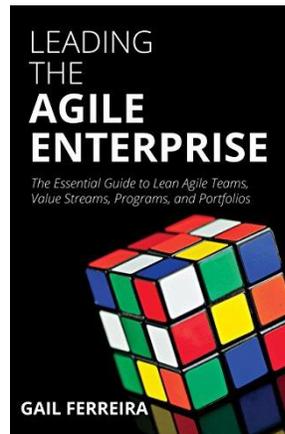


Show Me the Money!



Defining Enterprise Value at Scale



@LeanAgilist
@DrGail

Agenda



Introduction



Blue Ocean Strategy & Shift



Lean Startup – Defining MVP



Discuss: MVPs that made it big

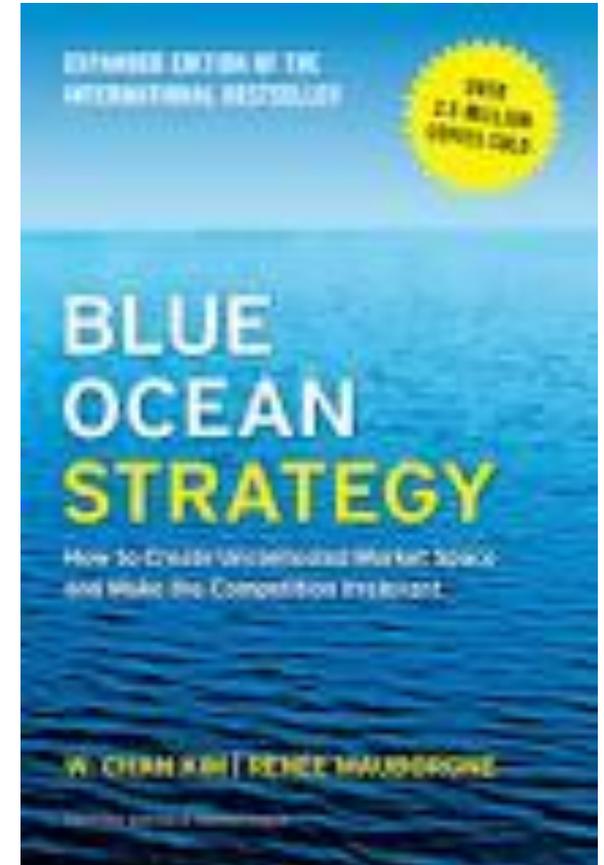


Innovation Accounting



Debrief

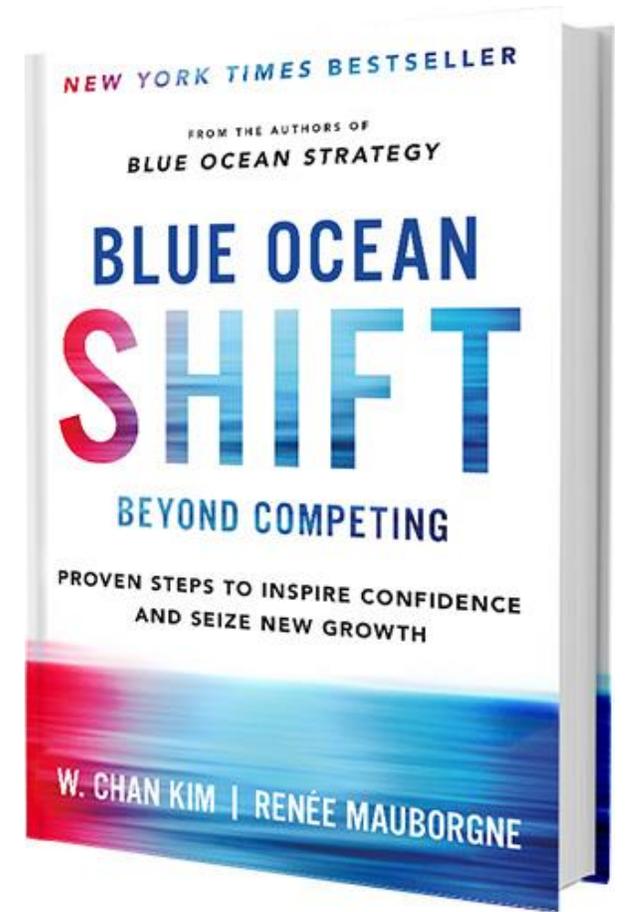
Blue Ocean Strategy



Blue Ocean Strategy

1. Creates uncontested market space of high demand and profitable growth
2. Pursues differentiation and low cost (must be and-and) – what is called value innovation.
3. Uses value innovation to determine patterns of buyer behavior for products, services and strategies

