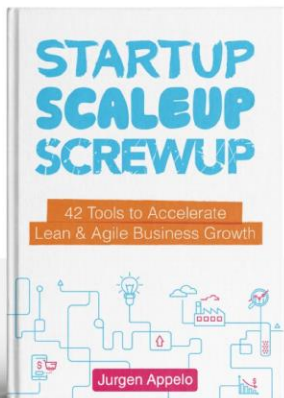
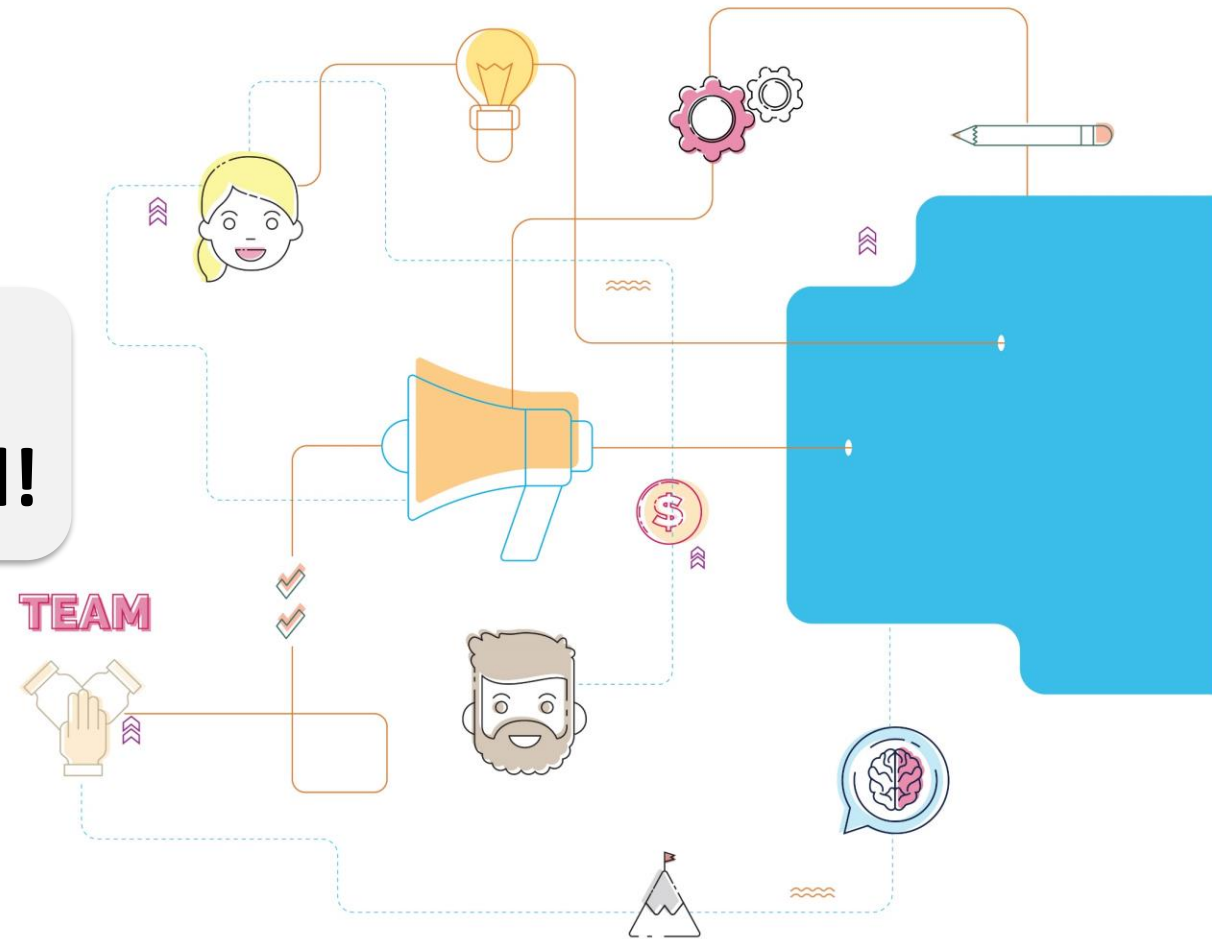


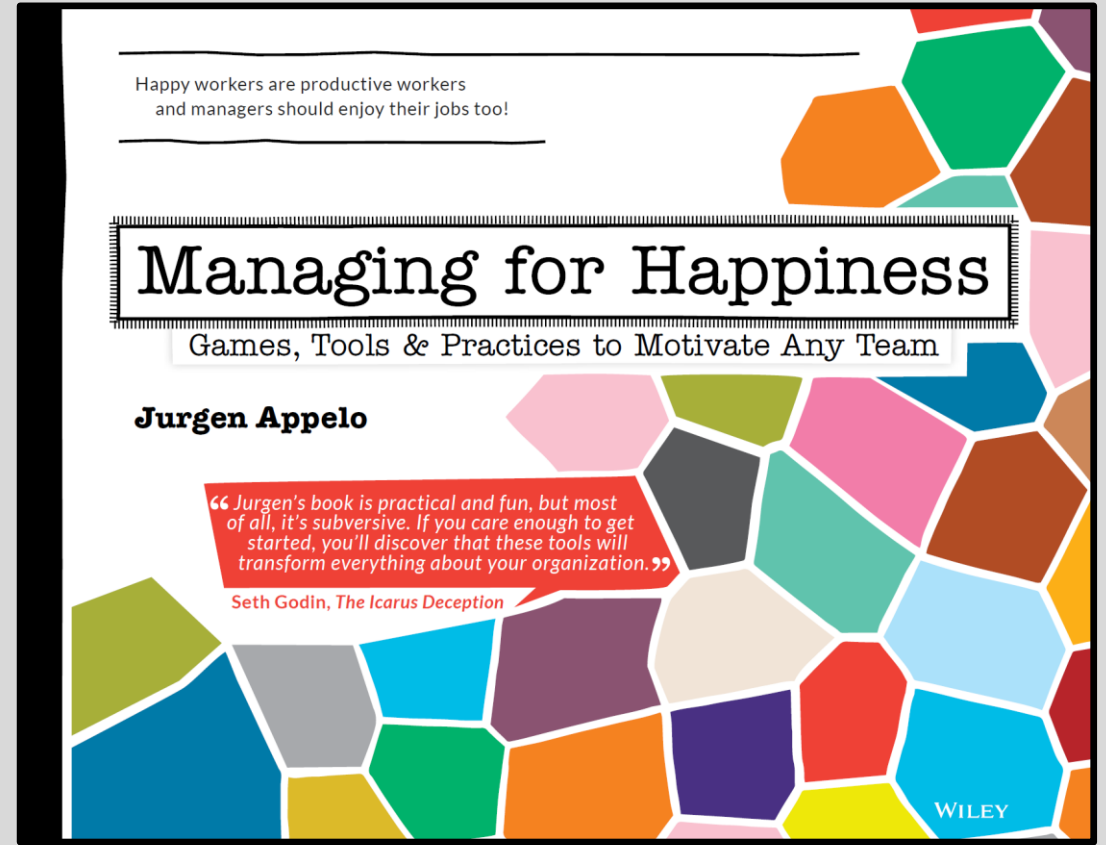
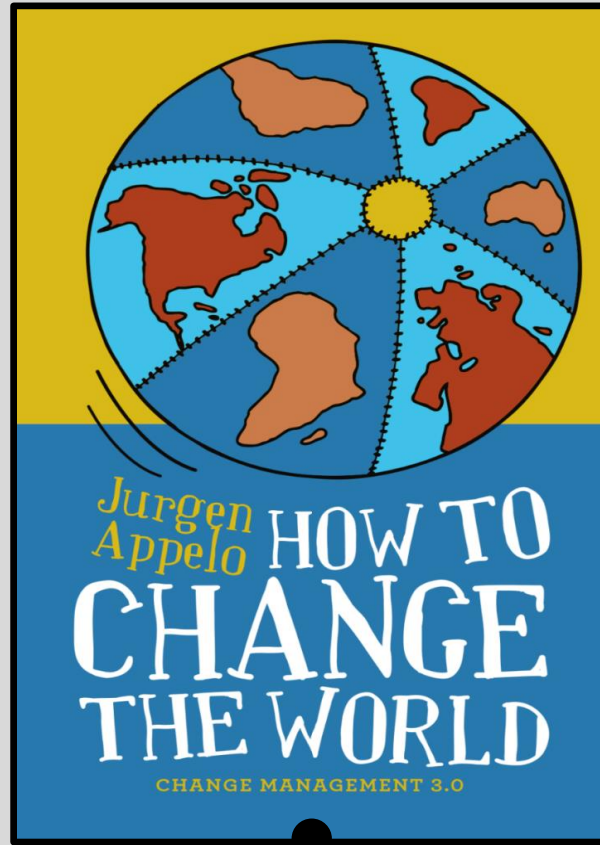
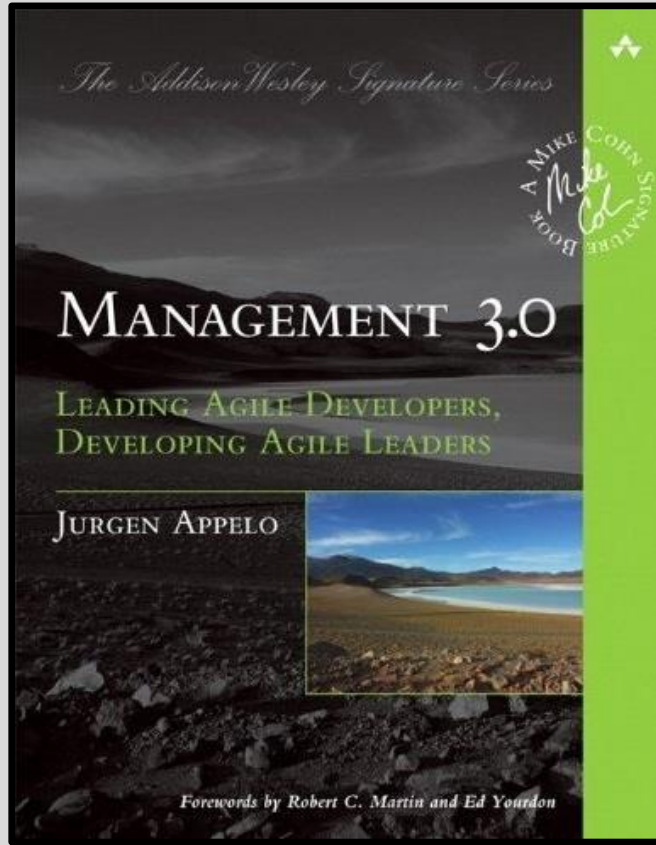
# SHIFTUP

Shakeup & Speedup  
Shifting up the innovation funnel!

Jurgen Appelo, CEO of Happy Melly



shiftup.work



[jurgenappelo.com/free](http://jurgenappelo.com/free)

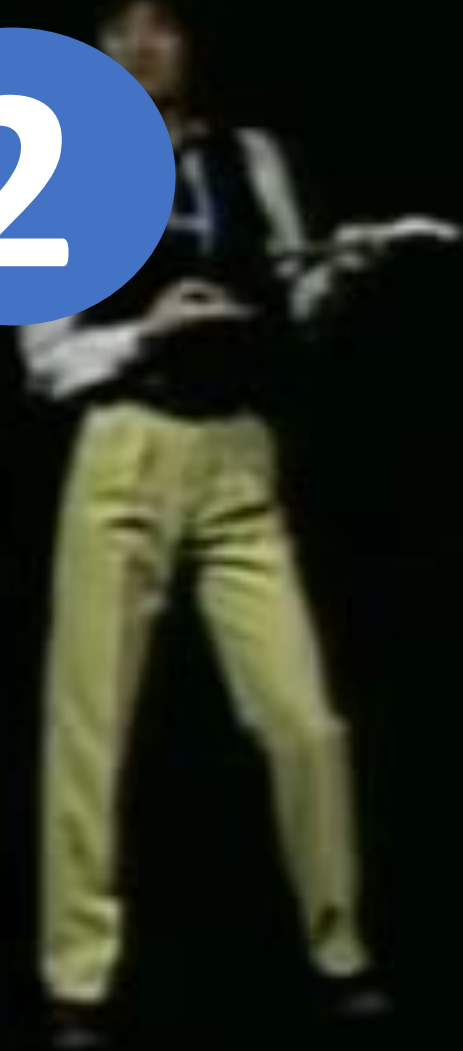
# My French Top 3

3



Ela é O oh, oh, oh...

