Spryker

This is how the MVP Works

Why the Implementation of a Project Should not
Take Longer than 100 Days ...

Content ─────

01 MVP is more than just a Buzzword

Lean Startup,

Trial-and-Error,

MVP ...

... anyone working in the digital business is familiar with all the catch-phrases that insiders like to use when it comes to implementing an agile project. However, using these methods efficiently requires a deeper understanding than mere familiarity.

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 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 right away, so the customers could use it, only then does it generate added value for the future product.

Minimum

MVP →

Viable
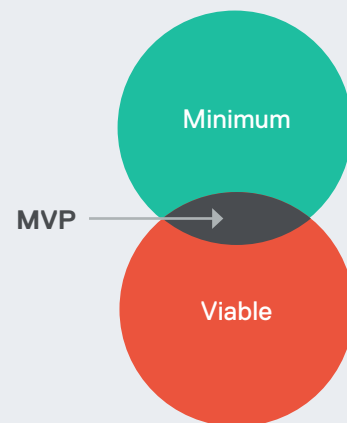
This approach is very different from classical product development, which is based on market analysis, incubation phases, long planning, a list of requirements and perfection, and for which a shortened time-to-market is not the primary goal.

At Spryker, the MVP approach is best practice for digital launches. When you work with us to roll out digital projects, this is what we recommend to start with.

This MVP Guide can help you learn how to avoid a requirement list that is too long, and the project failure that is often associated with it. As shown below, the MVP approach allows you to first create a stable foundation, so you can implement your next project faster and more cost-effectively.

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 MVP or no MVP – that Shouldn't be a Question any more

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: It would be nice to have everything perfect before going live.

Beware: The majority of projects approached without MVP will fail or never get completed.

The larger the company, the greater the risk of spending too much time on coordinating details and trying to come up with a surefire strategy. Too many steps and coordination processes make it impossible to enter the market quickly. There is also a high risk that you will not recognize lack of customer demand or changed needs of your target group until after the fully developed product is already on the market. We live in a time when technologies and customer touchpoints change rapidly, there is a high pressure to remain competitive in the digital world, and customer expectations are becoming more and more complex. In these circumstances, the more time your project takes, the more likely it is that you will not end up with a positive ROI (return on investment).

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. The results are clear: The MVP is not optional.[1]

Project plans **with** MVP approach

16,2%
… of the examined projects were successfully completed: the project was completed on time, without cost overruns and with the originally required functionality.

Project plans **without** 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.

Key success factors:

– Involvement of end users
– Support from senior management
– Clear requirements

Main issues leading to the failure of 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 MVP Values

Many executives and project managers do not find the MVP process very intuitive. This is particularly true in highly regulated industries, where teams are used to investing a lot of time and thorough preparation before any implementation of project ideas. In these cases, the MVP process can become a real challenge.

Why is the MVP Process still Feared?

The MVP process is based on a number of basic principles, some of which are radical, with the goal of rapid implementation of ideas:

- **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 What are the Steps of the MVP Process?

You can imagine the MVP process as a cycle: Develop, test, learn, optimize. With this approach, you can increase the likelihood that the product will move in the right direction. The test phases will show you if you are on the wrong road, and you can correct your course before you travel too far. You can reduce both your cost and the associated risk by testing lots of small steps, and validating or discarding them.

This way, you will not lose sight of the market and more importantly, the needs of your customers. What you see as standard or even innovative today can become completely outdated and unusable in 2 years.

