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HOW TO AVOID OVERINVESTMENT IN THE 1.0 VERSION OF YOUR APPLICATION?

When you are an entrepreneur managing a startup or a company, seeing the big picture is essential for your business. It allows you to see opportunities, possibilities, and risks. This holistic perspective is something you shouldn't lose sight of. When building a digital solution, a mobile or web application (app), thinking small is crucial. Thinking small enables you to show the capabilities of your solution to potential users, which in turn gives them maximum value.



It may surprise you that transferring your great idea into reality requires switching to a minimum. Getting used to this way of thinking can initially be difficult. One of the first factors to consider is how much your app will cost. Even when you have a great idea, sometimes the lack of experience of implementing the idea makes it tricky to estimate how much time and money you should invest in creating a new app. Even if you started searching for estimations it's difficult to understand the differences between them. The reason why creating challenges and estimating them is challenging at this stage is because it shouldn't be your first step.

There are some factors that you should focus on before developing the first version of the app. It's important to evaluate which of them will have an impact on the budget and which are essential. You need to be sure that you're building the right product without overinvesting, wasting time, and money.

VERSION 1.0: SETTING THE RIGHT DIRECTION

To decide what to develop and how the 1.0 version of your app should look, you need to choose and describe the following:

- 1. The profile of the potential user of the app (persona, target group).
- 2. The main users' problem that would be solved by the app.
- 3. The main goal of the 1.0 version of the app.

These three steps which show how to plan the 1.0 version of the app are called the minimum viable product (MVP). Being 'viable' means that the product can give enough value to its users to encourage them to try it. You should define what the minimum is according to the main business goal.

The main problem chosen to solve should be significant (so users will invest in solving their problem by using the app), but it should also be an easy solution to minimize the effort for the developers. Remember that at this stage you don't need to solve every problem for all users. Choosing the main business goal and the main problem that users have will effect the choice of functionalities for the 1.0 version of your app and how these functions will be implemented.

Building a MVP version of the app focuses on main problems and functionalities. Early users of the app validate its function and this avoids unnecessary work and minimizes the risk of creating something that the user won't use.

A MVP is a basic, usable product with core functionalities which is created and validated quickly to save time, providing the business with the knowledge needed to start development. Its purpose is to learn about customers, their thoughts on the product and to confirm whether the direction is right.

While the effort and investment should be minimized, the lessons learned while testing the app with early adopters can be significant. The more you learn, the more you can plan for future versions of the app. MVP testing done properly helps with making better decisions and creates improved versions of the digital solution.

MVP is designed not just to answer product design or technical questions. Its goal is to test fundamental business hypotheses.

(Eric Ries, The Lean Startup)

DEFINING MVP AND MLP

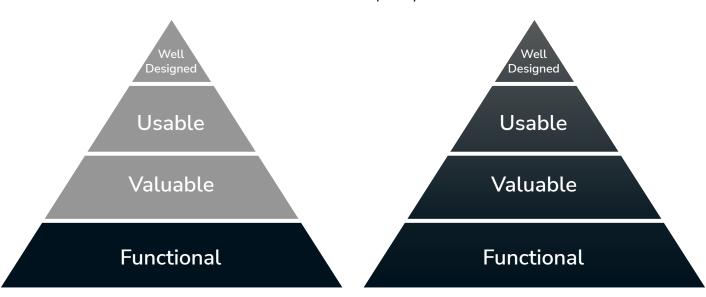
As customers tend to be more conscious of the quality and variety of available digital solutions, offering just functionality is not enough for them. They won't tolerate or accept products; they want a product that they will love. If the user does not love your solution or if the quality is inadequate, will they use it? Here, we need to factor in using a MLP.

While MVP is a minimum viable product, MLP is a minimum lovable product. It not only contains key required features, but makes your users love your solution.

A MVP is the minimum set of features that will make the product viable on the market. Having a MLP involves caring about the product's design, surpassing customers' experiences, improving their relationship with the product, and seeing it as desirable.

