

URL: https://ecorner.stanford.edu/?post_type=snippet&p=63168

What do Google Wave, the Edsel automobile and the Segway scooter have in common? They're all products that were competently executed by talented and experienced teams, yet failed in the market. Alberto Savoia, Google Innovation Agitator Emeritus, describes how to avoid seemingly great ideas that flop: Get out of "thoughtland," and start collecting your own data immediately.



Transcript

- Gmail, how many people here have Gmail account? Good, how many people here had a Google Wave account? Just fewer hands.. Yes sir, how many Google waves did you ride? - [Audience Member] None.. - None, right.. So actually, you're better than most.. People said two, right? So Google Wave was supposed to be the followup to email, a new paradigm, lots of marketing developed by the same people that did Google Maps, great team, and yet it failed.. And yet you see it has the same Google color, the same Google great engineer, the free massager, the free lunches, all the Google benefits, and yet it failed.. For mast and success, for et-so, not so much, right? So all of these example, what they have in common is that these are companies that are successful with other products and they're launching products that are exactly what they do, like cars, you know, electronic things, movies, and yet they fail.. Cause you cannot defy the law of failure.. To take competent execution plus an idea that is the wrong it, you're guaranteed failure, 100% of the time.. The law of failure is bland..

So you don't want to bring out an idea that is the wrong it, and you ask yourself, well how do I know if an idea is the right it? Well, do not ask.. And what I mean by that is that if all you have is an idea, and you tell other people your idea, the most you can get back are questions, and this is a very dangerous thing to do.. Why? Because ideas live in a place I call Thoughtland.. So in Thoughtland, you have an idea, hey, here's my brilliant idea, you tell it to other people and what do you get back? Just a bunch of opinions.. Oops, I overclicked.. A bunch of opinions, and opinions are subjective, they're biased.. You filter them through your own preferences and beliefs.. I for example, I thought that Uber was a terrible idea.. Strangers picking up strangers from strange places and driving them to spend the night at a stranger's house on the couch? That's another startup idea, Airbnb, which I thought was terrible.. So you need to filter these ideas..

Two horrible things happen in Thoughtland.. The first one is, if you have an idea, and people think it's the greatest thing ever.. One of my favorite examples is the Segway transporter.. You know, those little scooters that you used to see few years ago.. When this was about to be launched, everybody talked about it, right? Everybody thought, best idea ever, it goes on the cover of magazines, it's got some of the best view sees in the Valley.. Architects said, "City will be redesigned so everyone is going around in a scooter." Right, so and then they launch it and we do you see riding Segways? Mall cops and lazy tourist that about it, Right? So um and clearly it's not because failure due to marketing.. People knew about it in fact it was talk all over It not a failure due to operation cause it work well.. I don't know why things fail, Right? I just know that most of them fail.. And these are called an example of a false positive.. People tell you best idea ever you launch it and it fails..

How come on our false positive the most common thing that people launch so everything in the Google graveyard and the um Microsoft morgue in the Amazon ambulance, etc, etc.. All of these are ideas at some point people thought best idea ever.. And then they launch it and it fail, Why? Because you know what doesn't fail? The Law of Market failure, Right.. Most of your ideas will fail even in market if competently executed.. So, First thing that happens people give you a thumbs up; you spend a lot of money, you launch idea, it fails miserably.. The opposite can happen you have an idea and people think it the worst idea ever.. Honestly, I felt that way about Twitter the first time I heard about it.. 140 characters people can follow everyone can follow anyone; sound terrible.. And yet for better or worst, we know that Twitter has change the way that we, you know, converse as a species.. So this is an example of a false negative..

People tell you it a terrible idea and then it succeeds.. So here your dilemma, right? If all you have is any idea you can not

depend on people opinion.. You can not just ask them would you want it, would you buy, what would you do with it.. So what can you depend on; any ideas? Okay well I'll tell you; I'll jump ahead cause we don't a lot of time.. You depend on Data and as you can see.. You trust, not opinion, trust data.. And not just any data your own data, right? Cause when I tell people, you know, you need data beat opinion and you need to collect your data.. People think ah okay yeah well this looks like data, I mean it in a spreadsheet.. So it must be data, NO, Right? There two types of Data: OPD and YODA OPD state for other peoples data.. Can you guess what YODA stated for? - [Audience] Your own data..

- Thank you, you guys are smart, okay you are great.. Yes, your own data and this two are as different in my book, literally, as apples to oranges.. In fact rotten apples and fresh oranges.. OPD is the worst possible thing you can collect, right? So OPD is marketed collected by other people, at other time, for other products, with other methods, with other filters, etc, etc.. It may or may not apply to you and most of the time it doesn't apply to you.. It's dangerous because just because other ideas similar to yours are failed does not mean that yours will fail.. Imagine if Elon Musk thinking of Tesla thought well let me see how other car companies did with electric cars? - (buzzer sound) - Well zero of them succeed said well okay forget this Tesla idea thing I'm going to do something else.. Just because other companies fail with an idea doesn't mean that you will fail.. The opposite is true; just because other have succeeded in the past with your idea doesn't mean that your will succeed.. Apple succeeded with the Iphone..

Google succeeded with the Android and Samsung.. Ah did Amazon succeeded with a fire phone? No, Right? So OPD is very dangerous.. So I urge all my entrepreneurs to collect your own your market data..