



Guide MVP



MVP as a solution for rapidly changing markets

How to resolve transformation pressure in a few weeks

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01 MVP is more than a Buzzword

Lean Startup,

Trial-and-Error,

MVP ...

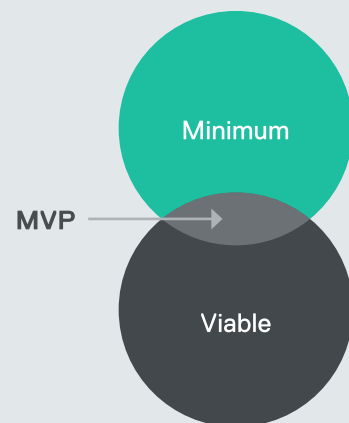
...anyone working in digital business knows the abundance of intransparent buzzwords. But by the spring 2020, when the world is upside down, every decision-maker in commerce should really understand the concept of the MVP.

As Comprehensive as Necessary, as Simple as Possible

The “Minimum Viable Product” is the introductory, but functional version of a product. With the help of the MVP, you can collect user feedback, test demand and usability before you invest more in the development of the product or idea: Or, if the data demands, abandon it and concentrate on new, more promising ideas. This is particularly true in the case of digital products and services, such as online shops, content portals, marketplaces or mobile apps.

Every MVP must accomplish two conflicting goals:

- 01 On the one hand, the product should be as simple as possible so that it can be developed quickly.
- 02 On the other hand, it must be mature enough so that it works and generates value for the customer.



This approach is very different from classical product development, which is based on market analysis, incubation phases, long planning, a list of requirements, and perfection. **The primary objectives of an MVP are a shortened time-to-market and continuous adaptation to real market conditions.**

In this MVP guide, we answer the question of how an MVP can be used to implement quick solutions in rapidly changing markets. Avoid misinvestment by quickly realizing digital projects, bringing them to market and developing them further based on real user feedback.

The Approach is Simple:

You are planning to build a vehicle. How do you go about it?

How **not** to build
a minimum viable
product



1



2



3



4

How to build a
minimum viable
product



1



2



3



4



5

02 Why the MVP approach is the best solution for changing markets

In today's market, the pressure to transform is high. When the improvement involves digital projects, the smallest details are often planned ahead, every single requirement is defined prior to market entry. The intention: To have everything perfect before going live.

Beware: Today, market requirements change faster than a perfectionistically planned digital project can be implemented. Fast action and adaptability are the keys to success.

Markets and customer needs are changing faster than ever. This is not a new insight, but in the turbulent spring of 2020 it is being made clear to everyone once again. In these times, it is essential in commerce in particular to be able to adapt quickly to the changing requirements of the market and customers. Technologies are developing rapidly, new customer touch points are emerging, competitive pressure to digitize is increasing and customer expectations are becoming more and more complex. Anyone who loses too much time in coordination processes and tries to predict the unpredictable in long planning cycles runs the risk of being left behind by fast-moving market changes. With increasing project length, the probability of getting a positive ROI (Return on Investment) decreases.

The challenge of digital transformation lies in translating the digital project idea into a concept that can be tested and put into practice quickly, and then it must be implemented in a way that is fast, data-driven, and functional.

” More than 60% of the features in software products are never used!”¹

The CHAOS report by the Standish group defines success factors and investigates reasons for failure of digital projects. The results are clear: The MVP approach is not optional.¹

Project plans with an MVP approach

16.2%

...of the examined projects were successfully completed:

- finished in time
- no cost overruns
- all originally required functionalities included



Key success factors:

- + Involvement of end users
- + Support from senior management
- + Clear requirements

Project plans without an MVP approach

52.7%

... of the projects in the study were completed with cost or time overruns.



31.1%

... of the companies surveyed had to abandon their projects.



Cause of failed projects:

- Missing input from end users
- Incomplete/unclear requirements
- Frequent requirement changes

¹ CHAOS Report: Decision Latency Theory (2018) Package,
<https://www.standishgroup.com/store/services/10-chaos-report-decision-latency-theory-2018-package.html>

03 The principles of an MVP

Many executives and project managers find the MVP process not very intuitive. They are afraid of the approach because it is based on a number of radical principles aimed at rapid implementation of ideas. This is particularly unusual in highly regulated industries and teams that have long had a perfect product as their launch target.

