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LEAN SERVICE CREATION

leanservicecreation.com

THE HANDBOOK **V1.8**

futurice
LEAN SERVICE CREATION

The Handbook
for LSC canvases (ver 1.8)
www.leanservicecreation.com

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15.5.2017

"I'm stronger than yesterday!"

CC BY SA

DEAR READER

Lean Service Creation (LSC) goes back to 2013 when one of our clients wanted us to teach them how to create digital services by combining lean principles, design thinking, and agile philosophy. That's when the first set of tools and slides were put together as a package for others to take into use. Feels like a century ago :)

Now in May 2017 the stuff in this booklet has been taught to 1000+ individuals, it has become the foundation stone of digital transformation in companies, universities use it in their teaching, and business critical projects use LSC in getting results. LSC has been used in corporations such as Wärtsilä, Telia, BMW, Tesco, and Posti. And we love to mention that there is a time machine in the Helsinki City Museum created with LSC!

Also, LSC has now a steady team behind it at Futurice. In addition to us who originally put LSC together, we have Eeva Raita, Salla Heinänen, Lina Yassin and Mirkka Länsisalo driving LSC coaching forward, and Nelli Myllylä curating our LSC communities. Plus our dear colleagues inside and outside Futurice are super active in making LSC better. Have a careful read at the credits section to appreciate the communal effort!

Once in a while we find ourselves contemplating what is behind the success?

Perhaps Lean Service Creation got one thing right in the beginning: **it is not really about the tools and the methods, it is about actions, behaviour, and the people behind them.** LSC is what you make out of it. It is not something you just download from the web and plug it in. The real power of LSC is that it has been designed with great respect to the people facing the challenge of creating new business.

And we want to do it together with you. So, please pretty please with sugar on top give us feedback, join our events, be in touch, and help us make LSC better. **lsc@futurice.com** and **www.leanservicecreation.com** are always there to listen. Join the Facebook group and the LinkedIn community as well.

With respect and gratitude to all you innovators, creators, and change agents out there who are making LSC into something bigger.

On behalf of the whole LSC team,

Risto, Hanno, and Juha

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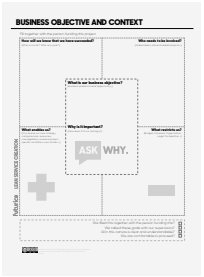

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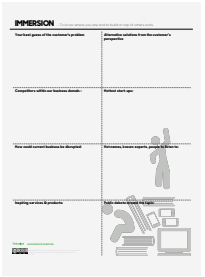

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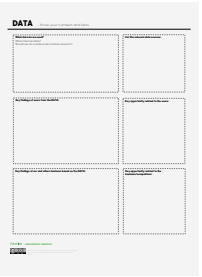

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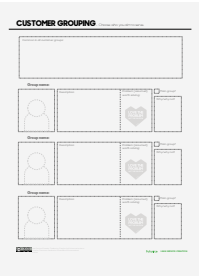

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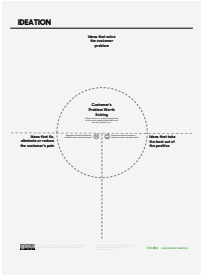

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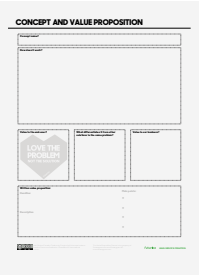

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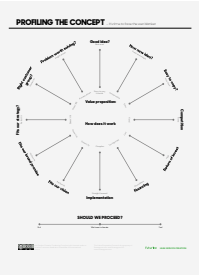

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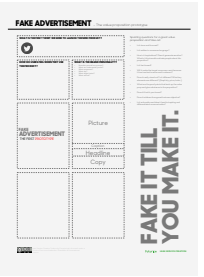

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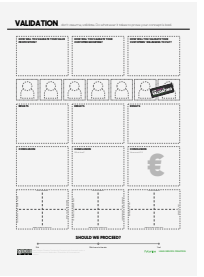

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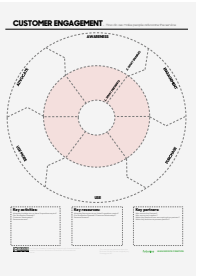

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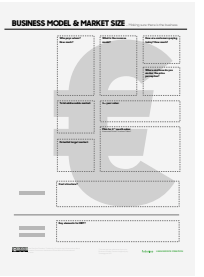

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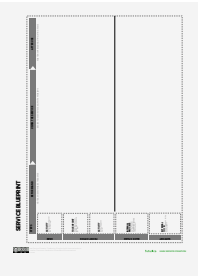

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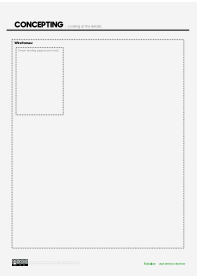

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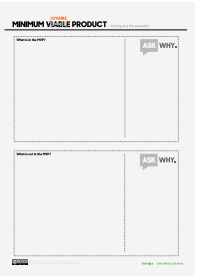

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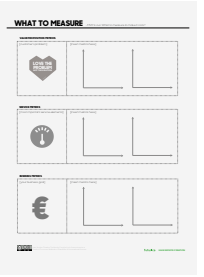

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WHAT IS LEAN SERVICE CREATION?

LSC AS A SET OF TOOLS

In all simplicity, LSC is a set of canvases in a loose order of preference. The goal is to provide you and your team with a very long checklist to answer, and a way to organise the answers. The canvases are designed to be physical posters on a wall so that your team can collaborate, discuss and work together in the same physical space.

LSC AS ACTIONS AND BEHAVIOUR

As described above, the canvases are more than passive questions and tools. LSC encourages certain actions and behaviour. The canvases gently push you to create concrete results; to facilitate co-creation; to give and receive quality feedback; to experiment, try out, and prototype; to fail fast, iterate and learn; to tackle problems step-by-step; to turn abstract things into tangible; and to show, listen, and talk to others.

LSC AS THINKING AND ATTITUDE

Once you adopt LSC tools and actions you probably find yourself reflecting on your old ways of thinking. That is the point! LSC implies a specific mentality: Beware of functional silos. Aim for multidisciplinary teams and give all experts an equal voice. Rock beats scissors and concrete results beat a pre-defined process. Be holistic, see the bigger context. Embrace uncertainty. Co-design with customers. Maximise realism to overcome self-deception. Always validate = Learn, Measure, Build. Have an open and curious mind. Have fun while working. Go home, kiss your spouse, and give your Mom a call (i.e., there are more important things in life than LSC :).

LSC AS A SHARED LANGUAGE

It is easier to change yourself than to change others. To get your team (or your whole organisation) to truly collaborate you need a shared language. LSC is designed to be your *lingua franca* between business, data science, programming, design, research, marketing and so on. LSC makes it possible for you, your team, bosses, stakeholders, sub-contractors, customers *etc*. to have an equal ground. No one can hide behind their own jargon (not the bosses, not the experts) and everyone is given a voice to give feedback and to be creative.

LSC AS A COMPANY CULTURE

Imagine a group of people sharing the same language for tools, actions, and thinking. That's when your whole company culture begins to transform. Transform to what? LSC implies an organisation that is reactive to change, rapid in its iterations, and constantly learning. And because of all this, it is successful in creating new business. To achieve this, LSC supports a new type of leadership, where both top executives and grassroot experts are leaders because they are followed and respected. And these leaders make mistakes and learn from them, they get their hands dirty when required, they trust people and help them succeed.

LSC AS SOCIAL CHANGE

What is one of the major forces shaping our societies? ICT innovations, products and services that create new business. That is why the people who have the skills, tools, and thinking to create new business have a lot of societal power. This power should be equally available to everyone – not solely to a small group of educated professionals. That is why we actively make LSC open, free, and available so that anyone anywhere can learn, apply, and create new products and services, and shape the society via Lean Service Creation. **We would like you to join the movement!**

FOR WHOM? HOW? WHY?

Treat Lean Service Creation like a friend of yours who has been in your situation many, many times. And like a true friend, LSC is ready to ask you difficult questions and push you outside your comfort zone. The canvases here can't do your job for you but they give you a starting point, a rough outline, specific questions to answer and concrete actions to do.

WHO HAVE USED THE CANVAS SET AND HOW?

- Experienced service designers use the set to remind them of business questions and more technical issues.
- Business people use it to operationalize a customer-centric core into their work.
- Engineers use the canvases to integrate design thinking into their agile work methods and architecture planning.
- Start-ups use it to communicate their ideas and to see where to go next.
- R&D organisations use it to form a shared language and an agile & customer-centric way of working.

THE CANVASES WORK BEST AS:

- A comprehensive checklist that you have looked at your service from all angles.
- A simple step-by-step process to introduce into a multi-disciplinary team to create a shared language and a common methodology.
- A visible, fast, and easy way of communicating your work to other people and encouraging them to give quality feedback.
- An easy toolbox to adapt and apply to different types of services and different existing work cultures.
- A proven tool to create new innovative services fast, efficiently, and holistically.
- A step-by-step way to introduce and teach how new business is created in the digital era.

WHAT IS NEEDED TO GET STARTED?

- Some basic knowledge of product and service development. The more experienced you are, the faster you adapt the canvases to work best for you.
- A creative and result-oriented mindset. The tools will never create awesomeness by themselves. At the end of the day, you and your team have to create the success.
- A humble attitude. You must be ready to throw away your darling ideas. You have to be able to listen to your customers and colleagues. You have to be ready to accept irrelevant and sometimes stupid feedback. Be humble and ask yourself: are you building a new business or building your ego?
- Pens of different color. Lots of different size sticky notes of different colors and sizes. Tape, scissors, paper, empty walls, rulers, glue, and a room where all this comes together. Basically, go visit a kindergarten and see what they have there :)

BUSINESS OBJECTIVE AND CONTEXT

Why is your company doing this? What business objective are you solving by building this service/product/thing? This is where you tie your project to the larger context of your company. Therefore, it is *muy importante* to fill this canvas together with the executive-boss-person who knows what is the expected business impact. It will give you focus, help you make independent decisions, and clarify your success criteria.

A. OUR BUSINESS OBJECTIVE?

Which business goal / problem / need / opportunity of your company are you solving? This should be an objective that can be solved in many ways. A good business objective does not imply a pre-defined solution.

B. WHY IS IT IMPORTANT?

Why is the business objective important? You should be doing something that has a meaning and creates a positive impact when successful. How does it fit your company's strategy? Your department's strategy? Any other reasons why this particular business objective is more important than others?

C. HOW WILL WE KNOW THAT WE HAVE SUCCEEDED

Imagine yourself one year from now. How do you know that you succeeded in achieving the business objective? Number of customers? Euros? Twelve percent growth? Fame? A medal from the king of Sweden? Does your boss-person agree with this? Next, answer the same questions for one month from now.

D. WHO NEEDS TO BE INVOLVED?

There are probably other people to keep onboard as well. Who are the internal stakeholders? People from other projects? Any veterans who have earned their battle scars? The cute guy from marketing working on similar issues?

E. WHAT ENABLES US?

Anything relevant in the company's innovation portfolio? A brand change coming up? Is regulation going to change soon? Write here any opportunity you find relevant to take into account at this stage.

