

LEAN HACKING™ MINIMUM VIABLE CANVAS / INSTRUCTIONS

1. Problem

Your Customer Persona has a primary problem that has to be validated. At this very early stage be careful that you are validating your Customer's problem and not your Customer's Customer, i.e. you are validating the Persona that will pay you to solve their problem. You may have a Domain expert in your team who is confident of the nature of the problem.

Even more reason to get an objective view by asking your Customer Persona to explain the nature of the problems they experience and how they have attempted to solve them. What you think you need to test is only the first step. Talking to customers helps validate if these are indeed the right problems to tackle and more importantly helps uncover possible solutions and techniques for testing them. Inability to validate Problem/Persona is a BIG red flag.

2. Customer

Eric Ries says, "The goal of such early contact with customers is not to gain definitive answers. Instead, it is to clarify at a basic, coarse level that we understand our potential customer and what problems they have." The Customer is the first hurdle where you will test your Problem hypothesis. The process to do this is essentially that of "getting out of the building", the Steve Blank term. Two aspects of this step are very important - That you conduct these interviews as a discovery session, not a sales pitch session, and that you interview a sufficient number of people who confirm your hypothesis, i.e. >50% of those interviewed agree they have the problem. Watch the video: <https://youtu.be/ILEebbiYIkI>
View the deck: <https://www.slideshare.net/gregtwemlow/customer-needs-discovery-jan-2015>

3. Solution Test

Start by defining your solution using language and terminology that was used in your customer interviews. Try not to use too many terms that are overly technical unless your solution is for highly technical customers. At this point take time to search for your competitors and don't deceive yourself that there are none. Assess their features/functions/ capabilities and consider "can I do better?". Depending on what your Startup is developing you may find that pictures communicate the solution far better than words. Physical products must have detailed diagrams. Websites and Apps need to be wireframes or prototyped. Showing is always better than telling and there are a myriad of tools to create website and App mockups. Watch the video: <https://www.youtube.com/watch?v=yeIM5lxvY-o>

4. Business Model

Steve Blank says, "A startup is a temporary organization designed to search for a repeatable and scalable business model."

You start by documenting a set of business model hypotheses, then systematically validate those hypotheses against reality and make course-corrections, or pivots, along the way. Your business model will be tested by going back to the Customers you interviewed to ensure they agree your model is viable. Your Business Model defines what the Customer will pay for what value.

"Business Plan: A document investors make you write that they don't read. Business Model: A single diagram that describes your business." – Steve Blank

5. Early adopters

Not every future customer is ready for your product or service. The majority of the people that you can cater to in the future won't forgive you if your product isn't perfect. Therefore it's important to start by finding people that will love your early stage product as well – people that can help you improve the product over time. Those who don't mind that your product doesn't have all the bells and whistles yet, as long as the initial product is better than their current solution and they believe in you and your idea/vision. This is what characterizes early adopters:

- They have been actively looking for a way to solve the problem
- They've tried to put together a piecemeal solution.
- They have or can obtain a budget to spend on a solution.

6. Sales Test

"Do or do not... there is no try."– Yoda.

This is where the rubber hits the road. Steps 1 to 5 build into a pitch (<http://bit.ly/5-slide-pitch>), a deck and a proposal that can be presented to the Early Adopters you identified in Step 5. The Sales Test must be conducted by the Founder/s. You will receive the most valuable feedback in your sales meetings. Is your pitch easy to understand, does your solution solve the problem, is your business model acceptable, what unexpected questions and demands are tabled and is there a willingness to be a contracted customer. Rules:

1. NO bullshit,
2. Don't say "Yes" unless you're sure,
3. It's OK to say "I need to check and come back to you",
4. You want them as a reference account and a published case study,
5. watch how Steli Efti hustles - <http://youtu.be/IfKMsdI9wJM>