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TWO CRITICAL MVPs

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Quick Summary: An entrepreneur needs candid, objective advice as early as possible.

Abstract:

The natural tendency for many entrepreneurs is to get their Minimum Viable Product to market as quickly as possible. On the surface, this strategy seems to make sense, but there is an earlier, far more critical step that should be taken well before creating an MVP. It involves getting sound, practical advice from objective individuals with relevant experience.

If you use the acronym MVP in the startup community, everyone will know you're talking about a Minimum Viable Product. If you use the same acronym in a sports bar, everyone will know that you are talking about Most Valuable Player – the person who makes an outstanding team contribution. For entrepreneurs, embracing both MVP concepts is critical. However, for entrepreneurs, the Most Valuable Player is characterized as the Mentor's Valuable Perspective – a more applicable three-letter acronym. With their independent view, mentors can make a unique and valuable contribution.

In the past few years, the notion of focusing on the Minimum Viable Product has received considerable attention. The logic is simple: get a product (or service) in customers' hands as quickly and inexpensively as possible. The resulting customer feedback should provide the necessary guidance to help verify and solidify the company's demand thesis – or not. At one extreme, it may help a company "fail fast" and hasten a pivot in its fundamental business premise. At the other extreme, the MVP may create a buzz in the marketplace, resulting in sales and, perhaps, even profits. The most likely result will be somewhere between these two extremes. Unfortunately, many entrepreneurs still have the mindset that "If I build it, they will come," and they focus on building a full-featured, all-encompassing offering that they believe the entire market will embrace. They do this based on their preconceived ideas of what the market is sure to want. Rarely does that strategy work.

An entrepreneur must shift their mindset from what THEY think the MVP should have and do to what prospects tell them the MVP should have and do. Often, entrepreneurs focus on the elegance of their solution, while prospects couldn't care less. Prospects are only concerned with what the product or service can do for them and its value. Prospects are likely to accept far less than the products' potential full features and capabilities. However, they are far less likely to accept a poor-quality MVP. Can you imagine an entrepreneur telling a prospect: "Well, we get the financial transaction right most of the time?"

The involvement of the other MVP (Most Valuable Player or Person) can significantly increase the likelihood that the Minimum Viable Product will meet the customer's needs. Entrepreneurs are commonly optimistic visionaries. They are convinced that prospects will readily agree with their idea. Their optimism is essential. Without it, the seemingly never-ending obstacles would discourage them to the point that they give up. An objective mentor can temper that unbridled enthusiasm with a dose of reality. With their advice, hopefully, the entrepreneur will stop and think.

The Most Valuable Player's primary involvement should occur long before the Minimum Viable Product is created. Unlike the MVP in sports, the entrepreneur's MVP will be on the sidelines, offering advice and criticism and recommending real-time adjustments to the game plan. More importantly, they will be working with the entrepreneur to develop the required skills beforehand and help them prepare for the next encounter.

The value of the Most Valuable Player lies in their ability to provide candid, objective advice to the entrepreneur as early as possible and throughout the development of the Minimum Viable Product and beyond. Unfortunately, the entrepreneur may not hear and respond to candid, objective advice until well after some tough lessons have been learned, money has been spent, and time has been lost forever. Often, their interactions are characterized by continual "yes, but..." responses to any comments they perceive as negative or not fully aligned with their established opinions.

If entrepreneurs realistically examined historic new company success-to-failure ratios, most would not even try. Lottery ticket purchasers are a prime example of this optimistic view among many entrepreneurs, focusing on their ultimate success rather than the odds of success. Unlike lottery players, entrepreneurs can influence their outcomes through their actions, most notably by listening to others.

