



First Avenue  
Ventures

# The Structured Start-Up

WORKBOOK

MODULE 5:  
PRODUCT DESIGN,  
MINIMUM VIABLE  
PRODUCT, AND  
PROOF OF  
CONCEPT

TOPICS COVERED:

How MVPs (Minimum Viable Products) can benefit start-ups.

The Structured Start-Up from First  
Avenue Ventures  
<https://learn.firstavenueventures.com>

LEARN WHAT  
MATTERS  
MOST

## WHAT IS NEEDED TO GET TO THE MVP LEVEL? WHAT'S YOUR NEXT INCREMENTAL STEP?

"I call this a 'Minimum Viable Product,' or MVP. This should be the thing you show to the public for the first time. How effective does it have to be? Well, it should actually work, though to a person who has been working on it, it may seem kind of embarrassing. You need to get that product out to the public as early as is feasible! This will get you the feedback you need to power your decision loop and prioritization."

– from *Scrum: The Art of Doing Twice the Work in Half the Time* by Jeff Sutherland

For start-ups and entrepreneurial endeavors, capital efficiency is critical. You don't want to make mistakes in allocating capital or expend too much on something that does not work. Market tests are one way to get a sense of the market before fully committing. MVPs are also key in start-ups as well as innovative and new products or services. Instead of trying to build the perfect product, you should focus on getting a working prototype of your product – what Jeff Sutherland calls "Version 0.5" – to a test group as soon as possible. This will give you the vital customer feedback necessary to develop your product before you spend too much money on features that ultimately won't work or that the customer doesn't want in the first place.

## A REAL WORLD EXAMPLE

Instead of starting with a restaurant, start as a home chef or with a food truck, like Birmingham's Melt. A restaurant has a tremendous amount of overhead, rent, labor, etc. Starting initially as either a food truck purveyor or a home chef allows a potential restaurant operator to figure out their menu (a.k.a., product market fit), develop a following (market development), and work on their operations. This is a prime example of using a MVP to better understand the market and how your product can fit within that market.

# CONFLICTING DYNAMIC

It is true that not every industry or concept has a way to test your business like this. Additionally, some concerns won't necessarily be addressed by this kind of test. For instance, if you are a home chef hosting pop-up dinners, selling out 12-20 place settings once a month is no guarantee that you'll be able to sell out a restaurant five nights a week. In this instance, you'll need to ask and answer a different set of questions before making the leap from proof of concept to MVP. Nonetheless, creative thinking can develop ideas that lead to substantive testing.

## The Structured Start-Up Module 5

# QUESTIONS TO CONSIDER

1. Realistically, where are you in terms of product development?

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

# QUESTIONS TO CONSIDER

## The Structured Start-Up Module 5

**2. What's the next incremental step for the organization?**

---

---

---

---

---

---

---

**3. If the next incremental step does not get you to MVP Level, what other steps are needed to get to the MVP Level?**

---

---

---

---

---

---

---

# QUESTIONS TO CONSIDER

## The Structured Start-Up Module 5

**4. What can you do to get your product ready for testing?**

---

---

---

---

---

---

---

---

**5. How can you most effectively and efficiently test your idea on the market?**

---

---

---

---

---

---

---

---