

Lean Startup for Intrapreneurs

Paul Petersen

Director

Ideas Ahead Pty Ltd



Business Model / Disruption



Collaborative Digital Economy

- CAUSING DISRUPTION of ASSETS, MIDDLEMEN, TRUST, OWNERSHIP
- DRIVING INNOVATION INVESTMENT, PARTNERSHIPS, REINVENTION

Idle Capacity

- UNTAPPED SOCIAL, ECONOMIC AND ENVIRONMENTAL VALUE OF UNDER-UTILISED or IDLE ASSETS

Time Compression, Instant, Micro Transactions

- ABILITY TO REDUCE TIME TO PROCESS, TRANSACT OR GAIN ACCESS ETC
- SMALL IMMEDIATE PAYMENT/LOANS/CREDIT etc



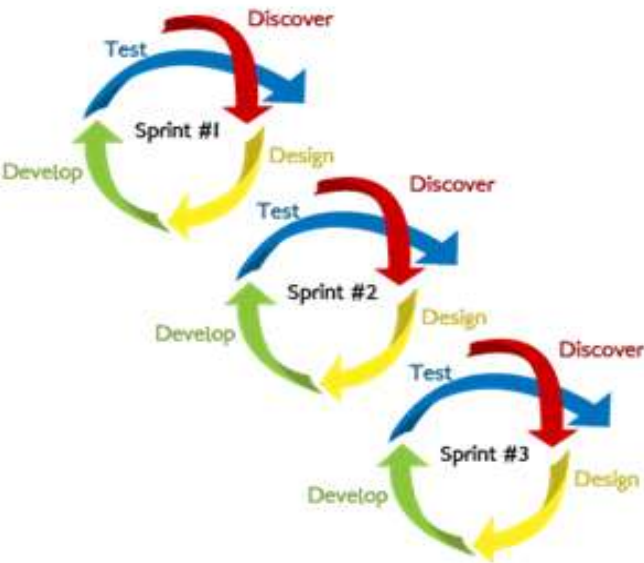
Kitten Delivery Promotion Leads to Uber Cat Shortage



Business Challenges

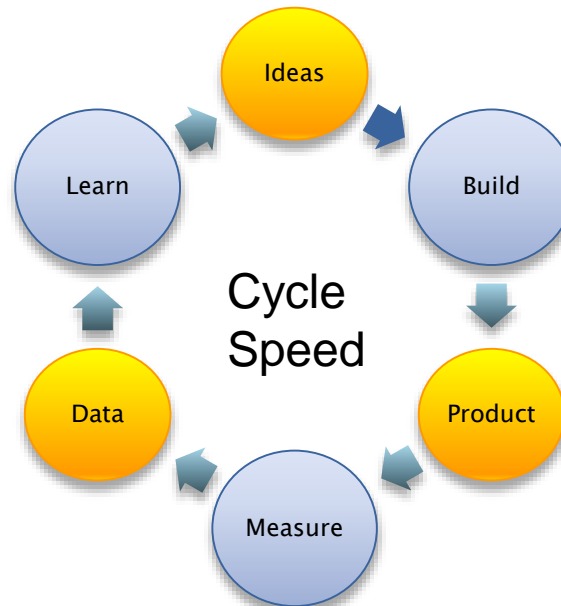
- **Respond to Rapidly Changing Market Demands**
- **Speed up Time to Market /ROI, Adopt new technology**
- **Improve Operational Efficiency**
- **Expand Brand Awareness, Reach & Reputation**
- **Increase Growth and Profitability**
- **Innovating to stay ahead of competitors**
 - Better Products/Services & Processes**

Agile Business -> Lean Startup -> Intrapreneurs



Responsive
Business

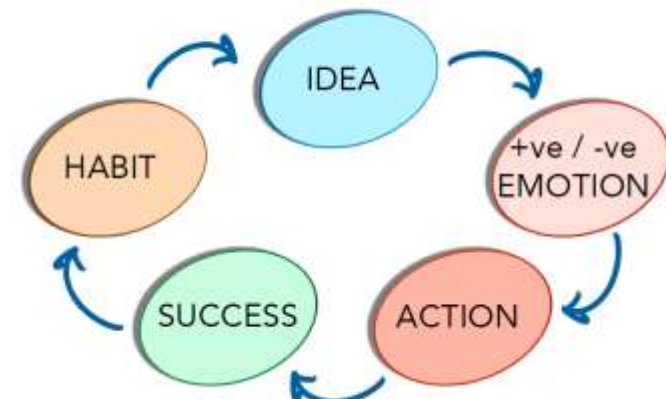
Innovative
Business



Build – Measure - Learn
Feedback Loop, Eric Ries

Self-Renewing
Business

Change is Habitual



Agenda

What is Lean Startup?

Key Principals and how they work

Build - Measure - Learn

Minimal Viable Product (MVP)

Validated Learning

Intrapreneurs => Getting Started

How to Create Sparks

Ideas -> Insights -> MVP

Tools and Techniques

Tips and Tricks

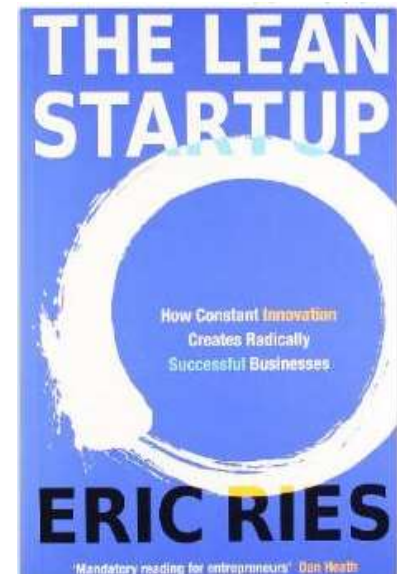
What is Lean Startup?

Lean Startup is a method for developing businesses and new products/services proposed in 2011.

Eric Ries developed the idea for the lean startup from his earlier experiences as a startup, advisor, employee, and founder.

Originally developed in 2008 for high-tech, it expanded to include individual teams & companies wanting to introduce new products to market.

Lean startup movement is in over 94 cities. Used By many 1,000s of successful firms + 100s of Meetups, Labs and Events.



