Contents

Introduction: Why Products Fail and How Lean Changes the Game xvii

PART I Core Concepts

Chapter 1 Achieving Product-Market Fit with the Lean Product Process 3
What Is Product-Market Fit? 3
The Product-Market Fit Pyramid 4
Quicken: from #47 to #1 7
The Lean Product Process 8

Chapter 2 Problem Space versus Solution Space 13
The Space Pen 13
Problems Define Markets 15
The What and the How 16
Outside-In Product Development 16
Should You Listen to Customers? 17
A Tale of Two Apple Features 18
Using the Solution Space to Discover the Problem Space 20

PART II The Lean Product Process

Chapter 3 Determine Your Target Customer (Step 1) 25
Fishing for Customers 25
How to Segment Your Target Market 26
Users versus Buyers 28
Technology Adoption Life Cycle 29
Personas 30
Chapter 4 Identify Underserved Customer Needs (Step 2) 37
A Customer Need by Any Other Name 37
Customer Needs Example: TurboTax 38
Customer Discovery Interviews 40
Customer Benefit Ladders 41
Hierarchies of Needs 43
The Importance versus Satisfaction Framework 45
Related Frameworks 56
Visualizing Customer Value 58
The Kano Model 63
Putting the Frameworks to Use 66

Chapter 5 Define Your Value Proposition (Step 3) 67
Strategy Means Saying “No” 68
Value Propositions for Search Engines 68
Not So Cuil 71
Building Your Product Value Proposition 72
Skating to Where the Puck Will Be 75
The Flip Video Camera 75
Predicting the Future with Value Propositions 75

Chapter 6 Specify Your Minimum Viable Product (MVP) Feature Set (Step 4) 77
User Stories: Features with Benefits 78
Breaking Features Down 79
Smaller Batch Sizes Are Better 79
Scoping with Story Points 80
Using Return on Investment to Prioritize 80
Deciding on Your MVP Candidate 85

Chapter 7 Create Your MVP Prototype (Step 5) 89
What Is (and Isn’t) an MVP? 89
MVP Tests 90
The Matrix of MVP Tests 92
Qualitative Marketing MVP Tests 93
Quantitative Marketing MVP Tests 94
Qualitative Product MVP Tests 99
Quantitative Product MVP Tests 108
Chapter 8  Apply the Principles of Great UX Design  111
  What Makes a Great UX?  111
  The UX Design Iceberg  116
  Conceptual Design  117
  Information Architecture  120
  Interaction Design  123
  Visual Design  129
  Design Principles  135
  Copy Is Also Part of UX Design  140
  The A-Team  140
  UX Is in the Eye of the Beholder  141

Chapter 9  Test Your MVP with Customers (Step 6)  143
  How Many Customers Should I Test With?  144
  In-Person, Remote, and Unmoderated User Testing  145
  How to Recruit Customers in Your Target Market  148
  User Testing at Intuit  152
  Ramen User Testing  153
  How to Structure the User Test  155
  How to Ask Good Questions  156
  Ask Open versus Closed Questions  158
  I Feel Your Pain  159
  Wrapping Up the User Test  160
  How to Capture and Synthesize User Feedback  161
  Usability versus Product-Market Fit  163

Chapter 10  Iterate and Pivot to Improve Product-Market Fit  167
  The Build-Measure-Learn Loop  167
  The Hypothesize-Design-Test-Learn Loop  168
  Iterative User Testing  170
  Persevere or Pivot?  175

Chapter 11  An End-to-End Lean Product Case Study  181
  MarketingReport.com  181
  Step 1: Determine Your Target Customers  182
  Step 2: Identify Underserved Needs  182
  Step 3: Define Your Value Proposition  183
  Step 4: Specify Your MVP Feature Set  185
Step 5: Create Your MVP Prototype 187  
Step 6: Test Your MVP with Customers 188  
Iterate and Pivot to Improve Product-Market Fit 193  
Reflections 197  

**PART III  Building and Optimizing Your Product**

**Chapter 12  Build Your Product Using Agile Development** 201  
Agile Development 201  
Scrum 205  
Kanban 211  
Picking the Right Agile Methodology 216  
Succeeding with Agile 218  
Quality Assurance 222  
Test-Driven Development 225  
Continuous Integration 226  
Continuous Deployment 227  

**Chapter 13  Measure Your Key Metrics** 229  
Analytics versus Other Learning Methods 229  
Oprah versus Spock 231  
User Interviews 231  
Usability Testing 232  
Surveys 232  
Analytics and A/B Testing 235  
Analytics Frameworks 236  
Identify the Metric That Matters Most 240  
Retention Rate 242  
The Equation of Your Business 249  
Achieving Profitability 255  

**Chapter 14  Use Analytics to Optimize Your Product and Business** 259  
The Lean Product Analytics Process 259  
A Lean Product Analytics Case Study: Friendster 263  
Optimization with A/B Testing 272  

**Chapter 15  Conclusion** 277
Contents

Acknowledgments  283
References  285
Resources  287
Index  291
About the Author  309