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SESSION 4

Pre-totyping

Now we need to understand if our idea is going to be successful.
Let's test it out!
Here comes the Build-Test-Learn cycle to the rescue.

4. Validate your assumptions

BUILD-TEST-LEARN CYCLE

Understanding the validated learning methodology to test the basic assumptions.

PRE-TOTYPING

Learning the pre-totyping techniques and building an artefact that can be used to test the riskiest hypotheses.

RUNNING A USER TEST

Designing an experiment-based research based on putting a pre-totype in the hands of real users and getting feedback.

ANALYZING THE USER FEEDBACK & ITERATING

Learning how to analyze the feedbacks of the users and deciding on iterations or pivots.

Session 4: goals & outputs

Learning goal

Being able to fail fast and iterate collaborating with the final user.

Topics

Learn why, when, and how to use the main SERVICE DESIGN TOOLS to identify and make sense of USERS NEEDS.

Output

- HYPOTHESIS TABLE, to highlight the assumptions underlying the project.
- CUSTOMER JOURNEY, to define possible users' actions before, during and after using your product/service.
- USER TESTS, to try-out the hypothesis by engaging real clients through a structured test.

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Introduction to the Build-Test-Learn cycle and the hypothesis validation

“Startup success can be engineered by following the process, which means it can be learned, which means it can be taught.”

Erik Ries

What do they have in common? They all used the Lean Startup approach!

ZAPPOS

Zappos started as a "manually" managed online business: founders used to approach local shoe stores, taking pictures of their inventory and posting them online for sale – in case of order received, they used to buy the shoes from the stores and send to customers. Today Zappos is one of the main online retailers worldwide w/ 1.500+ employees

DROPBOX

The file transfer service started life as a minimal viable product in the form of a 3 minutes screencast showing consumers what Dropbox could do. Dropbox is today probably the most famous cloud storage service.

VOTIZEN

Votizen started as a simple political participation tool based on social media messages. It grow through continuous small releases, tests, optimizations. In 2014 has been acquired by Causes.com, the world's largest online campaigning platform.

What do these examples show us? Validating through fast iterations is crucial.

LESSONS LEARNED

- **Fast iteration** is the process of bringing ideas to customer fruitions using samples (instead of finished products);
- This approach usually allows startups to both **reduce time-to-market**, and **spend less money** before validating product features and/or projects: save time and cash, the two most important resources for a startup!
- Going directly to customer for validation brings an enormous value to the company, since it can have an **immediate feedback from the final users** of the product/service;
- As long as the user is engaged the right way, there is no brand "image loss" in showing an unfinished product.

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Deep dive into the Build-Test-Learn cycle