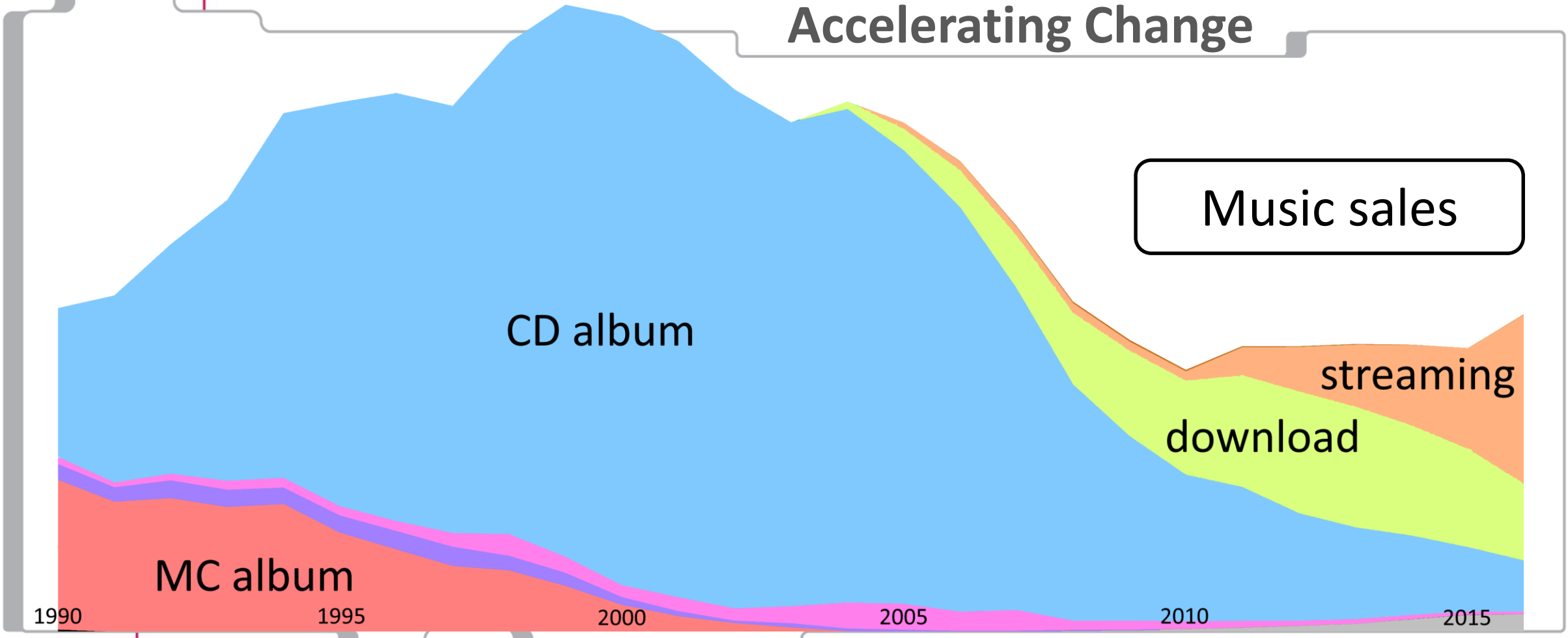
2



1



# Accelerating Change



Music sales

CD album

MC album

download

streaming

1990

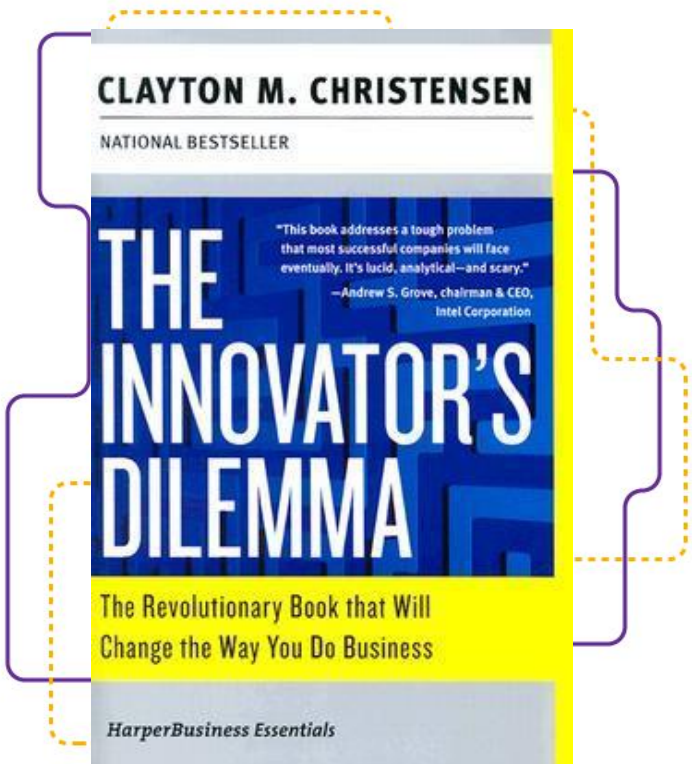
1995

2000

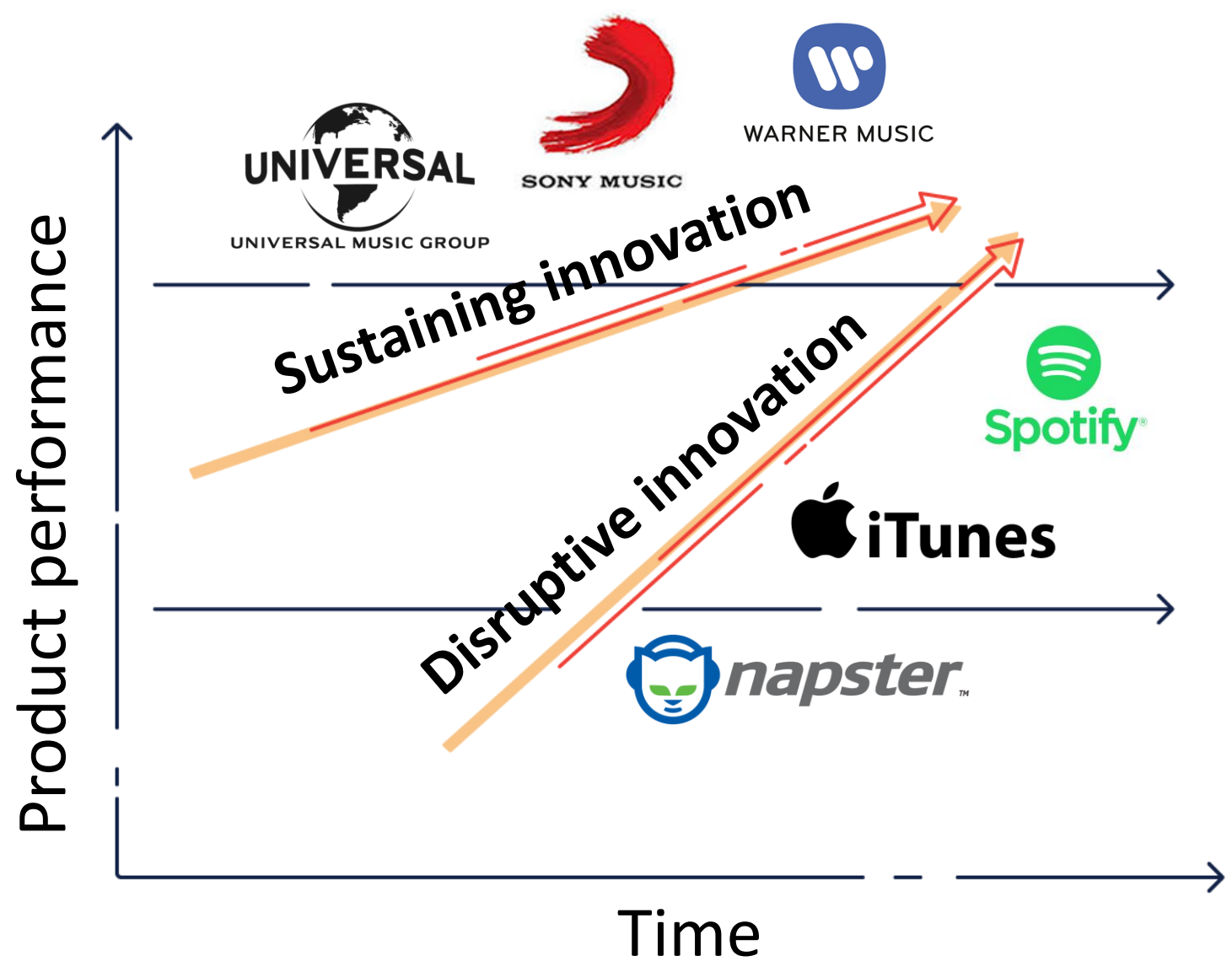
2005

2010

2015



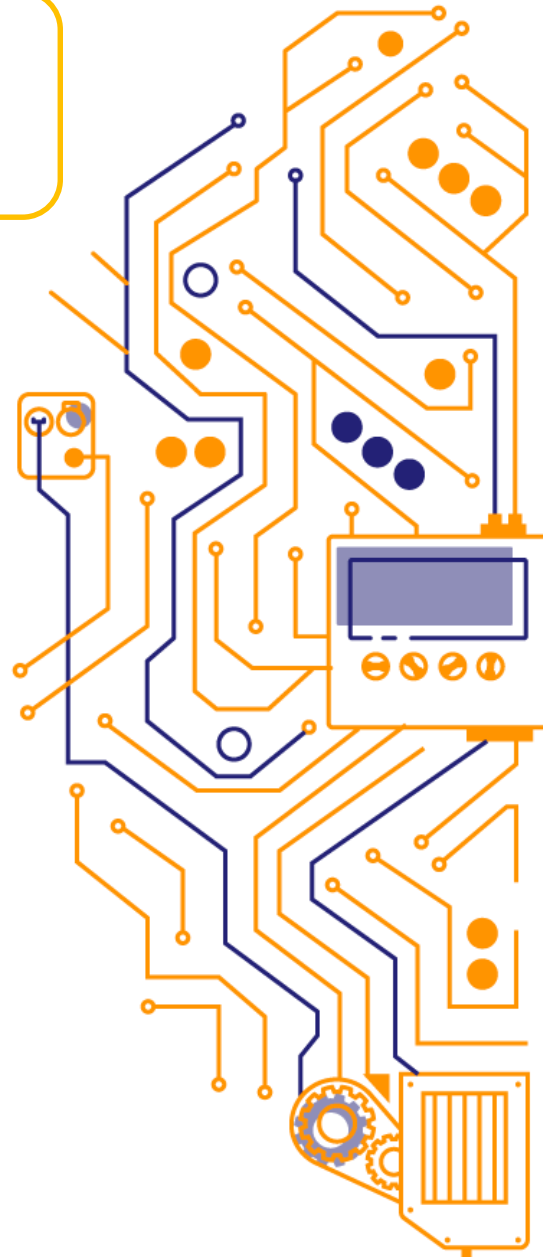
Clayton Christensen





# Execution

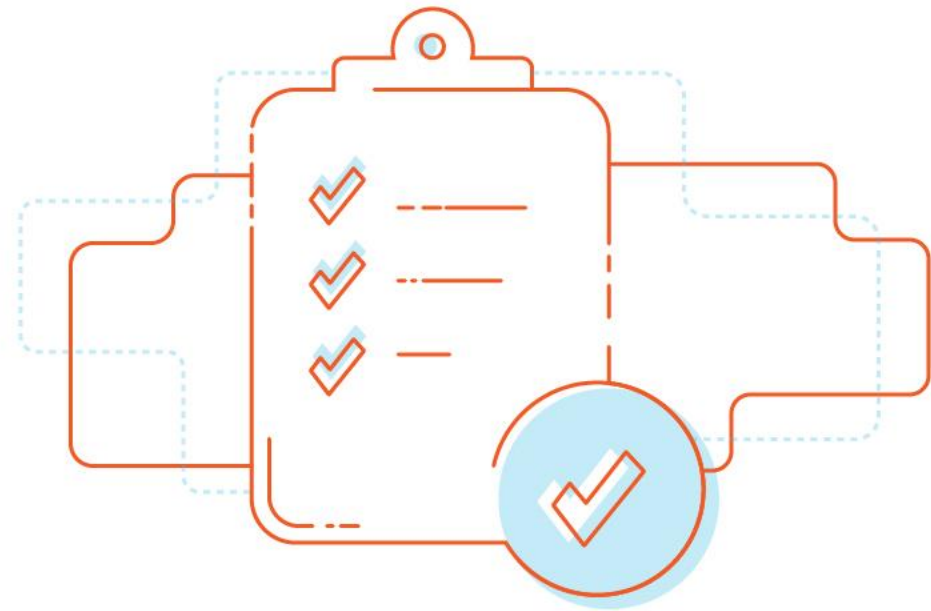
Order  
Control  
Hierarchy  
Centralization  
Efficiency  
Specialization  
Exploitation  
Evolution  
Optimization  
Strength



# Exploration

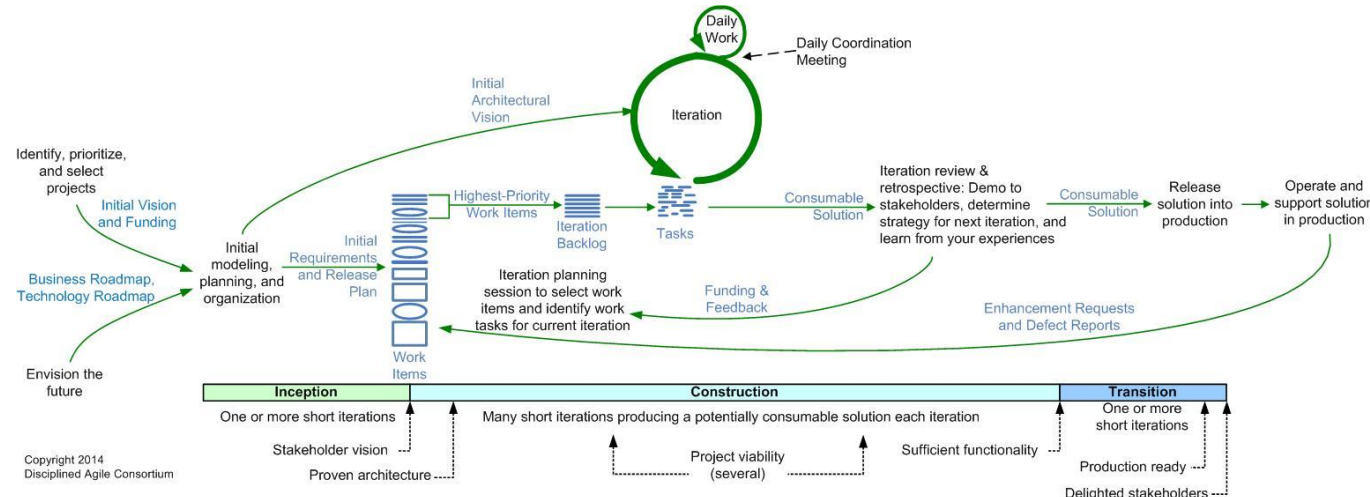
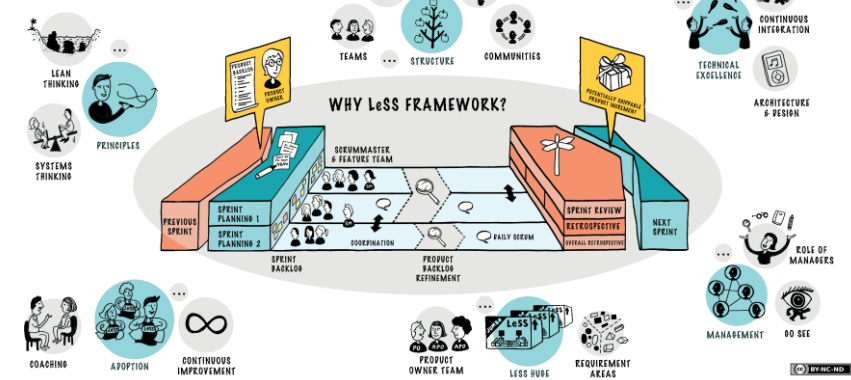
Chaos  
Freedom  
Network  
Decentralization  
Effectiveness  
Generalization  
Experimentation  
Revolution  
Disruption  
Speed



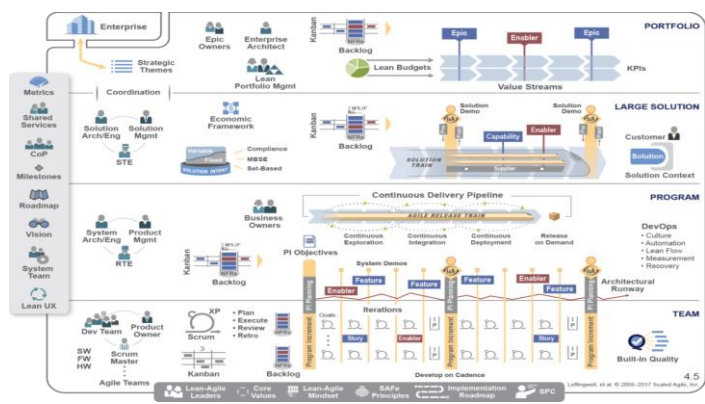
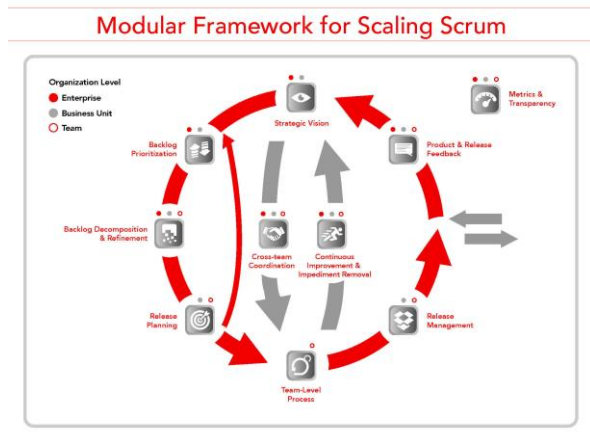
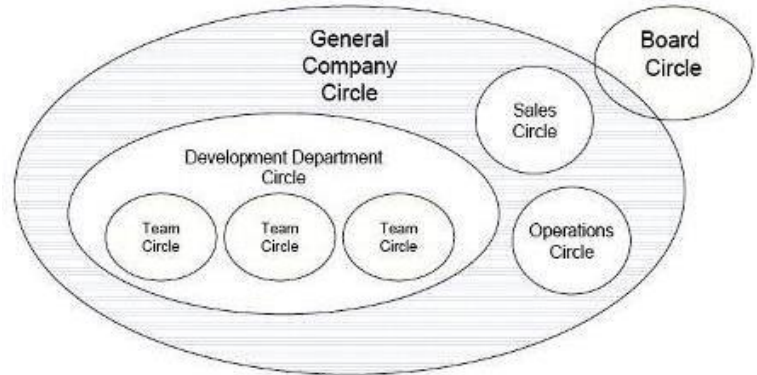
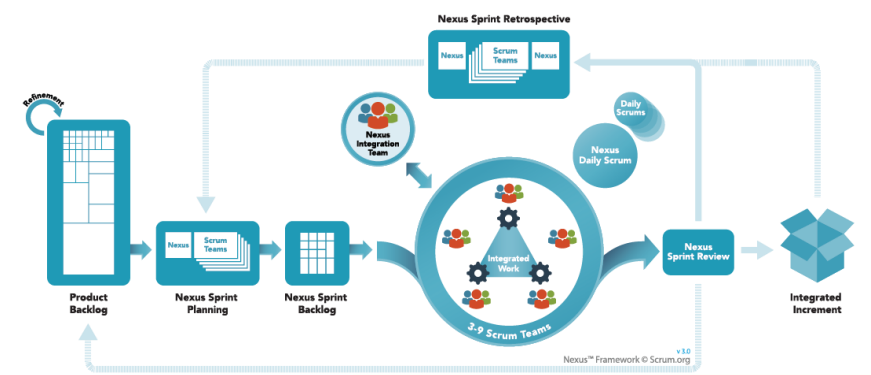
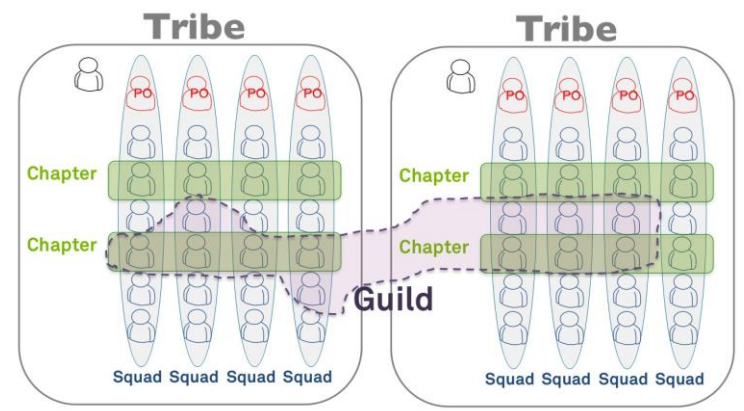
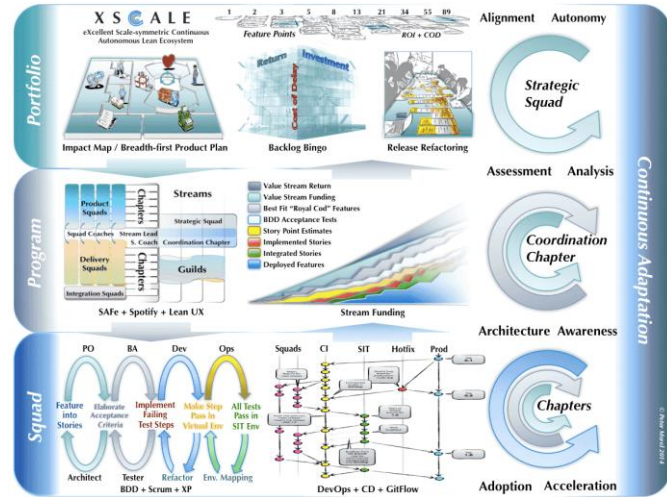