Blue Ocean Shift



Blue Ocean Shift

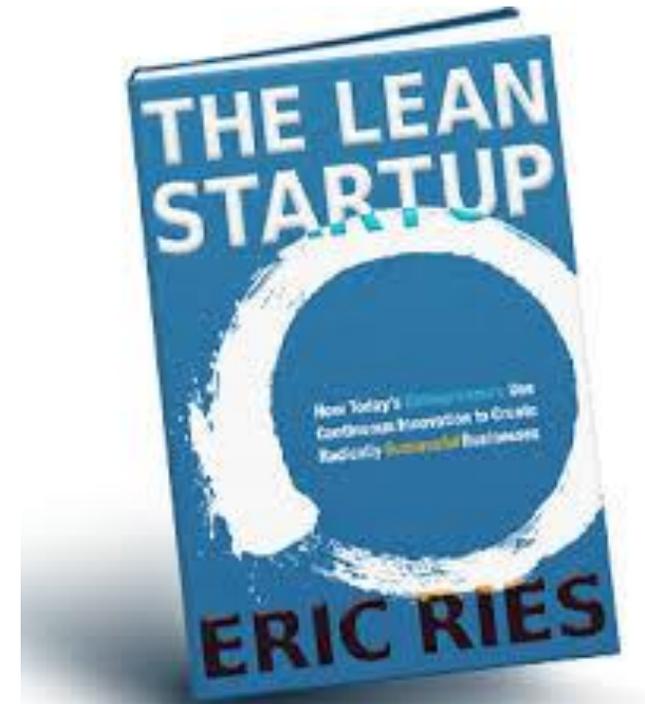
Find market creating strategies

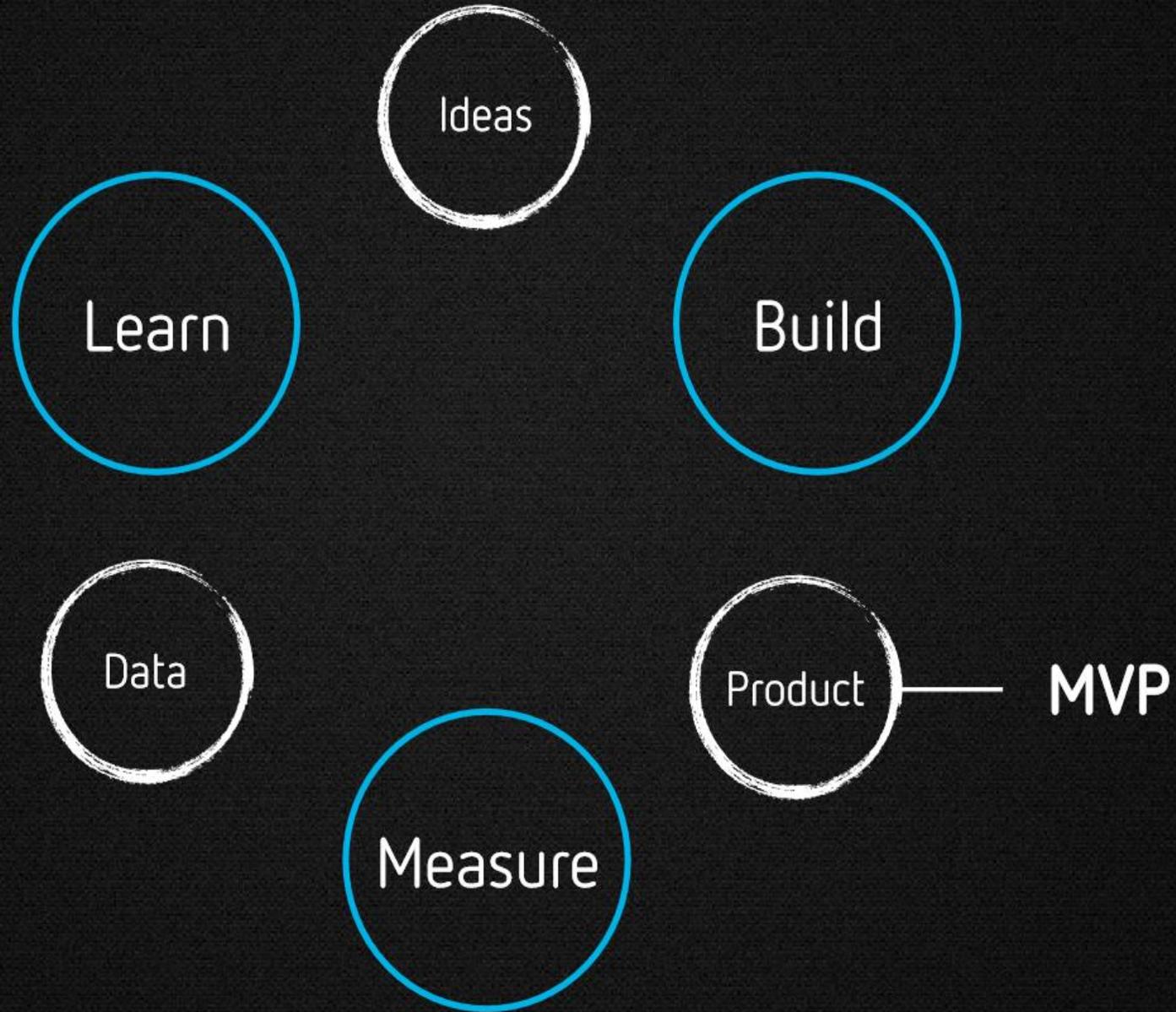
- 1. Creative destruction and innovation are only part of the picture*
- 2. Nondisruptive creation also generates new markets and growth*

