

TEI 010: Using Lean to Run Experiments and Deliver Customer Value

Host: Chad McAllister, PhD

Guest: Ash Maurya

Welcome to the Everyday Innovator podcast for product managers, developers and innovators. Your host is Chad McAllister, who gives you innovation training your customers will love you for. Get ready to take your career to the next level for the doctor is in.

Chad: Hi, this is Chad. I'm really excited today to have a discussion with our guest because this is going to be a value packed discussion on how do we validate concepts for products before we actually start the development. So, I am with the author Running Lean, Ash Maurya and he is also working on a new book, The Customer Factory, and this might not be the title that you stick with, I know Ash, but The Customer Factory: A Blueprint for Creating Remarkable Successful Businesses. Ash, you were originally educated in as electrical engineer and then worked in software development before founding your first company which was Wired2Reach and you are now a founder and CEO of Spark 59, equipping entrepreneurs to succeed by providing tools, content and coaching. Ash I really appreciate your time to talk with me and my listeners today about product development.

Ash: Yeah. Thanks for having me Chad. It's a pleasure.

Chad: For background, I came across your materials because at the time I was looking into the business model canvass a little bit further.

Ash: Sure.

Chad: And for those who aren't familiar, this is a tool for developing a simple one page business plan. And, it's become very popular and I was looking for a canvass I could adapt as a product manager for really building a business plan for a product, around a single product. And then in the process of looking, I came across Lean Canvass and now also you added to that Lean Stack. And I just found them to be really a helpful tool. And I appreciate you making these tools and making them available.

Ash: Great. Thanks.

Chad: I know, we'll dive into that more. Before we get there, just want to get a little glimpse into your life. So, you're an Austenite, living in Austin, Texas. How long have you been there?

Ash: Going on maybe nine years now.

Chad: Okay. What was that an out of the college move or when did you make that?

Ash: No. So a lot of you don't know the background, so I'll just give you the short biographical story, but I actually didn't grow up in the US. I am born to parents in India but I grew up in Africa, in Nigeria, did my schooling there, and then came here for University, in upstate of New York, Rochester, so RIT. That's where I did my double E, electrical engineering and then after that I joined a company there in telecom, North Tel but then moved to Dallas first with a startup. And then while I was in Dallas, I started my own

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company and then moved to Austin. Austin was really, I tell people it's the only city I actually got to pick. You know, with an open slate, because everything else you're constrained by, you know, you can't pick where you're born, you can sometimes pick where you go to school because you got admitted in certain different basis, and work takes you places. But this was a time where I was completely free to pick. And I picked Austin. So yeah, I've been very happy with that decision.

Chad: It's a great decision. You know, when we think about the meccas that are really startup hot, where companies are being traded. We have Silicon Valley and I live close to Boulder, Colorado and Seattle's been doing some interesting things. But Austin has always been held up as the place outside of Silicon Valley that you go to if you really want to be part of the startup community and feel that startup energy.

Ash: Yeah.

Chad: So, let's see how much of an Austenite you actually are. I almost moved to Austin once upon myself too and don't know the area well but know a few things about it. So do you have a favorite food truck?

Ash: Favorite food truck? There are now so many to pick from. I mean for a while, it used to be Franklin's, they're no longer in a food truck. They now have a brick a mortar kind of restaurant. But yeah, I would say, there's a New Taiwan that just opened up. I mean, it changes. That whole food truck phenomenon has just been incredible that there's a whole bunch of them that are starting up and some really amazing ones. So it's really more of a question of what is your favorite food truck at the moment.

Chad: Ok. What about breakfast tacos?

Ash: I'm a big Taco Deli fan.

Chad: Okay.

Ash: So here, it's kind of like a religion. There's the Torchy's Taco group and there's the Taco Deli and for me it's more Taco Deli.

Chad: So much you're doing well as an Austenite. Any place you order off the secret menu at a restaurant?

Ash: Yeah, I'm not a big fan of that. I know, there's actually been even some post from those things going around. I'm usually someone who will pick a few dishes that I like just off the main menu, but I'm kind of a regular in that way. I will venture out but there's usually that I just stick to.

Chad: And here is the last stereotype question. Yoga. Do you practice yoga?

Ash: Yes. Absolutely. I've been doing that for like, maybe, that probably going in seven years now.

