

LEAN

STARTUP

by HRISTONEYCHEV

shido

#LEAN



HRISTO NEYCHEV

I bring new ideas to life



STARTUP

6 startups

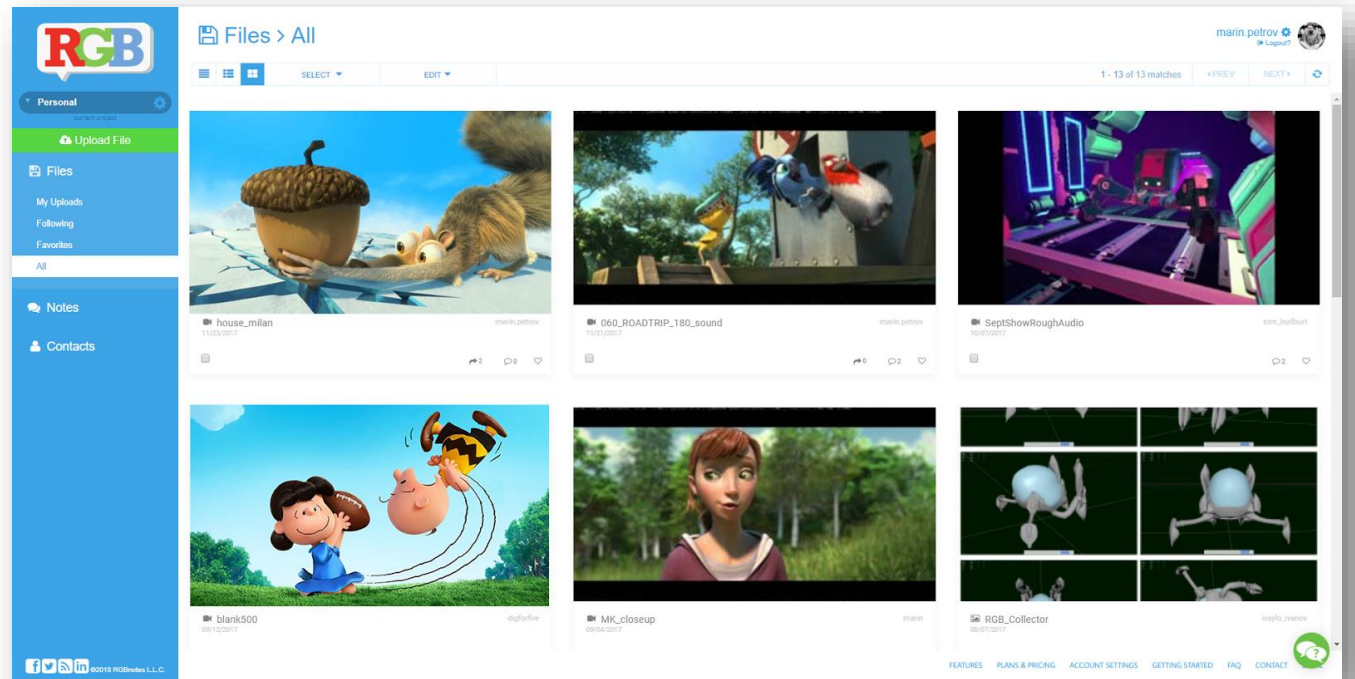


CORPORATE

4 companies



Collaboration
Platform for
Film and Gaming
Studios



CREATING THE FUTURE OF VR GAMING

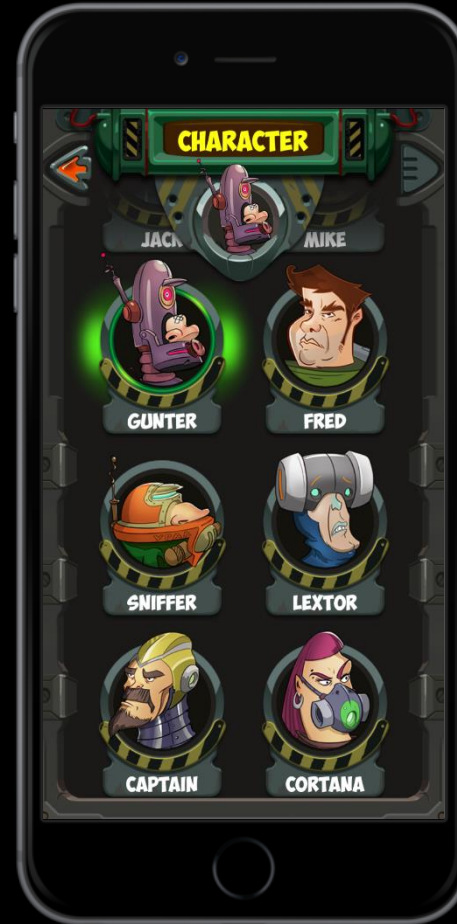


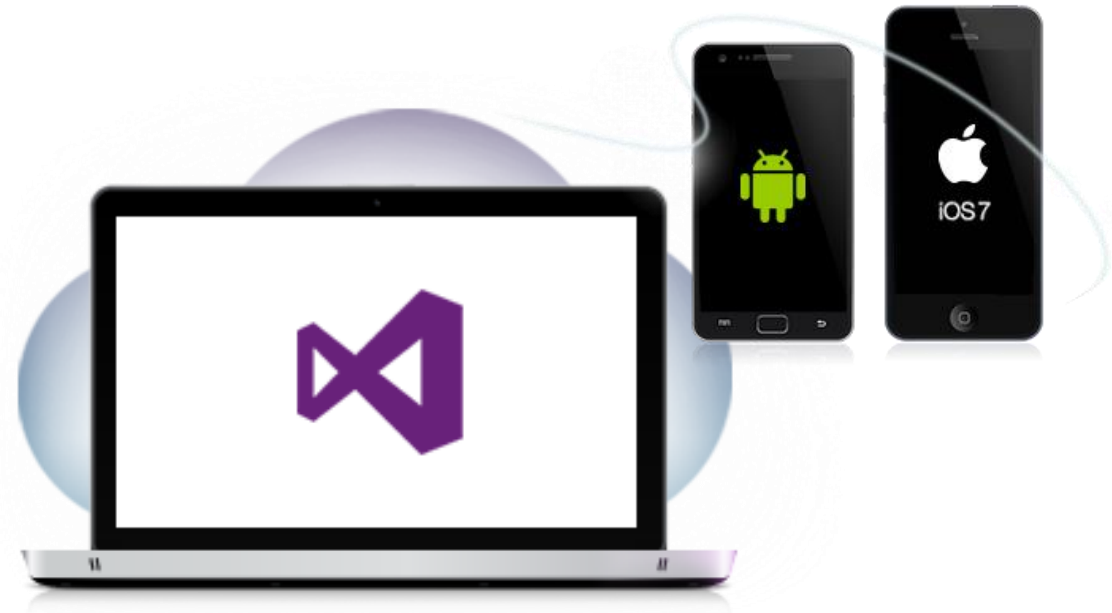
Hack / Paint





TRYAD™
GAMES







SmartEyes

Everyone Sees Life Differently



Crizal SAPPHIRE UV™



With Crizal® No-Glare Lenses

How to be
less wrong?

