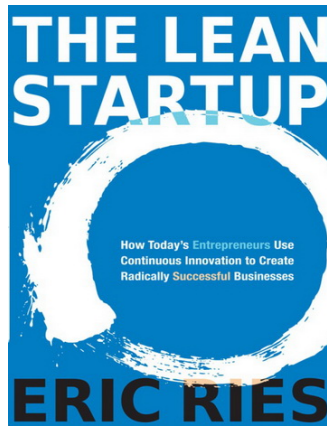


The Lean Startup

April 17, 2014

"The Lean Startup" by **Eric Ries** is organized around 5 principles:



1. Entrepreneurs are everywhere
2. Entrepreneurship is management
3. Value learning
4. Build - measure - learn cycles
5. Innovative accounting

A startup is an experiment under extreme uncertainty. Most startup fails and often only the success stories make the news.

Lean startups must be managed differently. Classical management skills fail because they do not take into account **the level of uncertainty** in startups **General management skills do not work for the two guys in the garage**. Startups survive because they **pivot fast**: use a foundation, adapt quickly to circumstances and apply the lessons learned. **Startups win through** the **speed** they can adapt and before they run out of money.

Failures are successfully executed bad plans. You achieved to deliver on time, budget and with the correct quality something nobody wants.

To avoid the failure trap **feedback cycles** must go fast and must be iterate multiple times "*Release early and release often*":

1. Build ideas and measure the results.
2. Learn from the results to generate new ideas.

Build should focus on a **Minimum Viable Product (MVP)**. The MVP is put in front of customers as a kind of experiment and measured.

Measurements must be **tripe A: Actionable, accessible and auditable**. The measurements are used to

tweak and improve the MVP. **If the cycles show diminishing returns it is time to pivot** or change the game plan.

www.vanderbist.com