MVP principles meet the momentum of modern markets

But it is worth getting used to, because in a digitalized world with rapidly changing trends and ever shorter digital half-lives there is no time for months of planning. According to the premise 'think big, build small', an MVP pursues a vision, but initially focuses on a few core functions in the implementation.

- **Progress** instead of perfection!
- **Test phase** instead of long development and planning phase
- **Benefits** instead of complex properties
- **Agility** instead of the waterfall model
- Focus on the **next step** instead of the last
- Success is measured not only in terms of sales, but also in terms of **cost savings**
- **Information about user behavior** through early data evaluations instead of subjective expectations from the project manager

In some retail segments, using the MVP process may seem highly unusual. However, executives need to realize that speed can determine success or failure; and you need to know for sure that you are heading in the right direction from the beginning.

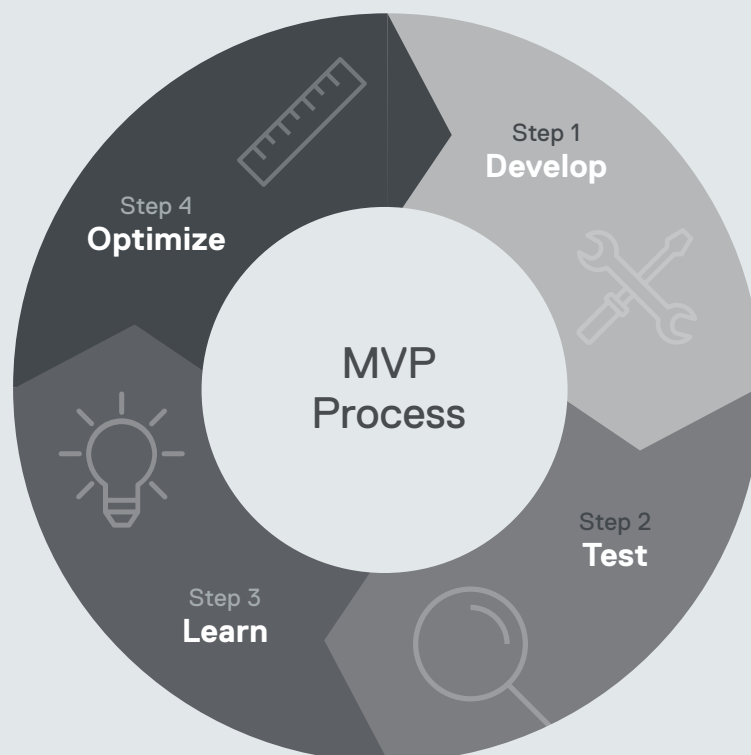


I myself made the mistake of not building an MVP. With the Document App, our company just hit a wall. An MVP would have helped me a lot.”- Frank Thelen

04 How an MVP process works

The MVP process can be imagined as a cycle: Develop, test, learn, optimize. This approach increases the likelihood that the product is heading in the right direction. If the testing phases show that this is not the case, there is still a chance to course correct. **Cost and risk are reduced by testing and validating or discarding several small instances.** The process from conception to the first launch ideally takes only a few weeks.