A close-up photograph of a blacksmith working in a dark, industrial setting. A glowing red-hot metal bar is held in a vise on an anvil. A hammer is raised above the bar, ready to strike. Bright sparks are flying from the point of contact between the hammer and the metal. The word "CREATE" is overlaid in large, white, bold, sans-serif capital letters in the bottom left corner.

CREATE



**EXTREME
UNCERTAINTY**

“

Only a mind
free of preconceptions
is a mind free to learn!

Think

to use one's mind actively to form connected ideas

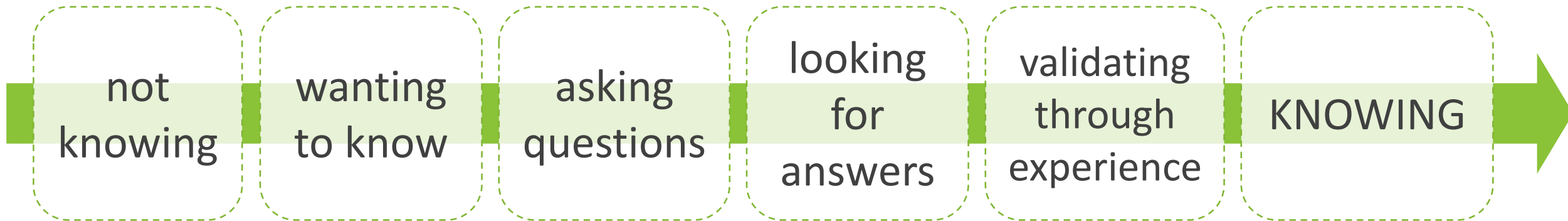
Believe

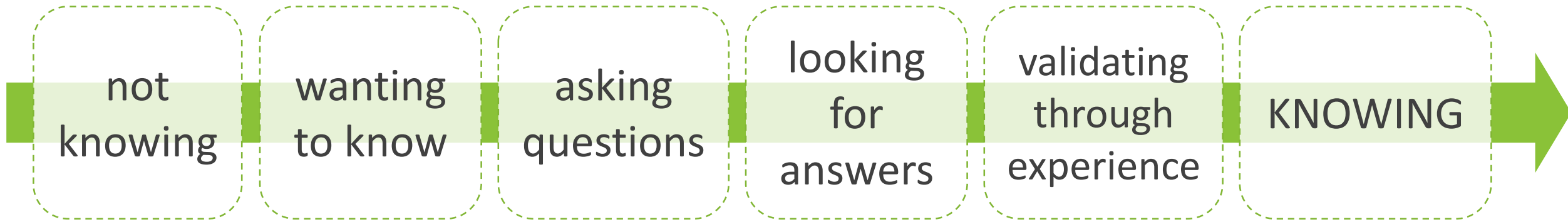
to accept that (something) is true, especially without proof

Know

to understand from experience, attainment, or observation

BEAUTY OF NOT KNOWING





“Believing removes the **willingness to know** by giving you a false sense of knowing!”



Be honest with yourself!

Do you KNOW something,
or do you BELIEVE something?

„If you don't know
what you are doing...



...better do it fast"