Both MLPs and MVPs are fully functional for early adopters. They are both aimed at the right market and both show the product's potential. However, a MLP is designed better. We suggest building a MLP from the start to let people experience the difference, demonstrate the unique value of your product, and keep them engaged.

Thinking small and building a minimum product doesn't mean compromising on quality!



MINIMUM VIABLE PRODUCT Vs MINIMUM LOVABLE PRODUCT

Choosing a MLP over a MVP will make your customers see the full idea of your business right away in the early versions of your app. You can have the core elements at a basic level so that your users can use and enjoy it while familiarizing themselves with the app. Thanks to the experts and developers, the first versions of your app has core functionalities, image, vision, usage, and trustworthiness. This will allow you to start developing your product over time while continually using feedback. This will allow you to connect with your business vision and mission.

A MLP allows you to fix, address, and expand without starting with a simple software function and aesthetics. It brings together elements that can harmoniously work and coexist together. When working with a MVP, it can be frustrating for you to see little features advance slowly. Your users would have the problem solved via your app at a basic level with your MVP.

However developing a MLP will make possible to invest from the start in different functions, tools and characteristics you want to address without going overinvesting nor going overburdened. For an early version, it is not recommended for you to add too many features as it will be more challenging to seek feedback from the user and will be difficult to implement.

Even though MLPs can represent your goal, you must always take small steps by letting the MLP experts release the first functionalities and approaches that engage and connect well with your users. You can choose how you get to the final version of your software product as both ways will give you results, but you should consider your business goals when choosing either a MLP or a MVP.



HOW TO BUILD THE 1.0 VERSION OF YOUR APP

Before you go from idea to implementation, you should check if you are ready to start the development of your new app. Remember that the development of your app doesn't end after launching the 1.0 version. It's just the beginning of the process.

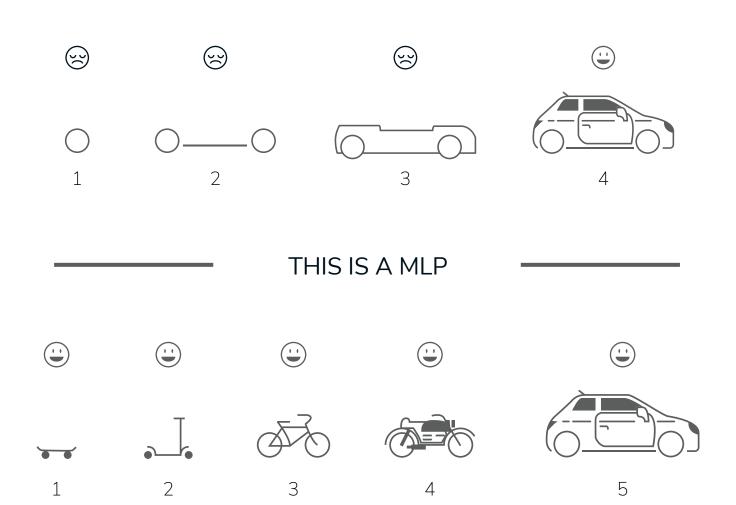
Learn about elements and areas that are not only crucial in building a successful app, but also have a direct impact on the budget of your app. Setting the direction and creating the shape of the app should be based on understanding the main problems and needs of its potential users. Your solution should respond to those needs and solve problems. It's the main part of Jobs To Be Done theory, a framework that can be very helpful in the product discovery process.

Get to know the users, their needs, and their problems well because when you focus on hypotheses, you start to build solutions based only on your assumptions and there's a risk that you'll spend your money on something that is completely unnecessary. Set your customer, not the solution at the center. Knowing the problems of the users (which need to be important enough to build something to solvie these problems) can significantly minimize the risk of overinvesting in the app. You already have the main "why". Why are you going to build your app? Do you know who you're creating the app for? Have you chosen the main business goal for the MLP version? It's important to choose the method of tracking and measure of the business goal.