## «How can we have a startup culture?»

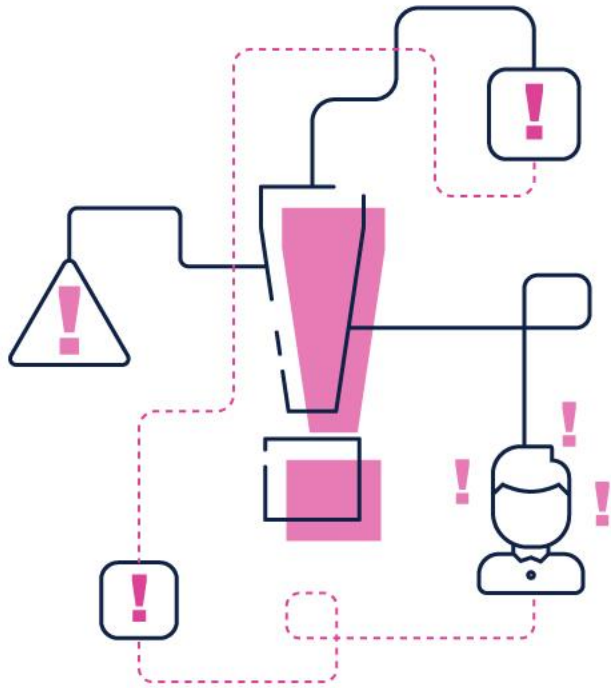
(But we don't want to lose our scaleup culture.)



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Disciplined Agile Consortium



# How to solve the Innovator's Dilemma



# Let's have a look at the disruptors



futurice



Reaktor

SEVEN SENDERS

pipedrive

BUX

CONTENT  
SQUARE

Management Events

Typeform

gamevy

iZettle

BRAINLY

N26

ROVIO

Booking.com



FLiXBUS



Onefootball



1

# INITIATION

The business model is just an idea.





Say hello to iPod.  
1,000 songs in your pocket.

Product Vision





# 2

## EXPEDITION

First experimentation, seeking problem/solution fit.

# Problem-Solution Fit



DAD'S  
COFFEE  
BAR

The logo is set against a dark, circular background with intricate, light-colored scrollwork. It features three coffee beans at the top, a white coffee cup on a saucer to the right, and a coffee grinder below it. The text 'DAD'S COFFEE BAR' is written in a white, stylized, gothic-style font.

Minimum Viable Product (Lo-Fi)

COMING SOON

Which business model area are we exploring?

## Learning Goal

The best location for my new coffee bar

## Lean Experiment

Experiment number: 123  
Experiment name: Book test  
Experiment owner: Jurgen

1

What do we believe that might be wrong?

## Risky Assumption



Relevant



Critical?

I believe the best location for a coffee bar is Side Street

2

**Complete Hypothesis** = We believe *[this relevant, critical assumption is true]*. We will know we're wrong when we *[do some repeatable, safe-to-fail actions]* and as a result get *[some timely, measurable outcome]*.

Which smallest test gives us fast results?

## Test Actions



Repeatable



Safe-to-fail?

Sell coffee from a mobile coffee cart on Side Street

3

Which statement captures the whole test?

I believe the best location for my coffee bar is Side Street. I know I'm wrong when I sell coffee from a mobile coffee cart on Side Street, and as a result sell fewer than 50 coffees on one day.

## Complete Hypothesis



Predictive?



Falsifiable?

What measurement is the fail condition?

## Key Outcome



Measurable?



Timely?

Failure when I sell fewer than 50 coffees on one day

4

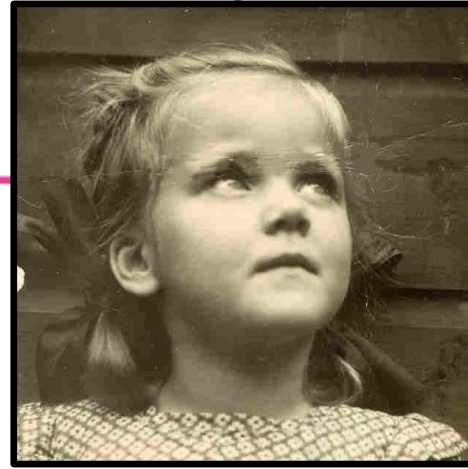
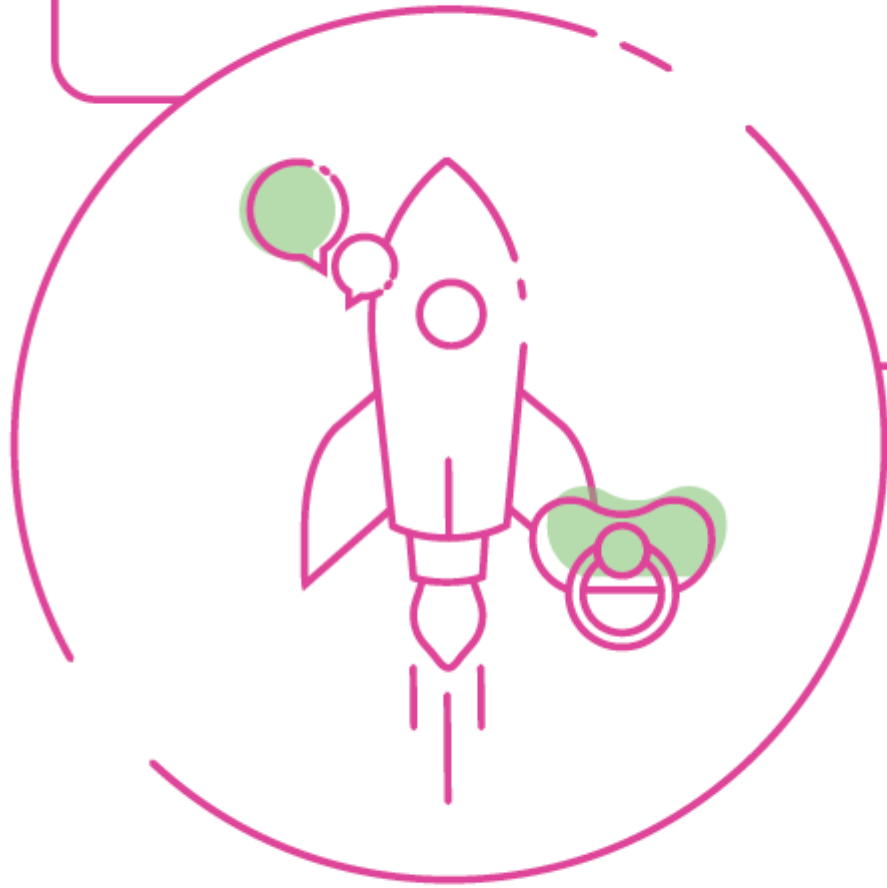
5



FAILED



PASSED



# 3

## FORMATION

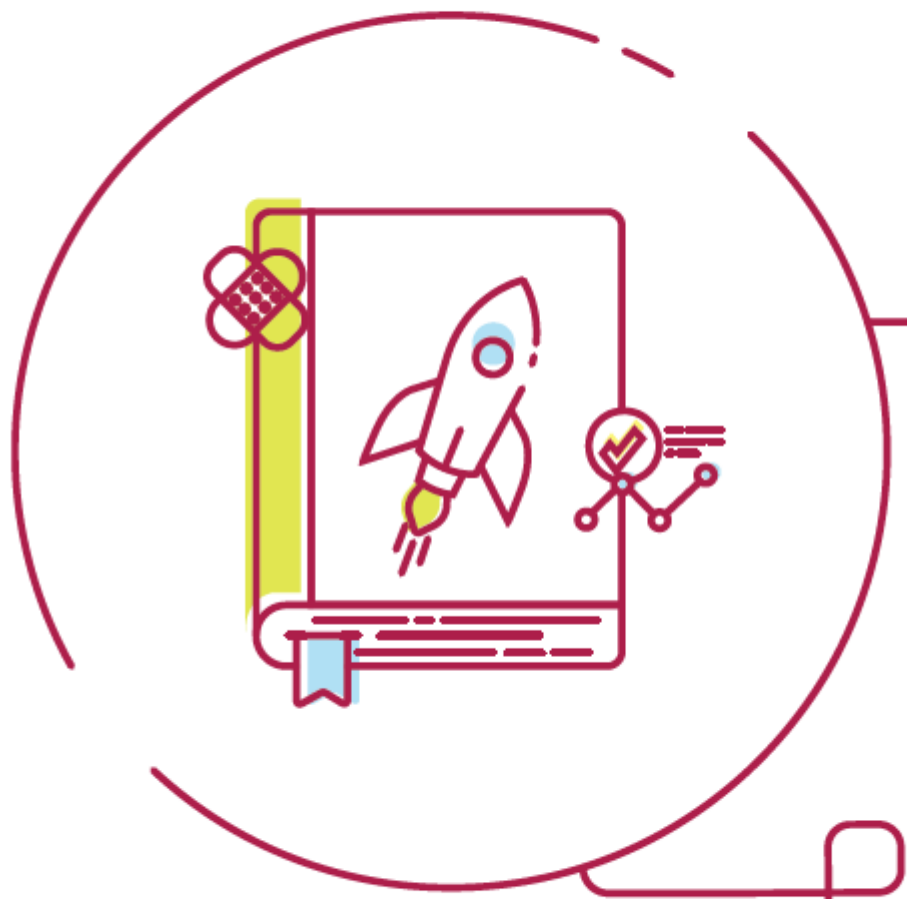
**Full commitment of a team  
to pursue the idea.**

# Vision-Founders Fit





4



# VALIDATION

Iterative experimentation,  
seeking product/market fit.

# Product-Market Fit





Minimum  
Viable  
Products  
(Hi-Fi)

<https://www.flickr.com/photos/splorp/6227080927/>





5

# STABILIZATION

Seeking business/market fit,  
preparing to scale up.



# Business-Market Fit

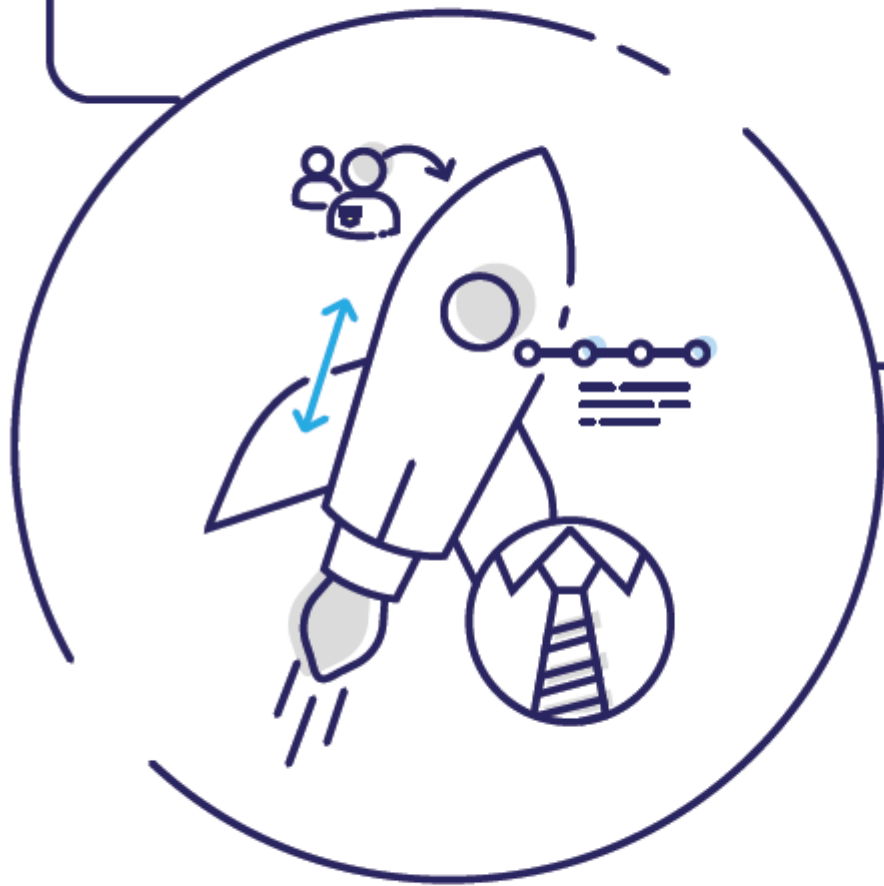


# ACCELERATION

**Growth hacking and rapid scaling to a large market.**

# Growth Hacking





# CRYSTALLIZATION

**Established in a market,  
switching to optimization.**



8

# EXPANSION

Expansion to other territories  
and product variants.