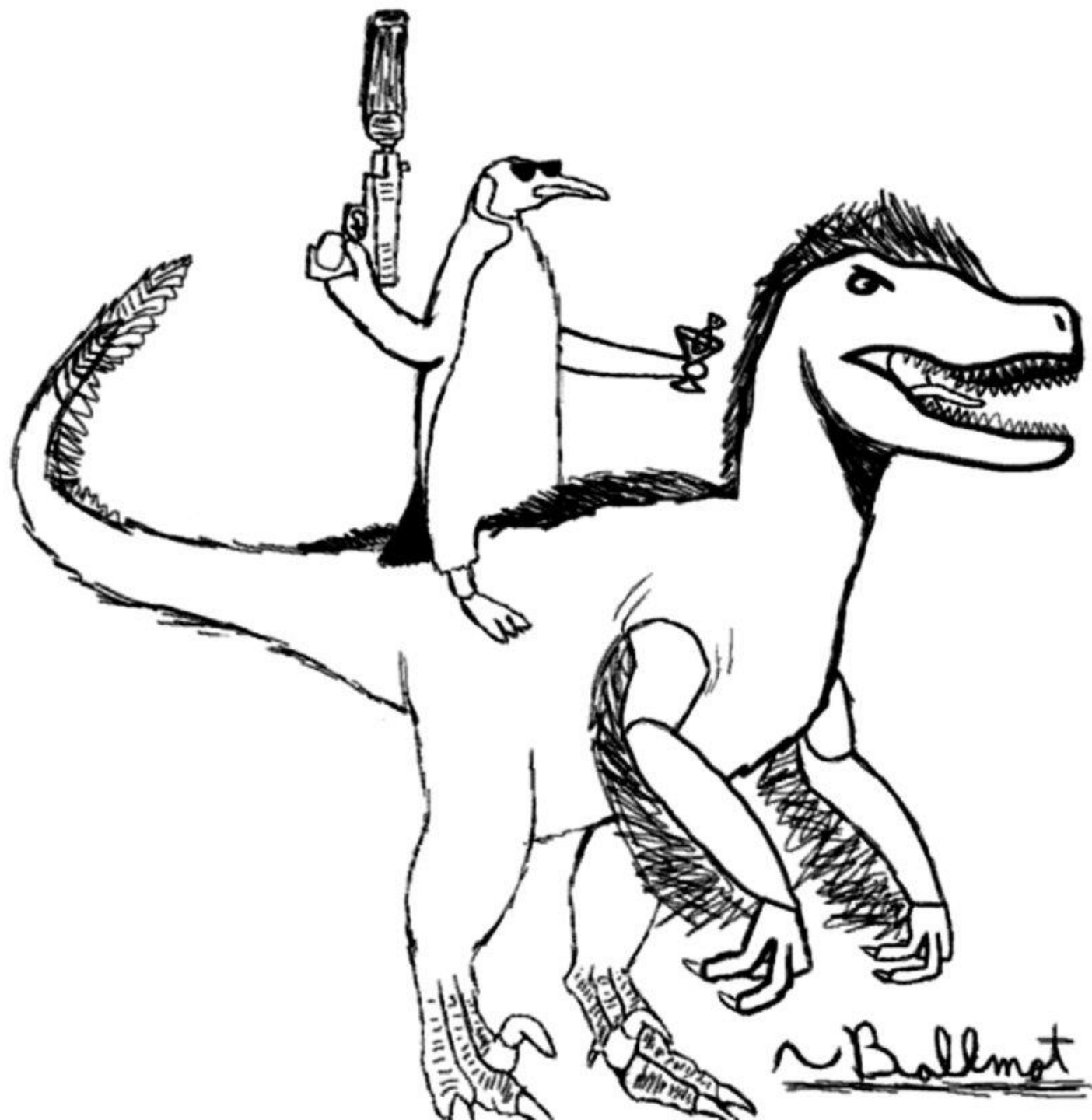




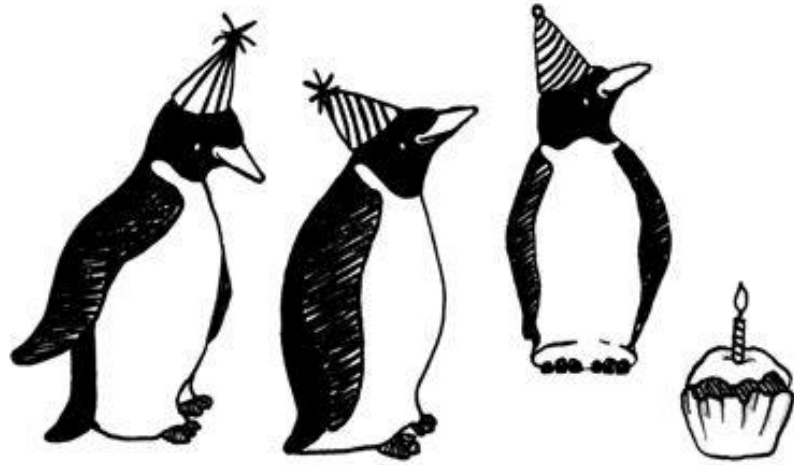


SAAGUL





SUCCESS!!!



FAIL FAST!

SPEND LESS MONEY!

SPEND LESS TIME!

FAIL CHEAP!

BUT

Put a process/methodology around it.

