

MASTER YOUR MINDSET AUDIO SERIES 2  
TRANSCRIPTIONS

MP3 AUDIO #3

# Lean Product Development

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Audio Series by Yaro Starak

## Lean Product Development

Hi there, this is Yaro and welcome to another Master Your Mindset audio. Today the topic is lean product development. I'm excited to bring this topic to you because it continues a trend of study that I like to do where I bring across topics from other fields similar to blogging – usually business fields, technological fields, or just other ways of thinking – and apply it to blogging.

I found that I had great success doing that with what you might call traditional internet marketing, which came from the background of traditional direct response marketing. That simply means applying things like email marketing, doing product launches, building a sales funnel, and traditional marketing of selling products and getting a response from people using direct methods like sending emails and writing copy on sales pages, things that most bloggers weren't doing at the time.

Back when I started, blogging was all about advertising. That's how people made money. You wrote lots of content, you put ads on it, and then you derived an income from that. I wasn't happy with that method and I very quickly combined what I was learning from these guys who were sending emails and making a ton of money, with blogging, and got I think a much better return from my efforts as a blogger. I didn't have to work as hard, and got a much higher-leveraged outcome, which is something that I noticed traditional internet marketers also seem to do. They don't seem to put as much effort into content creation as bloggers have done, so I really enjoyed pioneering the combination of those two worlds – blogging and internet marketing.

Of course, today's a completely different world. Now internet marketing is very much a part of blogging, and most bloggers are well aware of the power of having products, building sales funnels, building an email list, and using that list as a main method to get customers and build relationships.

But that's not the topic for today. It's an introduction, though, because what I'm about to tell you is something that's very powerful in a very similar area to blogging, but not blogging. In this case we're talking about the start-up business world, more of that Silicon Valley kind of world of technology and businesses growing rapidly through innovation, venture funding, small teams producing a lot of amazing things, and getting a lot of traction quickly, which is different to what a blogger does. I think bloggers are much more likely to be lifestyle entrepreneurs as opposed to start-up entrepreneurs.

I've actually done both. I've had a software start-up with Cranky Ads. If you know my work you would have heard about that. And of course I've been a blogger and an information marketer and a trainer, using internet marketing and blogging to teach people, and making money selling training products, which of course is what you're consuming right now, one of my products.

So I've seen all three worlds – internet marketing, start-up business, and blogging – and obviously I chose blogging. It's the method I prefer the most because I enjoy being a content creator, but it's important to cherry pick the best ideas from the other fields and apply it to blogging, which is what I try to do.

That's what today's topic is all about. We're going to take something which is still relatively new in the start-up world and apply it to blogging. I call it lean product development. It's pioneered by a man named Eric Ries, who wrote a book called *The Lean Startup*. I thoroughly recommend you get a hold of that and read it if you can. I listened to the audio version, and since you're listening to audio now you probably will like the audio version as well, and you can pick that up for under \$20 at the usual places like Audible.com or Amazon.com.

One of the quotes you'll find on TheLeanStartup.com page, which I want to quickly read to you because it's a great way of summing up what lean product development or what lean startup is all about, is this phrase from Tim O'Reilly. It's just a little testimonial from him. He says, "The Lean Startup ultimately answers the question, 'How can we learn more quickly what works, and discard what doesn't?'"

You probably can see why I like that phrase and the concept of the lean startup, because it's so much like what we've been going through with the 80/20 rule, the theory of constraints, and sprinting. You have that methodology. You have my audios on those subjects and you have the Master Your Mindset e-guide on that subject as well, so you should be well-versed by now. If not, definitely go back and make sure you finish those resources.

What the lean startup and the lean product development process can bring to the equation is you combine what we know about all those other concepts, and then bring it into the creation of ideas and testing what works and what doesn't.

This is the important part here, because a lot of what I taught you in the other mindset audios didn't spend much time on figuring out whether your idea was actually working. It was all about finding the highest-value activities, figuring out what was stopping you from getting a result, and being very productive, getting a lot of focused concentrated effort out of small bursts of time.

That's great, but if you do all of that and it turns out what you're doing doesn't actually work – in other words, the marketplace doesn't want what you're doing – you need to have solutions to that problem. You've got to figure out what people want, and we've got to make sure we don't spend too much time on what they don't want. That's where this lean startup methodology comes into play.

