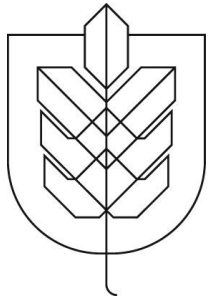


The Danger of “Hypotheses”

Ted Ladd

with help from S. Morgenstern (and William Goldman)



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Traditional “Hypothesis”

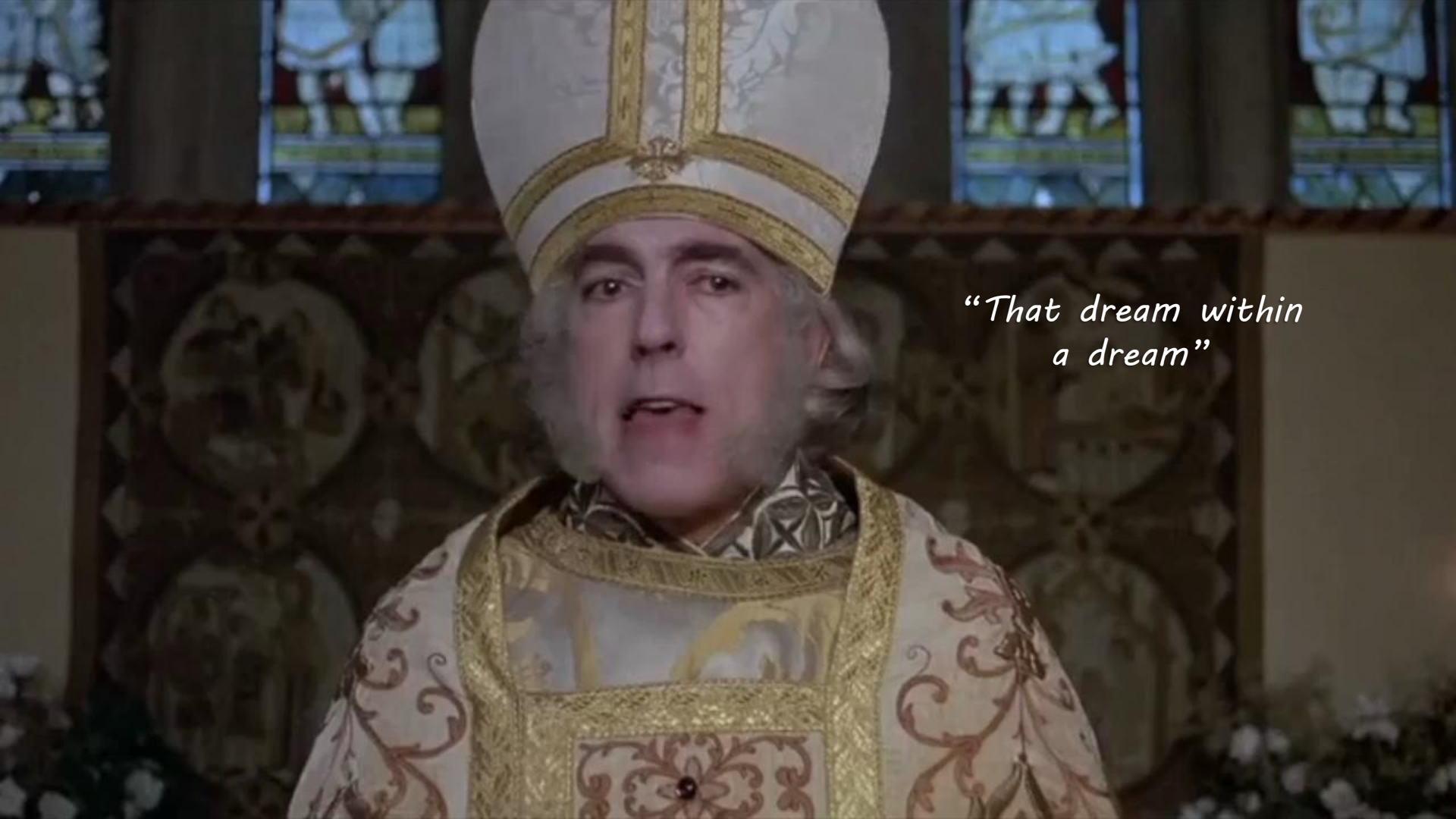
- Incremental step from prior knowledge
- Significantly different than chance ($p < .05$)
- Immutable revelation of hidden truth
- Reportable after testing

"You keep using that word...I do not think it means what you think it means"



Source of Hypos in Lean

- Epiphanies



*“That dream within
a dream”*



“WRONG!”

Source of Hypos in Lean

- Epiphanies
- Market Research



"Westley, what about the R·O·U·S's?"

"Rodents Of Unusual Size? I don't think they exist"

****Giant rodent attacks****


A man with blonde hair and a mustache is shown from the chest up, sitting on a patterned pillow. He is wearing a dark, open shirt. The background is dark and textured. The text "WRONG!" is overlaid on the right side of the image.

"WRONG!"

Source of Hypos in Lean

- Customer conversations
 - Co-creating demand
 - Effectuation, bricolage

Significance of Hypos in Lean



“Look who knows so much, huh?”

Significance of Hypos in Lean

- Context-specific
 - Cost of start-up
 - Opportunity cost
 - Potential profitability
 - Entrepreneur self-efficacy and motivation

Stability of Hypos in Lean

- Transient advantage

Stopping with Hypos in Lean

- Weak idea
- Launch

Stopping with Hypos in Lean

- Weak idea
- Launch
- Change the hypothesis and re-start Lean

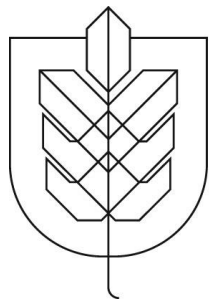
Alternative: Dynamic Conjecture

- Source: guesses from conversation
- Significance: no conventional threshold
- Stability: fleeting (requires dynamic capabilities)
- Stopping: ?; “strategic pause” (Eisenhardt in Tel Aviv)

The Benefits of “Dynamic Conjecture”

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and the Princess Bridge



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