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Chad: Ok, so at least it was since you have lived in Austin?

Ash: Yeah. Yeah. Started that later that year.

Chad: I'm flirting with it right now myself. I do a ten minute stretching each morning with yoga and sure I want to give more.

Ash: Well, the one that I do ends up being, this is also post Lean. I describe Lean as being a lot about efficiency and so I find that, for me the hot yoga, that's what I do. It's kind of three things in one. So the heat is good, it's like going, being in a sauna for ninety minutes, so you sweat a lot, just that itself has its benefits, but then there's the physical. It's physical enough. You're not going to become, you're not going to gain muscles doing that. But it's physical enough you know that it strains you. And you stretch a lot. But then, there's the mental aspect of it. With the heat, and with that physical exertion, you have to stay focused. So to me, again it's mind, body and the heat, which just like three things in one.

Chad: So I'm wondering about that, about a morning routine. Seems like almost everyone I talk to lately, they talk about their morning routine and the way they get their day started to be more productive. Do you have a morning routine or something else that you're doing?

Ash: Yeah. I'll do yoga three days in a week. So usually that is part of it and there's this particular class starts really early and I got into this habit because of kids, so I wanted to get things like this out of the way and not be interrupted by work as well. It's a ninety minute class that starts at five thirty in the morning so that's pretty early for most people and so that's a big part of it. But coming back from that, I don't feel like that I've worked out, I feel more refreshed. And then besides it, on the other two days, I usually wake up about the same time to write. So that would be writing for either a book or a blog post or just something. So I just kind of just exercise that and that to me has been another thing I just build in to be able to do that when there's the least amount of interruption. And then beyond that you know, the kids are going to wake up at some point, and you know I do the drop off every morning, so that's part of the routine.

Chad: Oh, that's great. You get to take them to school.

Ash: Exactly, provided I'm in town. I mean, once a month, that's another part of the routine where I travelled to new city every month, somewhere in the world. So on those weeks I can't do that, but all the other weeks that's part of the regular routine.

Chad: Right, and on the travelling, you're travelling giving workshops on your teaching for Lean Startups.

Ash: Yes, that's right.

Chad: Are you finding good destinations and good people to work with?

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Ash: Yeah. I've been very blessed that way and I'm very happy is that there's such an international audience for this, that's is more a question of picking a place that I'd like to go to and then we can often make that happen. There's enough interest in just, enough places around the world that it's never been that big of a challenge. Sometimes it's easier when someone invites me over, cause then they handle all the logistics and we don't have to do anything and I just have to get on a plane and show up. But short of that, we can make an event happen in almost any city and that's been a good thing to have, I would say.

Chad: Absolutely, you get to go to places that you enjoy and work with people that are interested in the concepts. So let's talk about the concepts a little bit. So your book Running Lean is all about really creating models and running experiments and collecting data to determine if a product concept will be successful or not right? Before we actually make it.

Ash: Sure.

Chad: And I'm wondering about your motivation. Where this came from? Your interest in being successful with products.

Ash: Yeah. So you mentioned in my background this company, Wired2Reach and I often share this story of entrepreneurs being in this kind of three stages and I definitely went on those three stages and when most entrepreneurs start out their companies and that's how I certainly started Wired2Reach, it's around this big idea, this grand idea, and so I had this idea back in 2002 to build a social network before that was even a term, so this was pre-Friendster. And it was built on, it was going to be a private social network cause I didn't think people would publicly share all their contact information in the way we had done and so I was busy, I'm kind of building that out, and then all of a sudden Friendster launched and of course I was you know, at first was terrified. "Oh, my god, the idea is out and now this race has begun." But then I looked at with what they're doing and convinced myself that my approach was different because it was private and we would still be fine and we would kind of differentiate that way. So that's kind of how I started that company and so I didn't do a lot of validation. I did a lot of things of building the idea in stealth, you know not telling anyone even once competition came out kind of rationalizing the fact that because we are different, we will still persevere and survive.

And it was only several years afterwards that I realized that we weren't getting the necessary kind of traction; you give people a twitter handle or Facebook handle even these days and they will kind of tweet and share their life away. So privacy was not the reason. I worked all of our benefits around privacy was falling on deaf ears and that's when I kind of did what we will in a modern terminology, be a pivot, so kind of take everything that we had, take all the learning we had, and said how can we use the technology, how can we use the learning and shift it into something else. And so that kind of shifted more towards a collaboration platform rather than it being social networking and eventually found some products that had some business value being created in them and that's kind of how that shifted.

