



## **Venture Building Series**

Topic 2: Ideation, Prototyping and MVP Launch



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# Forms of Ideation

The way Venture Builders source their ideas is very much dependent on the industry. In for ideas/pipeline in three (3) different ways: i) innovation driven (external), ii) team driven (internal) and iii) problem driven (both internal as well as external).

## Innovation driven (External)

- This means that the innovation or IP is already created somewhere else – for instance in universities, research institutes or hospitals – and is picked up by the VB.
- VBs usually have strong ties with various universities and researchers, as well as academic doctors in hospitals.
- They often hold brainstorming sessions together with the inventors on how to monetize the innovation and shape a business model with a viable product-market fit.

## Team driven (Internal)

- This means putting a group of entrepreneurs and programmers together to work in parallel on many ideas they already have internally.
- Venture Builders usually emphasize on brainstorming sessions which will further yield into Ideas.
- This process is less structured.



## Problem driven

- This form is somewhere in the middle, combining internal and external inputs.
- In this scenario, VBs tackle problems, often very specific to the industry, after being prompted by the industry itself.
- It's not atypical for Vehicles to get funding from companies to solve a specific problem.
- Example CDAs;
  - MTN Open Api project run by The Innovation Village
  - Nation Media – Future of Media

## What is Ideation

- Process of developing and conveying prescriptive ideas to others, typically in a business setting.
- Describes the sequence of thoughts - from the original concept to implementation.

Ideas can spring forth from past or present knowledge, external influences, opinions, convictions, or principles and can be expressed in graphical, written, or verbal terms.

expressed in graphical, written, or verbal terms.



## Why is the Ideation phase crucial

Ideation will help you:

01

Ask the right questions and innovate with a strong focus on your users, their needs, and your insights about them

02

Step beyond the obvious solutions and therefore increase the innovation potential of your solution.

03

Bring together perspectives and strengths of your team members.

04

Uncover unexpected areas of innovation

05

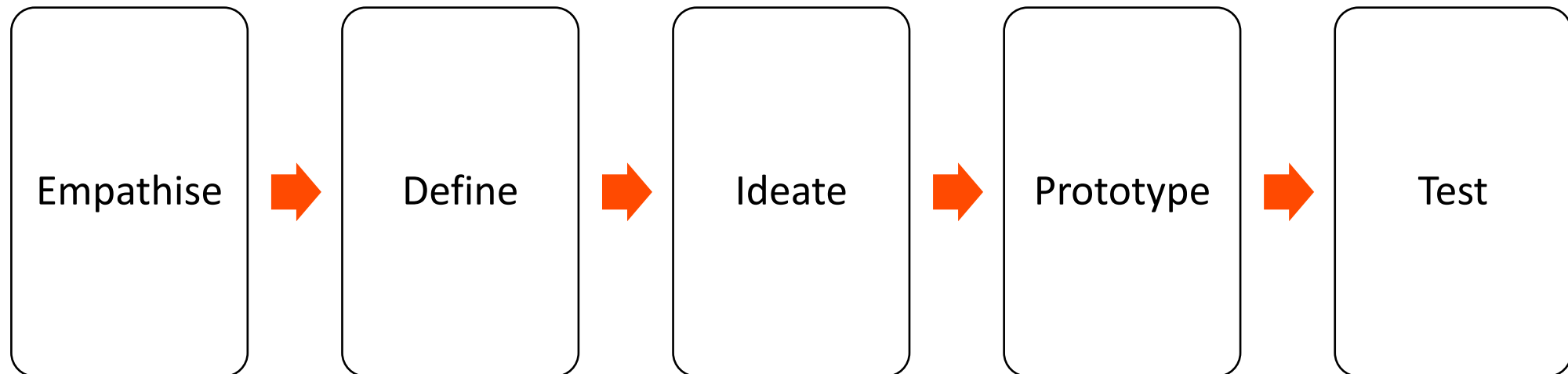
Create volume and variety in your innovation options

06

Get obvious solutions out of your heads, and drive your team beyond them.