The Lean Startup Method

“A startup is a human institution designed to create new products and services under conditions of extreme uncertainty.” Ries

1. Intra/Entrepreneurs are everywhere
2. Entrepreneurship is management
3. Validated Learning
4. Build – Measure – Learn
5. Innovation Accounting

Who uses Lean Startup ?

Successful startups like



Dropbox



wealthfront



Aardvark

Also works in Enterprises

Intuit, Expedia, Atlassian

Nordstrom (Fortune 500) etc



intuit
QuickBooks.



Atlassian



NORDSTROM

US Government

Consumer Financial Protection

Healthcare.gov

Palo Alto city, LACity.org



Consumer Financial
Protection Bureau

HealthCare.gov

QLD Government (early stage with PWC)

Open Innovation Hub Pilot – Dec 2014

3 Projects - Roadwork Safety, Park Info,
Emergency Management



Intra-preneur Example

Lean Startup Team in Enterprise



<https://youtu.be/sO2GKc29CsY>

Beyond Agile

Lean Startup is a combination of

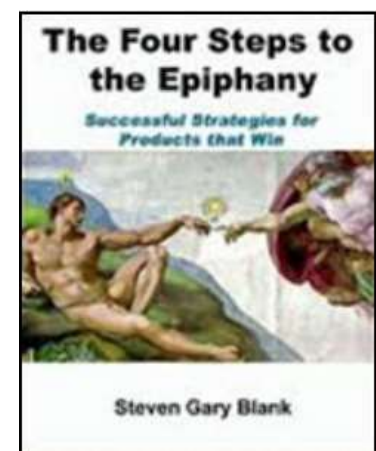
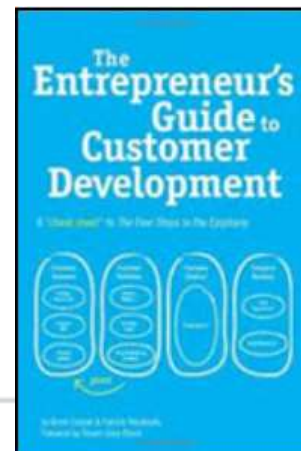
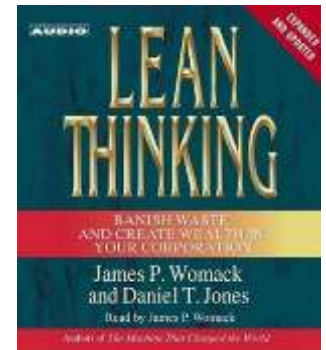
Agile Delivery

+

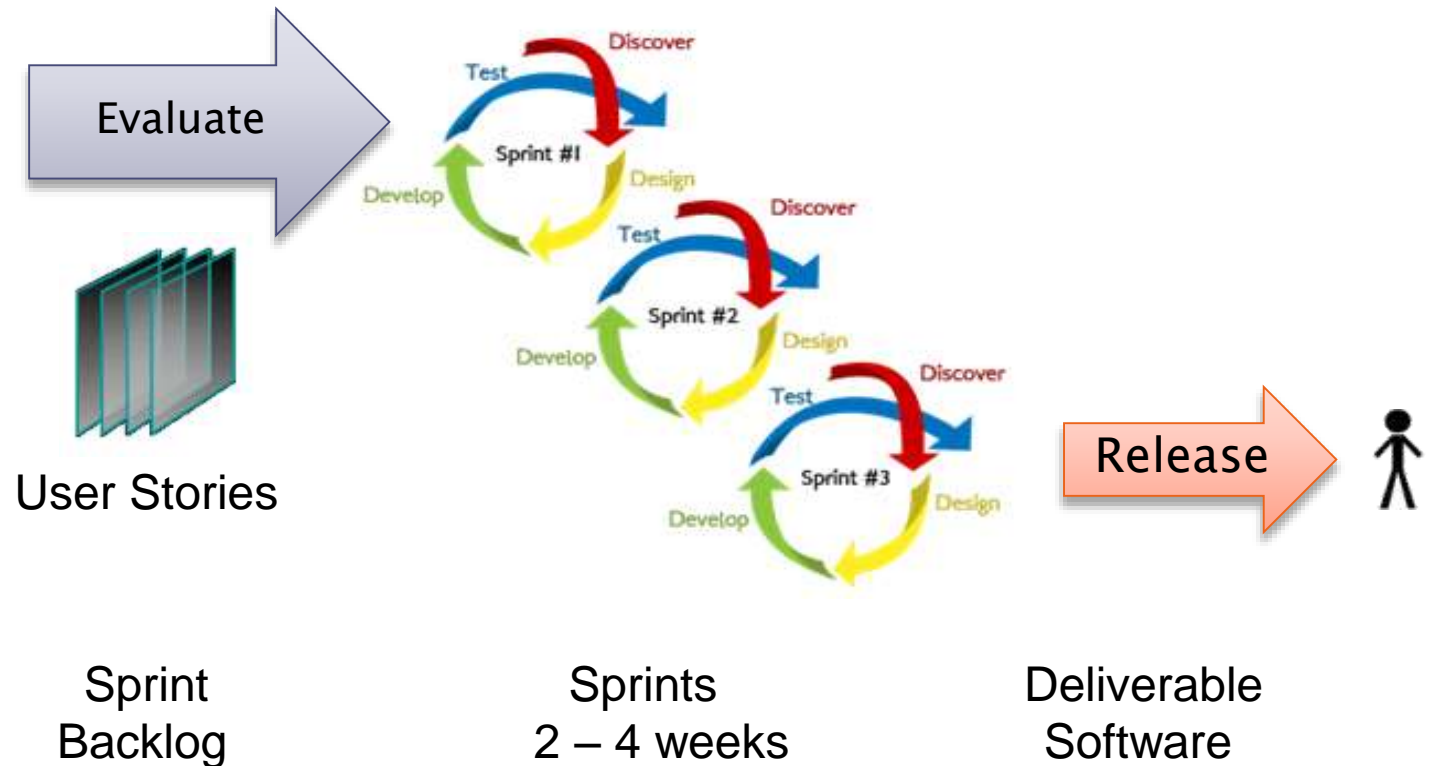
Lean Practices

+

Customer Development



Agile Software Delivery



www.mountaingoatsoftware.com

Agile User Stories

What is Missing from this User Story?

