“I have an idea, now what?”: why a user-centric innovation mindset can help you bring your invention to the market

Alessandro Rossi
alessandro.rossi@unitn.it

@arossiale
arossiale

May 17th, 2017

UniTrento Crash Course on Research Funding, Intellectual Property and Start Up Creation
is this an innovation?
so...what the hell is innovation?

- creativity, novelty
- solution to something
- affordable (price-point)
- target a customer
“Anything that won’t sell I do not want to invent.” (Sir Thomas A. Edison)
don’t take Edison’s law for granted!
don’t take Edison’s law for granted!
repeat with me (& bring home with you)

- invent ≠ bring-to-market
Get the shot while you play.  
'actual Hero photos

GoPro

go pro camera.com
repeat with me (& bring home with you)

• invent ≠ bring-to-market
• success, like Rome, is not built in one day
Instagram
Checkout with PayPal™
repeat with me (& bring home with you)

- invent ≠ bring-to-market
- success, like Rome, is not built in one day
- keep failing (and iterating) until you succeed
it’s not the idea itself...

• ... it’s the customer / problem / idea fit
• “know thy customer!”
• yes... but how exactly?
from segways to overboards

• you need a truly entrepreneurial mindset
• have a vision
• approach the C / P / S
  • customer: who are you adding value to?
  • problem: what’s the pressing need?
  • solution: does your idea solve the problem?
• test the fit
• execute it
• learn / change / iterate
innovation as a process

• No: a yes/no
• No: a one shot
• No: idea as intuition
• Yes: a lifetime mindset
• Yes: learning from feedback and iterating
the workshop in bullet points

• from invention to innovation (S – Solution)
• solution for whom? (C – Customer)
• from solution to problem (P – Problem)
• user-centric innovation (what problem are you solving, for whom and how?)
• talk / live with the customer
• “get out of the building”
• use feedback to improve and to disprove
• fail fast, to succeed faster –> accelerated learning
• iteration makes perfect
Top 20 Reasons Startups Fail
Based on an Analysis of 101 Startup Post-Mortems

- No Market Need: 42%
- Ran Out of Cash: 29%
- Not the Right Team: 23%
- Get Outcompeted: 19%
- Pricing/Cost Issues: 18%
- Poor Product: 17%
- Need/Lack Business Model: 17%
- Poor Marketing: 14%
- Ignore Customers: 14%
- Product Mis-Timed: 13%
- Lose Focus: 13%
- Disharmony on Team/Investors: 13%
- Pivot gone bad: 10%
- Lack Passion: 9%
- Bad Location: 9%
- No Financing/Investor Interest: 8%
- Legal Challenges: 8%
- Don’t Use Network/Advisors: 8%
- Burn Out: 8%
- Failure to Pivot: 7%
three mortal traps
(and how to avoid them)

• solutions in search of a problem
• the “all-in-once effort” syndrome
• confirmation bias
solutions in search of problems

• early on: idea, product, solution
• later: market, customer, need, problem
• particularly the case when:
  – experienced in a technical domain
  – academic spin-offs
  – High-tech / R&D intensive sectors
avoiding the trap
(“solutions in search of problems”)

• scratch your own itch
Problem Customer Solution

- new solution $S$
- compelling problem $P$
- for a specific customer $C$
avoiding the trap
(“solutions in search of problems”)

• scratch your own itch
• “what problem are we solving” (P C S)
• “no pain no gain”:
  – “nice to have” (vitamins)
  – “need” (antibiotics)
• talk to the customer!
• (Adam Berk’s #MilValChal)
100 customer interviews in 60 days earns you $5000 @ $1M valuation
#milvalchal
Ashley @ashr0se · 24 Mar 2015
I accepted the #MILvalCHAL from @sunflowerseeed. 60 days to submit 99 interviews for $5k seed ctt.ec/XeUbo+ Because, why not?

Josh Schukman @joshschukman · 24 Mar 2015
@DECELERATOR Ready to rock the #milvalchal with #socent Bring it on!

Omar @oal1235 · 22 Mar 2015
Finished my first interview for #milvalchal!

Start by talking to 5 customers. End with a million dollar valuation.

After 25 interviews tweet @sunflowerseeed for the new form and access to the mentor group.

