

URL: <https://ecorner.stanford.edu/clips/false-starts/>

Many startups, observes Harvard Business School professor Tom Eisenmann, fail because they misapply lean startup principles and launch too quickly. In particular, he finds, in an effort to be efficient and proactive, they skip the crucial “customer discovery” phase of lean startup. Even a short period of deep customer discovery and idea generation, he finds, can help founders truly validate the potential market for their products and avoid “false starts.”



Transcript

- This is probably the number one killer 00:00:04,120 of early stage startups.. I call it false starts so as we do this conversation we're in the middle of the Olympics so we're familiar with false starts and swimming and track and field.. You jumped the gun.. In an effort to get an edge and lots of entrepreneurs do exactly that.. They basically start building and selling their thing because that's what entrepreneurs do, right? Bias for action, passion burning bright sort of a conviction.. They found the right problem solution pair.. And what they've done is they've skipped a whole bunch of of upfront research.. What your colleague Steve Blank would call the customer discovery phase where you're basically exploring the problem figuring out if you've found a problem worth solving.. You know.. And then they've skipped the phase of generating lots of potential solutions which is what an experienced designer would do and narrowing that big set of of solutions down to the most promising one through prototype testing and getting user feedback and so forth..

And so this is not work that needs to take a year.. You can probably do this stuff in four weeks for many entrepreneurs but in the interest of saving those four weeks these folks have plunged straight in.. And essentially the odds that the first version of the product when you do that, it's gonna hit the mark are low and it might take you four months to build it figure out how to sell it see that it's not working and figure out what to do next.. So, you know, in order to save four months, four weeks to just get going you've wasted four months and if you've only got a years worth of money in the bank like my founders I mentioned at the beginning that really boosts your failure odds..