As an Accountant,
I want the system to calculate gains and losses on collectables separately to existing investment assets,
So that I don't have to manually maintain Capital Gains Tax records off system into EXCEL and then manually amend the End of Year tax return.

Business Value:

Automation will save each accountant, 30 mins for each client with collectible assets, per annum.

The average accountant has 100 funds, xx% have collectibles

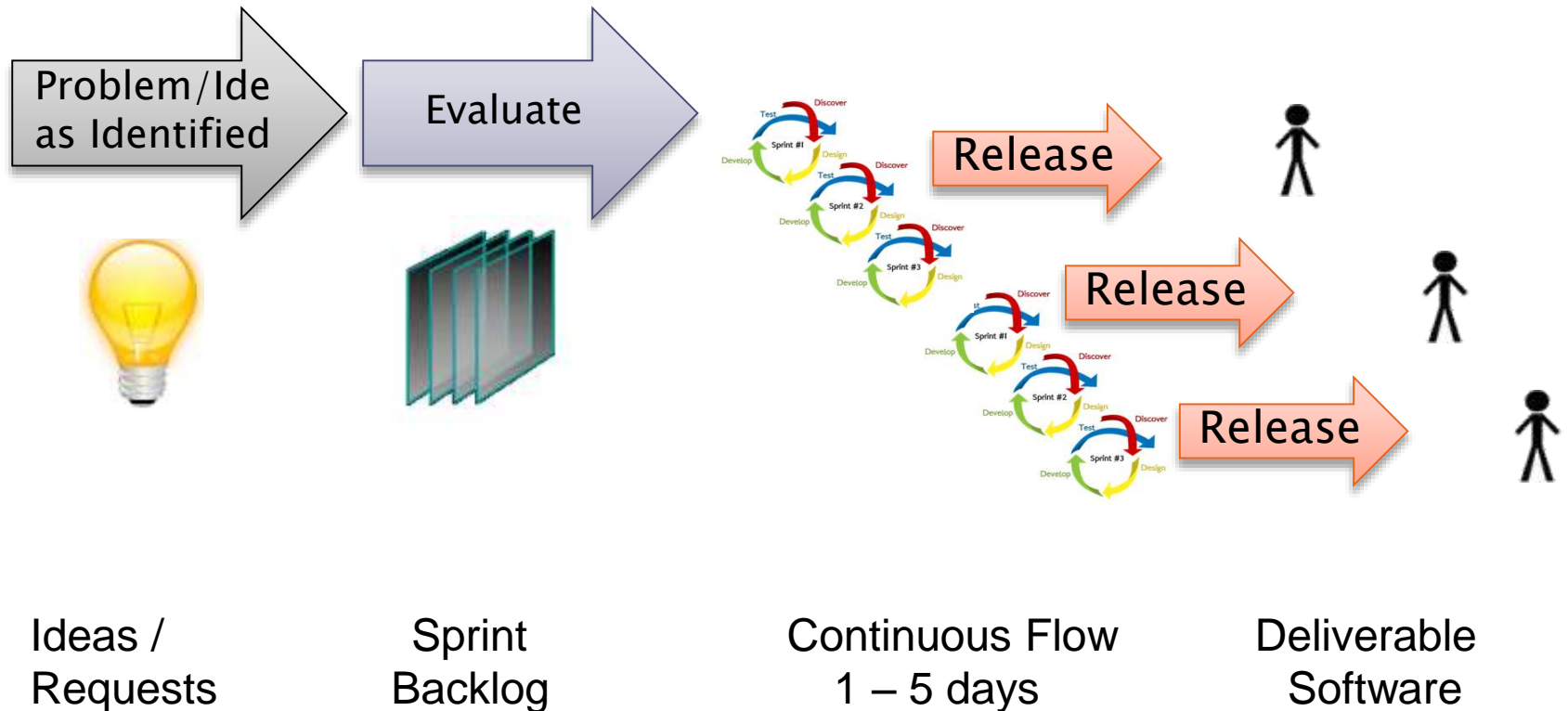
Bus./Technical Assumptions/Risk: x clients will buy at \$yy...

This will get us shortlisted on 20% more tenders.

xx% have collectibles. CGT calculations are easy to automate.

Lean Development / Delivery

Eliminate Waste, Ensure continuous flow of value to market.

