THE LEAN STARTUP

How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses

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ERIC RIES is an entrepreneur and blog author. He is a cofounder and chief technology officer of IMVU, a virtual community developer. He is also a frequent keynote speaker and is currently entrepreneur-in-residence at Harvard Business School. The Lean Startup methodology has been written about in the *New York Times*, the *Wall Street Journal*, the *Harvard Business Review* and the *Huffington Post*.

The Web site for this book is at www.TheLeanStartup.com.

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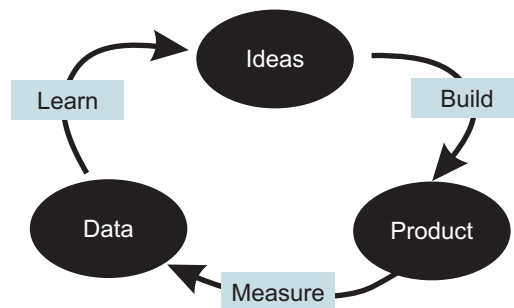BUSINESS BOOK SUMMARIES – READ LESS, DO MORE

MAIN IDEA

Why do so many startups fail?

The business myth says: A lone entrepreneur – beavering away in a lab or a garage somewhere – through hard work, grit and sheer perseverance develops a great product which then becomes a blockbuster hit. That sounds appealing but the reality is most startups tend to burn through their resources and then disappear because they never get around to seeing what their potential customers think of what they're developing. They worry about the product first and assume customer demand will be there automatically.
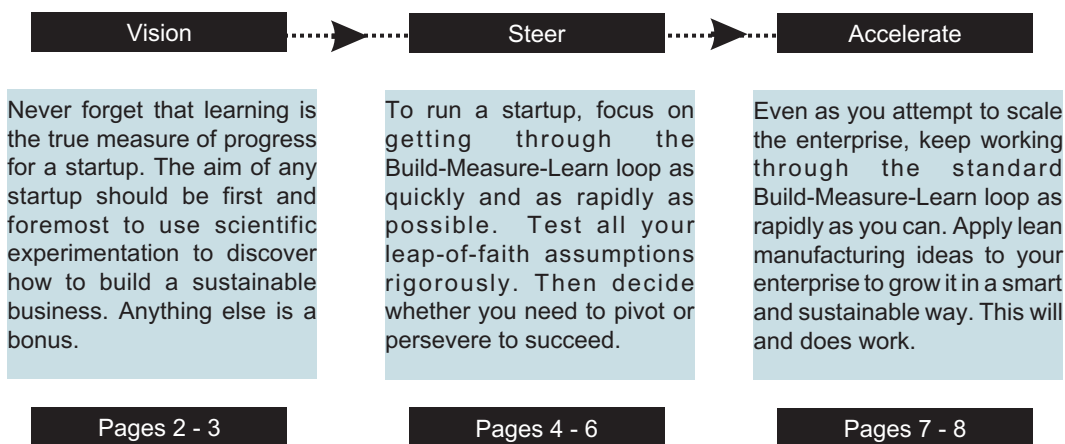
To succeed with a startup, you've got to manage it differently. Instead of developing a business plan, find ways to accelerate your learning and validate customers demand. The best way to do this is to build a prototype (with minimal features) and sell it to some early adopters. Then change the product repeatedly – daily if necessary – and keep supplying your customers with the new and improved versions. Listen to their feedback and use those ideas to make a better version and then get more feedback on that. Keep iterating until you get a fully featured product which your customers love.

In other words, go through the Build-Measure-Learn loop as often as you can. If you make validated learning the real aim of your startup, you stand a better chance of success. Focus on what customers want, utilize an extremely fast cycle time and take a scientific approach to making decisions. That's the essence of the Lean Startup approach.

The Build-Measure-Learn Loop

The Lean Startup methodology

Vision	Steer	Accelerate
Never forget that learning is the true measure of progress for a startup. The aim of any startup should be first and foremost to use scientific experimentation to discover how to build a sustainable business. Anything else is a bonus.	To run a startup, focus on getting through the Build-Measure-Learn loop as quickly and as rapidly as possible. Test all your leap-of-faith assumptions rigorously. Then decide whether you need to pivot or persevere to succeed.	Even as you attempt to scale the enterprise, keep working through the standard Build-Measure-Learn loop as rapidly as you can. Apply lean manufacturing ideas to your enterprise to grow it in a smart and sustainable way. This will and does work.
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