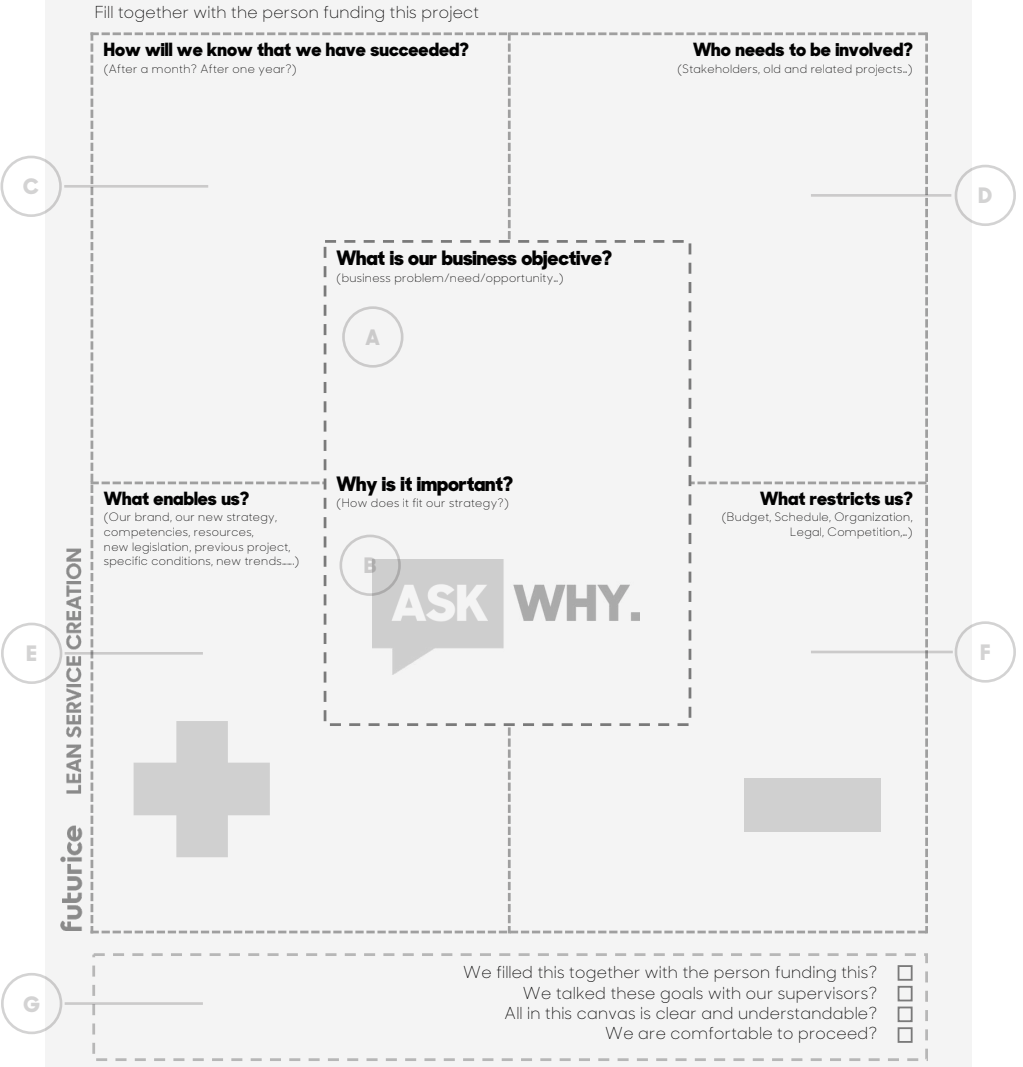
F. WHAT RESTRICTS US?

A limited budget? Your huge corporate bureaucracy? Too many internal stakeholders? Legal restrictions on selling your grandma to cover costs? Only two months time to get this running? Your current business is doing too well to support risk-taking? Or perhaps you know that your team lacks certain skills?

G. CHECK THESE BOXES!

If you fill this canvas without any important boss person around you are only guessing. On the other hand, if the top brass fill this without you, there is a danger that the goals, objectives and rationale are unclear. These checkboxes are here to emphasise that fill this canvas together with the person funding the project (i.e., the person who ultimately decides if you are successful or not)! Also, make sure everyone in the team understands the goals *etc.* and is happy to proceed (and the team members' supervisors understand what their people are working on for the next months).

BUSINESS OBJECTIVE AND CONTEXT



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IMMERSION

This is the canvas that helps you do your homework before taking a deep dive into creating new business. Filling these boxes and actually looking more into the answers you give will save you weeks of time later. Yes, it pays off to do your homework.

A. OUR BEST GUESS OF THE CUSTOMER'S PROBLEM

At this stage, what is your best guess of the problem that is worth solving for your customer. Don't worry if you are unsure, just write down your educated guess. Btw, this is also your best guess of who your customers are ;)

B. COMPETITORS FROM THE CUSTOMER'S PERSPECTIVE

Your business competitors are not often the only alternatives the customer has in solving his/her problem. You might be competing for the customer's time and attention. The competition might be the customer's friends and a good bottle of wine. Or even better: often a viable alternative to your solutions is for the customer to do jack shit. Try beating that! Beat Mr. Jack Shit!

C. COMPETITORS WITHIN OUR BUSINESS DOMAIN

These are the companies and organisations you compete with head-to-head. These are the businesses that are similar to you and you keep an eye on. Grrrr....

D. HOTTEST START-UPS

Behind every start-up is a new idea that no one else has executed, yet. Sometimes they are very clever. List here the ones that are relevant to you. Watch their YouTube videos and subscribe to their newsletter. Invite them over. Then copy their good ideas (don't break any laws, though) and improve them. Saves you a lot of time when you don't have to re-invent the wheel. Or perhaps just buy the start-up and save even more time and money.

E. HOW COULD YOUR CURRENT BUSINESS BE DISRUPTED?

If you are an established company, you can bet there are ideas around how to undermine your position. Ask yourself: is it better that you know how your business can be disrupted, or is ignorance bliss? Not convinced? Ever heard of Kodak? Thought so...

F. HOT NAMES

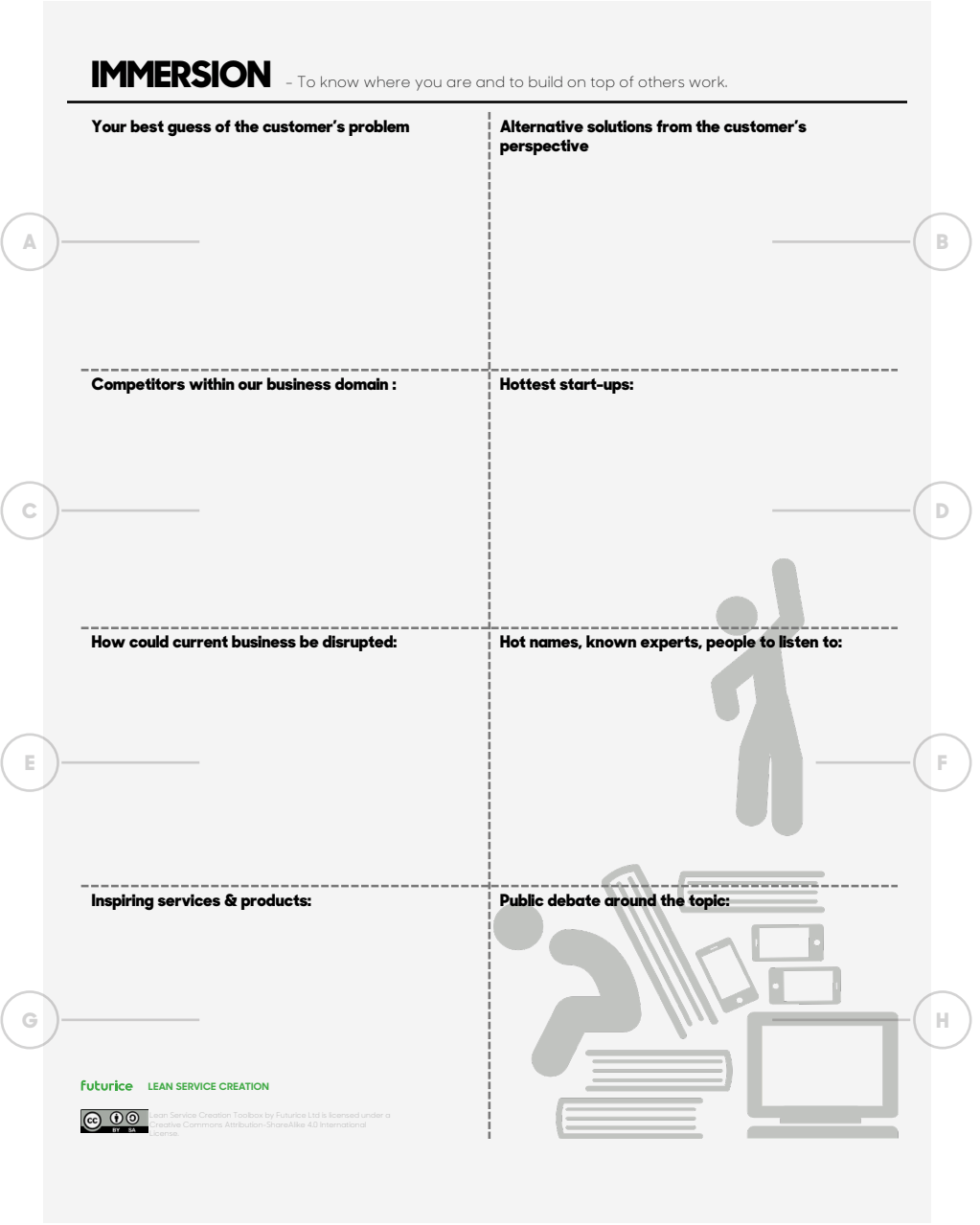
There are people out there that can help you. A scientist who has studied the domain for years can tell you in two hours more than you can ever Google in two weeks. Perhaps there is a blogger out there with 500k followers who are your potential customers. Or perhaps there are some thought-leaders in your domain that you should talk to.

G. INSPIRING SERVICES & PRODUCTS

When was the last time you were inspired by a cool new service? In your work? In your private life? This is the box where you list the awesome stuff that inspires you. It might have nothing to do with the service you are working on, but hell, you love it, therefore, it is important!

H. PUBLIC DEBATE AROUND THE TOPIC

What do the papers write about your topic? What about social media? The conferences in your business? This is a great way to understand the problems, feelings and current issues surrounding your topic. Also, your service should aim to bring something new to this debate: a solution everyone is craving for.



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THE DATA

Let's make the most out of the actual facts that we have and minimize guessing. Know what you know and what you don't know. Look data from inside your company and from public sources.

A. WHAT DATA DO WE NEED?

What data should you be looking for? If you are for example disrupting your own business remember to gather all the data of current business. If you are making a service better analyze carefully all related data. Especially look at the conversion percentages from impression to actual paying customer and so on.

B. LIST RELEVANT DATA SOURCES

So you know what data you need and now the question is how can you find it. Typically you will need some help from your organisation to get the internal data. So it's not just from where but from whom you will get it.

C. KEY FINDINGS OF USERS FROM THE DATA

What does the data tell you about the users? How many are there, how much they pay, how often they use your service, how many have left the service and so. Look also the trends of the figures.

D. KEY OPPORTUNITY RELATED TO THE USERS

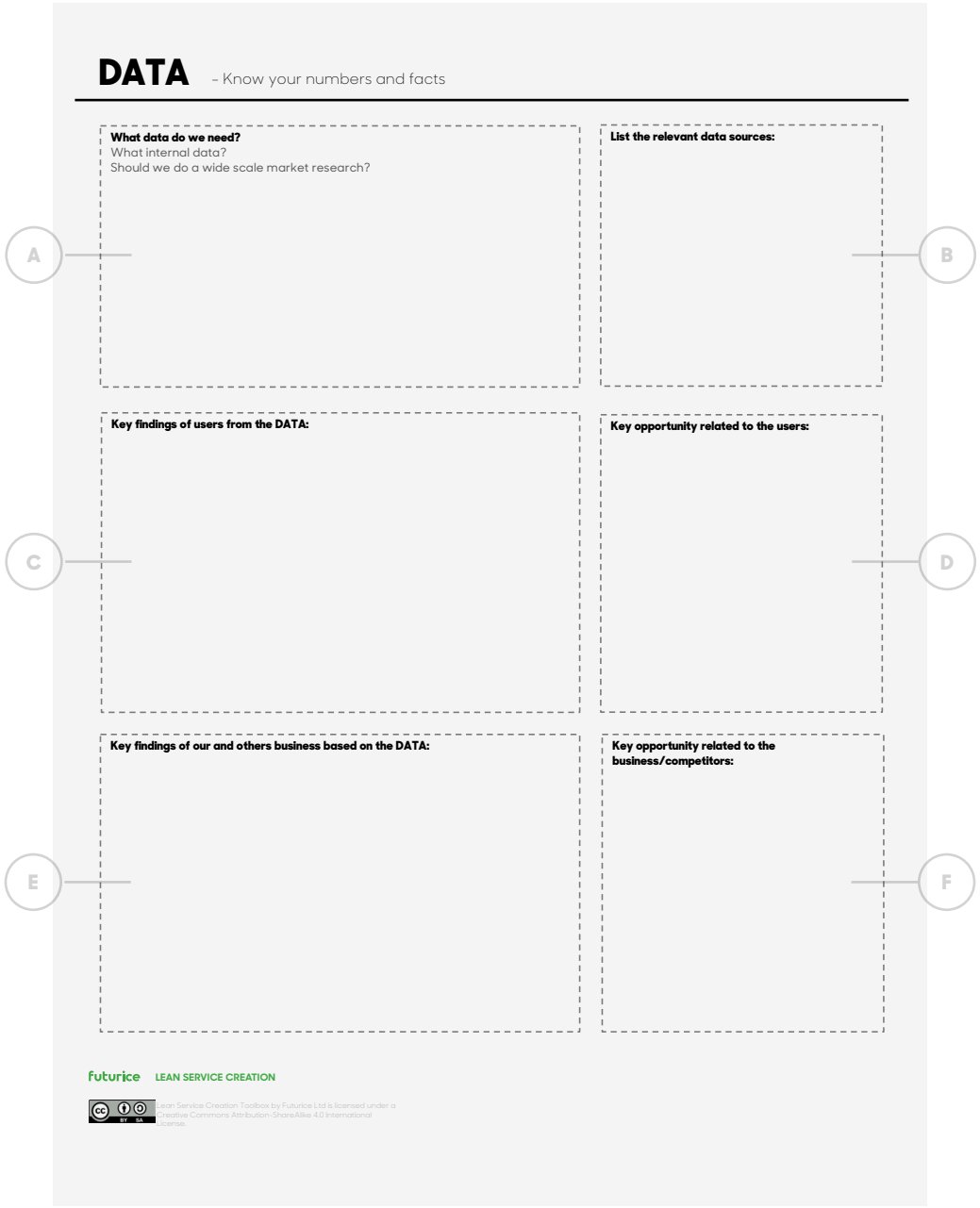
Is there some really interesting opportunity you can see in the data? For example some phase in the user journey where you lose a lot of users?