VALIDATED LEARNING

...the LEAN unit of progress



**PROGRESS IN
MANUFACTURING**

=

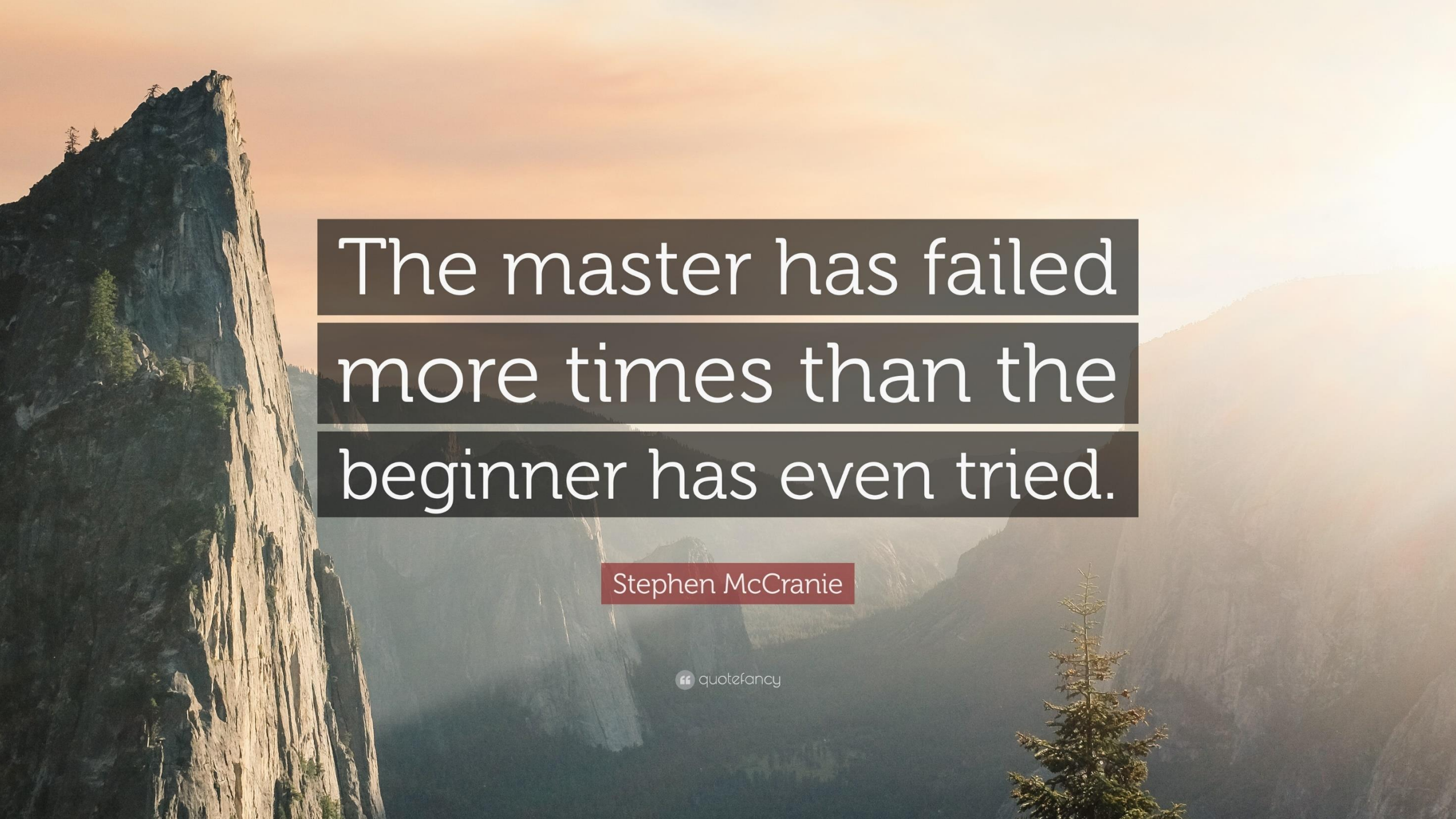
**NUMBER
OF UNITS**

**PROGRESS IN
STARTUPS**

=

**VALIDATED
LEARNING**



A scenic view of a mountain peak at sunset or sunrise, with a quote overlaid on a dark background. The quote is: "The master has failed more times than the beginner has even tried." The background shows a rugged mountain peak on the left, a valley with a river, and a large evergreen tree in the foreground on the right. The sky is a mix of orange, yellow, and blue.

The master has failed
more times than the
beginner has even tried.

Stephen McCranie

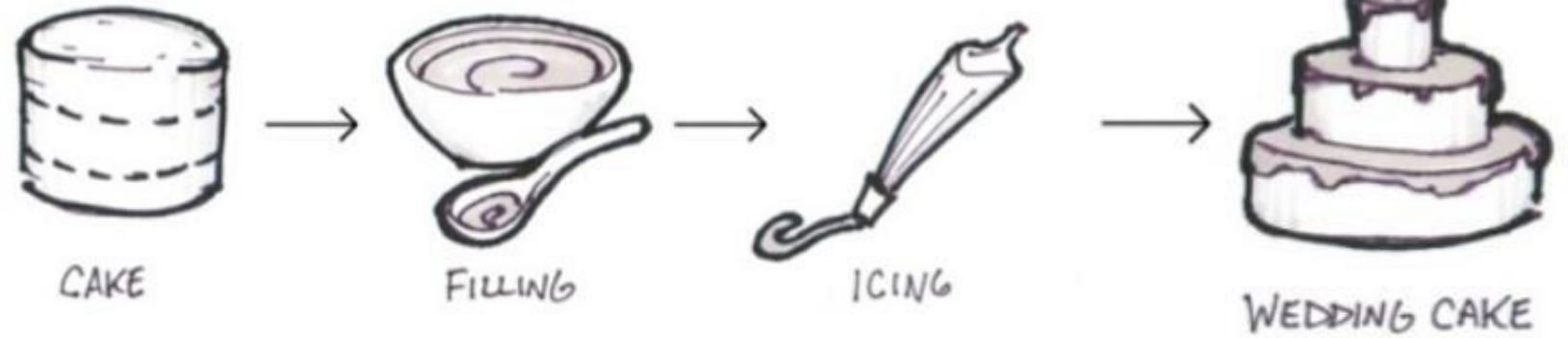
IDEAS ARE CHEAP!

EXECUTION IS KING!

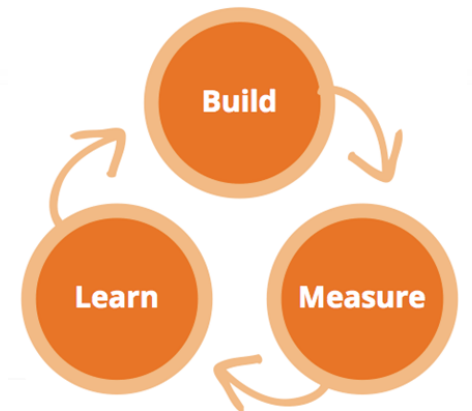
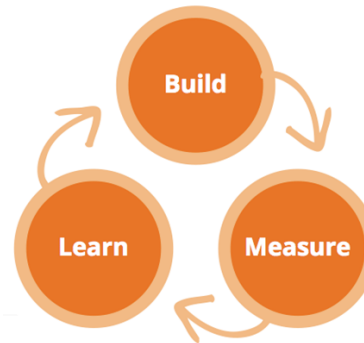
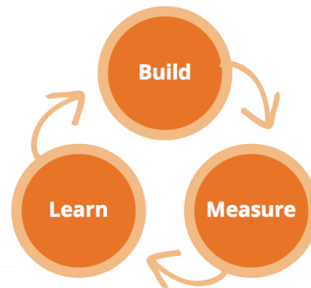
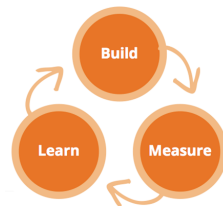
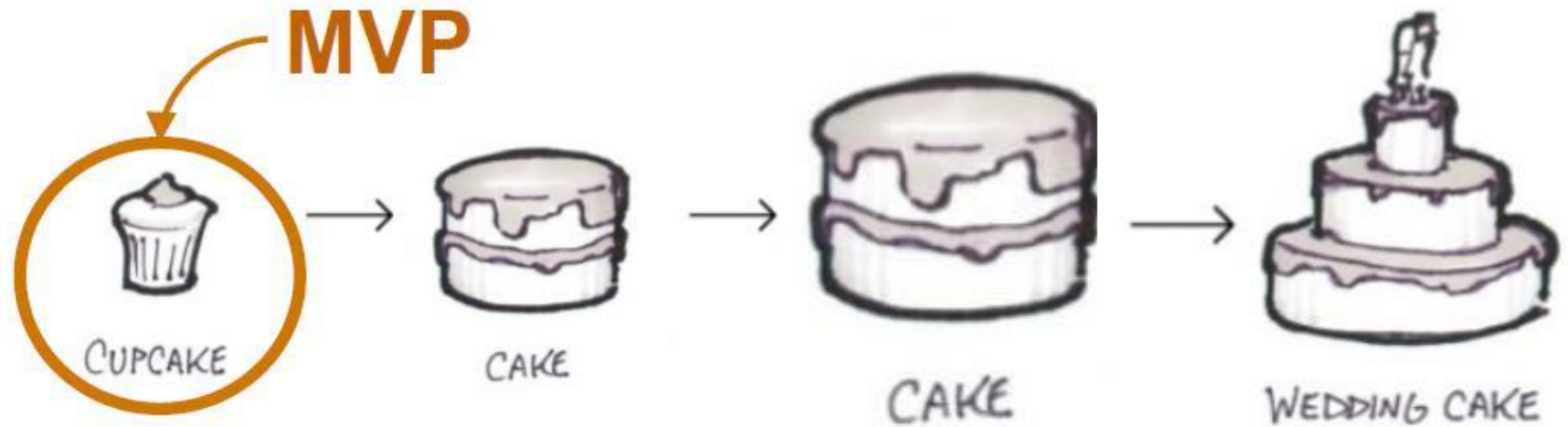
Design an **EXPERIMENT** that attempts to answer the question!