## How to prepare before you start ideating

### The Design Thinking Process



# How to prepare before you start ideating



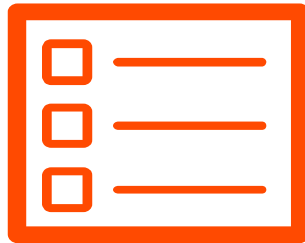
## Empathize

### 1. Empathize

- The first part of the preparation is the Empathise mode, which is all about researching and observing in field studies – and watching, engaging with and listening to your users:
- Empathy is the centerpiece of a human-centered design process. The Empathize mode is the work you do to understand people, within the context of your challenge. It is your effort to understand the way they do things and why, their physical and emotional needs, how they think about the world, and what is meaningful to them.”
- The Empathy mode will help you conduct relevant research and become an instant-expert on the subject and gain invaluable empathy for the person you are designing for.

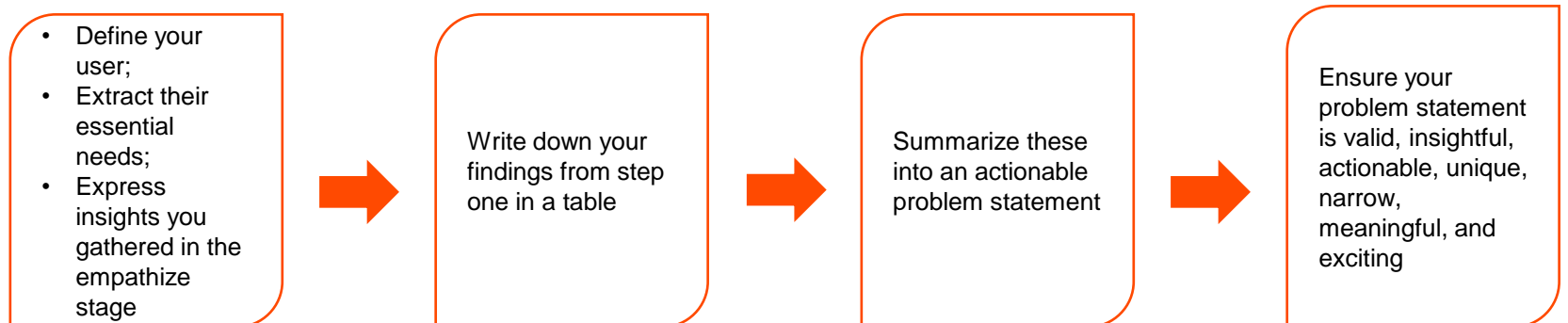
# How to prepare before you start ideating

## 2. Define



Define

- The Define mode is all about bringing clarity and focus to information you have gathered. It is your chance, and responsibility to define the challenge you are taking on, based on what you have learned about your market and about the context.
- By the end of the Define mode, your goal is to construct a meaningful and actionable problem statement.
- A good problem statement will allow you to ideate in a goal-oriented manner and will define the right challenge to address in the ideation sessions.



*An adult person who lives in the city (**USER**)... needs access to a shared car 1-4 times for 10-60 minutes per week (**NEED**) ... because he would rather share a car with more people as this is cheaper, more environmentally friendly, however it should still be easy for more people to share (**INSIGHT**)*



## How to prepare before you start ideating



Ideate

### 3. Ideate

- After coming up with your problem statement, it's time to start coming up with ideas. Begin with your problem statement and break the larger challenge up into smaller actionable pieces.
- Look for aspects of the statement to complete the sentence, "How might we...?"
- For example: *How might we... design a driverless car, which is environmental friendly, cheap and easy for more people to share?*
- We use the *How Might We* format because it suggests that a solution is possible and because they offer you the chance to answer them in a variety of ways.
- A properly framed How Might We doesn't suggest a particular solution, but gives you the perfect frame for innovative thinking
- Example: if your problem statement is: "Teenage girls need to eat nutritious food to thrive and grow in a healthy way." - the How might we questions may go as follows:
  - *How might we make healthy eating appealing to young females?*
  - *How might we inspire teenage girls towards healthier eating options?*
  - *How might we make healthy eating something which teenage girls aspire towards?*
  - *How might we make nutritious food more affordable?*

# Characteristics Required for Successful Ideation

## 1. Adapting

- Ability to switch how you see, understand, and extend thinking as new input gets generated.

