



Service Science

UniMiB

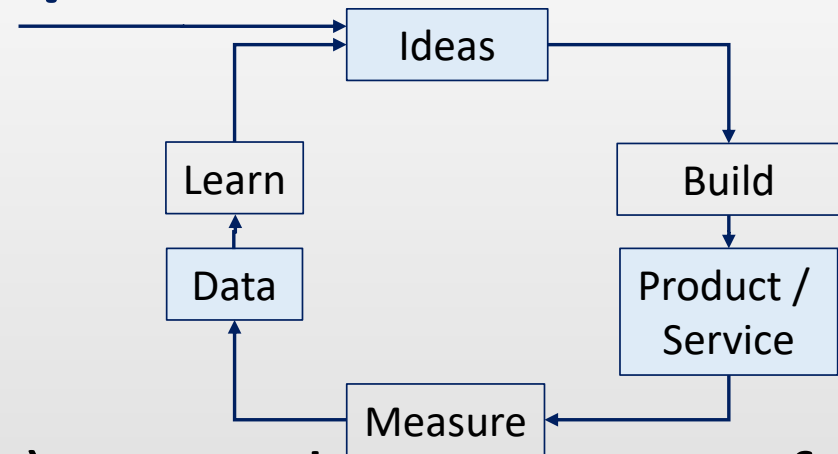
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MVP TYPES

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Recap

- Build-Measure-Learn-Feed-back Loop
- Goal:
 - minimize the loop time
 - be sure that learning is real
- Minimum Viable Product (MVP): an early prototype of a new product/service which allows a team to collect
 - the maximum amount of validated learning about customers
 - while minimizing the effort spent
- Use the insights gained in each development cycle to make improvements



MVP Types

- Concierge MVP
- Video MVP
- Wizard of Oz MVP
- Landing Page MVP
- Email MVP
- ...

Concierge MVP

- Introductory case: **Food on the Table** (Texas based Start-up)
 - Creates weekly meal plans and grocery shopping lists based on
 - Customer (and family) preferences
 - Best deals on ingredients local grocery stores
 - Focus on the customers
 - Identify the **preferred local grocery** store(s)
 - Select the the preferred **foods** (considering family wishes)
 - Select **how many meals** per week the system should suggests
 - The site provides (on a weekly basis)
 - **Recipes** matching the customer needs,
 - A **shopping lists** based on the recipes, taking into account local grocery deals
- Beyond the stage (now)
 - Chefs editing recipes
 - Information system for grocery information acquisition and management
 - Algorithms for matching recipes ...

How did FotT start?

- Food on the Table (FotT) began with
 - A single customer
 - A single grocery store
 - No recipes
- The two company founders interviewed people outside a local grocery store in Austin (Texas)
 - Customers stopped and asked questions (i.e., market research)
 - But also the founders
 - Introduced/explained the service
 - Looked for their very first client
 - Most times they were rejected. After all most people are not early adopters
 - But eventually they found their first customer
- The first client got the **“concierge treatment”**

Concierge Treatment

- The lady (the early adopter) got, each week, a **personal visit** from the company CEO and Vice President
 - They described the **grocery store deals**
 - They carefully **select recipes** on the basis of her **preferences**, learning her favorite recipes for items she regularly cooked
- Each week the CEO and VP would also
 - Bring her **-in person-** a prepared packet containing
 - shopping list
 - relevant recipes,
 - Solicit her feedback, and make changes as necessary
 - **Collect a check** for \$9.95 (i.e., they take the payment)
- In a concierge MVP (like in this case), the personalized service is more a learning activity rather than a product ...

Concierge Pros and Cons

- Cons
 - No scalable system, very inefficient
 - No information system / IT / Automation / ...
 - No structured/standard organization
 - Solving just one customer's problem instead of millions
- Pros
 - Knowledge Acquisition
 - E.g., every week the CEO and VP gained valuable knowledge about
 - What was required to make their product a success
 - Customer preferences / habits
 - Groceries

Concierge 2nd Customer

- A **new customer** every few weeks
 - Each **customer gets the same concierge treatment** (personal in-home visits, pack, feed-backs, check collection)
 - New customer selected outside the same grocery store. Leveraging previous knowledge about
 - The store
 - The customer habits
- The CEO and VP became **too busy** in the end (customers kept growing)
 - No more resources to bring in additional customers
 - What will you do?

Expanding the Concierge MVP

- The company invested in automation to free resources for new customers
- E.g.,
 - Recipes and shopping list sent via e-mail instead of via an in-home visit
 - Online credit card payments instead of a handwritten checks
 - Software automatically parsing the on-sales items instead of manual work
 - ...
- Priority problem! Not enough resources to automate all the above tasks at the same time
 - Beware: the goal of an MVP is to learn
 - During each iteration of their minimum viable product, it was easy to identify ...
 - ... the most time-consuming activity ...
 - ... which could be easily automated