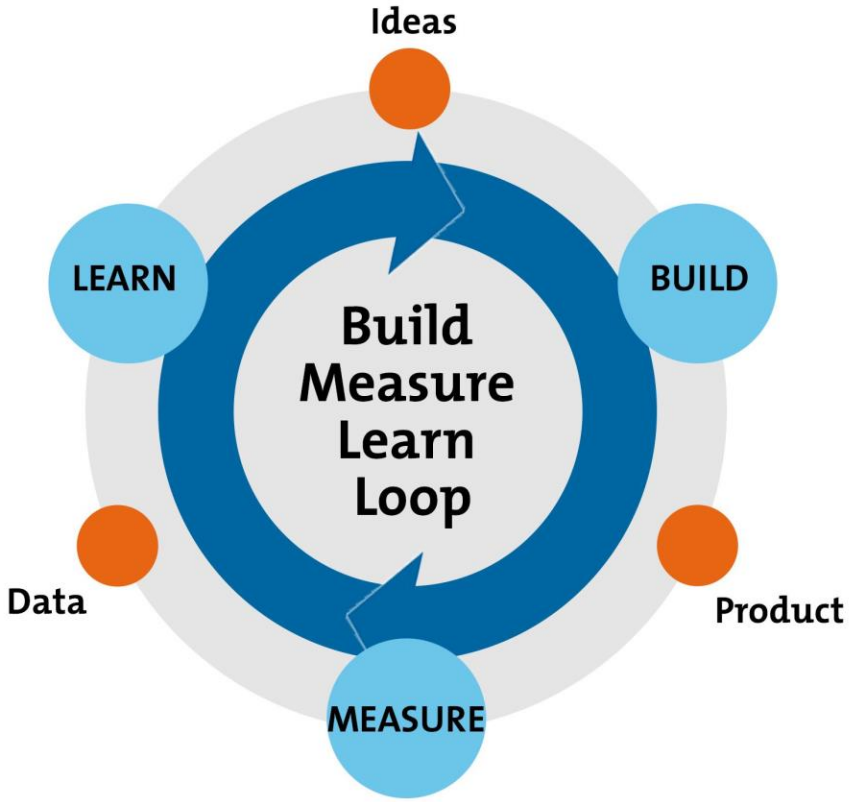
BUILD-MEASURE-LEARN

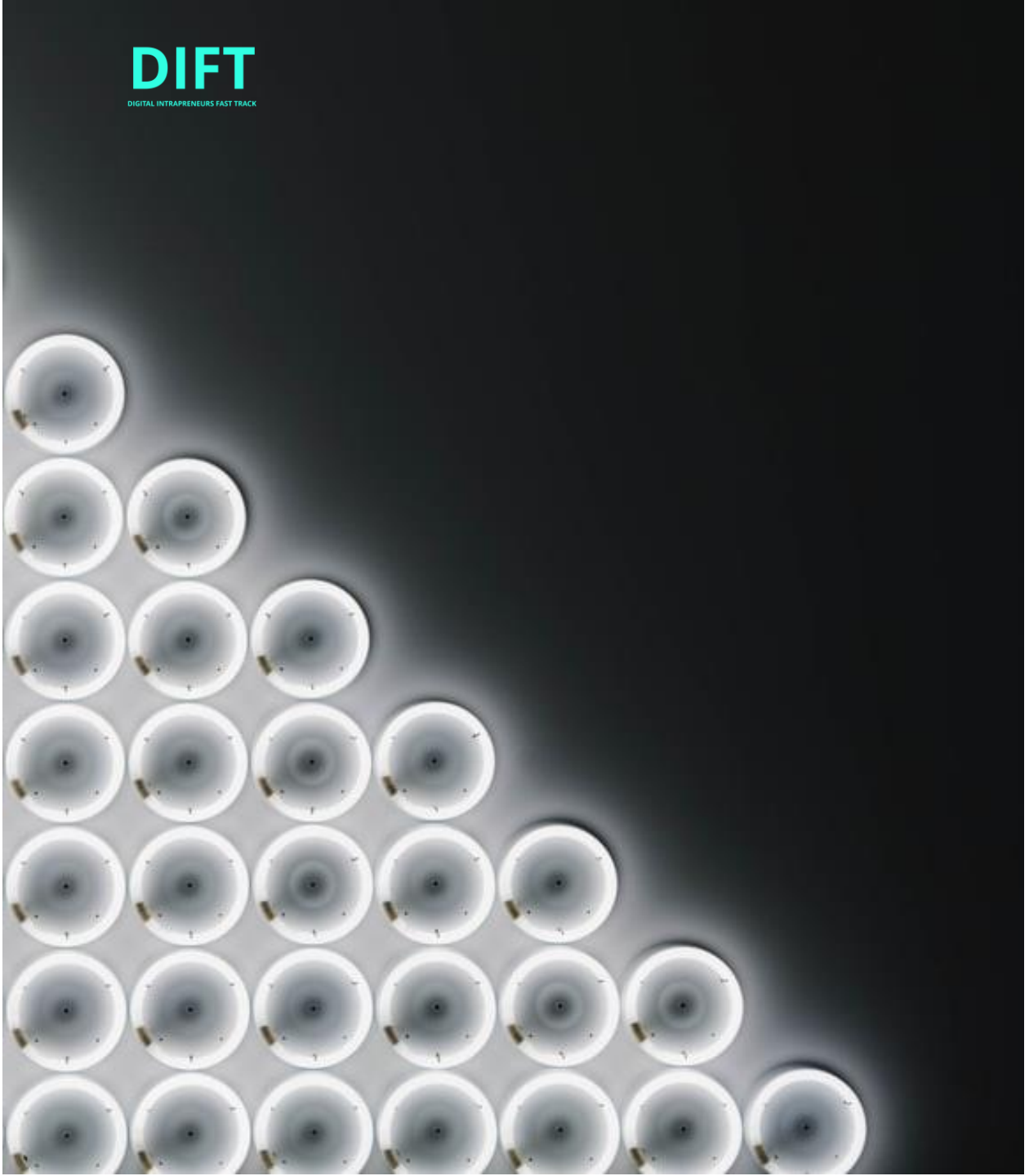
DEFINITION

Build-Measure-Learn (or Build-Test-Learn) is a framework for establishing – and continuously improving – the effectiveness of new products, services and ideas, quickly and cost-effectively.

In practice, the model involves a cycle of creating and testing product hypotheses by building something small for potential customers to try, measuring their reactions, and learning from the results.

The aim is to continuously improve your offering so that you eventually deliver precisely what your customers want.





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PLAN before you build

AN ADDED STEP BEFORE YOU START

The model may be called "Build-Measure-Learn" but, if you follow that sequence and jump in at the "Build" phase, you'll be missing the mark. Instead, it's essential to **start with a planning stage.**

Your first task is to define the idea you want to test and the information you need to learn. You do this by developing a hypothesis – your prediction of what will happen during the experiment.

Your hypothesis could focus on anything from product features and customer service ideas, to finding the best pricing strategies and distribution channels.

Next, decide what you'll need to measure to test your hypothesis, and plan how you'll collect your data.

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Build-Measure-Learn

BUILDING BLOCKS

Your goal here is to create an output that allows you to test your hypothesis. It could be one of the following items:

- Pre-totype
- Prototype
- MVP
- PoC
- Pilot

Whatever you choose, it needs to show just enough core features to attract the interest of early adopters – the people who'll likely want to buy your product as soon as it launches.

Some definitions

PRE-TOTYPE

It is a **stripped-down version of a product**, used to merely validate interest.

For your restaurant with delivery service, a pretotype could be a simple website that tracks how many visitors come to your page, giving you an idea as to whether people would be interested in ordering food from you.

PRO-TOTYPE

It is also a stripped-down version of a product - but one that contains **more detail than a pre-totype**. Once you learn that people are interested in your product, you create a prototype to test if what you're building meets customer expectations, and to work with engineers to see if a product like yours can actually be built and will work as expected.

Back to the restaurant: A prototype would involve adding a menu to your basic website and measuring which items people view more often.

MVP

It is s also a stripped-down of a product — but not only does it contain more detail than a pretotype and prototype, it **provides enough value that people will actually pay you to use it**. Note that an MVP doesn't have to be the final version of your product. It just needs to be usable.

For a delivery restaurant, your MVP might involve delivering food to paying customers. However, you might use a third party to help you save time and resources on cooking and delivery.

