



Stanford eCorner

Intersection of Opportunity and Need

Ted Zoller, *Kauffman Foundation*

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"Ideas that are not acted on are valueless," says Kauffman Foundation Senior Fellow Ted Zoller, who urges entrepreneurs to take action to release game-changing ideas into the world. Zoller also discusses the approach of entrepreneurs who begin the entrepreneurial process by defining a need in the marketplace.



Transcript

In many cases you start with the innovation, but it's not enough, you have to build something on top of that and that typically is the insight. That insight is how that innovation actually takes root, how it has impact, why it's meaningful. And I'd argue the type of entrepreneur that starts with the innovation usually is what I call an "innovation-based entrepreneur". But there is another typology of entrepreneurship, as a matter of fact that starts in a very different way. How many of you would start this way, start with the idea and then start to find a market for it? And maybe, okay, a lot of you are raising your hands. I think that's a typical modality, right? Ideas are inherently valuable, but ideas that are applied are invaluable. I would suggest that ideas that are left on your list that are not acted on are valueless. These are ideas that need to be released, make them available to society, don't leave them behind. I can't tell you and I bet some of you have been in that situation where some of the best ideas you've had, you see someone else implement, you've had that experience, right? You just let the world just pass you by because you hadn't had the time to make it happen. Think about that leverage, the individuals who are doing two, three, four ideas at a time or working with teams of people to actually make these concepts available.

You know, emulate them. Make that happen. The second piece is a game-changing solution. This is an ingredient that's really critical to high-performance entrepreneurship. What do I mean by that? Ultimately, as you look and this is a great illustration of all the things that are happening in the software and the web environment here, in the social media environment, and that it occurs to me that it's almost a daunting set of solutions, right? Which solutions are going to actually make their way through? You know, many of these started with, just like you started, an idea, but many of these solutions need to find their impact in the market. Only a few will make it through, right? There are certain applications, for instance, certain concepts that end up becoming platforms and then becoming kind of central to our lifestyles, right? It occurs to me when you look at your smartphone, for instance, how many of you have over 100 applications on your - apps on your iPhone now? Can I ask? More than 100 apps? Pretty common. How many do you use on a typical day? One, two, three, right, am I right? How many of you are developing apps, I'm just curious? How many of you are developing apps as we speak? Okay. What's it going to take to make yours a game-changing app? Think about it. What is it going to take to become a game-changer? That is what it's going to take. You've got to dial-in the notion of need, how ultimately is that need being satisfied, how is that pain ultimately being mitigated? I would argue that the intersection of opportunity and need is where the entrepreneur needs to live.

Opportunity is the most exciting type of platform an entrepreneur lives in their life, but need ultimately crystallizes it. That's the acid test. I would argue that there's a class of entrepreneurs, you might be surprised by this, they don't start with an idea at all, they start maybe with the market try to understand what the problems are that we all face. As they're reading the blogs or as they're going through the web or as they're reading the newspaper, believe it or not, in the morning, they actually see compelling need. And on top of that, they define a real customer in their mind. They see a customer, I call that the beachhead. That need is critical. And I would argue that kind of entrepreneur is a marketplace entrepreneur. They don't start with the

innovation, they start with the problem and then they acquire innovation to solve the problem. These are conjoined and they match.

So, the market is my wisest teacher. Honestly, the market will tell you whether or not your idea is going to gain relevance because people will walk with their feet. The market is a beautiful crystallizing test, launch and learns where it's better than learn and launch, you know, I saw that Steve Blank was here, for instance, absolutely true, they're bringing the market into the equation much earlier. We'll hope it'd test your ideas to see if they actually will make their way through.