder integration

Better notification tools

KEY METRICS

List the key numbers that tell you how your business is doing

8

UNIQUE VALUE PROPOSITION

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

Share your entire photo and video library in under 5 minutes.

HIGH-LEVEL CONCEPT

Photo and video sharing without the uploading.

UNFAIR ADVANTAGE

Something that can't be easily copied or bought

9

CHANNELS

Friends

Daycare

Birthday parties

AdWords

Facebook

Word of Mouth

CUSTOMER SEGMENTS

Parents (customer)

Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

List your fixed and variable costs

7

REVENUE STREAMS

30-day free trial then \$49/yr.

PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
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COST STRUCTURE <i>List your fixed and variable costs.</i>			REVENUE STREAMS <i>List your sources of revenue.</i>	



CANVAS FILL ORDER



RISK ITERATION PATH

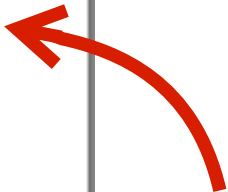
Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

KEY METRICS

*List the key numbers that tell you
how your business is doing.*

How will you
measure success?



The **key numbers** that tell you how your business is doing.

01 List the customer action that **drives value**.

02 How will you define success?



Model

Experiments

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SOLUTION

Instant, no-upload sharing

iPhoto/folder integration

Better notification tools

KEY METRICS

Key action: Sharing an album/video. 🗑

Success metric: Build a \$5M/yr business. 🗑

UNIQUE VALUE PROPOSITION

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

Share your entire photo and video library in under 5 minutes.

HIGH-LEVEL CONCEPT

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CANVAS FILL ORDER



RISK ITERATION PATH

Lean Canvas

Created by Spark59 // Online version available at www.leancanvas.com

How will you afford
your creative
addiction?

COST STRUCTURE

List your fixed and variable costs.

REVENUE STREAMS

List your sources of revenue.

01 Outline your fixed and variable costs.

02 Calculate your break-even point.

03 Evaluate against your metric for success.



Model

Experiments

PROBLEM

Sharing lots of photos/videos is time-consuming.

Parents have no free time.

There is lots of external demand on this content.

EXISTING ALTERNATIVES

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SOLUTION

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iPhoto/folder integration

Better notification tools

KEY METRICS

Key action: Sharing an album/video.

Success metric: Build a \$5M/yr business.

UNIQUE VALUE PROPOSITION

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HIGH-LEVEL CONCEPT

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AdWords

Facebook

Word of Mouth

CUSTOMER SEGMENTS

Parents (customer)

Family and friends (viewers)

EARLY ADOPTERS

Parents with young kids

COST STRUCTURE

Hosting costs – Heroku (currently \$0)

People costs – 40 hrs * \$65/hr = \$10k/mo

REVENUE STREAMS

30-day free trial then \$49/yr.

PROBLEM <i>List your top 1-3 problems.</i>	SOLUTION <i>Outline a possible solution for each problem.</i>	UNIQUE VALUE PROPOSITION <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	UNFAIR ADVANTAGE <i>Something that cannot easily be bought or copied.</i>	CUSTOMER SEGMENTS <i>List your target customers and users.</i>
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CANVAS FILL ORDER



RISK ITERATION PATH

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How will you
defend against
competition?



UNFAIR ADVANTAGE

*Something that cannot easily be
bought or copied.*

*What about “**first to market**”?*

Toyota, Ford, Apple, Microsoft, Google, Facebook
- weren't first.

They were all “**fast followers**”.

*What **about** ...*

1. More features?
2. Less features?
3. Design?
4. Passion?
5. Determination?

What is a real **unfair advantage**?

A real unfair advantage is something that cannot be easily copied or bought.

-Jason Cohen, Founder WPEngine

Real unfair advantages:

1. Insider information
2. Personal authority
3. A dream team
4. Existing customers
5. The “right” celebrity endorsements
6. Large network effects
7. Community
8. Organic search (SEO) ranking
9. Patents (maybe)
10. Core values

The **bad** news.

The **good** news.