Now it's time for a minimum feature set. What should be in the 1.0 version of the app? Choose what's crucial at this stage because these features should support you in achieving the business goal and solve users' problems. Don't make a long list of features that will increase costs. Larger functionalities increases the amount of time it will take to achieve your goal and the project will become more expensive.

What is better? A company builds a road connecting two cities so people can meet, cooperate, and create businesses. The road's quality is continuously improved by the company and they use the feedback of the road users to make improvements. Alternatively, a company builds a road step by step with the best available materials. Users have to wait for the great opening and are unsure whether the road will serve its purpose. What's the best for these two cities and for those people? Which example has an increased risk of failure and is more likely to leave customers dissatisfied?

THIS IS NOT A MLP



Now, create a plan for developing your MLP. If it's not effective, your costs will increase, it will take longer than expected, and it is likely that the product won't have the functionalities that your users need.

Uber, Foursquare, Amazon, Instagram, Buffer, Dropbox, Airbnb, Spotify, and Groupon: many successful apps and solutions started small and were developed over time. Many of them were MVPs first. They invested a little, checked the market fit, gained traction with potential users, and saved time and money.

LESS IS MORE! FOLLOW THE SIMPLICITY

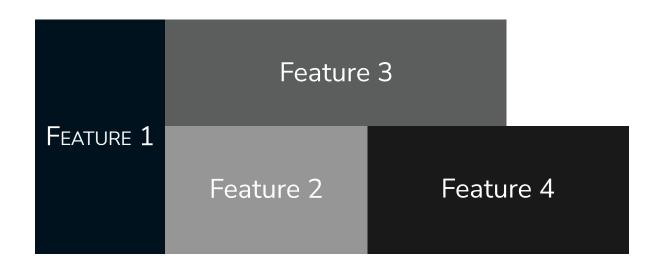
Invest a little, learn a lot, and apply your knowledge. Use no more and no less than the minimum feature set.

At Leaware, when we agree with the client to start working from something small without spending all of the available budget, we help to achieve what was assumed step by step so that both the client and the end user get what they want and need. After a testing phase with early adopters, our clients usually come back to us with ideas that they had not previously considered. Only the feedback from early adopters allows you to indicate the right direction of your product development.

Let's get back to this "less is more" way of thinking. All non-core functionalities of the app should be removed from a MLP version. When defining the minimum feature set of an app at Leaware, we create a feature box presented as a rectangle. Your own feature box should be based on what you want to do, what business goal you want to achieve, who your target group is, and the users' problems that you want to solve. In this box, Leaware add the functionalities necessary to achieve your app's first business goal. We fill the box together, obtaining a minimum set of functionalities. If it turns out that the budget is too small or the feature box is too small. we will discuss increasing it, but we try alternative options first. It is better to do less, take feedback from the market, add in subsequent interactions (following versions), and add new functionalities. Otherwise, you will start with a box that is too large and will need to remove or change functionalities if users feedback that features do not meet their needs.

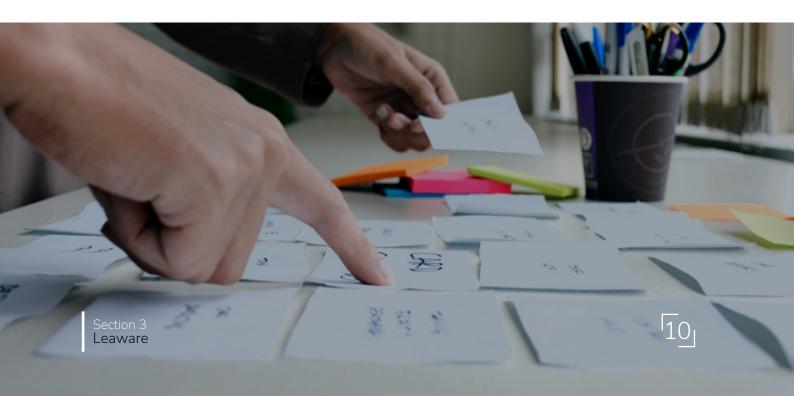


CHOOSE YOUR MINIMUM FEATURE SET FOR 1.0 ____ VERSION.