Create series of FAST and CHEAP micro-experiments that lead you to **VALIDATED LEARNING!**

Traditional Sequential Approach



Lean Startup Approach



MVP

Minimum Viable Product

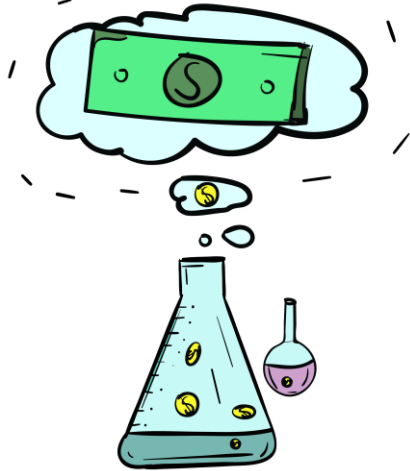
“The cheapest, fastest experiment you can conduct to test (validate) your assumptions.”

Create series of FAST and CHEAP
experiments that lead you to
VALIDATED LEARNING!

...and 'de-**risk**-ify' your idea.



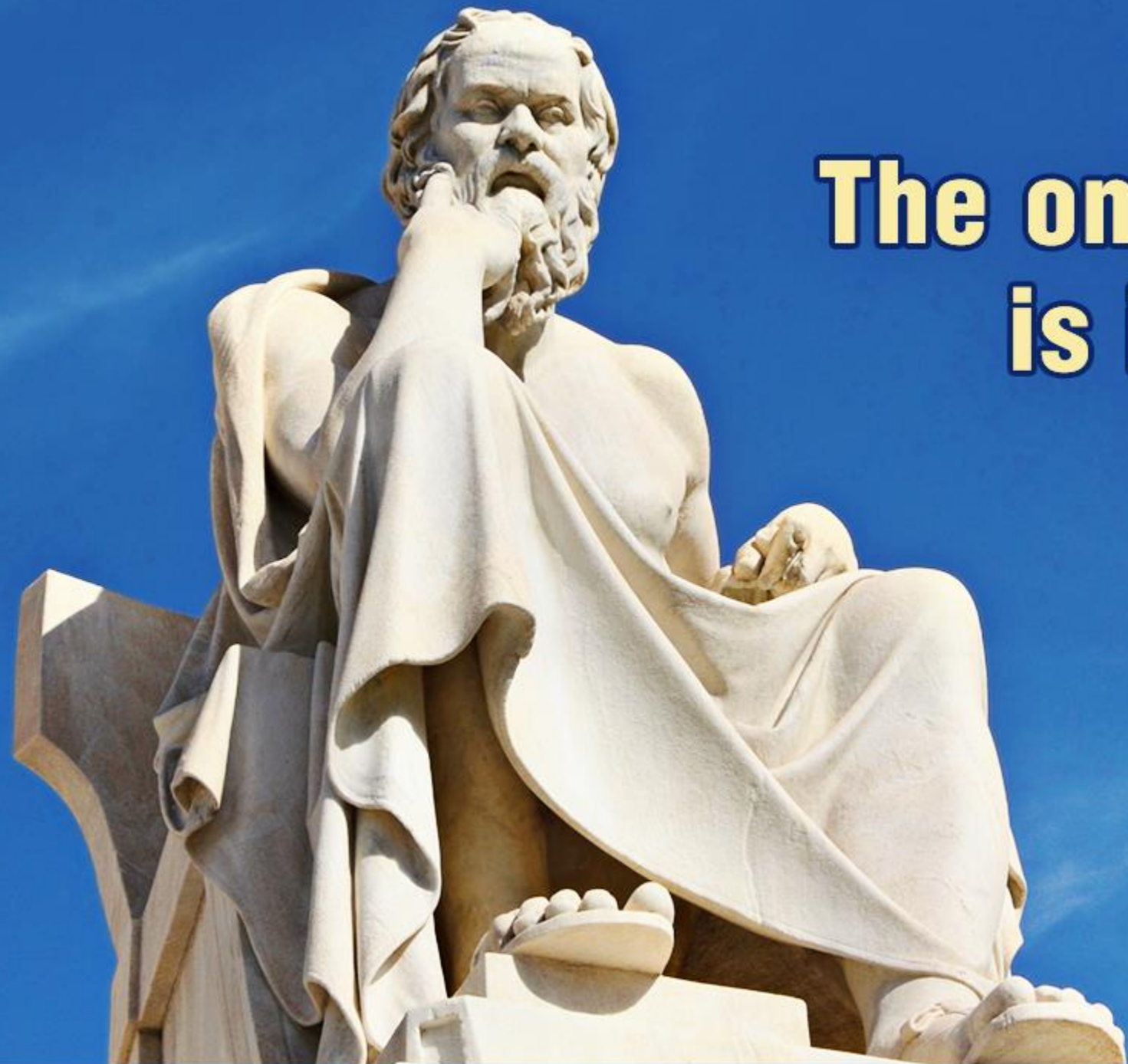
MVP



WHAT DO I VALIDATE?

1. If the problem exists
2. Target audience (who has the problem)
3. Product concepts - do they solve the problem





**The only true wisdom
is in knowing you
know nothing.**

-Socrates

I have a great idea.
Where should I start?