E. KEY FINDINGS OF BUSINESS DATA

What does the data tell you of your old business and/or competitors business.

F. BUSINESS OPPORTUNITY

Did you find an business opportunity that you should try to take advance of?



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CUSTOMER GROUPING

This is the canvas for grouping your customes. Remember, you can't get it right the first time. Refining and re-drawing your customer groups based on what you learn is the secret to success. Start with one group, unless it is bloody obvious that there are two clearly different ones. As you learn more about your customers and their problems, you probably find rationale to split the group. Oh, and defining your groups by basic demographics is simply lazy. Different groups have different problems worth solving. Love the problem!

A. COMMON IN ALL CUSTOMER GROUPS

You can start with this box or fill it last. The point is that your groups might have different problems, but nevertheless, there could be common things among them. If they are common enough, perhaps they can all become your customers.

B. GROUP NAME

Yup. You better name your group. Write it on a sticky note, you will change it many times later on. And while you're at it, draw a picture that represents your group. Or why not print a descriptive photo. Have fun with it.

C. DESCRIPTION

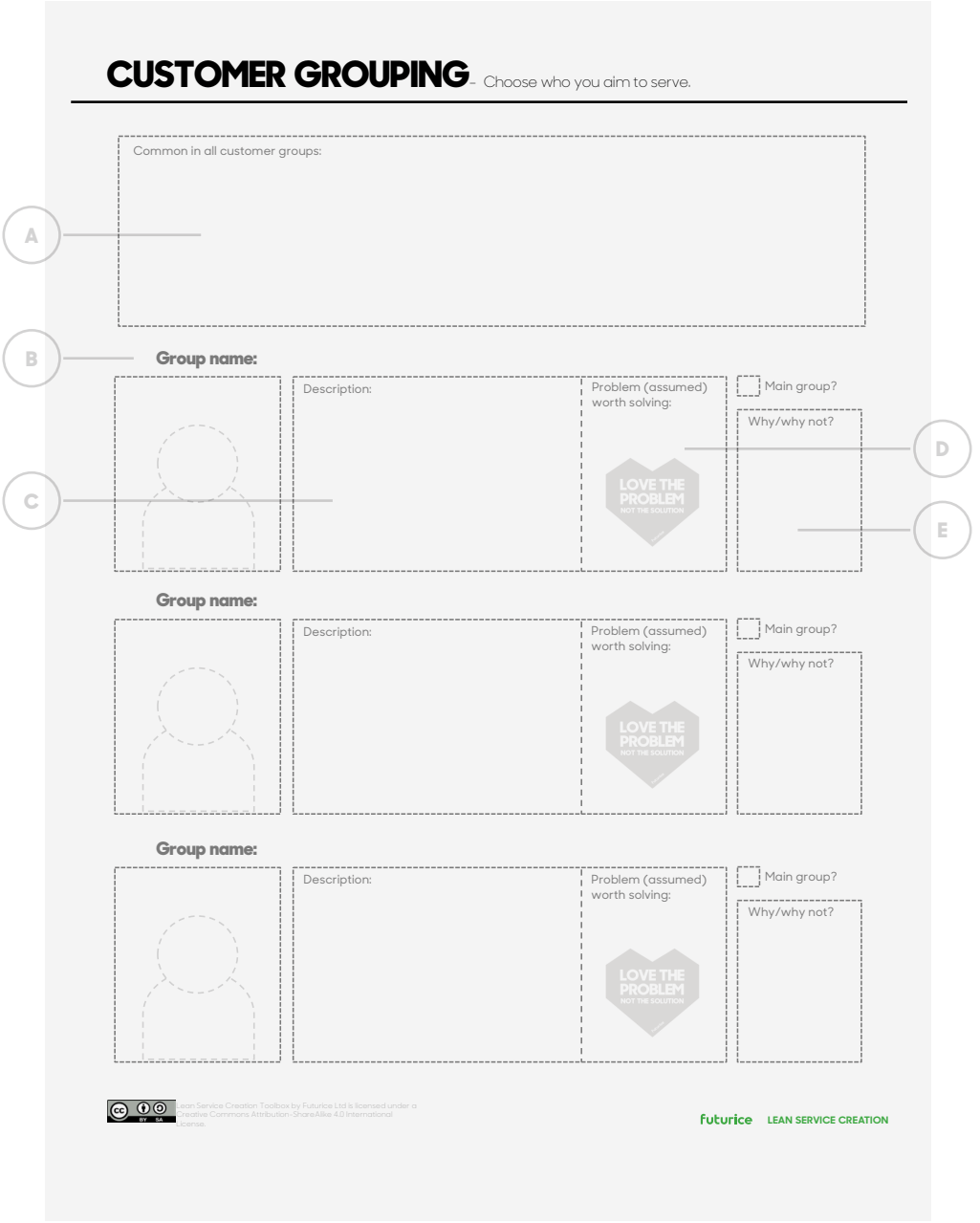
Write down three bullet points that describe a person that fits your group. Think it like this: if a person walks up to you, what are the three most important things so that you know whether this person is in your group or not.

D. PROBLEM (ASSUMED) WORTH SOLVING

From the customer's perspective (a customer who fits into this group, of course) what is the problem s/he has that is worth solving. And if you haven't yet talked to any real person in this group, write down your assumption.

E. MAIN GROUP? WHY/WHY NOT?

The thing that is bound to happen is that you will have more than one group. Unless you have rock solid reasons for working with several groups at the same time, choose one as your primary group. Then write down your rationale: why is this the main group and why the others are not. Keep in mind, you can come back to this canvas anytime and make a new decision. (Unless you ordered the "LSC Canvases Stone Slab Special Edition". In that case your decisions might be... well... carved in stone. :P)



INSIGHT

Get out of your office and meet some real people! This canvas helps you in planning what to ask your customers and how to analyze what they say. What you are looking for are insights about your customers (segment) and to find a problem worth solving. That's why your first interviews are so-called "problem interviews": you are doing your best to see the world from their perspective and to find a problem that you might solve for them. Do not, I repeat, DO NOT talk or ask about your solutions or ideas for a service. The gods of ethnography shall smite you if you present a solution at the problem interview stage!

See also the end of this booklet. There we have added a special cheat sheet for doing good interviews.

A. INSERT PROBLEM INTERVIEW SCRIPT HERE

Here is a rough template for your interview script. The key is to make the interviewees comfortable and to make them tell you honestly what they think and feel. Also, plan beforehand what are the themes and questions you would like to know more about. Ask for facts and examples, ask them to draw a picture if need be. Ask why, ask why again, and then ask why once more. Then ask why. They should talk 80% of the time, you just softly guide them and ask for clarifications if need be. Immediately after each interview, write down the three most important findings. How many should you interview? Start with five.

B. INSERT PHOTO HERE

Did you ever want one of those funky instant photography cameras? Go and get one! Charge it on your company, because you need it to insert a photo of your interviewee here. Why a photo? To remind you that your customers are, at the end of the day, real people and not just segments on sticky notes. And write their first name here as well.

C. NEEDS + OTHER KEY FINDINGS:

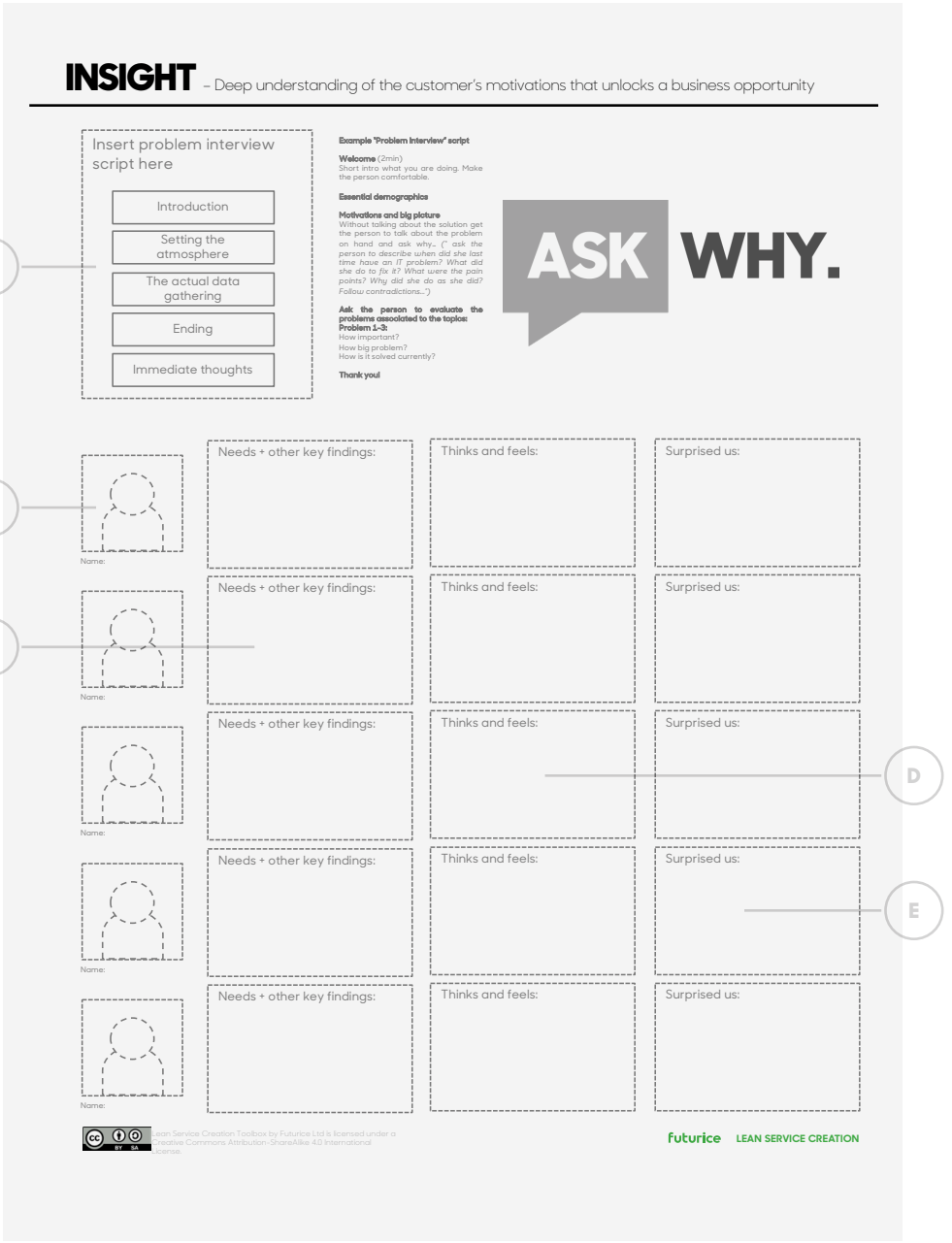
What did this person really need? Give an example? What do you think they actually needed? Maybe they said they need coffee, but you think they actually need something to wake them up in the morning. Write here a good quote of what they actually said. Also, write here any key findings you think are relevant.

D. THINKS AND FEELS

Every successful service resonates on an emotional level. Therefore, you need to understand how people think and feel about the topics related to the problem domain. What, you didn't ask them how they felt about things? Call them back. Now! And don't forget to do that for the next interview.

E. SURPRISED US

What did you learn? What unexpected things you learned? This is pure gold: this is you learning about your customers! Eric Ries gives you a high-five!



IDEATION

Business problem? Check. Customer segment? Check. Talked with several people in that segment? Check. Great! Now you are welcome to this canvas, where you finally have the permission to create ideas for solutions that solve your business problem AND solve the problems worth solving for your customers. First fill the inner circle based on the insight from the interviews and then brainstorm around them to find large and small ideas.

Do not hesitate to use any good ol' brainstorming techniques here, such as *How Might We...* statements or other tips'n'tricks for breaking mental logjams hindering creativity.

A. CUSTOMER'S PROBLEM WORTH SOLVING

From the interviews select the customers needs & problems that you want to solve to reach your the original business objective.

B. NEGATIVE EMOTIONS

From the interview write down the negative emotions attached to the selected problems & needs. These are the negative thoughts, feelings, emotions, hurdles etc. that the customer has in doing or related to those jobs. Remember, that these emotions exist independent of your service.

C. POSITIVE EMOTIONS

These are the positive thoughts, feelings, emotions, results etc. that the customer has in getting solving those needs.