## 2. Connecting

- Connect seemingly unrelated concepts, attributes or themes in order to create new possibilities.

## 3. Disrupting

- Overturn commonly held beliefs, assumptions or norms in order to re-think conventional approaches.

## 4. Flipping

- Turn dead-ends or deadlocks into opportunities by flipping them over or rapidly changing direction towards greater viability.

## 5. Dreaming and Imagining

- Visualize a new picture of reality by turning abstract needs into tangible pictures or stories, thereby allowing the space required for inventing bridges to that reality.

## 6. Experimental

- Be open and curious enough to explore possibilities and take risks; be willing and eager to test out ideas and eager to venture into the unknown.

## 7. Recognize Patterns

- Recognize attributes or shared values across a spectrum of influence and input; and finally be able to utilize these commonalities to build solutions.

## 8. Curiosity

- Ask uncomfortable, silly or even crazy questions and be willing to explore and experience, in order to understand and learn something new and different.

# How to prioritize ideas

## Value

Does the idea deliver tangible benefits to the organization? What is the Return on Investment figure? What is the net contribution to current business imperatives? These questions help eliminate ideas that are good in theory but add little to the bottom-line.

## Suitability

Is the idea consistent with strategy and the current situation? This weeds-out potential “distractions” – always a risk when looking at innovations.

## Acceptable

Will stakeholders support it? Often ideas fail because of the “not invented here” syndrome or office politics. It is crucial that proponents of an idea spend time and effort on selling the idea internally and gauging the level of support for it.

## Feasible

Are there sufficient resources or time? Can the innovation be managed within existing budgets or will additional funding be required? Do you need to acquire new skills to implement this idea effectively? The answers to these questions will affect the timeline for implementation and the potential ROI calculation. See it as a reality check.

## Enduring

Will the idea deliver value in both the long and short term? If a new idea or innovation is to be truly strategic it should survive the rigors of time. Is the long-term gain worth the short-term pain of bringing a new idea to fruition? Again this highlights the return on the investment to be made.



[https://youtu.be/D\\_idpn86gb4](https://youtu.be/D_idpn86gb4)

KNOWS  
ABOUT  
FAMILY  
PLANNING



# Assignment

## Writing your problem statement

1. Gather information from market research about the challenge you see, your desired market, their needs and what insights you can pick from them.
2. Fill out your findings in the table below;