Some definitions

PROOF OF CONCEPT

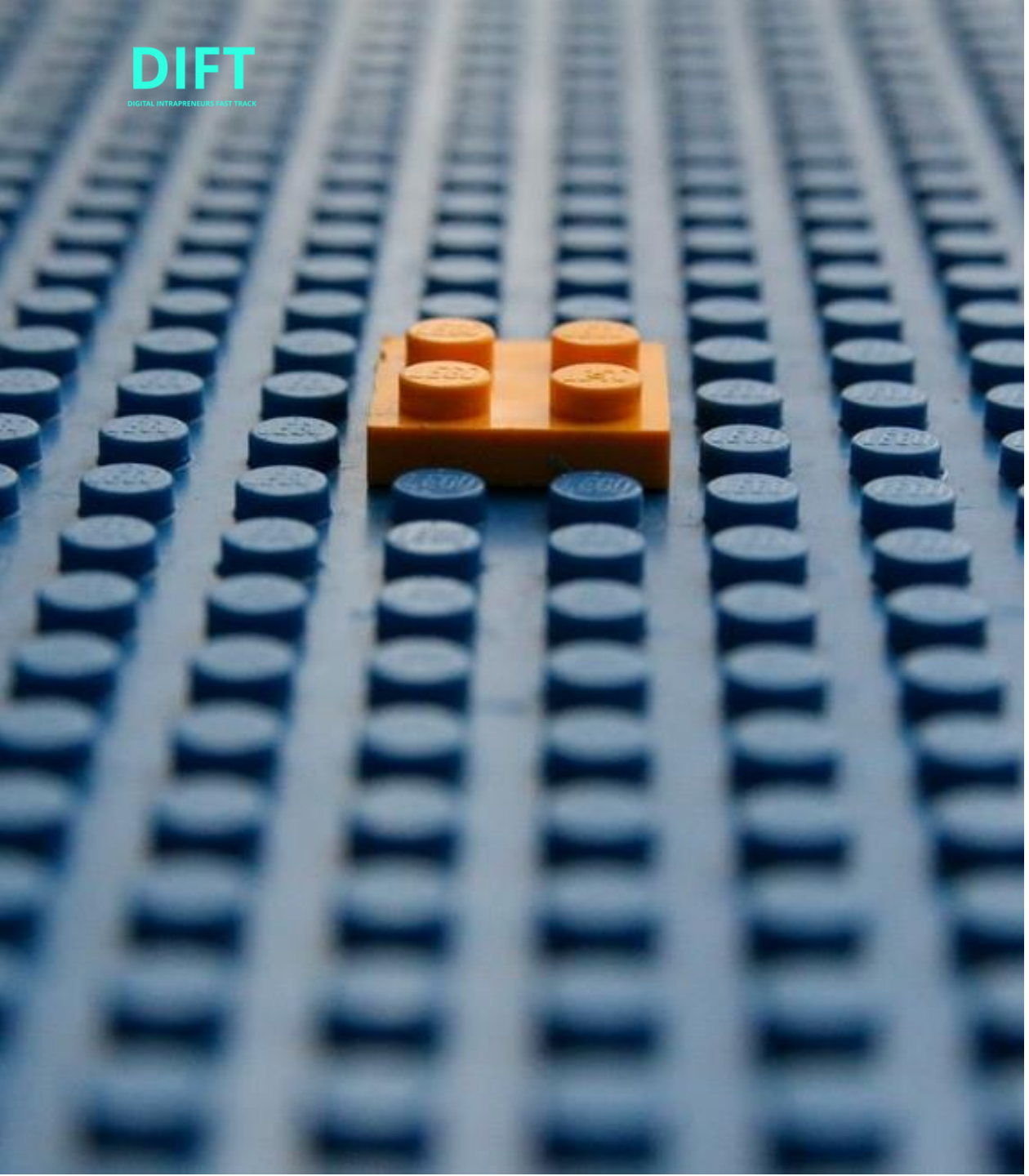
A proof of concept (POC), or a proof of principle, is a **realization of a certain method or idea to demonstrate its feasibility**, or a demonstration in principle, whose purpose is to verify that some concept or theory has the potential of being used. A proof of concept is usually small and may or may not be complete.

A proof of concept might be used to test a technical feature of an online service by quickly building a working model.

PILOT

A pilot project refers to an **initial roll-out of a system into production**, targeting a limited scope of the intended final solution. The scope may be limited by the number of users who can access the system, the business processes affected, the business partners involved, or other restrictions as appropriate to the domain.

