Role of Ideas

- An idea starts a business, but never finishes it
- The first idea is not necessarily the best
- Ideas only become products through trial and error
- Ideas can be created or "purchased"

The Great Mousetrap Fallacy

- "If you build it, they will come"
- "If a man can make a better mousetrap.....the world will make a beaten path to his door." Ralph Waldo Emerson
- Only 1-3% of ideas receive venture funding

Why the Fallacy?

- Forgotten past
- Apparent ease of success for notables like IBM, Xerox, etc.
- Focus on invention and products not whole product, business and marketing
- Getting lost in the desire to 'perfect' the product

Best vs. Success

- IBM and UNIVAC
- Lotus and others
- Mac vs. Windows
Creating Ideas

Role of Experience

- 50,000 chunks (Simon 1984)
  - We live about 25,000 days/lifetime = 250,000 waking hours = 1,000,000 15 minute ‘chunks’
  - Takes about 1/20 of a lifetime to really learn something (2-3 yrs)
- Experience allows us to see opportunities
  - Recognize repeatable events
  - Organize randomly generated events and ideas into a pattern
  - Translate patterns into needs and solutions

Examples

- Head Ski
  - Founder’s knowledge of metal bonding + aeronautics >> sports equipment
- Samuel Adams Beer
  - Founder’s knowledge of brewing and business >> microbrewery
- Yahoo
  - Web + roadmap >>> advertising space & destination

Creativity

- Ability to generate new ideas
- Ability to recognize patterns
- Ability to combine and organize ideas
- Ability to prioritize

Brainstorming Guide

- Define purpose
- Choose participants and facilitator
- Generate ideas through free association
- Avoid criticisms
- Record ideas on flip charts
- Identify the best ideas
- Prioritize the best ideas

Purchasing Ideas
The Market for Ideas

• Ideas can come from many sources...
• You don't have to come up with an idea yourself -- You can obtain it from a third party
  - e.g., Rob Vito recognized a great idea from an inventor at Villanova
• where to get ideas?

Sources of Ideas and Opps

• Sources include:
  - Work activity
  - Existing product, service, or process
  - Unfilled market niches
• Other sources...

Other sources....

• Franchises
• Patents
  - e.g., Knowledge Express
• Product Licensing
  - e.g., Apple Macintosh O/S
  - Sources include companies, non-profit organizations, universities

Other (cont.)

• Industry Intelligence
  - Customers
  - Competitors
• Consulting
• Networking
  - Accountants, lawyers, bankers, etc.

Summary

• Ideas start the enterprise but don’t finish it
• Ideas can be manufactured or bought
• Ideas translate into opportunities under certain conditions
  - Q: What are those conditions?