Five steps

1. Scope out the initiative – what are your goals –
2. Understand where you are now (current state)
3. Imagine where you could be
4. Find out how you get there
5. Make your move – conduct small market tests using MVP

MVP and the Lean Startup





MVP and the Lean Startup

- The prime directive of an MVP is first and foremost racing to deliver on **customer value**.
- Furthermore, there is no business in your business model without revenue which also tends to be one of the riskier parts of the business model.
- This is why whenever your users are also your customers, I am a strong advocate of capturing back some of that value which is just a fancy way of saying “**charge from day one and get paid**”.

MVP Definition

- *A **Minimum Viable Product** is that version of a new product which allows a team to collect the maximum amount of validated learning about customers with the least effort.*
- Over time it got simplified to: **“the smallest thing you can build that lets you quickly make it around the build/measure/learn loop”**. The problem with this simplified definition is that everything shown in the image below would qualify as an MVP:
- **MVPs** can be anything from launching landing pages, to building working prototypes. And both are **labeled as MVPs**.

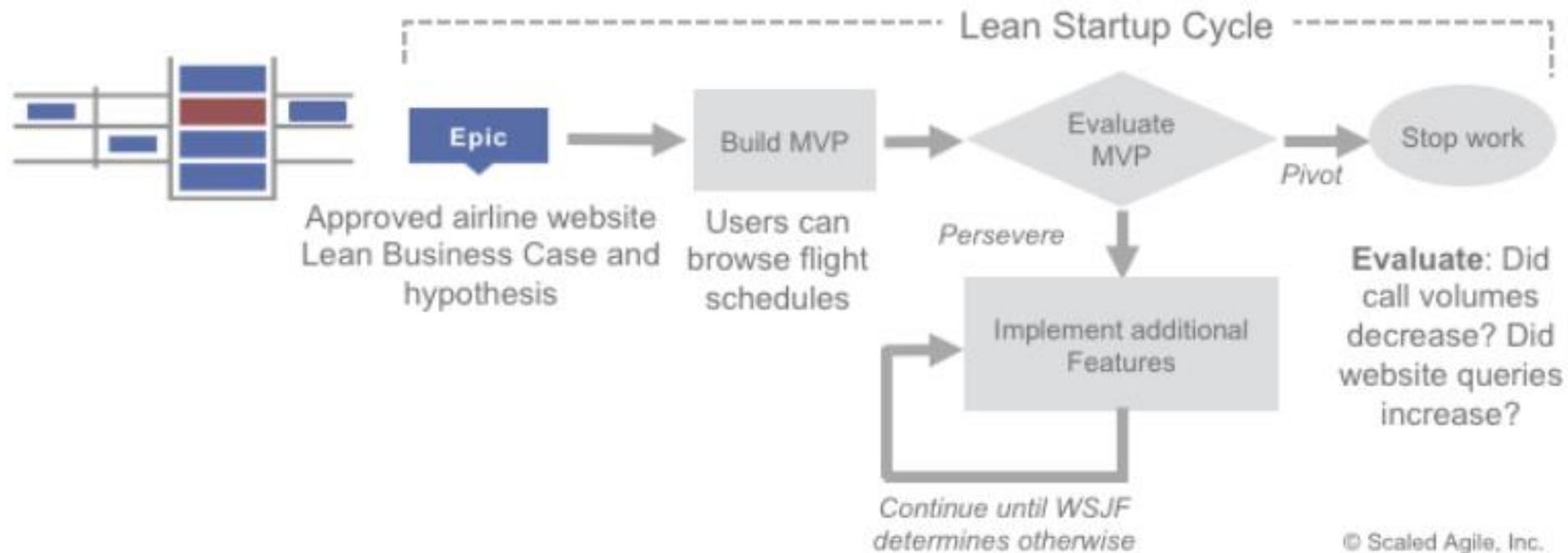


Figure 1. Lean Startup cycle with SAFe

MVPs that made it big



MVPs that made it big



MVPs that made it big



MVPs that made it big

facebook

The image displays three overlapping screenshots illustrating the evolution of Facebook:

- Top Screenshot (Thefacebook MVP):** Shows the early interface with the header "[thefacebook]" and navigation links "login register about". The main content area features a "Welcome to Thefacebook!" message and a list of features: "Search for people at your school", "Find out who are in your classes", "Look up your friends' friends", and "See a visualization of your social network". A "Register" button is visible at the bottom.
- Middle Screenshot (The Evolution Of Facebook):** Shows a more refined version of the MVP with a search bar and navigation links "Home Profile".
- Bottom Screenshot (Modern Facebook):** Shows a modern Facebook profile page for Lady Gaga. The page includes a profile picture, a "Like" button, and a post about her nomination for the 2010 MTV European Music Awards. The post text reads: "Lady Gaga Lady Gaga is up for 5 awards at the 2010 MTV European Music Awards! Fans can vote for Gaga in the Best Song, Best Live Act, Best Pop & Best Female categories - click below to vote now!". Below the post, it shows "49,157 people like this" and "View all 4,268 comments".

MVPs that
made it into
product lines

Tesla's Product Line



Roadster – 2008
Model S – 2012
Model X – 2014

**But ... There
Were**



Bookstores before Amazon



Electric Cars before Tesla

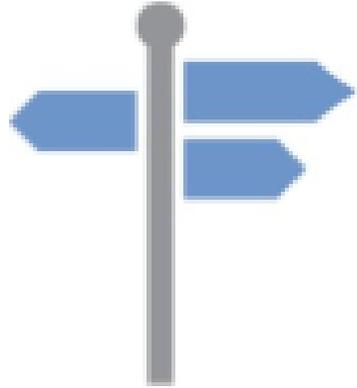


CRM Tools before Salesforce



Social Media sites before Facebook

Innovation Accounting



(/advanced-topics/)

“

To improve entrepreneurial outcomes and hold innovators accountable, we need to focus on the boring stuff: how to measure progress, how to set up milestones, and how to prioritize work. This requires a new kind of accounting designed for startups—and the people who hold them accountable.

