



WHAT'S LEAN CANVAS?

We need a few words to describe it: Lean Canvas¹ is an intuitive **tool** which helps people developing their projects to **clarify their idea**.

How many times have you told your idea to someone, waiting for approval, and being replied only with “I didn’t understand”, “It seems confusing”, “I can’t see any innovation in it”, “I’ve already seen others like it”?

The Lean Canvas is very useful because it identifies 9 sections in which you must divide the logic of the idea. It’s perfect also for ‘non-business’ ideas (as cultural, social and artistic ones) because it helps to select the information needed and makes it easier to know how to concretely realize them not only by their theoretical value.

Observing the Lean Canvas forces us, not only to stay focused on the logical steps needed and making the whole idea complete, but it also supports the communication of the idea.

UNDERSTANDING LEAN CANVAS

HOW IT WAS BORN AND WHY IT HELPS DEVELOPING A NEW PROJECT

There is a strong chance that you might have heard about Business Plan at least once in your life. The BP is a document that includes: all the strategic goals of a company, the exact explanation of the plans and the economic and financial analysis of expected results.

Until the beginning of this century, the BP was the only tool available for a startup to illustrate their new project to the public. If it wasn’t for the BP, how could it have been possible to contact other associates, commercial partners, investors to contribute to the project?

However, there is a fundamental requirement behind the redaction of a BP, which is usually taken for granted: the company must know its **business model**, which includes the value-added offered and their clients, how to distribute it, how to monetize.

Briefly saying: how it works, creating more value than the worth used to build it.

¹Proposed for the first time by Ash Maurya in 2012, created from the Business Model Canvas.

The business model - even if it always needs to be updated - is clear for the established companies, but not for startups.

For example. An Autogrill company, uses a Business Plan to organize their activity in Italy for their next 3 years, because it's a definite and mature market (it's possible to predict precisely how many products will be sold - from the results of the previous years) and the capability of the company are well known in details (e.g. the price of a slice of pizza is known by cents).

This situation is far from reality for startups, where nothing is defined: the market, nor clients, nor the final product or its technology, nor the competitors nor the finance to count on.

So, does a startup team really need to spend weeks to prepare a Business Plan? The results will be a 50 detailed pages of a BP in which you will find content actually coming from an exercise of **pure imagination**², as there is no feedback from the market. There will be a time to write a BP, but first you need to clarify other problems.

The first phase of the creation process of a company is the one in which the **Lean Startup**³ approaches focus - from 2012.



The phases in the picture summarize the **3 steps** that follow on the creation process of a company:

- 1) Problem/Solution fit.** You need to find a valuable problem to solve and then search for a sustainable economic solution for your project. After that, it's important to find out the hypothetical client target and propose them a valuable offer. Usually it's requested a *proof of concept* to gather all the resources needed to proceed to the next phase. In this "phase zero" the company doesn't exist, but there is a team (usually incomplete) of one or more startupper that are willing to become founder of a society (for profit or non-profit).
- 2) Product/Market fit.** It's fundamental to validate your hypothesis, creating the first essential version of your product or service (the *minimum viable product*, MVP) and proposing it to your target

²From the short [article](#) "How to write a great business plan", Harvard Business Review.

³In 2011 Eric Ries' book was published, "[The Lean Startup](#)", published in Italian as "Partire Leggeri". Lean can be translated as slender, agile.

clients. The first feedback from the market will change your primary hypothesis. The validation process terminates when the product is demanded and the startup is sustainable: when you find the first business model that works.

In this phase you establish your society, where founders (startup associates) and other collaborators found during the path, can find the available resources (extremely limited, sometimes zero).

3) Scale. After validating product and business model you can focus on the growth, with a primary goal of functioning process optimization in order to be more efficient.

In this phase the society starts having a more structured organization, with a following growth of team and size.

Every phase needs different tools. For example, the BP is only useful in the last phase (scale).