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When I was talking about the three stages. The first stage I called is “The Artist Stage”, so we are kind of inspired by building something new and different and that’s what drives us. At some point artist have to eat too. So I called that “The Artists are Starving Stage”. And that was kind of two years into this company when I realized that this idea is not really going to go anywhere and I need to find a sustainable business model here. So that’s when I shifted and began to again leverage what I had and use them in these other smaller kind of offshoots of products and I had a lucky break. And I guess maybe another shift there is I began to share my platform a lot more publicly. Before it was all stealth because the idea was too precious, but I began to share it. I started a blog and that blog is what attracted my first major customer that also helped be bootstrap my company and so that’s kind of how that went.

And so I moved to stage two which is “The Artist Have to Survive”. And eventually, that itself was not enough because I found myself running a business where essentially it had pivoted so much from my original vision, that while essentially it was a sustainable business, it’s not where I found passion and purpose anymore. And so at that point, I went into stage three which is the “The Entrepreneur’s Need to Find that Passion or Purpose in their Customers and in their Work”. That’s what prompted me to sell the old business and do what I am doing now. But along the way, the thing that kind of got me specifically into Lean was not a big wiped out failure right. So this was something I talked about in some of the entrepreneurs I work with, a lot of people look at entrepreneurship as a very risky proposition and people are like, “You know, we have to be an inventor, you have to be the one who would jump off a cliff to start a company” and I look at entrepreneurship very differently. I look at it as, I’m actually very risk averse and I look at removing all the risk from the equation and setting up sort of ground rules. So even when I started this company, I made a pact with my spouse at that time, she’s still married to me, but we were married back then too. But I told her that I would not miss a paycheck and that was one of the conditions for me being an entrepreneur. And so that was how I started that company and so I tend to be more risk averse and I want to remove risk.

Chad: Right. So you want to make sure that you could eat too. And make sure that survival stage is there. Very good

Ash: Right.

Chad: And on this right? I think this is a common misconception about entrepreneurs. Actually entrepreneurs are really good at risk management right. Quantifying and bounding the risk. And the employee in the organization, you know, at least for the last decade you really don’t have an idea of what the actual risk is to your position because you can’t see everything. As an entrepreneur, at least you can take control over that.

Ash: Right. I mean going back to your, just kind of a long answer to your question of how I got sparked into this lean body of work. But through that journey, it was not a big wipe out failure necessarily but it was really this looking back and saying that I had built lots of products, some had been successful, some had been complete failures. Looking back, while I was living through it, it was not ... I didn’t feel it as

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much, because again it was not a big wipe out failure but I was really looking for more. What bothered me more was the time I was spending. Like going from idea one to idea two was about a two year cycled time and then idea two to three was again one and a half to two years. And for me that was bothersome because I had so many ideas I wanted to test but the resources that I had, the time that I had was so scarce. And I wanted to find faster ways to get through those kinds of testing.

So that's when I ran into some of the early works of Eric Ries and Steve Blank. They were talking about this thing called the Lean Startup and they were sharing some of the things that I had tried but they had some better solutions in place. I had tried talking to customers but had failed miserably because whenever I listened to them I went down these wild goose chases for instance. And so they were talking about some better ways of dealing with those kinds of things and so it piqued my interest enough that I started my own. I went first looking for answers, found that I had even more questions than answers and so began to run some of my own test with my future products and eventually all that morphed into what became Running Lean from there.

Chad: Very good. When it comes to this "Running Lean", this concept, product managers, lots of us are used to agile processes these days, and agile development methodologies, but lean still tends to be a term which the product development community that is misunderstood, right? Do we mean that we are starting with no money? Do we mean we are trying to eliminate waste? Is it something only startups do? Can you bound that a little bit and how you think about lean?

Ash: Yeah. At first, let's talk about the origin of lean. So that way, the first big misconception is lean being scrappy or bootstrapping a business and that's not an accurate kind of definition. So lean goes back to lean from lean manufacturing in terms of production system and the big mantra there is one of reducing waste.