D. IDEAS THAT SOLVE THE CUSTOMER'S PROBLEM

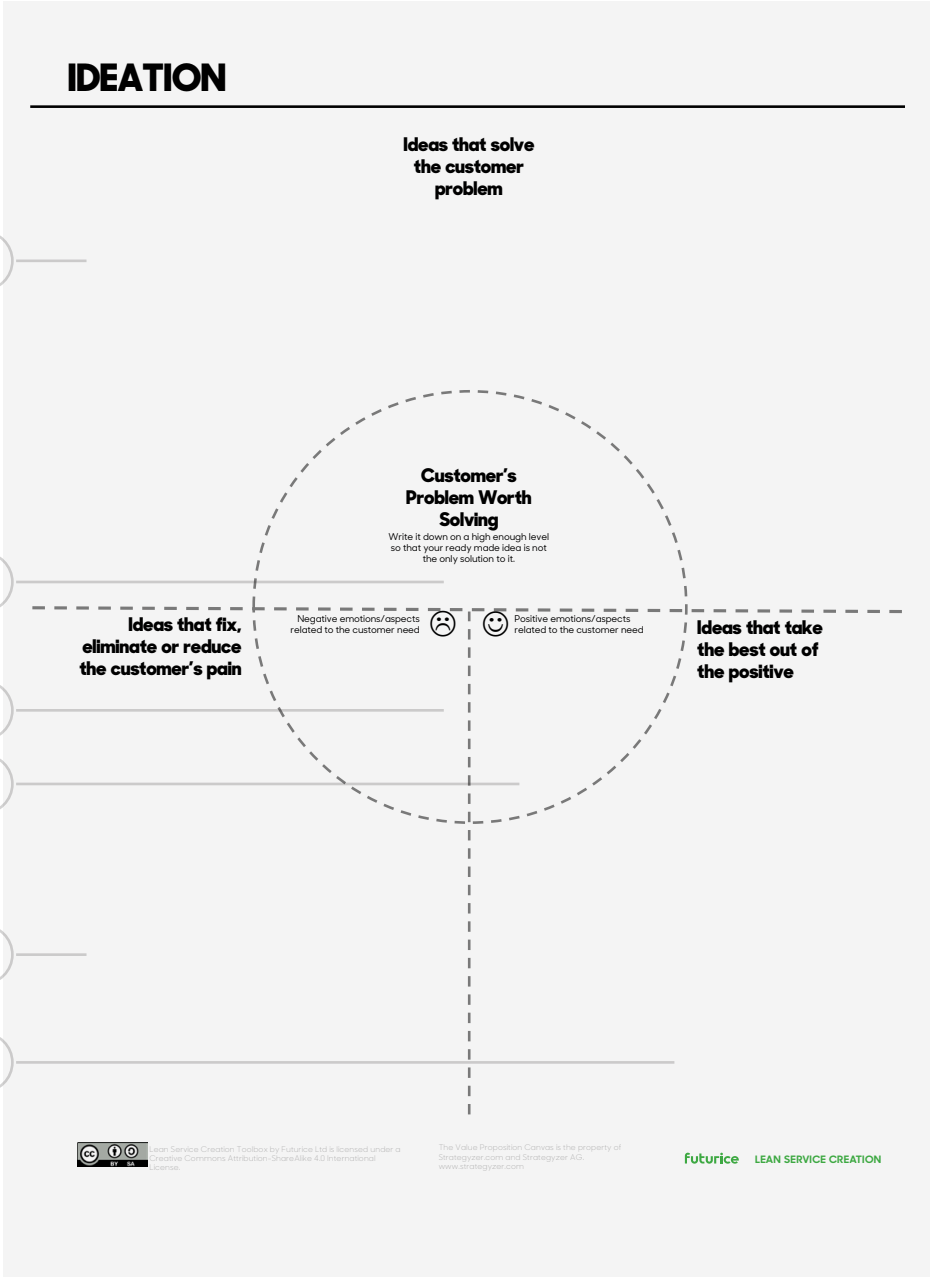
After you have selected the needs, problems & emotions you are going to solve, you can start to brainstorm solutions. Ideate small or large ideas that fill the user need or solves their problem. The idea doesn't need to be a "full" idea, it can just solve one angle of it. You might even call them just features.

E. IDEAS THAT FIX, ELIMINATE OR REDUCE THE CUSTOMER'S PAIN

Now try to create ideas that aim to remove or reduce the aspects that cause the negative emotions.

F. IDEAS THAT TAKE THE BEST OUT OF THE POSITIVE EMOTIONS

Focus on the positive emotions and try to ideate how could you make the most out of the positive emotions. How can you amplify to positive as much as possible.



CONCEPT AND VALUE PROPOSITION

After you have brainstormed and generated ideas, select the best ideas of all three groups and form a full concept of them. You might end up with multiple concepts to choose from. Keep your focus on the customer's problem, feasibility, and business potential while creating the concept. You might want to read over your canvas #1 to remind yourselves what is the business objective you are aiming at.

A. CONCEPT NAME

Especially if you have multiple concept ideas it's good to give it a name so you can, as a group talk, about it more easily.

B. HOW DOES IT WORK

Describe how the concept works. What does the customer or end user do with it and what happens "under the hood".

C. VALUE TO THE END-USER

What is the value the solution brings to the user or customer? What is the problem it's solving and how?

D. COMPETITION

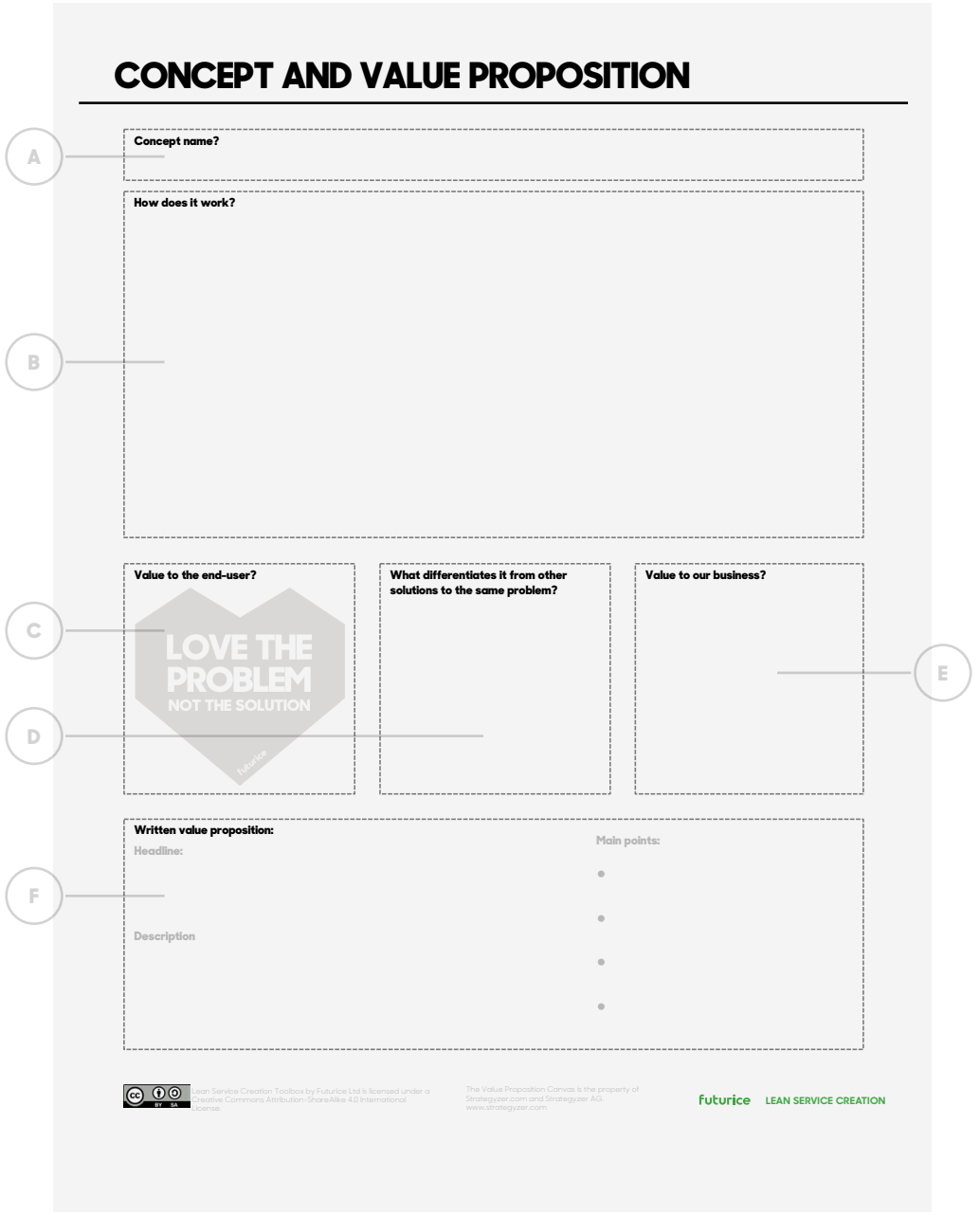
How is the solution different than what is already in the market? Why is this better?

E. VALUE TO OUR BUSINESS

How does this solution fix our business problem? What direct in indirect value does it create?

F. WRITTEN VALUE PROPOSITION

You should now have everything you need to write a good value proposition: you know your customers need/problems, you know the emotions attached and you know how your solutions is fixing the needs, reducing negative emotions and taking the best out of the positive. Write a 2-3 sentence plain language description of all this. Use the template of headline, description and max 4 main points if you wish. This will be your main tool when you communicate your idea to others.



PROFILING THE CONCEPT

Allright. At this phase you have the idea of your initial concept ready. Before you start pouring more cement into your concept it's time to slow down for a moment and have a sanity check. Is the concept still fitting the original business objective? Is it feasible considering your resources? We call this phase *The Death Star*. It might be somewhat theatrical but it reminds you that you have to make decisions. Are you really ready to proceed? Should you iterate, or even kill the concept and take several steps backward. In the words of Obi-Wan Kenobi: "That's no moon..."

A. VALUE PROPOSITION

To keep focus, add the value proposition here.

B. HOW DOES IT WORK?

Describe the concept shortly. List the key functionalities, solutions and required elements whatever they might be to make sure the whole team is talking about the same concept.

C. PROFILE THE CONCEPT

First start filling the star. Be democratic and forget each other's rank and status. Let everyone mark his/her own estimates and comments on the scale. Use time to discuss and justify each one's opinions.

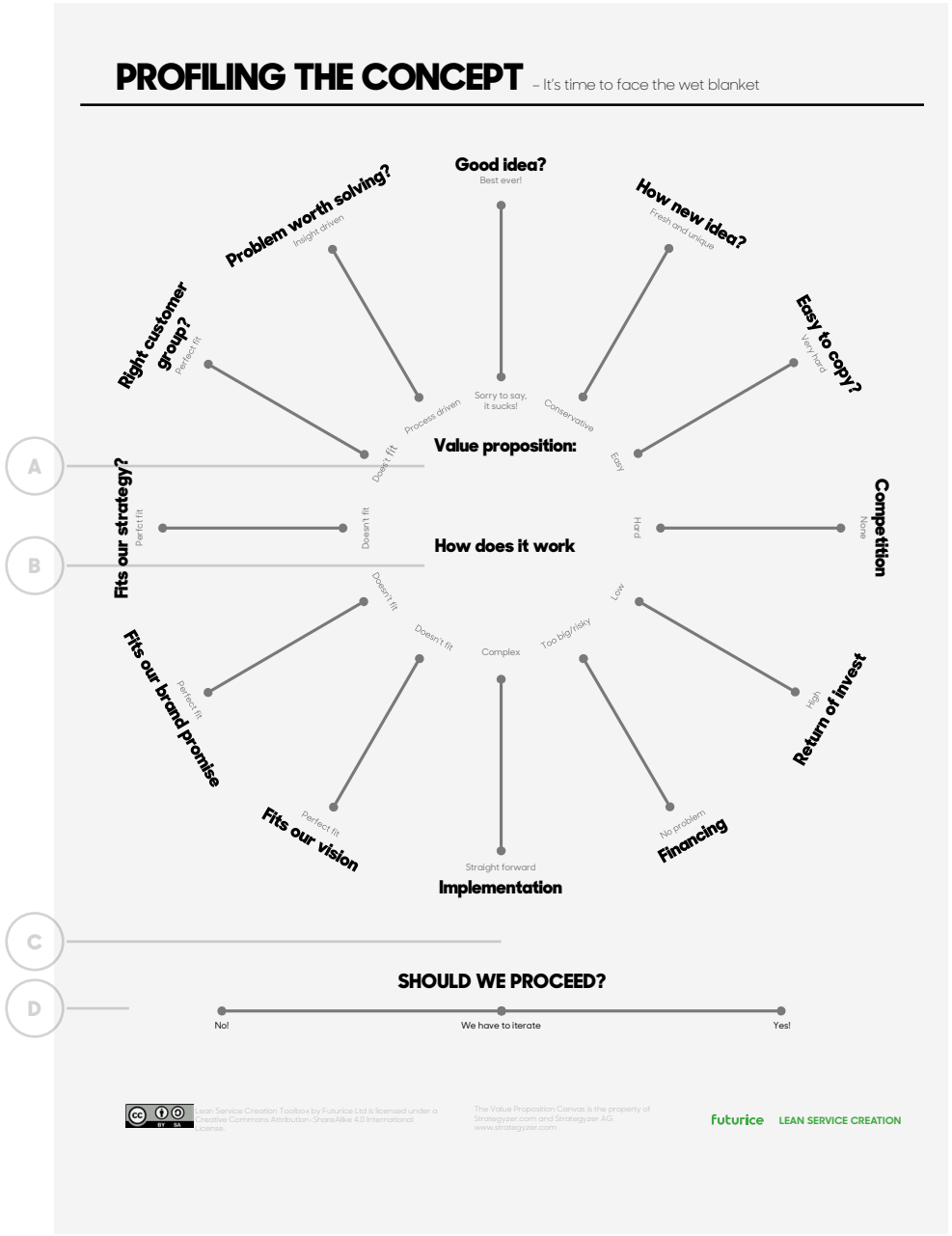
In general you might consider the outer circle as the positive side and inner end as the negative.

