

STOP!



Wasting time and money on failed projects

Innovating should be a priority for all businesses, yet too often, businesses approach innovation with a traditional mindset: they write a business plan, secure investment capital, and then spend months or years developing the idea without knowing if it will work.

This approach hardly worked in the past, but in today's fast-paced business environment, its shortcomings are laid bare more quickly and brutally than ever before, with market share being snapped up by more agile competitors. Businesses have come to realise that, if they want to be successful, they need a new approach.

The Build-Measure-Learn method applies the principles of small start-ups that don't have resources to waste on bad ideas. Through experimentation, customer feedback and iterative design, Build-Measure-Learn ensures businesses don't waste time, money and scarce skills on initiatives that deliver little or no benefit to the organisation or the customer.

To make certain they're investing in ideas that deliver purposeful and positive change, businesses should focus on agile development and adopt lean principles so that they can answer these key questions about identified opportunities:

1. Is it a problem worth solving?



The only successful solutions are those that address a problem worth solving. Too often, businesses develop a solution and then try to find a problem it could solve, which usually leads to failure.

By adopting the Build-Measure-Learn approach, businesses first define the problem and conduct 'problem interviews' to test the hypothesis with real customers to establish if they believe it is a problem worth solving. During these interviews, they may find that people have found ways to work around this problem and that they're comfortable to keep using these methods.

2. Can we solve the problem?



Step two of the Build-Measure-Learn process involves the iterative development of a minimum viable product (MVP), which is the smallest solution, with ruthlessly limited features, that can be used to test the solution with real customers.

For example, businesses could create an app for a single platform – like Android or iOS – which shows that the problem can be solved with one or two features, rather than the traditional approach of developing a full-blown solution for all platforms before ever testing it with customers.

During the 'measure' step, a few people who are comfortable with trying new ideas (known as 'early adopters') provide feedback on the solution's usability,

whether they think it solves the problem, and the value it adds to their lives. This feedback is used to 'learn' by deciding whether the solution needs to be adjusted (pivot) or persisted with through the next iteration of the MVP ('persevere').

This is not a product launch. Rather, it's about testing a developing solution with real customers, and establishing whether it should be further developed by building the next smallest, quickest and cheapest iteration. It's important to note that these principles apply to all areas of business, not only development.

3. Will consumers buy it?



Once businesses have identified a problem that's worth solving, and have a working proof of concept for a solution that can solve the problem, they need to establish if people will pay for it.

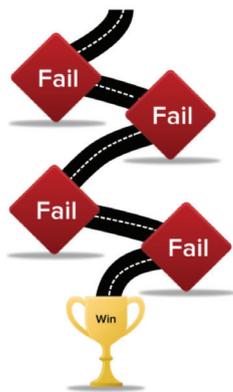
This is where vanity and real metrics come into play. An example of a vanity metric is the number of times an app has been downloaded. This figure does not take into account how many people actively use the app, however. Real metrics, on the other hand, provide valuable insights into how often people access and use the app, as well as which features they use most.

This can be tested by establishing if people will pay for the app by encouraging them to take real actions – like following a link and downloading the app – and then measuring if they actually paid for it.

If real customers have answered yes to all these questions, the organisation can then proceed to define a business case to build and scale the solution, knowing that it is likely to be a more worthwhile investment than the historical approach of doing the business case first, developing an entire, expensive solution over a significant period of time, and then launching and hoping.

Fail fast, succeed faster

What Successful People Know



The 'learn' aspect of the Build-Measure-Learn process is about embracing failure, accepting constructive feedback and learning from mistakes. The only way we learn how to ride a bicycle is by falling off and trying again. This can be applied in business, yet many businesses punish failure, and so projects still follow typical cycles that stretch over many years, are delivered late and over budget, and offer few benefits to the end-user.

There are many ideas in the world. The goal of the Build-Measure-Learn process is to quickly prove if an idea is a good or bad one, whether that's an app or a new product or process. The more time and money businesses spend on bad ideas, the more they waste scarce resources that could have been spent on good ideas. This is particularly difficult for large, established organisations because they're used to putting everything into an idea without getting any feedback along the way.

In contrast, entrepreneurs and start-ups don't have the luxury of time or money to operate this way. They need to prove ideas as they go along in order to secure more funding, which means they produce better, well thought-out solutions - and are disrupting the markets of enterprises.

About the Author:

Jurie Schoeman is the Client Engagement and Strategy Executive at Business Systems Group (BSG) Africa, a role he has fulfilled since its creation in 2011. Having joined the business at a time when it was restructuring to support its rapid growth rate, Jurie has headed numerous key areas during his tenure with BSG. From establishing the Programme Management Capability in 2007 to being the Regional Head for Johannesburg in 2009 and 2010, Jurie has made his presence felt in all areas of his career. When the decision to create a strategic Client Engagement executive function was made in 2011, Jurie took on the role he now holds.

Having completed a Bachelors Degree in Business Science and Economics, with Honours in Information Systems from the University of Cape Town in 1999, Jurie spent the formative years of his career at Accenture. It was here that he discovered his flare for consulting and developed his client engagement management skills.

Jurie is passionate about being able to co-ordinate and facilitate the direction the business takes and the ability to adjust that over time. He strives to develop new, innovative ways to grow the business and often looks to disruptive innovation for ways to do things differently. Jurie believes that by evolving with the requirements of the business, he has been strongly positioned to take on new roles and build trust and credibility in his work. He is extremely proud of the growth he has been a part of enabling at BSG, resulting in BSG's positioning as a South African-based business consulting partner to numerous global enterprises, and in BSG proactively entering new client segments.

Jurie balances his professional commitments with an active, healthy personal life. He plays golf, listens to music and spends time with his wife, Helen and their two young daughters, Nina and Leah.

Who we are:

BSG is passionate about being a proactive force for positive change. We do this by thinking differently and helping business leaders solve problems through customer-centric and fact-based decision making approaches. With two decades' experience in consulting and technology we make a difference in everything we do by taking an outside-in view and removing assumptions to deliver outcomes. We are committed to delivering visible business benefit as a result of the work we deliver to our clients through our people.

BSG started trading in 1997, after identifying a gap in the market for services to create synchronicity between business and IT functions. Initially specialising in Business Analysis, BSG today offers a full house of service and advisory capabilities designed to close the gap between business and IT.

At BSG, we strive to deliver business value by collaboratively guiding our clients to better understand which initiatives will deliver the most value, and working together to make these a reality. By defining and understanding the purpose for change, we design practical solutions to build the bridge between the business expectation and the technology implementation.



Unlocking potential ► Accelerating performance

BSG

22nd Floor, Stonehill Place
22 Riebeeck Road
Cape Town
8000

Oxford Terrace
No. 3 Ninth Street
Houghton Estate
2198

Tel 021 418 0888
Email info@bsg.co.za

Tel 011 215 6666
Web www.bsg.co.za