A Most Valuable Player's involvement should occur as early as possible in the entrepreneur's discovery process. The article in this series, 3.010501, "*Problem, Prospect, and Buying Customer Discovery*," as its title suggests, breaks the discovery process into three discrete steps. During the Problem and Prospect discovery phases, potential customers are asked for their *opinions* about the proposed new product or service. Although valuable, necessary, and well-meaning, prospect interaction during these discussions remains hypothetical. Only in the Buying-Customer Discovery Phase, when customers purchase a Minimum Viable Product or a more advanced product, will an entrepreneur know whether their vision has a chance of success. The Problem and Prospect Discovery phases are characterized by what the entrepreneur and prospects THINK. Buying Customer Discovery is characterized by what customers DO!

Even with some initial sales success, the road to long-term success will be anything but straight and smooth. This is especially true if the initial wave of customers are "familiar" customers, those who have past relationships with the new company, or customers who purchase trial-level products. Only when sales are made to "anonymous" customers in high volume and at high profit will the path to success become clearly visible.

The Most Valuable Player can provide appropriate doses of reality during each discovery phase and beyond. There is, of course, a fine line between negativity and objectivity. Interestingly, well-intentioned Mentors (Most Valuable Players) will view their comments as *reality*, while an entrepreneur may interpret the same words as overly *negative*. The often-used question, "Is the glass half-full or half-empty?" is an

example. Perhaps the correct answer is that the glass is the wrong size! An objective MVP will focus on the glass and not its contents. They may, in fact, have no detailed knowledge of the entrepreneur's product or service or the market they are addressing. The article 3.040306, "Ask Someone Who Doesn't Know," discusses the value of involving individuals who have little knowledge of your business. They may ask seemingly naïve questions that may challenge your original assumptions.

It is easy to characterize who the Most Valuable Player is NOT! Friends and relatives who do not want to hurt the entrepreneur's feelings, and co-entrepreneurs and employees who want to believe in and share the entrepreneur's vision, are examples of well-meaning but ineffective MVPs. Another group that makes poor MVPs are individuals with only academic backgrounds or even highly successful corporate executives. Although quite successful within their past/present environments, the real-world challenges of the startup world are significantly different. By default, an entrepreneur must find some MVPs that have "been there and done that." A tongue-in-cheek analogy illustrates the difference between a "phd" and a "PhD." A "phd" or post-hole digger clearly has a goal and knows how to use the tools to accomplish the task based on their experience. A PhD in construction engineering allows that person to describe what needs to be done by someone else who will handle the details!

Think of an MVP Mentor as the business equivalent of a mate. They must be focused on your personal well-being and share your thoughts and dreams, but they must also work with you and help guide your thinking about your desired path.

The first chapter in Volume 7 of this collection is titled "Help From My Friends." The articles in that chapter describe the need for three different boards: Board of Directors, Advisory Boards, and Customer Boards. All three boards are important, but need to be considered at different times in a company's life cycle. Undoubtedly, the Advisory Board, made up of a diverse group of MVPs is the most important and should be the first priority of every entrepreneur. The key characteristic of advisors is that they act as mentors who focus on the entrepreneur as a person and their success, drawing on relevant past experience. That focus may lead the advisors to help the entrepreneur realize that their time would be better spent pursuing a very different Minimum Viable Product and its associated business than the one the entrepreneur first envisioned.

Think hard about the sequence of MVPs that you pursue. Your Most Valuable Players will most likely help your Minimum Viable Product succeed.

Finding a Mentor
 Probably the most important first step for every entrepreneur
 A mentor's goal should be to help make you successful, not just feel good!

They will help you...	What to look for...	What to avoid...
Identify what you do not know.	Will do it for free.	Wants to charge for involvement.
Identify what you should do.	Has specific startup experience.	No startup experience.
Identify what you should NOT do.	Is available.	Means well, but too busy.
Stay on track (remain focused).	Is patient.	Poor teacher.
Prioritize your activities.	Is a good listener.	Easily distracted.
Find the necessary resources.	Is objective.	Too opinionated.
Be accountable.	Will suggest alternatives.	"My way or highway" demands.
Determine if/when you should pivot.	Will be blunt!	Unwilling to "hurt your feelings."