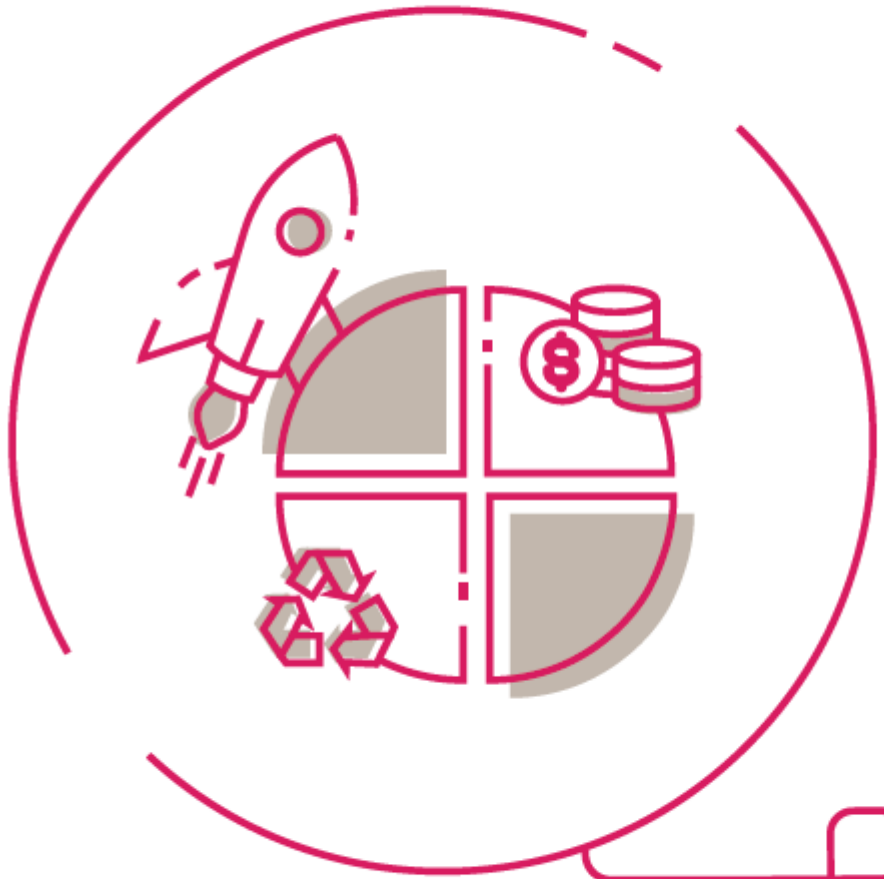
The start of the end





# CONSERVATION

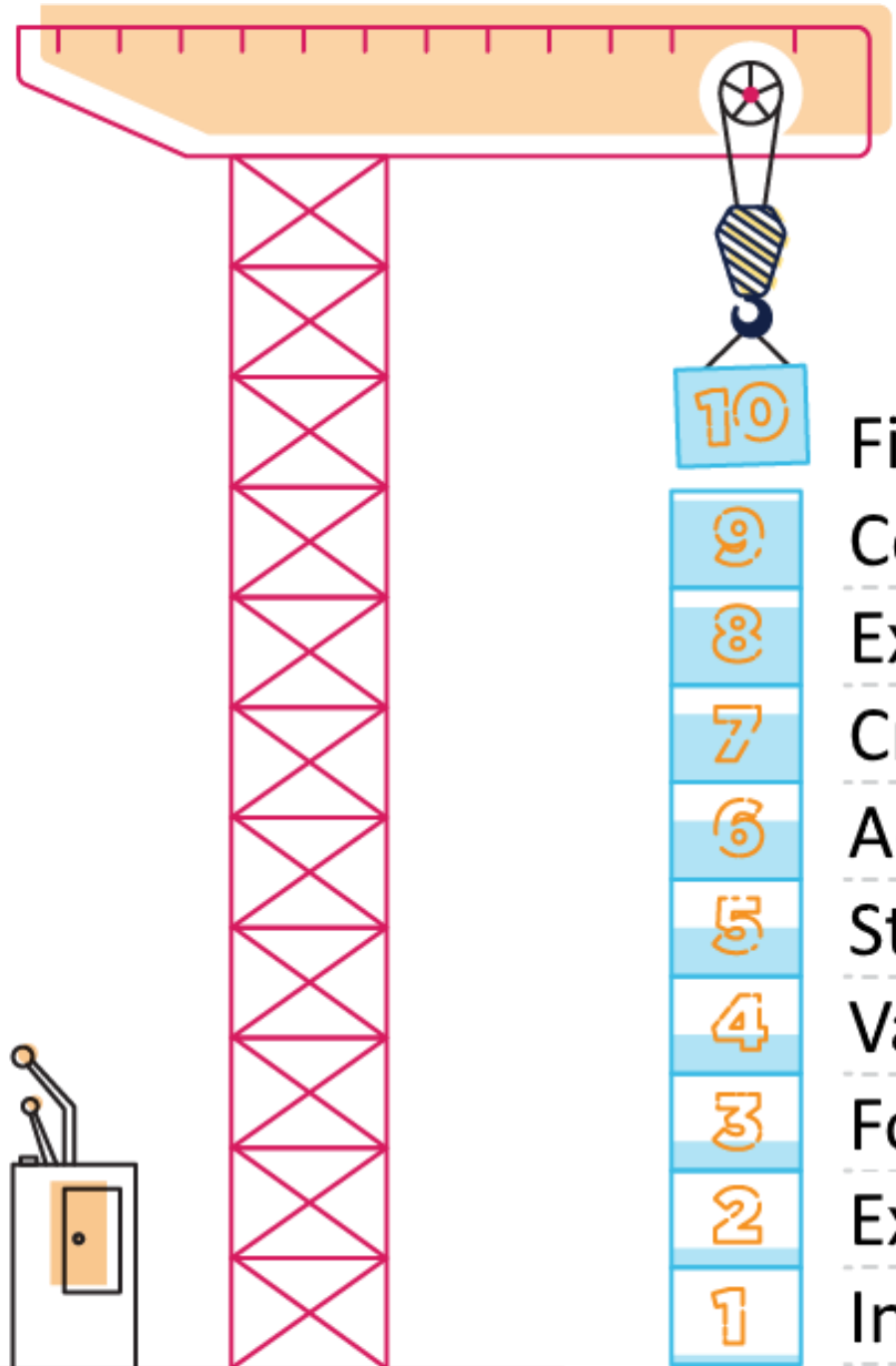
All goals achieved;  
business model is in decline.



# 10

**FINISH**

**Closure of the business,  
focus on other products.**



10

Finish

9

Conservation

8

Expansion

7

Crystallization

6

Acceleration

5

Stabilization

4

Validation

3

Formation

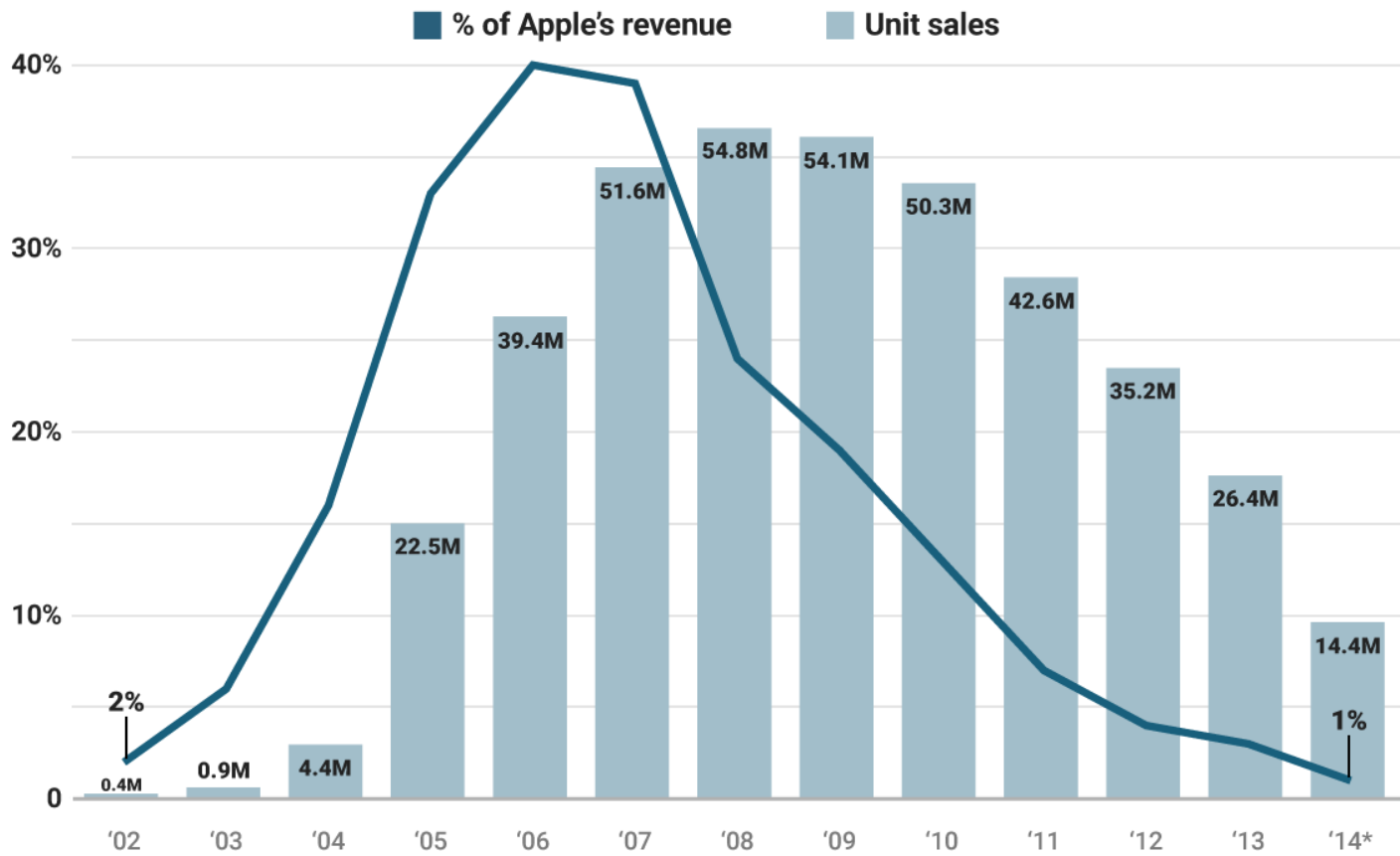
2

Expedition

1

Initiation

# Shiftup Business Lifecycle



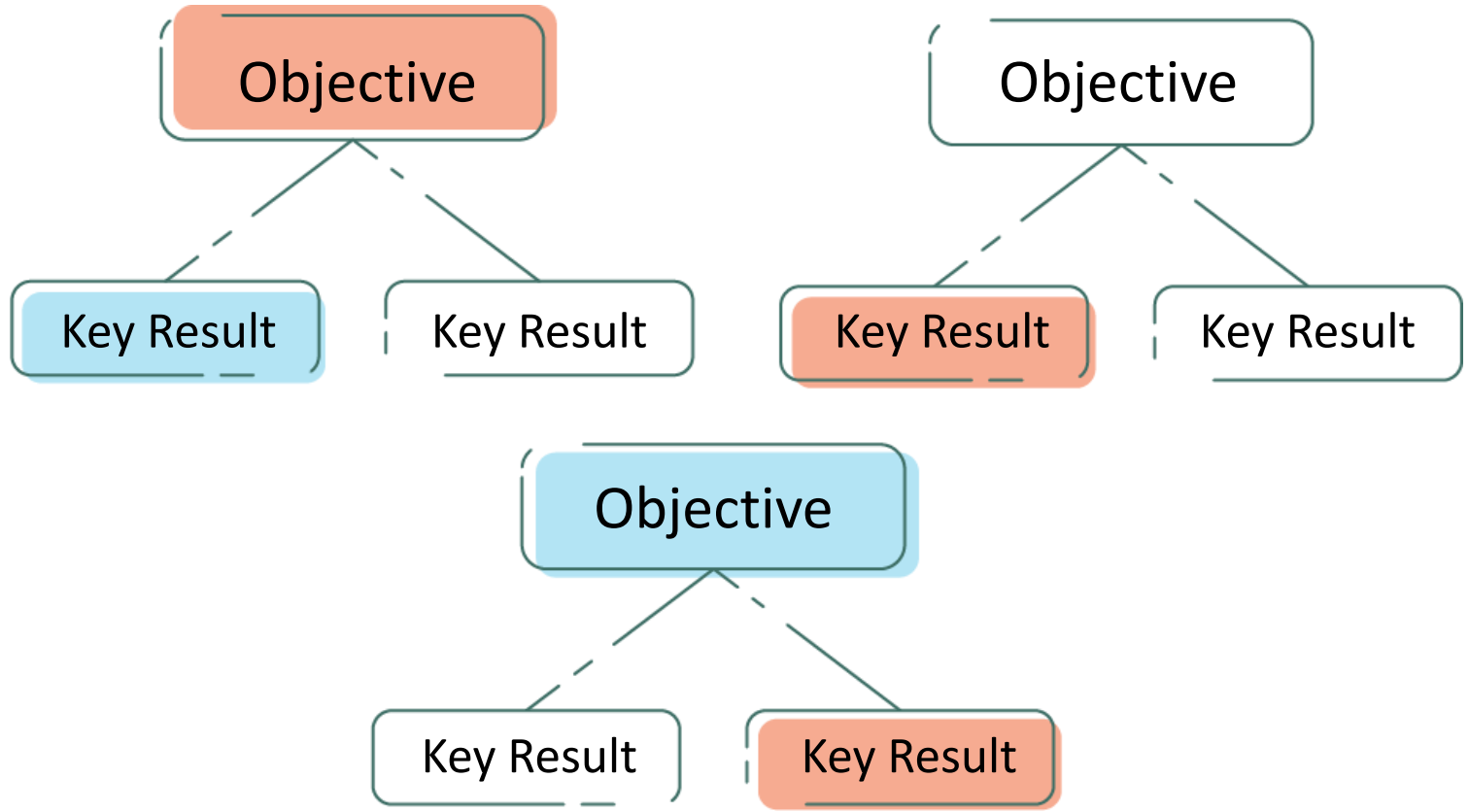
SOURCE: Apple \* Apple stopped breaking out iPod sales separately after 2014

statista | BUSINESS INSIDER

## iPod sales

Different rules  
apply to different  
lifecycle stages





## Objectives & Key Results

A framework for setting, communicating and monitoring quarterly goals and results in organizations.

# North Star Metric / One Metric That Matters

The North Star Metric is the *single metric* that best captures the core value that your product delivers to customers.

