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Effective "pretotypes" expose failure quickly and cheaply. Alberto Savoia, Google Innovation Agitator Emeritus, describes how to design a pretotype by hypozooming: State a quantifiable hypothesis, then test it here and now.



Transcript

- People talk a lot about failing fast, but as you can tell from how fast I speak, that's not fast enough for me.. I tell them, I want you to fail Ferrari fast and Fiat cheap.. Sorry, Fiat.. (students laughing) Because remember, most new ideas will fail in the market which means that you have to test a lot of ideas and if you take six months to test ideas, good luck.. Unless your luck is going to take forever.. So pretotyping allows you to test very quickly.. More importantly, you're not going to experience painful failure, 'cause you spent 20 dollars to do a pretotype test, it's an experiment.. It doesn't hurt.. Definitely doesn't hurt as much as spending three years and 25 million dollars to build a product that people do not want.. Strategy number six, Say It With Numbers..

Entrepreneurs and probably most of you, when you have an idea, you come to me and you express it very vaguely.. So here's an idea from some of your fellow students, maybe five, six years ago.. SecondDay Sushi, here's the idea.. Packaged sushi is kind of expensive, so they thought, you know what? If we buy sushi that's about to expire, that's only good for an extra eight hours before it kills you, we can buy for 25 cents on the dollar and sell it at 50 cents on the dollar, and since students are young and have a strong stomach, we can handle it.. So I said, okay, I'm not gonna give you my opinion on your idea, but (gags) But I'm asking them, so this is how they articulate it.. People, lots of them will buy not super fresh sushi if it's cheap enough.. That's pretty much how they expressed it.. I said look, who are these people? How many is lots and what is cheap enough? I was in a room actually outside there, just outside this auditorium, and somebody left formulas, calculus class or electrical engineering class on the wall, and I thought okay, tell you what.. Write it like this, X percent of Y will Z.. I call this the XYZ Hypothesis..

It forces you to write your idea in numbers.. So, in this case, they translated into numbers, 20 percent of packaged sushi buyers will buy SecondDay Sushi if it's half the price of fresher sushi.. How do you know if those numbers are right? You don't, it's a hypothesis.. But at least it articulates and puts into numbers what your ideas are, and what is the job of an hypothesis? A hypothesis exists to be tested and pretotyping, our tool to test hypothesis.. Last point, Think Global, Test Local.. Maybe the SecondDay Sushi team is planning to take over the market.. Every supermarket is going to have SecondDay Sushi, but you need to start to test your ideas very quickly.. You want to minimize this matrix that I explained in my book called Time To Data, Dollars To Data, Distance to Data.. If people say I have this great idea and I need six months, two million dollars, and I need to fly to Hawaii to do my research, I said, well, no.. You're gonna do it here, you're gonna do it for 20 dollars, and I want the results by tomorrow..

A technique for doing that is called hypozooming.. You take this big hypothesis, 20 percent of packaged sushi buyers, and you zoom in.. You know those documentaries where you see, or those videos where you see the Earth from space and then it zooms in to a town, and then to a particular place, and then to a building? I want you to do that in your mind.. You take the big XYZ hypothesis and hypozoom to something you can test here and now.. And when I say here and now, I mean it literally.. Here and now.. So, where are we now? North America, right? Where in North America? Silicon Valley.. Where in Silicon Valley? Stanford University.. Where in Stanford University? Building Y2E2.. And then ask, is there a place in this building or nearby that sells sushi? Yes, there is, upstairs, right? Coupa Cafe..

I said, great.. You're gonna hypozoom, your market, a small sample of your market is there.. You can go from the big XYZ

hypothesis to the small xyz hypothesis, 20 percent of students buying sushi at Coupa Cafe today at dinner will buy SecondDay Sushi.. Do you believe that this is actually testable? Can I do this test? Absolutely, in fact, we did it.. We even did a little video with some of my friends there.. Where are you guys? Yes, we did it here, we filmed it.. We created little labels that said SecondDay Sushi half off, and we slapped them on fresh sushi.. It's an impersonator pretotype, and then we tried to sell them.. In fact if you're there, it's outside the SEVP offices.. Now, how many people do you think bought our SecondDay Sushi? Zero..

(students chuckling) Because the typical thing is well, I don't wanna get sick.. Doesn't mean that SecondDay Sushi has no chance, it just means that you need to do some more tests, but frankly your YODA doesn't look very good...