

Lean Start Up Checklist

The Lean Startup is a new approach that challenges the conventional way of launching new businesses. As opposed to a three year planning period based on unchallenged assumptions and forecast revenue in a static business plan, the Lean Startup puts customer feedback at its core. In other words, the Lean Startup gives priority to experimentation rather than extensive planning, and to a progressive and iterative approach to product development rather than a concept that ends up as a ready-to-market product developed without prior customer feedback.

For example, if you want to launch a new restaurant based on the value proposition that you will serve high-quality organic food, using the Lean Startup strategy means that you do not need to have the restaurant operational before you can test your value proposition's relevancy. Instead, the strategy mandates that you get the organic food you want to sell and organize dinners that will allow you to test the concept and collect precious feedback from your family, friends or other guests before you actually open the restaurant.

The main advantage of this new approach is that it allows entrepreneurs to build a process where failure and iterations are going to help build the right business model, whereas in a conventional approach failure can be fatal. Use this approach to build your business model based on a strong understanding of your customers' needs.

Follow these three steps to adopt a Lean Startup strategy for your project:

1 State Business Hypothesis

The Business Model Canvas (cf. appendix) is a great way to envision your business model's big picture and then challenge it. It allows you to describe the fundamental hypotheses of the nine main elements upon which your business model is going to be built: 1) key partners, 2) key activities, 3) key resources, 4) value proposition, 5) customer relationships, 6) channels, 7) customer segments, 8) cost structure and 9) revenue structure. Answer all the questions meticulously, as you will challenge them later in the process. This will enable you to identify the key elements of your value proposition and identify the main characteristics of your product or service.

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Create a Minimum Viable Product and Get Feedback

To start the process as quickly as possible, you should initiate customer development by collecting feedback from customers and/or end users. Go out into the field and meet customers, partners and/or end users (if different from customers) and get their impressions about your idea and your product's basic characteristics.

This means that you are going to build a minimum viable product (MVP) instead of a complete prototype ready to be marketed. It will allow you to test the fundamental business hypotheses you have described in the Business Model Canvas and see reactions to your product without wasting too much time, money and energy on building the most advanced version of it. You may then change direction and adapt your MVP based on this feedback.

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Iterate Until You Develop the Right Value Proposition

Now that you have a better understanding of your customers' expectations, you need to once again challenge every hypothesis you have developed since the beginning of the process. Then, adapt your MVP and business model, get new feedback and start over and over until you have found the right value proposition to offer your customers. You can now create the final version of your product and market it to a clearly identified customer segment.

In Conclusion

No methodology can guarantee success, but it appears that the Lean Startup strategy reduces startup failure rates because it strongly challenges each step of business concept development.

Keep in mind that you want to:

1. Introduce your product/service to the market as soon as possible after reaping the benefits from customer feedback
2. Avoid risky assumptions
3. Be sure of your value proposition when you are actually launching your business
4. Trust feedback you are collecting as you iterate your business model

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