When we bring it to business, and when we bring it to entrepreneurship, and starting new products whether it's as an entrepreneur or as a large organization, the scarcest resource that we have when we talk about being efficient is not so much people or money. Those things can fluctuate up or down, but it's really the time that we spent on these products. Make enough time to market, time for learning, all of these kinds of things. And to my definition of a lean organization is one that maximizes learning about what's riskiest in their business per unit time. So the organizations that can do that very fast actually will win.

Now drawing the parallel or kind of drawing the distinction with agile, I look at agile as being very focused on the build part of the equation. Let's talk about you know, the stories and the customer requirements and let's measure progress in terms of how much stuff we can deliver that is feature complete, that is you know code complete, task complete, that is actually per spec. Lean kind of adds on to that and says that you know, we've actually gotten pretty good at building stuff but the bigger leap of faith is at the end of the day, will customers follow through? Will they actually use the stuff that we build? And will they get the value that they were promised when we started building this? And because

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of a lot of the handoffs that happen, it's very easy to go astray. We end up building too many features of the wrong product even though it's per spec, it's feature complete, it's code tested. It just doesn't deliver on value. And so, that in the lean world would be a form of waste. So in a way, it kind of adds on to that. We do everything in kind of that, we prescribe an agile. You want to have iterations. You want to build things in small batches. But at the end of it, there's the check mark. In agile we have as a done state. But we don't really describe what done means. It's not a hard definition. For some teams, it's code complete, for some it's push to production, for others, it's something more customer accepted. But in lean, you're only done when you have gotten some validated learning from customer usage. So they have used your products and they liked it or didn't like it and you have data either qualitative or quantitative to back that. And that's when you're done.

Chad: Very good. So the levers that you're pushing are on there to make that happen. Two things really stand out to me that you said. Lean is involved in reducing time. So it's the time to knowing if this concept is going to be viable or not. Something that all companies are concerned about is getting things done more quickly time to market and then the other thing in distance with time was products that customer really value, right?

Ash: Yes.

Chad: Getting to the place where we are, not just getting done with the build or getting done with that sprint but getting things on the customers' hand that they actually value.

Ash: Correct.

Chad: And I think that's one of the affinities that I have so much for the work that you've done, as having develop so many products myself and at times getting to the point where the product is out and going, "Oh, the customer didn't receive this the way we expected that they would." And tools that we can get as product managers to help us prevent that would really be welcome. So let's walk through discussion of those tools and let me give you a scenario. Let's say I'm a product manager considering a new concept, something I think the customers want, I have good indications of that already; I might have the tendency to just want to dive right in and start developing and at least get a prototype put together, and get feedback on that from my customers and rush through a development cycle. What should I do instead really validate this concept to give me ideas if it would be successful or not?

Ash: Sure. So the big epiphany I had, I came from a product background as well and so when people get hit by an idea, they do one of two things. They either rush to kind of build that prototype and say, you know is this even feasible, let me go build it out and we, the mistake that we make as we forgot that artist syndrome, we go too far and we then start polishing this product because we want to make it look just right, feel just right, and so we take too long releasing that out to customers. The other thing that we often do is we go and start, you know if the product is going to take a long time, we start to get permission from others. So we might get an investor, or get somebody in the company to say I need a budget for this, start building a team, and we do all this planning work behind it. And I say that both of

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those things take a lot of time, money, effort to kind of put together. They're also backwards. Because going back to what I said a bit earlier, the bigger leap of faith is not "Can we really build this thing?" but "Will anyone care?" So what we tend to do here is really shift things around as we want to really ask the question, "Can we find customers?" before we even build this product. And for me that was the big epiphany, that was the big light bulb moment. And that was realizing that the solution that we build is not the true product, but rather it's a working business model.

So as a product manager, I would encourage them to kind of step back and whether you are a product manager or entrepreneur, step back from the idea and not look at it in terms of the kind of the features and the solution, but rather look at it from a business model perspective. And that's where this one page business model concept has become very popular because it's not an arduous process. Several years ago, you know we'd be writing big business cases or business plans and they would take several weeks of our lives and then at the end, nobody would still read them. But today, we can get these concepts out. I liken it a lot to playing with Lego pieces. We can put these pieces together and see how the business model works with our ideas, and then we can change it up a little bit and see if it works any better. But that to me, is step one. You want to take that initial blueprint of your idea, deconstruct it down to those building blocks.

