

geekStarter Robotics Workshop

14 April 2018

MINI Lean Startup Exercise

This exercise builds onto the MINI Lean Startup Scenario developed in collaboration with Justin Pahara and Julie Legault (Amino Labs) and used at geekStarter's startup workshop on December 2nd, 2017. It is based on the book, *The Lean Startup* by Eric Ries, and is intended for educational use.

In this exercise, you will simulate the beginnings of your own startup and practice how to think like an entrepreneur.

What can you do to hedge your bet on an idea?
What can you do to increase your chance of success?
What can you do to not waste your time and money?

These exercises are intended to help you with your own startup:

- **DEFINE PROBLEM**
- **CREATE VALUE PROPOSITION**
- **TESTING ASSUMPTIONS**

Get immersed in the role playing - Pretend it's real - Have fun!

DEFINE PROBLEM

A problem is something that needs attention, improvement, or fixing for specific target customers and/or end users.

EXAMPLE (from Startup workshop - 2 Dec 2017)

Problem:

The Pace of Life is “quickenning” — Because there is less personal time, people are eating more fast food, which is unhealthy. A healthy population has higher productivity, and better quality of life.

Initial data/proof/assumptions:

According to a 2012 study, at least 1 in 4 Americans (~80M) eat some type of fast food every day.

How can you address this problem? How can you help to maintain a healthy population?

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1. State the problem you are trying to address, and include the initial data/proof/assumptions. Your idea should be grounded by some initial data or assumptions, or else why would you be doing it?
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PROBLEM

Initial data/proof/assumptions:

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2. Discuss the proposed solution with your group, and provide an outline of the solution below.

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In the traditional startup model, at this point you would start building a prototype. However, in the lean startup model, you wouldn't do much building. Instead, you will try to see if the solution you picked is worth pursuing before putting too much time and resources into it.

CREATE VALUE PROPOSITION

A value proposition is a statement that describes a problem, the context and scope (or “gravity”) of the problem, and the solution you are proposing, emphasizing the value the solution would bring to specific target customers and/or end users.

PROBLEM & PROOF: State the problem you’re trying to address clearly and concisely, and include the initial data/proof/assumption.

CONTEXT & SCOPE: Provide the context and the scope of the problem – How important is it?

CUSTOMER/USER: Identify your target customers (Whom would you sell your solution to?) and/or end users (Who will use your solution/product/service?).

SOLUTION & VALUE: Provide a brief description of your proposed solution, and specify its benefit(s) for identified customers/users.

EXAMPLE VALUE PROPOSITION

Problem & Proof: The pace of life is increasing and more than 80 million Americans are eating not so healthy fast food on a daily basis.

Context & Scope: The physical and psychological health of a country’s population dictates the quality of life and economic performance of that country.

Customer/User: Fast food restaurants / Consumers of fast food

Solution & Value: VitaMeats, Inc. will use synthetic biology to engineer cultured meats to have increased vitamin and amino acid content that will enable fast food restaurants to serve and market vitamin enriched foods, increasing the health of their consumers.

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3. In your group, discuss and formulate your value proposition. Write it down below.
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VALUE PROPOSITION



TESTING ASSUMPTIONS

A value proposition is based on a number of assumptions. These are things assumed to be true but which haven't been proven (yet). You need to check if these assumptions are true or not before moving forward with building your product/service. Testing your assumptions will validate or invalidate your value proposition, and provide crucial information for your next steps. Invalid assumptions will often lead you to revise your value proposition, also known as pivoting.

EXAMPLE VALUE PROPOSITION

The physical and psychological health of a country's population dictates the quality of life and economic performance of that country. The pace of life is increasing and more than 80 million Americans are eating not so healthy fast food on a daily basis. VitaMeats, Inc. will use synthetic biology to engineer cultured meats to have increased vitamin and amino acid content that will enable fast food restaurants to serve and market vitamin enriched foods, increasing the health of their customers.

ASSUMPTIONS

- fast food restaurants care about being seen as healthy;
- fast food restaurants want to market vitamin and amino acid enriched foods;
- fast food restaurant owners think that selling healthier food will increase their revenue/profit;
- consumers of fast food would feel healthier/better if they consumed vitamin and amino acid enriched hamburgers;

TESTING ASSUMPTIONS

- **Create a simple tool**, e.g. a True/False survey to test the validity of the assumption underlined.

Survey: The restaurant franchise that I represent would benefit financially if the public viewed it as a healthy fast food choice True _____ False _____

- **Deploy tool/survey** to 10 fast food restaurant franchises & collect validation data.
Decide how you will deploy the survey (Call? Tweet? etc) and how you will keep your contacts and data organized.
- **Analyze the data**
Say 8 of 10 fast food restaurants interviewed answered "True". This means you have partially validated the assumption and can continue further inquiry into it.

Say only 3 of 10 answered “True”. This means the assumption is probably invalid and the value proposition needs to change. Choose a different target customer? Change the value?

During a follow up conversation with one of the fast food restaurants, they were very excited at the idea of cultured meats and the fact that no animals had to be killed...That’s an interesting idea that you may want to learn more about!

- **Act on the data: VALUE PROPOSITION REVISED**

*...VitaMeats, Inc. will use synthetic biology to **grow cultured meats** so that **fast food restaurants** no longer have to kill animals to serve their customers. This will enable fast food restaurants to serve and market **wholesome and eco-friendly food**, increasing the health of their customers.*

5. In your group, identify a major assumption behind your value proposition and devise a tool and strategy for testing it.

YOUR VALUE PROPOSITION

ASSUMPTION

TESTING YOUR ASSUMPTION

- Tool for testing assumption

- Strategy for deploying the tool and collecting the data

- Strategy for analyzing the data

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FEEDBACK

6. Discuss the feedback together with your group, and revise your tool and strategy.

TESTING YOUR ASSUMPTION REVISED

- Tool for testing assumption

- Strategy for deploying the tool and collecting the data

- Strategy for analyzing the data