But it's really up to you. There are not strict rules or thresholds on what is good enough. If you want, you can set the thresholds in advance when you have set the goals for the project.

D. VOTE

When you have filled the profiling tool you have a picture of the concept. Does it fill the goals and expectations? Do you all understand what the concept is? Is it doable? Should you proceed with the concept? Discuss and vote. Or discuss and let the leader make a well-informed decision.

Remember! It's not a shame to iterate. It is a sign of courage to go back and admit that you are smarter now than you were before.



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The Value Proposition Canvas is the property of Strategyzer.com and Strategyzer AG. www.strategyzer.com

FAKE ADVERTISEMENT

What is the very first thing your customers will see about your service? The UI? The landing page? The backend database? Probably not. It is an advertisement that makes them aware of your service's existence: a banner on a website, a flyer from an event, a poster on a bus stop, a tweet on the net, and so on. On the other hand, what is the thing you most probably should test at this stage? The UI? The landing page? The backend database? Nope. It is the value proposition you just put together.

A. WHAT IS THE FIRST TWEET?

One way to focus your value proposition is to write the very first tweet about your product/service. This forces you to really polish one clear point out of your whole value proposition. And it is quite easy to test as well: just tweet it and see what happens!

B. HOW DO USERS FEEL WHEN THEY USE THE PRODUCT?

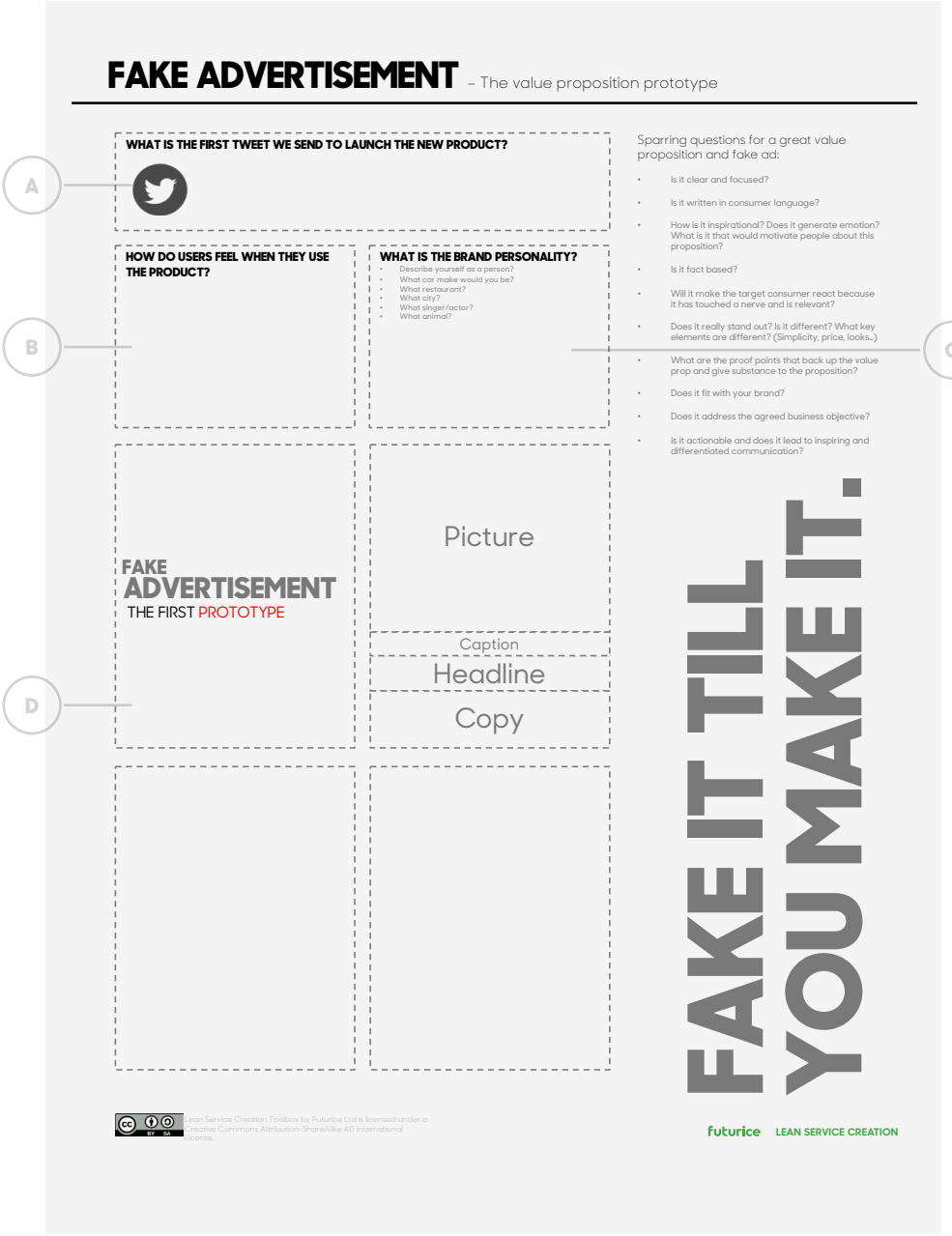
They say that first impressions are important. Hell yes, they are! And much of the impression comes from the feelings people have. What is the feeling your customers have when they use the product? What should it be? Power? Love? Control? Friendship? Kinship? Relaxed? Trust? Joy?

C. WHAT IS THE BRAND PERSONALITY?

A brand is a relationship between you and your customers. Think it as a relationship between people: what kind of a person is your product/service? If it was a car, what make? What restaurant? If you were the customer's relative, would you be an old auntie or the bright young cousin? And so on...

D. THE FAKE ADVERTISEMENT

The fake advertisement is your first prototype to take to your customers. It is a perfect prototype to test your value proposition. Use the template given to design a print ad that could be in a newspaper or a bus stop. Choose a picture that is informative and relays the feeling and relationship you want. Remember, most people only look at the picture. Brainstorm a good headline that attracts the right customer to read more. Reserve some time for writing the copy. Write it as a letter to another person (see your brand personality above). Finally, go over the checklist on the right side of the canvas. Then, depending on your time, finalize your advertisement with pen & paper or design tools and proper brand guidelines. Try out few different approaches and see how customers understand them. Spend maximum one day doing the ad. We usually spend 30 minutes.



VALIDATION

So we have a concept and in the old world we would now start to apply for financing for the implementation. But in the LSC model we need to go and test if our assumptions are correct, and does the concept rock or not. Guess which approach saves more money? Keep in mind: don't aim to prove you have a great concept, aim to proof it sucks. Be honest to yourself and put your baby to the test.

A. HOW TO VALIDATE YOUR VALUE PROPOSITION

Take your value proposition and test it. Don't ask for mere opinions about it but instead measure the effects. Use the fake ads, user interviews, live landing pages, prototyping, piloting or whatever it takes to validate your value proposition.

The best way to know if your solution is crap, is to get the customers give you something of value. Will they pay real money to get it? Really hand you over 10€, not just say that they would? Or perhaps they agree to a pilot study? Or they give you their contact information to take part in further interviews? However, often at an early stage it is enough to see whether the customer understands your solution at all :)

B. HOW TO VALIDATE YOUR CUSTOMER GROUPING?

In order for the business to rock you need to have a wide enough customer base. Place here your plan for estimating the customer group for your value proposition. Interviews, Polls, etc are good tools.

C. HOW TO VALIDATE YOUR CUSTOMER GROUP'S WILLINGNESS TO PAY

Is the customer's problem such that the she is willing to pay for it? How much? Don't guess, validate! Insert your plan here. Use fake selling, interviews etc.

D. RESULTS

Insert your results from the three tests here. Be honest to yourself!

E. CONCLUSION

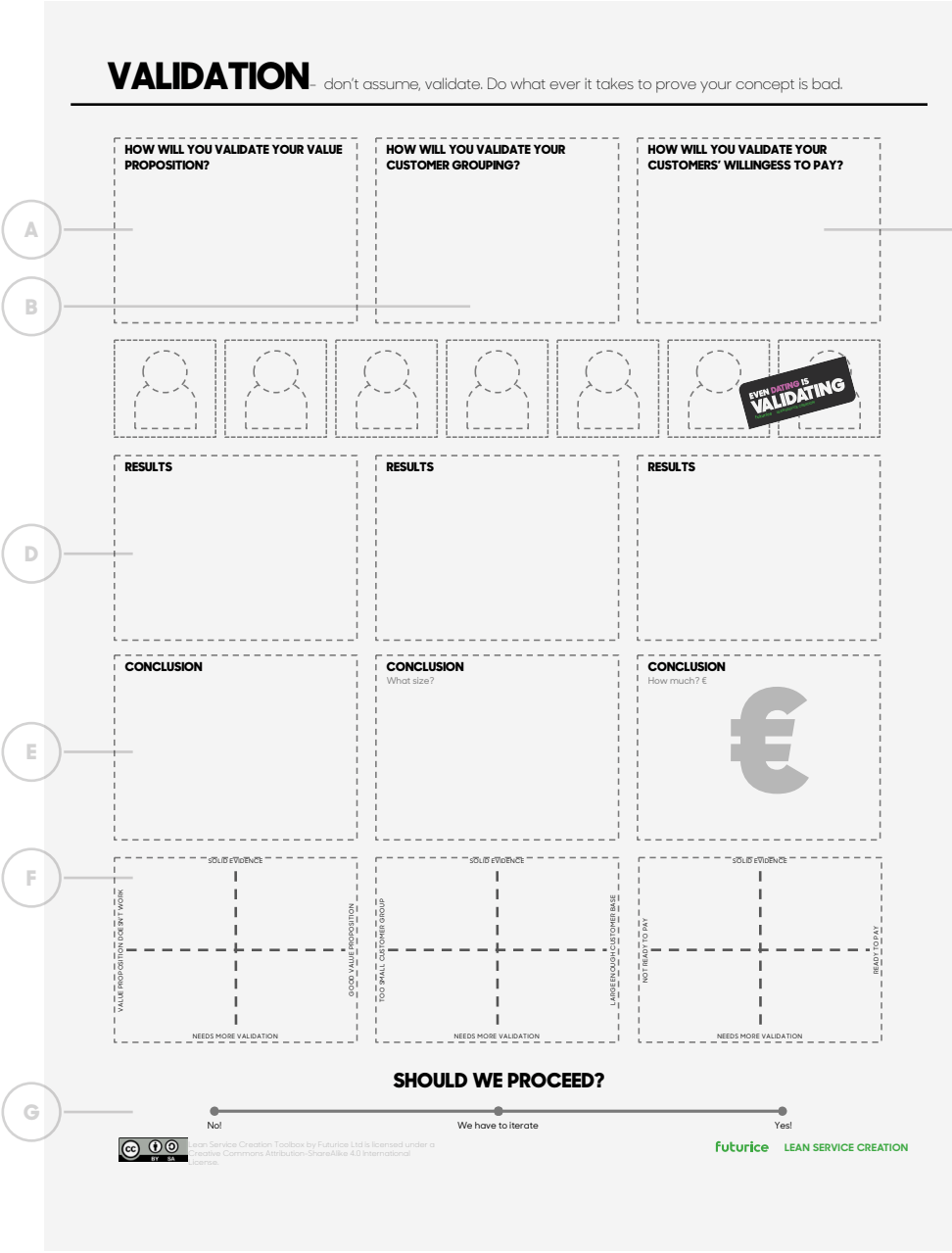
What kind of conclusions do you draw from the results?

F. VOTING

As a team, vote on your opinion about the conclusions. Two dimensions: have the tests been extensive enough and was it a success or not as a test? Did it get validated or not? If you get conflicting responses you need to discuss them.

G. SHOULD WE PROCEED?

As a team, vote if you should proceed or iterate or kill the project.