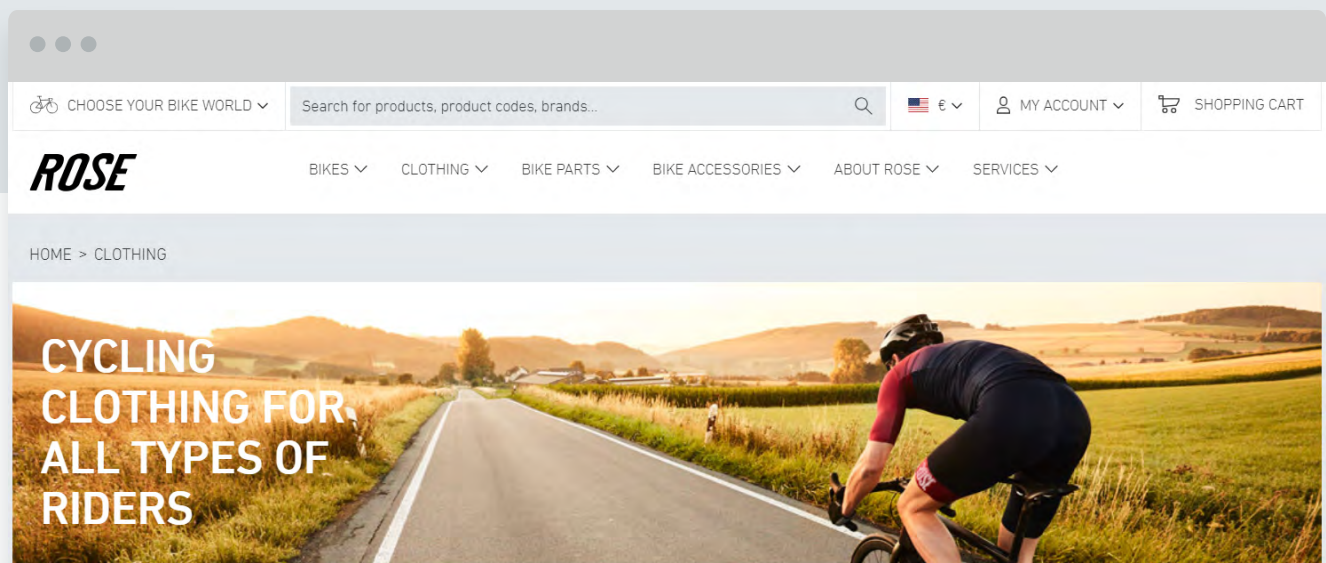
This prevents losing sight of the market and, above all, customer needs during the process. What works well in the market today may be completely outdated and unusable tomorrow.



05 MVP Case: ROSE Bikes adapting to market changes

The direct path from target definition to implementation

In order to survive and grow in a very dynamic environment, ROSE Bikes relaunched its e-commerce shop - including the introduction of new functionalities. A successful example of an MVP process in practice.



For potential customers of this company, cycling is more than a way of getting around; it is also a way of life. For this reason, when ROSE Bikes thinks about its products and user experience, their core values are functionality and customer-oriented services brought to the extreme with a high degree of customization. They want to convey a mix of high quality technology for cycling enthusiasts. But ROSE felt their current online shop fell short of this experience. They needed more than a standard shop for e-commerce. When they relaunched, they added a new core function: the option to configure bicycles individually.

For the relaunch, the company followed a classic MVP approach. With a clear view of the most relevant features, they kept their e-commerce transformation focused and fast.

“We’re dealing with a market that is more and more competitive, the margins are falling and processes and products are more and more digitized. We have to adapt quickly and flexibly to changing conditions and try out new things.”- Thorsten Heckrath-Rose, Managing Director at ROSE Biker



Step 1: Define the Primary Goals

ROSE Bikes:

The top feature for ROSE bikes is the bike configuration. The objective is to allow customization of their ROSE bike and configure it for customers' individual needs.

Primary Goal: Bike Design



Step 2: Define the Customer Journey

ROSE Bikes:

Once the primary goal is set, the individual phases of the desired customer journey are defined. The customer can choose between different bicycle categories, so relevant products are displayed. On the product detail page, the selected bike can be adapted to the desired design - from size and weight to colour.

Primary Goal: Bike Design

Customer Journey



Step 3: Develop a Feature List for each Phase

ROSE Bikes:

Once the phases have been defined, a list of features needs to be created for each phase of the customer journey. At this point, as many features are collected as possible but not prioritized.