## Proxies for shareholder value

Total Users Acquired, Daily Active Users

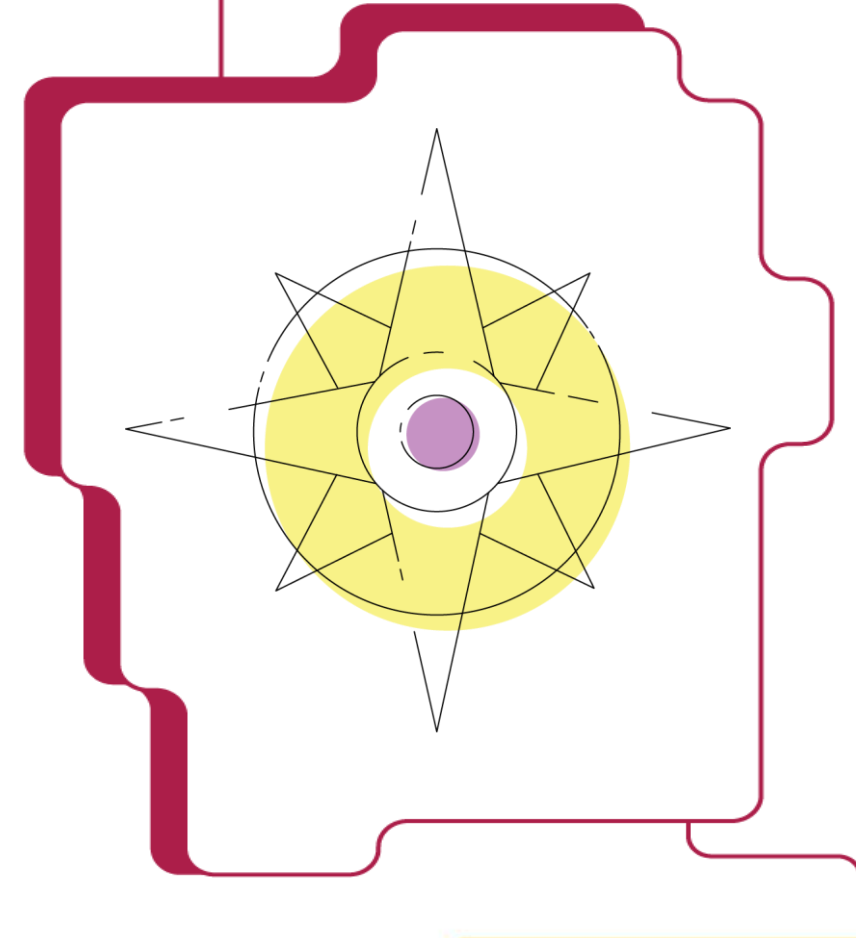
Monthly Recurring Revenue

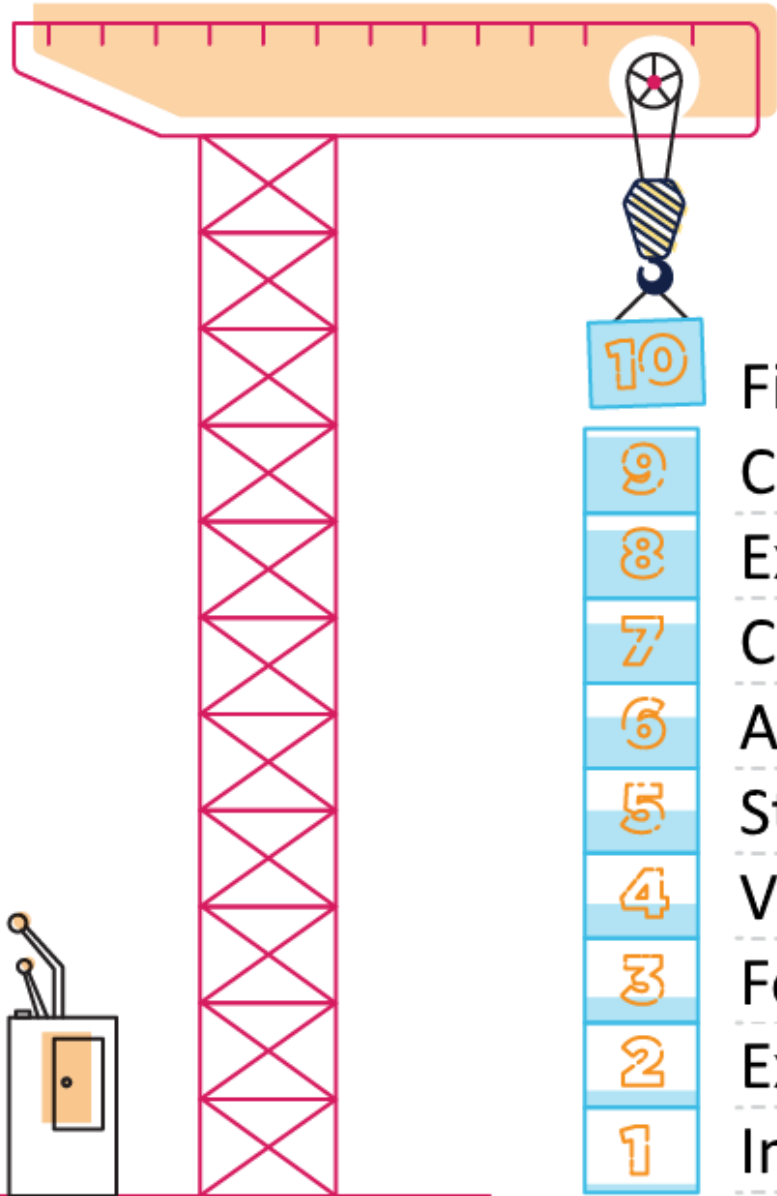
## Proxies for customer value

Minutes of Player Activity per Month per User

Total Order Size per Customer

Transfers or Rides per Customer per Month





10

Finish

9

Conservation

8

Expansion

7

Crystallization

6

Acceleration

5

Stabilization

4

Validation

3

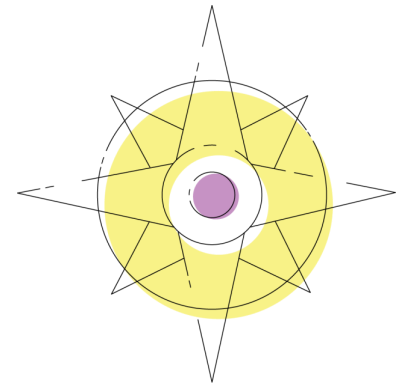
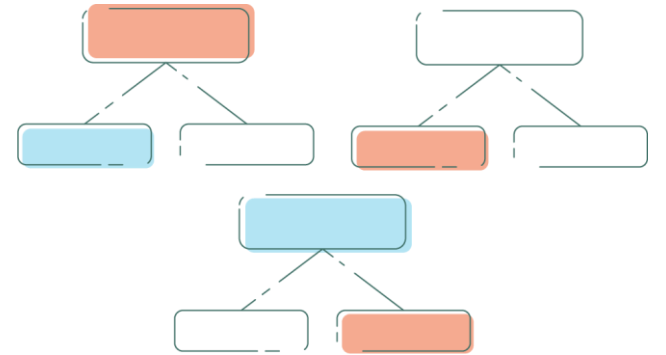
Formation

2

Expedition

1

Initiation

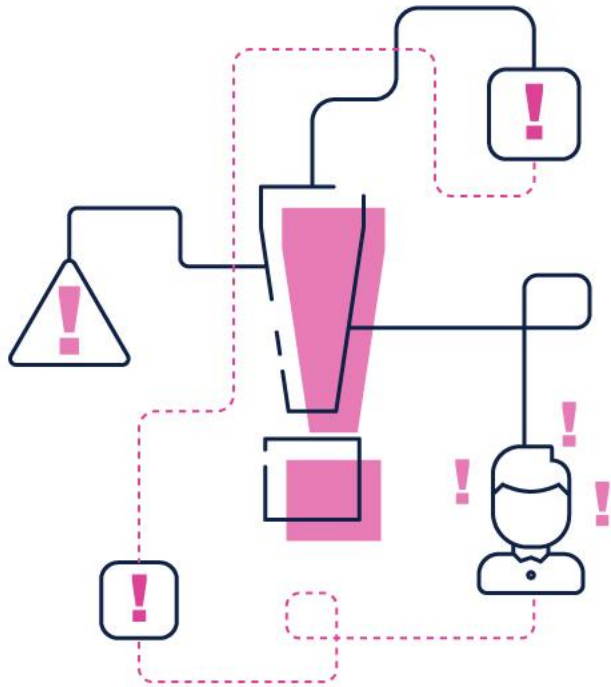






Different ages need different practices!

# How to solve the Innovator's Dilemma

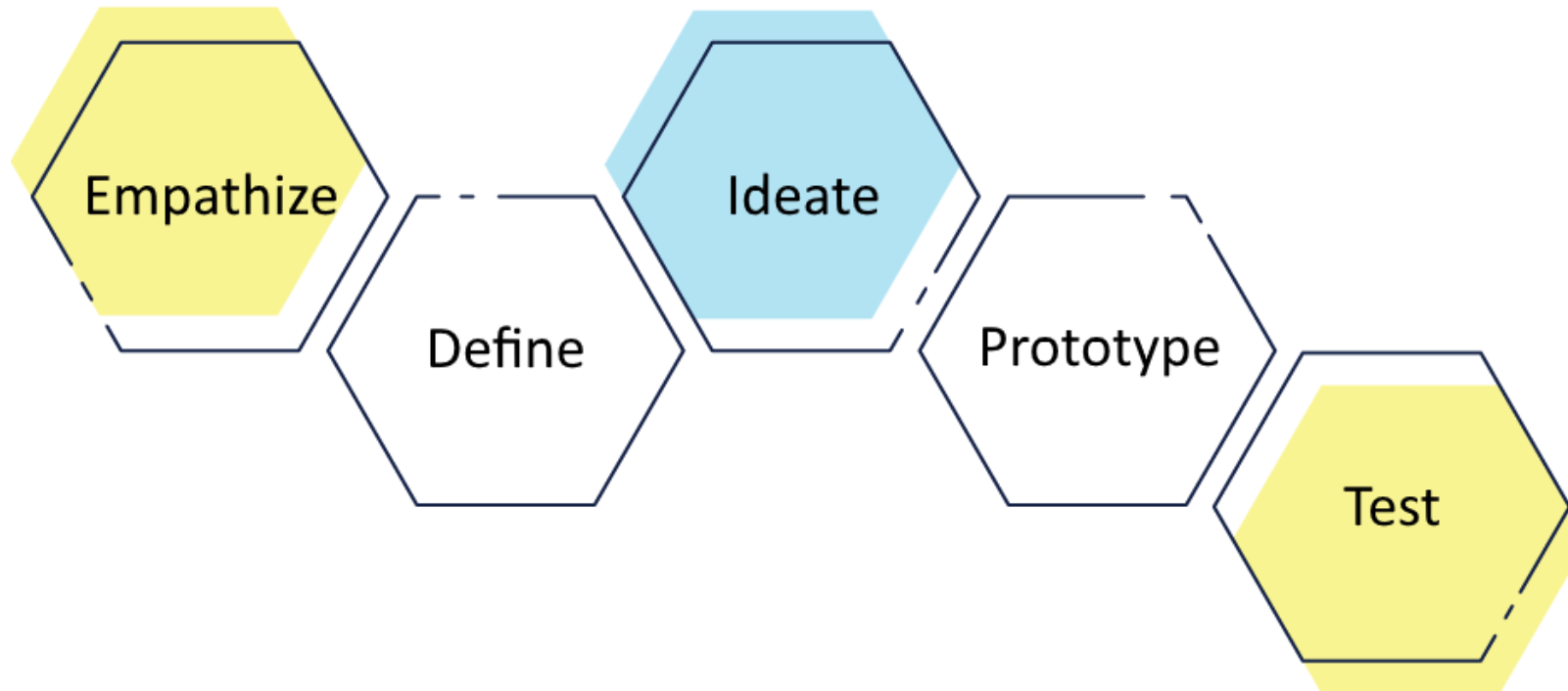


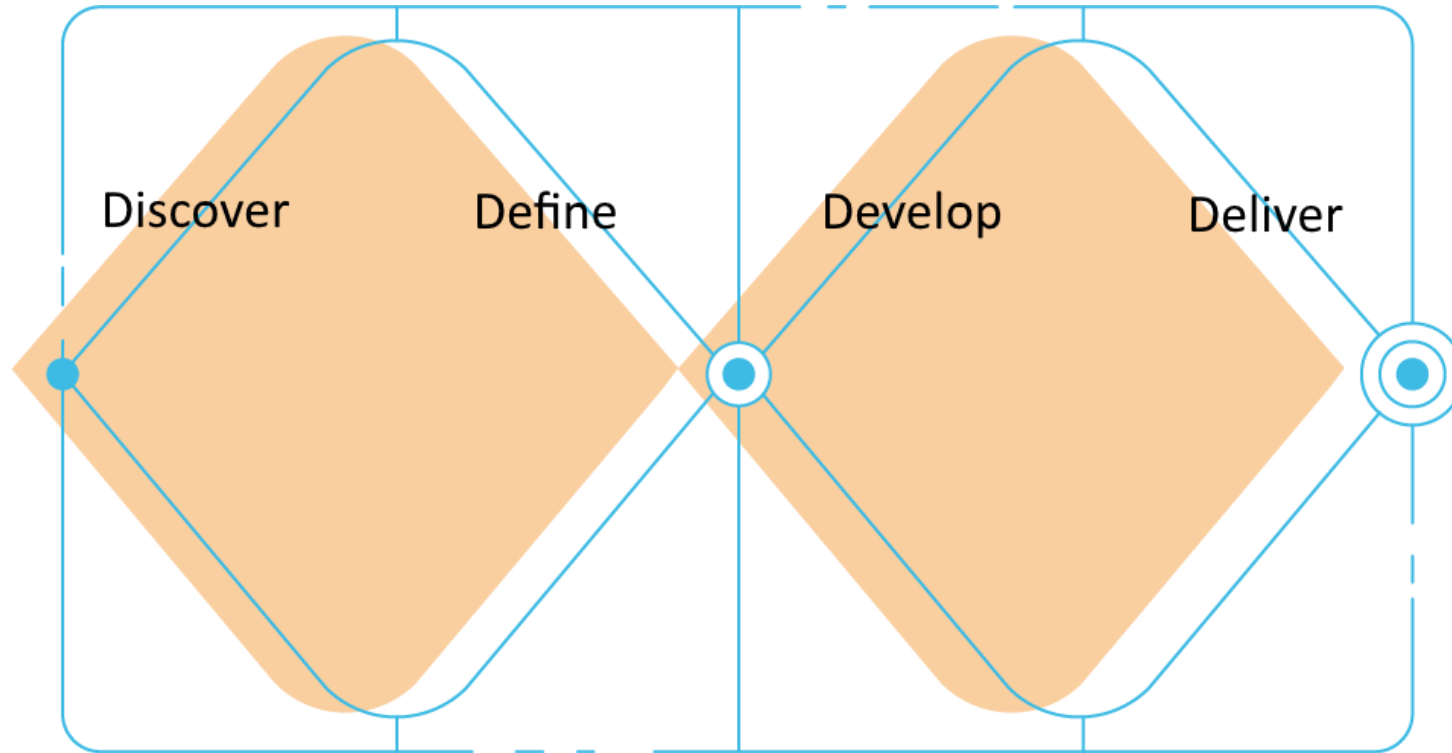
Use the **Business Lifecycle**

*Practices depend on business model maturity*



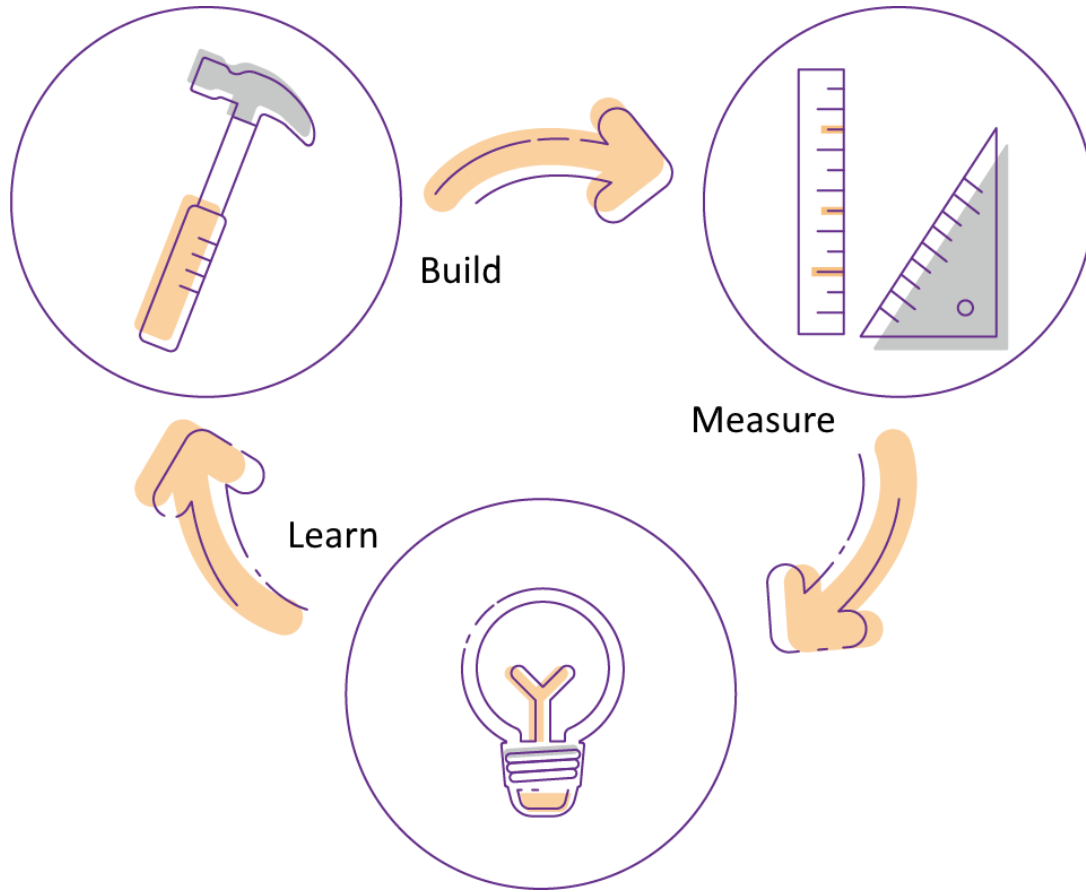
# The Design Thinking Process (d.school)