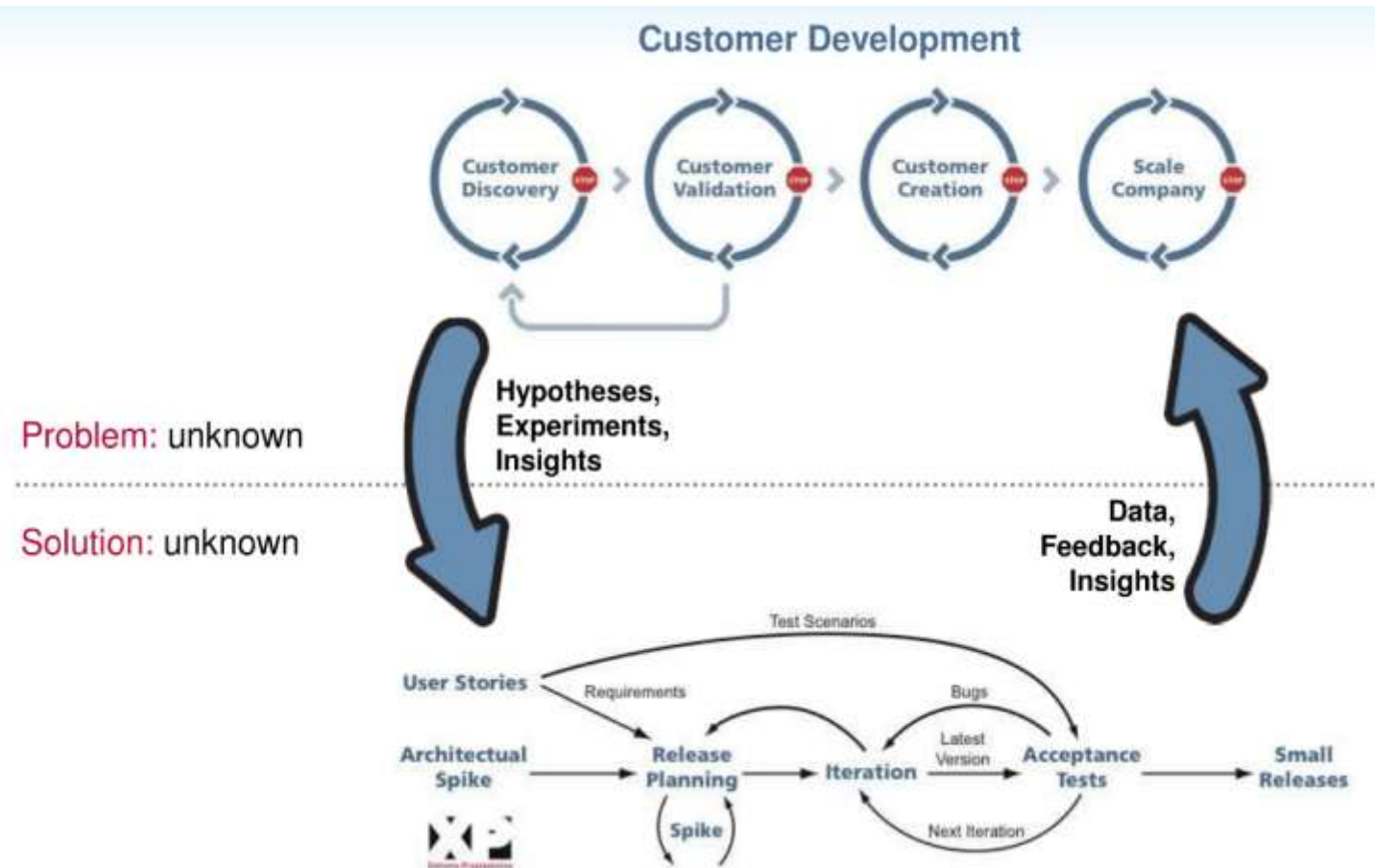


Continuous Improvement

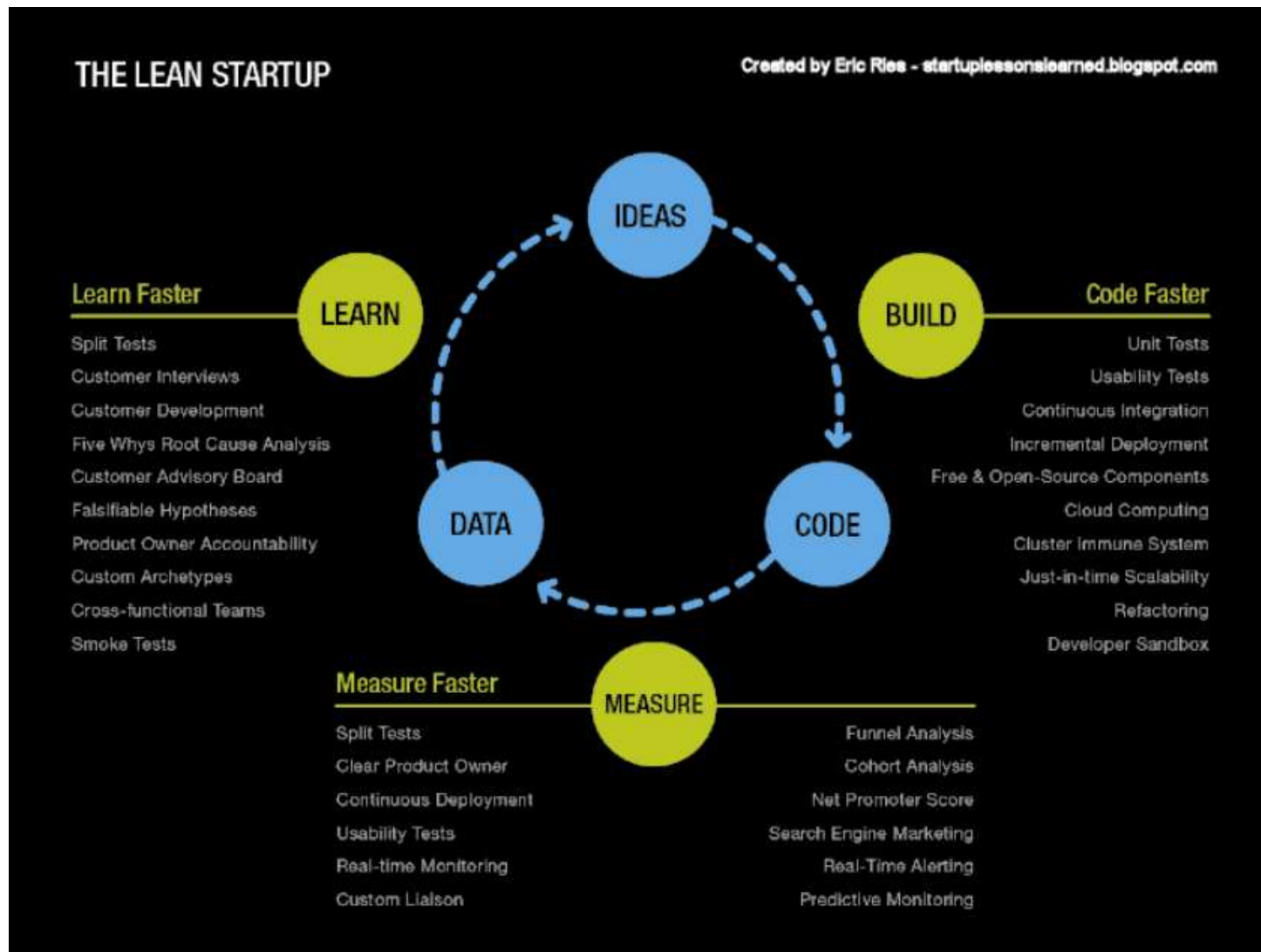


Customer / Market Development

Unit of Progress: Validated Learning About Customers (\$\$\$)



Lean Startup Cycle



“Change almost always comes as a surprise because things don’t happen in straight lines. Connections are made by accident.

Second-guessing the result of an occurrence is difficult, because when people or things or ideas come together in new ways, the rules of arithmetic are changed so that one plus one suddenly makes three.