User	Need	Insight

3. Construct a sentence from the above to form your problem statement

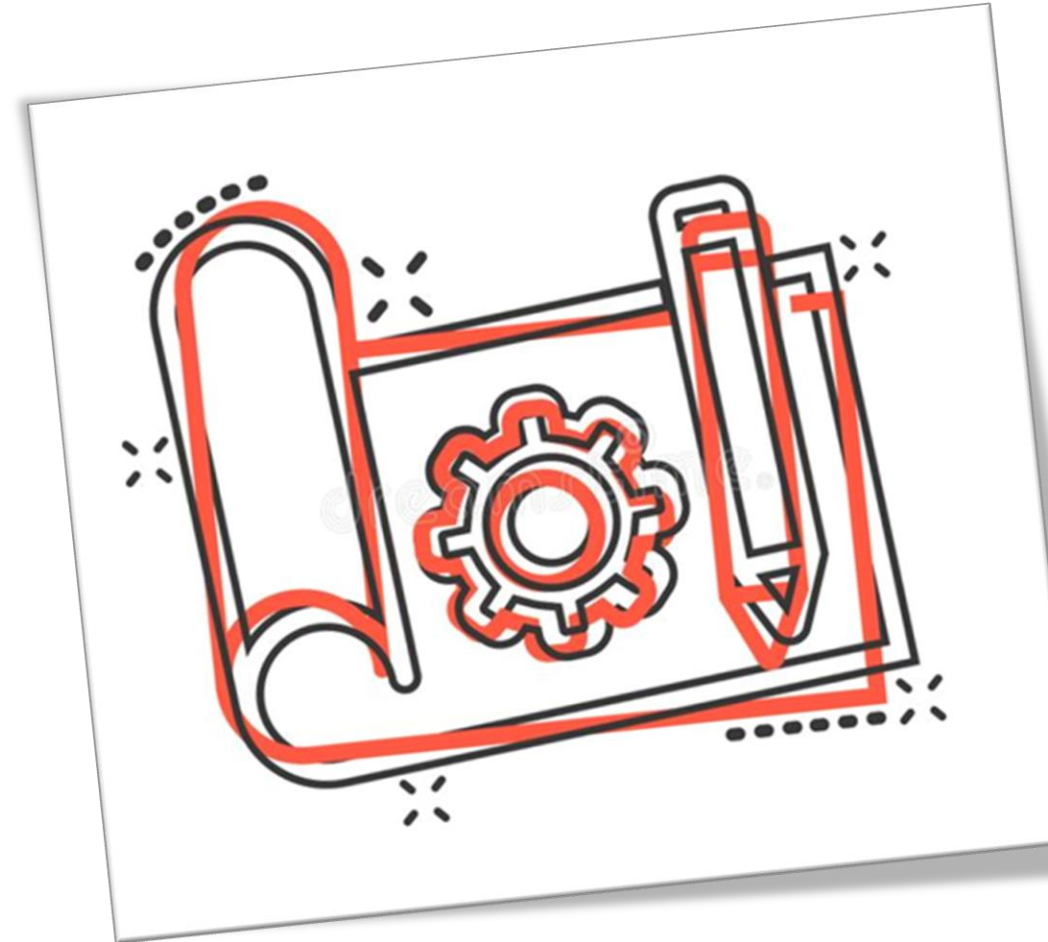
## Coming up with different ideas

1. With your team, hold brainstorming sessions and look for aspects to complete “how might we...”, questions, deriving each from your problem statement.
2. Answer these questions – these will form your ideas.

# Prototyping and Testing

## What is a prototype

- A scaled-down version of your product;
- A simulation or sample version which enables you to test your ideas and designs before investing time and money into actually developing the product
- Prototypes come in all different shapes and sizes, ranging from simple paper models to fully functional, interactive digital prototypes.

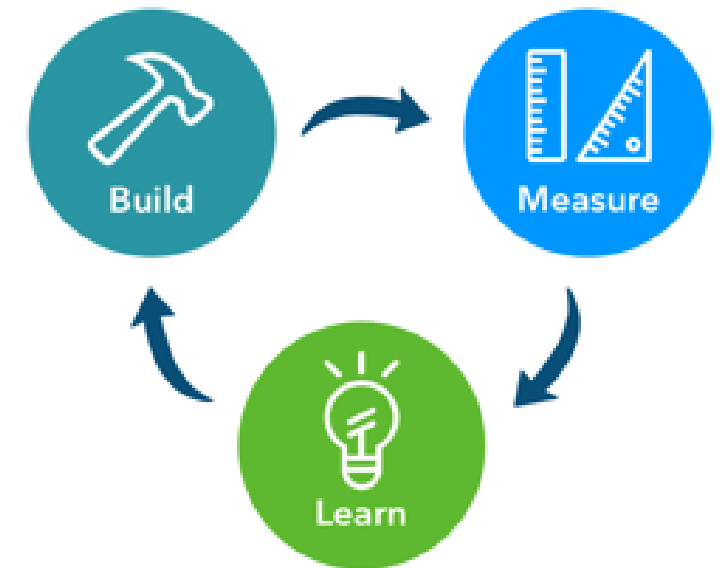


# Prototyping and Testing

## Why Use Prototypes

- Prototyping is an extremely valuable step in the Venture Building Approach.
- Putting the user at the heart of the process requires you to test your designs on real users—and prototypes make this possible without spending loads of time and money.
- Prototypes help to:
  1. **Gain first-hand insights** into how your users will interact with, and react to, the product you're designing. Seeing an early version of the product in action shows you if, and how, it'll work in the real world.
  2. **Identify any usability issues or design flaws before it's too late.** If an idea or design is destined for failure, you'd rather find out in the early stages. Prototypes enable you to fail early and cheaply; they'll expose a weak or unsuitable approach before you've invested too much time or money.
  3. **Make informed design decisions.** Can't decide where a certain button should go on your app home screen? Torn between two different layouts for your website? Test a few versions in the form of prototypes and see which works best.

