THE MVP IS ALWAYS LATE

Chapter Ten

"Good design accelerates the adoption of new ideas."

Yves Behar

If you are not familiar with the term MVP, according to the Lean Startup, a minimum viable product (MVP), is a simplified, yet functional version of the solution a project team is trying to develop.

The main objective of a project team using the Lean Startup approach is to get to the MVP, a pilot prototype, then use this pilot as a bait to attract users. They then test the concept and gather feedback. After the MVP is tested, the project team goes back to the lab and into a dilemma face-off. At one side they can continue moving in the same direction, improving on what they already have. The other option is to pivot. The word "pivot" means to change the existing solution into something else that could generate more value to the users, and ultimately for the business itself.

The Lean Startup model also preaches that there are two hypothesis that need to be validated before the team decides whether to persevere or to pivot with their solution.

The first is the value hypothesis.

According to the Lean Startup, the value hypothesis tests whether the offer really delivers value to customers once they are using it.

The second is the growth hypothesis.

The growth hypothesis on the other hand focuses on testing the scalability potential of the business, or how new customers will discover it.

According to the Lean Startup, when the MVP falls short of one, or both, hypothesis validations, the project team needs to consider pivoting the idea.

In essence the MVP is what designers call a late prototype, an avatar for the solution that acts like a "go to market" pilot. It's meant to be a learning device, built to take a beating in the marketplace and provide useful feedback for the team.

"Prototype" is a dear term to designers. It is by prototyping solutions that we are able to find our paths and reach the level of maturity needed to create high-impact innovative solutions. That being said, no designer wants to deploy a "go to market" pilot antenna based on an inside-out hypothesis, developed only on the project team's ideas and considerations. That is why designers often make use of an early prototyping and co-design technique called experience prototyping.

The experience prototyping approach is not the same as the MVP test bait approach. That is because it comes early in the project, opening the space to turn users into co-designers.

Early experience prototypes can be used in a project with three main goals:

1. Set the context for users to participate in idea generation and co-development.

2. A service enactment, or role-play, to explain or learn from a complex concept.

3. A test to validate specific service interactions, or the entire service journey.

This kind of prototype can take place in the very beginning of a project when the team is just playing around with the challenge, have no proposed solution and a marginal grasp of the problem they are facing. Because early prototypes are not "go to market" pilots, they do not carry the same "go to market" burden of the MVP.

Also, they help designers foresee critical barriers and issues and change the design approach in order to reach a better and more efficient "go to market" prototype.

Photo/Fig: NASA works at the Mars Desert Research Station, situated on the San Rafael Swell of southern Utah. This is a mission prototype to simulate Mars exploration. Not exactly the real thing, but definitely a way to anticipate issues and allow room for mistakes before launching.

In order to design a new concept for teenagers' bank accounts for a global bank, we signed a bunch of teenagers up for a mission. They had to walk around a room and sit on different tables with different actors playing the role of bank account managers. At each table they were told they were in a different period of their lives, which presented them with new challenges and rewards.

In less than an hour they went from their first kiss to being accepted to a university to their first job, marriage, promotion, children and so on.

Every time they entered a new table they received a card containing explanations about that specific moment of their lives and they had to discuss

how the bank could be of help at that specific moment. They were helping us to generate a portfolio of offerings on the fly. In the end they joined our design team in a session where they re-visited each table portfolio of offers and helped the team create new possibilities, adjust the existing ones, and eliminate what didn't made sense according to their expectations.

Photo/Fig: Co-designing bank service offerings with youths via the use of experience prototypes.

Unlike an MVP, this early experience prototype took place before there was a closed concept. The team was definitely not at the stage to build a "go to market" pilot. Not even a simplified one, as there were no envisioned solution yet.

As such there was also no "persevere or pivot" question. Everything on the prototype was crude material ready to be built-upon considering the user's perspectives and value perception.

These early co-design interactions function as confidence builders for the project team. They light the way for the team to keep building in the right direction. This raises the bar on the assertiveness and lessens the risk of failure. It also helps identify value-driven functionalities before investing time and energy in building useless attributes.

Before one thinks that this kind of prototyping technique is heavy on resources, the one described above was held while there was no system, no processes, no code - only a challenge and some ideas. No money was spent

in anything else other than cardboards, snacks, and a little reward for the help of those who came to the session. It was all theatre, a good immersive play.

Photo/Fig: In the picture you can see some examples of the experience prototype media used during the co-design sessions.

I welcome late prototypes like the MVP. Only they must come late in the project, not being the first learning antenna to connect with users, otherwise it would be the result of too much guesswork. Not only that, but a late prototype may not translate well into a source of insights as they come already biased by materializing a direct attempt to solve the puzzle. This often creates a sandbox limiting the gathering of user information to the context of the hypothesis being tested, casting a fog on new alternatives. That kind of late-only test approach can result in a huge waste of time, energy and money.