Anyone in the WORLD is eligible for the funding as long as you do and submit 100 interviews using this form. Please accept the challenge and encourage others to do the same using hashtag #milvalchal

Submit another response

This form was created using Google Forms. Create your own
#milvalchal

**Startup Funding @DECELEATOR · Mar 19**
The #MilValChal is the single biggest driver of my startup's learning & growth right now. "@serve_smart / bit.ly/milvalchal @sechrest

**Startup Funding and 1 other Retweeted**

**Zafar Satyavan @zafarsatyavan · Feb 20**
@adamberk Completed 10 interviews. Excited to do more.. learning so much!
#milvalchal

**Lend @LendApp · 28 Oct 2015**
@adamberk We're at 90 interviews. Learning a lot about our market!
#milvalchal #leanstartup
My name is Alan Foster, CEO of Lore Media Inc. Our company is looking for ways to use technology to improve the experience of reading literature rather than just replacing it. We’re doing that by formatting 2D text as 3D books in your web browser and VR/AR. It was inspired by the books found in Skyrim, a videogame from the Elder Scrolls series.

A New Chapter in Digital Publishing

- Publish your stories as virtual books (v-books)
- Customize your formatting to add depth and realism
- Share your experiences through third-party embedding

CLICK FOR A DEMO

A 3D book in your web browser, with no downloads or plugins.

Last year I accepted the #MilValChal, conducted 100 interviews, and I posted 2 experiments on Trello. One of those experiments couldn’t be completed, and the other failed miserably. Since then I’ve spent over 6 months working on my startup structure while trying to figure out what went wrong. In this post I’ll share some advice on how to properly create an experiment, as well as how to avoid the mistakes I made myself.
Groceries only take 1 TRIP
“all-in-once effort”

• “but... the prototype is not ready yet!”
• the marshmallow challenge
The Marshmallow Challenge

20 sticks of spaghetti + one yard tape + one yard string + one marshmallow
Specialized Skills + Facilitation Skills = Success
avoiding the trap
(“all-in-once effort”)

avoiding the trap
(“all-in-once effort”)

• build – measure – learn
**Minimum Viable Product**

- Less than a prototype ("keep it simple")
- conceived as first quick step
- prone to iteration
- features and requirements
  - experimental approach (testing)
  - prioritization
  - nice to have vs must have?
avoiding the trap
(“all-in-once effort”)

• build – measure – learn
• pretotyping
• MVP
• crowdfunding
confirmation bias
REALIZING YOU'RE WRONG
IN THE MIDDLE OF A HEATED ARGUMENT
confirmation bias

• human disposition, natural tendency to minimize cognitive dissonance
confirmation bias

• human disposition, natural tendency to minimize cognitive dissonance
• signal filtering, selective attention
confirmation bias

- human disposition, natural tendency to minimize cognitive dissonance
- signal filtering, selective attention
- attempt to confirm one’s own belief system
avoiding the trap
(“confirmation bias”)

avoiding the trap ("confirmation bias")

• falsification approach (scientific method)
  – Is this my customer? (early adopter)
  – Is the need a true pain for the customer?
  – feature testing
Because Your Mommy Loves You

by Andrew Clements

illustrated by R. W. Alley
EVERYBODY LIES.
SHUT UP AND TAKE MY MONEY!
avoiding the trap
(“confirmation bias”)

• falsification approach (scientific method)
  – Is this my customer? (early adopter)
  – Is the need a true pain for the customer?
  – feature testing
• be skeptic of positive feedback
• learn from negative feedback
  – “it does not solve my problem”
  – “it is too complicated”
  – “i won’t buy it because...”
recap: the three traps

• solutions in search of a problem
• the “all-in-once effort” syndrome
• confirmation bias
lesson learned

• start from P:
  – what problem do you want to solve?

• divide and conquer:
  – launch early
  – iterate

• learn from negative feedback
  – invalidate assumptions and pivot
  – if you can’t: -> maybe you are onto something!
SAVE THE DATE:
Demo Day

31 Maggio, ore 17:00
Dipartimento di Economia e Management
“I have an idea, now what?”: why a user-centric innovation mindset can help you bring your invention to the market

Alessandro Rossi
alessandro.rossi@unitn.it

@arossiale
arossiale

UniTrento Crash Course on Research Funding, Intellectual Property and Start Up Creation