Let's look at how we can apply it. I'm not going to go into the entire lean startup methodology, because there's an entire book on that from Eric. Go read that. What I'm going to pull out is how I've been able to take that concept and apply it to blogging – in particular, two aspects of

blogging that relate to what I teach. One is your initial topic selection, so what is your blog going to be about. And secondly, what's your product going to be about when you go out and sell something to your audience?

It's sort of like those two important phases of what I'm about with blogging. One is the initial getting started and figuring out what your topic will be, and the second one would be if you already have a platform and an audience, but what products are you going to sell to them when it comes to the time to make money.

One of the best examples I can give you for answering this first question – and by that I mean choosing a topic for your blog – is looking at some of the bloggers that I've been around "growing up" in the blogosphere. If you go back and listen to the topic selection audio in the original Master the Mindset audio series you'll hear me talk about this example. It's the one about Alborz Fallah, where he decided to start three blogs.

Alborz is the man behind Car Advice. You'll have found a couple of interviews from him if you're in my EJ Insider program, or you may have heard a podcast interview a while ago from him as well. Long story short, CarAdvice.com.au is a very successful blog that he began as an individual just being a fan of cars. I should note that that blog went on to become a \$20 million+ business and it's quite large now with over 20 employees, a CEO, and is hugely successful.

But like all people, Alborz started at the beginning, not sure what topic to cover, and obviously had no clue where it would lead to. I knew Alborz when he was at that phase, because I was actually already writing my own blog and we were working together at a part-time job at a university in Brisbane, Australia.

Alborz started blogging and he chose three topics. He actually started three separate blogs. One was on cars, one was on the Windows Vista operating system, and one was on having dinner in our city of Brisbane, so going out and eating meals, sort of like a restaurant guide. Three different blogs, three quite distinct topics that really referenced Alborz's interests. He was interested in cars, he was interested in Windows technology and the latest technology, and he was interested in going out and having good meals and enjoying himself in his home town. He wrote on all three blogs on a reasonably regular basis.

For the car blog he posted his opinion of cars. The restaurant blog, he'd go and have dinner somewhere and talk about what the restaurant was like, how good the food was, and how good the service was, how good the ambience of the restaurant was. With Windows Vista he'd be reporting news and what was being talked about with Windows Vista as it was coming out. It hadn't been released yet, so it was a bit of a news site.

What's important here is that Alborz was basically doing a lean testing process a little bit differently. He was actually testing three things at once, and usually you don't do it

concurrently. You do it sequentially. You test one idea, see if it works, stop, and then try another one and see if it works, stop, then try another one.

Because he wasn't really sure what would take off, and he was interested in writing about different topics, and he had the time and the energy to do so, he decided to test all three. I wouldn't recommend doing that now. It's better to work sequentially than concurrently, just because you can focus your time on doing a good job at one thing, seeing if it works, if not killing it, and then starting something else, but the example is still important because it shows that you don't know what will work until you test it, and you might have to test a few different things before you find something that works.

This is a really important point because I speak to a lot of bloggers who don't know what their topic is. They know the area they're interested in. They know their experience. They might have some sort of background of doing a job in the past or having a passion, a hobby, or just a life experience that's led them to having insights that they want to share through a blog and potentially build a business around it, but they haven't clarified it. They haven't drilled it down to a very specific niche. They have ideas about that, but often it's not conclusive. The reason it's not conclusive is because they haven't got actual audience feedback.

I always tell people, "If you're not sure of your topic, you have to give it to your audience and ask them to decide whether they like it." To do that, it means you set up a blog, you start producing content, and you start marketing that content and seeing if you get traction. That's the ultimate test. That is what being a blogger and doing a blog as a startup is all about. It's putting out content and seeing if it sticks.

Let's say you've got multiple ideas, or maybe you're in one subject area but you're not sure what angle to take in that subject area. Like nowadays let's say I'm a blogger and I teach you guys on blogging, but I also teach you on product creation, so I'm effectively taking an angle within the area of making money with blogging, specifically creating training products.

