



Lean Startup

„Perseverance“ vs. „Genchi Gembutsu“

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Content

- What? Goals
- How? 2 ways
- Conventional way
- Lean startup way
- Examples
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Based on the Book: The lean startup, Eric Ries, 1st ed. 2011

What? Goals

- Increase capital efficiency
- Increase survival rate
 - 60% last 3 years, 35% last 10 years
(US: <http://idee.vc/tag/uberleben-von-startups/>)
 - 66% last 3 years, 50% last 5 years
<http://www.bfs.admin.ch/bfs/portal/de/index/themen/06/02/blank/key/02/ueberlebensraten.html>
 - 56% losses in 3.5, 10% bring 80% return in 7 years
(UK: Nesta-Studie 2009 mit BBAA and more than 1000 firms)
- Fail early

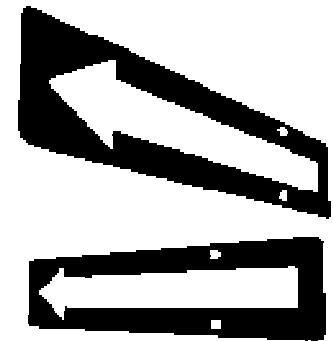
How? There are 2 ways

1. Conventional way or do the things right

- Assumption: machine, excellent plan and execution
- Focus: Perseverance myth
- Example: hp

2. Lean startup way or do the right things

- Assumption: Dynamic systems require self-organisation
- Focus: Genchi Gembutsu
- Example: Google, Liip



Conventional way

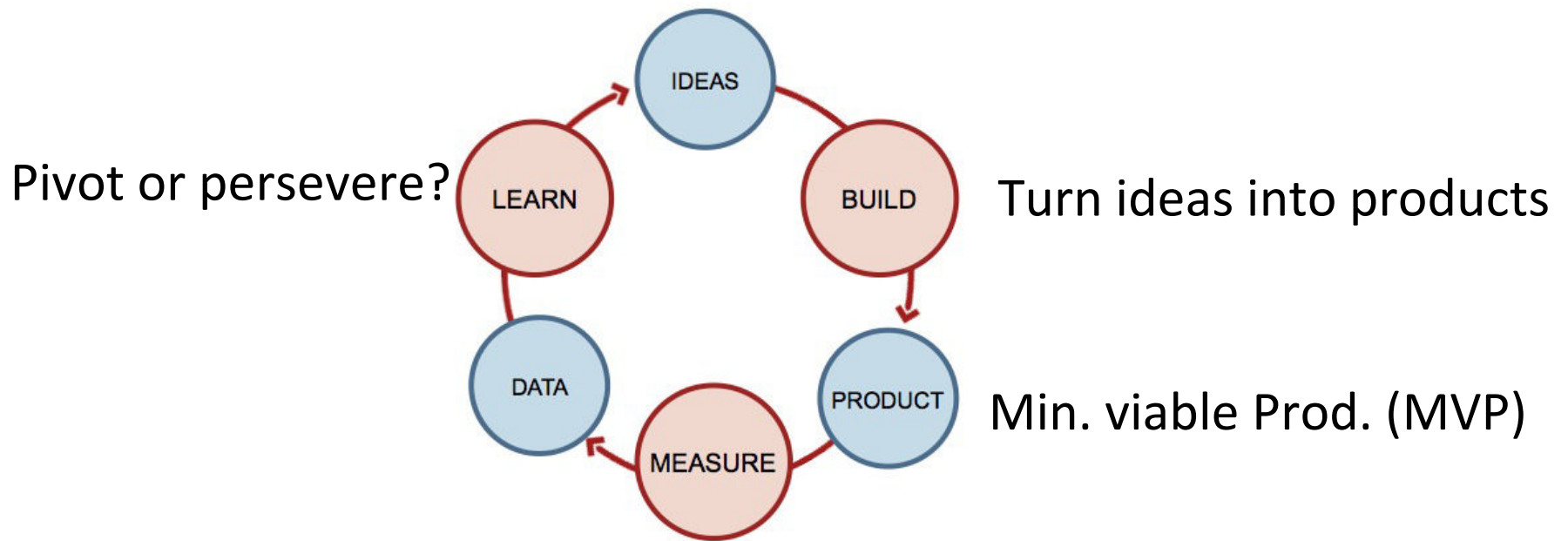
- Culture: „Cowboy Mentality“ - „Paralysis by Analysis“
- Method: Waterfall with long „cycles“
- Goal: best product possible
- Characteristics - symptoms:
 - Which product can we build with this technology?
 - Long business plans with hockey stick
 - Need funds for sales & marketing boost
 - Long discussions about plans or features