This is the fundamental mechanism of innovation, and when it happens the result is always more than the sum of the parts”

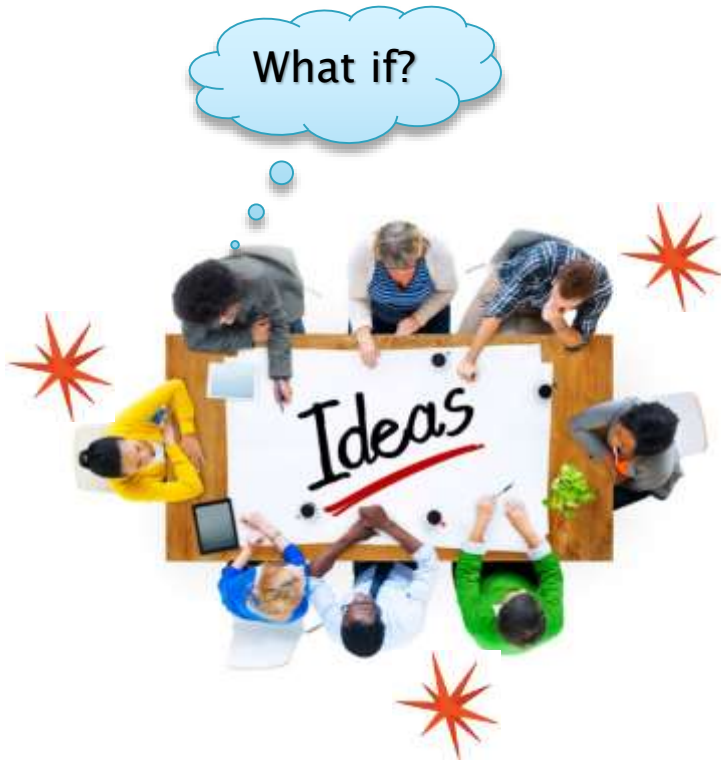
- Steve Johnson

Where Good Ideas Come From: The Natural History of Innovation

How do we innovate?

Ideas

Spark Ideas



Agile Brainstorming

Challenge our assumptions about the marketplace

Engage customer/market thought leaders

Understand & Reframe the Problem

Smart people being challenged daily

Lean Tools – Experiment Board

Ideas

Test your idea without wasting time or money



Experiment Board

Project Name:

Team Leader Name:

Experiments	1	2	3	4	5
Customer					
Problem					
Solution					

Please visit
<http://www.javelin.com/experiment-board.html>

Experiment Board

Test your startup idea without wasting time or money

FREE Download for a Tweet

You get the full-size PDF + Extras just for sharing.
(Don't worry, you can change what the tweet says.)

Experiment Board Example

“Fly Fish” – Fresh meals delivered via Drone



What are leading companies doing?

3M – 15% time rule since 1948.

Atlassian has an Innovation Policy 20% of time on ideas

Google – Xlabs (Google Glass), Amazon - Lab126 (3D kindle)

CapGemini – Think Rooms => startups + Uni + industry

Hackathon's eg BrainHack.org

Telstra, Westpac – Startup Funds / Incubators eg Muru Digital, BlueChilli, iLab, RiverCityLabs (Steve Baxter – Shark Tank)

Suncorp – company wide Agile, looking at startup.

IT, Non-IT Industry related, now Government – Startup Events

Where do you find startup events?



Uneearthed

Events Accelerator Supporters About Us

Uneearthed Brisbane

Uneearthed is a unique 54-hour long event focused on the resources sector. Software developers, designers, and industry insiders will come together to develop prototype solutions to resources sector problems. Uneearthed participants will have a chance to work on proprietary industry data as well as data from government partners.

May 15th - 17th, 2015

[Register](#)

THE ENTREPRENEURS' unconvention

The largest event for Entrepreneurs in Australia and New Zealand

BRISBANE 22nd Aug 2015 MELBOURNE 29th Aug 2015 SYDNEY 5th Sep 2015 PERTH 12th Sep 2015 ADELAIDE 16th Sep 2015 AUCKLAND 19th Sep 2015

[BOOK NOW](#)

FREE EVENT

meetup Find a Meetup Group Start a Meetup Group

The Pulse Brisbane's Startup and Entrepreneur Community We're 1,234 Members	Startup Mastermind Groups We're 567 Members	A REALLY GREAT PLACE TO START A BUSINESS We're 890 Members
Startup Grind Brisbane We're 1,234 Members	Brisbane Startup Angel Investors We're 567 Members	Startup Class - Book Club Brisbane We're 890 Members
Entrepreneurs in Brisbane We're 1,234 Members	Ideas Workshop@UYE Studios - Brainstorming Another Success! We're 567 Members	Lean Business Strategies We're 890 Members
Brisbane Business Club We're 1,234 Members	Brisbane Lean Start-Up Group We're 567 Members	Financial Services Businesses: Startups, New, or Growth We're 890 Members



Why the interest in Startups?

Learn

“A Startup is a business without a confirmed Business Model or Customers.” –Steve Blank