## Lean startup methodology

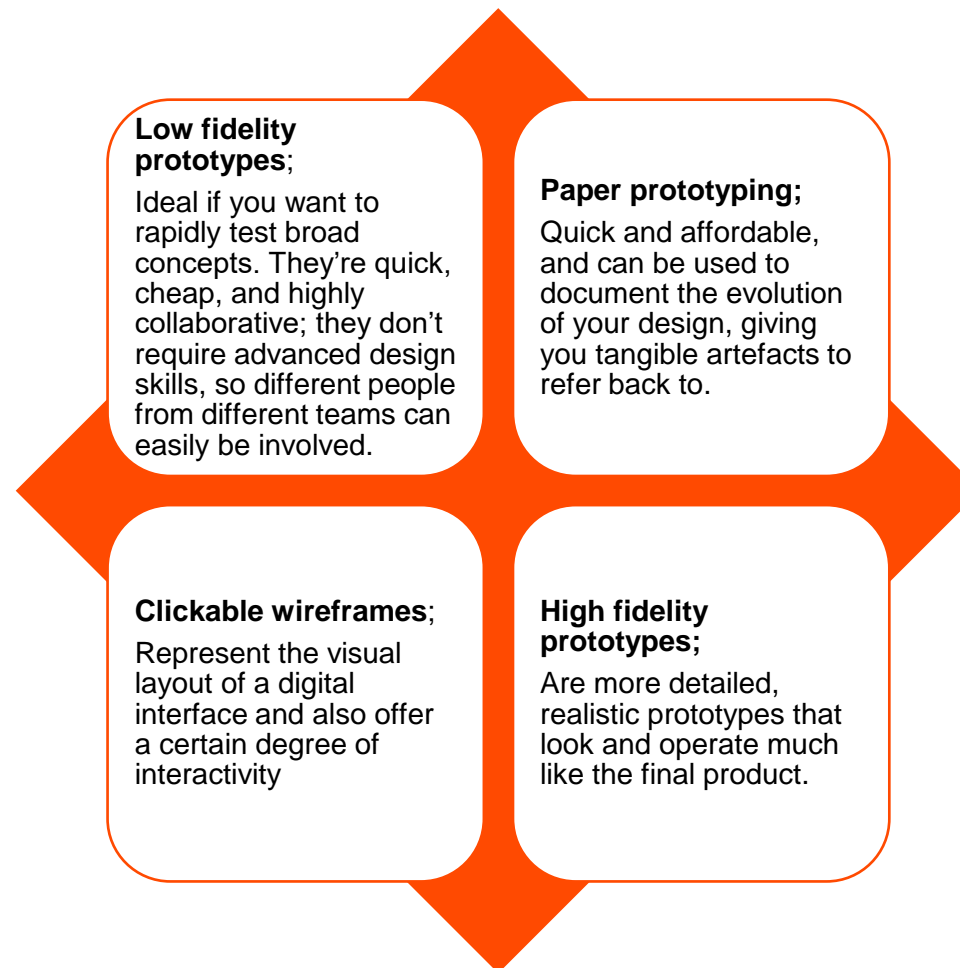




# Prototyping and Testing

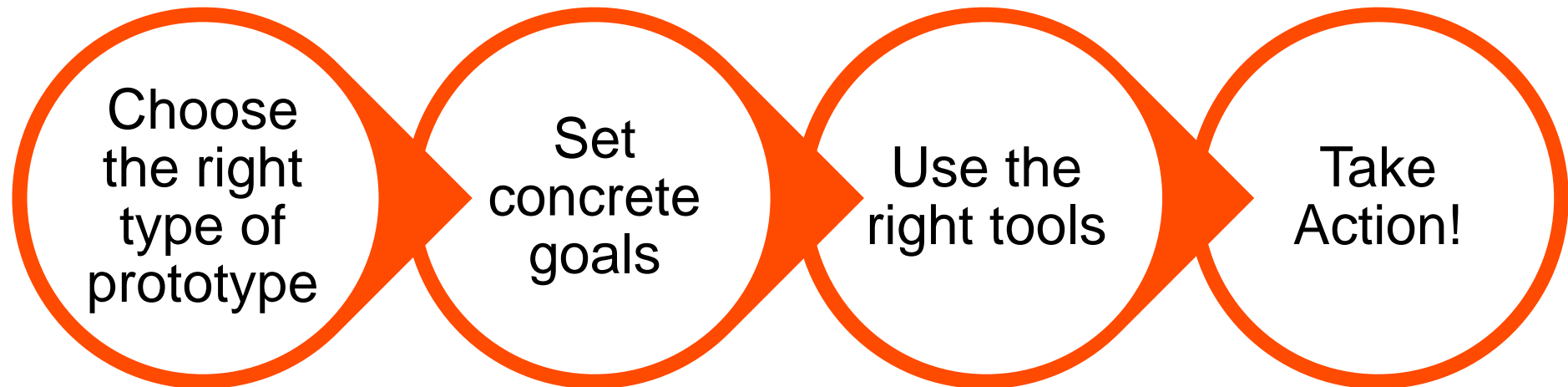
## Kinds of Prototypes

Prototypes can vary in terms of; **Form** - Is it a hand-drawn prototype, or a digital one? Is it for mobile or desktop?, **Fidelity** - How detailed and polished is the prototype?, **Interactivity** - How functional is the prototype? Can the user click on it or interact with it, or is it view-only?; and **Lifecycle** - Is the prototype a quick, disposable version that will be replaced with a new and improved version? Or is it a more enduring creation that can be built and improved upon, potentially ending up as the final product?



## Prototyping and Testing

### Tips when creating your prototype



# Prototyping and Testing

## Testing your prototype

- Prototyping and testing go hand in hand, so once you've created a prototype, you'll need to put it in front of real users.
- Innovators rigorously test the complete product using the best solutions identified during the prototyping phase.
- This process is iterative, the results generated during the testing phase are often used to redefine one or more problems and inform the understanding of the users, the conditions of use, how people think, behave, and feel, and to empathize.
- Even during this phase, alterations and refinements are made in order to rule out problem solutions and derive as deep an understanding of the product and its users as possible.
- Through continuous prototyping, you'll make informed design decisions—iterating your way to an intuitive, user-friendly product that your users will love.



## Minimum Viable Product (MVP)

The minimum viable product is that version of a new product or service which allows a team to collect the maximum amount of validated learning about customers with the least effort.

The MVP is advantageous because it prevents developing products without a ready market that don't solve any solutions- or that no body ants, and maximizes learning per unit expenditure.