For example, the UK government is currently testing a mobile app with EU nationals working in higher education who want to register for settled status.



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Build-Measure-Learn

WHY IS IT IMPORTANT?

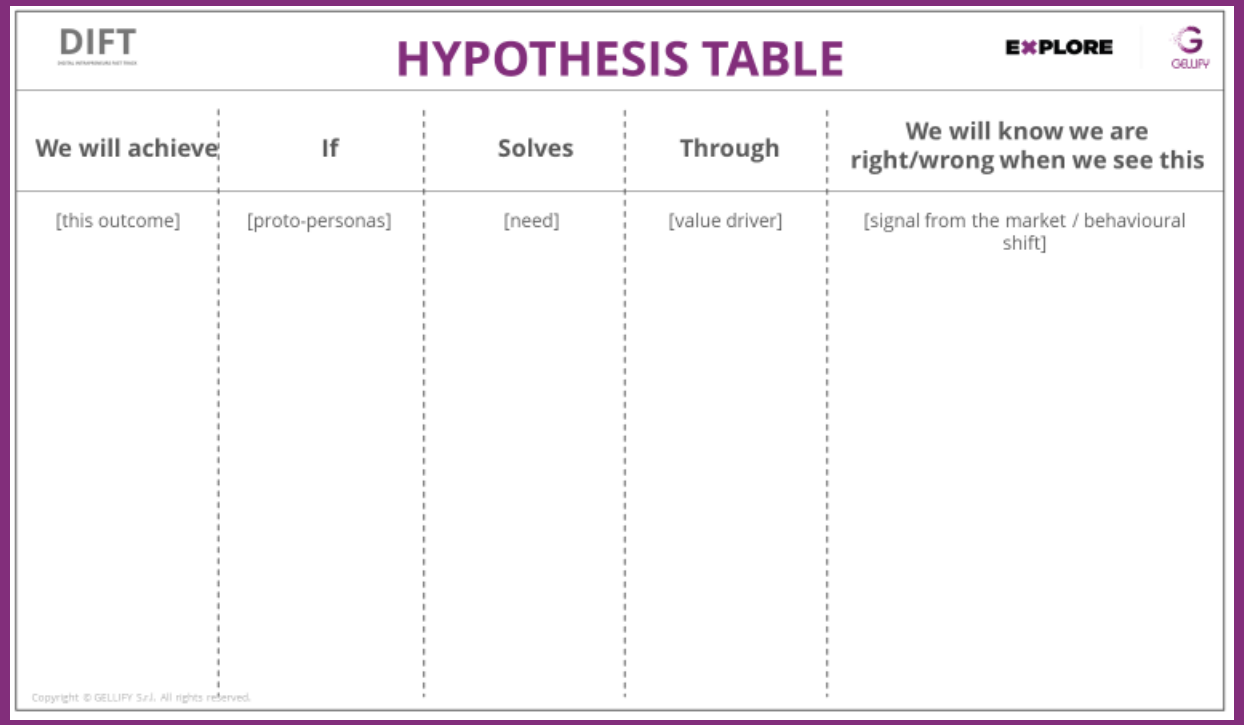
Build-Measure-Learn may sound simplistic, but it's been a game-changing technique for businesses that previously developed products without getting potential customers' input.

Sometimes, companies would get lucky, but many wound up making sophisticated products that no one wanted.