I could focus on something else. I could focus on blogging but specifically affiliate marketing, or I could focus on blogging and do specifically advertising like Google AdSense and selling banners directly to people and using other advertising networks like the Media Network and the Chitika Network and all these other places. You've got Commission Junction with affiliate marketing. I could specialize. I could just go down those paths and see which one I get better traction for.

A lot of it would depend on me being good at those different areas and gaining a lot of knowledge and experience. That's why at the moment I choose the one I enjoy the most. I prefer creating teaching products. I think you can make the most money creating your own products. That's why I'm going down the path of teaching that to you.

You can take your niche, wherever it might be. Let's say you're in the health care field and you've got a background in nursing. You could take all kinds of different angles with this. You

could pick specific ailments that people have. You could pick getting employment as a nurse if you're coming from another country. You could pick how to get career advancement in the nursing field.

These are all potential ideas, but they're not tested. We don't know whether there's a big enough audience for it to work. We don't know if there's any money in those spaces. The important part is to actually get something out the door quickly, and this is where the lean product development process can really become helpful.

What you do to execute this principle is to focus on "What's the minimum requirement to get something out the door to figure out whether there's a market for this?" In *The Lean Startup* they call that the MVP – the Minimal Viable Product. That's talking about software usually, or technology, or maybe even a product in the real world, something tangible. They're all about getting a quick beta or even alpha version out the door so you can get users and see what people like.

We're bloggers. We don't have a product. Well, we do, we have content. What's on our blog that provides value is content. That's our product. So the best way to implement a lean product development strategy with a blog is to quickly set up the platform for the blog and then quickly produce a series of content on it, then quickly go out there and tell people about that content and see what kind of traffic you get. See if you get comments. See if you get people subscribing to a newsletter. See if you get people asking you questions. Is there any kind of traction, some sort of response? That's how you would do a lean product development process for a blog.

Part of that process is actually making sure when you execute this, you are very, very simple. It's a very no-frills version of blogging. Get your WordPress up and choose a theme. Don't spend too much time worrying about whether you like the theme or whether you've got the best headline or the best subject line.

Even with domain names, I've talked a lot about domain names and the importance of getting the right one going forward. At the end of the day, a domain name is \$10 a year. This is not a big expense, so if you've got a lot of ideas and you don't know which angle to take, buy a domain name and get a blog set up. Don't stress too much about it. Just get something out the door and then see if it sticks. If it doesn't, you've lost \$10 for a domain name. Buy another one, test your other idea, and see if that sticks.

It's all about not worrying too much about anything other than seeing if people respond to your content. Even with that process, if you were to produce content, produce content that allows you to get a result quickly. I would actually recommend you produce 10 articles that cover the A to Z of the subject matter you're focusing on.

If it is nursing and you're going to talk about how to get career advancement, then "The 10 Most Effective Ways to Increase Your Salary as Nurse – Part 1," and Part 2, Part 3, all the way

to Part 10, covering the 10 best ways. At the end of each article you ask for feedback and encourage engagement.

The beauty of doing this is you're hitting the nail on the head about the most important point of that specific niche problem area and asking for feedback straight away. You're not going to kind of write about news, and you're not going to write sort of around the subject with generic topics. It's "Here's answers to this problem. Do you like what I provide you? Do you want more?" That's what we're trying to assess. That is our lean product development process.

That's so important because it allows you to find out whether this is going to work, and you can do that within a month. I think you can actually test a blog within a month and find out whether it's going to work by focusing on speed of implementation, using everything you already know now about productivity and then quickly getting some content out the door. That's where you'll spend most of the time.

Then maybe spend a week telling other people about it. Just email some people saying, "Hey, I've written these 10 articles on how to get career advancement as a nurse." You could go email every single other nurse blog out there, even just individual nurses who are writing their own blog, and ask them, "Do you guys find this valuable? Check it out. I'd love your feedback. Just tell me your feedback. That's all I'm asking for is some sort of response from my audience to see whether they like it, even if they tell me it's terrible," just so you get that kind of ongoing feedback. That will tell you whether there's enough traction to continue down that path, or if clearly you're just not hitting the nail on the head and it's not exciting for you.

