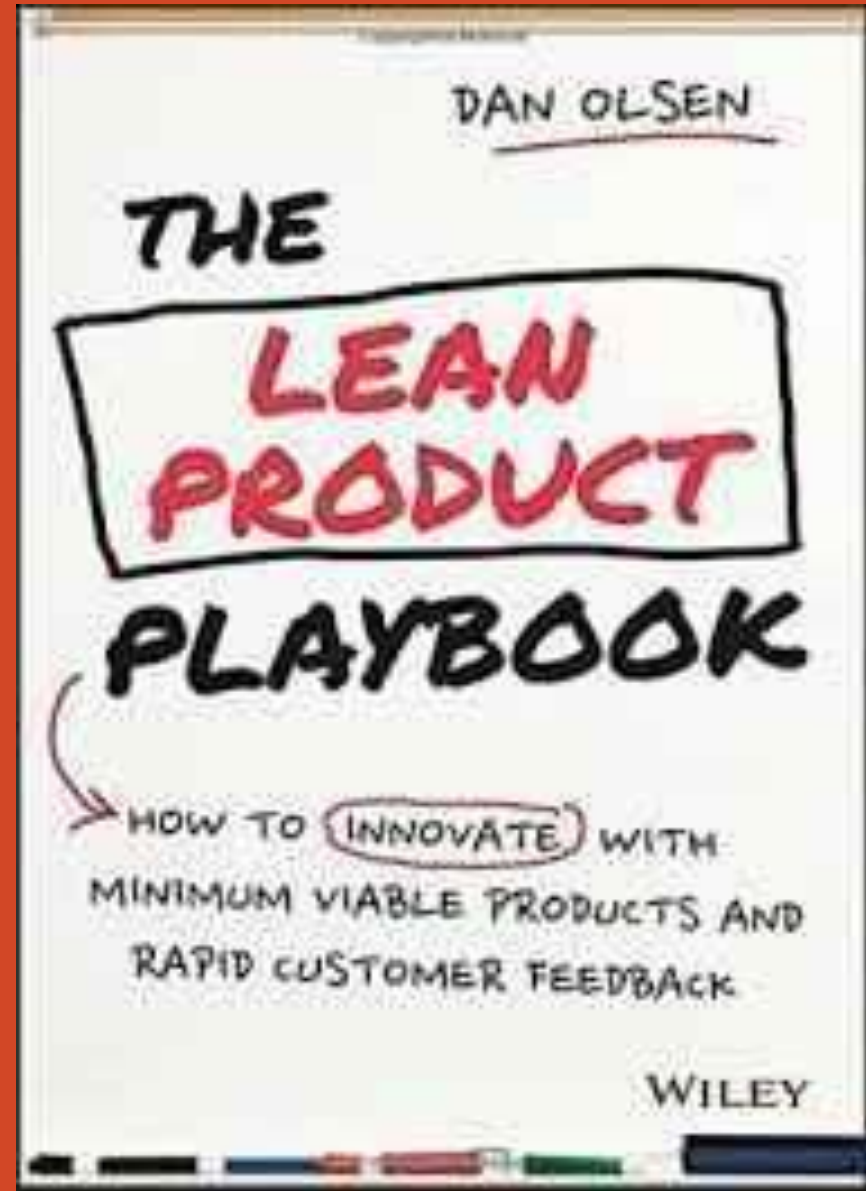# Book Notes

The Lean Product Playbook

By DAN OLSEN

*Rajesh **Koul***

1. A Step by Step Guide to Product Development

- Inspired by Book The Lean Startup by Eric Ries

- Creating successful products is challenging, not meeting customer needs better than alternative products

- Most essential elements that decide if a product will succeed: Product Market Fit. The six steps of the lean product process will help create what the customer wants. The core idea of product market fit was popularized by