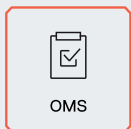
Feature 1: Bike Design

- Product attributes for the various parts/elements
- Filters for the configurator
- Search functions with Elasticsearch for advanced searches



Feature 2: Checkout

- A wide range of shipping options
- Discount and rebate options
- Shopping cart with detailed product overviews

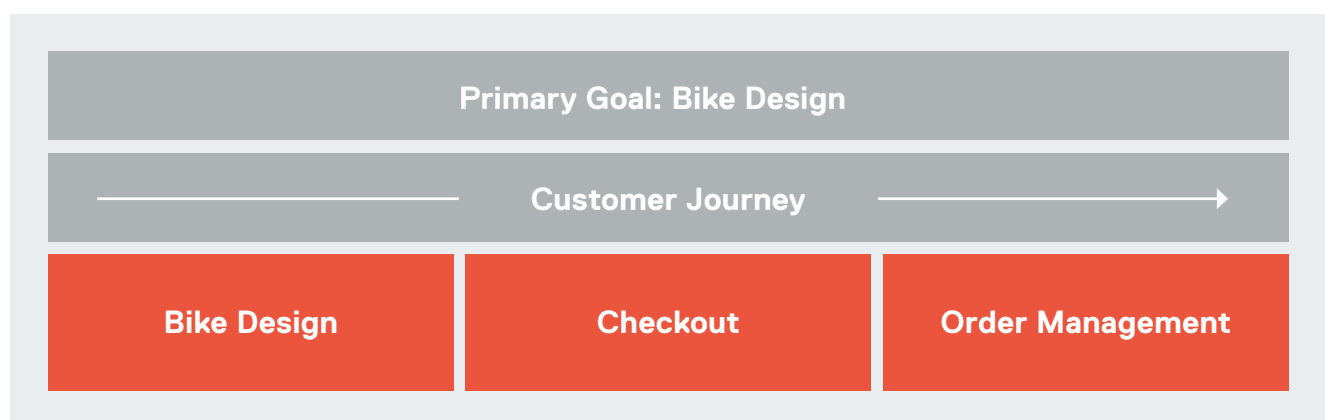


Feature 3: Order Management

- Order overview in the back-end
- Customer accounts in both front-end and back-end
- Automatic order processing

The integration of product attributes and tags allows for better categorization of the shop.

With the combination of product attributes and filters, the configurator's search function as well as the rest of the shop can show targeted and detailed results. Using Elasticsearch added many strong functions, for example the synonym search. These features make the user journey in the shop simpler.



☆ Step 4: Prioritize Features

ROSE Bikes:

Key questions for prioritization:

- What added value does the feature bring for the user?
- How much time and money must be put into the feature?
- How can I use the ROI as a basis for further development?
- Which features form the foundation?
- Which features are not necessary?

Primary Goal: Bike Design		
Customer Journey		
Bike Design	Checkout	Order Management
Product attributes for the various parts / elements	Shopping cart with detailed product overviews	Customer accounts in both front-end and back-end
Filters for the configurator	Discount & rebate options	Order overview in the back-end
Search functions with Elastic-search for advanced searches	A wide range of shipping options	Automatic order processing

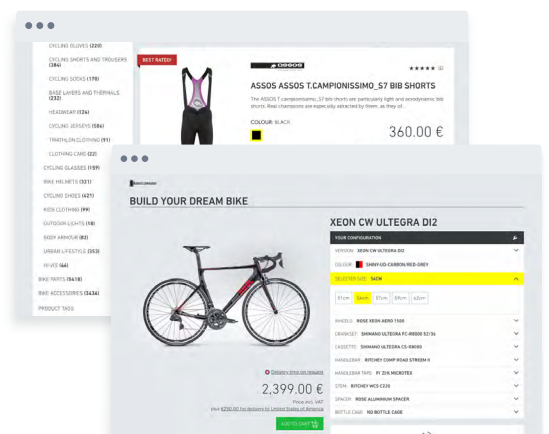
High priority

Low priority

☆☆ Step 5: Definition of the MVP

The top features represent the Minimum Viable Product. The rest can be included in later versions. This type of mapping helps to plan projects more consciously. The focus is on the primary, basic needs of the user and the effective usability of the MVP shop. These form the MVP.

After an agreed-upon test period, you can evaluate the response and optimize needs, and you can expand the MVP.