One of the beautiful things about taking this kind of action is you find out whether you enjoy it. That's actually half the battle here. It's not just figuring out whether the market wants it, but as you produce it are you enjoying writing this content? Are you enjoying interacting with people about this subject? Because I guarantee if you're not having a good time, you're not going to stick at it for very long. I wouldn't be doing these kinds of audios if I didn't love teaching this subject matter. I've done a lot of teaching over the years and I'm still doing it, so I enjoy it. That's the important part.

What will happen then is you'll get either a yes or a no response. You'll know that it's working and you'll keep going down that path and see how far you can go, and that's important. If it is going well, you should go deep. That's when you start to clean things up. That's when you start to improve how much content you've got. You start to cover more topics. You just start to build a better-quality product, in this case a better-quality blog.

The alternative is you get a not very good response, and that actually may be more likely. The refinement of topic selection and really hitting the nail on the head for an audience is quite challenging, especially today with the extent of the competition you face and the more content that's out there. It's just harder to get attention, so you might need to really start refining that topic down to something very, very specific.

What I can tell you is the key to making the lean product development process work is knowing you have the option to pivot. I believe this is really the heart of why the lean startup is so successful, because it allows you and encourages you to fail and fail quickly and be okay with failing, and see failure as simply a process of iteration towards what's successful.

You can, in fact, change your entire product and just call that testing to see whether your market wants what you offer. The beautiful thing about this is there's no sense of, "I've put all my eggs in one basket. They didn't like this product and now I have nothing and I've wasted all my time and money." Instead, you just see the whole startup function as an assessment of what your audience wants.

You see your blog not as the be-all end-all. If you've got a subject and it turns out no one wants it, that's just you figuring out what your audience wants, and it's very easy for you to change subjects. You change the domain name, or maybe you even keep your domain name and you start writing articles that are slightly different. You take a slightly different angle, so it's no longer about how to get an improved salary with nursing, it's how to work for a better hospital or maybe how to travel as a nurse.

You can use the same domain name. It might have been NursingHelpline.com or something like that. Obviously this is just an example. I have no idea whether those are viable markets, but it does show you that you have a lot of pivot potential within any subject matter.

Going back to my own story, I could go, "Okay, I'm not getting traction with teaching how to do advertising with a blog. Let's just try affiliate marketing and see if more people are interested in that." I could keep the same domain name. The change that happens is I write 10 new articles talking about the A to Z of affiliate marketing and then go out and tell people about that and see if I get a better response.

This is what they do in software development. They create an alpha version of a platform. They see if people use it. They see how people use it. If they're not seeing the kind of interaction they want, or they're actually seeing people use it in a way they didn't expect them to, or people start giving feedback asking for certain features that they didn't realize were as important as they are, that's where they start to pivot. They do it with knowledge of the market. That's the really important point here.

As a blogger, you're making decisions not on what you think or what you guess or what a mentor told you or what other people have told you or where other bloggers have had success. It's actually you asking your audience, "Do you like this? What do you want more of?" and you change based on that. They're the ultimate decision makers.

That's a really critical point. That's why the lean product development process is so effective. It gives you the power to test quickly and change quickly, and then you can figure out what works

and what doesn't, and focus more on what does and discard what doesn't. That's what lean product development is all about.

When you listen to interviews with entrepreneurs you'll often hear a series of case studies, little stories from their history of projects they've done that have worked or not worked or led them to what has really worked well today. There's some kind of a stepping stone process that they go through.

In fact, if you look into Silicon Valley, venture capital, raising money and all that sort of thing, you'll find that there's a kind of weird appreciation people have for failure over there. In fact, a lot of the venture capital people – people who put the money into companies – like it when the entrepreneur has had a business or several that haven't worked.

The reason why is they like seeing the person is an action taker, and they like that they have learned from the process of building whatever it is they built, even if it didn't work that well or it didn't reach the goal they were going for. The reason why that happens and that's important is you want people to have made mistakes and you want people to have seen what parts of their process in the past did work and what parts didn't work, because when they start their next enterprise they're only going to take the parts that did work to build the next business. That gives them an advantage over someone who's not done anything before.

It's a strange way of thinking because your default response to someone who's failed would be like, "Well, you're obviously a bit of a screw-up. Why would I invest money in someone who's only got failed history?" but the actual way people interpret it, and maybe it's an overly positive thing to do, is that the learning process is a very important part of the process, even if it doesn't get results in terms of tangible financial success. It's a stepping stone towards that big result.