There's a misconception behind the passage in The Lean Startup book that says "no amount of design can anticipate the many complexities of bringing a product to life in the real world". Lots can go wrong when a user interacts with a service, and a great deal of those issues can be anticipated with co-design techniques like the one used in the banking account experience prototyping session.

Experience prototypes are a time proven and reliable technique that allows for the team to find and push the right anthropomorphic buttons. It is a powerful design approach focused on unveiling early the cognitive patterns that are responsible for the value formation within the users' minds. In part 2, I will walk you through the process of building experience prototypes.

The idea that you need to take care of viability first and then run tests to determine whether or not the proposal has value to the customer is wasteful. It is smarter to reverse this approach and anticipate what is valuable to people prior, and then go from there to refine the findings into viable models.

Let's face it, if you are really concerned about waste, then the first thing that you should be thinking of, in this economy, is how to create things that are valuable. Cause, if it is born with no value, then it is waste-by-design.

Without this mentality, startups are in the dark, shooting propositions and squandering lots of time and other valuable resources in the process.

Let me tell you a short story to illustrate the difference between the MVP, late prototyping, and the MVS, early prototyping approaches.

Let's say your challenge is to give a birthday present to someone you just met.

The MVP approach:

1. Think about things you consider cool and that you can afford to buy.

2. Choose one.

3. Try and see if he/she likes it. If not, learn something and go back to step one.

"The heart of the scientific method is the realization that although human judgment may be faulty, we can improve our judgment by subjecting our theories to repeated testing."

(**Ries, Eric. The Lean Startup:** How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses).

The MVS approach:

1. Get a deeper knowledge about the way this person live, work and relate to others.

2. Now, think about things that would be of good service to this person and that you can afford to buy.

3. Try and see if he/she likes it. If not, learn something and go back to step one.

Which approach do you think have the chance to hit the mark burning less fuel?

In the MVS the increased drag on the beginning (1) is compensated by the increased accuracy of the idea generation phase (2), which leads the team to create minimum offers that have more chance to stick and survive (3).

And then there is nuclear waste.

When a MVP hits the market and fails to be perceived as valuable by users the team may feel compelled, or pushed, to pivot. That decision can indicate a catastrophic loss for the founders, investors and ultimately, the world. The discontinuity of a service offer that might otherwise have been a valuable

contribution to society, but as for now is suffering with "learn, use and remember" issues. The waste of an Airbnb.com, for example.

This is the ultimate form of waste brought by the MVP model; I call it nuclear waste, as it hurts the core, the main purpose for the startup to be in business: It is the waste of a possible innovation.

Lots of MVPs hit the market with a poorly designed "learn, use and remember" journey. That is the reason why many ideas fail and are pivoted; not because they do not have their place in the world, but because consumers can't find out how to go about integrating them into their lives.

Human elements like anxiety, uncovered needs, irritability, belonging, mental models and value formation patterns play an immensely important role in how people choose, or don't, to adhere to a service. Those aspects can make or break the adoption of a service proposition. As such they are incredible insights to be discovered in the early stages when there's lots of room for deep surgery, and wicked bad news when uncovered only later.

Lets say you were hired to design a way for people in an African village to improve their access to water. Then you crystallize an MVP that is a bike built to easily transport water. How much of a waste would it be to discover, late in the project, that women in this village, according to their faith, are not allowed to drive vehicles of any kind? I conducted projects in Africa for two years, and I can assure you that this is the kind of information that doesn't come up in a Google search. This is a good example of a catastrophic failure trap ready to engulf an MVP, one that could be anticipated and avoided in the MVS model.

Photo/Fig: Immersed in a tribe in Namibia. Uncovered human behaviors can easily kill an MVP.

The scientific model is straightforward and linear. People are anything but straightforward.

What do you think is the first thing people do when they decide to sign up for a fitness center?

They go shop.

That's weird, right? It would be fair to say that they rethink their agendas, or that they go to a supermarket to start fixing their diets. Shopping for clothes is really not a smart thing when you are overweight.

Well, that is exactly what they do according to an ethnographical study I conducted in 2008 involving the adoption of healthy habits.

The project involved a huge chain of fitness centers, and the team tracked their users' journeys from sitting on the couch and doing nothing, to entering fitness centers and changing their routines and lives. We were interested in their first four months of engagement, and curious about what drives those who succeed and what kills the motivation of those who fail to achieve a frequent exercising habit.

In those kinds of immersion routines we learn a lot about the way people think. We learn about their decision-making processes, and how they live, work and interact with others. What their fears are, what gives them strength and pleasure, and what brings them anxiety. We learn by having in-depth conversations with them as much as we learn by observing them walk (or not) their talks. Even though we are not presenting them with any kind of prototype, value is being added to the project development cycle.