CUSTOMER ENGAGEMENT

A product is much more than just interaction between the user and the interface. Consider yourself lucky if your customers like your value proposition so much that they go through the effort of getting your UI in front of their faces. A good service is a continuous cycle of getting new customers and turning them into happy customers. A successful service is such that succeeds in helping customers take the next step in the cycle. To keep that cycle turning (and not churning) you need to define what you must do (activities), what you rely on (resources) and who else should be involved (partners).

A. AWARENESS

Where are your customers? Where do they go to when the problem worth solving rises? Do they call their niece or nephew? Do they search for an answer from Google? Do they pick up a manual? Ask Facebook friends? Whatever the answer, you should be there where your customers are, and when they are in the right mindset. That is when they should become aware of your service. Write down 2-3 most important places and how you catch their attention.

B. ENGAGEMENT

Now they've heard about your service. Great. But you need to get them to engage with the service, to do something so that they understand what your service is all about and how it is the perfect solution. Is it free consultation, a brochure, a landing page with valuable information, a free trial, a discount coupon, or a personal visit from you?

C. PURCHASE

The customer should by now have a good idea of the value you are proposing for them. How do you make them buy your service? What are they thinking at this stage and what are their alternatives? How can you help them make a purchase decision? Remember, sometimes there is no money moving at this stage (e.g., your service is free of charge, or free to download). This is really about the decision to acquire the service and the decision to start using it.

D. USE

Yay! They did the purchase and you are on the right track. However, it doesn't end here. Now you need to deliver the promises you have made in the value prop. To put it simply, you need to get them to use your service! Write here what happens the very first time they use it. First impressions are important.

E. USE MORE

They say that a huge majority of mobile apps are used only once. So how do you get them to use your service more? How to get them to actually make your service an integral part of their work/life/thoughts/actions? What makes them return to your service?

F. ADVOCATE

How to change the customer to your sales person? If the customer really loves your service, she is probably willing to share and recommend it to other people. Save your marketing costs and find a strategy to really make it viral!

G. WHAT PREVENTS?

You can look at the customer journey as a circle with two tracks. The first track is listing the obstacles that currently make it difficult for your customer to move from one phase to another. They can be thoughts, feelings, prejudice as well as physical obstacles, missing touchpoints or lack of functionality.

H. WHAT ENABLES?

This is the second track of the circle. List here how you will make it easy for the customer to go from one step (phase) to another. These are your answers to the problems identified in the "What prevents?" track.

I. KEY ACTIVITIES?

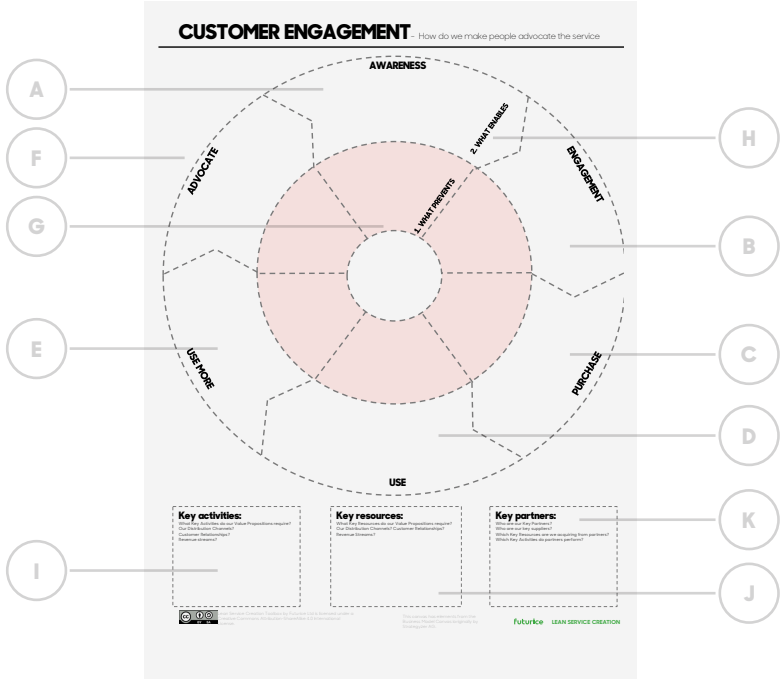
At this stage you have a good idea of how your customer journey (ideally) goes from one step to another. Look at the journey and now identify the most important activities you need to do to keep that circle rolling. Actively monitoring search keywords in Google? Service desk at the brick-and-mortar office? Delivering the product to the customer's home? Getting credit-card payments for your service? It is usually good to separate the activities to keep the service working, and the activities to build the service in the first place.

J. KEY RESOURCES?

What are the most important resources you need to have (or already have) to keep the circle rolling? Your existing customer base in your CRM system? Data on actual use? A trusted brand? A working distribution channel? A working billing/ invoicing relationship with the customers?

K. KEY PARTNERS?

Wouldn't it be nice if you could do everything? Well, often you can't and more often you shouldn't. Maybe there is an existing business that does not compete with you but has a working delivery channel or a fantastic customer relationship, or just the perfect brand. Or maybe they are your suppliers that provide you with the gadgets or raw materials. Whatever the case, list here the partners plus the key activities and resources they bring to your customer journey circle.



BUSINESS MODEL & MARKET SIZE

This is the canvas for seeing if this makes any sense from the perspective of costs and revenue. Sometimes people like to jump into these questions earlier than this. However, we believe that there lies a danger of calculating the business without having a good enough understanding of your customers and the actual thing you should build for them. Like all the questions in these canvases, some answers might require lot of work. Therefore, you have to use your judgment in balancing between "best guess" and "accurate data". Start with your best guesses and then dig deeper only on the most critical ones.

A. WHO PAYS WHOM? HOW MUCH?

Yes, as simple as that. How much do your customers pay and to whom? Maybe they pay your partner and not you directly? Maybe your service is free? Maybe there are different prices for premium and basic levels?

B. WHAT IS THE REVENUE MODEL?

Where do you get your money? Directly from the paying customers or from your partners in a revenue sharing model? Or perhaps your service boosts the sales of your other services and your revenue is indirect? And what is the model of getting that revenue: monthly subscription, one-time fee, pay-per-use...?

C. HOW ARE CUSTOMERS PAYING TODAY? HOW MUCH?

If you have found a problem worth solving, then people are already solving it somehow (seriously, if your customers are doing nothing to solve the problem, then maybe it is not a problem worth solving). Anyway, often they already pay something to someone at some stage of the current solution. To whom do they pay and how much?

D. WHERE AND HOW DO YOU ANCHOR THE PRICE PERCEPTION?

When Apple introduced the iPad, did they say that it was like a smartphone but bigger and more expensive? Or did they say that it was like a laptop, but lighter and less expensive? You get the point, eh? To do this, you should have a good idea of the existing solutions that people have and the price perceptions they have about related services. Netflix 8€/mo. Spotify 9.99€/mo. Smartphone apps <5€. Social networking tools 0€. Strategic business leadership design unicorn disruption digitalisation: priceless.

E. TOTAL ADDRESSABLE MARKET?

So how much are there people who fall into your segment? Three, 3 000 or 3 million? Total addressable market is absolutely everyone who could buy this. What is your market? Local, national, global?

F. POTENTIAL TARGET MARKET?

To be honest, not everyone will buy your service or product. They might get the competitor's product, they might not have the money at the moment, or whatever. This is your educated guess of how many customers you actually could get, if all goes well. Yes, it is tricky to estimate, but just do it.

G. 1ST YEAR SALES:

The first year, how much will you sell? How many customers and how much revenue? What is realistic? Can you commit to this?

H. PLAN FOR 1ST MONTH SALES

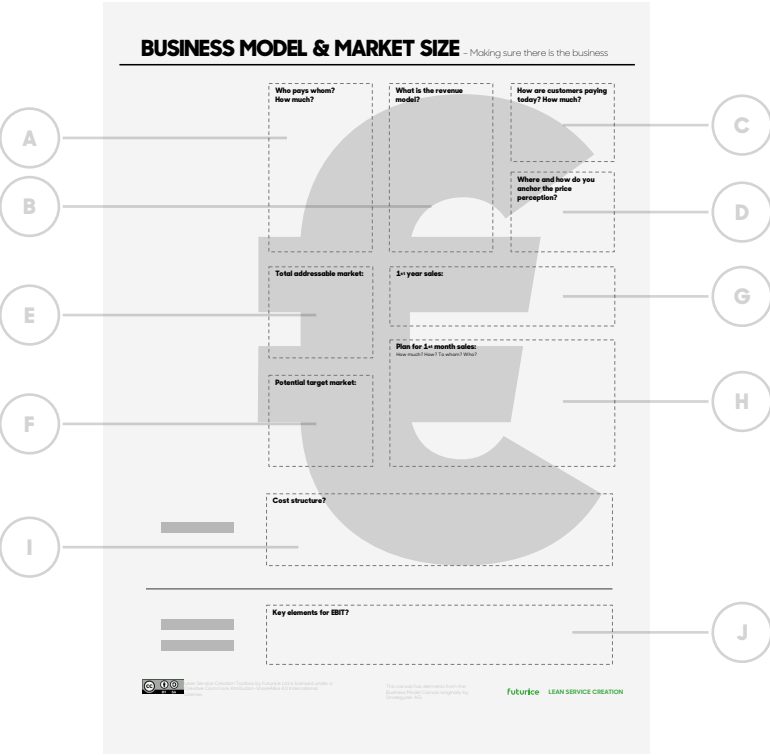
Where do you go first? Who are the first customers that you should sell this to? Can you start with some group of people (the ripest fruit)? Does the time of the year matter (e.g., hockey fans have a different emotional mindset off-season and on-season)? How many customers and how much revenue?

I. COST STRUCTURE?

Best things in life are free, but running a service is not one of them. What are most important costs (people's salaries, advertising, fuel for trucks, service and upkeep of your backend, royalties for IPR owners...)? It is usually good to separate development costs and the running costs to see how much it takes to make it happen and how much it takes to keep it running. Again, start with your guesstimates and then dig deeper when needed.

J. KEY ELEMENTS OF EBIT?

EBIT is earnings before interests and taxes. In other words, your profit, which is revenue minus costs. Simple, isn't it. However, there are sometimes key elements that influence the EBIT more than others. Is there some cost that changes depending on, for example, the weather? Is there a revenue stream that has better margins than others? Is there some element that you should optimize more than others?



SERVICE BLUEPRINT

Service Blueprint is the more rigorous cousin of the customer journey. It can handle things like servers and invoicing systems, if need be. It is a great tool when you need to figure out all the important interconnections between all the parts of a service; and from a step-by-step perspective (i.e., not a static architecture diagram). At its best, it connects the customer's steps with your touchpoints and with your backend and with external processes (partners). In our experience, you end up drawing several versions of the blueprint to find the right level of granularity. In other words, you need to do few sketches to know how detailed vs. how abstract are the steps you want to document.

A. ACTIVITY

On this lane write the user's (customer's) actions. Sometimes the activity triggers some actions in the service touch points and sometimes it doesn't. All in all, on this lane, from left to right, you can read the process from the user's perspective.