Lean startup way

- Culture: Success can be engineered, learned, taught
- Pre-requisites: Transparency, trust and courage
- Method: Short feedback loop
- Goal: MVP asap and minimise cycle time
- Characteristics
 - Can we build a sustainable business?
 - No business plan or at least transparent assumptions
 - Every product, marketing campaign, etc. is experiment

Feedback loop

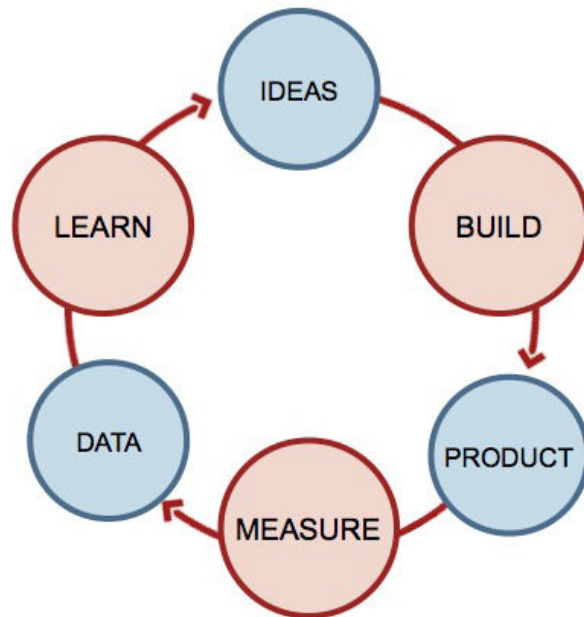
Entrepreneurial Mgt: Stupid! It's the boring stuff,



Innovation accounting

Examples

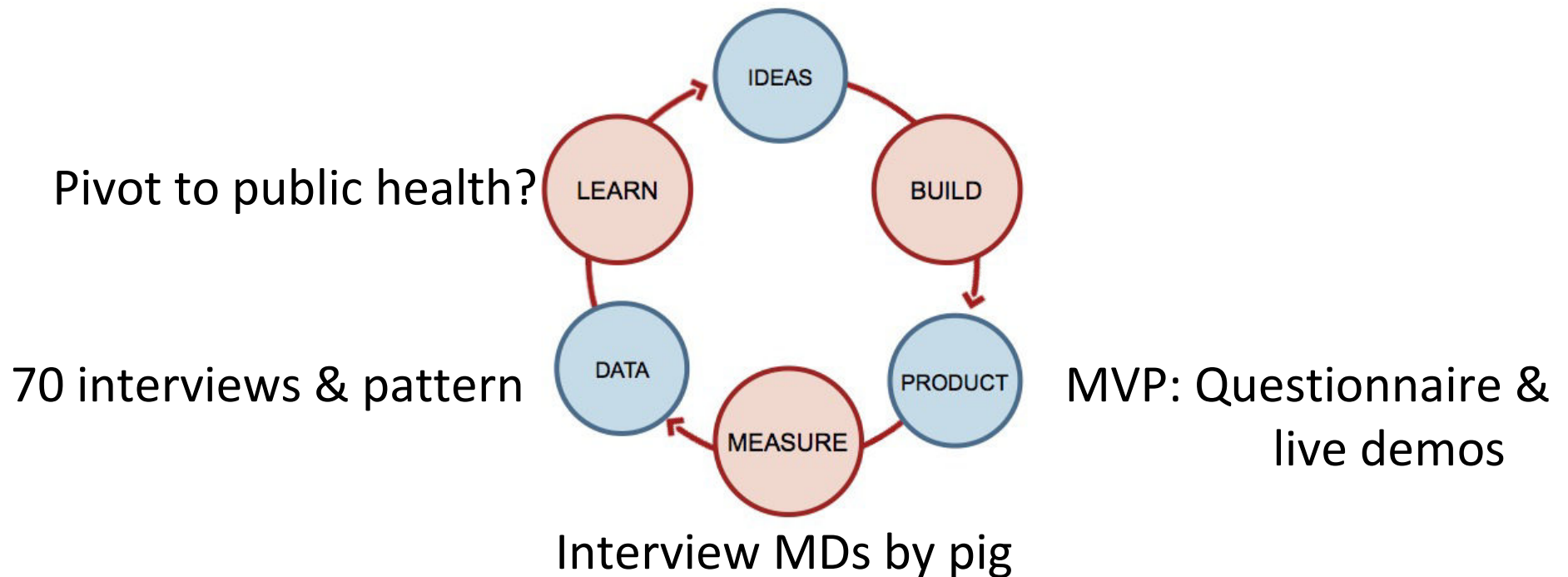
1. Test distribution channel for portable robot



