

# The Lean Startup Summary - Book Summary Club



## Eric Ries: The Lean Startup Summary

**The lowdown:** [The Lean Startup](#) is the most important book ever written for people starting businesses.

We are truly living in the world of the startup.

These days, almost everyone has the means and technology to start a business. However, just because it is more accessible, doesn't mean it is easier. In fact, for every successful startup, there are hundreds of duds that fall short.

In [The Lean Startup](#), Eric Ries goes through the process that you need to take to create a startup that is sustainable and successful.

As Ries mentions in the book, you have to look at a startup differently than an established business, as you have no history to help predict your future.

The three main lessons of [The Lean Startup](#) are:

1. Make sure you manage your startup like a startup
2. Build, measure, learn (repeat)
3. Initially focus on one growth engine and build from there

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## Lesson One: Make sure you manage your startup like a startup

For a longstanding corporation, the process for future growth is simple. Create an overarching plan and hire the people to help see it through.

Seems simple...

However, a startup is a completely different kettle of fish (side note, does anybody know where that saying comes from?).

A startup has no history to base decisions from, so planning a future is near-impossible. Yet, a lot of startups use corporate management tools like milestone plans and long-term market projections. Many of these startups plan every little detail and make sure that their product is “perfect” before going to market.

This logic is flawed at best for a startup. How can you create the perfect product or service when you don't have a customer?

It is almost like you're creating a key and looking for a lock that it fits when you can find an unopened lock, and create a key to open it.

**Focusing too much on your product and not the customers will kill your startup.**

If you're starting a business, there is only one initial goal that should be focusing on: creating a sustainable business model.

That means that you have to be always experimenting and trying to find a group of customers with the same problem and a way that you can solve it.

And like any experiment, you'll start with your hypothesis – customer 'x' struggles with 'y' and would purchase 'z' to solve it – and test accordingly.

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Experiment until you find a hypothesis that you prove, and a way to bring new customers in.

## Lesson Two: Build, measure, learn (repeat)

Having a successful startup is basically continuous failure until you finally succeed.

Don't worry though, that failure is what we want.

That failure is learning.

To have a business that is ready for the long-term, you have to learn which product to build, whom to build it for, and how to advertise it.

This learning process takes place in a build, measure, learn cycle (BML).

### What is a BML?

A BML cycle requires you to create a minimum viable product to test your hypotheses mentioned in lesson one.

For example, Zappos had the hypothesis that people would buy shoes online. For their minimum viable product, they created a fake store with photos of shoes from shoe stores.

When enough people tried to buy the shoes on their website, Zappos created an actual store and started selling.

With your minimum viable product, your goal is to test and see what works and adapt until you find something that sticks. This requires you to collect the right data and talk to prospective clients to get honest feedback.

You may find that you need to make small tweaks, or you may even need to do a larger pivot.

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A pivot is a more substantial fundamental change. Maybe the core value of your product is off, or perhaps you need to change the target market slightly. A pivot usually comes from a change in your hypothesis.

Regardless, don't consider a pivot as a failure. You are learning and a step closer to creating a sustainable business model.

Every business will have to make pivots in the startup phase.

Groupon, for example, originally started as a fundraising platform before pivoting to the daily deals platform they are now.

What you learn in one BML cycle should be implemented before completing another cycle. This process means that you're constantly learning and optimizing your business model.

## Lesson Three: Initially focus on one growth engine and build from there

There are three main ways in which you can grow a startup.

1. Make sure existing customers stick around with added features and return purchases
2. To go viral and have your customers grow your business for you
3. Use paid advertising to generate new customers (as long as you're making a profit)

Eventually, you'll work on all three methods along with others (SEO, content marketing), but in the beginning, focus on just one method of growth.

Putting all growth efforts into one method will make sure the wheels get spinning quicker, along with being easier to test.

For example, you may hypothesize that your product will have viral growth, but after testing you might find that a paid advertisement method is more efficient.

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It is tempting to try everything all at once, and you'll get there eventually. However, start by mastering one method of growth.

## My Personal Takeaway

Personally, I love The Lean Startup method of starting a business and feel it is required reading for anybody starting a business.

I have taken aspects of this book in used them in my business. I try to follow a BML cycle and hold monthly sessions where I look over data and see if there are any other changes that I can make.

## Put it into action

No matter if you're starting a startup or running a successful business, as soon as you read this you should write down your businesses' hypothesis.

Are you successfully proving your hypothesis? How can you adjust your business model to make sure you're as successful as possible?

Perhaps you need to start looking at date more, or maybe you need to interview clients more regularly for feedback.

Either way, every business has improvements they can make.

## You should consider buying this book if...

While every business owner can take aspects of this book. The Lean Startup is ideal for anybody in the early stages of starting a business, or a startup.

[Or, read our other business book summaries.](#)

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Lots of love,  
Vince