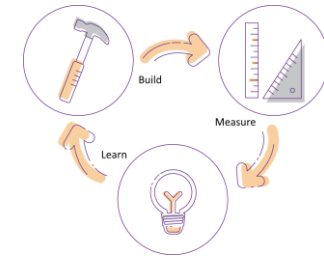
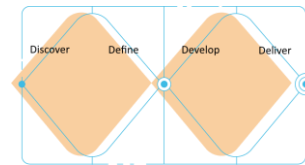
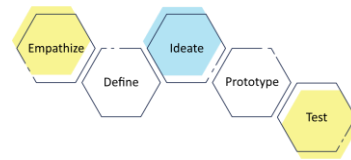
## The Design Thinking Process (Design Council)

<https://www.designcouncil.org.uk/news-opinion/design-process-what-double-diamond>



## The Lean Startup Process

# The Seven Streams of the Innovation Vortex



**Contextualize**

-

-

-

-

**Empathize**

Empathize

Discover

Understand

-

**Synthesize**

Define

Define

Diverge

-

**Hypothesize**

Ideate

-

Decide

-

**Externalize**

Prototype

Develop

Prototype

Build

**Sensitize**

Test

Deliver

Validate

Measure

**Systematize**

-

-

-

Learn

Contextualize (Frame)

Empathize  
(Discover)

Systematize  
(Learn)

Synthesize  
(Define)

Sensitize  
(Test)

Externalize  
(Build)

Hypothesize  
(Ideate)

Innovation  
Vortex



# Job to be Done





Contextualize (frame)

Empathize  
(Discover)

Systematize  
(Learn)

Synthesize  
(Define)

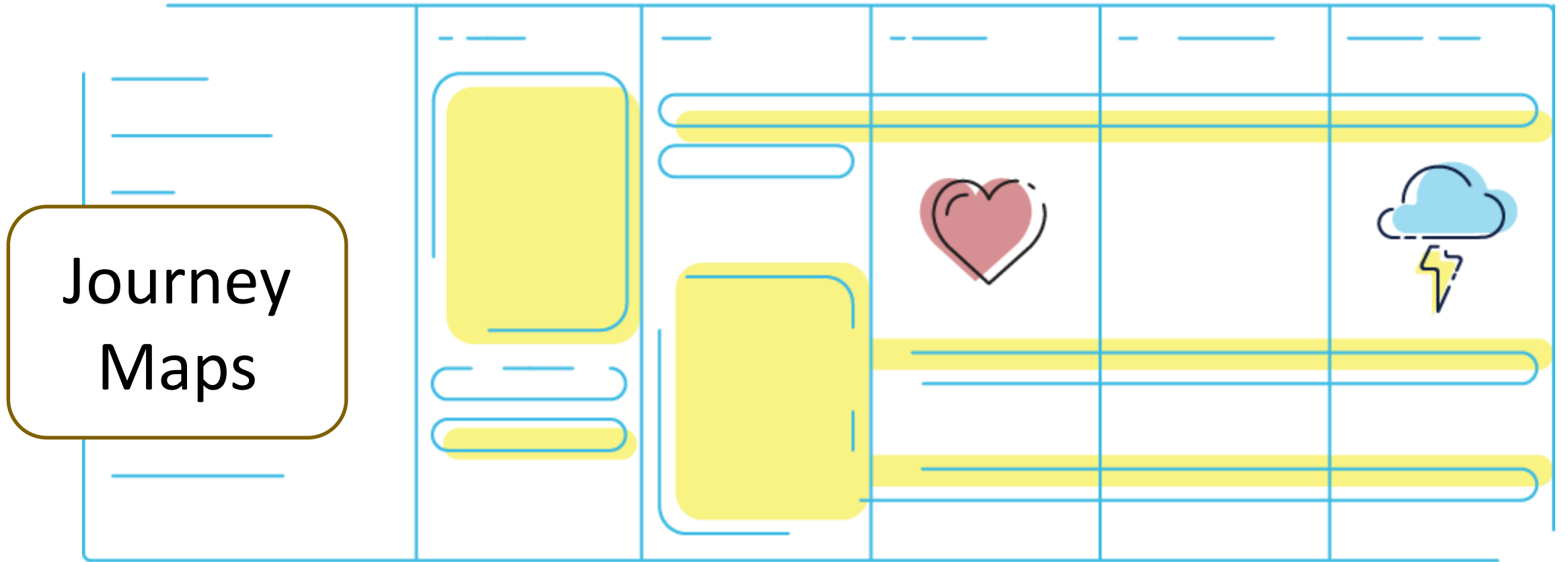
Sensitize  
(Test)

Externalize  
(Build)

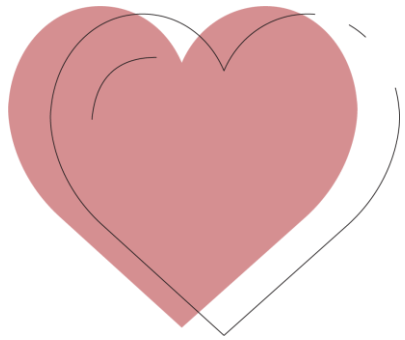
Hypothesize  
(Ideate)

Innovation  
Vortex





Journey  
Maps



WOW



WTF



cafe latte



latte macchiato



Coffee with milk is not milk with coffee!



cafe latte

latte macchiato

Contextualize (frame)

Empathize  
(Discover)

Systematize  
(Learn)

Synthesize  
(Define)

Sensitize  
(Test)



Hypothesize  
(Ideate)

Externalize  
(Build)

Innovation  
Vortex

### Systematize (Learn)

Did you reflect on what you learned so far? Did you evaluate how to improve your work systems? For example, with Agile Retrospectives or Value Stream Mapping?

### Sensitize (Test)

Did you check how people responded to your releases? Did you validate the experiments? For example, with Customer Demos, A/B Testing, or Eye Tracking?

### Externalize (Build)

Did you build prototypes for possible solutions? Did you prepare iterative releases for running experiments? For example with Minimum Viable Products?

### Hypothesize (Ideate)

Did you come up with ideas to address the problems? Did you brainstorm about solutions? For example, with a Value Proposition Canvas and Lean Experiments?

### Contextualize (Focus)

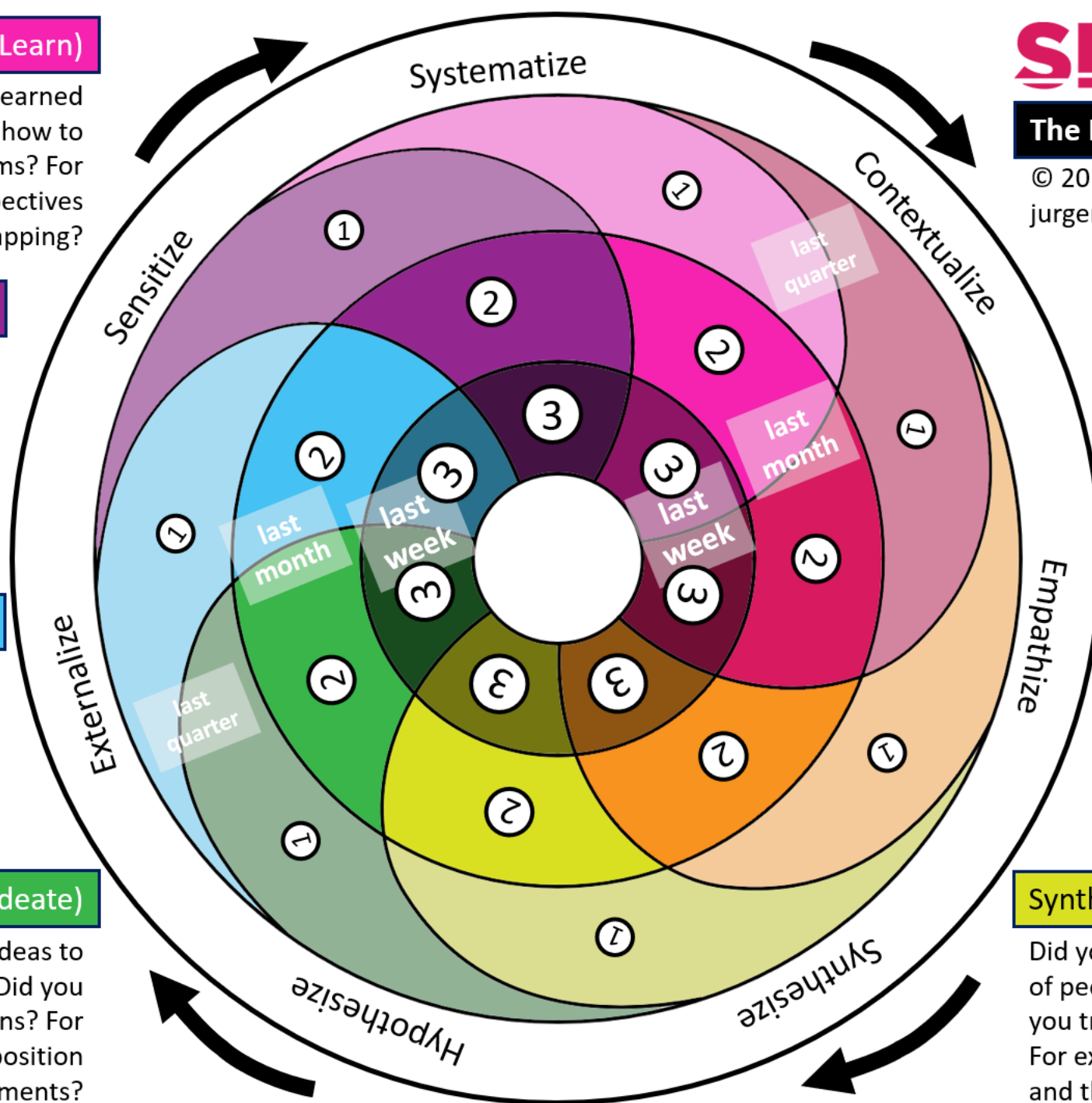
Did you choose which domain to focus on? Did you work on what is in-scope versus out-of-scope? For example, with a Lean Canvas or Business Model Canvas?

### Empathize (Discover)

Did you do work to understand people's current experiences? Did you try to uncover their needs and feelings? For example, with Customer Interviews or Site Visits?

### Synthesize (Define)

Did you work on a cohesive picture of people's needs and feelings? Did you try to clarify their problems? For example with Lean Personas and their Jobs To Be Done?



