MVP Development

OVERVIEW

The term "MVP" (minimal viable product) has become one of the most common buzzwords in the business world. But there is a great deal of confusion about what exactly an MVP is and how companies can create and benefit from effective MVPs.

Most simply, MVP is not a product; it is a process of investing the smallest amount of effort to learn. Learning, which takes place through experiment and iteration, focuses on understanding customers' needs and their reaction to possible solutions and features. When done right, the MVP process will help companies develop products that resonate with customers and succeed in the marketplace.

4 KEY TAKEAWAYS

1. Look past the buzz to get to the crux of what MVP is: the smallest amount of effort to learn.

There is tremendous hype around the term "MVP." As shown below, the definition of MVP has evolved over time.

The term MVP was coined by Frank Robinson, CEO of SyncDev, in 2001: "Minimum Viable Product is that unique product that maximizes return on risk for both the vendor and the customer."	
"That product which has just those features and no more that allows you to ship a product that early adopters see and . . . pay you money for, and start to give you feedback on." *Eric Ries, 2009*	"Minimum features set ("min viable products") is a customer development tactic to reduce engineering waste and to get product in the hands of Earlyvangelists soonest." *Steve Blank, 2010*
"A minimum viable product (MVP) is not always a smaller/cheaper version of your final product." *Steve Blank, 2013*	"An MVP is not just a product with half of the features chopped out, or a way to get the product out the door a little earlier. In fact, the MVP doesn't have to be a product at all." *Jim Brikman, Y Combinator, 2016*

Boiling down the various definitions, MVP = the smallest amount of effort to learn.

- **M (Minimum)** is something small, compact, and incomplete that doesn't have all of the bells that whistles the final product will have. It just the core, the minimum.

- **V (Viable)** is the idea that it actually works and is viable in solving a problem for customers.

- **P (Product)** is often the main focus, though the M and the V are equally important. Also, MVP is not simply developing an initial product; it is an entire process.

2. The purpose of the MVP process is to learn by answering critical questions.

The reason to undertake the MVP process is to develop a product/solution that meets customer needs and succeeds in the marketplace. Stated differently, the MVP process aims to de-risk the product development process and avoid launching a product/solution that fails to meet customers' needs and fails in the marketplace.

Important questions to learn the answers to during the MVP process include:

- Do our customers really have this problem?
- What are they doing today to solve their problems?
- Where will they use the solution?
- What do our customers expect to gain in the end?
- What do they care about in a solution?

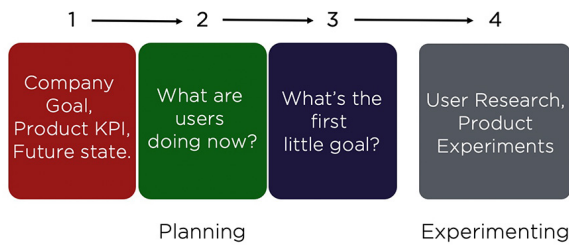**"When you think about building an MVP, you need to start by first thinking about what do you need to learn."**

3. The way to learn is through experimentation and iteration.

The traditional build-measure-learn process begins with building. In contrast, the MVP process begins with learning. Product Kata, used in the Toyota manufacturing process, is an effective framework for building better products and solutions.
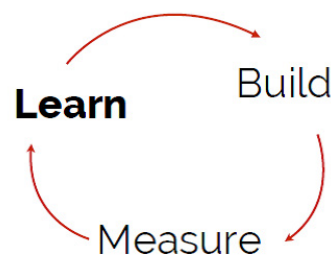
Product Kata

A scientific, systematic way to build better products.

1 → 2 → 3 → 4

Company Goal, Product KPI, Future state.	What are users doing now?	What's the first little goal?	User Research, Product Experiments

Planning   Experimenting

This framework consists of:

1. **Understanding and defining the company's goal.** For a startup, this is often acquiring new customers.

2. **What are users doing today?** How are they solving their problems? What is the current state of your product in relation to the goal?

3. **What's the first little goal to achieve?** Break down the big goal into smaller, sequential pieces. Define the very first thing that needs to be learned.

4. **Run experiments to gain learning.** Rarely does the MVP process involve running just one experiment. More likely it is running a focused experiment on one variable, gaining learning through the experiment, and then running another experiment. Developing products and solutions is often the result of numerous iterative experiments.

Zappos is an example of a company that started with an MVP. The question the founder wanted to answer is whether consumers would purchase shoes online. To find out, Zappos ran a low-cost experiment when the founder created a simple WordPress website offering shoes for sale. The shoes offered were those sold by Sears. Zappos didn't build a warehouse, didn't build inventory, and didn't create a fulfillment system. When a customer placed an order, the founder would go to Sears, buy the pair of shoes, and ship them to the customer via FedEx.

This experiment proved that consumers were willing to purchase shoes online. It also showed that consumers needed a simple return process if the shoes didn't fit. This simple, low-cost experiment provided significant learning.

"When you run experiments, you end up de-risking your solution. What you're trying to do here is not just get something out the door; what you're trying to do is lessen the risk of failure, because it costs a lot of money to fail."

4. MVPs also apply for B2B products/solutions.

People often think about an MVP being for a consumer product or service, such as Zappos or Airbnb, but MVPs also work in B2B. However, a few key differences exist with a B2B MVP.

- The first version of a B2B MVP needs to be a bit more robust than with a consumer product.

- However, carve back as much as you can to get the product in use with potential customers.

- Cultivate a small group of users who are willing to try new things.

- Communicate with them that the product is not complete but is in a place where you would like them to use it and provide feedback.

- Before launching the product, use this small group for learning and iteration.

Tips for Building MVPs

- Be laser focused on the problem you are solving.

- Don't confuse experimenting with launching; you are experimenting, not launching.

- In version 1, slim down your feature set to the core.

- As you learn, add in more features.

- Treat every iteration like a new experiment. others observe and take notes..

"The most important thing about MVPs is that you need to get something out there. It won't be perfect in the first round, but that's how you learn."

Melissa Perri is a product management expert, educator, and author of *Escaping the Build Trap*. She believes the key to creating great products is growing great product leaders.

Perri has spent the better part of her career consulting with executives worldwide to set up their product organizations, create product strategies, and grow product leaders into chief product officers. She has channeled this work into various programs, including the online school Product Institute and CPO Accelerator. In 2019, Perri was appointed to the faculty of Harvard Business School to teach product management in the MBA program. Her previous clients include Insight Venture Partners, Spotify, Capital One, Plated, CentralReach, Liberty Mutual, and Wood MacKenzie.

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