1. Lean Canvas
2. Hypotheses tree
3. Multiple LEAN experiments
4. Pivot or persevere

LEAN CANVAS

actionable and entrepreneur-
focused lean business plan

Problem (1)	Solution (4)	Unique Value Proposition (3)	Unfair Advantage (5)	Customer Segment (2)
<p>Top 1-3 problems (pain points) you see as an opportunity</p>	<p>Top 3 features</p>	<p>Single, clear, compelling message that states why you are different and worth buying</p>	<p>Can't be easily copied or bought</p>	<p>Target customers, customer segments, early adopters</p>
	<p>Key Metrics (8)</p>		<p>Channels (9)</p>	
	<p>Key activities you measure</p>		<p>Path to customers</p>	
<p>Cost Structure (7)</p>			<p>Revenue (6)</p>	
<p>Customer Acquisition Costs Distributing Costs Hosting People, etc.</p>			<p>Revenue Model Lifetime Value Revenue Gross Margin</p>	

Problem (1)	Solution (4)	Unique Value Proposition (3)	Unfair Advantage (5)	Customer Segment (2)
<p>Customers are unaware of the key benefits of premium lenses</p> <p>Opticians do a poor job explaining them</p>	<p>Tablet + videos</p>	<p>Learn all you need to know about your eyes and the lenses you need. Make the right choice. Take care of your eyes' health.</p>	<p>We sell the most premium lenses on the market</p>	<p>Eyeglass wearers</p>
	<p>Key Metrics (8)</p>		<p>Channels (9)</p>	
	<p>Capture rate Revenue per customer Share of ECP sales</p>		<p>the waiting room</p>	
<p>Cost Structure (7)</p>			<p>Revenue (6)</p>	
<p>Tablets, videos, software, distribution</p>			<p>Increased sales of premium lenses</p>	

HYPOTHESES

TREE

How to structure good hypotheses to test your ideas.

EXAMPLE

20% more U.S. based investors will read the Montreal newspaper online because they have a growing interest in the Montreal startup ecosystem.

[target market] **will** [do this action / use this solution] **for** [this reason][measured how]

DEPENDENCIES

20% more US-based investors will read the Montreal newspaper online because they have a growing interest in the Montreal startup ecosystem.

- US-based investors have a growing interest in the Montreal startup ecosystem.
- US-based investors read the Montreal newspaper
 - Most of them read it online

DECOMPOSITION

20% more [U.S.-based investors] will read the [Montreal newspaper] [online] because they have a [growing interest] in the [Montreal startup ecosystem].

A GOOD HYPOTHESIS

1. Who?
2. Will do what?
3. Why?
4. Measured how? (expected number)

Apple's iPod Hypothesis



Assumption A - Risky Assumption

Assumption B - Validated by Napster

Assumption C - Validated by Walkman

Assumption A - Needs Testing

EXAMPLE

Mobile queuing system for hospitals



PROBLEM

SELF-REGISTRATION



Please scan your Appointment Card / NRIC
OR
Key in your identification number & press [Next](#)

A	B	C	D	E	F	G	H	1	2	3
I	J	K	L	M	N	O	P	4	5	6
Q	R	S	T	U	V	W	X	7	8	9
Y	Z	← BACKSPACE	CLEAR					0		

[Home](#)

[Next](#)

PLEASE SCAN YOUR IC OR
APPOINTMENT CARD HERE

1002

SOLUTION



+ HOSPITAL **+**

TARGET AUDIENCE



COMPETITIVE ADVANTAGE

Branch & ATM
1145 State Road 434 WLongwood...

Customer Service

C-0001

Position 20

Time estimated 20 Minutes

How was your attention experience today?

Add your comment

Send

What are the top 3
key hypotheses?

What should be
my first MVP?

WEAK HYPOTHESES

1. Има ли нужда обществото от Que Management пред кабинета на личния лекар?
2. Опашките проблем ли са и за самите лекари, освен за пациентите?
3. Склонни ли са лекарите да платят за нашия продукт?
4. Каква е цената, която са склонни да платят лекарите, и тя релевантна ли е за нас?
5. Валидация за 3те пакета и има ли нужда и от 3те.

STRONG HYPOTHESES

1. Опашките са проблем за над 80% от лекарите.
 - 1.1 - 75% от лекарите ще искат да ползват Que Management .
 - 1.2 - 75% от лекарите са съгласни да плащат за Que Management .
 - 1.3 - Лекарите са съгласни да платят определената от нас цена на продукта.
2. Опашките са проблем за 90% от пациентите тъй като (а) губят много време в чакане;
(б) Налага им се да се дебнат постоянно, кой след кой е и това ги изнервя.
 - 2.1 – 90% от пациентите ще се съобразяват с такава система за организиране на реда.
 - 2.2 – за 90% от пациентите не е проблем лекарят да определя реда на влизане независимо дали е по реда на идване или по преценка на самия лекар.
3. Информацията на билета е разбираема от 90% от пациентите.

AVERAGE HYPOTHESES

1. Лекарите имат затруднения с управлението на графика.
2. За лекаря е проблем, че има пациенти, които си записват час и не идват.
3. Лекарите искат да имат постоянен достъп до графика си.
4. Лекарите предпочитат пациентите сами да си създават графика.

VALIDATION

TOOLS

TOOLS TO HELP YOU

1. Research
2. Surveys
3. Customer interviews
4. Focus groups
5. Test market
6. [Genchi Genbutsu] – “go and see for yourself”
7. EXPERIMENT

RESEARCH

- Is it done in other countries?
- Other industries?
- What is the current solution/status?
- How many people have this problem?
- etc.

SURVEYS

surveymonkey.com

fluidsurveys.com

formstack.com

Pop-up survey on your website

Did you find what you where looking for?

Yes

No

Powered by CardioLog **SUBMIT**

CUSTOMER INTERVIEWS

Always ask for commitment!

TIME – meetings, trials, etc.

REPUTATION – intro, testimonial, case study, etc.

CASH

FOCUS GROUPS



TEST MARKET

- Manufacture 50 units and try to sell them
- Sell 50 units and measure behaviour

"go and see for yourself"

現地現物 [*Genchi Genbutsu*]

"the real place"

"the crime scene"

現場 [*Gemba*]

“Design an **EXPERIMENT** that attempts to answer the question!”

Eric Ries

Create series of FAST and CHEAP micro-experiments that lead you to **VALIDATED LEARNING!**

Popular MVP approaches

#1 Static Landing Page

Auto Insurance


24/7 customer service
1-800-123-4567

Cheap Auto Insurance is just a click away!