# Exploration

Disruptive innovation

# Execution

Sustaining innovation



1



2



3



4



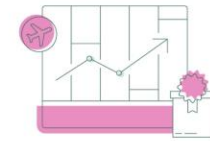
5



6



7



8



9



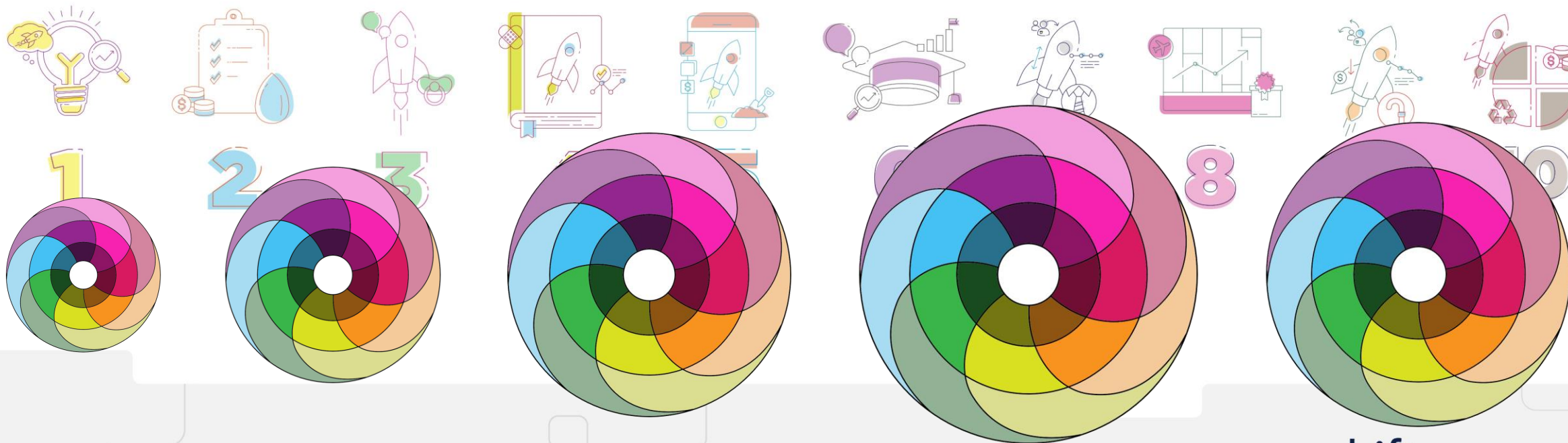
10

# Exploration

Disruptive innovation

# Execution

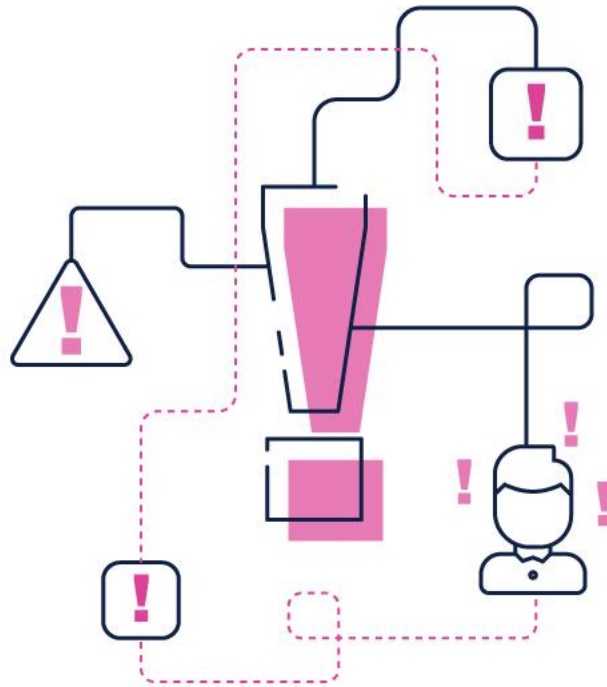
Sustaining innovation



shiftup.work



# How to solve the Innovator's Dilemma



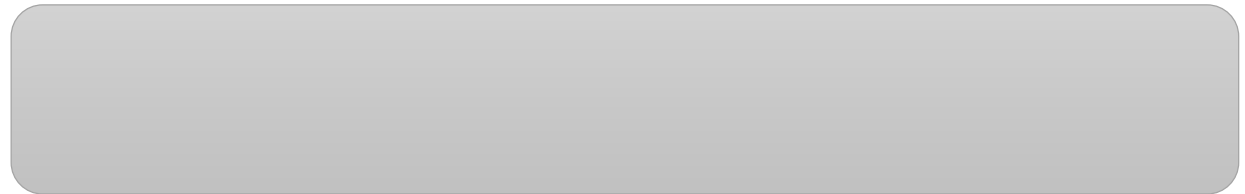
Use the **Business Lifecycle**

*Practices depend on business model maturity*



Use the **Innovation Vortex**

*Gradually shift from disruptive to sustaining*

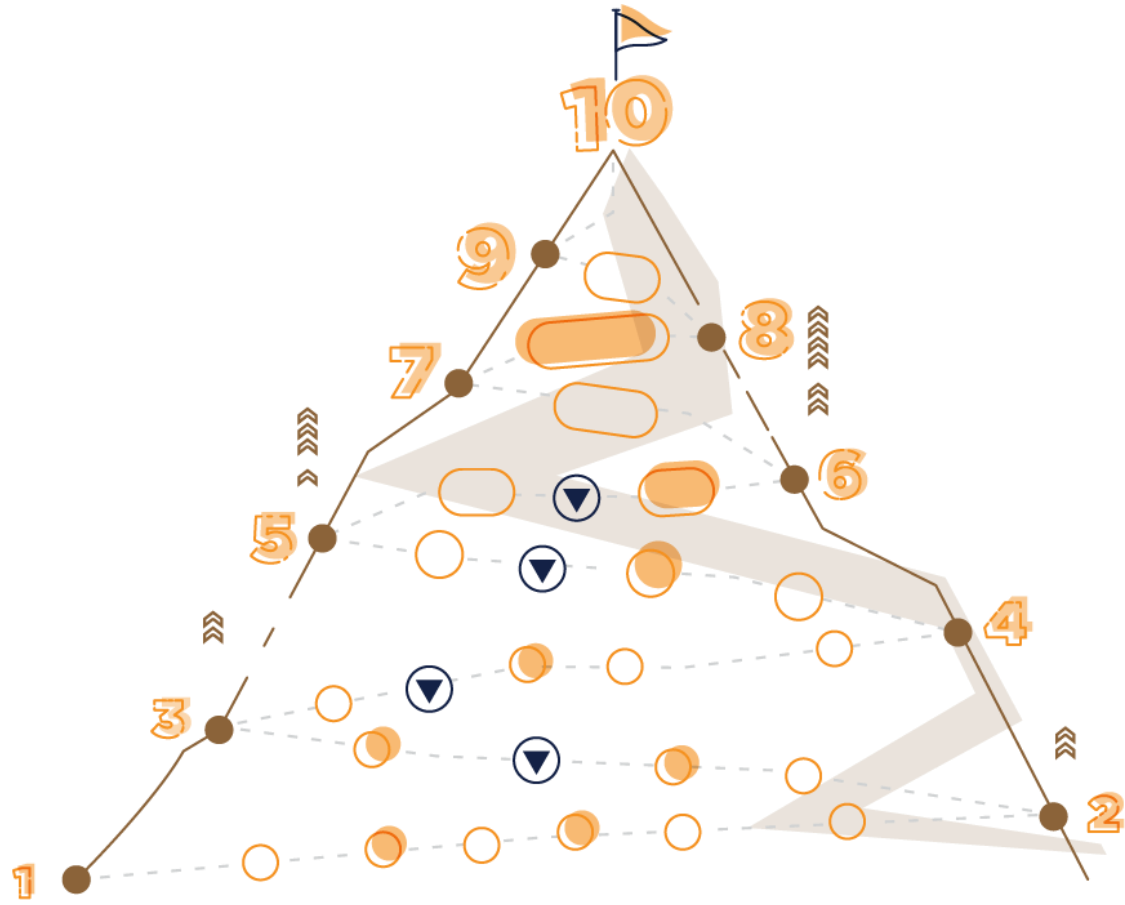




## Innovation Steering Committee

Some workflows are funnels, not pipelines!



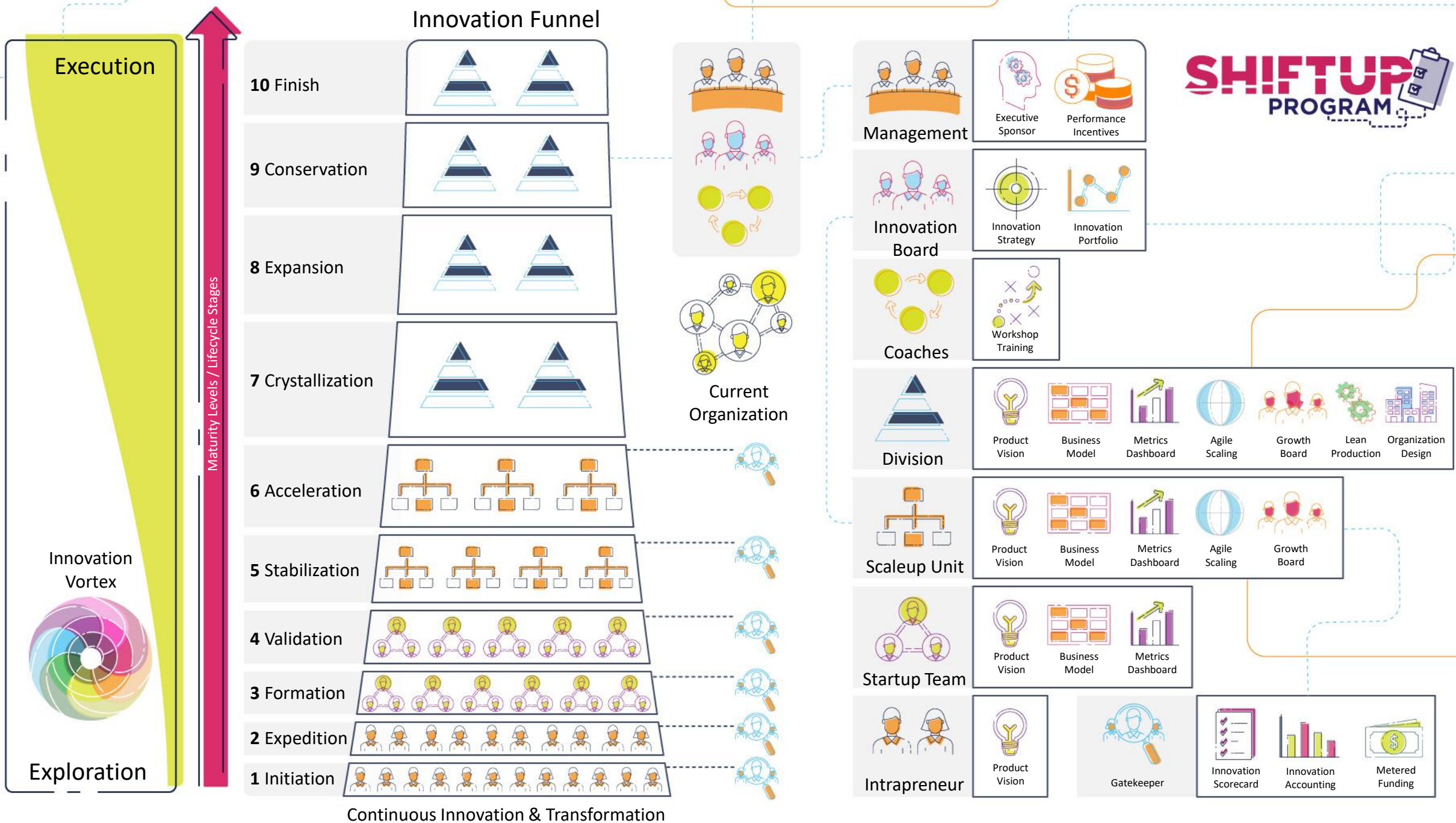


## Innovation Funnel

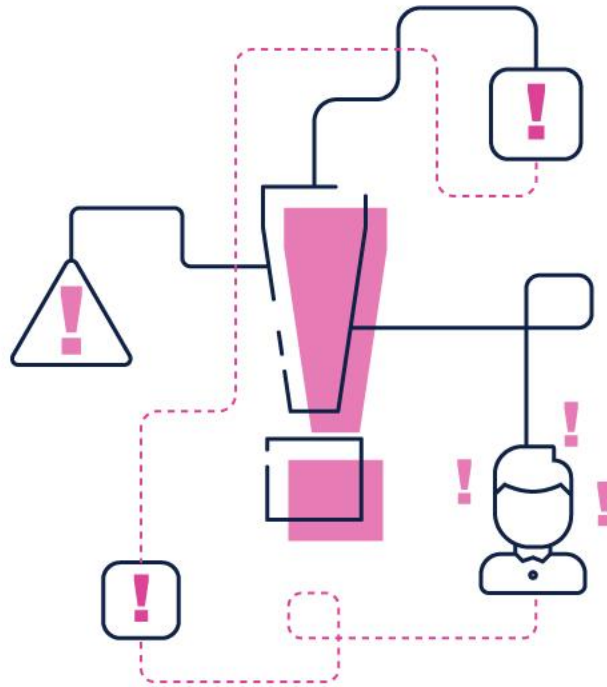




**Innovation Board**  
(growth board, portfolio management)



# How to solve the Innovator's Dilemma



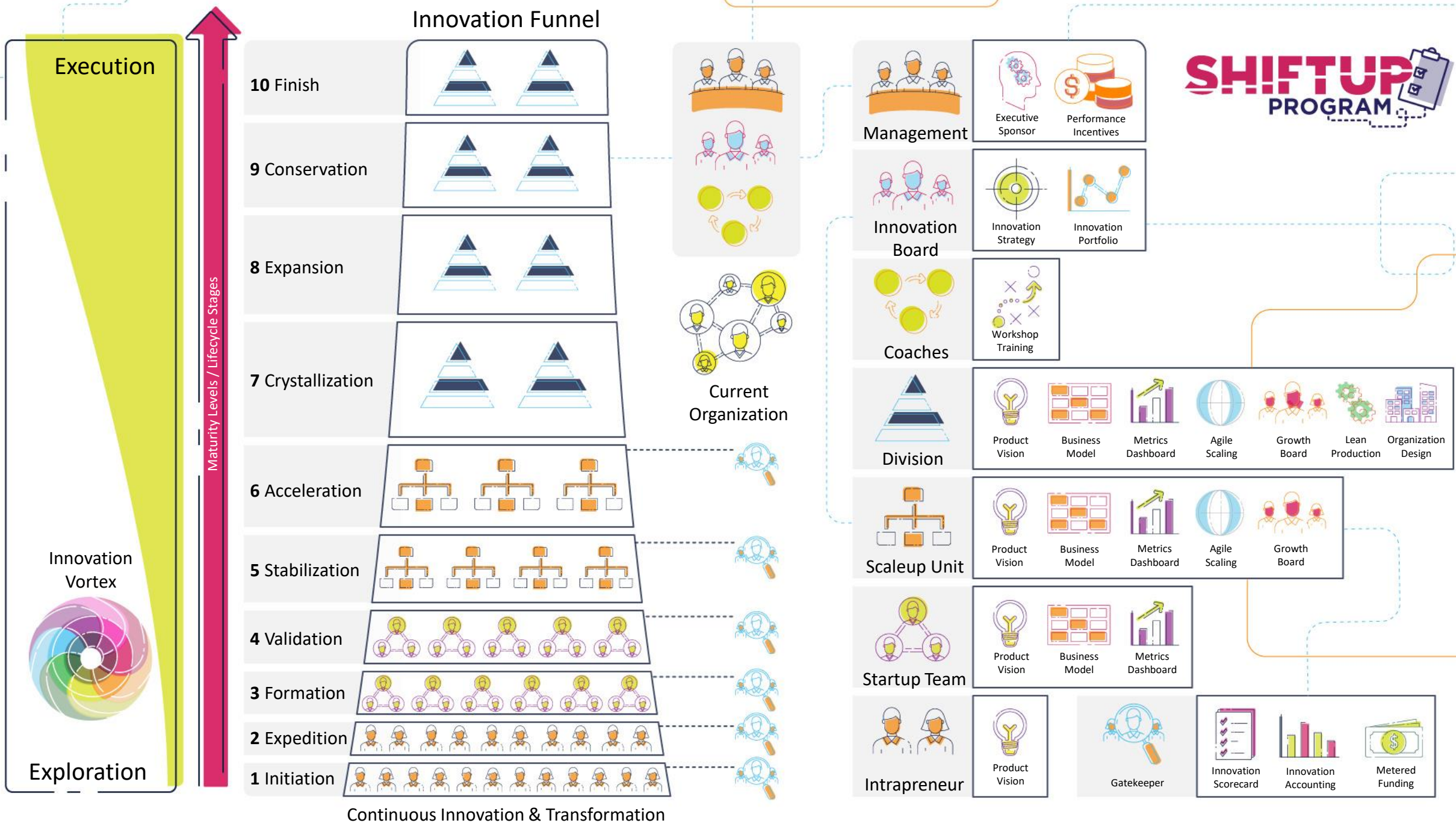
- ✔ Use the **Business Lifecycle**  
*Practices depend on business model maturity*
- ✔ Use the **Innovation Vortex**  
*Gradually shift from disruptive to sustaining*
- ✔ Create an **Innovation Funnel**  
*Grow your own great game of business*

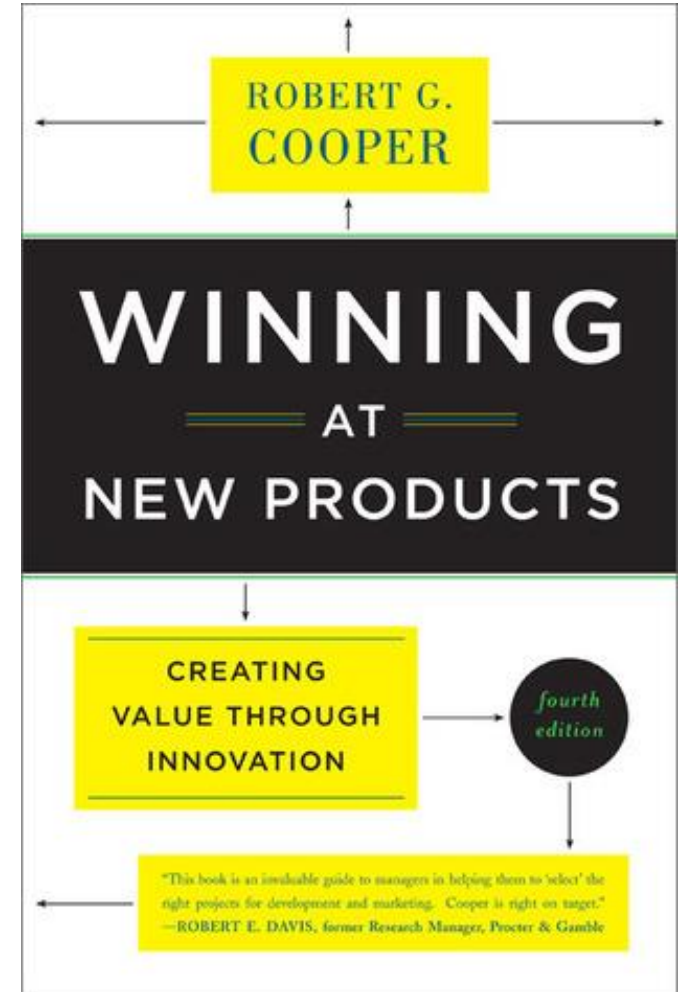
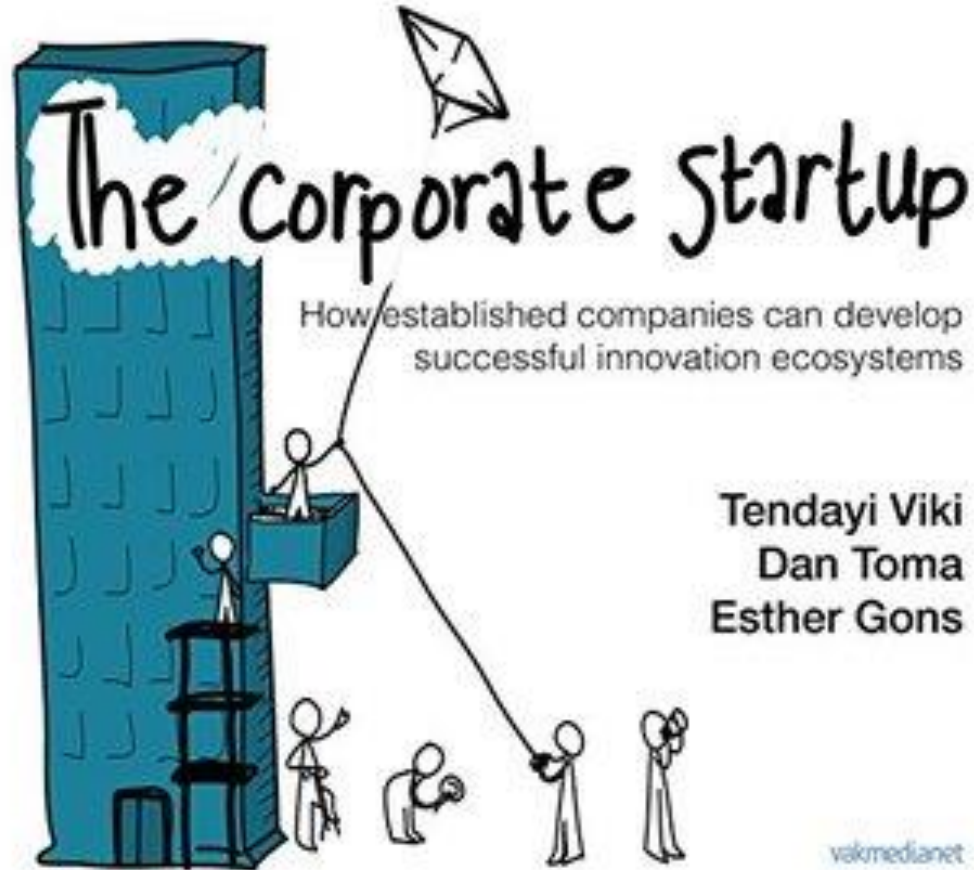
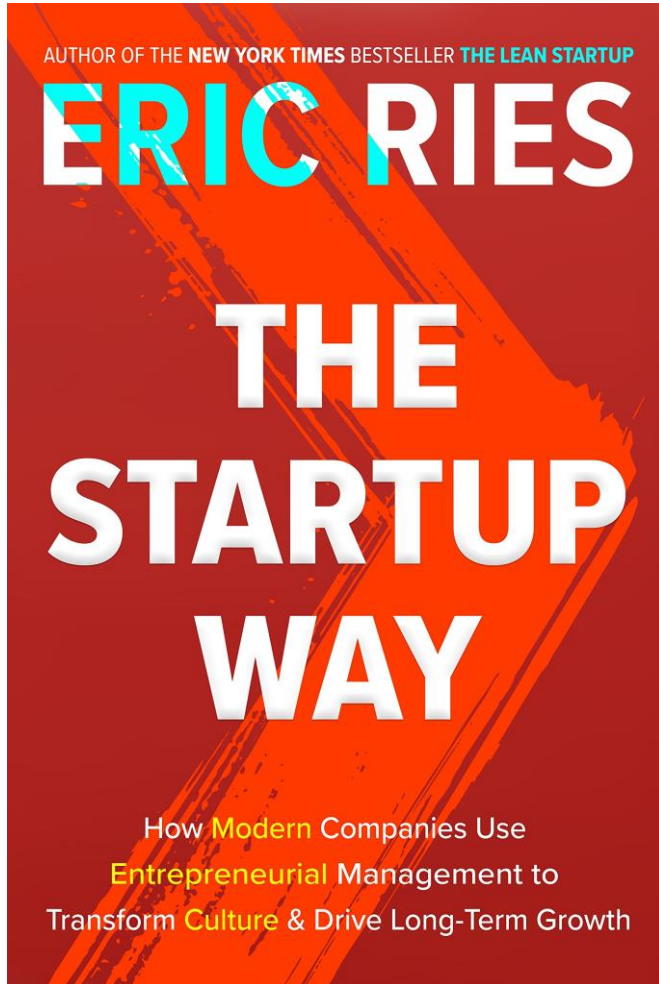