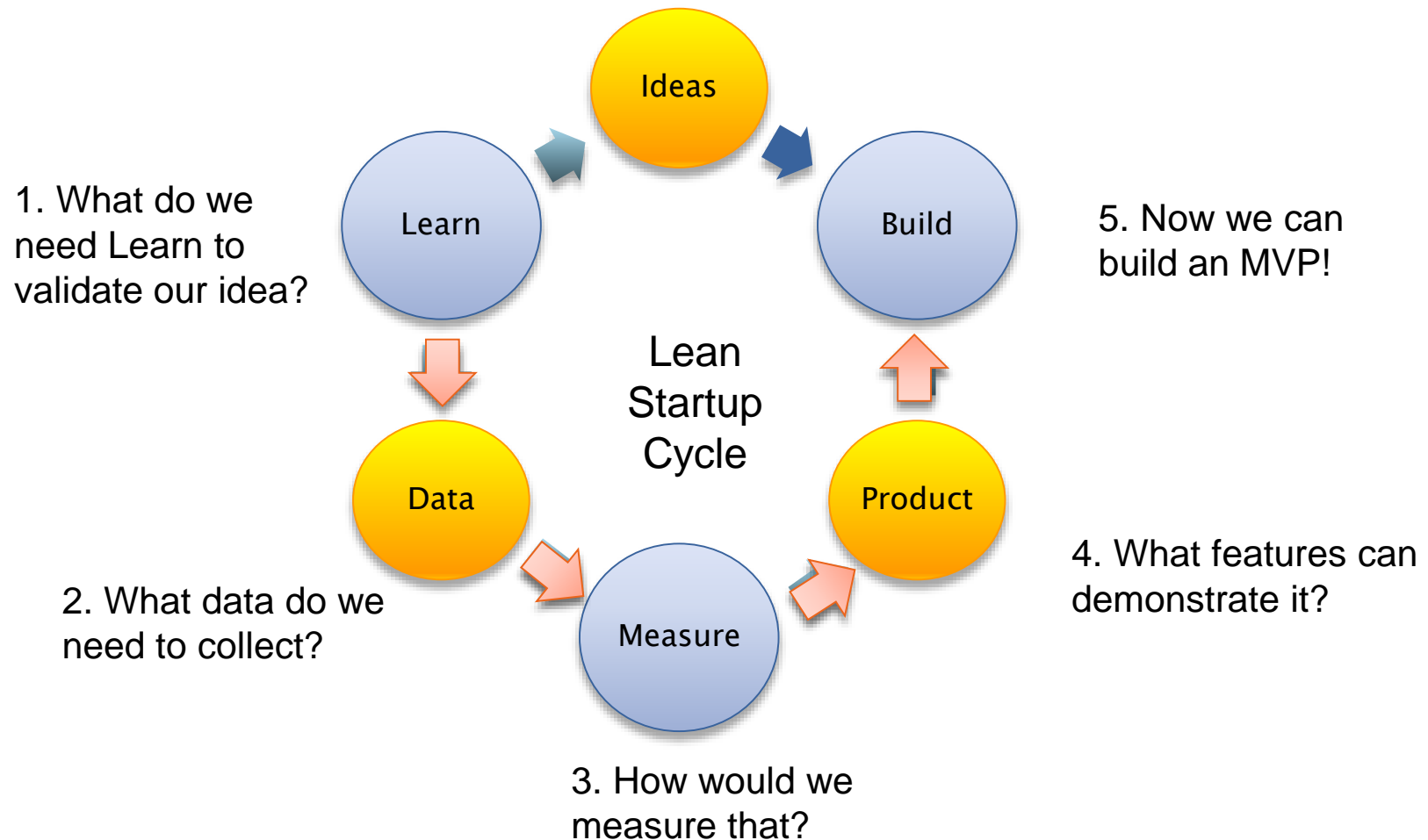
Startups exist to learn how to build a sustainable business.

Lean Canvas



Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

How do you use Lean Startup?



Build – Measure - Learn Feedback Loop,
Eric Ries

Why do we build software Products?

- **Delight customers and new prospects**
- **Get lots and lots of them to sign up / buy**
- **Make lots of money**
- **Realize a vision, follow our passion and change the world**

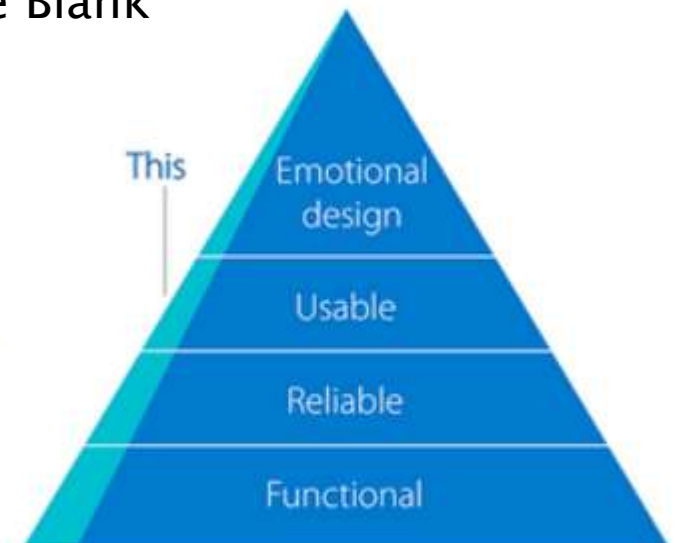
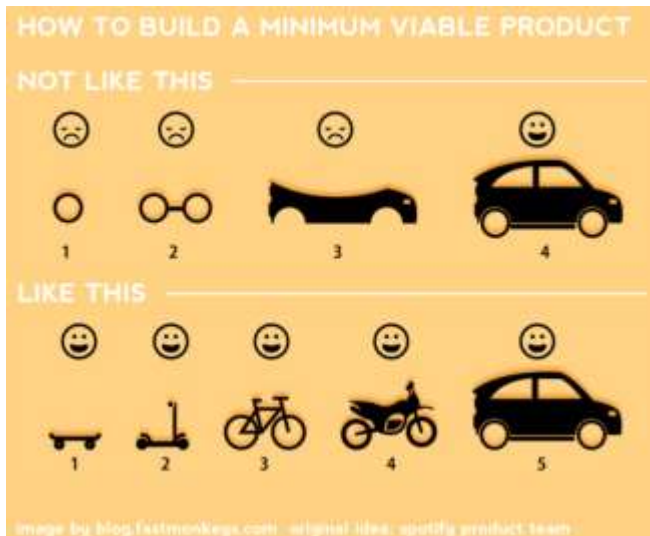
What is a Minimal Viable Product (MVP)?

Product

- The *minimum* set of features needed to learn from earlyvangelists – visionary early adopters
- Is *probably* far more minimal than you think!

“You’re selling the vision and delivering the minimum feature set to visionaries, not everyone.

– Steve Blank



Why have MVP?

