ITI8740/ITX8522: Software Development Team Project. 2025

03. Intro to Lean Startup

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Common myths:

- **Myth 1:** Ideas are precious.
- **Myth 2:** Effort + Idea + Timing + Great Product = Success
- **Myth 3:** Execution is everything

95% of all startups fail

Root Cause:

Building a product that nobody wants

“Relentless execution without knowing what to execute is a crime.”

— Steve Blank, The Startup Owner's Manual: The Step-By-Step Guide for Building a Great Company

9 Deadly Sins of New Product Development

- Assuming you know what the customer wants
- The “I know what features to build” flaw
- Focusing on the launch date
- Emphasizing execution instead of testing, learning, and iteration
- Writing a business plan that doesn’t allow for trial and error
- Confusing traditional job titles with a startup’s needs
- Executing on a sales and marketing plan
- Prematurely scaling your company based on a presumption of success
- Management by crisis, which leads to a death spiral

Source: https://www.inc.com/steve-blank/startup-owners-manual-9-deadliest-startup-sins.html

Solution:

The Lean Startup Methodology

1. THE BUILD-MEASURE-LEARN FEEDBACK LOOP

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NTS THIS
YWAYS?

JUST DO IT!

1. THE BUILD-MEASURE-LEARN FEEDBACK LOOP

F NOBODY
TS THIS
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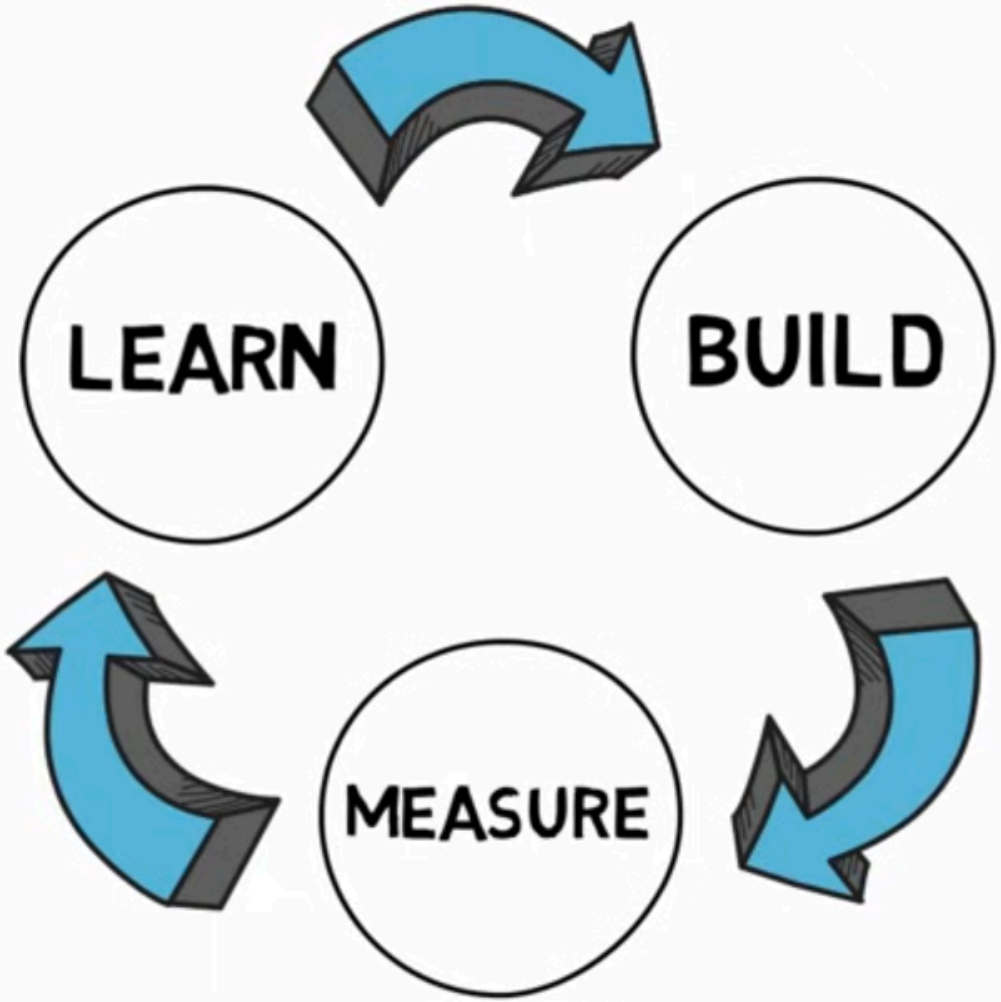


JUST
DO IT!