- User experience design, agile development and analytics

- 6 Step Process

  - How to determine your target customers

  - Identify Customer needs

  - Define your unique value proposition

  - Guidelines on specifying your minimum viable product feature

  - Creating Prototypes and testing your minimum Viable product

The Product-Market Fit Pyramid

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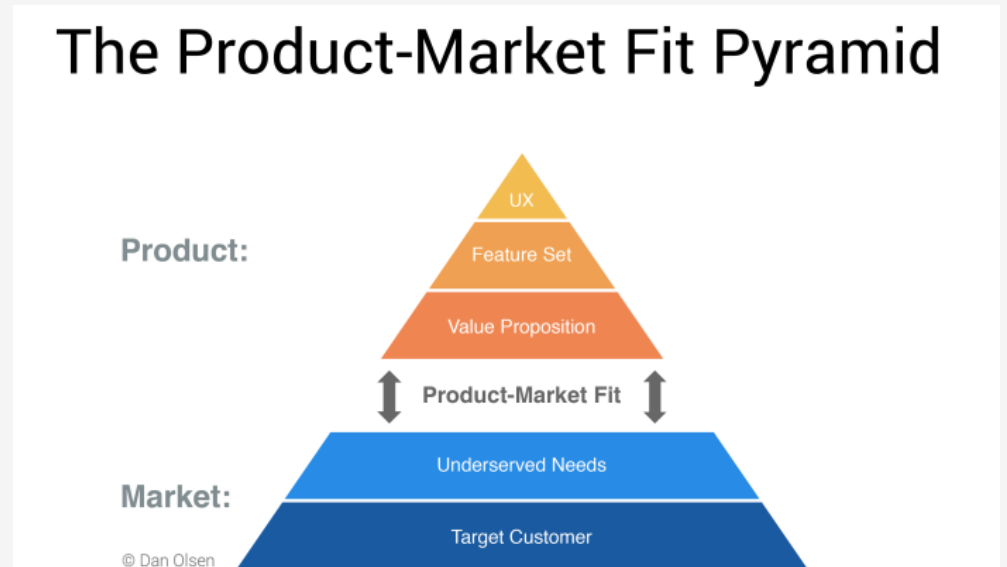
2. Determine your target customers

- In the first step you need to identify your target customer. For that, you need to consider the buyer a fish and your product a Bait. Learn Market segmentation specifics to zero in on your goal

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3. Identify Underserved Customer Needs

- Creating hypotheses about your target customers

- What Kind of Problems your target customers face and how your product could solve those problems

- What kinds of features would your target customers find valuable

- User experience design, agile development, and analytics

- Test your hypothesis

  - Conduct one–on–one customer interviews (Ask Participants questions about each underserved need you think they have)

  - Once you validated some of your customer's needs, you need to decide which ones your product is going to address

  - Importance vs. Satisfaction

    - How important is each problem to your target customers?

    - How satisfied they are with the current solutions existing in the market?

    - Customer needs will fall into one of three categories

    - If the importance of the customer's need is high and their satisfaction with the current solution is low, there is an opportunity (sweet spot)

    - If the importance of the customer needs is high and the user satisfaction with current solution is also high , that is a competitive opportunity (Creating customer value will be harder

4. Defining the Value Proposition

- Value Proposition Lays out specific customer needs your product will address

- How the product will address those product needs better than your competitors

  - Decide which product needs your product is going to address and which it will not address

  - Successful products are focused on a limited number of customer needs

- Which customer needs to make sense to address together, Say no to solving some problems

- Be deliberate and strategic about which customer needs you are going to focus on

- Also suggest classifying the customer needs you are going to address into three categories (Must-haves, Performance benefits, and delighters)

  - Must–Haves (Most basic customer needs that you and all your competitors address)

  - Performance Benefits (Customer needs your competitors may or may not address with their products)

  - Delighters (are the unique, ancillary benefits that your products will provide)

  - Once you have a good idea of your product's must-haves, performance benefits, and delighters, create a template to organize them

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	Competitor A	Competitor B	My Product
Must-Haves			
Must-have 1	Yes	Yes	Yes
Must-have 2	Yes	Yes	Yes
Must-have 3	Yes	Yes	Yes
Performance Benefits			
Performance benefit 1	**High**	Low	Medium
Performance benefit 2	Medium	**High**	Low
Performance benefit 3	Low	Medium	**High**
Delighters			
Delighter 1	**Yes**		
Delighter 2			**Yes**

