

# STUDENT BULLETIN BOARD AUGUST 2024

## HOW TO COME UP WITH AN INNOVATIVE BUSINESS IDEA

Entrepreneurship is the pursuit of opportunity beyond currently controlled resources. By definition, entrepreneurs seek to fill a need in a new way.

For aspiring entrepreneurs, however, generating strong, novel business ideas can be challenging.

If you're interested in being an entrepreneur, brainstorming ways you can satisfy needs and solve problems is a good place to start.

Remember the golden rule of brainstorming: There are no bad ideas. As your thoughts flow, jot them down so you can later prune the list to focus on your strongest concepts.

Here are some thought-starters for coming up with innovative business ideas and examples of how entrepreneurs have used them to build successful companies.

### HOW TO COME UP WITH A BUSINESS IDEA

Is There an Easier Way?

One place to start brainstorming potential business ideas is by asking yourself, "What task can I make easier?"

A common denominator for successful businesses is their ability to fulfil customer needs. In this case, the need is to create a product or service that makes people's lives easier.

The most innovative businesses have flourished from simple ideas. For example, HelloFresh has taught people how to cook and provided tools to prepare meals more efficiently. It started with a need to make meal planning and grocery shopping easier. By preparing meal kits that directly fulfil busy people's needs, this idea has seen major growth.

This method of creating a product to fill a need can be viewed through the lens of Harvard Business School Professor Clayton Christensen's jobs to be done theory, which he presents in the online course Disruptive Strategy.

"A 'job to be done' is a problem or opportunity that somebody is trying to solve," Christensen says. "We call it a 'job' because it needs to be done, and we hire people or products to get jobs done."

Look for these kinds of opportunities in your own life. Every "job" presents an opportunity to create an easier way to get it done.

By centring your business plan on a particular need, you can increase your chances of building a profitable business.

#### Can I Make This More Accessible?

There are many useful products and services that aren't readily available to the entire market, creating an opportunity to produce a similar, more accessible product offering.

The founding of Airbnb by Brian Chesky and Joe Gebbia is an example that HBS Professor William Sahlman uses in the online course Entrepreneurship Essentials. "Chesky and Gebbia observed how hard it was to find housing during big local events," Sahlman explains. "They decided to list online three air beds in their apartment for people coming to San Francisco for a design conference." From there, they added a third member to their founding team, Nathan Blecharczyk, who built the platform for connecting people with spare rooms to travelers needing a place to stay. They called it AirBed and Breakfast, which later became Airbnb. Chesky and Gebbia noticed hotel rooms weren't easy to book during large events, recognized a business opportunity, and devised a solution to fulfill a need for accessible, short-term lodging.

There are countless industries and companies whose offerings are inaccessible to certain market segments or during specific periods. Consider how you might fill those needs.

#### What Can I Improve About This?

For every successful product offering, there's a multitude of ways to make it better. Think of companies you admire and imagine how you could improve their products. As you do so, consider the following four factors.

### 1. Delivery Process

Your business idea doesn't have to be entirely new—it just has to fill a need. If you can identify a more convenient way of delivering an existing service, it could be an opportunity for your business. Uber is used as an example in Entrepreneurship Essentials. Taxis have existed for decades, but Uber delivered its services in a new, innovative way by linking drivers in their own cars to customers via an app. This example also shows there are no limits to what type of business you can create. Your business' ability to fulfil a need will matter more than whether it's a brick-and-mortar or online business.

### 2. Location

One of the simplest improvements to a product or service is bringing it to a new location. Returning to the Uber example in Entrepreneurship Essentials, ride-sharing company Didi was founded in China—a location Uber hadn't yet reached. Didi used a similar platform and model as Uber but filled a location gap Uber had left open. What products, services, or concepts have you experienced in other places that you'd like to bring to your community?

### 3. Cost

One improvement that can make a significant impact is cost. Determining how to make a high-quality equivalent to a leading product and offer it for a fraction of the price has great potential. Home security brand Wyze was founded using this logic. After four ex-Amazon employees discovered they could produce high-quality security cameras and sell them for one-tenth the cost of leading competitors, they sold one million security cameras in their first year as a company.