—Eric Ries, *The Lean Startup*[1]

Lean Canvas

Project Name

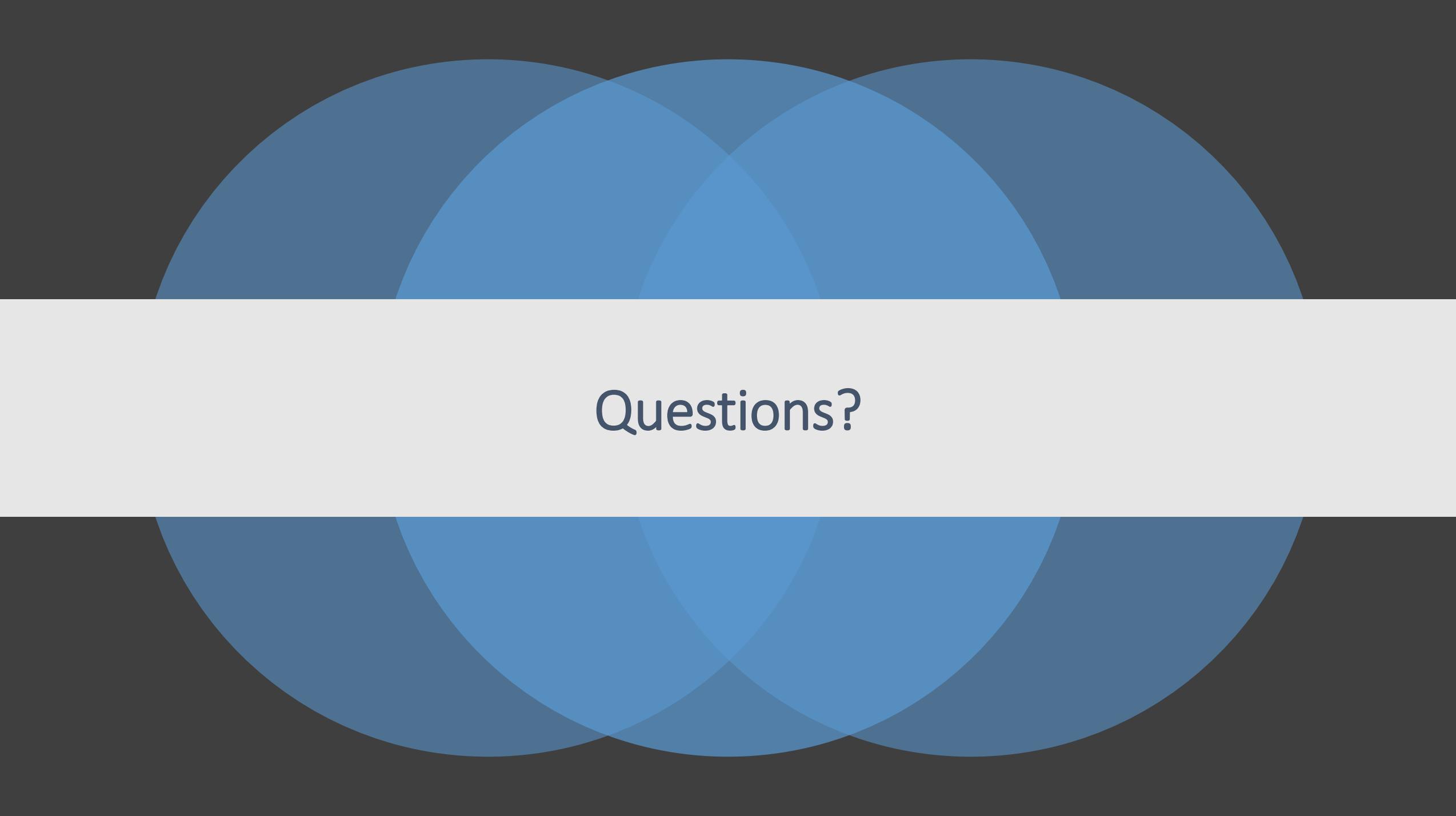
01-Jan-2014

Iteration #x

Problem Top 3 problems	Solution Top 3 features	Unique Value Proposition Single, clear, compelling message that states why you are different and worth paying attention	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
	Key Metrics Key activities you measure		Channels Path to customers	
Cost Structure Customer Acquisition costs Distribution costs Hosting People, etc.			Revenue Streams Revenue Model Life Time Value Revenue Gross Margin	