Steve Blank in his book, "The Startup owner's manual", proposes a validation cycle entitled "Customer Discovery", in which he divides the hypothesis validation process into four phases. Steve implies that a concept should be created "inside the building", but before the MVP is built the execution map for the concept should be validated with users "outside the building" using the Business Model Canvas. Steve also suggests that the project team can focus first on a low fidelity MVP. This could take the form of a snapshot of the solution in its current state or even a splash page website containing the startup intentions.
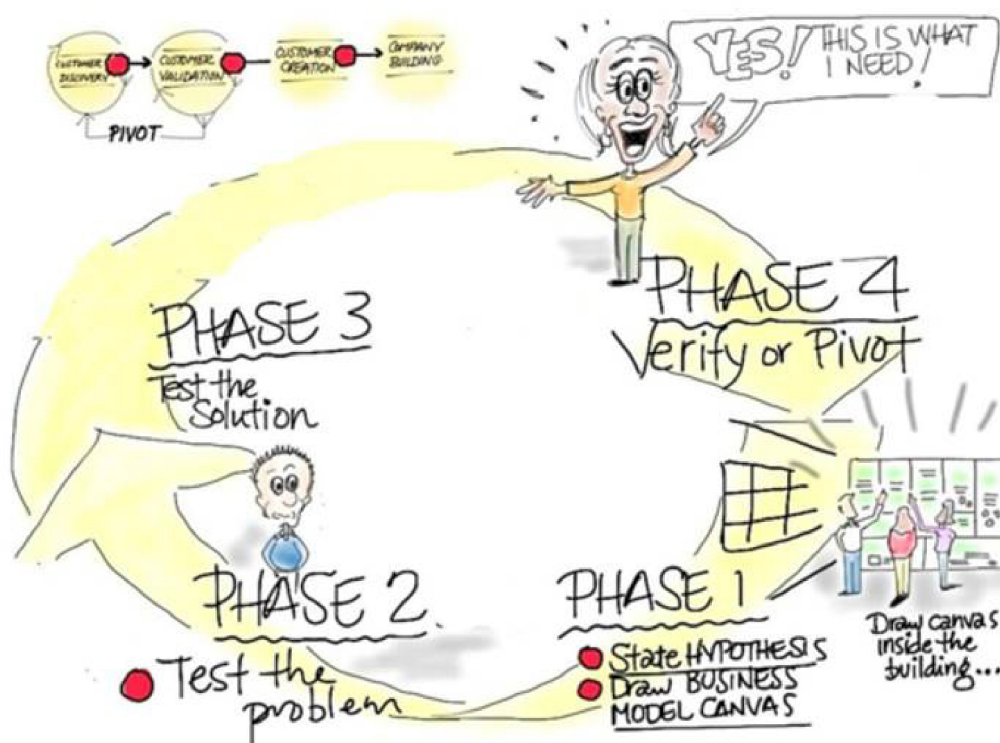
Photo/Fig: Extracted from Steve Blank's book, The startup Owners Manual

That lessens the risk of failure of the MVP, as it shows possible users the plan before it is executed. Still, the Customer Discovery model carries the same premises of the scientific and "make and sell" approach .

- It constructs the hypothesis "inside the building." No co-design.

- It adopts users only as test subjects.

- It still lacks the focus and tools to uncover human variables early in the project, focusing on the validation of a direct attempt to solve the puzzle.

- It jumps to validate only transaction and feature-oriented variables of the business model. Focusing on things like product attributes, price, revenue streams and possible customer segmentations.

- The Business model canvas cannot be considered an experience prototype as it does nothing to immerse the user in the experience of using the service. As such, it is not a credible user feedback antenna. To trust a canvas as an early prototype is the equivalent of Nasa deciding to simulate a mission to Mars using a spreadsheet.

- The MVP remains the first immersive prototype, a late one. Even if it is one of low fidelity, it remains late as it carries the purpose of validating a pre-conceived hypothesis. This is too late and too biased for co-design.

I have to credit Steve Blank for creating one more step to lessen the "go,no-go" burden of the MVP, and for suggesting low-fidelity prototyping interactions. That was clever. The problem here is that the scientific method is always inside-out, since a concept is developed internally and then tested with users. However, the way that we tend to think about a service performance in a meeting room is very different than the way the service performs in the real world.

Take a moment to try to think about all the steps that you execute when you do your dishes at home. No, really, do it now, name and number those steps. Good. Now, the next time you are actually doing the dishes start taking note on how many steps there really are.

I bet you left dozens of crucial interactions out of the first mental rehearsal. Well, luckily that was not an exercise to create your startup business model.