- Fast Easy Approval
- No Obligation - 100% FREE
- Nationwide Lender Network

ENTER YOUR ZIP CODE

[GET FREE QUOTE](#)



Who are we?



Sed ut perspiciatis unde omnis iste natus error sit voluptatem accusantium doloremque laudantium, totam

What we do?



Sed ut perspiciatis unde omnis iste natus error sit voluptatem accusantium doloremque laudantium, totam

Our services



Sed ut perspiciatis unde omnis iste natus error sit voluptatem accusantium doloremque laudantium, totam

You could save **\$1000** on your Auto Insurance



Neque porro quisquam est, qui dolorem ipsum quia dolor sit amet, consectetur adipisci velit, sed quia non numquam eius modi tempora incidunt ut labore et

#2 Explainer Video



#3 Wizard of Oz MVP



#4 Concierge MVP



“easy weekly recipe and grocery lists based on sales at your store”


#5 Crowdfunding MVP

KICKSTARTER Discover Start Search projects Sign up Log in

MM1 Modular 3D Printer - Customize Your Printing Experience

by MakerMex

Home Updates **9** Backers **83** Comments **84** Chesapeake, VA 3D Printing



The MM1 Modular 3D Printer

One printer. So many materials.

83 Backers

\$54,110
pledged of \$50,000 goal

5
days to go

Back This Project
\$1 minimum pledge

This project will be funded on Sat, Nov 1 2014 6:00 AM CST.

Project by **MakerMex**
Chesapeake, VA

First created - **3** backed

Sam Weatherly 465 friends

MakerMex.com

The MM1 adapts as quickly as the technology that surrounds it. Capable of printing single, dual, paste extrusions, and more...

#6 Single Feature MVP



PIVOT

Change in the strategy without
changing the vision

PIVOT

... is a structured course correction!

The direction of your PIVOT
depends on **your vision!**



WAS: "The Point" began as a platform for mobilizing groups of people towards action for various causes

PIVOTED TO: only one group action - group buying

PIVOT EXAMPLE 2



WAS: blended elements of Foursquare and Mafia Wars in a mobile app

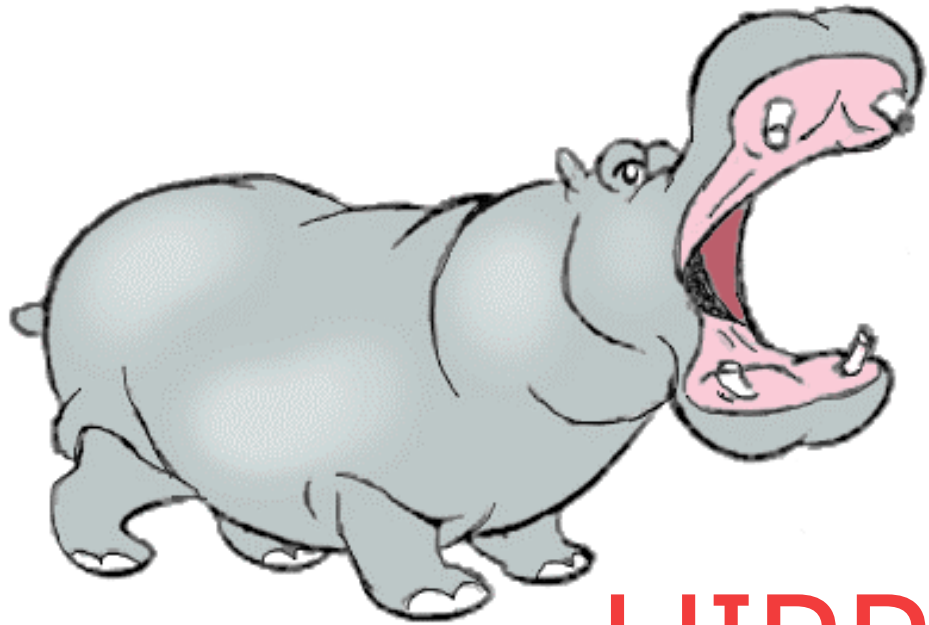
PIVOTED TO: remove everything except the photo-sharing feature, thus renamed to "Instagram"



WAS: "application that will allow individuals to "beam" sums of money between handheld devices such as mobile phones, Palm Pilots, and pagers" 07.27.99