People would rather you had walked the steps, even if you didn't make it to the top, because then you're already half-way there or a quarter of the way there, or you've got something to draw upon and build upon.

The same thing is true with blogging. Even in my history, if you go back to the very first projects I had online, I started with a successful card game website, or at least it was successful based on what I was looking for at the time, and it was very much a complete experiment. I had no idea how to have a website or get traffic to it. I learned on the go, and it took a lot longer than it would take me to do the same thing today.

It was a different time. The techniques were very different for growing a business, but there was a lot there that I learned that I still use today, that I took forward with me, the parts that were effective. They were things like the different techniques I made money with. Some of them are still applicable today and I still use them, like advertising, like where you put advertising on your site, like having an Advertise page on your site, things like that.

Then the projects going forward after that. I had several websites that I built that didn't work, and I had an English school that I had in the real world that was a tutoring service. I created that as a sort of side project initially because I needed to show cash flow for a business grant I was in, and my online business was quite cyclical. In summer it didn't have as much money, so I decided to start this English school to sort of supplement it.

Although that English school was pretty much a failure by traditional standards – it didn't make a profit and I discovered all kinds of things about that business that I didn't want to do – it was really important that I went through that experience because it showed me some really important things. First, it showed me how much better an internet business is. That was a huge stepping stone. I will never go back to a physical kind of business like that one again, at least not in this phase of my life. I might do one for fun, because I do have a secret little plan to one day have a chocolate brand named after myself, but let's keep that for the future.

The point being, I won't ever go and try to build something like that because I know the components of that kind of business requires things I don't want to do. It requires that I go to an office in normal working hours. It requires I have a physical premises that I have to be at. Even to eliminate those things, I have to go through a growing process that requires hiring staff and coordinating people and being at places and working with people that I don't want to work with.

The internet didn't require I do that. The internet allowed me freedom. It allowed me portability. It allowed me to have virtual employees, and it showed me how much better those things are, so it was important that I went through that experience with the offline business.

Whatever it is that you've done in the past or you're doing now, even if it doesn't work out, you have to look at that as an incredibly important stepping stone towards what it is that will work, because you're going to learn the parts of you personally that you can leverage that are strengths, and drop away the weaknesses and don't put time into those weaknesses.

Also in terms of just good old-fashioned business sense, you'll learn the best business models are the ones that work best with your strengths. You'll learn the types of business you want to run, and of course if you're listening to this you're obviously in the world of blogging. You're going to learn that there's certain things you can take into the world of blogging that you know are fundamentally always effective, like all the mindset subjects you're learning about in the Master Your Mindset program, and apply them to the world of blogging

And of course, things may not work every time exactly how you expect them to, but if you can test fast, fail fast, drop what doesn't work and do more of what does work, then that's the key to success. Every entrepreneur has got a history of doing that.

That is the formula for a successful business, and it's no different for a blogging business. Every blogger will have gone through periods where they've written content that didn't work, and

they learned that that's not their subject. That's not what their audience wants. Their audience wants something else, and they spend more time on what that something else is.

It's actually a very simple principle when you think about what do people want, what do people not want, give them more of what they want, and don't spend time on what they don't want. But you can't learn that without going through a testing process, and that's where lean product development comes in. You test, you pivot, you act lean, you act rapidly, and you learn things rapidly. That's what testing with lean product development is all about.

I think you get the picture. I'm starting to repeat myself a little bit here, so that's a sign that it's a good time to end this audio. The important parts are those last points I made. It's all about being rapid with testing, rapid with changing when things don't work, and going very deep when they do work. You go after success by trying to build on top of it. You don't change once you're finding success.

That's a really important point for those entrepreneurs out there who like to do lots of different things. There's a time and a place to focus on what's working. You can try different things once you've got a system built that keeps that machine making money for you without you. Until you reach that phase, put your time into what's working.

It's actually rare to find something that can make you good money, so once you do get there, don't mess it up by starting something else. Leverage what you've got for all it's worth. Build a great business around it, build a system around it, then move on. It all starts with lean product development.

That's it for now. I hope you enjoyed this audio and you're enjoying this series. I will once again talk to you on the next Master Your Mindset audio. This is Yaro. I'll talk to you again soon. Bye bye.