Step 1
Develop

Step 2
Test

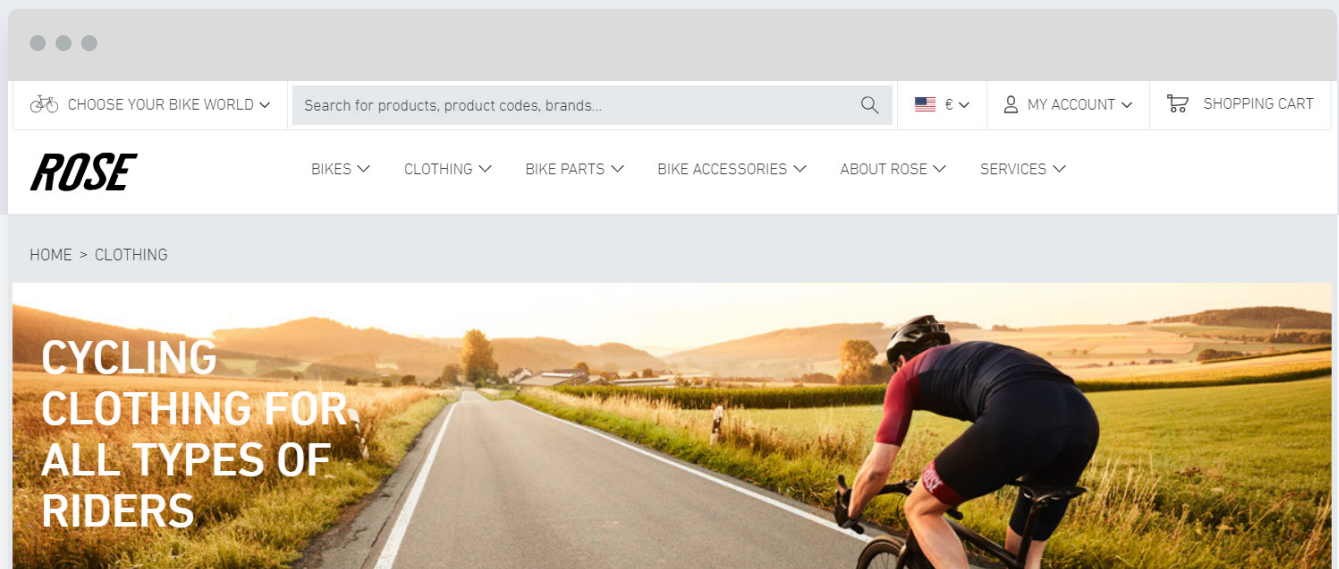Step 3
Learn

Step 4
Optimize
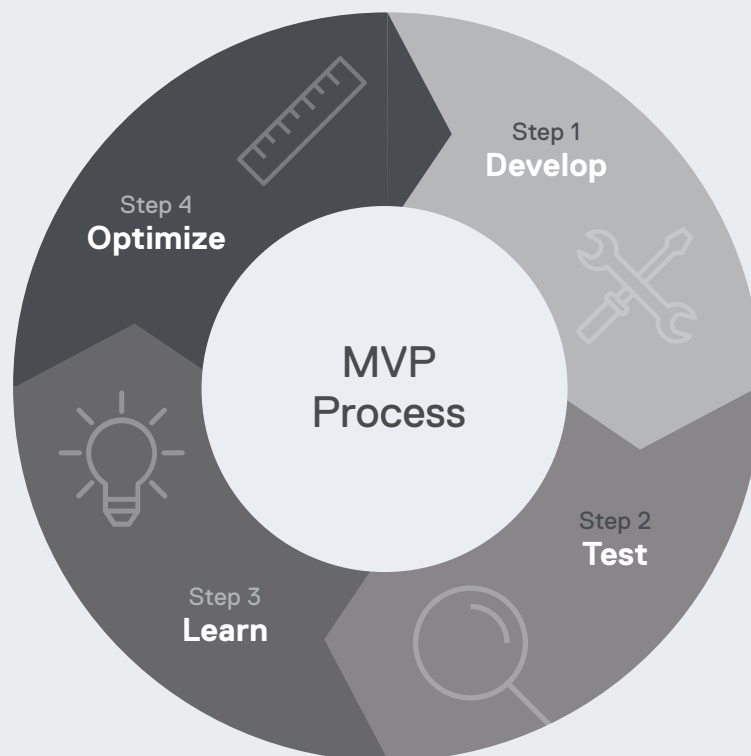
MVP Process

05 From MVP to Launch

Is an MVP a Must-have or a Nice-to-have?

Let's move beyond theory! Next we'll show how the MVP process works, from defining your goals to implementation. Here's ROSE Bikes, a practical implementation of MVP done right.

Example: ROSE Bikes

For potential customers of this company, cycling is more than 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 wanted to convey a mix of high quality technology with a great deal of affection for cycling, so 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, it was possible to keep the e-commerce transformation concentrated and lean.

> *We're dealing with a market that is more and more competitive with an increasing number of participants, 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 Bikes

Step 1: Define the Primary Goals

ROSE Bikes:

The top feature for ROSE bikes is the bike configuration, which is being expanded and optimized step by step. Customers should be able to customize their ROSE bike and configure it much better for their own 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. You should collect as many features as possible, but don't prioritize them at this point.

Feature 1: Bike Design

PIM

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

Feature 2: Checkout

Checkout

– A wide range of shipping options
– Discount & rebate options
– Shopping cart with detailed product overviews

Feature 3: Order Management

OMS

– 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.