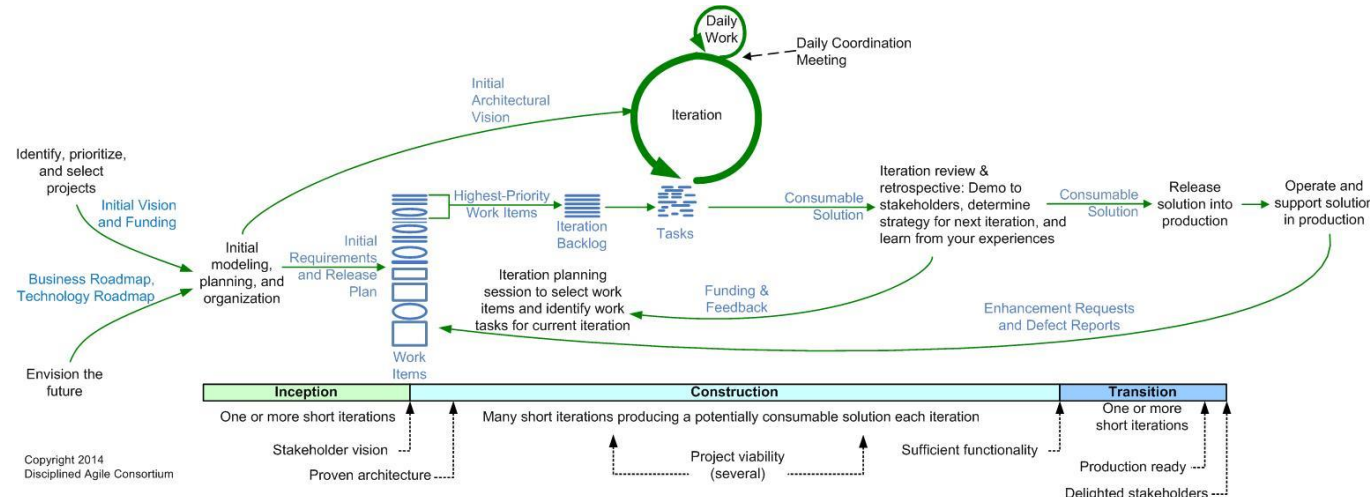
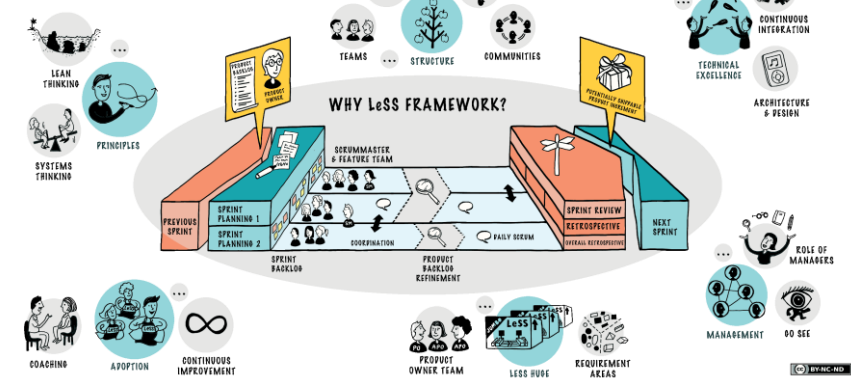


## «How can we have a startup culture?»

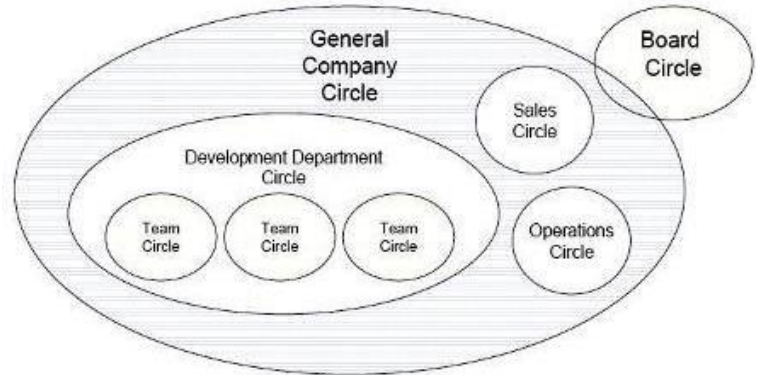
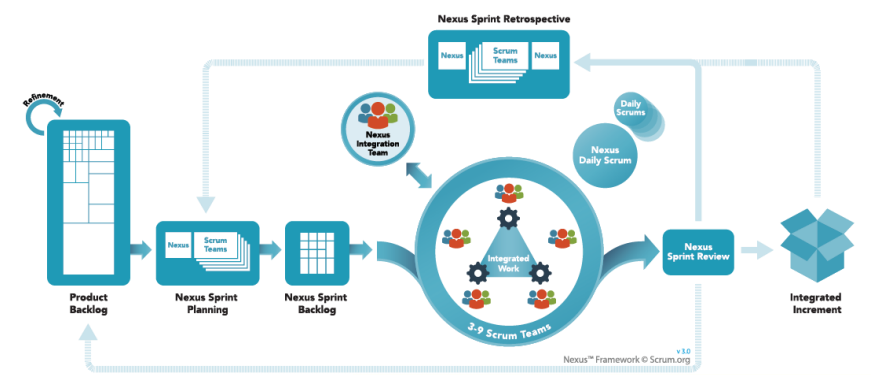
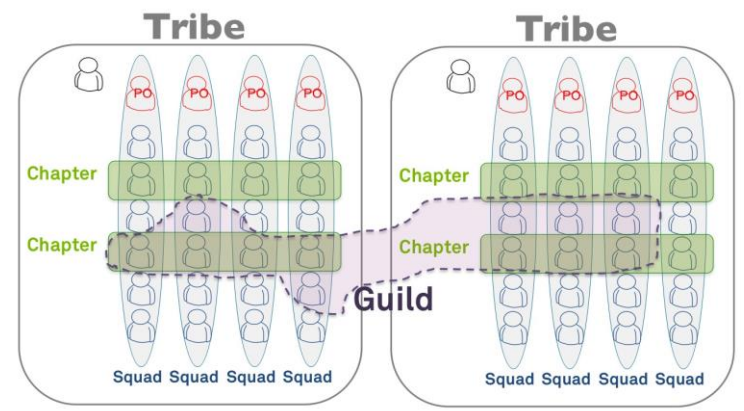
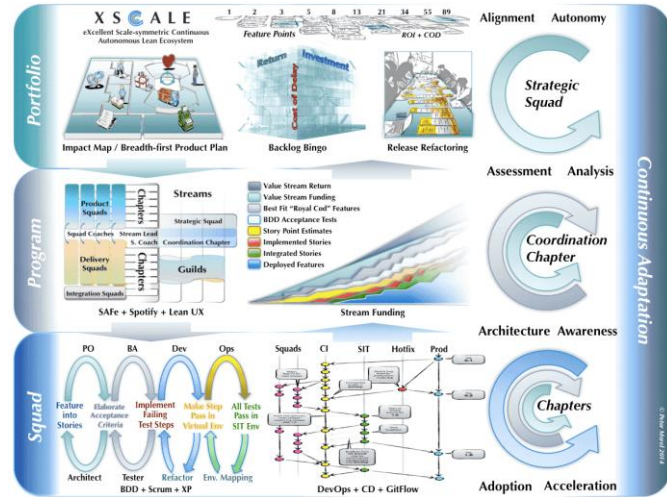
(But we don't want to lose our scaleup culture.)



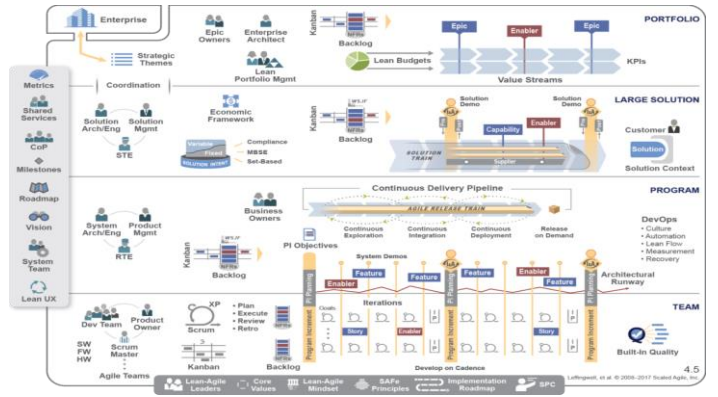
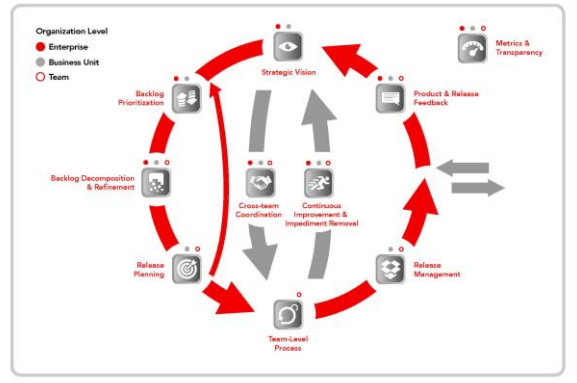




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**Modular Framework for Scaling Scrum**



# SHIFTUP PROGRAM



[bit.ly/shiftup-signup](https://bit.ly/shiftup-signup)



in


f



You  
Tube

Nature solved the innovator's dilemma a long time ago.





The only way not to be disrupted  
is to disrupt yourself.

Go forth and make more startups!





# STARTUP SCALEUP SCREWUP

42 Tools to Accelerate  
Lean & Agile Business Growth

Jurgen Appelo

Available now!

[startup-scaleup-screwup.com](http://startup-scaleup-screwup.com)

Which business model area are we exploring?  
Learning Goal

Lean Experiment  
Experiment number:  
Experiment name:  
Experiment owner:

What do we believe that might be wrong?  
Risky Assumption

Complete Hypothesis = We believe [this relevant, critical assumption is true]. We will know we're wrong when we [do some repeatable, scale-to-fail action] and as a result get [some timely, measurable outcome].

Which smallest test gives us fast results?  
Test Actions

Which statement captures the whole test?  
Complete Hypothesis

What measurement is the fail condition?  
Key Outcome

shiftpup.work

**SHIFTPUP**  
The Innovation Vortex

**Systematic (Learn)**  
Did you reflect on what you learned about what you wanted to improve your work system? For example, with Lean Principles or Value Stream Mapping?

**Systematic (Test)**  
Did you think the process required by your releases? Did you validate the experiment? For example, with Customer Development, A/B testing, or the landing page?

**Systematic (Build)**  
Did you build something for possible solutions? Did you prepare business releases for testing experiments? For example with Minimum Viable Product?

**Systematic (Validate)**  
Did you come up with ideas to address the problem? Did you interview about customer feedback, with a stakeholder canvas and lean experiments?

**Systematic (Deliver)**  
Did you think which domain to focus on? Did you work on what is in scope versus out of scope? For example, with a Lean Canvas or Business Model Canvas?

**Systematic (Define)**  
Did you do work to understand people's current experiences? Did you try to connect their needs and feelings? For example, with Customer Interviews or the Voice of the Customer?

**Systematic (Define)**  
Did you work on a solution picture of people's needs and feelings? Did you try to clarify their problems? For example with user personas and their jobs to be done?

**2**  
**Stories of Your Life and Others**

Discover the Business Lifecycle of startups and scaleups and reflect on exploration, execution, and Product/Market Fit.

The idea for my startup was born in Union Square Park in New York. It was summer 2016. I was on tour in the United States to promote *Managing for Happiness*, my previous book, and I was sitting on a park bench, reading my own business, and doing a bit of reading. Around me in the park were people from all over the world, with different languages, clothes, hairstyles, skin colors, and body modifications. However, everyone was playing the same game on their smartphones: Pokémon Go. It was absurd. Hundreds of strangers were walking around with their phones, trying to catch invisible monsters. I had never witnessed a global fad of that scale before. I thought the world had gone mad. Then something clicked in my head. I thought, "As business coaches, consultants, and trainers, we do our best to get people in organizations to change their behavior. It can take years for just a few hundred employees to fully adopt agile

**9**  
**The Invention of Everything Else**

Discover the Innovation Vortex, which emerged by combining the Design Thinking approach with the Lean Startup method.

Imagine that you're building a new fitness center with fancy, high-tech equipment. You even have an AI-powered cryo-cold room. The people in your town are enthusiastic because there's nothing like that in the area. A number of them already sign up! Then, when the gym is finished, the doors open, payments come in, and... nobody shows up. Yes, people pay for their subscriptions, maybe because they feel they should go to a gym, or maybe because being part of something new makes them feel hip and trendy, but your rooms are mostly empty. The equipment just stands there doing nothing, and the crowd is playing a bubble soccer game with the cross-trainer. However, people from neighboring towns have seen you building your fancy fitness club and they ask you, "When will you open such a nice gym in our town?" What do you tell them? Do you build more gyms, because people ask? Or do you figure out why nobody uses the first one?

# SHIFTPUP PROGRAM



**1**  
**INITIATION**

The business model is just an idea.

Infant - 0-1 years



[bit.ly/shiftpup-signup](https://bit.ly/shiftpup-signup)



# Shakeup and Speedup (EN)

- — Jorgen Appelo —
- Mardi 17 septembre 2019 09:30