Creation of video and marketing material instead of GG with MVP

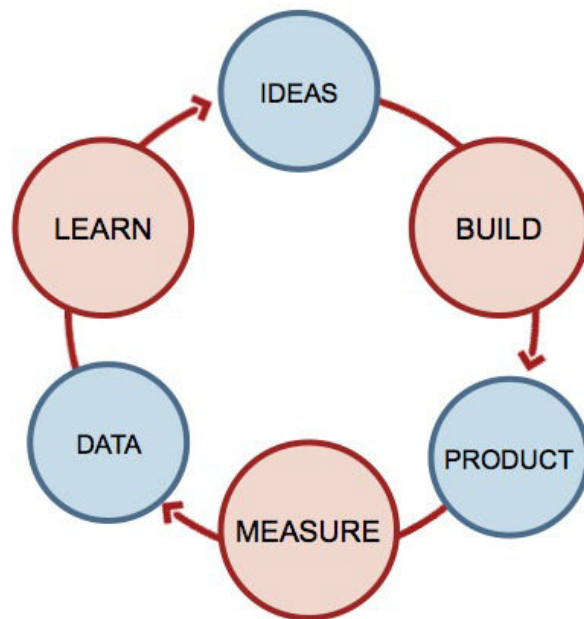
Examples

2. Test BP assumptions for TM app: price, cost of sales



Examples

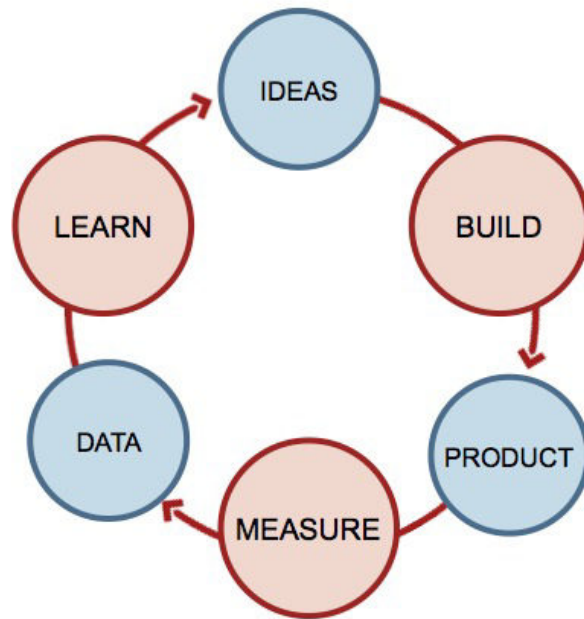
3. Test business model for Zappos



Picture of shoe online

Examples

4. Test vision of service offering for Dropbox



MVP: Video

Conclusions

- Resource limitations can be an asset: CH
- Genchi Gembutsu, experiment and succeed or
- Be courageous and transparent
- Can we build a sustainable business?
- MVP
- Minimise *TOTAL* time through the loop
- Your preferred example?