PIVOTED TO: online payments

THE WORST ENEMIES OF LEAN

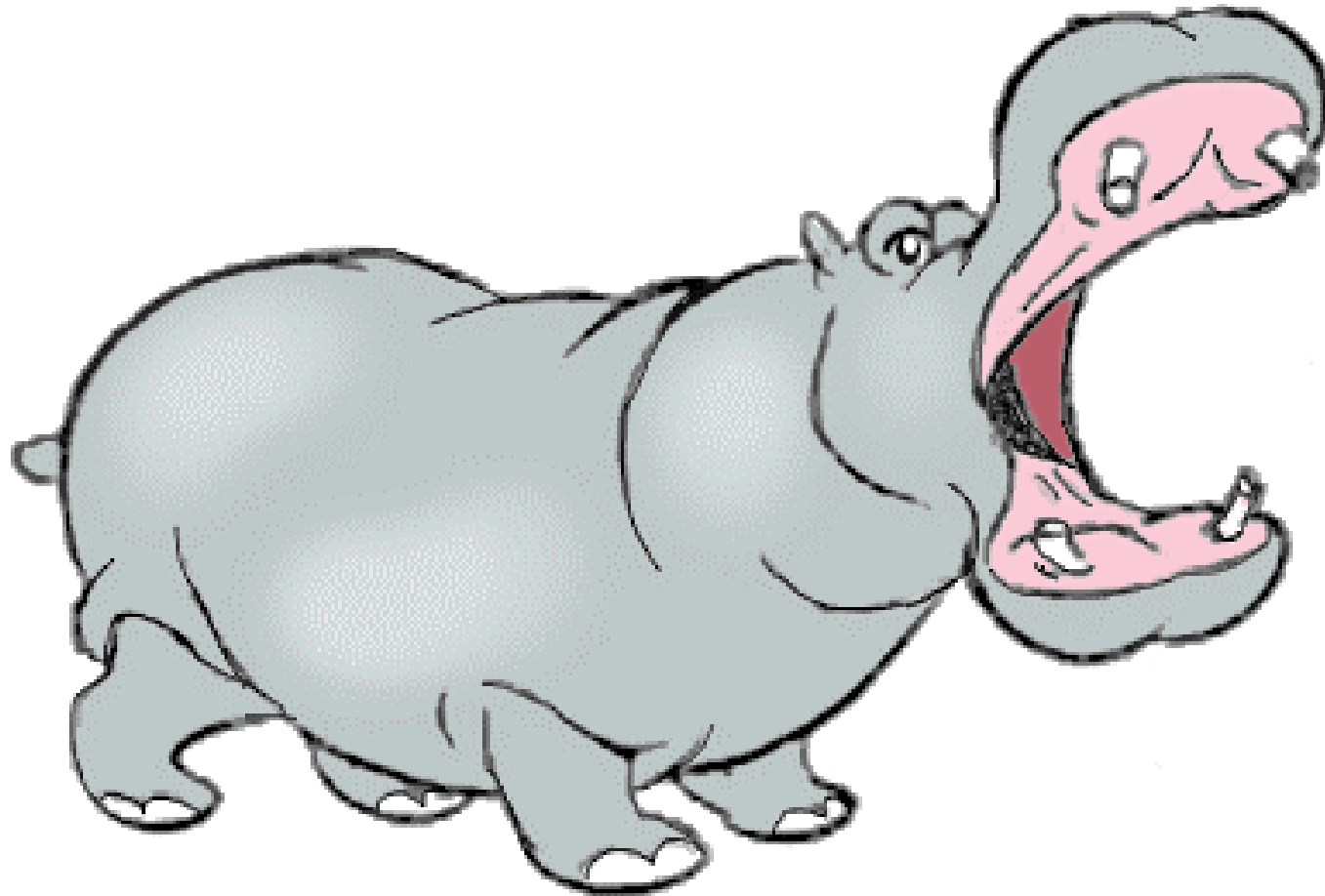


HIPPO



ZEBRA

Highest Paid Person Opinion



Zero Evidence **But** ve**Ry** **Arrogant**

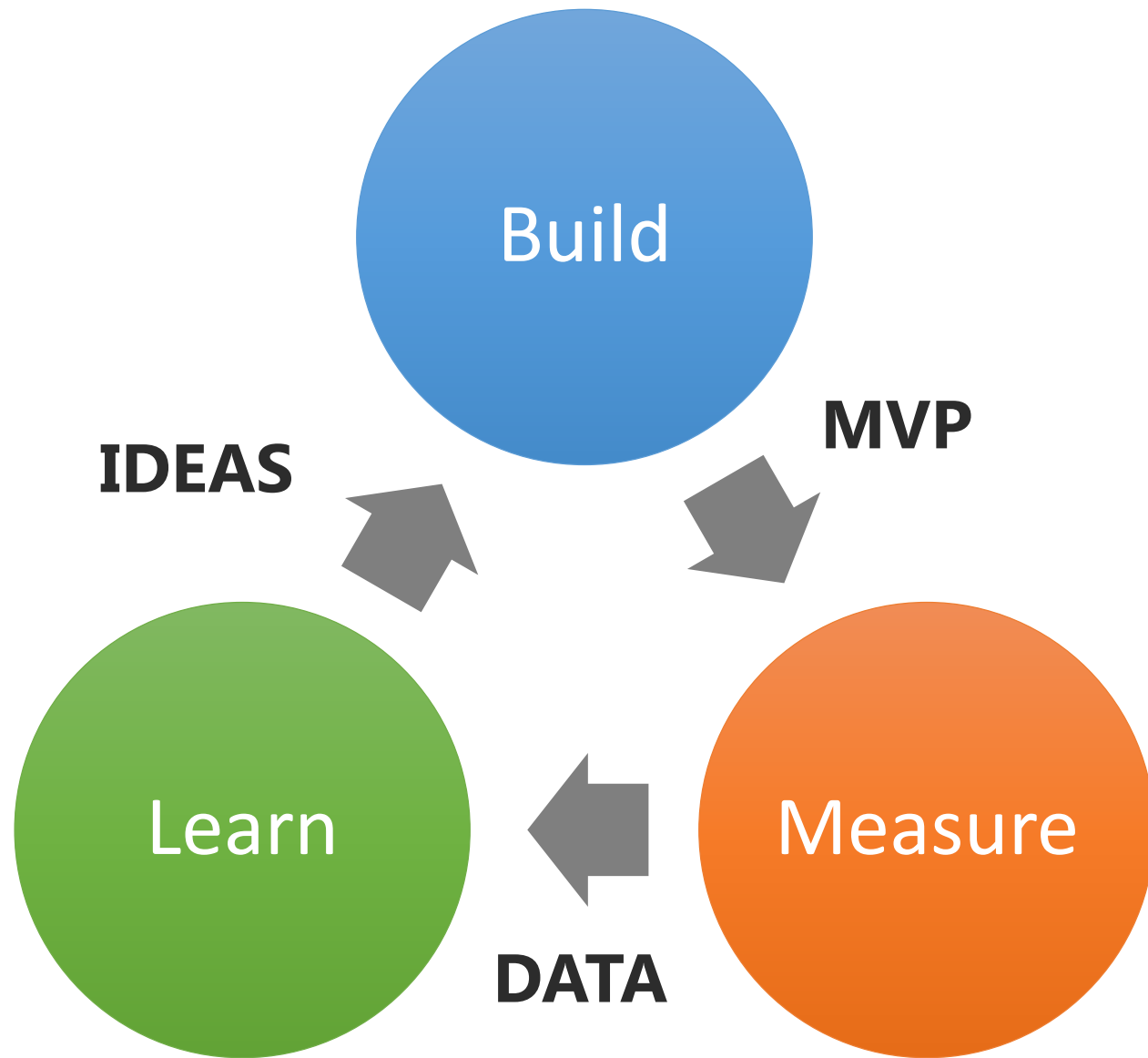


YOUR BIGGEST FEAR?

- No money?
- No time?
- No good ideas?
- No motivation?
- No co-founder?

CREATING
THE
WRONG
THING!





CLOSING WORDS

- Move as fast as possible
- Learn as much as possible
- Don't be afraid to PIVOT
- Don't be afraid to FAIL
- VALIDATE everything

HAPPY VALIDATION!

Thank you!

Hristo Neychev