Chad: Ok, so let's walk through those building blocks a bit. And having gone through your link canvas from the product management perspective, the thing I appreciate so much is instead of getting enamored with features and hopefully benefits for customers, but a lot of time we get kind of stuck in that right of the bat where we find idea we like, we start thinking about the features that we need to put together to provide the value. You focus immediately on looking at the customer segments, and looking at the problem they actually have.

Ash: That's right.

Chad: So, what are those building blocks that we need to put together?

Ash: Sure. So often everyone has an inkling of typically the thing that is clearest in their mind is the solution because that's just how we're wired. We tend to be more solution-driven. So you got a solution but you still have an inkling of who your customers might be if I kind of push people to say, "Who's going to use this solution?" you might you know rat out some customer segments. And then, from there the harder part is extracting the problem. So why does this really matter to that customer. So we often think that if we just put a great solution out in front of a customer, they're just going to connect the dots and see it and get all excited and I've done that so many times and I'm not have that reaction. You actually have to communicate problems, and value propositions, rather than just putting out a bunch of features out there. Even benefits sometimes get misconstrued.

So ultimately, customers don't care about your solution, they care about their problems and so it's very important to back away from your solution and really focus in on what are the problems that those particular customers have and why. So, those become the foundation of the canvas. And then from

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there, once you have a better understanding of customers, their problems, the solutions become apparent. If you can define the problem with enough specificity, it's much easier to than articulate what the top features might be. Once you have that, the intersection of the customer's problem with your solution is really the value proposition or the promise that you might make to them. So if I am considering building this advanced job or matching site that kind of takes resumes in and matches them with the right employer for instance, maybe it's a lot of big data mining in the back end and I could go and pitch you the big data algorithm but you're going to be like, "Well, I just want a job. I don't care how this thing works." Right, so ultimately the value proposition would be let me see what you want and so in this particular case, you would want a job, you're probably time constrained because you may want a job in thirty days or sixty days. I mean, you don't want just any job, you want a good job, a dream job. So if I said, "Use our platform and we help you find your dream job in sixty days or we'll give you your money back," that's an example of a value proposition.

Notice I didn't talk about the big data algorithm thing in there but I have to back it up somehow but the idea of that value proposition is that it opens up the window for you to say, "Hey how are you going to do good on that promise?" And that's where I can then talk about the big data algorithm and I can convince you in one way or the other, that, you know, take a chance on us because we will deliver on that. So that's kind of how I would look at that build, that part of the building block and then I would canvas some of the other things that you would talk about are your channels. So once you know who your customers are, how would you reach them? Initially, that small scale, but eventually at scale. Every business has to be able to reach, kind of build that path to customers or even the best products will not survive.

Other boxes there kind of get into the business model economics, so we talk about a revenue stream, so where is monetizable pain and how does that pain equate to revenue coming in, either from your users or your customers and then on the flip side what is your cost structure? How much does it cost, you know, per unit or marginally to build this product and where does profit really come from and how does this scale out. And then some of the other pieces there are around metrics. How would you know that you're being successful and then finally, your unfair advantage. So whether you like it or not, if you have any kind of success you're going to attract competition. You're going to attract copy cats. So how will you fend off against them?

So those are the basic building blocks. And the nice thing is that when you walk this canvas it's very interesting, but you can look at it from many different perspectives; from the investor perspective, from the adviser perspective, from the builder perspective, from the customer perspective. And so it gives you all these different perspectives and when you can tell a compelling story from all those different angles, you actually have something interesting.

Chad: Very good. So just to recap, so it's a one page canvas of your business model, and in my context, for a new product. It could be for a startup, it could be for a new endeavor. Looking at the customer segment, looking at the problem they have, the value proposition was just more focused on not how

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you're going to solve the problem, but what the problem is, and why they care, what the real benefit is for them. The channels, how are you going to reach the customer. Your revenue stream to make money so if back to your artist scenario, you know so we can move into these eating and surviving stage we hope?

Ash: Right.

Chad: On your cost structure, the success metrics you're going to use to measure your progress along the way, right?

Ash: Right.

Chad: And then that unfair advantage to help you fend off competitors and keep your customers. So that lays a good foundation that really help me think about a new product I might develop and put the pieces together and then the next stage that you've talk about is running experiments.