The “phase zero” – in which you are – requires tools to concentrate on the **first challenge**, which is necessary for the development: understand the boundaries of the problem you want to solve, discover if it's worth it (if there is someone that believes in the value of the project you are proposing), and find out if there is a sustainable economic approach to realize the solution.

Between all the choices, the main tool is the [Lean Canvas](#), which is ideal to clarify your entrepreneurial intuition for the first time, using an analytical and strategic approach.

As a matter of fact, aspiring startupper all commit the same mistake: they concentrate on the solution they imagined, they fall in love with an hypothetical product that exists only in their minds and they don't notice that **they are not asking to anyone** if their solution has a real value. This is why one of the first rules in the startup environment is “fall in love with the problem, not the solution”.

The Lean Canvas is perfect to guide the brainstorming to a reasonable direction: gradually change the starting hypotheses on the 9 sections of which it is composed until you find a logical combination for which **someone is actually interested**.

The **main character** of the lean canvas is therefore the potential “customer” to whom you plan to turn. Because when you focus on your idea (and it's all too spontaneous) without thinking about who should use that solution, the project will never succeed.

“Almost every failed startup has a product. What failed startups don't have is enough customers.”⁴

⁴ Quote from [The Traction book](#), cult book for startup in the phase of product/solution fit.

Sketch a lean canvas.
Talk to customers.⁵
Adjust the lean canvas.

Repeat.

Here is essentially what must be done during the phase zero of problem/solution fit.

The following image can be used as a reference, although obviously the numbers shown certainly do not express a 'magic formula' but only a good starting point.



CONCRETELY: HOW TO FILLING IN A LEAN CANVAS

REQUIREMENTS TO PARTICIPATE AT STARTUP DAY

It is obvious that only with the **right team** (which you can train starting from StartUp Day) you will be able to refine (or distort) your intuition to ensure that, one attempt after another, you can adjust a first version of the Lean Canvas that could make sense to your potential users or customers. This is important because integrating the visions from people with different skills is vital to stimulate discussion on entrepreneurial intuition.

So, we are not asking you for something exceptionally precise (it's no coincidence that the market analysis is not required as a document to support the LC). The role of the Lean Canvas in this phase is to demonstrate your ability to clearly analyze your idea, breaking it down into the key

⁵ Obviously a question arises: what is the right way to interview a potential user / customer? Asking the right questions is not spontaneous but requires preparation. The best starting point we suggest is the approach called "The Mom Test", widely used in startups.

points that make it up. This will allow us to **understand how clear**/concrete you can be when you find yourself introducing your project to the players.

E.g. if you have unclear ideas for some section, don't worry: you can leave it blank if it makes no sense to write.

Filling that void will be the first goal of the team that you will create at StartUp Day.

FAQ: *How can I know when my lean canvas is ready to be uploaded?*

The lean canvas was created to be always questioned, so by definition it can always be improved. But this is only theory. In practice:

1. If there is a certainty, it is that the first version is never good.
2. Talk to people who have never heard of your idea at least 2 times and adjust your first version afterwards.
3. As the author of the Lean Canvas suggests, draw up a first draft within 30 minutes maximum, then show it to someone and internalize the feedback for a while before restarting your brainstorming.

When reading your Lean Canvas (and the presentation document) you feel ready to put your face on the project you are proposing, then it is the right time to load the lean canvas. By following these tips, in a **short time** you will not only be able to load the application but you will have made your project make **a lot of progresses!**

CULTURAL, ARTISTIC AND SOCIAL IDEAS

It's a great mistake thinking that the term entrepreneurial refers only to the mere realization of a profit. An artistic, cultural and social project is also an enterprise. Anything that wants and has to function over time is an enterprise; to do so, it must be economically sustainable, regardless of how the purpose is primarily to create profits or achieve other purposes that are not strictly economic. For this reason, the simple analytical logic of the Lean Canvas can also prove very useful for all ideas where economic sustainability is less evident - because, for example, there is no direct sale of a product or service. Small tricks are enough: if Customers become the recipients / users of the project, if the Unique Value proposition is understood as the originality of the work, if the Revenue Streams become the sources of economic sustainability and if the *Unfair Advantages* are read more like the personal talents.