Build-Measure-Learn Loop

A continuous cycle at the heart of Lean Startup is

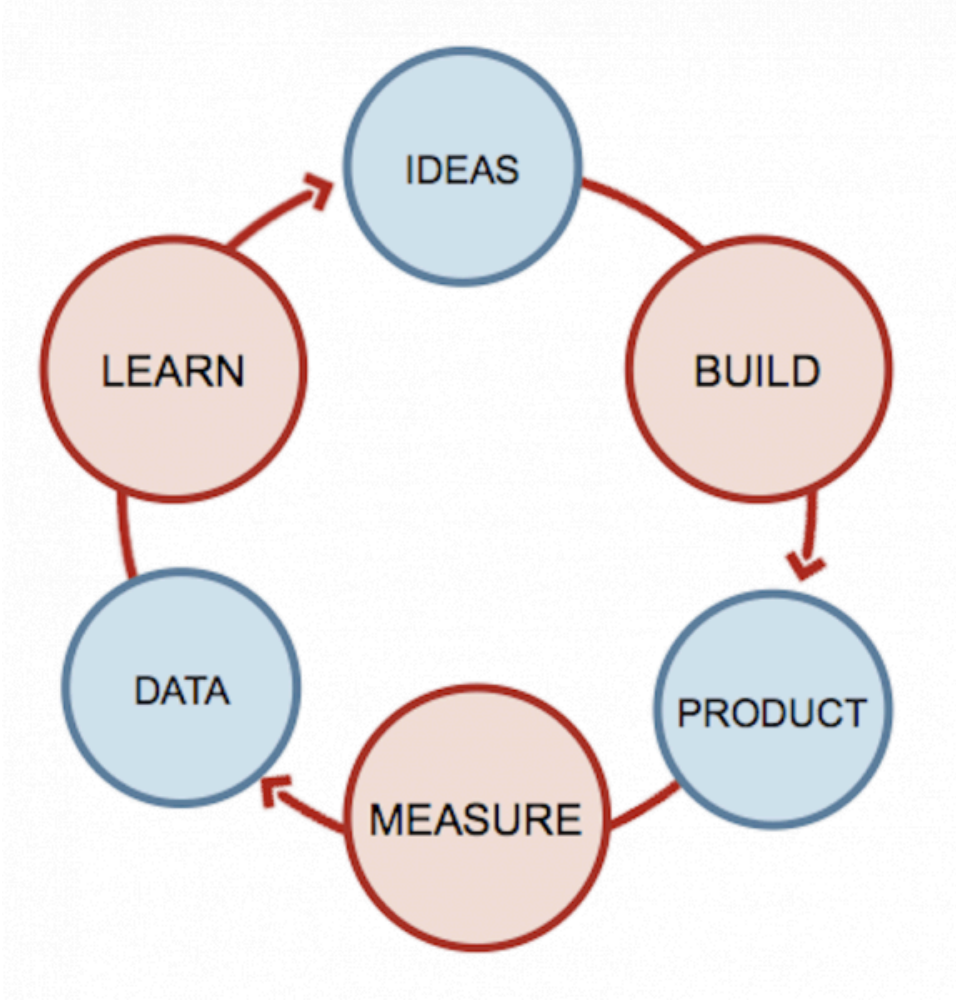
- **Build:** Create a Minimum Viable Product (MVP), the simplest version of your product that allows you to test a core assumption.
- **Measure:** Collect data on how customers interact with it.
- **Learn:** Analyze the data to validate or refute your assumptions. Then decide whether to:
    - Improve the current direction
    - Pivot