01 What is your unfair advantage story?

02 If you don't have one yet, leave it **blank** for now.



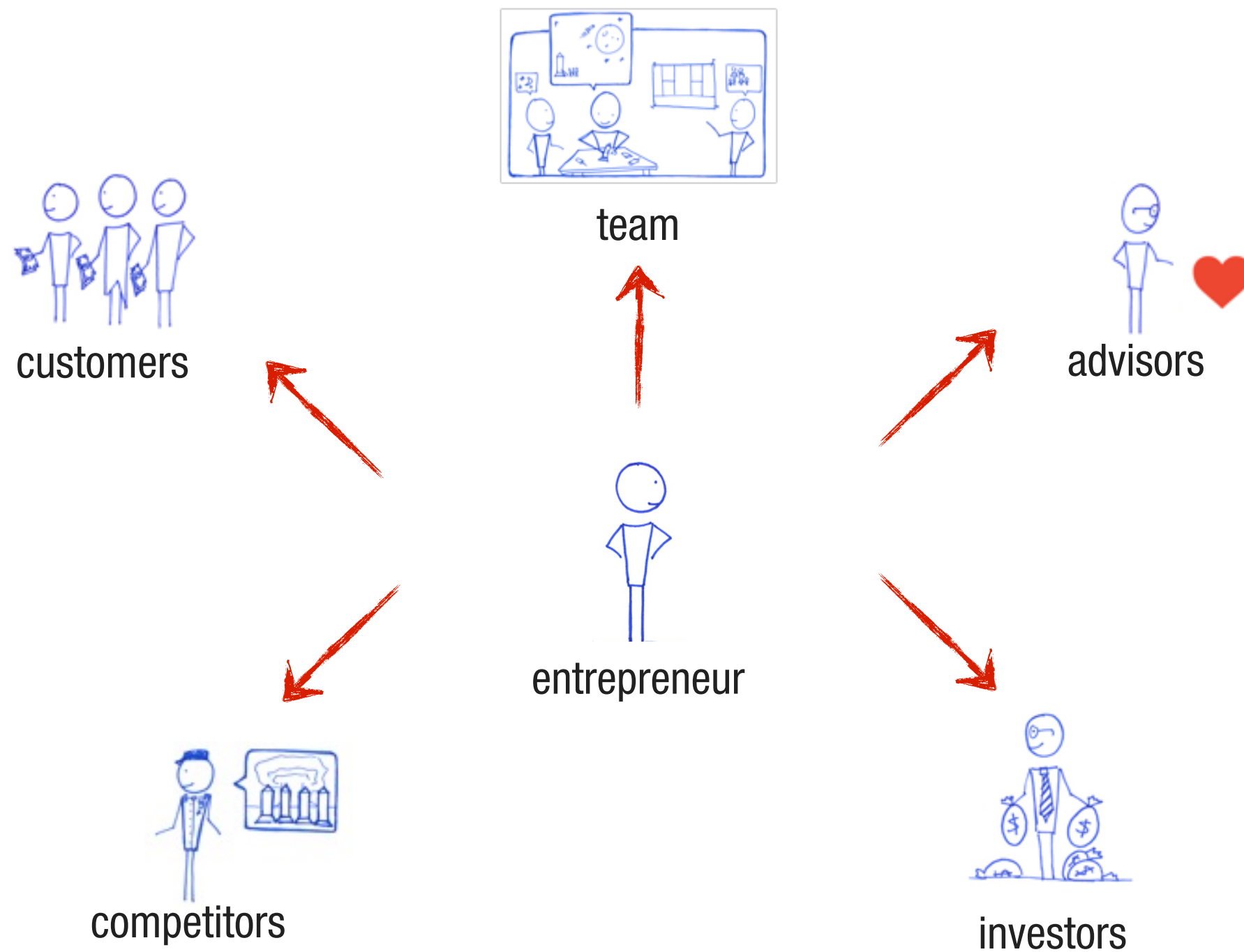
Model

Experiments

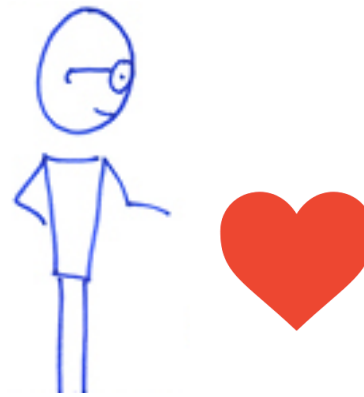
PROBLEM Sharing lots of photos/videos is time-consuming. Parents have no free time. There is lots of external demand on this content.	SOLUTION Instant, no-upload sharing iPhoto/folder integration Better notification tools	UNIQUE VALUE PROPOSITION Get back to the more important things in your life. Faster. Share your entire photo and video library in under 5 minutes.	UNFAIR ADVANTAGE Community	CUSTOMER SEGMENTS Parents (customer) Family and friends (viewers)
EXISTING ALTERNATIVES Flickr Pro, SmugMug, Apple MobileMe, Facebook.	KEY METRICS Key action: Sharing an album/video. Success metric: Build a \$5M/yr business.	HIGH-LEVEL CONCEPT Photo and video sharing without the uploading.	CHANNELS Friends Daycare Birthday parties AdWords Facebook Word of Mouth	EARLY ADOPTERS Parents with young kids
COST STRUCTURE Hosting costs – Heroku (currently \$0) People costs – 40 hrs * \$65/hr = \$10k/mo			REVENUE STREAMS 30-day free trial then \$49/yr.	

Lean Canvas is adapted from The Business Model Canvas (BusinessModelGeneration.com) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Un-ported License.





Through a series of **conversations**



Problem	Solution	Unique Value Proposition	Unfair Advantage	Customer Segments
	Key Metrics		Channels	
Cost Structure			Revenue Streams	

Help me **help you**.

- Jerry Maguire

Advisor Paradox: Hire advisors for advice
but **don't follow it, apply it.**

-Venture Hacks

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URL: <http://PracticeTrumpsTheory.com/workshop-access>

Password: RL-2013

Ash Maurya | ashmaurya.com | spark59.com | @ashmaurya

*Life's too short to build something **nobody** wants.*

THANKS!

Get more content like this
delivered to your inbox:

<http://runlean.ly/mastery>

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