

AN ULTIMATE GUIDE TO





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What is a MVP?



MVP or Minimum Viable Product is a concept that originated from the best practices of Agile development. The MVP approach of product development involves a step-by-step evolution of a product by keeping in mind the user experience and customer feedback.

MVP corresponds to the philosophy of “Ship early, repair later,” which is supported by many notable minds including Reid Hoffman, the founder of LinkedIn, as well as Eric Ries, who first introduced the MVP technique in his book, “The Lean Startup.” In short, a product can be called minimally viable if it has some minimum features which can solve the customer pain points and lead the core value proposition of early adopters.

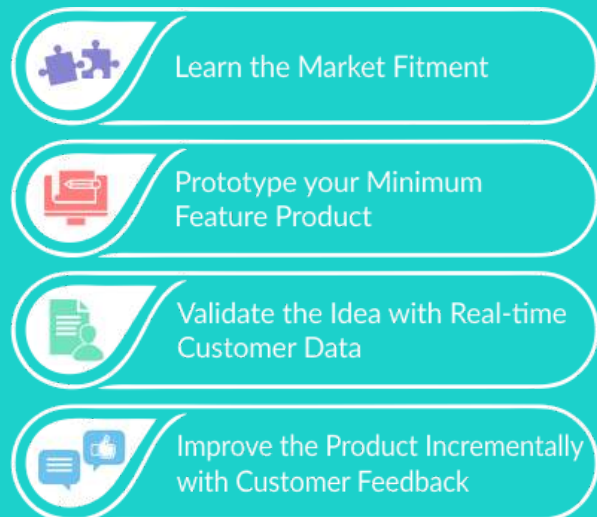
What is the purpose of building MVPs?

Many projects fail badly because they do big bang delivery without actually examining their product-market fit by testing it in the actual market. The goal of an MVP is to help companies validate their opportunity hypothesis and get the green light for developing a full-fledged product.

In other words, the MVP approach helps startup companies and larger enterprises gather insights from their target users on their product-market fit with the minimum feature set product – By conducting customer surveys, campaigns for understanding customer experience of their products by collecting feedbacks.

Few main objectives of building an MVP is to

- Learn the market fitment
- Prototype your minimum feature product
- Validate the idea with real-time customer data
- Improve the product incrementally with customer feedback



Though it is functionally constrained and raw in appearance, MVP is meant to deliver the core value by getting continuous feedback to achieve the finest product for customer satisfaction.



POC



PROTOTYPE



MVP

Difference between POC, Prototype & MVP

Proof of Concept (POC), Prototype, and MVP is not one and the same. It should not be used interchangeably. In fact, the MVP is a stage in the product development life cycle that lies in-between the Prototype and the Full-fledged Product.

A typical product development life cycle involves 4 stages

- Proof of Concept (POC)
- Prototype
- Minimum Viable Product (MVP)
- Full-fledged product

Unlike the MVP, POC is not a customer-focused task. Proof of concept is a test of an idea or an assumption. For example, when you are building a single-page app, POC helps in finalizing a particular tech stack like Node.js as a perfect fit from a technology standpoint. In simpler terms, a POC answers the question, “Can we build that?” and the Prototype answers, “How can we build that?”

Pro Tip: A proof of concept helps decrease technology risks and prove the feasibility of doing a particular task.

On the other hand, Prototype and a minimum viable product are similar to some extent, because both take consideration for user feedback. But the early adopters of a prototype are the people involved in its creation. Meanwhile, MVP goes public.

Note: Prototype acts as a bait for investors and underlies the MVP.

Types of MVP

There are many approaches to building a minimum viable product for acquiring early adopters and asserting a product on the market.

Let us look at popular MVP models that help in defining and optimizing a product strategy by learning the demand for the product.