It is always better to focus on one challenge, solve the problem comprehensively and quickly in an innovative way with the 1.0 version of your app. Users won't like the product if the app only solves their problems partially

At this stage, do not aim for generating a big profit. Use your MLP to learn and gather feedback which you can utilize to create a better product. By doing this, you won't overinvest and you won't build a redundant product. Scalability will come later!



THE MARKET

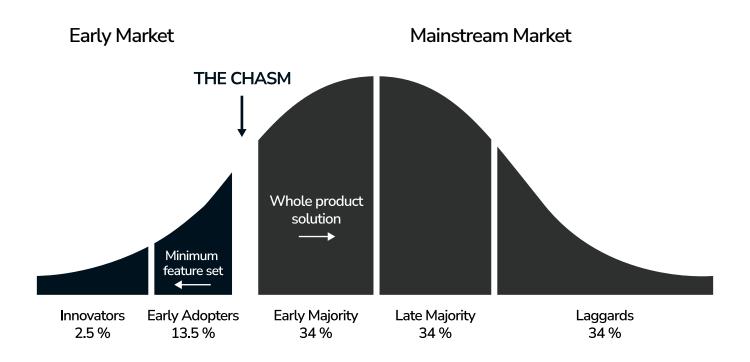
One more point not mentioned above about using the minimum is the market and the range of your potential users. Creating an app with many functionalities won't give you more opportunities for your business to grow or more options for potential customers. It is better to start with a small number of highly satisfied customers to begin with. Focus on the market and the early adopters before moving onto improving the users' experience.

There is a chasm between early market (early adopters) and mainstream market (early majority). It's the biggest obstacle for a technological solution to jump into a mainstream market. An American author and speaker Geoffrey A. More wrote his book, Crossing the Chasm which explored this step into the mainstream market. Early adopters functioning on early market are this part of customers who loves innovation and all new technological solutions. Their feedback is very important to confirm the right direction and suitable functionalities for your app. They are that 1.0 versions of apps are a work in progress and are ready to step forward if the solution works well for them.

Mainstream customers are more conservative and less open to risk. They will be ready to say yes after testing, validating, proving the quality, effectiveness of the app. They want to know how the solution will change their lives. If you want to infiltrate the main market, you have to first establish credibility with a smaller group and then expand to the main market. Trust gained among early adopters is a good start and a way of convincing a wider group and is a way of positioning your app ahead of competitiors.



Geoffrey A. Moore, The Chasm



WHAT'S NEXT?

Let's summarize the steps that will lead you to investing wisely in your app:

- Set a goal, a potential user (target group), and the main problem you want to solve.
- Focus on the main problem and users' needs, not on functionalities when creating your solution.
- Follow the simplicity. Choose a minimum set of features.
- Don't forget about the quality.
- Don't just assume. Validate your idea and solution with early adopters to confirm the right direction and gain trust.
- Learn and improve.

Starting with a MLP, you'll get into a process of continuous testing, improving, and iterating, which will lead to a successful product that may give accurate representation and be the foundation of your business. To do this, start planning goals after launching the 1.0 version of the app. With the knowledge of these first steps, creating and validating your MLP, you can build your solution and choose the next functionalities to develop it, investing in capital, time, and resources wisely.

TESTIMONIALS



Peter Nowak
CEO & Co-Founder

We knew from the start that Braveland would be built as an MLP with Leaware. It was obvious based on the specifics of the project and its audience that a product with sufficient functionality and quality needs to be created and tested with end users as soon as possible. Through this approach, we were able to allocate resources appropriately to get feedback as quickly as possible. Validating the solution early will allow us to determine whether we are heading in the right direction or whether we need to redesign our approach. However, it was less painful to do this earlier in the development process than it would be when validating our solution later.



ABOUT THE AUTHORS

Since 2010, LEAWARE has been helping start-ups and already established companies build and develop their digital solutions, making them grow, boost their businesses, and succeed.



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