Build-Measure-Learn improves on the "just do it" approach with an incremental, **iterative methodology that replaces assumptions with knowledge and certainty.**

How to test your hypothesis

TOOL: HYPOTHESIS TABLE



Hypothesis table

In order to build your own cycle, you can look at the canvas on the left which is built so that you can **list the hypothesis to be tested** with customers. The table divides your hypothesis into the following sections:

1. **We will achieve** [the outcome you expect to achieve through the test]
2. **If** [proto-personas, or user types that will be involved in the test]
3. **Solves** [the need or problem we expect the users will solve during the test]
4. **Through** [value driver, that is the value provided by our product during the test]
5. **We will know we are right/wrong when we see this** [signal from the market/behavioural shift, or the indicators that will explain the outcome]

TOOL: PROBLEM STATEMENT - IN ACTION (example of change-giving mobile app for taxi drivers)

HYPOTHESIS TABLE

We will achieve	If	Solves	Through	We will know we are right/wrong when we see this
[this outcome]	[proto-personas]	[need]	[value driver]	[signal from the market / behavioural shift]
Customer satisfaction	Robert (taxi driver)	Need to quickly give the change back	Our payment App	He recommends this App to his fellow taxi-drivers

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Next steps & offline activities

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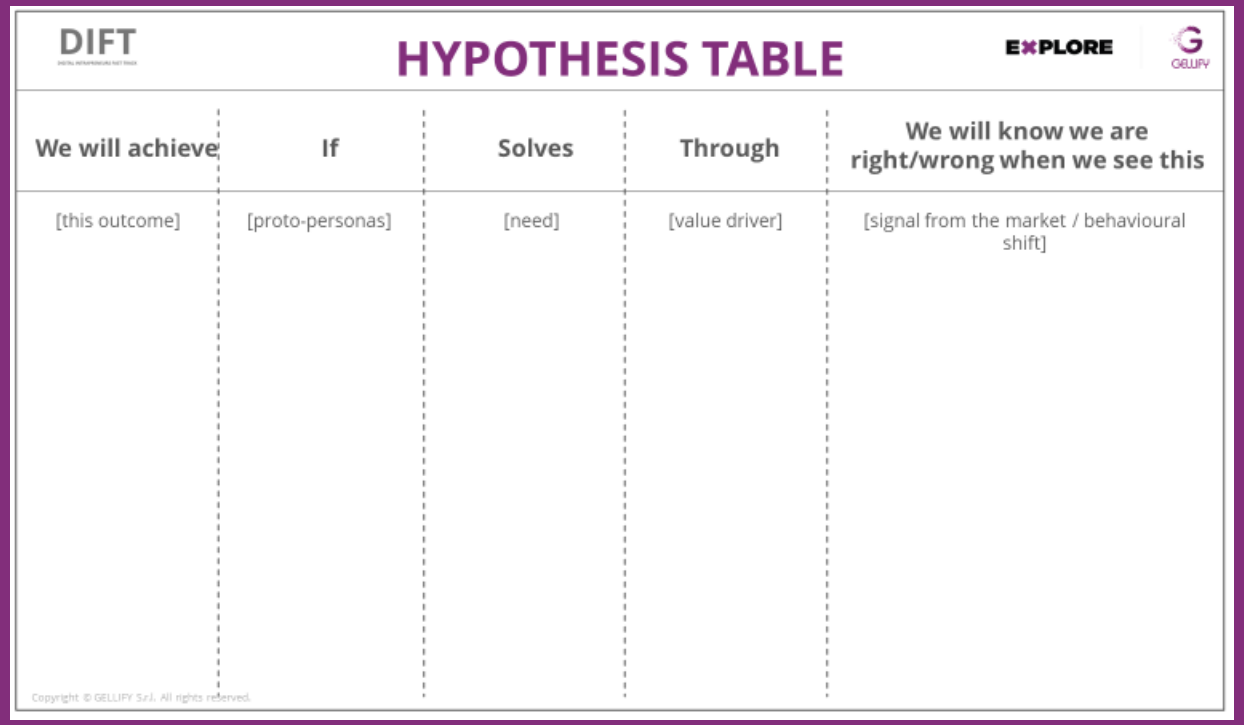
ACTIVITY OFFLINE

HYPOTHESIS TABLE

1 week



Complete the Hypothesis table:

- Start from the outcome you expect from a successful test;
- Decide how you are going to test your hypothesis (e.g. pre-totype, pro-totype, MVP).
- Then the rest of the table will come complete quite easily.

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