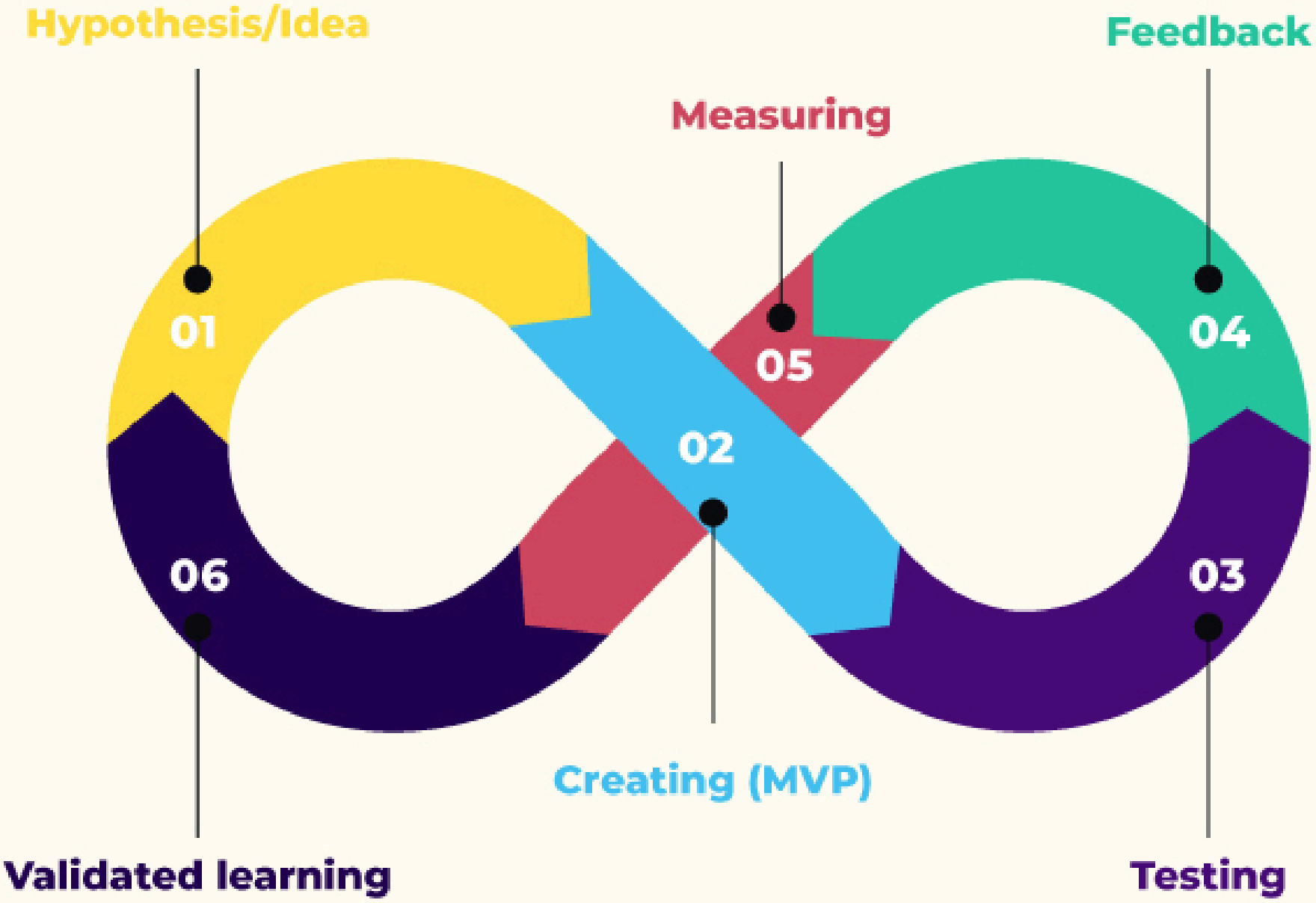
What Lean Start-Ups Do Differently?

Source: https://hbr.org/2013/05/why-the-lean-start-up-changes-everything

Lean Startup Meta Process

1. **Document your Plan A**
2. Identify the **riskiest** part of the plan
3. Systematically **test** your plan




Hypothesis/Idea
Feedback
Measuring
01
04
05
02
06
03
Creating (MVP)
Validated learning
Testing

Everything is an experiment

Observe - do not assume or ask!