Ash: Yup.

Chad: And actually getting feedback from customers.

Ash: Right. And so this is kind of the big contribution of The Lean Startup is looking at every product, every initiative we do as one big experiment. The nice thing is that even though we use this fancy term experiment, entrepreneurs have been experimenting, product managers have been experimenting with products for years; since the beginning of time. Every time you build something and put it out there, you are really experimenting because you then measure whether this product actually works or not. The only thing is that we have been running pretty lousy experiments up until now because we have been doing these big experiments. You know, we have six months to build a product and we take all six months just to build it. Then we put it out there, and realize, "Oh crap, you know this is not the right thing," and then we come and start tweaking it, put it out again. So there's big batches of experimentation. And what the lean approach kind of encourages you to do is to shrink those batch sizes down so rather than running these big batches, run small fast experiments. And also be creative with the experiment. You don't have to test complete features. You can also not even test product. You might test things like your landing pages for instance. If you have a great product but no one ever gets passed the landing page because they don't get it, then again it's like the tree in the forest. And the analogy is that...

Chad: Right.

Ash: ...no one is ever getting to use that, millions of lines of code that you're writing back there. So again, that's where we can get a lot more creative in what we experiment then you are testing many different assumptions in your business model; so that Lean Canvas, being the first step. There's a big, there's a big acceptance there a lot of those wild, it may be a compelling story on paper. They're still to use a fancy term "hypothesis" or to use a more layman's term, they are guesses on what we think will

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happen so the next step is really getting outside to the planning phase and going running experiments to validate those core assumptions.

Chad: Okay. And the value of the hypothesis or that guess is that it helps us actually think about maybe assumptions we are making.

Ash: Yep.

Chad: And information that we really need to verify and be tangible and concrete about that and brings it to mind. What does a typical experiment look like? How do you get the customer information?

Ash: Sure. So customer information, you mean in terms of how do you get in front of them or how do you get the data?

Chad: Maybe I put together five key guesses that I'd really need to validate to know if my product concept is going to be viable or not. How do I collect the data to test those?

Ash: So the experiment kind of again following that lean startup kind of framework, goes through three stages. There's a build stage where we build something. Now this doesn't as I say, doesn't have to be limited just to building a product. It could be building a landing page, it could be even building a sales script or a pitch of some sort but the idea is that we, based on what we are trying to test and maybe on that too there's a prioritization step. On the canvas you're going to have these nine building blocks and trying to test everything at once can be overwhelming. So you do have to prioritize and identify what might be the riskiest assumptions. So oftentimes in the beginning, it's pretty obvious to find out where the riskiest assumptions are. They often are customer problem hypothesis. Because if you get those things wrong, then it's very easy to see that what you build is going to not be the right product. Your channels will not work because you're going after the wrong customer segment. Everything else falls apart.

Chad: Sure.

Ash: So at the beginning, we can prioritize that way. And so, once you have those riskiest assumptions, we then build something to go test them. So I might at the very early stages build a landing page and tried to drive some traffic and measure click-throughs for instance, or I might do something a bit more in person. I might go and try to set up interviews. I might use my network or again use a landing page to get some leads but then go talk to them about what it is I'm trying to do, or about what, you know, about the problems I am trying to address and see if there's a resonance for them.

So there's a build stage and there's a measure stage. And that measure stage can be done either qualitatively, so that would be a conversation, you know more in person types of things or quantitatively which might be click-throughs on a landing page or click-throughs even on an ad unit to see, is there even interest being generated?

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And then the last part of the experiment is the learn stage. So once we collect enough data, we then start to formulate or validate or invalidate our hypotheses going in. That then fuels the next set of experiments that we will run from there.

Chad: Okay. But when it comes to actually doing a customer interviews, you mentioned that was one technique right, might do a landing page. So speaking as a former engineer, I know I'm sure there's some listeners are going, "I actually have to go out and talk to customers about things I don't know much about?" What's that structure like? You know, I think that would make, I know that in the past that would made me really uncomfortable.

Ash: Yep.

Chad: And how do you do that?

Ash: That's a great question. I talked about how I came from a technical background myself and I actually was a closeted geek and I would invent ways to not to talk to customers. So I came up with surveys and emails. And I'm like, "Don't talk to me, just, you know, reply using this little survey thing, or email me your response or get into my trouble ticketing system and I'll fix whatever you want."