Reasons:

- Avoid building products or features that nobody wants i.e. Accelerate learning
- Test a product's features with minimal resources
 - Reduce wasted engineering hours
- Maximize the learning per dollar spent
- Get concept/product to customers/market ASAP
- Demonstrate capability to prospects

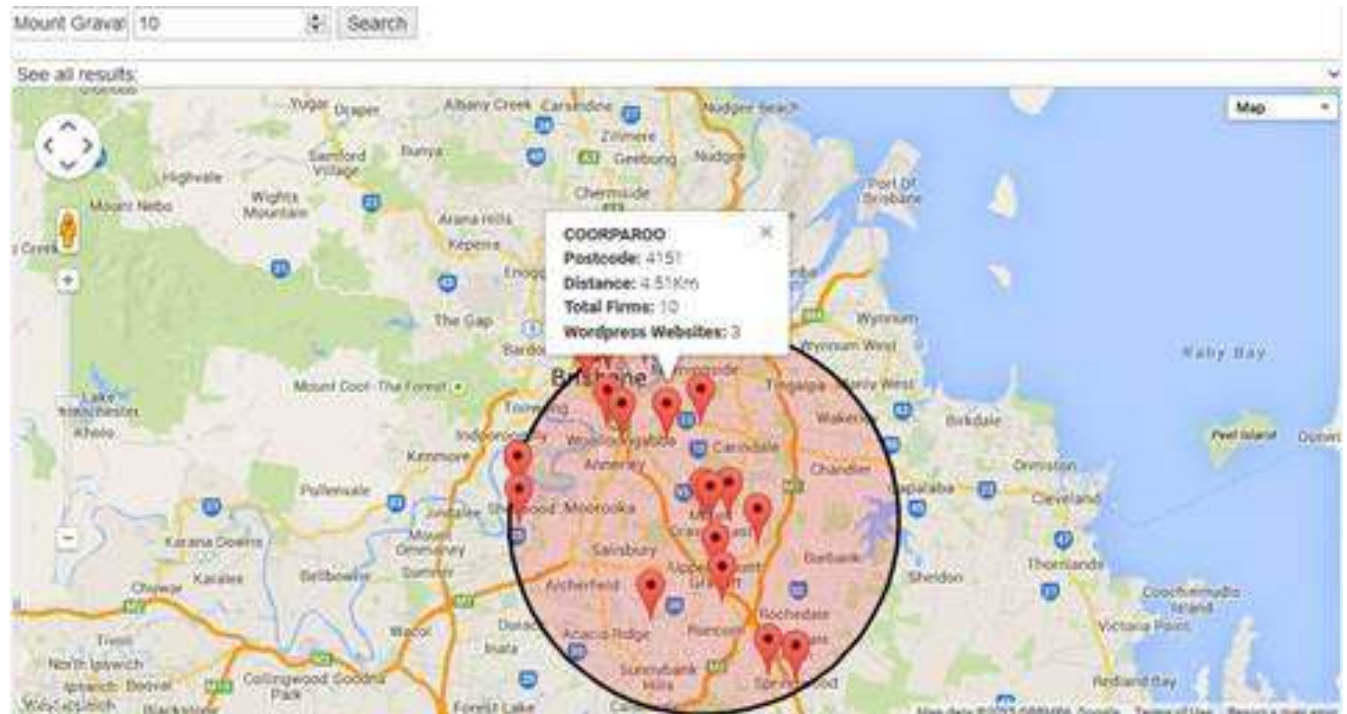
MVP – What is possible?

1 Day

1 weekend

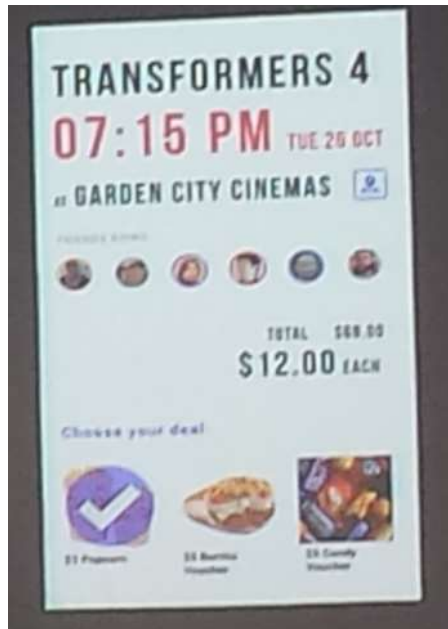
1 week

More...



MVP – What is possible?

1 weekend



MVP – What is possible?

1 week

<https://youtu.be/szr0ezLyQHY>



Tips and Tricks

Get OUT OF THE BUILDING!!!!

Think about quality but consciously decide when to reduce quality to test/learn faster

Get early adopters to trial your mock-ups
Yes they are limited. LESS is MORE!

How do you use a MVP?

The biggest mind shift in following a customer / market development process is:

Thinking you know something

and therefore

Testing everything you know.



Scientific Method

Measure



Data Driven Decision Making

- ▶ Test your assumptions, with hypotheses
- ▶ Gather many data points to support your assumptions
- ▶ Analyse the results and what it reveals.
Don't expect the data to give you the answer 😊