- **Learn experiments**, also called Research or Generative Experiments, are used to learn more about a certain topic. They create new assumptions.
- Their counterpart is called **Confirm experiments**. With Confirm Experiments, you confirm whether an existing assumption is valid or invalid.

While Lean Startup is one of the most influential approaches to innovation, it's not the only one. There are several alternatives and complementary frameworks for building new products, companies, or services. They differ in philosophy, structure, and focus:

Alternatives to Lean Startup

1. Design Thinking

- **Focus**: Human-centered problem-solving.
- **Approach**: Empathy with users -> Define the problem -> Ideate -> Prototype -> Test.
- **Strength**: Emphasizes deep understanding of user needs before building.
- **Difference from Lean Startup**: Lean Startup prioritizes market validation and business viability early, while Design Thinking emphasizes desirability and creativity first.

Alternatives to Lean Startup

2. Agile Development

- **Focus**: Iterative software/product development.
- **Approach**: Short sprints, continuous delivery, responding to change over rigid plans.
- **Strength**: Great for building complex products incrementally.
- **Difference from Lean Startup**: Agile is about *how* to build efficiently, Lean Startup is about *what* to build and *why*.

Alternatives to Lean Startup

3. Business Model Canvas / Strategyzer

- **Focus**: Visualizing and testing business models.
- **Approach**: Map out value propositions, customer segments, revenue streams, etc.
- **Strength**: Helps entrepreneurs think holistically about the business, not just the product.
- **Difference**: Lean Startup tends to zoom in on product-market fit; BMC is about aligning the entire business model.

5. Jobs-to-be-Done (JTBD)

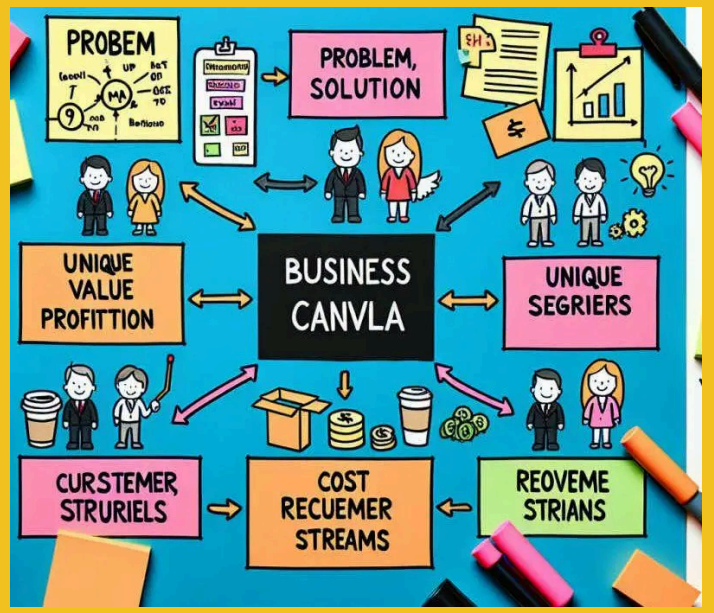
- **Focus**: Understanding the “job” customers hire a product to do.
- **Approach**: Study customer behaviors and outcomes, not just demographics or features.
- **Strength**: Sharpens value propositions and product fit.
- **Difference**: JTBD is more about *why* customers adopt, while Lean Startup is about *how* to validate assumptions.

How They Relate

- **Lean Startup** often works best when combined with others:
  - Use **Design Thinking** to generate ideas ->
  - Apply **JTBD** to refine the value proposition ->
  - Use **Lean Startup** to validate ->
  - Use **Agile** to build iteratively.

The next step

The Lean Canvas



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- For God's sake, follow the Lean Startup Method. https://www.june.so/blog/lean-startup-method-2024
- Write Down Your Concept. https://learningloop.io/plays/write-down-your-concept
- Validated Learning with the Learn-Build-Measure Loop. https://thoughtbot.com/blog/validated-learning-with-the-learn-build-measure-loop
- 18 of the most used Lean Startup experiments (+examples) https://togroundcontrol.com/blog/10-experiment-design-examples/

Thank you!