And for me, that was a catalyst moment I was getting. In a few times, I did talk to customers they drove me in wild goose chases. They're like, "Oh, why don't you go and do this and that and the other," and I would go and this and that and the other and come back to them and they would give me another laundry list of things to go do. Because work was never perfect. And these guys were my free users. They weren't even the ones who were paying me. Meanwhile, my paying users were very quiet because their needs had been met six months ago. So for me that realization, it had prompted me to say, "If I'm going to talk to customer, there needs to be some kind of a script for doing it."

So in my book, I mean we can walk through that if that's helpful, but in my book I outlined some of the learning objectives. And the idea is not to be very prescriptive but there are definitely certain learning goal. So in the first set of interviews it's not about your solution but really about your customer problem hypothesis so the way I structured that interview is I usually lead off with a back story that describes the top problems that I am trying to address and I look for resonance and I like to do the initial ones in person because like this conversation, when I can see the other person I can kind of get a sense of body language and cues. I can see their interest level. If we were doing this just over a phone call, it's hard to pick up on those cues and sometimes the uncomfortable silence could be them multi-tasking or could be them being confuse. You have no idea. So it's much better to see that person.

So I usually will talk about the problems and then I would kind of look for some resonance there and if they say, "Oh yeah, these are problems we have," we then go into exploration. So this would be an open ended conversation about, "So tell me, how did you solve this problem the last time?" And almost like a movie director, like documentary style, you want to uncover the story. And that's a very important part of that interview is you want to be able to get in the customer's voice what their workflow really looks

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like. And so it's not about knowing the answers, but that's what's very fun about this. And so going into these things, I wasn't sure how the interviews would come out but each time when I did them I realized that I learned so much about the customer workflow than I did going in and that helped me build a much better product to follow. And that's kind of the part that became very, very addictive and while I was reluctant to do these interviews in the beginning, now I don't launch any product or even any major feature without doing some of these kind of checklist type sort of items.

Chad: This reminds me of an Einstein quote when he says something like, "If I had an hour to solve a problem, I'll spend the first fifty-five minutes studying it."

Ash: Yep.

Chad: And that's what you're doing. You're trying to get into the life of the customer and to figure out the problem they actually have and where it fits in their workflow.

Ash: Right. It's very amazing. So it's not even just the customer, but sometimes even the context in which they're getting this problem or in which the problem surfaces. So I've been more, and I'll just kind of plug this in here, but I've been more interested by this job's framework, so jobs to be done. And there it's an interesting kind of twist on that is that the problem isn't enough, the situational context is just as important. So if I take a problem of being hungry, so I'm hungry right now, my solution space is almost infinite. I could eat all kinds of things to quench that hunger but if all of a sudden I put it in a situational context like I'm hungry but I'm also in a hurry and I need to be in a meeting in twenty minutes, then maybe you know the pizza I had last night, putting that in the microwave is the best kind of solution. So all of sudden constrained my infinite solution space down to a few things.

Chad: Right. If it's me, I even forget about the microwave and just grab the cold slice of pizza.

Ash: Just the cold slice.

Chad: I'll be happy. Yeah. Because one thing I want to make sure that product managers aren't thinking is that we're just asking customers what they need, right?

Ash: Yes.

Chad: And you know there's a famous quote, which is probably wrongly attributed but we all like it, about if Henry Ford was asked.

Ash: Henry Ford

Chad: Right, people would have said, but they need a faster horse, right? Go figure...

Ash: Right. Even there was, I would channel Steve, late Steve Jobs. So he actually kind of talks about how it's not the customer's job to know what they want and I think that sums it up very well. Is that from customers what we wanted to do is really understand their problems and the situational context of how

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they're solving them, where they're getting stuck, where their pain points are. Not asking them for solutions, because that's our job. We the product managers, we the builders are the one that own that box of the canvas but once we understand that problems well enough, we can then go design the best possible solutions to fix those problems.

Chad: Yeah, absolutely. Well stated. So some of my product management work has involved ethnographic research, user observations.

Ash: Sure.

Chad: And, from what I've seen of your work, or typically talking about customer interviews, I'm curious if you just have had this a part of the mix or not doing any kind of ethnographic research as part of understanding customers' problems.