B. FRONT OFFICE: TOUCH POINT & ACTIVITY

This is the channel or interface between the user activity and the front office activity (i.e., the front office is a label for all the stuff the user sees about your service). Let's say that the user picks up her smartphone and uses your application to check the weather. The touch point here is the mobile app and it probably triggers an activity on your side. In this example it might trigger a request to the weather database. On the other hand, the touch point might be a face-to-face request at a physical office, and it might trigger something el

C. BACK STAGE: INTERNAL PROCESS

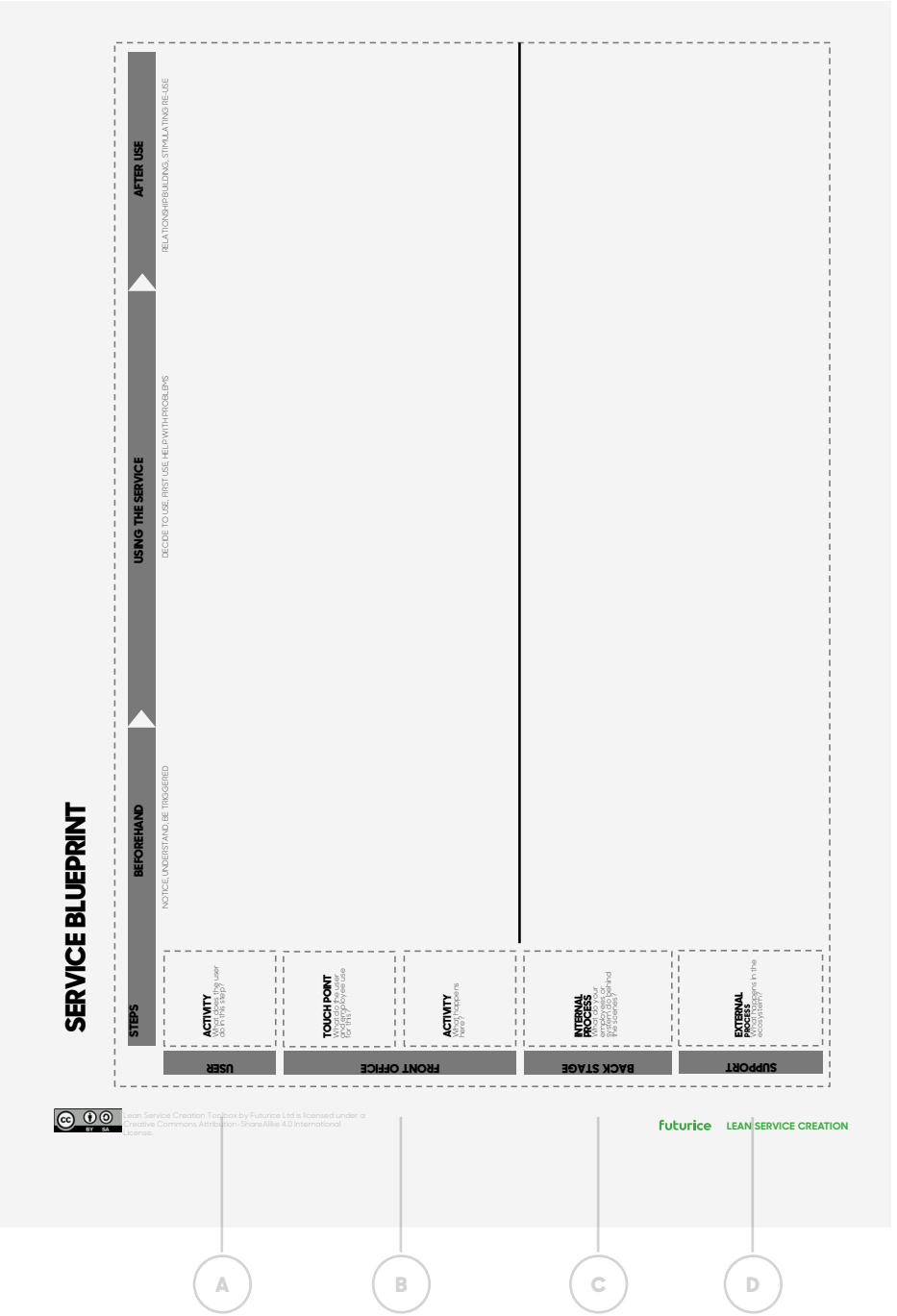
The activity in the front office often triggers activity in the back stage. The back stage is a label for the stuff that happens but is hidden from the user: servers, databases, delivery services, invoicing system, cooking the food in a restaurant etc. In the weather example, this might be the weather database that delivers the weather data to the client app that requested it.

D. SUPPORT: EXTERNAL PROCESS

Your service might use partners or external services. An activity in the front office or in the back stage might call the help of an external process. The weather app might request an advertisement banner from a totally external service to present to the end user. Or perhaps the restaurant uses a third party service to deliver the food to the user's home. This is the lane where you bring the external parties into the… well… party ;)

DRAW WIREFRAMES

After filling the service blueprint it's a good idea to start drawing the service a bit more. Draw your first wireframes of the interface. What does the landing page look & feel like? How does the user interaction flow from one screen to another? How does it flow from one touchpoint to another? Start sketching the most important part of the UI, and having a look at your customer journey might give you good ideas for deciding the most important part of the UI.



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CONCEPTING

This is simply the space for drawing your first wireframes for your user interface. What does the landing page look like? What about the UIs for using the service? Who is it actually who lands at the landing page? And how does the user interaction flow from one screen to another? How does it flow from one touchpoint to another? Start sketching the most important part of the UI, and having a look at your customer journey might give you good ideas for deciding the most important part of the UI.

CONCEPTING - Looking at the details..

Wireframes:

[Insert landing page proto here]

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EXPERIMENTING

This canvas looks simple, it is simple, and using it is simple. But don't let that fool you: it is often the most critical step between feet-off-the-ground design and hands-dirty building. This canvas will help you decide what to do next, i.e., to build your backlog and to prioritize the tasks in your backlog. And here's the most important point: this canvas will make you focus on what is meaningful and critical in getting your business up & running. This is the antidote for idiotic corporate culture where you should follow the official process steps no matter what. "According to our Corporate Innovation Process we should build a prototype, because we are in phase B3... although we all can see from this canvas that the most critical thing is to test the value proposition." All in all: you should be doing what is important, not what is in a process.

A. OUR MAIN ASSUMPTIONS

At this stage of Lean Service Creation you have made a lot of educated guesses and assumptions. Time to have a look at all those places where you had to move on rather than spend days figuring out the right answer. This is how it goes: gather your team around this canvas. Each person lists one or two critical assumptions on a sticky note. A critical assumption is such that if it is wrong, the whole service vision fails. The assumption can be about technology, business, customer, the project itself, your organisation... it can be whatever is critical for your success at this moment. Also, often the assumptions are obvious, so writing them down is even more important. Put all the sticky notes on this first column. Talk them over briefly. Then vote on which ones you think are most critical.

B. HOW TO EXPERIMENT

You can do this step with all the assumptions or just the most critical ones. However, it is better to write down all the assumptions before planning the experiments. An experiment is a simple, fast, and inexpensive way to get maximal knowledge (learning) about your assumption. A good experiment needs some creativity: it is so easy to fall into traditional methods that are often too cumbersome or heavy. For example, "We assume that our client organisations are willing to install new wi-fi to their venues." Slow and heavy experiment: "Let's have a marketing research agency conduct a study about it." Fast and inexpensive experiment: "Hey, we know the venue managers. I'll pick up my phone and call three of them right now to see what they think about it."

C. SUCCESS CRITERIA

The problem with assumptions is that they are your own assumptions. It is extremely important to define the success criteria before doing the experiment, because often the results from the experiment require some interpretation, and... well... we humans love to interpret so that it looks like we were right in the very beginning. .

D. KEY FINDINGS

This is where the most valuable knowledge is gathered. This is where you write down the things you learned from the experiment. You will, of course, learn whether you met the success criteria or not. And you will learn lots of other things as well: e.g., about communicating your value proposition, about technological choices in building the experiment, about your customers when recruiting them to participate in the experiment, and so on. Note, that sometimes you might want to build the MVP (or MLP, see below) to tackle the most critical assumptions. Therefore, you might step to the next canvases before getting the key findings.

MINIMUM ~~VIABLE~~ LOVABLE PRODUCT

"WTF? Why have you replaced 'viable' with 'lovable'? Everyone and their uncle is talking about MVPs and you don't use the same word?"

Yes, precisely. We have spent hours in debating what an MVP is and should be. Is anything an experiment or does an MVP have to be "bigger" than an experiment? To put it simply, we simply re-named it to bypass the interesting but sometimes less fruitful discourses ;)

But really, we want to emphasize that the MLP should focus on building the minimum that your customers will fall in love with.

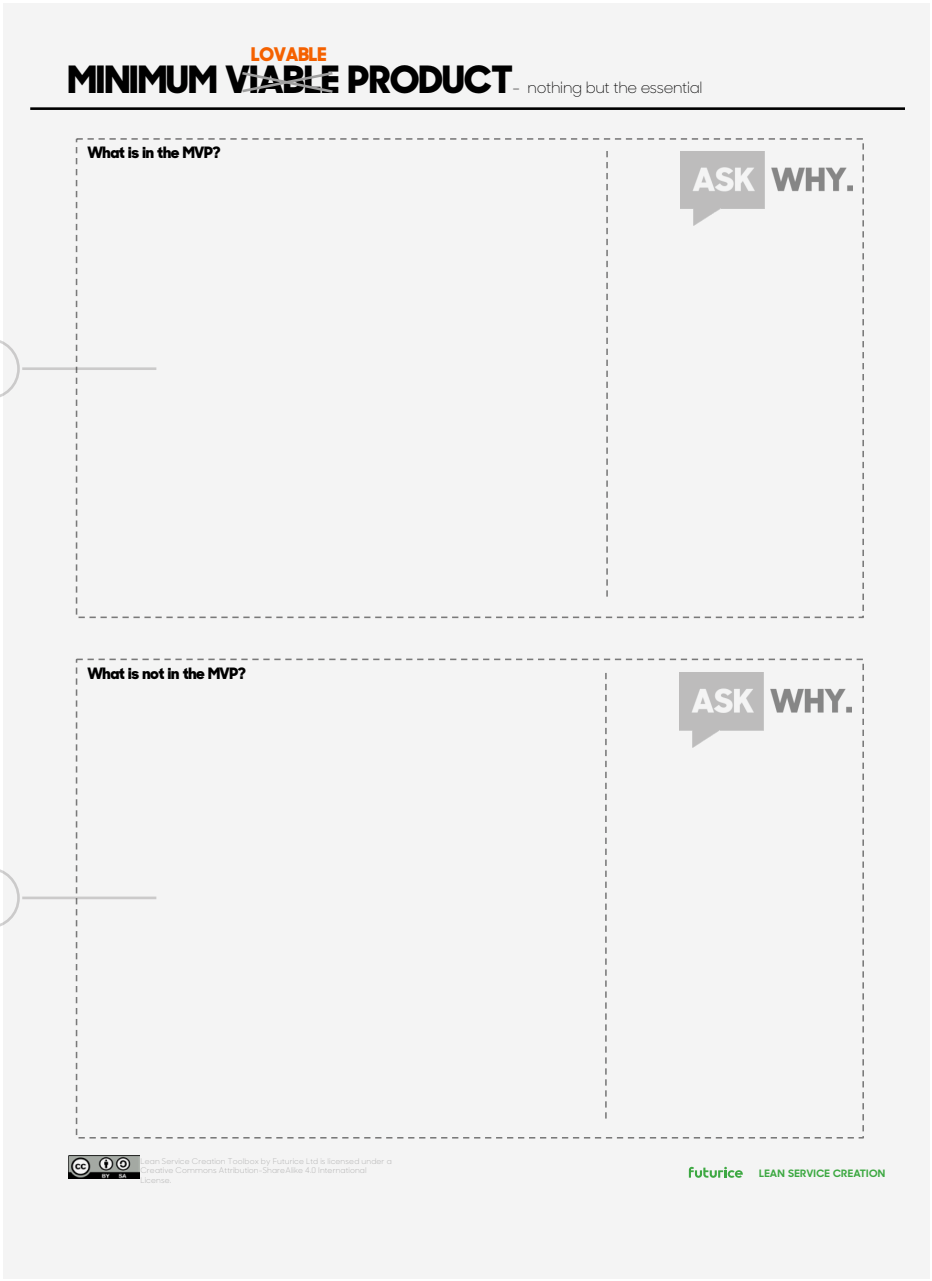
After working with the Experimenting canvas you have a set of experiments and the success criteria for each. Use your own judgment whether to bundle the experiments into an MLP or whether the experiments are so light and fast, that there is no need to build anything yet (e.g., making a few phone calls or interviewing people does not need any building).

A. WHAT IS IN THE MLP?

This is simple and powerful. Write the features of the MLP/MVP onto sticky notes, and then decide what is required for the minimum lovable product. In other words, only the bare bones that make your customer fall in love with the product or service. On the right side you write the rationale behind the decision: why you chose to include this.

B. WHAT IS NOT IN THE MLP?

...and into this box you stick all the features that were left out (and why). So-called "feature creep" happens very easily, and therefore, this box can be even more important than the one above. And if you have a boss who pays attention to your work only sporadically, it might be really important to have a tool explaining why this MLP does not have any colors, does not integrate with the legacy backend, and does not actually look like a polished product at all.



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MVP BACKLOG

This canvas is the tool to move from planning to really doing. You have your assumptions in the Experimenting canvas and you have the features for the MLP (i.e., MVP). So let's list them into an actionable backlog (i.e., a fancy todo list). This canvas is the antidote for endless planning and analysis: you simply list the things to be done to get the MVP out there. Note! This is not a technical backlog for building stuff. Here you list all required actions, and they might include asking for more budget, contacting potential partners etc.

A. TECHNICAL ISSUE

Look at the Experimenting board, and transfer from that board the most burning technical issue (assumption) at the moment. What technical assumption is both most important and most probably the trickiest to implement or the biggest question mark?