PRODUCT

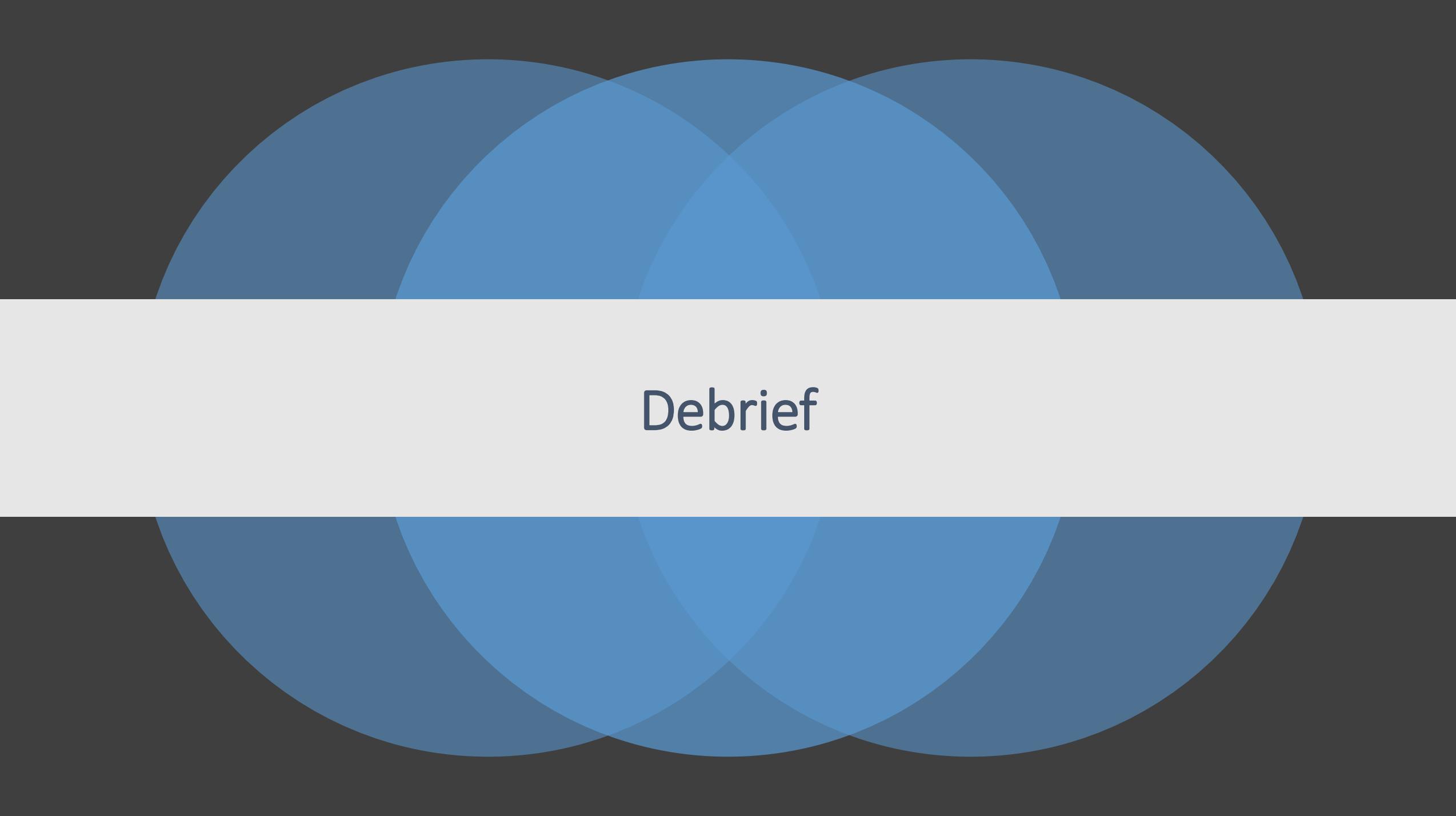
MARKET

The image features a dark grey background with three overlapping circles in shades of blue. A horizontal white band runs across the middle of the image, containing the text "Questions?".