Then 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.
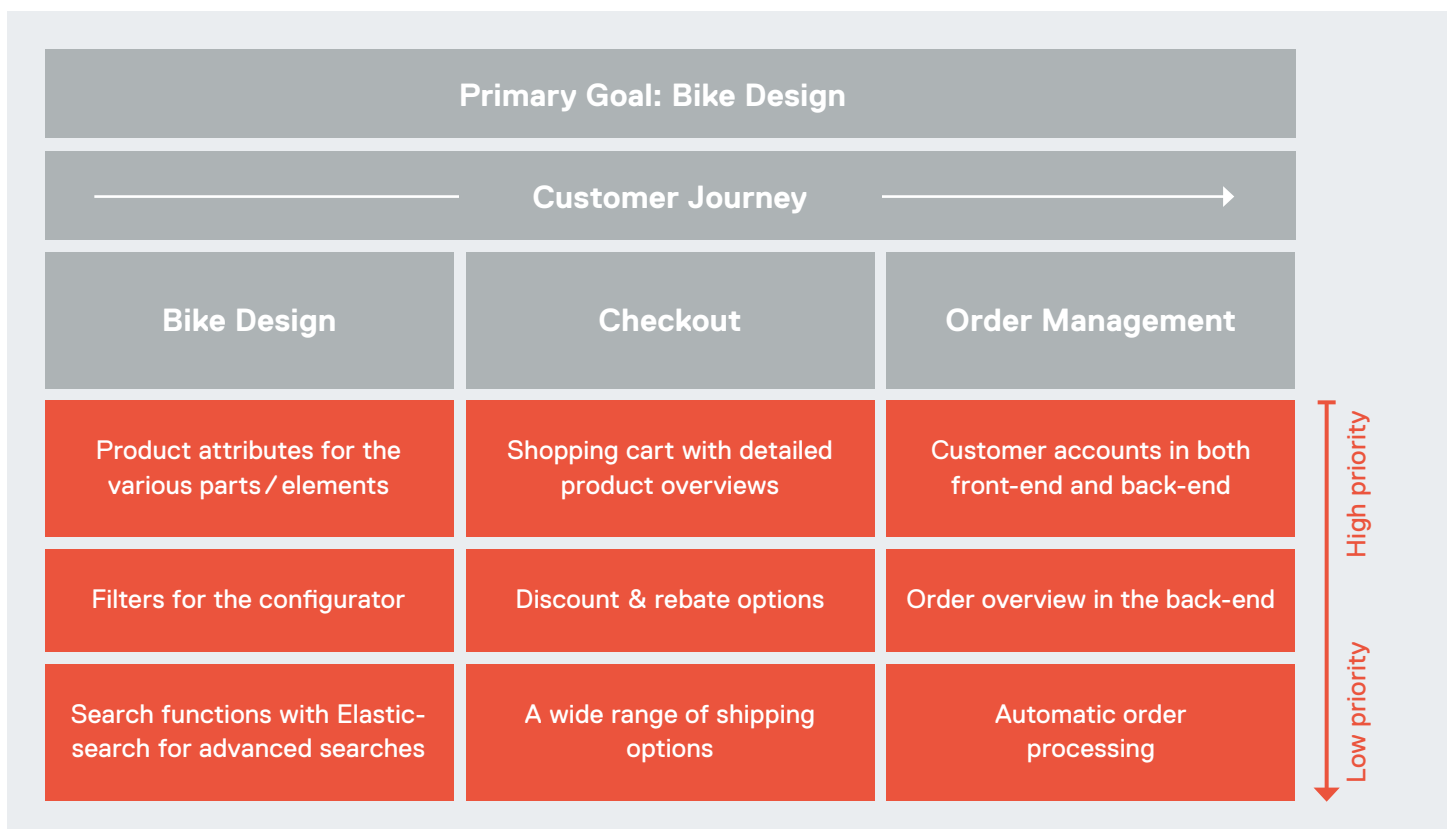
Primary Goal: Bike Design		
Customer Journey		
Bike Design	Checkout	Ordner Management
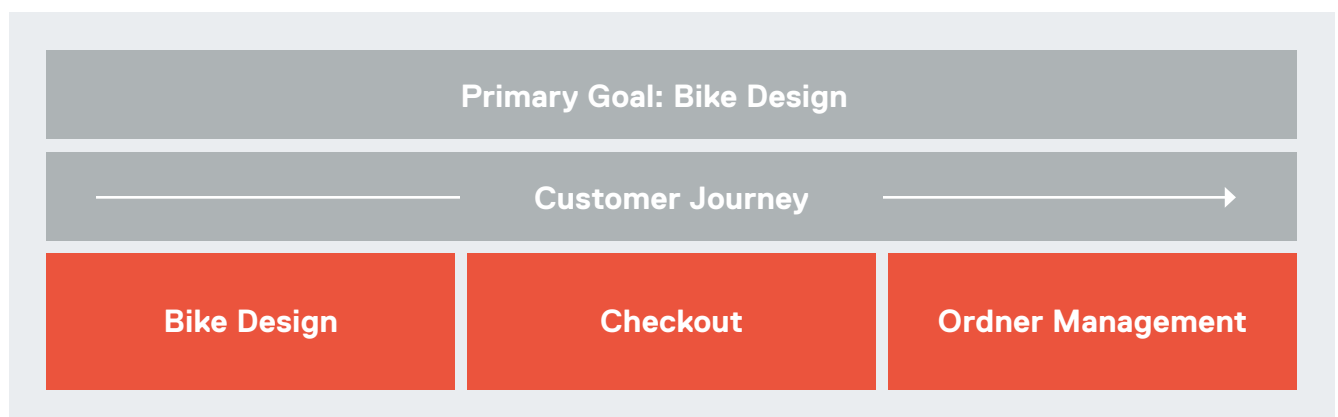
⭐ Step 4: Prioritize Features