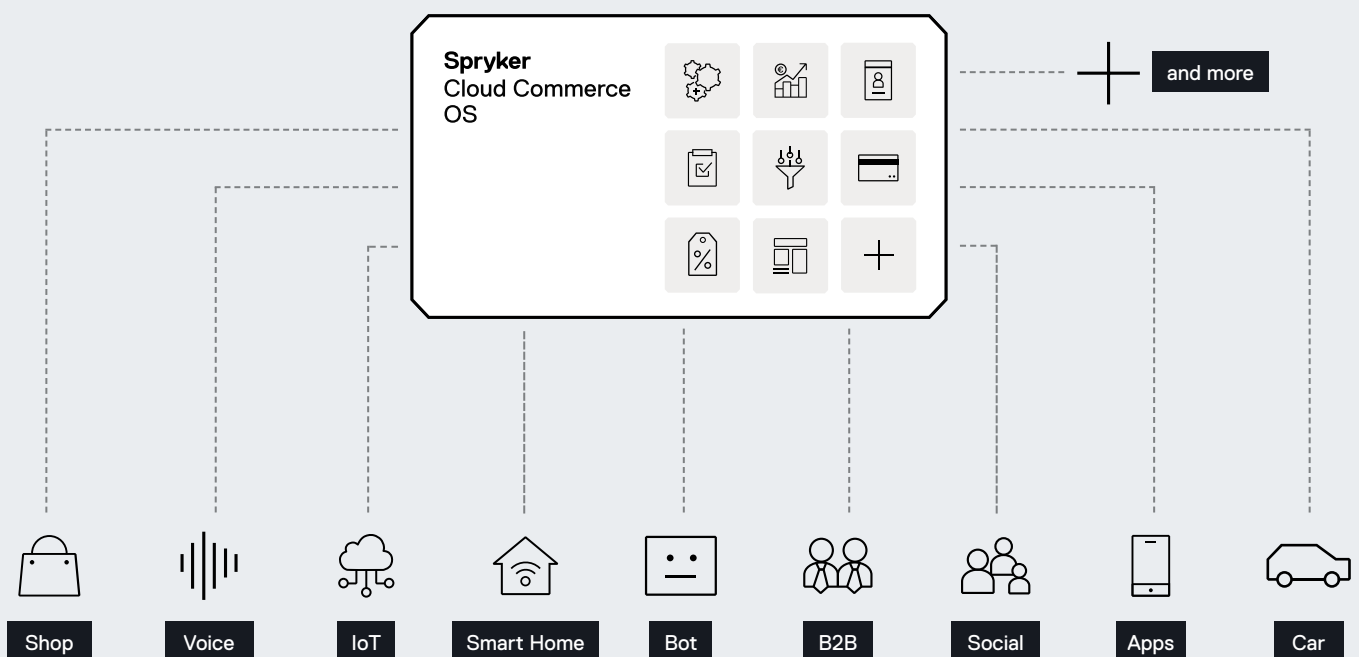


How can Spryker help?

You want to launch new digital products or services, increase your market share, switch from a legacy system or ensure continuous innovation? With the help of the Spryker Commerce OS, you can set up additional shops in new markets, develop new touchpoints such as mobile, marketplace, POS or voice or expand individual functions within a very short time.

Together with our proven and experienced Solution Partner agencies, we help to apply digital best practices. With a comprehensive and customizable feature set Spryker offers the ability for a quick go-live or a rapid adaptation of existing products to changing market and customer needs.

What works for a customer and guarantees efficiency today may not suffice tomorrow. With Spryker's modular structure and an MVP and API-first approach, different features or new customer interfaces can be added to the existing system very fast. Touchpoints and feature sets can be reduced or expanded at will. This allows for maximum user-friendliness, scalability and flexibility.





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hello@spryker.com

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Dorothee Thomsen

Senior Content Marketing Manager

content.marketing@spryker.com



Spryker Systems GmbH

Julie-Wolfthorn-Straße 1
10115 Berlin / Deutschland

T +49 / 30 / 208 49 83 53
M hello@spryker.com
W spryker.com

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