- Concierge MVP
- Wizard of Oz MVP
- Piecemeal MVP
- Single feature MVP

Concierge MVP

Concierge MVP is an approach that uses manual guiding of users instead of an automated algorithm. This type of MVP approach is a fit for a project based on recommendation engines or even machine learning techniques. In simpler terms, humans are put in the front and center of the customer buying journey. Complex algorithms do not power it, and real humans perform the core functionality.

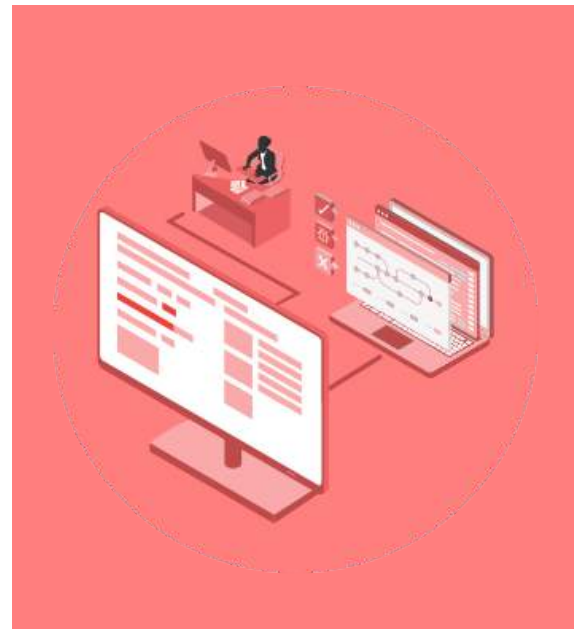


For example, Food on the Table (later acquired by Scripps Networks Int.) is the most famous example of concierge MVP. In 2009, Manuel Rosso, experimented by interviewing people and learned their food preferences and their budgets. He manually compiled all the shopping lists, selected recipes, and collected coupons from grocery stores to deliver his Food on the Table product helping thousands of people shop wisely and helps grocery stores market themselves effectively.

Pro Tip: Concierge MVP helps deep understanding of customer interaction and a strong foundation for product iterations.

Wizard of Oz MVP

The Wizard of Oz MVP is a kind of enhanced Concierge MVP. This type of MVP approach also uses guiding of humans with manual intervention, but it appears and feels like a full-fledged solution. For example, Zappos, an online shoe and clothing retailer, is a classic example of Wizard of Oz MVP. Nick Swinmurn, the founder, started with an idea to sell shoes online by doing most of the work manually.

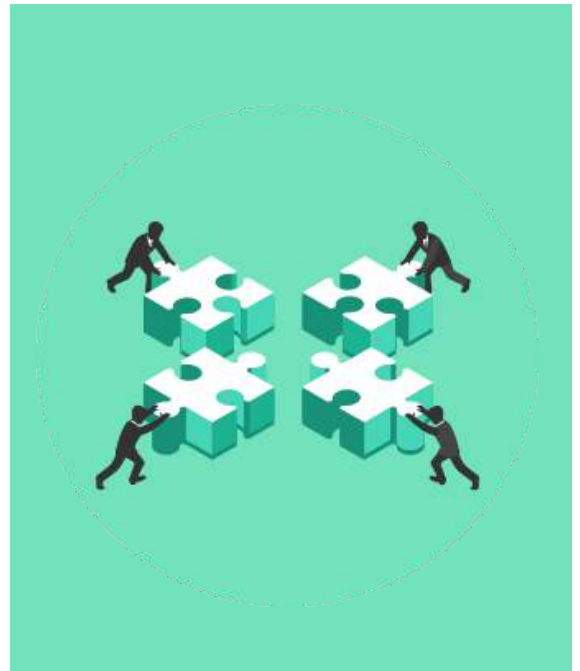


Nick Swinmurn took photos of shoes from brick-and-mortar stores and posted them online to test whether people would buy shoes without trying them on. Today, Zappos is a billion dollars in yearly revenue company and was acquired by Amazon for \$880 million.