### Three Key Characteristics of a Minimum Viable Product

- It has **enough value** that people are willing to use it or buy it initially.
- It demonstrates **enough future benefit** to retain early adopters.
- It provides a **feedback loop** to guide future development.

**MVP**

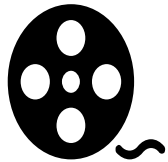


**FINAL  
PRODUCT**



# Minimum Viable Product (MVP)

## Types of MVP



### The Video MVP

Instead of developing a functioning solution, you can create a video showing how your solution will work. You then show the video to potential customers to see if it meets their needs and if they want the product when you build it. You could even ask them to pay upfront for the solution, usually enticing them with a substantial discount.



### The Concierge MVP

The concierge MVP is tested out on a marginal number of subjects. It is based on the idea that when you're just starting out you don't need to be able to handle thousands of customers, you just need to make one customer happy. Servicing the customer is done manually. This is not scalable, but the point is to prove the merit of your service before you build it.

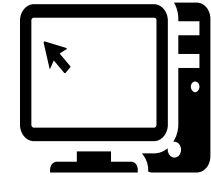


### The Wizard of Oz MVP

This MVP is often used for digital/technology based solutions.

In a Wizard of Oz MVP customers believe they are interacting with your technology product; however, the reality is that behind the scenes a human is doing the work.

This is done to test the solution hypothesis before expending to develop a test product.



### The Landing Page MVP

With a landing page MVP, you only build a web page describing your product and at the bottom of the page add a buy or sign up button.

If people are trying to purchase or sign up, this may validate the need for the product or solution. If low or no numbers are trying to buy the product then it may indicate a need to pivot.