Ash: Yeah. No, I'm a big fan of that. And actually, I almost look at that as a prerequisite, so sometimes when people read my book, they see me as being totally a big fan of the in person kind of interview, the explicit customer interview. But if you look at kind of the spark of the idea, usually it is through some observation of some kind. So how that idea even entered your head is because you look around and you saw a problem out there that you said, "Hey, this is just not right. I can actually do it in person so much better." So there was some kind of subtle observation happening, maybe even unconscious at the point.

But I'm also a big fan of any time you can go and just be a fly in the wall. If you're allowed to and you can study your customers, that's kind of the best form of learning because the interviews themselves you have to, I'm not going to make it overly complicated, but you have to eventually get some good skills of lie detection because sometimes out of politeness people will tell you things just to get you off or just to not be confrontational and so there are some techniques, and one of them is exploring. You know so don't ask people whether they will use a product like this, but rather ask them when is the last time they have used a product like this. You know, in their recent history, when was it and get very specific. That's why I kind of gave the documentary style analogy there. So there are some techniques for running good interviews that you know that we can get into, but observation, the nice thing with it is that if you can just be a fly in the wall, you can observe your customers in their natural kind of habitat and setting and that's a great, great luxury to have if you can do that without affecting the results.

Chad: Yeah, sometimes we get the best insights about what they really need and what's really going on and love that.

Ash: Yep.

Chad: I know we can keep talking about the specifics and digging on this, but I think we'll, for the sake of time, refer people to some great resources. So, where, if people want to know more about your book, *Running Lean* and more about the concepts you are talking about. I know *Running Lean* actually started

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as a series of blog posts that you wrote about. And that you are putting out free content available regularly. Where do we go?

Ash: Yeah. So my blog is practicetrumpstheory.com, and maybe we can link to that later on.

Chad: I sure will.

Ash: Yeah, the story of the book was, it was a series of blog posts that eventually on the encouragement of my readers, I reluctantly started writing this book and then really enjoyed the process and I'm gearing up to write the second book in much the same way. So, yeah, but the best resource. And that's also where you'll find kind of links to the book would just be going to practicetrumpstheory.com.

Chad: Okay. And if people go to your business website, [spark59](http://spark59.com), what do we find there?

Ash: Sure. That's more of a single one page kind of a landing page that just describes what we do as a company, so you can go there and find links to some of the products that we build and you'll also find a link to the blog. But, if you are more interested in the content, which is where most people are interested in that than the company, initially at least, I would say start with the blog or you can go to [spark59](http://spark59.com) and learn a little more about you know, what we are and what we are about.

Chad: Okay. And that Lean Canvas that we talked about in the beginning. If I make a pdf version of one that I've used before, from [spark59](http://spark59.com), put that in the shout outs, does that work?

Ash: Yeah. Absolutely.

Chad: So people can see what this looks like. If you want to have the visual of what a Lean Canvas is, if you haven't seen it before, find that in the show notes. I also asked you for an innovation success quote. I always like to hear what people are motivated by and what they find interesting. So what's an innovation quote that you can share with us?

Ash: Sure. So for me, it just goes back to my story. So, going back to the story of building a lot of products, I had this catalyst moment where I was spending disproportionate amount of time kind of validating ideas and then kind of resetting them or sometimes even continuing on with them so I kind of created this personal mantra which is something I lived by and that is that "Life is too short to build something that nobody wants." And nobody is probably extreme. Even, I would say, not enough people want, would probably be a more accurate definition. But, that's what still drives me today and why I do what I do.

Chad: And that's a great mantra for product managers. We want to develop products that solve real world problems.

Ash: Yep.

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Chad: Provide value. So, great. Thank you so much for sharing that. I appreciate you taking time to talk through the work that you've done and helping product managers learn how to validate a product concept before it actually goes to development.

Ash: Yeah. Thanks for having me, Chad.

Chad: Thank you.

Ash: It's a pleasure.

Chad: I also want to thank our listeners. A big heartfelt thanks to everyone. Everyone out there listening, I know your desire to become a better product manager and developer and innovator and I appreciate you listening and keep innovating.

Thank you for listening to product innovation training your customers will love you for. To learn more please check out the blog at www.TheEverydayInnovator.com. Keep innovating!