ROSE Bikes:

Key questions for prioritization:

– What added value does the feature bring for the user?
– How much time and money (in developer hours) 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 is part of 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.
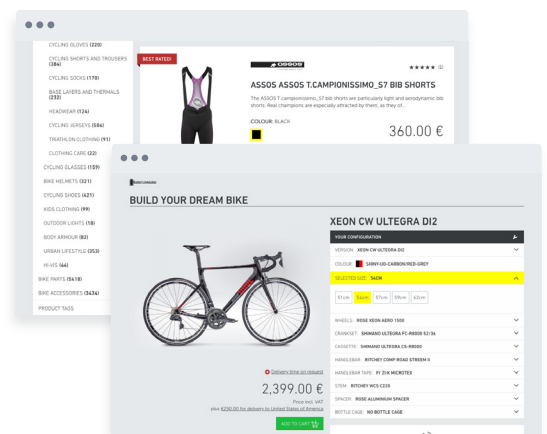
How can Spryker help?

Get in touch with us if you want to increase your market share, launch new digital products or services, or switch from a legacy system to guarantee constant innovation. The Spryker Commerce OS can help you to set up additional country shops, open up new touchpoints such as mobile, marketplace, POS or voice, or you can even expand individual features within a very short time.

Spryker can work with you to apply digital best practices methodically and correctly. On our team, we have established and experienced partner agencies, such as Mediawave, who have provided valuable input for this guide as well. With a comprehensive and customizable feature set, Spryker gives you the ability to go live quickly or adapt the product to changing needs in a short time.

What works for the customer and guarantees efficiency today will no longer suffice tomorrow. With Spryker's modular structure and the 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.
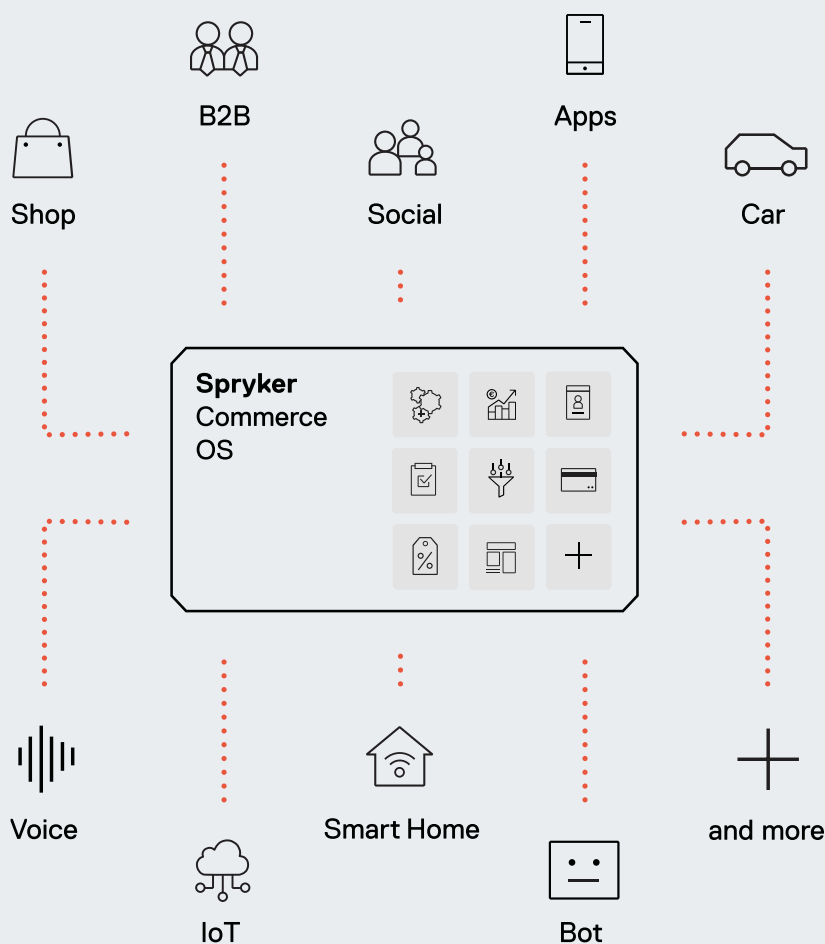
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Talk to us about your possibilities in a new or existing Spryker Commerce OS setup.

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