Lean Startup - Build, Measure, Learn

Many new businesses fail because they spend months building something that nobody wants. In his book The Lean Startup, published in 2011, Eric Ries offers another way. The method borrows ideas from lean manufacturing, which focuses on removing waste. In his view, a startup is any team that creates something new under great uncertainty, including teams inside large companies. Instead of following a long plan, the team runs short experiments in a loop: build, measure, learn. Each turn of the loop replaces guesses with evidence.

1. Build a Minimum Viable Product

The loop starts with a hypothesis, a belief about customers that we need to test. To test it, we build a minimum viable product, or MVP. Ries describes it as the version of a product that lets a team learn the most about customers with the least effort. An MVP can be a simple web page, a video or a service done by hand; it does not need to be perfect. The goal is learning, not selling a finished product.

Example: Before opening a bakery, a home baker builds an MVP: she sells cakes at a weekend market. In one month, she learns which cakes people buy, for very little money.

At work: Nour, a manager at a supermarket chain, believes that busy families will pay for meal kits. Instead of building an app, she builds an MVP: a one-page website with three kits, packed by hand in the store kitchen.

2. Measure

Next, we measure what real customers actually do with the MVP. Ries warns against vanity metrics, such as page views or likes, which look good but do not guide decisions. Actionable metrics show cause and effect, for example how many people buy, return or recommend. We measure behaviour, not only opinions.

Example: A street food seller measures what really matters: how many customers come back the next week, not how many people stop to look. The numbers show whether the stall can really grow.

At work: Nour measures the orders, not the visits. In the first week, forty families order a kit, but only five order again in the second week. The first number looks exciting, but the second one tells the truth.

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3. Learn

The aim of each loop is validated learning: knowledge about customers that is backed by real data. We compare the results with our hypothesis and ask: was it right or wrong? Talking to customers helps us understand the reasons behind the numbers. A wrong hypothesis is not a failure, but useful learning that saves time and money.

Example: An online language teacher believes that adults want evening lessons. The sign-ups give her validated learning: most learners choose early morning lessons before work. She changes her timetable before she spends money on advertising.

At work: Nour calls the families who did not order again. Her validated learning: they like the food, but the kits are too expensive for weekday meals.

4. Pivot or Persevere

After learning, the team makes a decision: pivot or persevere. To persevere means to keep the strategy and improve the product. To pivot means to change one important part of the strategy, such as the customer, the problem or the price, while keeping what we have learned. Ries suggests regular meetings to make this decision on purpose.

Example: A market stall sells cakes and coffee, but the coffee sells far better. The owner pivots to a small coffee cart and keeps only two kinds of cake.

At work: Nour pivots on price: she offers smaller, cheaper kits for two people on weekdays. Repeat orders rise every week, so the team decides to persevere and improve this version.

Conclusion

In summary, the Lean Startup method turns new ideas into a series of experiments. We build a minimum viable product, measure what customers really do, and learn whether our hypothesis holds. Then we pivot or persevere, and the loop starts again. It works for start-ups, for new products in large companies and even for small personal projects. The faster we go around the loop, the sooner we find out what customers truly want.

Sources

- Ries, E. (2011). The Lean Startup. Crown Business – https://theleanstartup.com/book
- The Lean Startup: Principles (build-measure-learn, MVP, validated learning, pivot) – https://theleanstartup.com/principles
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- Explained in our own words; "The Lean Startup" is a trademark of Eric Ries, who does not endorse this summary.

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