B. BUSINESS QUESTION

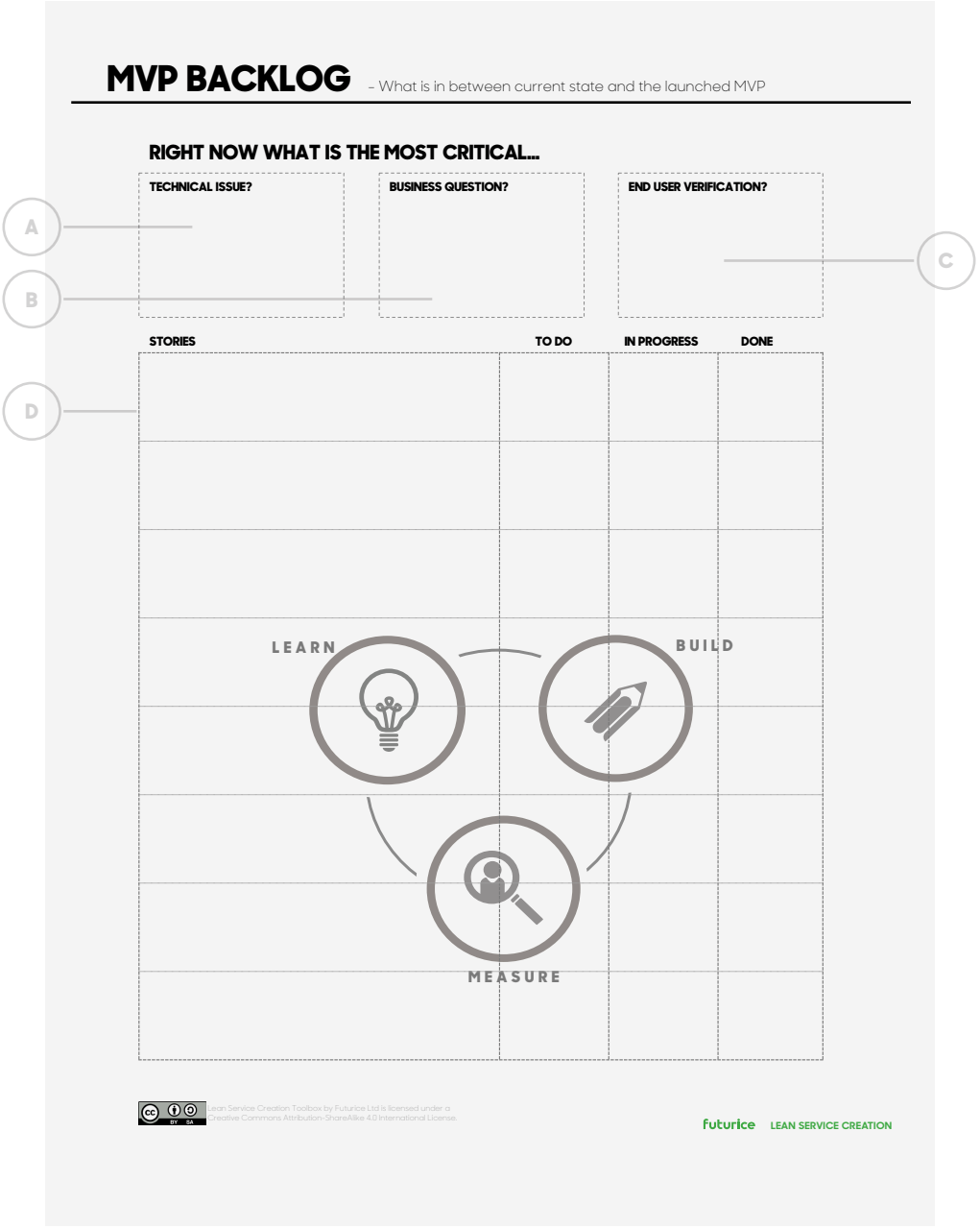
Again, look at the Experimenting board, and transfer from that board the most burning business question (assumption) at the moment. It might be about your company's business (we do not have funding), or it might be about the business model of your service (we have no idea what people would actually pay for this). Or perhaps the business question is about your competitors.

C. END USER VERIFICATION

Do you have the segment right? Are these really the people that you will target first? Have you validated your value proposition enough? Are you talking the customer's language?

D. THE BACKLOG

The most important thing about a backlog is not how it is structured. The most important thing is that it is actually followed and things get done. Here is your first backlog to get you started. List here the tasks (or user stories) to be implemented in your MVP. Then in the To Do part list the name of the person who is going to do the task. When the person starts doing it, move it to the In Progress column, and when it is done, move it to the last one. This helps the team to see who is doing what, and it helps the individual to see what needs to be done. It is good practice to have a limit on how many tasks one person can have "in progress" at the same time. Otherwise you lose focus and nothing gets done. In the long run, your backlog probably grows and you need to build a new one that is bigger and takes up a whole wall. However, do this and you have a running start.



WHAT TO MEASURE

You can use this canvas in the very beginning or here at the end. The point is to make you define the metrics of your work, and give you clarity and focus.

A. VALUE PROPOSITION METRICS

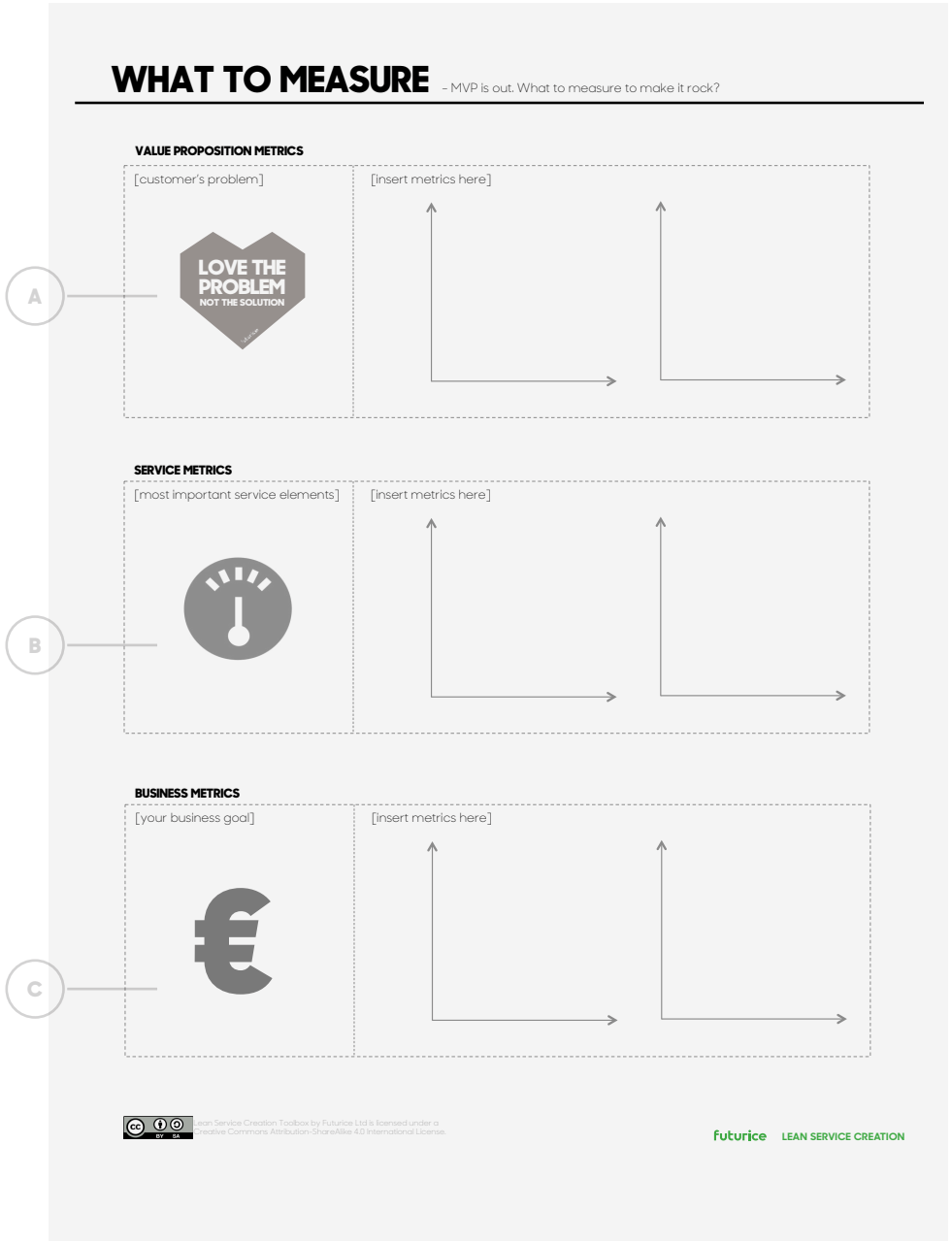
Re-write here the problem worth solving you have identified for your customers. Your value proposition should address this problem. In other words, what should you measure to make sure your value proposition is understood and speaks to your customers? Or even better, that they accept or buy your value proposition? Sometimes it might be measuring the recommendations (e.g., net promoter score), a survey every week, or regularly interviewing a handful of customers.

B. SERVICE METRICS

Start by writing here the most important part of your service. Have a look at the Customer Engagement canvas. Have a look at the Most Lovable Product canvas. What is the most important element at this stage, and how do you measure it? Awareness and clicks on your web ads? The amount of downloads? Purchase decisions? Simple uptime? The recommendation tool you built?

C. BUSINESS METRICS

Go back to the Business Goals and Limitations canvas. What is the business problem you are solving and how will you know that you have succeeded? Should you measure revenue, profit or costs? Is your business goal to acquire new customers? Or perhaps your business goal is to raise the profit margin of the core service of your company?



WHAT DOES IT ACTUALLY LOOK LIKE?

LSC is all about multi-disciplinary work and enjoying it!

If nothing else, the canvases are great for collecting lovely colorful sticky notes. Often the notes actually have lots and lots of knowledge in them :) And when they don't... it is super easy to remove them!

CREDITS

The canvases have been put together, iterated, modified, and/or actively used by Hanno Nevanlinna, Juha Pesonen, Risto Sarvas, Mari Piirainen, Yrjö-Kari Koskinen, Anna Kolehmainen, Mirkka Länsisalo, Tuomo Laine, Oleg Grenrus, Oskar Ehnström, Heli Ihamäki, Antti Partanen, Sebi Tauciuc, Eeva Raita, Salla Heinänen, Nelli Myllylä, Janetta Ekholm, Kalle Tuomi, Jussi Hacklin, Anastasiia Kozina, Virpi Vaittinen, Jaana Olsson, Magno de Santana Silva, Ville Tervo, Minna Mustakallio, Altti Rautlahti, Ilkka Auer, Anniina Lehtinen, Pikka-Maaria Laine, Liisa Korpela, Luiz Soyer, Barry O'Reilly, OP Saksa, and tens of other experts who have contributed in making LSC better. You know who you are <3

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Send us feedback, and get your name to the next release of this handbook! We want to make this the best and most usable toolset out there, and share it to everyone for free.

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APPENDIX 1

LSC Interviewing Cheat Sheet

WARM-UP

A good interview is a discussion, not an interrogation. Build trust by having a relaxed and friendly atmosphere.

- Introduce yourself and other interviewers, and their role in the interview.
- Tell the reason and theme of the interview on a broad level.
- Tell what will happen to the answers: who will see them, how will you use them etc.
- Remind that all answers and comments are important, especially criticism.
- Remind that you are there to learn from the interviewed person, that s/he is the expert here. Remind also that there are no right or wrong answers.
- Start with questions that are easy to answer so that you get the conversation flowing. For example, age, job title, job, where do they live, in what kind of a house

SECRETS OF SUCCESS

The goal of the interview is to see the world from his/her perspective, and to understand what problems, needs, desires, wants etc. there might be. Be prepared to dig deeper than the first obvious answer. Try to figure out their motives and rationale for thinking, doing or feeling in a certain way. What are their underlying goals & motives?

- Ask for concrete examples: "Tell me about the last time you…"
- Avoid questions that can be answered simply yes or no. Ask open-ended questions, such as "Why do you… What did you think when… How did you then…?"
- Use a lot the words why, how, and what.
- Let them speak! Roughly 20% of you talking and 80% the interviewed.

LOOK OUT, IT'S A TRAP!

People are friendly and you're a nice person. Therefore, they want to please you with their answers, and tell you what they think you want to hear. Humans, can't live with them, can't live without them. Nevertheless, here are a few tricks:

- Don't show your cards. Don't tell them what you assume or what you think is a good solution for their problems (the "solution interview" is for that).
- Avoid questions that reveal what would be the answer you are looking for.
- Don't generalize, be specific.
- Leave a few seconds of silence between their answer and your next question. They might continue with interesting stuff to fill the silence.
- Act stupid. Ask them "why?".

FINALLY

- Remember to thank them for their time and valuable comments.
- Use the opportunity: ask them a permission to interview again and if they know anyone that you could interview.
- Immediately after the interview: write down three things that you found interesting or popped into your mind during the interview.

ABOUT THE AUTHORS

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Risto lives a double life. Most of his waking hours he helps large corporations engineer their work culture in this blissful age of digitalisation. Once a week he is an adjunct professor at Aalto University where he constantly learns from his clever students. Risto has lead a research group and a design team, he has won teaching and design awards, and he has created international art exhibitions as well as radical business innovations.

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Hanno is one of Futurice's founders and has been an integral part of steering the agency from a startup to an international company that creates award-winning services and has offices in major cities in four different European countries. At Futurice he has founded the company's design team and worked as head of HR as well as Director of Culture.

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