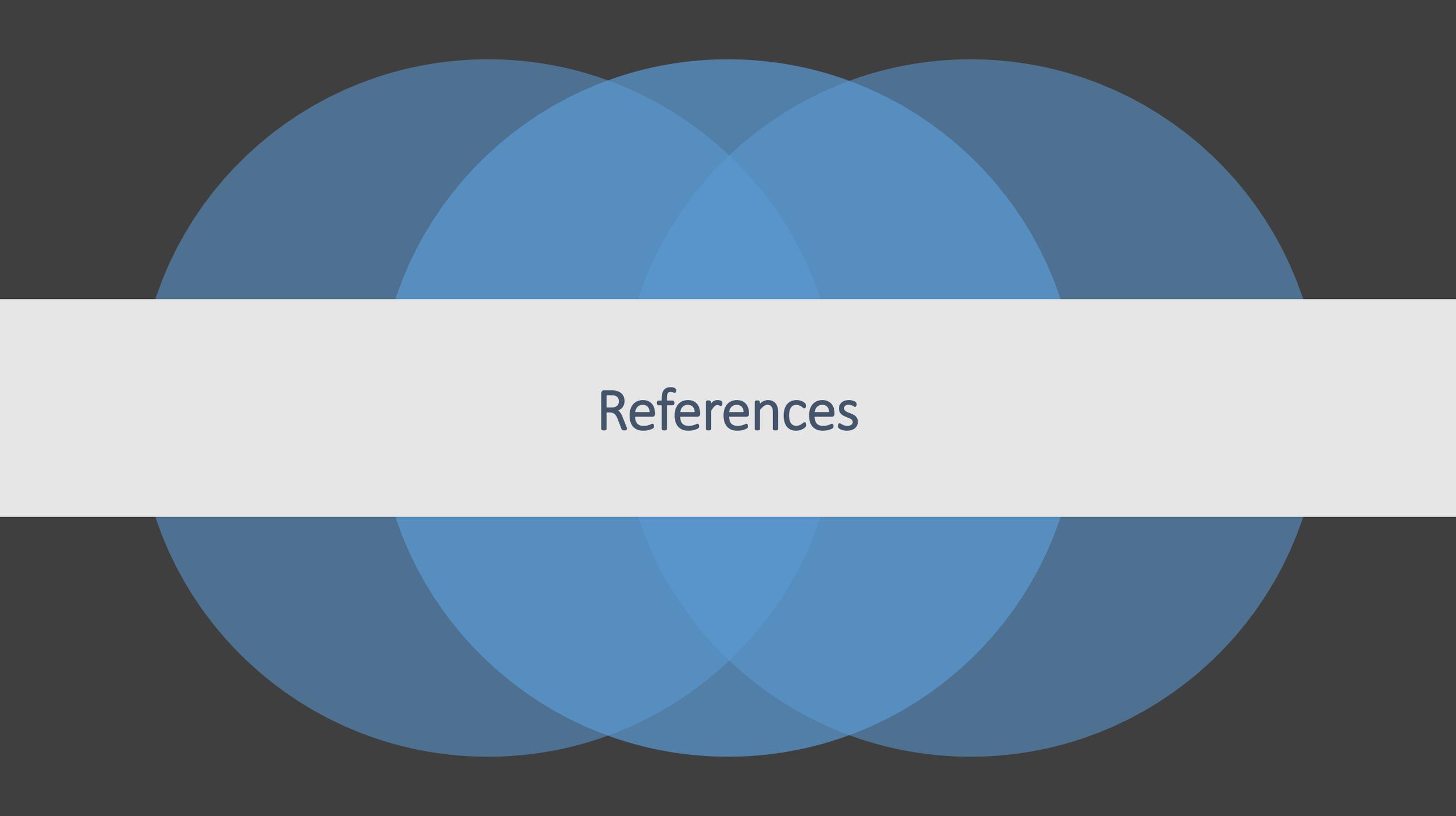
Questions?

The image features a dark gray background with a central white horizontal band. Behind the band, three overlapping circles in shades of blue are visible, creating a decorative pattern. The word "Exercise" is centered within the white band in a dark blue, sans-serif font.

Exercise

The image features a dark grey background with a decorative pattern of overlapping circles in two shades of blue. A wide, white horizontal band runs across the center of the image. The word "Debrief" is centered within this white band in a dark blue, sans-serif font.

Debrief

The image features a dark gray background with a decorative pattern of overlapping circles in two shades of blue. A horizontal white band runs across the middle of the image, containing the word "References" in a dark blue, sans-serif font.

References



Thank you!

References