5. Specifying your Minimum Viable Product Feature Set

- Specify your minimum viable product feature set

- A Minimum Viable Product is the simplest version of a product that you can create to test whether customers find value in it

  - Your minimum viable product should deliver on your full value proposition

  - Should only have enough features to be usable by early customers

- How to decide which features to include? The lean product Playbook offers a step-by-step guide to narrowing down your feature set Perceived efforts (less physical and mental effort)

  - **Brainstorm with your team to create as many feature ideas** as you can for how your product could deliver on the customer needs have decided to address.

  - **Once you have a solid number of ideas**, narrow the list down to **three to five ideas** for each customer need

  - Next, Create user stories for each pair of customer needs and features. A user story is a brief statement that describes how each feature will meet the customer's needs.

    - The idea of a user story is to clearly illustrate how each feature meets the customer's need

    - Break the features down into even smaller pieces of functionality. Olsen calls this process chunking"

    - The idea is to reduce the scope and only build the most valuable pieces of each feature for your minimum viable product

  - **Prioritize Features based on return on investment** (For each feature, compare the amount of customer value it will create to the amount of time it will take for your developers to build. Once You've compared, choose the features with the best return on investment for each customer need you want your minimum viable product to address.

  - You can keep the excluded features in mind for future versions if your minimum viable product is successful

6. Creating Your Minimum Viable Product Prototype

- What is a minimum viable product & and what it is not

- A Minimum Viable Product isn't shoddy, incomplete, and limited functionalities, a Minimum Viable Product should be functional, demonstrate value for users, and should also have a fantastic user experience.

- 2 Attributes to create user experience

    - Usability (How easy it is for customers to use your product)

        - Efficiency (How to build a product with a minimum number of tasks required)

        - Perceived efforts (less physical and mental effort)

    - Delight

        - Aesthetically Pleasing

        - Simplicity

        - Personality (give your product a language with a lighthearted tone or use finny text and images)

        - Give them surprises (amuse your users by having your product do unexpected things)

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7. Testing Your Minimum Viable Product Prototype

- Many different types of tests you can use to assess your minimum viable product and its marketing

- The Lean Product Playbook splits MVP testing into four categories :

- Qualitative marketing testing

  - This type of testing involves showing customers your marketing materials and getting feedback on them

  - Your marketing materials could include a landing page, advertisements, or videos about your minimum viable product.

  - The goal of this type of testing is to understand which aspects of your marketing materials are compelling and why.

  - Use the information to improve how you describe your product to customers in the future

- Quantitative marketing testing (Use to validate demand for your product and also Improve customer acquisition strategy)

  - Smoke tests, Explainer Videos, Ad campaigns. A/B testing, Crowdfunding

- Qualitative Product Testing

  - To conduct this type of testing, you show target customers the wireframes, mockups, and interactive prototypes of your product

  - Wireframes, Mockups, Interactive prototypes.

  - You observe how they use your minimum viable product and then ask for their feedback so you can make improvements for the next version

- Quantitative product testing

  - Product analytics and A/B testing (Live product with a significant number of users. It is about gathering data on how your customers are using your product. Once you have gathered enough data, you can draw insights to improve your product over time.

8. Iterate, Change Direction , or Abandon Ship

- The First option is to iterate your minimum viable product. Iterating is a good option if most of your hypotheses about your target customers and their needs turn out to be correct

  - If your minimum viable product created significant value for your targeted customers and received positive feedback

  - Stay the course and work on making gradual improvements to your product

  - With each iteration, you will hopefully be one step closer to an excellent product–market fit.

- The Second Option is to change direction. This involves making larger changes to your product than iterating.

  - If one or more of your hypotheses were incorrect and your minimum viable product didn't get good feedback

  - Take a step back and brainstorm with your team to find out where you went wrong.

    - Switch to a new target customer

    - Alter your unique value proposition

- Go through each step of the lean product process and evaluate your hypotheses

- Last option is to completely abandon the product, If your minimum viable product is a complete disaster, giving up on the project might be your best option