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Three Factors to Improve Entrepreneurial Success

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William Sahlman, professor at Harvard Business School, reflects on three things that helped John Osher, the developer of the low-cost spin toothbrush, succeed. Sahlman identifies three factors: 1) Reflecting on your experience to improve your understanding, 2) Looking at the situation differently to successfully innovate, and 3) Scanning your environment to find new opportunities.



Transcript

I've often thought about John and what lessons you can learn. Because we all go through life, we have these experiences, but what do you take away? One is that John is a reflective practitioner. He goes through life, he says, "What worked and what didn't work? And how do I make better decisions in the future?" And he puts that into practice. He writes down that list of 16 mistakes he doesn't want to have to make. The second issue is that he always had the option to walk away. And I'll describe that in a second. But it means, if you don't have the option to walk away from something, if you can't produce a product you could sell for under six bucks at retail, then this wasn't a viable market. It wasn't a big idea. And John and his colleagues were prepared to walk away. Second, it turned out Procter & Gamble had spent five years and \$20 million trying to design an electric toothbrush.

Now, they focused on creating a less expensive but better version of the Braun or Sonicare \$80 product. So they were trying to have a \$40 or a \$50 product instead of an \$80 product. John was trying to create a better version of a spinning lollipop. So he came at it from a completely different frame. And entrepreneurship often is about thinking about things very differently. Scanning process: John, when he goes to Wal-Mart, he doesn't just look to buy things. He looks for gaps. He looks for opportunities. He looks for situations in which people would buy something at a different price point. And he's very good at it.

It turns out that low price, and therefore, by implication, low cost and low breakeven are critical. Because we are in a world in which prices are headed in two directions: everyday low prices, and everyday high prices.