It takes testing to ensure product quality isn't sacrificed for a lower price, but finding a way to reduce the cost of an in-demand item could jumpstart your entrepreneurial journey.

### 4. Customer Experience

Taking an existing offering and improving the customer experience for all or a segment of the market can be a valuable way to fill a need.

One example of an organization that's done this well is Wanderful, a platform that, similar to Airbnb, connects travelers to locals who can offer lodging and travel advice—with the provision that all users are women.

Beth Santos, founder and CEO of Wanderful, noticed that female solo travelers made up 11 percent of the travel industry, which failed to take into consideration the safety, gender norm, and cultural concerns of women traveling alone. She improved this experience by creating a network of women that can be tapped into for lodging, travel advice, or just a friendly face in a new location. Wanderful has since expanded its mission to give female and non-binary travelers voices in the travel industry through conferences, communities, and recognition programs.

If there's an opportunity to improve the experience of a specific group of people, act on it and see where the opportunity leads.

### Is It Time to Pivot?

When starting a business, you may need to pivot from your original idea as new needs arise in the market. For instance, Jebbit, a tech startup that originally offered a platform to pay students for the advertisements they watched, saw a rising need for privacy and consent in the consumer data space. It pivoted to create a platform for secure, declared customer data. Another instance in which it makes sense to pivot is during technological evolution. In Disruptive Strategy, Christensen explains that technological advancements can be either sustaining or disruptive innovations, depending on how they impact your company.

Take Netflix: The service was created to allow people to watch movies without going to the video store and accomplished this by mailing DVDs to customers' homes with prepaid return envelopes. When streaming came on the scene in 2007, Netflix implemented the new technology into its business model and has continued to adapt as it's evolved. Because Netflix was able to adopt new technology to continue serving its customers, streaming was a sustaining innovation. In the case of video store Blockbuster, streaming was a disruptive innovation that it tried but couldn't affordably adopt. It ultimately led the business to shut down.

When technological advancements arise, think of how your current business model could shift to use innovation as a sustaining force.

## MORE EXAMPLES OF INNOVATIVE BUSINESS IDEAS

As you think of ideas for businesses, take inspiration from the world around you. Analyze the foundational needs other businesses have fulfilled for society and how they've adapted to what customers want.

Remember: As a future business owner, it's critical to understand your company's core mission. Focusing on that can help align your startup ideas and provide a greater chance for success.

To gain even more insight and inspiration, consider the following examples, which show how diverse your business model and mission can be.

### Notarize

Notarize, the first online platform for legally signing and notarizing documents is just one example of an online start up that discovered an overlooked need. For many, it's a hassle to find a notary public to sign a document in person. This prompted Pat Kinsel, founder and CEO of Notarize, to make this difficult, but necessary, task more convenient.

"It really struck me that notarized documents are often some of the most important things people sign, and yet, we have this system that's 100 years old," Kinsel said in an interview with Inc.

Kinsel designed the Notarize app to connect people to licensed notary publics via video chat so they can see their documents signed in real time.

This need for notarized documents seemed to be a common, but overlooked, need for many professionals. By thinking outside the box, Notarize seized a business opportunity and brought it to its fullest potential.

### Starbucks

The development of Starbucks under former chairman and CEO Howard Schultz is another example that highlights how to efficiently choose locations for your brick-and-mortar.



“Schultz admired the sidewalk coffee shops he’d visited in Italy and decided he would introduce the same basic idea in the United States,” Sahlman says in Entrepreneurship Essentials. “That venture became Starbucks.”

Now, it’s rare to walk a few blocks without seeing a Starbucks on a corner. Strategic locations within high traffic routes created a customer base that’s made Starbucks an essential part of their lives.

### Amazon

Perhaps one of the most well-known companies in the world, Amazon is a prime example of fulfilling people’s need for convenience.

This e-commerce business made it the norm to buy items online—including books, music, movies, housewares, and electronics—and have them quickly and conveniently delivered.

### THINK LIKE AN ENTREPRENEUR

Coming up with an innovative business idea isn’t difficult if you’re observant. By asking yourself key brainstorming questions, you can generate a list of business ideas that fill market needs, improve existing products, and make daily life easier and more enjoyable.

Source : <https://online.hbs.edu/blog/post/how-to-come-up-with-a-business-idea>

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