Note: Wizard of Oz MVP is also called as "Manual-first MVPs" or "Flintstone MVP."

Piecemeal MVP

The Piecemeal MVP, as the name goes, is an amalgamation of multiples functionalities from different tools and solutions, all put together to build the final product. In simpler terms, if you own a business of handcrafted products and to increase your product market, you would probably take advantage of well-known brands like Amazon & Walmart instead of starting from scratch in new markets.



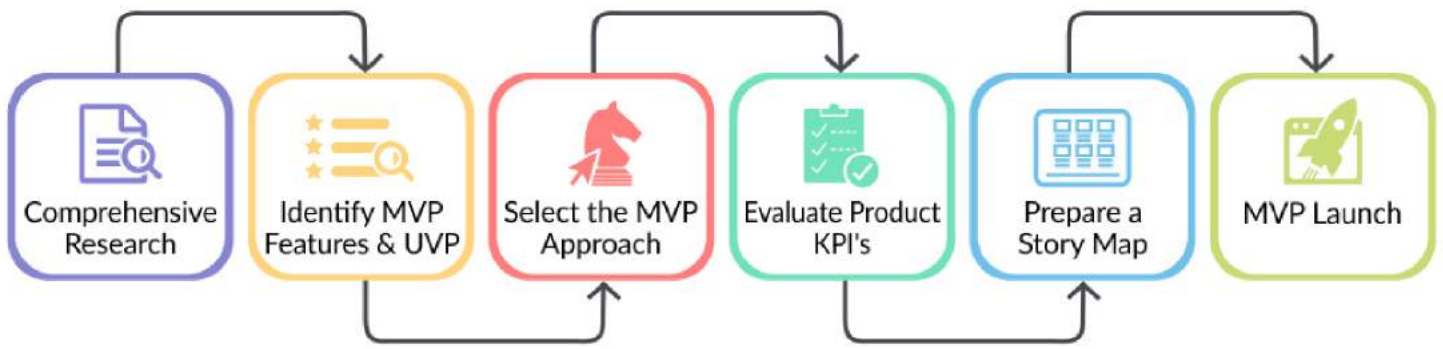
Pro Tip: Piecemeal MVP is a cost-efficient approach to building products.

Single feature MVP

The Single feature MVP is also known as One painkiller feature MVP. The hallmark of this type of product approach is the focus on one feature. The product development and marketing efforts are significantly driven by providing a clear understanding of what the product is meant for. Later on, the features might expand but not on the MVP stage. A classic example of Single feature MVP is Google's core search engine with a unique selling proposition to search for text in publicly accessible documents offered by web servers. Today, Google search is across all platforms with 92.62% market share and more than 5.4 billion searches per day.



Pro Tip: The core of this approach is the Unique Value Proposition that you offer.



How to build an MVP

MVP is not a one-way road. There are multiple approaches to building a minimum viable product. Here are the six important steps which are common among all the approaches to build a successful minimum viable product.

- Comprehensive Research
- Identify MVP features and UVP
- Select the MVP approach
- Evaluate Product KPI's
- Prepare a story map
- MVP Launch

Let's dive into each step.

Step 1: Comprehensive Research

The first step is to get an insight into the problem and the solution. In this step, the stakeholder has to answer a few questions like

- What is your market?
- Whom are the people facing this problem?
- How to resolve the problem?
- Lot more.

Few major questions which you need to get answers are

- **Which problem your MVP is meant to solve?**

Think about the value proposition that your product brings to solve a problem and how it will benefit the user.

- **Who will be interested in your product?**

Research your market and understand the specific needs and requirements to improve the product and make it more user-friendly.

- **Who are your competitors?**

Competitor research helps in identifying the pitfalls and avoid them in your product.

Step 2: Identify MVP features and UVP

This step helps you to prioritize the features of your product. You or the stakeholders involved have to come up with the product vision and the list of features.