As we said before in the previous paragraph, we do not expect the Lean Canvas to look perfect, but we believe that the ability to connect the sections together in a clear way is at least an indication of maturity in conceiving your idea. If in some sections you have unclear ideas, no problem: you can leave it blank if nothing really makes sense to you. Filling

that void will be the first goal of the team that you will form on StartUp Day.

LEAN CANVAS CONCRETE EXAMPLES

It is almost unnecessary to point out that you can find a huge variety of examples on the internet from which you can be inspired. Here are two references that are an excellent starting point:

1) LEAN CANVAS AUTHOR

Ash Maurya has an official [blog](#) where she collects articles and advice on the Lean Canvas.

This is a step-by-step [video guide](#) on how to fill in the Canvas in 20 minutes.

2) REAL EXAMPLE: JerseySquare STARTUP

NB: in this example we use the Business Model Canvas, an earlier version of the Lean Canvas. Although 3 of the 9 sections differ, the two tools are very similar and these videos remain a great example.

Video1: [Introduction](#)

Video2: [Customer Segments](#)

Video3: [Value Proposition](#)

LEAN CANVAS SECTION: OVERVIEW

1. THE PROBLEM

The starting point is the problem, the need to be solved. If there is no problem, there is also no solution, and the startup has no reason to exist.

> Describe what the problem is and how, when and how often it is felt by the customer.

2. CUSTOMER SEGMENTS

Who perceives this problem? Who are our customers (those who would pay for our product/service)? Are they companies or individuals? Do they coincide with users (those who use the solution) or not?

> Identify possible customers, group them into segments - or groups of people/companies that share similar characteristics. There is never a generic 'customer', but there is a specific, clearly identifiable customer (man, woman, young person, adult, with certain habits or lifestyles, etc.). Who do we turn to first? Early adopters - who we think will use/buy our product first because he/she understands better its value proposition.

3. THE SOLUTION

How do we respond to this need with our product / service?

> Explain how it works for those who use it (e.g. the technology on which it is based).

4. THE VALUE PROPOSITION

What is the value we offer to our customers? In other words, how do we create value for them and why do we do it in a unique way, different from competitors? Why should the customers choose us from the alternatives available?

> Describe your competitive advantage (e.g. lower cost or a differentiated service?)

5. REVENUE STREAMS

Where does our income come from? When and for what do our customers pay us? Usually there is a main source (e.g. sale of the product) and other secondary ones (e.g. additional optional services).

> Broadly define where revenues can originate from.

6. UNFAIR ADVANTAGES

What unfair advantage can we count on? Why can't our product/service be easily replicated by someone else?

> Define (if any) the resources that you think you can acquire almost exclusively (eg. Intellectual property? New technology? Personal network with other influences?)

7. CHANNELS

Which channels can we use to reach and then acquire our customers? Sometimes good ideas die because of the cost of reaching and acquiring your customers is higher than what you can collect from them.

> Specify as much as possible how you can get in touch with your target customers. "Online" is not an answer: everything is now online, and it is certainly not enough to get in touch with customers.

8. KEY METRICS

On what metrics is business success (or failure) based? (e.g. number of visits to the site, number of purchases for customers contacted, average purchase price).

> Define the highest priority parameters.

9. COST STRUCTURE

What are the main costs of your business? E.g. Does the cost of employee affect more because the startup activities are work-talented based, or is it more linked to the cost of distributors, or the implementation or maintenance of the software?

> Specify your cost centers as much as possible.

NB: There is no specific order for completing the Lean Canvas, the numbers you find in the attached pdf are only a suggestion.