

Sources of Business Ideas - List

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Business Ideation: Inception and Distillation of business ideas

The beginning is the most important part of the work.

Plato

1) **Inception**: Articulate the origin of the business idea



2) **Distillation**: Describe the evolution of the business idea from its inception to specific products (goods and services).



A Business idea is like a spark to start the flame of a new venture. A new venture is like a sustainable flame. A successful businesses which is like a kitchen. They are all needed to make a meal.

http://en.wikipedia.org/wiki/New_Product_Development#The_process

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Inception: The Origin of Business Ideas - 1



Each new business ideas has a distinctive patterns of development form its inception (origin). New business ideas may originate form many sources, which can be classified into 12 overlapping groups:

Technology
Push

1. **Research and Development (R&D)**
2. **Invention and Patent**
3. **Design and Development (D+D)** – Forward Design
4. **Reverse Design:** Reverse Engineering (Copying, Imitation and Adaptation) and Benchmarking
5. **Extensive Market Research** to explore business opportunities: Societal changes, Demographic changes, etc.

Market
Pull

6. **Feedbacks:** from customers, employees, suppliers, etc. to uncover unarticulated needs
7. **Previous Experience:** Work, Education and Hobby of the Entrepreneurs.

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Inception: The Origin of Business Ideas - 2



8. **Creativity - Individual, Group and Organizational:** such as lateral thinking, mind mapping, metaphors, and brain storming.
9. **Symbiotic Ideas:** Combining two or more existing ideas for a new application
10. **Innovation Inspired by Nature (Biomimetics, Biomimicry):** new business ideas based on observing natural phenomena. Example: Kook-and-loop fasteners (Velcro).
11. **New regulations:** Example Child safety regulations and Child's Car Seat
12. **Eureka and Serendipity:** New business ideas due to unexpended events!

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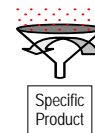
Distillation – Crystallization of Business Ideas

- **Idea Distillation – Idea Crystallization** is a creative process to transform fuzzy business ideas into specific products.
- Idea Distillation stage sometimes is called Idea Funnel or Idea Crystallization.
- Idea Distillation leads to the **Description of Specific Products**, that can be used as an input for the later stages such as Technological Innovation and Customer/Market development.
- The idea distillation stage corresponds to the “opportunity recognition” in the business books.
- **In the process of Idea Distillation, do not kill ideas, morph them!**



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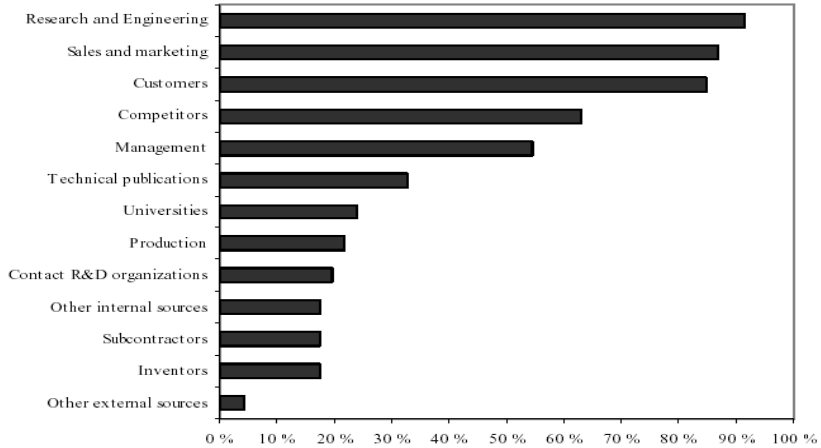
Product Specification



1. Description of the distinct features of the product/service
2. A clear statement of what problems the produce solves, or other potential applications of the product as it might evolve.
3. Limits of the product/service.
4. The existing product/services (similar to your business idea).
5. The existing products (but un-similar to your business idea) that address the same need.
6. The target market for the product (users versus buyers): A) Potential users of this product (consumer and market, B) Potential buyers of this product, if the users and buyers are not the same.
7. The legal, ethical and competition aspects that are unique to this product.
8. Potential stages of development for this product, and anticipated timeline for next stages of product.

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Idea Sources in Finish Companies

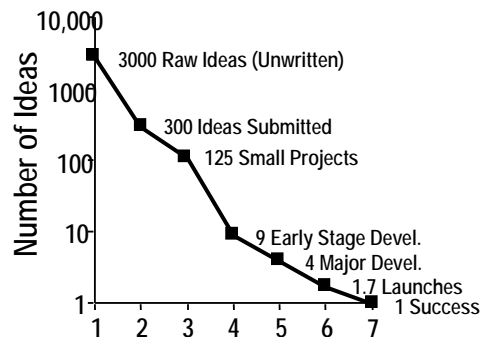


Source: Matti Perttula, et. al. (2005) "Industrial Practices in the Front-End of New Product Development: Empirical Study of the Finish Study."

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Launching New Products

The best way to get a good idea is to get a lot of ideas. (Linus Pauling)



Generally it takes 3,000 raw ideas to yield one substantially new commercially successful industrial product. (Stevens and Burley, 1997)

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