## Case Studies



- *Put together a website, but kept struggling to find people to use their platform and so chose to target the audience of Craigslist.*
- *By providing an option for homeowners to automatically post to Craigslist, Airbnb reached lots and lots of prospective users.*



- *Started with a simple video that briefly explained the effect of the product that the makers wanted to launch.*
- *The video was very successful and gave Dropbox the valuable feedback that enabled them to validate their core assumptions.*



- *The website was very simple: just a catalogue of books.*
- *If a customer ordered one, Amazon bought it straight from the distributor and shipped it. Iteration after iteration followed.*
- *Over the years, Amazon started to sell more products, bought warehouses, and personalized their website for each visitor.*



- *Started with just an online storefront consisting of pictures of shoes from shoe stores.*
- *When a pair was sold, one employee ran to the shoe store to get the shoes, put them in a box, and shipped them.*
- *There was no e-commerce or warehousing at all. Just one, single man made up the logistics department.*

# Launching your MVP

## Approaches to go-to-market strategy of an MVP launch

### Soft Launch

- Soft launch meaning refers to the product release to the limited half of the target audience.
- The main idea of soft product launching is to reduce risks connected with product release.
- Soft launch strategy is based on a few key points. They are related to initial purpose of creating MVP:
  - Receive the customers' feedback.
  - Understand the customer willingness to pay.
  - Test the monetization options..

### Hard Launch

- The hard launch is a release of a ready-made product with huge marketing activities to attract customers and is applicable to the mature products.
- The hard launch makes a good sense in case:
  - you have a large and predictable audience.
  - you have strong enough infrastructure.
  - you can successfully anticipate the market reaction.
- A good example of hard launch is a desktop or smartphone software update.
- Thus, in battle of soft launch vs hard launch there are no winners and losers. The first one makes a big deal for startups, while the other one is good for the big and predictable businesses.

### Dark Launch

- Is based on the process of continuous delivery. In simple words, it's a regular feature update of your Minimum Viable Product.
- Here, you release a new feature for a small amount of users, who don't know, that they are testers.
- This approach allows you to track the user behavior in real time. It's a perfect way to decide, whether a new update is efficient enough to scale at all users.

# Summary

## Key Takeaways

- ❖ Unlike the all too familiar innovator's nightmare of staring at a blank page unable to conjure up ideas from the creative ether, Design Thinking's first two modes, Empathise and Define, gives you a solid base to launch relevant and well-informed ideas, which hit the mark in surprising and delightful ways, no voodoo required.
- ❖ Your prototype doesn't have to solve the problem you expect it to solve. Simply creating and sharing it will sometimes unlock ideas, inspiration, challenges or concerns that people weren't aware of. The faster and more frequently you prototype, the earlier all of that good stuff will surface.
- ❖ Integrating prototyping deeply into your creative process can be transformative. It can make for a more positive, enriching team culture, can be a mechanism for developers to learn new languages or for designers to learn new tools.
- ❖ Because the MVP model is generally favored by companies looking to optimize costs, actual testing of the product's functionality and other features can be overlooked.
- ❖ Conducting validation testing is an important part of the MVP process. It is important because beta-testers will focus on giving valuable feedback on the user interface and experience if there are no major functional bugs.





## Resources

<https://www.interaction-design.org/literature/article/what-is-ideation-and-how-to-prepare-for-ideation-sessions#:~:text=Ideation%20is%20the%20process%20where,in%20the%20Design%20Thinking%20process.>

<https://www.youtube.com/watch?v=RSaIOCHbuYw>

<https://www.youtube.com/watch?v=BErt2qRmoFQ>

<https://dschool.stanford.edu/sandbox/groups/designresources/wiki/36873/attachments/74b3d/ModeGuideBOOTCAMP2010L.pdf>

<http://dschool.stanford.edu/wp-content/uploads/2011/03/BootcampBootleg2010v2SLIM.pdf>

[https://jnd.org/rehtinking\\_design\\_thnking/](https://jnd.org/rehtinking_design_thnking/)

<https://careerfoundry.com/en/blog/ux-design/design-thinking-stage-four-prototyping/>

<https://www.techopedia.com/definition/27809/minimum-viable-product-mvp>

The background image shows a person's hand holding a smartphone, with a laptop and a drink on a table. The image is dark and has a blue overlay. Two large, semi-transparent blue squares are positioned on the left and right sides of the image.

Q&A

# Connect

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**The  
97  
Fund**

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