

How to Come Up with a Great Idea

Written by Wade Myers

*In my previous article "Starting Your Family Business," (see page 21) I provide an overview of a step-by-step process for launching a business. This article will focus on **Step 1: Generate**, in which you generate ideas.*

Your goal is to identify unmet needs, identify products and services to serve those unmet needs, and then identify various product and service platforms that are able to deliver the necessary products or services to serve those unmet needs. Always start and finish with customers.

For example, the best smartphone applications ("apps") serve a singular purpose very well to meet a specific and painful need that is clearly understood and easily solved by the app. Those satisfied customers will hopefully post a Facebook comment about how cool their new app is, and hopefully the app goes viral.

Caution: Customers will not always know what they want. Sometimes you have to solve the problem first, and they will only want your solution after they see it in action. Further, prospects may unintentionally mislead you as research reveals that people may respond to surveys differently than they do with their wallet. This is due to issues such as distractions, misunderstandings, not wanting to hurt feelings, and trying to answer "correctly."

Leverage your strengths

The most powerful ideas will leverage as many of your skills, character qualities, experiences, and giftings as possible and will be in the context in which you are the

most comfortable and familiar. The more of your background you are leveraging, the better your chances of success.

The best idea to pursue is to take a problem you know exists, experienced by a large customer set you know how to reach, solved in a way you know how to solve, delivered by means you know how to deliver, with resources (people, processes, or technology) you know you can control, and in a timeframe you know you can meet.

The best idea to pursue is to take a problem you know exists, experienced by a large customer set you know how to reach, solved in a way you know how to solve, delivered by means you know how to deliver, with resources you know you can control, and in a timeframe you know you can meet.

Discovering a customer's unmet needs

If you have deep experience in a particular industry, I would suggest focusing on that industry and doing a deep dive to find out if there is an attractive opportunity for you.

For example, when I was researching the business plan for a real estate services company that has since its founding grown into the tenth largest in its industry, I talked to as many of the constituents of the industry as I could to determine the macro trends, issues, and unmet needs. I met with land developers, builders, homeowners, vendors, managers, software providers, investors, investment bankers, and potential buyers.

My notes from my interviews were then distilled into major themes and the strategic imperatives of the plan. Since there were 2,000 companies in the industry, it was important to create a differentiated solution to stand out in a crowded field. The major risks also emerged from the research, which enabled me to develop the plan to mitigate those risks.

Good ways to perform your discovery process include attending trade shows, reading trade journals and websites, industry news, and analyst reports, and looking for investment activity.

Disruptive ideas

Some entrepreneurs will want to focus on a disruptive or breakthrough business idea—one that is so different than “business as usual” that it brings disruption to an entire industry—causing more of a market **revolution** instead of the normal market **evolution**. Disruptive business models usually lead to massive market upheaval, huge shifts in customer behavior, and the shifting of large chunks of market share as the innovators with the new, disruptive model roll out their revolutionary product or service.

One example of this is how Dell led the way with a direct-to-consumer computer retail model as opposed to the typical retail store front that existed at the time of Dell's launch. Dell could serve customers cheaper and with the most recent components far more effectively than the typical store-front operation. Within five years or so, nearly all store-based computer retailers were out of business.

What is the best method of coming up with a breakthrough idea? Is it waiting for that “ah ha!” moment or is it through the process of experimentation? Thomas Edison, one of America's greatest innovators, is quoted as saying “To have a great idea, have a lot of them” and “I have not failed. I've just found 10,000 ways that won't work.” Clearly Edison's innovation sprang from experimentation rather than one single “light bulb” moment.

Peter Sims is an author who performed extensive research on creativity, and one of his observations is that breakthrough ideas emerge from small discoveries through the process he calls **little bets**. He describes these **little bets** as “concrete actions taken to discover, test, and develop ideas” and his conclusions include the notion that ingenious ideas “almost never spring into people's minds fully formed,” but instead “emerge through a rigorous discovery process.”

Ingenious ideas almost never spring into people's minds full formed, [but instead] emerge through a rigorous discovery process. — Peter Sims

Get into the flow of ideas

Just like a bear needs to wade out into the stream to take full advantage of all the fish swimming past, an entrepreneur needs to be in the marketplace of ideas in the middle of customer problems to experience a breakthrough. And when combined with another of Sims' revelations regarding the need to unleash your imagination, ideas will then likely bubble to the surface.

For example, Sims points out that Larry Page and

Sergey Brin were working on a Stanford University digital document library project when they accidentally stumbled across their PageRank idea that led to their founding of Google.

Fire adjust, Fire adjust

Much like a hunter, an entrepreneur needs to maintain a process of “fire adjust, fire adjust” in the marketplace to discover where their ideas are hitting, so they can keep adjusting their idea until they hit a bull’s-eye with customers. And, because markets always change,

entrepreneurs will often have to “pivot” or transition their plans to start firing at a new target.

Eliminating bad ideas

The next step is to evaluate your ideas thoroughly in **Step 3: Evaluate** as introduced in “Starting Your Family Business.” The bottom line is that you want to eliminate bad ideas based upon their poor fit with your predetermined evaluation criteria. You should never feel bad about abandoning an idea that is not a good fit with your personal, spiritual, or business evaluation criteria.

See Wade Myers' biographical information on page 24 of this book, or read more of his story at www.WadeTMyers.com.