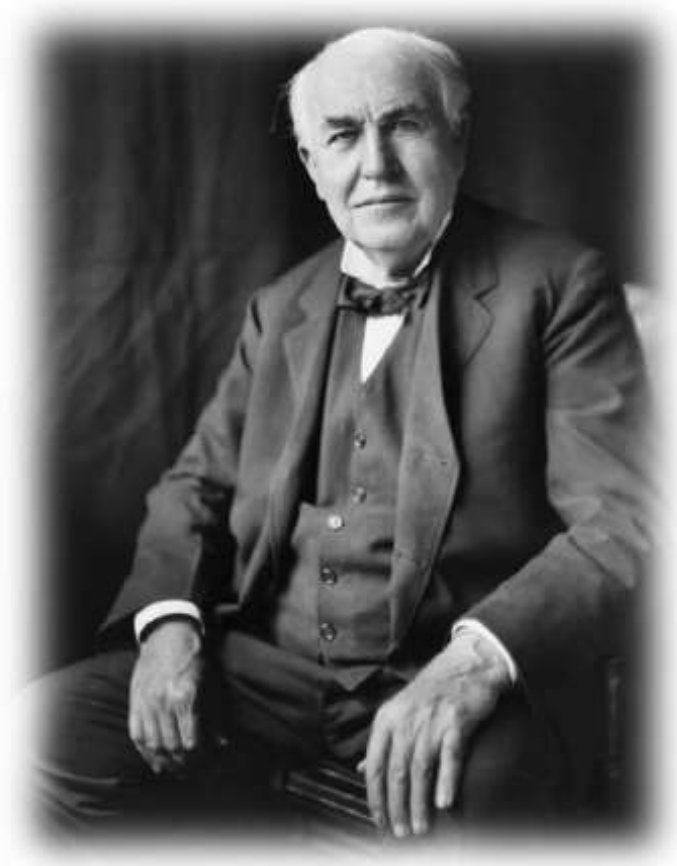


Validated Learning

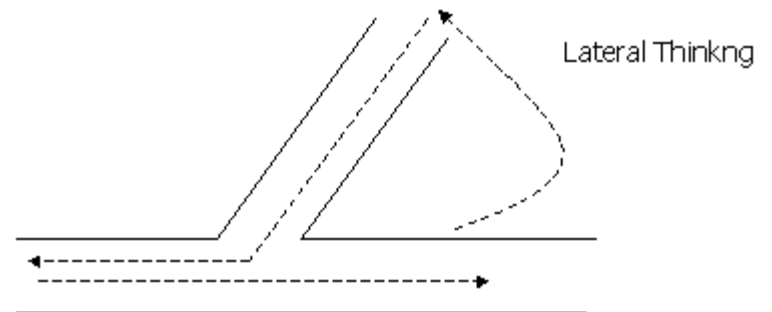
Learn

“
*I have not failed.
I've just found
10,000 ways
that won't work.*”

Thomas A. Edison



Use Feedback to Pivot or Persevere



Fly Fish had several pivots

“Eat Cheat” – Fresh meals delivered via Drone



Ideas, Tips and Tricks

The test itself isn't a sales pitch – it is used for **real** user testing.

Use early adopters / forward thinking users.

Listen carefully, accept all feedback!

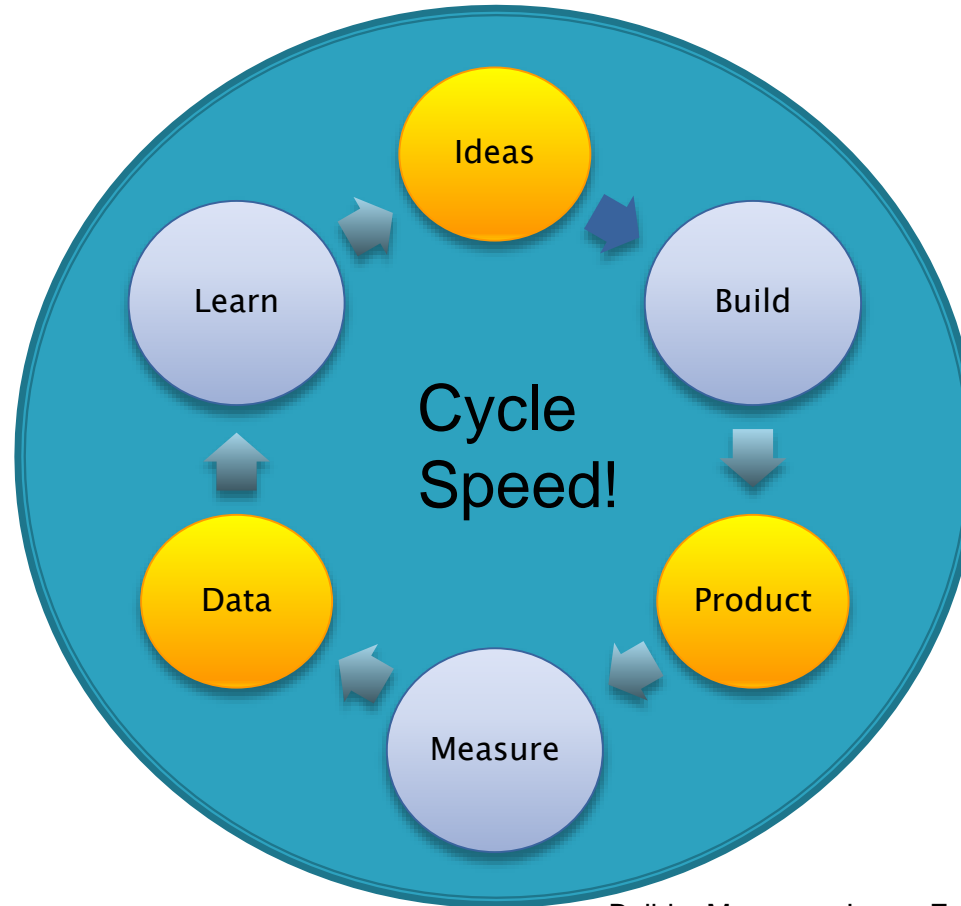
Good to have an independent person attend.

0

Your not observing, you are testing your assumptions!

Start turning Ideas into Insights Faster

Cycle as quickly and often as possible!



Build – Measure - Learn Feedback
Loop, Eric Ries

Don't wait until it's too late!

Tom McKaskill, serial entrepreneur, angel investor and author, says:

“To be successful in a sector you need to have some degree of competitive advantage

...

Don't wait until you are desperate to reclaim territory; take the initiative and ensure you stay in front.

Innovation is the only sure way to do that.”

Summary

- ▶ **Think and Act** like a Lean Startup
- ▶ Challenge your business mindset, drive **Innovation!!**
- ▶ Quickly turn a **Spark** into an **Insight** into an **MVP**
- ▶ Don't guess, test your Business Value assumptions
- ▶ Intra/Entrepreneurs can start small and drive cultural change by using startup activities and techniques
- ▶ Focus on Outcomes and Measurement via Fast Feedback loops



Thank you

Questions



paul.petersen@ideasahead.com.au



Some Resources

Lean Startup <http://theleanstartup.com/>

Startup Lessons <http://www.startuplessonslearned.com/>

Steve Blank – Startup Tools

[http://steveblank.com/tools-and-blogs-for-entrepreneurs/
#startup-tools](http://steveblank.com/tools-and-blogs-for-entrepreneurs/#startup-tools)

Experiment Board

<http://www.javelin.com/experiment-board.html#section>

Lean Canvas

<https://leanstack.com/LeanCanvas.pdf>

US Government and use of Lean Startup methods

<http://www.govtech.com/pcio/Governments-Take-a-Lean-Startup-Approach.html>