Once the feature list is ready, you have to prioritize them based on

- Must-haves
- Should-haves
- Could-haves
- Won't have

This process of prioritizing tasks and features and dividing them into different buckets is known as the MoSCoW approach. At this stage, you have to prioritize one top-feature or, in other words, the Unique Value Proposition (UVP) that convey the product core value.

Step 3: Select the MVP approach

In this step, you have to decide on which type of MVP approaches you would consider to move forward. This could be a One-feature MVP or anything which suits the overall problem you would be solving. Few deciding factors could be based on the idea or Unique Value Proposition (UVP) and the available resources.

Step 4: Evaluate Product KPI's

The primary focus of an MVP is to build, measure, and learn. MVP is not the final destination. It is only a stepping stone. The core of MVP is to evaluate the entire process with customer feedback. In order to understand whether the product is a success or failure, you have to determine the product KPI's. It is vital to come up with the list of actionable metrics and the success criteria you'll be tracking.

Step 5: Prepare a story map

Story mapping is the essential step to list the features and to prepare a product backlog. This step consists of four fundamental components.

- Goals
- User Stories
- Activities
- Tasks

In simpler terms, goals underlie the vision of the product, and to achieve the goals, you have to complete the activities associated with each phase.

Activities, in turn, require the implementation of tasks and features, which are the user stories.

Preparing a product development path will ultimately help you in identifying the overall strength and weaknesses of your product and team.

Step 6: MVP Launch

The last step is to launch the minimum viable product and get your first user feedback. And, always keep track of the key metrics to evaluate the results of your MVP. Every feedback is equally essential for an MVP. Even negative feedback is also a key result to track. The principal aim of this entire practice of developing an MVP is to test the product with real users. In case the final outcome of the MVP is unsuccessful, it is important to re-evaluate the KPI's and pivot accordingly.

Benefits of MVP

Let's look at some of the benefits of an MVP approach for developing a product.

- Release product to market in the shortest time
- Market Research will help understand the product demand
- Reduce implementation costs and avoid capital losses
- Customer feedback helps plan incremental releases
- Enhance user experience with customer insights
- Better utilization of resources



MVP Examples

In this section, let's look at the three major startup MVP ideas, which turned out to be a multi-billion-dollar company.



The co-founders of the Airbnb, Joe Gebbia, and Brian Chesky, lived in a large loft apartment in San Francisco and had difficulty paying their rent. They came up with the idea to rent out available space to travelers visiting the city. Soon they launched a simple website, posted a couple of photos, and hosted three guests. This is how Airbnb was born. We all know how the story ends. Today, Airbnb's annual revenue is more than US\$2.6 billion.



Dropbox is a file synchronization service and is a popular tool to share files. Edit files on your desktop, and it is updated on all your other devices. But, in the early days of Dropbox, they didn't launch a full-fledged solution. Instead, the company's co-founder, Drew Houston, came up with the idea of making a video demonstrating the product functioning process end-to-end. And, it worked like a charm. In Drew Houston's words, "It drove hundreds of thousands of people to the website. Our beta waiting list went from 5000 people to 75000 people literally overnight." Today, Dropbox's net worth is more than US\$2.2 billion.



The social media juggernaut Facebook was once a website with the sole purpose of connecting students at Harvard University. A simple platform that connected students from the same classes by allowing them to post messages to shared boards. And, it was called “Thefacebook” – First MVP of Facebook. From there, Facebook has skyrocketed, and again we all know how the story ends. At present, Facebook’s net worth is US\$76.4 billion.

Final Word

The final value path of an MVP is to validate the opportunity hypothesis and get the green light for developing a full-fledged product. Once the hypothesis is validated with market research and collating early adopters’ feedback, one can start developing a prototype for internal stakeholders. After continuous and incremental iterations, your MVP will engage the targeted user base and help grow overall business traction. That’s pretty much all on what you need to know for successful product development. In case you need help in developing MVP for your mobile or web app, reach out to us!



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